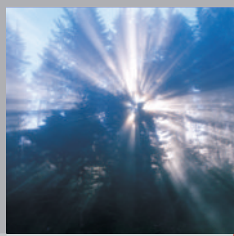
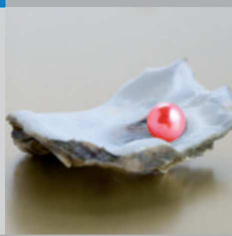




Consolidated Financial Statements 2006

Saes Getters S.p.A.

Capital Stock of €12,220,000 fully paid-in

Corporate Headquarters:
Viale Italia, 77 - 20020 Lainate (Milan), Italy

Registered with the Milan Court
Companies Register No. 00774910152

Structure of the Group as of December 31, 2006

100%
Saes Getters USA, Inc.
Colorado Springs, Colorado (USA)

100%
Saes Pure Gas, Inc.
San Luis Obispo, California (USA)

100%
Saes Advanced Technologies S.p.A.
Avezzano AQ (Italy)

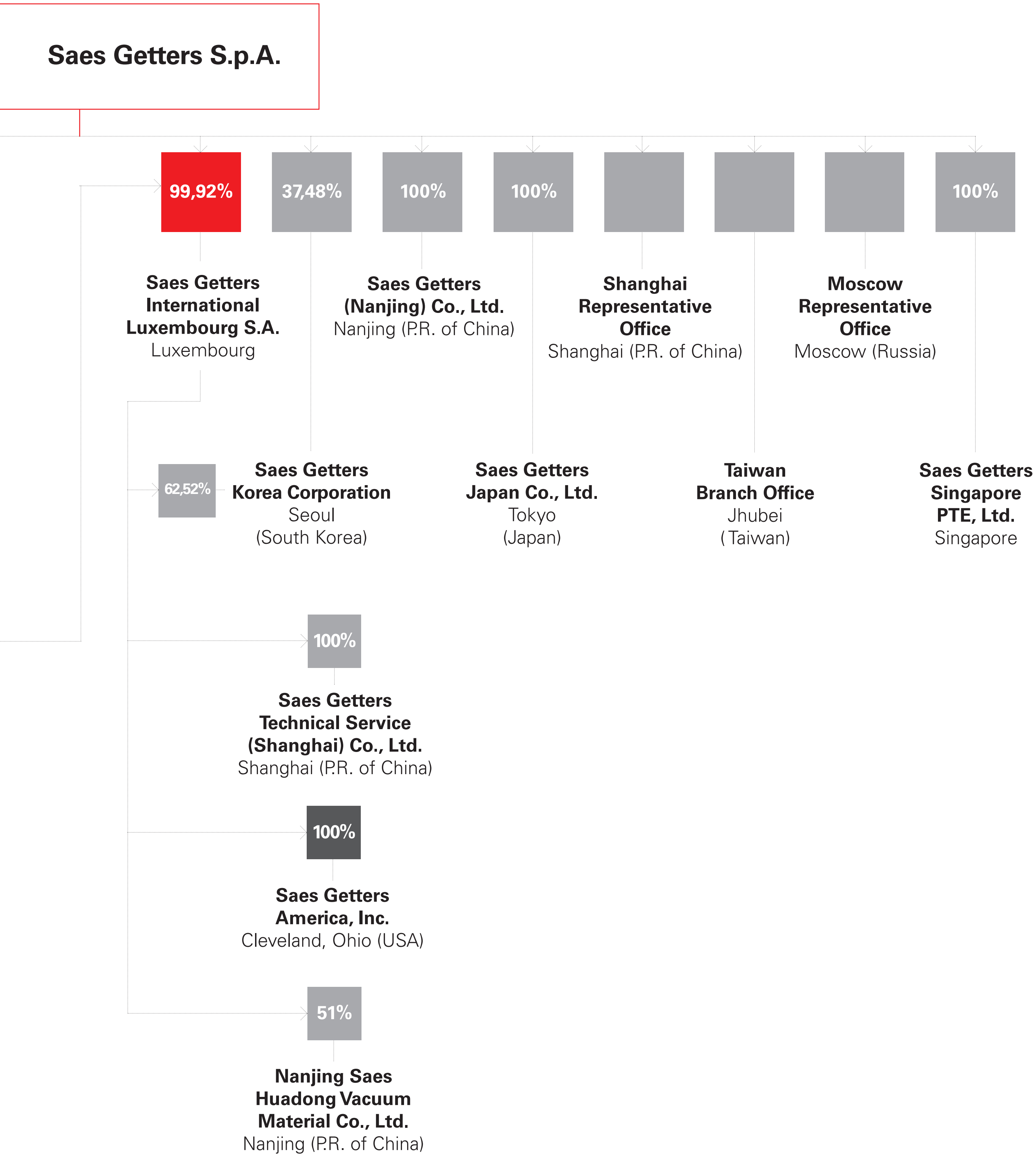
30%
Scientific Materials Europe S.r.l.
Tortolì NU (Italy)

50%
Dr.-Ing. Mertmann Memory-Metalle GmbH
Weil am Rhein (Germany)

100%
Saes Getters (GB), Ltd.
Daventry (United Kingdom)

100%
Saes Getters (Deutschland) GmbH
Cologne (Germany)

0,08%


Saes Getters S.p.A.
99,92%
Saes Getters International Luxembourg S.A.
Luxembourg
37,48%
100%
Saes Getters (Nanjing) Co., Ltd.
Nanjing (P.R. of China)
100%
Shanghai Representative Office
Shanghai (P.R. of China)
Moscow Representative Office
Moscow (Russia)
100%
62,52%
Saes Getters Korea Corporation
Seoul
(South Korea)
Saes Getters Japan Co., Ltd.
Tokyo
(Japan)
Taiwan Branch Office
Jhubei
(Taiwan)
Saes Getters Singapore PTE, Ltd.
Singapore
100%
Saes Getters Technical Service (Shanghai) Co., Ltd.
Shanghai (P.R. of China)
100%
Saes Getters America, Inc.
Cleveland, Ohio (USA)
51%
Nanjing Saes Huadong Vacuum Material Co., Ltd.
Nanjing (P.R. of China)

Honorary President	Emilio Christillin

Board of Directors

Chairman and President	Paolo della Porta
Vice President and Managing Director	Massimo della Porta
Managing Director	Giulio Canale
Directors	Stefano Baldi (1) (2) Roberto Berger (2) Evelina Christillin (2) Giuseppe della Porta (1) (2) Adriano De Maio (1) (3) (4) Andrea Dogliotti (2) Andrea Gilardoni (2) Giuseppe Rolando (3) Andrea Sironi (4) Gianluca Spinola (2) Renato Ugo (3) (4)

(1) Members of the Compensation Committee
(2) Non-executive directors
(3) Members of the Audit Committee (for the internal control and Corporate Governance)
(4) Independent directors

Board of Statutory Auditors

Chairman	Vincenzo Donnamaria
Statutory Auditors	Maurizio Civardi Alessandro Martinelli
Alternate Statutory Auditors	Piero Angelo Bottino Andrea Patarnello

Audit firm

Reconta Ernst & Young S.p.A.

The term of office of the Board of Directors and of the Board of Statutory Auditors, elected on April 27, 2006, expires at the Shareholders' Meeting in which the Financial Statements for the year ended December 31, 2008 are approved.

Powers

Pursuant to Article 20 of the Articles of Association, the Chairman, Vice President and Managing Directors are jointly and each of them severally entrusted with the legal representation of the Company, for the execution of Board of Directors' resolutions, within the limits of and to exercise the powers attributed to them by the Board itself.
By mean of the resolution adopted on April 27, 2006, the Board of Directors granted the President, the Vice-President and Managing Director and the Managing Director the powers of ordinary and extraordinary administration, with the exception of the powers strictly reserved to the competence of the Board or of those powers reserved by law to the Shareholders' Meetings.

The Vice-President and Managing Director Massimo della Porta is also Chief Executive Officer of the Group. The Managing Director Giulio Canale is also Deputy Chief Executive Officer of the Group.

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Letter to Shareholders

Dear Shareholders,

The year 2006 was a record year in the company's history and we are highly satisfied with the results that we have achieved.
The noteworthy appreciation for the company shown by financial market and the excellent performance of the company's stock round out a decidedly positive picture.

We have been fully successful in facing a delicate period of our Company's history, namely the decline of the cathode-ray tube television, which was the Company's main business sector for many years. We have hard work ahead of us in order to keep the position of leadership we have gained for ourselves in the sector of lamps for liquid crystal display backlighting. The market has registered very high growth rates accompanied by equally rapid erosion of prices. We have responded to these market trends in the best way we know: introducing innovative products (high-yield mercury wires) to the market, allowing us to hold our prices steady and continue to achieve exceptional profitability.
Over the next few years we expect that volumes will continue to expand and we will be deeply committed to maintaining the Company's results.

We have held and even strengthened our position of leadership in industrial applications with an evident impact on the relative Business Unit's profitability. We do not foresee significant changes over the years to come.

The large-scale projects underlying the Company's organic growth are progressing in line with our expectations and we project very satisfying results in this connection over the next few years.

During this year we will also dedicate ourselves to identifying new opportunities for development and growth through acquisitions.

Once again, this year's excellent bottom line and our solid financial situation will allow us to compensate Shareholders generously for their constant trust in our company.

Dr Ing. Massimo della Porta
Vice-President, Managing Director
and Group CEO

Group financial highlights

Group financial highlights

(thousands of euro)

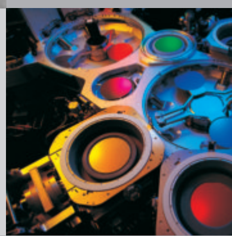
Income statement data	Year 2006	Year 2005	Difference	Difference %
NET SALES				
- Information Displays	109,541	88,375	21,166	24.0%
- Industrial Applications	54,499	49,459	5,040	10.2%
- Advanced Materials	1,560	746	814	109.1%
Total	**165,600**	**138,580**	**27,020**	**19.5%**
EBITDA*	**65,550**	**45,235**	**20,315**	**44.9%**
% on sales	39.6%	32.6%		
OPERATING INCOME (LOSS)				
- Information Displays	58,212	41,772	16,440	39.4 %
- Industrial Applications	9,446	1,670	7,776	465.6 %
- Advanced Materials & Corporate Costs	(13,407)	(10,678)	(2,729)	25.6%
Total	**54,251**	**32,764**	**21,487**	**65.6%**
% on sales	32.8%	23.6%		
NET INCOME	**31,391**	**21,007**	**10,384**	**49.4%**
% on sales	19.0%	15.2%		

Balance Sheet and financial data	December 31, 2006	December 31, 2005	Difference	Difference %
Property, plant and equipment, net	61,303	60,493	810	1.3%
Shareholders' equity	169,055	170,597	(1,542)	-0.9%
Net financial position	90,372	85,861	4,511	5.3%

Other information	Year 2006	Year 2005	Difference	Difference %
Cash flow from operating activities	56,706	37,251	19,455	52.2%
Research & development expenses	15,609	14,629	980	6.7%
Number of employees as at December 31**	852	879	(27)	-3.1%
Personnel cost	42,694	42,586	108	0.3%
Purchase of property, plant and equipment	10,883	9,606	1,277	13.3%

* EBITDA is not deemed a measure of performance under International Financial Reporting Standards IFRS and must not be considered as an alternative indicator of the Group's operations. However, we believe that EBITDA is an important parameter for measuring the Group's performance. Since the calculation of EBITDA is not regulated by applicable accounting standards, the method applied by the Group may not be homogeneous with methods adopted by other groups. EBITDA is defined as operating income plus depreciation and amortisation of non-current assets.

** This figure includes personnel employed by Italian Group companies with contract types other than salaried employment agreements.



saes getters

Information on the management
of the Saes Getters Group

Information on the management of the Saes Getters Group

A pioneer in the development of getter technology, the Saes Getters Group leads the world in a wide range of scientific and industrial applications that require high vacuum conditions and ultra-pure gases. In its 60 years of operation, the Group's getter solutions have powered technological innovation in sectors including information display and illumination, complex high-vacuum systems, and vacuum-thermal insulation, in technologies ranging from large vacuum power tubes to miniaturized devices such as microelectronic and micromechanical systems mounted on silicon wafers. The Group also leads the market in the ultra-pure gas purification systems for the semiconductor industry and other high-tech industries.
Since 2004, drawing on the skills it has acquired in special metallurgy and materials science, the Saes Getters Group has been expanding its sectors of operation to include the advanced materials market through the introduction of new product lines such as optical crystals and shape memory alloys.
With an overall production capacity spread out over ten facilities on three continents, a commercial and technical support network with worldwide coverage, and more than 800 employees, the Group brings together multicultural skills and experience, making it a global firm in the full sense of the term.
The Headquarters of Saes Getters are situated in the outskirts of Milan.
Saes Getters has been listed on the STAR Segment of the Italian Electronic Stock Exchange ("Mercato Telematico Azionario") since 1986.
The Group's organisational structure consists of two Business Units (Information Displays and Industrial Applications) and one Business Development Unit (Advanced Materials). Furthermore, partly as a result of the introduction of the new IFRS accounting standards, corporate costs and research and development costs geared towards diversification in the area of advanced materials (Advanced Materials Business Development Unit) are disclosed separately from the two Business Units, Information Displays and Industrial Applications.

The organisational structure based on Business Units and Business Areas is shown in the following table:

Information Displays Business Unit	
Flat Panel Displays	Getters and metal dispensers for flat panel displays
Cathode Ray Tubes	Barium getters for cathode ray tubes
Industrial Applications Business Unit	
Lamps	Getters and metal dispensers used in discharge lamps and fluorescent lamps
Electronic Devices	Getters and metal dispensers for electron vacuum devices
Vacuum Systems and Thermal Insulation	Pumps for vacuum systems and getters for thermal insulated devices
Semiconductors	Gas purifier systems for the semiconductor industry and other industries
Advanced Materials Business Development Unit	
Advanced Materials	Getters for microelectronic and micromechanical systems, optical crystals, shape memory alloys

Information Displays Business Unit

Flat Panel Displays Business Area
For the television set, monitor and flat panel display industry, Saes Getters develops

innovative technologies that are considered strategic for maintaining the vacuum and for absorbing harmful gases, thereby allowing for improved efficiency and longer lifespan of displays. The Business Area in question offers support for many of the most advanced developments in the flat panels industry, including plasma screens, Field Emission Displays (FED), Organic Light Emitting Diode (OLED) displays and Liquid Crystal Diplay (LCD) backlighting devices.

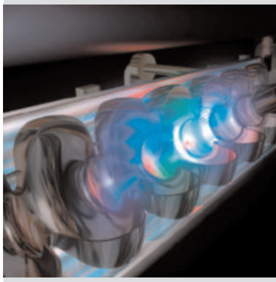
Cathode Ray Tubes Business Area
Saes Getters is the world leader in the production and supply of getters used to maintain vacuum conditions in cathode ray tubes for colour televisions and monitors. With a market share higher than 80%, Saes Getters guarantees the satisfaction of its customers with a product range that combines technology, quality and services and offers the market reliable and cost-effective solutions.

Industrial Applications Business Unit

Lamps Business Area
Saes Getters is the world leader in the supply of getters and metal dispensers for lamps. Its innovative and high-quality products work for preserving the vacuum and the purity of the refill gases, thereby maintaining optimum lamp operation conditions over time.
Saes Getters has also been involved for years in the development of mercury dispensers with a low environmental impact, in line with the stricter international legislation in force in this area.

Electronic Devices Business Area
The Electronic Devices Business Area provides advanced technological solutions to a wide range of markets, including the aeronautical, medical, industrial, security and defence sectors. The products developed are able to satisfy the most stringent application requirements in terms of the high quality of the guaranteed vacuum and are employed in various devices such as night vision devices, infrared seeking devices, X-ray tubes and laser gyroscopes.

Vacuum Systems & Vacuum Thermal Insulation Business Area
The expertise that has been gained in vacuum technology, degassing, permeation and gettering properties of materials has served to boost the development of vacuum pumps based on non-evaporable getter materials (NEGs) and a proprietary technology for vacuum thermal insulation. Saes Getters' NEG pumps are used in both industrial and scientific applications including analytical instruments, vacuum systems and particle accelerators. Saes Getters solutions for vacuum thermal insulation include NEG products for cryogenic applications, for vacuum dewars and for solar collectors as well as vacuum insulating panels whose main use is for refrigerated transport containers.



Semiconductors Business Area
The mission of this Business Area is to develop and sell advanced gas purification systems for the semiconductor industry and for high-tech industries. Through the subsidiary Saes Pure Gas, Inc., the Group offers a full range of purifiers for bulk gases and special gases as well as vacuum pumps that can be used directly inside process rooms. The range of Saes Getters purifiers, which covers the full spectrum of flows required and all gases normally used in the processes involving the production of semiconductors, represents the market standard as regards the technology used, the totality of impurities removed and the lifespan of the purifiers.

Advanced Materials Business Development Unit

Getters per MEMS
In order to support adequately the growing trend for smaller microelectronic and microelectromechanic devices, Saes Getters has developed solutions that involve the use of thin film getters, measuring just a few microns thick, that can be deposited on various substrates in a wide variety of forms. By maintaining the vacuum or inert gas purity conditions present inside application devices, thin film getters ensure optimum functioning, improving their performance and significantly increasing their life-span.

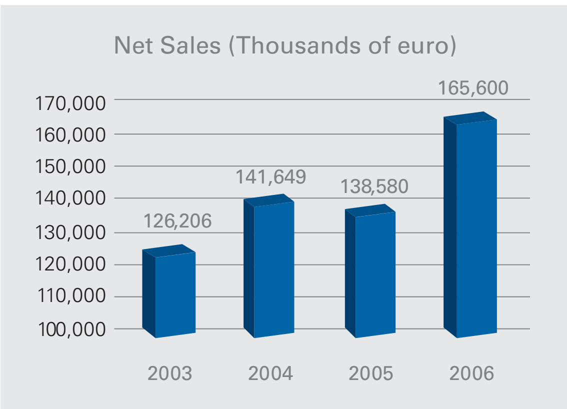
Shape Memory Alloys
From raw materials, Saes Getters produces shape memory alloy components, a family of advanced materials characterised by superelasticity and by the property of assuming predefined forms when subjected to heat treatment. The Saes Getters production process, integrated vertically, allows for complete flexibility in the supply of the products, together with total quality control.

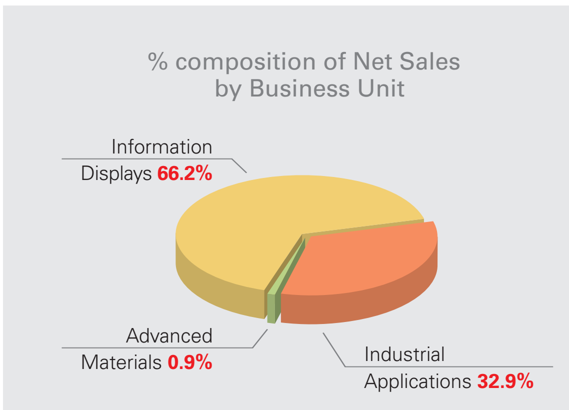
Optoelectronic Materials
The product line includes advanced optical crystals for the electronic devices and industrial lasers markets. In this area, Saes Getters aims to offer its customers a competitive advantage by supplying high added-value photonic material, guaranteed by full control of the techniques for growing monocrystals and their manufacture and characterisation processes.

Following the entry into force of EC Regulation No. 1606/2002, the Saes Getters Group has adopted International Accounting Standards/International Financial Reporting Standards (IAS/IFRS) as from January 1, 2005. The 2006 Financial Statements have been prepared according to these standards.

Sales and income for the year ended December 31, 2006

The 2006 financial year was characterised by excellent margins, in absolute and percentage terms, and represented a further improvement on 2005 principally as a result of the growth in net sales and a better sales mix. Of particular note is the excellent trend in sales of flat panel display components (Flat Panel Displays Business Area) only partly offset by the downturn in sales in the Cathode Ray Tube Business Area due to the decline of the traditional cathode ray tubes market. The figures for the year were affected by restructuring costs in the cathode ray tube manufacturing area.





Consolidated net sales in 2006 were €165,600 thousand, up 19.5% on the figure of €138,580 thousand recorded in the previous year. It should be noted that during 2006 the Group acquired 100% ownership of Saes Getters (Nanjing) Co., Ltd. (formerly Nanjing Saes Huadong Getters Co., Ltd.) by purchasing the remaining 35% stake; during 2005 the Group sold its stake in FST Consulting International, Inc. Excluding these changes in the consolidation perimeter, consolidated net sales grew by 20.6% on 2005.

The table below gives a breakdown of 2006 and 2005 net sales according to Business Unit and Business Area:

(thousands of euro)

Business Unit e Business Area	2006	2005	Total difference	Total difference %	Price/ Quantity effect %	Exchange rate effect %
Flat Panel Displays	80,429	56,158	24,271	43.2%	44.5%	-1.3%
Cathode Ray Tubes	29,112	32,217	(3,105)	-9.6%	-9.8%	0.2%
Subtotal Information Displays	**109,541**	**88,375**	**21,166**	**24.0%**	**24.9%**	**-0.9%**
Lamps	13,011	11,128	1,883	16.9%	18.2%	-1.3%
Electronic Devices	13,946	12,367	1,579	12.8%	13.8%	-1,.0%
Vacuum Systems and Thermal Insulation	7,573	7,079	494	7.0%	8.4%	-1.4%
Semiconductors	19,969	18,885	1,084	5.7%	6.9%	-1.2%
Subtotal Industrial Applications	**54,499**	**49,459**	**5,040**	**10.2%**	**11.4%**	**-1.2%**
Subtotal Advanced Materials	**1,560**	**746**	**814**	**109.1%**	**110.0%**	**-0.9%**
Total Net Sales	**165,600**	**138,580**	**27,020**	**19.5%**	**20.5%**	**-1.0%**

Net sales in the **Information Displays Business Unit** totalled €109,541 thousand, an increase of €21,166 thousand (+24.0%) on 2005. Currency trends produced a negative exchange rate effect of 0.9%.

Net sales in the *Flat Panel Displays Business Area* were €80,429 thousand, a significant increase (+43.2%) on the €56,158 thousand recorded in 2005, thanks to higher sales of mercury dispensers used in cold cathode fluorescent lamps for liquid crystal display backlighting.

The *Cathode Ray Tubes Business Area* achieved net sales of €29,112 thousand, down by 9.6% on the figure of €32,217 thousand recorded in 2005, owing to the shrinkage of the cathode ray tubes market. The Cathode Ray Tubes Business Area showed a 16.5% drop in net sales with the same scope of consolidation, given the purchase of a 35% equity stake in Saes Getters (Nanjing) Co., Ltd. in January 2006.

Net sales in the **Industrial Applications Business Unit** totalled €54,499 thousand, down by €5,040 thousand (10.2%) on 2005. The strengthening of the euro against the major foreign currencies produced a negative exchange rate effect of 1.2%.

Net sales in the *Lamps Business Area* were €13,011 thousand, up 16.9% from €11,128 thousand in 2005, chiefly due to increased sales of fluorescent lamp components.

Net sales in the *Electronic Devices Business Area* were €13,946 thousand in 2006, a 12.8% increase on 2005, driven by higher sales of porous getters.

Net sales in the *Vacuum Systems and Thermal Insulations Business Area* were €7,573 thousand in 2006, up by 7% on the figure of €7,079 thousand recorded in 2005. The increase is mainly due to higher sales in all of the Business Area's product families.

Net sales in the *Semiconductors Business Area* were €19,969 thousand in 2006, up by 5.7% on the figure of €18,885 thousand recorded in 2005. The increase is mainly due to higher sales of gas purifiers. Please note that the shareholding in FST Consulting International, Inc. was sold during 2005. On a like-for-like basis of consolidation perimeter, the Business Area posted a 33% increase in net sales.

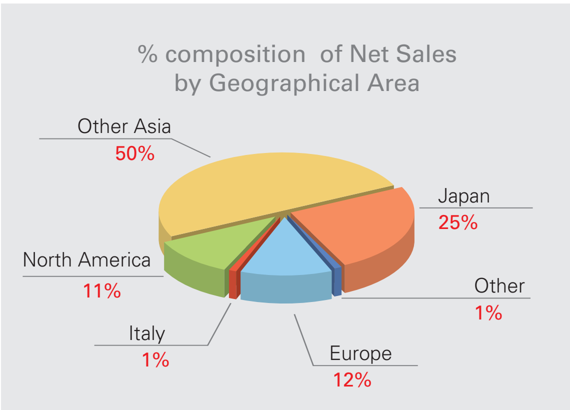
Net sales in the **Advanced Materials Business Development Unit** totalled €1,560 thousand in 2006, driven by sales of getter films for MEMS applications and synthetic crystals for laser applications.

A breakdown is given below of net sales by geographical location of customers:

(thousands of euro)

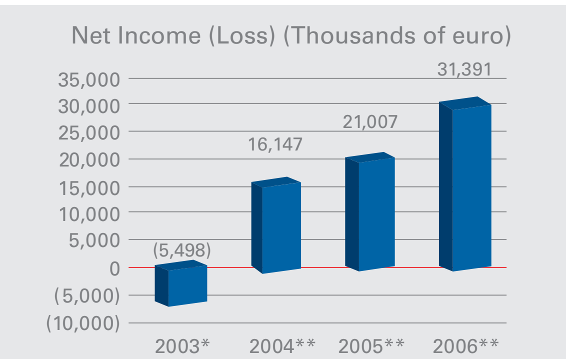
Geographic Area	2006	%	2005	%	Difference	%
Italy	1,008	0.6%	760	0.5%	248	32.6%
Other UE and Europe	19,697	11.9%	19,289	13.9%	408	2.1%
North America	17,971	10.9%	20,976	15.1%	(3,005)	-14.3%
Japan	41,631	25.1%	36,442	26.3%	5,189	14.2%
Other Asia*	82,879	50.0%	58,763	42.4%	24,116	41.0%
Other	2,414	1.5%	2,350	1.7%	64	2.7%
Total Net sales	**165,600**	**100.0%**	**138,580**	**100.0%**	**27,020**	**19.5%**

*of which to South Korea €34,980 thousand in 2006 and €23,593 thousand in 2005.



Net sales by geographical location show a significant increase in sales on Asian markets as a result of the increasing demand for mercury dispensers used in cold cathode lamps, partially offset by the drop in sales on the North American market chiefly due to the sale of the shareholding in FST Consulting International, Inc.

The Group recorded a net income of €31,391 thousand, compared with a net income of €21,007 thousand in the previous year. The 2006 result was brought about not only by the strong trend in sales of more profitable products but also from the benefits in economic terms arising from the policy of focussing on strategic and profitable activities. Please note that the above figure was affected by restructuring costs.



* Figures prepared according to Italian accounting standards
** Figures prepared according to IAS/IFRS

Consolidated **gross profit** was €106,799 thousand in 2006 compared with €76,443 thousand in 2005. Expressed as a percentage of net sales, gross profit increased from 55.2% in 2005 to 64.5% in 2006, driven by increased net sales and a better sales mix.

The following table shows gross profit for 2006 and 2005 according to Business Unit:

(thousands of euro)

	2006	2005	Difference	
Information Displays	81,710	58,567	23,143	39.5%
Industrial Applications	25,252	18,425	6,827	37.1%
Advanced Materials & Corporate Costs	(163)	(549)	386	-70.3%
Gross Profit	**106,799**	**76,443**	**30,356**	**39.7%**

Gross profit in the **Information Displays Business Unit** was €81,710 thousand in 2006, an improvement on the figure of €58,567 thousand recorded in 2005. The rise is attributable to the increase in net sales and to a more favourable sales mix.

Gross profit in the **Industrial Application Business Unit** was €25,252 thousand in 2006, an improvement on the figure of €18,425 thousand recorded in 2005. The rise is attributable to the increase in net sales and to a more favourable sales mix.

Gross loss in the **Advanced Materials Business Development** Unit was €163 thousand, down from €549 thousand in 2005.

Consolidated EBITDA was €65,550 thousand in 2006 compared with €45,235 thousand in 2005. Expressed as a percentage of net sales, EBITDA was 39.6% in 2006 as against 32.6% in 2005.

Consolidated operating income was €54,251 thousand in 2006, up on the figure of €32,764 thousand recorded in 2005. The increase is due to the improvement in gross profit only partly offset by higher operating expenses, particularly general and administrative expenses.

The following table shows operating income for 2006 and 2005 according to Business Unit:

(thousands of euro)

	2006	2005	Difference	
Information Displays	58,212	41,772	16,440	39.4%
Industrial Applications	9,446	1,670	7,776	465.6%
Advanced Materials & Corporate Costs	(13,407)	(10,678)	(2,729)	25.6%
Operating income	**54,251**	**32,764**	**21,487**	**65.6%**

Operating income in the **Information Displays Business Unit** was €58,212 thousand in 2006, an improvement on the figure of €41,772 thousand recorded in 2005. The increase is attributable to the increase in net sales and to a more favourable sales mix only partly offset by higher operating expenses. Please note that non-recurring restructuring costs affected the 2006 figures.

Operating income in the **Industrial Applications Business Unit** was €9,446 thousand in 2006, up from €1,670 thousand in 2005. The increase in operating income is chiefly due to higher net sales and lower operating expenses due to the aforementioned sale in the Semiconductors Business Area during 2005. Please note that some non-recurring costs were incurred in 2006 in relation to the writedown of part of the assets of the Chinese company Saes Getters Technical Service (Shanghai) Co., Ltd. following the decision to discontinue production.

The operating loss in the item **Advanced Materials & Corporate Costs** includes both the income of the Advanced Materials Business Development Unit and corporate structural costs. The increased loss on the 2005 figure is chiefly due to the increase in general and administrative expenses.

Personnel costs totalled €42,694 thousand, substantially unchanged from the figure of €42,586 in 2005, despite the increase in the average number of the Group's salaried employees in countries with low labour costs due to the acquisition of a 35% equity stake in Saes Getters (Nanjing) Co., Ltd. (formerly Nanjing Saes Huadong Getters Co., Ltd.).

Research and development expenses, entirely charged to income as they do not meet the criteria laid down in International Accounting Standard IAS 38 for mandatory capitalisation, totalled €15,609 thousand (9.4% of consolidated net sales) compared with €14,629 thousand in 2005 (10.6% of consolidated net sales).

The item “Restructuring costs” includes a provision of €4 million for the process of rationalising and reorganising production activity for the Cathode Ray Tubes Business Area (as concerns personnel, the relative agreements were reached with labour unions in October 2006). The aforementioned process, the purpose of which is to bring production capacity into line with the market demand, also calls for the use of the redundancy schemes established by applicable Laws.

The item "Other income (expenses), net" totalled positive €679 thousand compared with a net income of €283 thousand in 2005.

The net balance of financial income (expenses) was €1,805 thousand in 2006, as against €1,296 thousand in 2005; the associated companies' share of financial income and expenses had a negative impact of €179 thousand in 2006.

The recalculation of the fair value of non-current assets from discontinued operations resulted in income of €498 thousand, as against €106 thousand in expenses in 2005, deriving from the aforementioned sale of the shareholding in the controlled FST Consulting International, Inc.
Exchange rate differences produced a loss of €2,115 thousand in 2006 compared with a gain of €1,157 thousand in 2005. The change reflects the trend of exchange rates during 2006 compared with 2005.

Particular attention was placed on managing the exchange rate risk in order to protect the Group's margins against fluctuations in exchange rates. To this end, transactions were carried out in 2006 to hedge against the risk of exchange rate fluctuations. In detail, contracts were entered into in 2006 to hedge trade receivables in dollars for a total nominal amount of $27,360 thousand, and to hedge trade receivables in Korean won for a total nominal amount of 3,752,300 Korean won.

Income taxes came to €22,869 thousand in 2006 compared with €14,104 thousand in 2005. Taxes rose from 40.2% of income before taxes in 2005 to 42.1% in 2006. This increase is primarily due to the higher tax rate applicable to certain group companies, offset by the fall in the provision for deferred tax liabilities due in the event of the distribution of profits and reserves by subsidiaries.

Consolidated net income in 2006 was €31,391 thousand, compared with €21,007 thousand in the previous year, and represents 19% of consolidated net sales (15.2% in 2005).

Net income for the period includes depreciation of tangible and amortisation of intangible assets in a total amount of €10,846 thousand (€10,896 thousand in 2005).

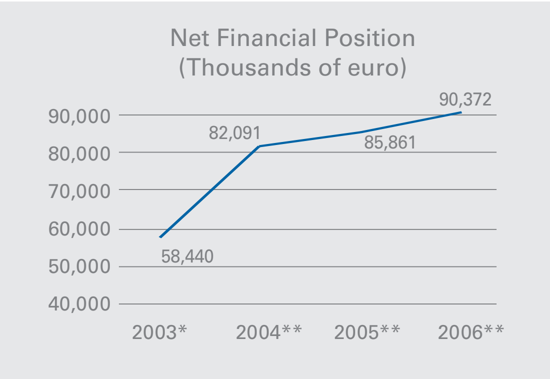
The Consolidated Financial Statements and the respective explanatory Notes included in this 2006 report were audited by the firm Reconta Ernst & Young S.p.A.

Financial position - Investments - Other information

A breakdown is given below of the items making up the consolidated net financial position (in thousands of euro):

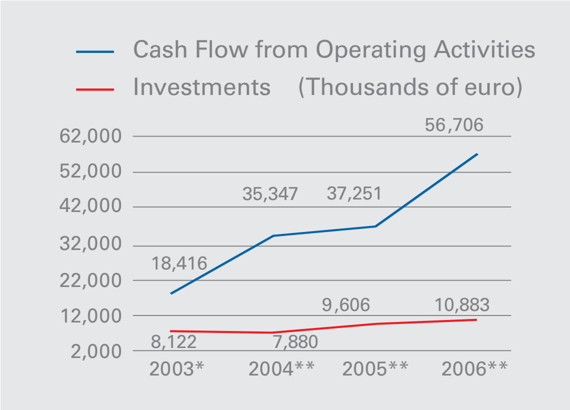
(thousands of euro)

	December 31, 2006	December 31, 2005
Cash on hand	28	29
Cash equivalents	93,851	93,214
Cash and cash equivalents	**93,879**	**93,243**
Current financial assets	**388**	**-**
Bank overdraft	67	2,798
Current portion of long term debt	839	257
Other current financial liabilities	-	893
Current financial liabilities	**906**	**3,948**
Current net financial position	**93,361**	**89,295**
Long term debt, net of current portion	2,989	3,434
Non current financial liabilities	**2,989**	**3,434**
Net financial position	**90,372**	**85,861**



* Figures prepared according to Italian accounting standards
** Figures prepared according to IAS/IFRS

The **financial position** as at December 31, 2006 shows net cash and cash equivalents of €90,372 thousand, comprising cash and cash equivalents of €93,879 thousand, current financial assets of €388 thousand, and financial liabilities of €3,895 thousand, compared with net cash and cash equivalents of €85,861 thousand as at December 31, 2005. The increase since that date is principally due to the cash flow generated from operating activities (€56,706 thousand), partly used for the distribution of dividends (€29,265 thousand) and acquisitions of shareholdings and other investments (€22,145 thousand).

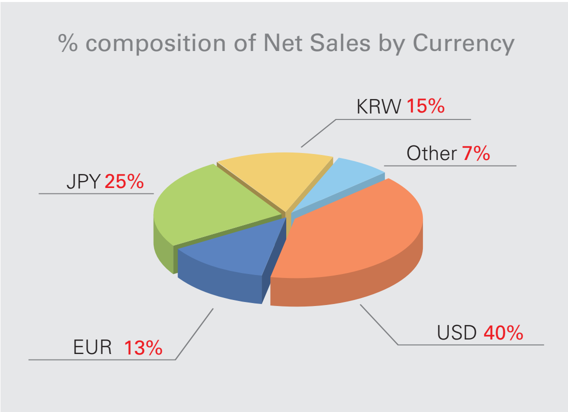


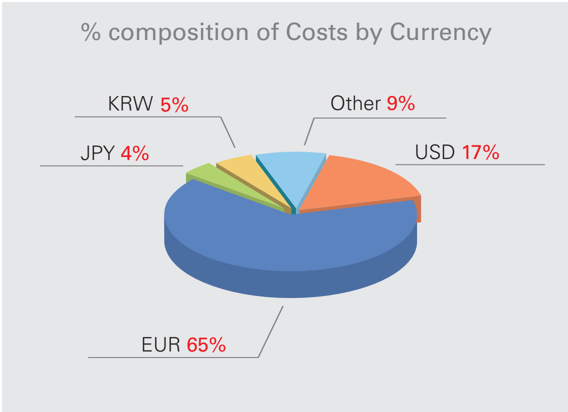
* Figures prepared according to Italian accounting standards
** Figures prepared according to IAS/IFRS

The cash flow from operating activities was €56,706 thousand, equivalent to 34.2% of net sales, compared with €37,251 thousand in 2005, equivalent to 26.9% of net sales. The increase was mainly due to higher income before taxes and the allocation of funds to provisions for staff leaving indemnity and contingencies and obligations.

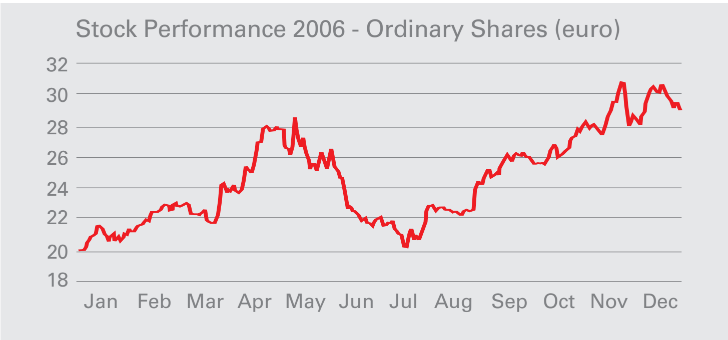
Investments in fixed assets totalled €10,883 thousand in 2006, as against €9,606 thousand in 2005, and were chiefly directed towards the installation of new production lines, enhancement and expansion of existing lines, and the broadening of research activity at Corporate level.

The composition of net sales and operating costs by currency is given below:





The official price trends for ordinary and savings shares during 2006 are given below.



Ordinary and savings shares listed on the STAR segment of Borsa Italiana's Mercato Telematico Azionario performed brilliantly in 2006, increasing their values by 44% and 45% respectively, compared with the 19%, 21% and 17% increases recorded on the Mibtel, AllSTAR and TechSTAR indices respectively.

The following table shows the main ratios:

Ratios		2006	2005	2004
Operating income/Net sales	%	32.8	23.6	20.9
Income before taxes/Net sales	%	32.8	25.3	21.2
Net income/Net sales	%	19.0	15.2	11.4
Net income/Average shareholders' equity (ROE)	%	20.5	14.6	10.9
Research expenses/Net sales	%	9.4	10.6	9.6
Depreciation of tangible assets/Net sales	%	6.0	7.0	7.7
Cash flow from oper. act./Net sales	%	34.2	26.9	24.9
Taxes/Income before taxes	%	42.1	40.2	46.2
Net sales/Average No. of personnel		194	168	150
Accumulated depreciation/Tangible assets	%	60.8	59.1	57.1

Performance of subsidiaries

SAES ADVANCED TECHNOLOGIES S.p.A. - Avezzano, AQ (Italy)
In 2006, the company posted net sales of €75,198 thousand compared with €58,618 thousand in 2005. Exports accounted for 91% of net sales. Sales of products in the Flat Panel Displays Business Area increased significantly, particularly sales of mercury dispensers used in cold cathode fluorescent lamps for liquid crystal display backlighting. This growth was partially reinforced by the expansion of sales in the Lamps Business Area and Electronic Devices Business Area, and only partially offset by the downturn in sales of products in the Cathode Ray Tubes Business Area as a result of the decline in the traditional cathode ray tubes market. The company ended 2006 with a net income of €22,635 thousand, compared with €15,193 thousand in 2005. The improvement in the result is largely due to increased net sales and a more favourable sales mix.

SAES GETTERS USA, INC. - Colorado Springs, CO (USA)
The company posted consolidated net sales of $31,435 thousand in 2006 (€25,036 thousand at the average exchange rate for 2006), compared with $31,771 thousand (€25,538 thousand at the average exchange rate for the previous year) and a consolidated net income, according to International Accounting Standards, of $5,477 thousand (€4,362 thousand), compared with a consolidated net income of $3,210 thousand (€2,580 thousand) in 2005.

Further comments are given below.

The US parent company *Saes Getters USA, Inc.* (products in the Information Displays and Industrial Applications Business Units, and, as from 2005, the Advanced Materials Business Development Unit) posted sales of $8,205, as against net sales of $16,993 thousand in 2005. The decrease in sales was primarily due to the sale to Saes Getters America, Inc. of activities previously conducted in the Cleveland production plant in the second half of 2005. The company ended the year with net income of $1,915 thousand, up from the figure of $1,565 thousand in 2005. The increase in income despite the downturn in net sales was chiefly driven by a more favourable sales mix and the reduction of certain structural costs due to the sale of the Cleveland plant and the relative facilities to Saes Getters America, Inc.

The controlled *Saes Pure Gas, Inc.,* based in San Luis Obispo, California (USA) (products in the Semiconductors Business Area) posted sales of $23,229 thousand, up from the previous year ($14,778 thousand), as a result of increased sales of large and small purifiers. The company ended the year with a net income of $3,562 thousand, compared with a net income of $1,596 thousand in 2005. The rise in income was driven by increased net sales.

SAES GETTERS JAPAN CO. LTD. - Tokyo (Japan)
The company posted sales of JPY7,542 million (€51,654 thousand at the average exchange rate for 2006), higher than in 2005 (JPY6,751 million, equivalent to €49,334 thousand at the average exchange rate for 2005), and a net income of around JPY482 million (€3,300 thousand) compared with JPY442 million in 2005 (€3,229 thousand).

SAES GETTERS SINGAPORE PTE, LTD. - Singapore (Singapore)
The company posted net sales of SGD8,649 thousand in 2006 (€4,337 thousand based on the average exchange rate in 2006), which were lower than in 2005 (SGD14,095 thousand, equivalent to €6,808 thousand). The downturn in net sales can be attributed to the drop in sales in the Cathode Ray Tubes Business Area and to the drop in sales in the Semiconductors Business Area, partly due to the restructuring process carried out in past years. The company ended the year with a net loss of SGD147 thousand (€74 thousand), compared with a net profit of SGD1,236 thousand in 2005 (€597 thousand), chiefly due to the decrease in net sales.
Please note that the winding-up procedure for the branch that the company operated in Hsin Chu (Taiwan) was completed in the second half of 2006.

SAES GETTERS (DEUTSCHLAND) GmbH - Cologne (Germany)
During 2006 the company posted net sales of €989 thousand, up from the figure recorded in 2005 (€806 thousand). Net profit for 2006 was €309 thousand, compared with €205 thousand in 2005.

SAES GETTERS (GB), LTD. - Daventry (Great Britain)
The company posted net sales of £77 thousand (€112 thousand at the average exchange rate for 2006), compared with £143 thousand in 2005 (€209 thousand at the average exchange rate for 2005). The company ended the year with a net loss of £84 thousand (€124 thousand), up from a net loss of £55 thousand in 2005 (€80 thousand).

SAES GETTERS (NANJING) CO., LTD. - Nanjing (P. R. of China)
The company, which produces barium getters for the cathode ray tubes market, was included in the 2005 Consolidated Financial Statements according to the proportional

consolidation method and on the basis of the percentage stake held by the Group (65%). It should be recalled that the company was considered a jointly controlled company since Saes Getters S.p.A., despite owning 65% of the share capital, did not exercise control as defined by International Accounting Standards. In January 2006 Saes Getters S.p.A. entered into a final agreement to acquire the 35% minority interest stake from Nanjing Huadong Electronic Information Technology Co., Ltd., previously partner in the joint venture. By virtue of this acquisition, Saes Getters S.p.A. became the company's sole shareholder, enabling it to be fully included in the 2006 Consolidated Financial Statements. In 2006 the company posted total sales of CNY124,694 thousand (€12,457 thousand at the average exchange rate for the period), up from the figure for 2005 of CNY94,363 thousand (€9,255 thousand at the average exchange rate for 2005), chiefly due to increased sales of semi-finished products to other group companies. The company ended 2006 with a net income, according to International Accounting Standards, of CNY34,742 thousand (€3,471 thousand at the average exchange rate for the period), up from the figure for 2005, CNY23,803 thousand (equivalent to €2,334 thousand). The increase in income is principally due to the increase in sales compared with 2005.

SAES GETTERS INTERNATIONAL LUXEMBOURG S.A. - Luxembourg (Luxembourg)
The company is mainly engaged in managing acquisitions and investments, granting inter-company loans and coordinating services for the Group. During 2006 the company recorded revenues from services of €391 thousand (€420 thousand in 2005) and a net income, according to International Accounting Standards, of €3,816 thousand compared with a net income of €2,298 thousand for 2005. The improved result is due to the release of a provision to cover losses of associated companies, only partially offset by a decrease in net dividends collected by the controlled Saes Getters Korea Corporation in 2006 with respect to 2005 and by the waiver of receivables against an intercompany loan from Saes Getters Technical Service (Shanghai) Co., Ltd.

The following are comments on the performance of the subsidiaries of Saes Getters International Luxembourg S.A.

The controlled *Saes Getters Korea Corporation* based in Seoul, South Korea (62.52%, the rest of the capital being held directly by the Parent Company Saes Getters S.p.A.), mainly engaged in the production of components for liquid crystal displays (Flat Panel Displays Business Area) and getters for the cathode ray tubes market (Cathode Ray Tubes Business Area) recorded, in 2006, net sales of KRW40,226 million (€33,562 thousand at the average exchange rate for the year) compared with net sales of KRW31,843 million (€25,002 thousand at the average exchange rate for 2005) in the previous year. The year ended with a net income, according to International Accounting Standards, of KRW17,549 million (€14,642 thousand), compared with a net income of KRW15,120 million (€11,872 thousand) in 2005. The increase in net income is principally due to a more favourable sales mix following the increase in net sales of products intended for applications in the Flat Panel Displays Business Area. Please note that as of the end of 2006 the company has discontinued production of getters for the Cathode Ray Tubes Business Area.

The subsidiary *Saes Getters Technical Service (Shanghai) Co., Ltd.* (People's Republic of China) provides technical support to companies operating within the semiconductor industry that use gas monitoring and analysis systems, and also assembles a number of products relating to the Semiconductors Business Area. The company ended 2006 with net sales of CNY10,789 thousand (equivalent to €1,078 thousand at the average exchange rate for the year), down from 2005 (CNY15,607 thousand, equivalent to €1,531 thousand). The year 2006 ended with a net income according to International Accounting Standards of CNY23,776 thousand (€2,375 thousand at the average exchange rate for the year), as against a loss of CNY11,706 thousand (€1,148 thousand) in 2005. The improvement in the net result over the previous year was chiefly due to the waiver of intercompany loan debt by the parent company Saes Getters International Luxembourg S.A. and the positive impact of the measurement of real property held for sale at fair value, in addition to the effect of reduced production and operating costs from 2005 due to the decision in the first half of 2006 to discontinue the company's production as part of the project to concentrate on profitable businesses.

The subsidiary *Saes Getters America, Inc.*, with executive offices in Cleveland, Ohio, was incorporated on November 23, 2005. In December 2005 New Trace Analytical, Inc., was merged into Saes Getters America Inc., which also acquired a portion of the activities previously conducted by Saes Getters USA, Inc., in the Cleveland plant, particularly the production and sale of evaporable getters for lamps and thermal insulating panels, for which it obtained the pertinent assets. The company ended the year with net sales of $9,867 thousand (€7,858 thousand at the average exchange rate for 2006), as against net sales of $200 thousand (€161 thousand at the average exchange rate for 2005). The company posted net income of $613 thousand (€488 thousand at the average exchange rate for the year), as against $89 thousand (equivalent to €72 thousand) in 2005.

In September 2006 Saes Getters International Luxembourg S.A. acquired a 51% stake in *Nanjing Saes Huadong Vacuum Material Co., Ltd.* (People's Republic of China). The latter is considered subject to joint control since Saes Getters International Luxembourg S.A., despite holding 51% of capital stock, does not exercise control over it as defined by International Accounting Standards. The company posted total sales of CNY14,372 from the date of acquisition (€1,436 thousand at the average exchange rate for the period), and net income, according to International Accounting Standards, of CNY4,772 thousand (€477 thousand at the average exchange rate for the period).

In May 2006 Saes Getters S.p.A. acquired a 50% equity stake in *Dr.-Ing. Mertmann Memory-Metalle GmbH (Weil am Rhein, Germany)*, which posted sales of €851 thousand from the date of acquisition and net income of €50 thousand.

Research, Development and Innovation activities

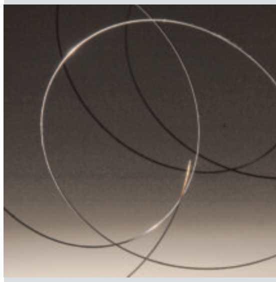
During 2006 innovation activities were particularly intense both in the area of getters and in the area of advanced materials as shown by the absolute value of expenditure which amounted to €15,609 thousand, equal to 9.4 % of net sales, higher than the historical value.

Activities in the area of getters focussed, in particular, on the completion of the plan to develop new high -yield mercury dispensing alloys, with a low and high mercury content, alloys which will sit alongside those already existing in the TQS, ROOF and Wire products. The plan was concluded and during 2006 samples of the new high-yield wires were provided to the market. The improved exploitation of the mercury content of these new wires will allow clients to exercise greater environmental control and provide them substantial advantages in terms of process efficiency, resulting in cost benefits, and will permit Saes to strengthen its position in this highly important market. Volumes are projected to grow during 2007.

Innovation activity in the OLED getter sector was also of considerable intensity, involving efforts to consolidate the pilot product line. In terms of radical research, study of transparent getters continued; according to the information currently at our disposal regarding the evolution of OLED technology, transparent getters will find applications over the next few years. This is a complex project that will also require the use of external entities and could lead to new industrial applications.

Turning to getters for MEMS applications, the expected transition from development to production has been delayed by several months and will take place in the first few months of 2007, resulting in the completion of the strengthening of the product line, which has been expanded to include eight-inch wafers. Also in this sector, research continued on the development of a photolithographic technique that will be introduced into the process of producing PageWafers in order to improve their physical characteristics and enable particularly small formats to be produced.

In 2006 the Corporate laboratories were also involved in the development of new getter solutions for applications in the biomedical sector that may be employed in the future. Further projects include getters for next-generation batteries, getters for solar panels, and getters for super-condensers that store energy in motor vehicle applications.



Research in the advanced materials sector was pursued with equal intensity. As regards SMAs, work has continued to develop the production of ingots at the Avezzano laboratory. The quality of the ingots is fundamentally important for the performance of the wire. At the same time, the pilot production line for SMA wires was launched at the Lainate plant. This line is capable of producing wire samplings with diameters ranging from a few tenths of a micron to 0.5 mm, enabling samples to be provided to the market. The company's radical research activity involved the development of high transition temperature alloys and the consolidation of the production process, particularly production line control systems invented and patented by the Company. It is worthy of note that the Company entered into a large number of joint development agreements during the year with potential users of SMAs, confirming the market's considerable interest as well as its appreciation of Saes. Finally, it should be noted that significant technical and scientific contributions were made by the subsidiary Dr.-Ing. Mertmann Memory-Metalle GmbH, and especially by its founder, Matthias Mertmann.

The Company's efforts in the optoelectronics materials sector were in two areas: consolidation of processes and development of new materials to expand the product portfolio. As concerns processes, a plan is currently underway to increase the performance of the lithium niobate and Nd:YAG production process of the associated Scientific Materials Europe S.r.l. In the new materials sector, we have begun the developments of crystals for scintillators and crystals for laser applications, which are expected to continue in 2007.

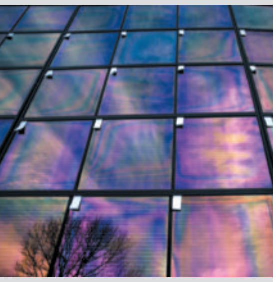
Additional Information

The Board of Directors of Saes Getters S.p.A. has decided to avail itself of the extended deadline option, granted by Article 2364 of the Italian Civil Code and in accordance with its Articles of Association (Article 9), of 180 days from the end of financial year 2006 to call its Shareholders' Meeting,
The necessity of opting to call the Shareholders' Meeting within the extended 180-day deadline derives from the need to receive supporting documentation required to complete the consolidation project relating to the accurate definition of intercompany tax transactions and the calculation of tax charges for financial year 2006.
The extension allowed the Company to take note of the resolution by the Italian Tax Authorities concerning legislative amendments to the Italian tax code enacted by Law Decree No. 223 of 04/07/06, converted as amended into Law No. 248 of 04/08/2006, as regards the impact on the Company's planned solution, which involves the employment of an ordinary tax system for dividends generated in Korea. This resolution consequently allowed the Company to accurately calculate its current and deferred tax charges for 2006, resulting in a decrease from the figure disclosed in the Consolidated Quarterly Report as at December 31, 2006; it will also allow the Company to accurately calculate its tax charges for forthcoming years.

Business outlook

In 2007 the Group expects the Information Display market to post growth rates under past levels and a less stable demand trend, which is to be seen in the light of the increasingly seasonal nature of sales and constant adjustments of inventory levels typical of the home television market, the sector showing the most rapid expansion.
Other relevant industrial markets in which the Group operates should confirm overall stability or moderate growth on the previous year.

In the first two months of 2007, consolidated net sales were €25,135 thousand, a decrease of 3.9% on the figure of €26,164 thousand recorded in the corresponding period of the previous year (+3% net of the exchange rate effect).



In the first two months of 2007, consolidated net sales in the **Information Displays Business Unit** totalled €16,036 thousand, down 7.5% from the figure of €17,332 from the corresponding period of 2006. Net of the exchange rate effect, the Business Unit was unchanged from the first two months of 2006, since the increase in net sales in the Flat Panel Business Area was offset by a significant drop in the Cathode Ray Tubes Business Area.

In the first two months of 2007, consolidated net sales in the **Industrial Applications Business Unit** were €8,750 thousand, up 2.2% on the figure of €8,565 thousand recorded in the corresponding period of 2006 (+8.1% net of the exchange rate effect).

Net sales in the **Advanced Materials Business Development Unit** in the first two months of 2007 were €349 thousand, compared with €267 thousand in the corresponding period of 2006.

The Group's income will continue to be influenced by trends affecting the exchange rate of the euro against the major currencies. In order to protect the Group's margins against fluctuations in exchange rates, additional hedging transactions were undertaken.

Hedging transactions involving the U.S. dollar increased to the total amount of $50,880 thousand; hedging contracts involving the Japanese yen were increased to a notional value of JPY4,555 million.

Investments held by Directors, Statutory Auditors and General Managers, and Executives with strategic responsibilities (in the persons of the Group Human Resources Directors and the Group Commercial Director)(*). (pursuant to Article 79 of Consob resolution No. 11971/99 of May 14, 1999)

Surname and First name	Company	Number of shares held at the end of last year	Number of shares bought in the current year	Number of shares sold in the current year	Number of shares held at the end of the current year	Note (**)
Baldi Stefano	Saes Getters S.p.A.	2,140	-	-	2,140	Ordinary shares
		12,008	-	-	12,008	Savings shares
Canale Guido	Saes Getters S.p.A.	169,534	-	-	169,534(1)	Ordinary shares
della Porta Giuseppe	Saes Getters S.p.A.	10,000	-	-	10,000	Ordinary shares
della Porta Massimo	Saes Getters S.p.A.	340	-	-	340	Ordinary shares
		117,310	5,050	107,360	15,000	Savings shares
della Porta Paolo	Saes Getters S.p.A.	64,520	-	64,520	-	Ordinary shares
		80,439	-	68,431	12,008(2)	Savings shares
Dogliotti Andrea	Saes Getters S.p.A.	105,641	-	-	105,641	Ordinary shares
Gilardoni Andrea	Saes Getters S.p.A.	10,100	-	3,000	7,100	Ordinary shares
Rolando Giuseppe	Saes Getters S.p.A.	25,000	-	12,000	13,000	Ordinary shares
		15,000	6,000	19,000	2,000(2)	Savings shares

(*) These are shareholdings held directly or indirectly, including by spouses who are not legally separated and by minor children, or through subsidiaries, trusts or an intermediary.
(**) Unless specifically mentioned, the shares held are understood to be fully owned.

(1) in usufruct with voting right.
(2) registered to a spouse who is not legally separated.

saes getters

Consolidated Financial Statements for the year ended December 31, 2006

Consolidated Income Statement

(thousands of euro)

	Notes	2006			2005		
		Continuing operations	Discontinuing operations	Total	Continuing operations	Discontinuing operations	Total
Total net sales	3	**164,777**	**823**	**165,600**	**133,372**	**5,208**	**138,580**
Cost of sales	4	(57,668)	(1,133)	(58,801)	(56,363)	(5,774)	(62,137)
Gross Profit		**107,109**	**(310)**	**106,799**	**77,009**	**(566)**	**76,443**
Research & development expenses	5	(15,609)	-	(15,609)	(14,629)	-	(14,629)
Selling expenses	5	(14,861)	(21)	(14,882)	(14,770)	(469)	(15,239)
General & administrative expenses	5	(18,227)	(509)	(18,736)	(13,013)	(1,081)	(14,094)
Total operating expenses		(48,697)	(530)	(49,227)	(42,412)	(1,550)	(43,962)
Restructuring costs	6	(4,000)	-	(4,000)	-	-	-
Other income (expenses), net	7	651	28	679	270	13	283
Operating Income		**55,063**	**(812)**	**54,251**	**34,867**	**(2,103)**	**32,764**
Interest and other financial income	8	2,250	4	2,254	1,660	1	1,661
Interest and other financial expenses	8	(376)	(73)	(449)	(314)	(51)	(365)
Share of result of investments accounted for using the equity method		(179)	-	(179)	-	-	-
Net income (loss) on discontinuing operations	12	-	498	498	-	(106)	(106)
Foreign exchange gains (losses), net	9	(1,911)	(204)	(2,115)	561	596	1,157
Income before taxes		**54,847**	**(587)**	**54,260**	**36,774**	**(1,663)**	**35,111**
Income taxes	10	(22,869)	-	(22,869)	(14,104)	-	(14,104)
Net Income		**31,978**	**(587)**	**31,391**	**22,670**	**(1,663)**	**21,007**
Net income per ordinary share	11	1.4210	-	1.3948	1.0057	-	0.9315
Net income per savings share	11	1.4370	-	1.4108	1.0218	-	0.9476

Consolidated Balance Sheet

(thousands of euro)

	Notes	December 31, 2006	December 31, 2005
ASSETS			
Non Current Assets			
Property, plant and equipment, net	14	61,303	60,493
Intangible assets, net	15	4,674	2,695
Investments accounted for using the equity method	16	3,784	450
Deferred tax assets	17	9,185	8,655
Other long term assets	18	883	1,036
Total Non Current Assets		**79,829**	**73,329**
Current Assets			
Inventory	19	18,060	17,533
Trade receivables	20	29,212	29,286
Tax consolidation receivables from Parent Company	21	5,120	4,737
Prepaid expenses, accrued income and other	22	5,414	6,270
Derivative financial instruments evaluated at fair value (cash flow hedge)	23	388	-
Cash and cash equivalents	24	93,879	93,243
Non current assets held for sale	25	1,671	-
Total Current Assets		**153,744**	**151,069**
Total Assets		**233,573**	**224,398**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Capital stock		12,220	12,220
Share issue premium		48,679	38,273
Treasury shares		(2,618)	(2,618)
Legal reserve		2,444	2,444
Sundry reserves, retained earnings and accumulated losses		76,939	99,271
Net income for the period		31,391	21,007
Shareholders' Equity	26	**169,055**	**170,597**
Minority interest in consolidated subsidiaries		-	-
Total Shareholders' Equity		**169,055**	**170,597**
Non Current Liabilities			
Non current financial liabilities	27	2,989	3,434
Deferred tax liabilities	28	5,386	3,842
Staff leaving indemnity and other employee benefits	29	10,713	10,752
Non current provisions	30	3,728	940
Other payables		15	154
Total Non Current Liabilities		**22,831**	**19,122**
Current Liabilities			
Trade payables	31	9,205	8,949
Tax consolidation payables to Parent Company	21	8,888	4,318
Other payables	32	11,059	9,728
Accrued income taxes	33	6,900	2,989
Current provisions	30	3,584	2,007
Derivative financial instruments evaluated at fair value (cash flow hedge)	23	-	893
Bank overdraft	34	67	2,798
Current portion of long term debt	27	839	257
Accrued liabilities	35	1,145	2,740
Total Current Liabilities		**41,687**	**34,679**
Total Liabilities and Shareholders' equity		**233,573**	**224,398**

Consolidated Statement of Cash flows

(thousands of euro)

	Year 2006	Year 2005
Cash flows provided from operating activities		
Net income	31,391	21,007
Current income taxes	22,513	9,586
Change in deferred income tax expense	355	2,010
Depreciation of property, plant and equipment	10,001	9,655
Write down (revaluation) of property, plant and equipment	(45)	1,235
Amortization of intangible assets	845	1,241
Write down (revaluation) of intangible assets	-	306
Net loss (gain) on disposal of property, plant and equipment	44	(104)
Net loss (gain) on disposal of investments	-	328
Interest and other financial income, net	(1,626)	(1,190)
Accrual for termination indemnities	3,650	1,808
Accrual (utilization) for risks and contingencies	4,427	(832)
	71,555	**45,050**
Change in operating assets and liabilities		
Cash increase (decrease) in		
Account receivables and other receivables	3,553	(113)
Inventories	(1,324)	(331)
Trade account payables	(1,523)	(154)
Other payables	(436)	2,476
	270	**1,878**
Payments of termination indemnities	(2,927)	(1,274)
Interest and other financial payments	(449)	(173)
Interest and other financial receipts	2,254	1,661
Income taxes paid	(13,997)	(9,891)
Cash flow from operating activities	**56,706**	**37,251**
Cash flows used by investing activities		
Purchase of property, plant and equipment	(10,883)	(9,606)
Proceeds from sales of property, plant and equipment	41	174
Purchase of intangible assets	(666)	(334)
Decrease (increase) of non current financial assets	(3,513)	(450)
Price paid for the acquisition of minority shareholding in previous jointly controlled entity, net of cash acquired	(7,124)	
Proceeds from the sale of investments in subsidiaries, net of cash disposed of		246
Cash flow from investing activities	**(22,145)**	**(9,970)**
Cash flows used by financing activities		
Proceeds from long-term debt	137	-
Dividends paid	(29,265)	(22,548)
Purchase of treasury shares	-	(121)
Repayments of financial debt	-	(257)
Cash flow from financing activities	**(29,128)**	**(22,926)**
Effect of exchange rate differences	(2,066)	1,690
Increase (decrease) in cash and cash equivalents	3,367	6,045
Cash and cash equivalents at beginning of the year	**90,445**	**84,400**
Cash and cash equivalents at end of the period	**93,812**	**90,445**

Statement of Changes in the Consolidated Shareholders' Equity during the Period Ending December 31, 2006

(thousands of euro)	Capital Stock	Share premium reserve	Treasury shares on hand	Legal reserve	Sundry reserves and retained earnings			Net profit (loss) for the period	Total shareholders' equity
					Currency translation reserve	Sundry reserves, retained earnings and accumulated losses	Total		
Balance at December 31, 2005	**12,220**	**38,273**	**(2,618)**	**2,444**	**4,652**	**94,619**	**99,271**	**21,007**	**170,597**
Appropriation of 2005 income:						21,007	21,007	(21,007)	-
Dividends paid:									
- Euro 1.3000 for each of the 15,271,350 ordinary shares (of which treasury shares 302,028)						(19,460)	(19,460)		(19,460)
- Euro 1.316 for each of the 7,460,619 savings shares (of which treasury shares 10.013)						(9,805)	(9,805)		(9,805)
Reserve for cash flow hedge (IAS 39)						765	765		765
Exchange rate differences from conversion of financial statements denominated in foreign currencies					(4,433)		(4,433)		(4,433)
Annulment resolution purchase of treasury shares		10,406				(10,406)	(10,406)		-
Net income for the period								31.391	31.391
Balance at December 31, 2006	**12,220**	**48,679**	**(2,618)**	**2,444**	**219**	**76,720**	**76,939**	**31,391**	**169,055**

Statement of Changes in the Consolidated Shareholders' Equity during the Period Ending December 31, 2005

(thousands of euro)

	Capital Stock	Share premium reserve	Treasury shares on hand	Legal reserve	Sundry reserves and retained earnings			Net profit (loss) for the period	Total shareholders' equity
					Currency translation reserve	Sundry reserves, retained earnings and accumulated losses	Total		
Balance at December 31, 2004	**12,220**	**38,292**	**-**	**2,444**	**(1,262)**	**101,409**	**100,147**	**16,147**	**169,250**
Reallocation of treasury shares (IAS 32)			(2,505)				-		(2,505)
Application of cash flow hedge (IAS 39)						1,162	1,162		1,162
Appropriation of 2004 income:						16,147	16,147	(16,147)	-
Dividends paid:									
- Euro 1.0000 for each of the 15,271,350 ordinary shares (of which treasury shares 302,028)						(14,969)	(14,969)		(14,969)
- Euro 1.0161 for each of the 7,460,619 savings shares (of which treasury shares 2,187)						(7,579)	(7,579)		(7,579)
Purchase and sale of treasury shares			(113)			9	9		(104)
Reserve for cash flow hedge (IAS 39)						(1,632)	(1,632)		(1,632)
Exchange rate differences from conversion of financial statements denominated in foreign currencies					5,914		5,914		5,914
Other movements		(19)				72	72		53
Net income for the period								21,007	21,007
Balance at December 31, 2005	**12,220**	**38,273**	**(2,618)**	**2,444**	**4,652**	**94,619**	**99,271**	**21,007**	**170,597**

Notes

1. Group profile

Saes Getters S.p.A., the Parent Company, and its subsidiaries operate both in Italy and abroad in the development, production and marketing of getters and other components for cathode ray tubes and flat panel displays as well as getters and other components for industrial applications, and in the gas purification industry. The Group also operates in the field of advanced materials, particularly in the development of getters for microelectronic and micromechanical systems, optical crystals and shape memory alloys.

The parent company Saes Getters S.p.A. is controlled by S.G.G. Holding S.p.A.

The following table shows the companies included in the scope of consolidation according to the full consolidation method as of December 31, 2006:

Company	Currency	Capital Stock	% Ownership	
			Direct	Indirect
Directly-Controlled subsidiaries:				
Saes Advanced Technologies S.p.A., Avezzano (AQ - Italy)	EUR	2,600,000	100.00	-
Saes Getters Usa, Inc., Colorado Springs (CO - USA)	USD	9,250,000	100.00	-
Saes Getters Japan Co., Ltd., Tokyo (Japan)	JPY	20,000,000	100.00	-
Saes Getters (GB) Ltd., Daventry (United Kingdom)	GBP	20,000	100.00	-
Saes Getters (Deutschland) GmbH, Cologne (Germany)	EUR	52,000	100.00	-
Saes Getters Singapore PTE, Ltd., Singapore (Singapore)	SGD	300,000	100.00	-
Saes Getters (Nanjing) Co., Ltd. (former Nanjing Saes Huadong Getters Co., Ltd.), Nanjing (P. R. of China)	USD	13,570,000	100.00	-
Saes Getters International Luxembourg S.A., Luxembourg (Luxembourg)	EUR	11,312,777	99.92	0.08*
Indirectly-controlled subsidiaries:				
Through Saes Getters USA, Inc.: Saes Pure Gas, Inc. - San Luis Obispo (CA - USA)	USD	7,612,661	-	100.00
Through Saes Getters International Luxembourg S.A.: Saes Getters Korea Corporation - Seoul (South Korea)	KRW	10,497,900,000	37.48	62.52
Saes Getters Technical Service (Shanghai) Co., Ltd. Shanghai (P. R. of China)	USD	4,100,000	-	100.00
Saes Getters America, Inc. Cleveland (OH - USA)	USD	23,500,000	-	100.00

* % held by Saes Advanced Technologies S.p.A.

The following table shows the companies included in the scope of consolidation according to the equity method:

Company	Currency	Capital Stock	% Ownership	
			Direct	Indirect
Scientific Materials Europe S.r.l., Tortolì (NU - Italy)	EUR	93,600	30.00	-
Dr.-Ing. Mertmann Memory-Metalle GmbH, Weil am Rhein (Germany)	EUR	330,000	50.00	-
Nanjing Saes Huadong Vacuum Material Co., Ltd., Nanjing (P. R. of China)	CNY	18,715,910	-	51.00

With respect to December 31, 2005 the following changes in the consolidation area occurred:

- on January 25, 2006 Saes Getters S.p.A. became 100% shareholder of Saes Getters (Nanjing) Co., Ltd. (former Nanjing Saes Huadong Getters Co., Ltd.) acquiring the remaining 35% shareholding;
- on May 30, 2006 Saes Getters S.p.A. acquired a 50% shareholding in Dr.-Ing. Mertmann Memory-Metalle GmbH;
- on September 17, 2006 Saes Getters International Luxembourg S.A. acquired a 51% shareholding in Huadong Electronic Vacuum Material Co., Ltd., successively turned into a joint venture, named Nanjing Saes Huadong Vacuum Material Co., Ltd. This Company is considered a jointly controlled entity since the Group, despite owning the mentioned quota of the capital stock, does not exercise control as defined by International Accounting Standards and is therefore included in the scope of consolidation according to the equity method.

2. Summary of main Accounting Principles

Following the entry into force of EC Regulation No. 1606/2002, the Saes Getters Group adopted IAS/IFRS accounting standards as from January 1, 2005. 2006 Consolidated Financial Statements were prepared according to IAS/IFRS accounting standards adopted by the European Union.

It should be noted that, having exercised the option specified in Article 4, sub-section 2 of Legislative Decree No. 38/2005 on the exercising of the options provided for in EC Regulation No. 1606/2002 on accounting standards, the Parent Company and the subsidiary Saes Advanced Technologies S.p.A. already prepared their financial statements as of December 31, 2005 according to the International Accounting Standards.

The main accounting standards applied are described below.

Consolidation principles

The main consolidation principles adopted in drawing up the Consolidated Financial Statements are as follows:

- The book value of investments in share capital is eliminated against the respective proportion of shareholders' equity in respect of the assumption of assets and liabilities, according to the full consolidation method.

- In accordance with International Accouing Standard IAS 31, the book value of investments in jointly controlled companies included in the Consolidated Financial Statements according to the proportionate consolidation method is eliminated against the respective fraction of shareholders' equity pertaining to the Group in respect of the assumption of assets and liabilities for the amount corresponding to the Group's percentage investment. Each item of the income statement is also entered in the Consolidated Financial Statements for the amount corresponding to the Group's percentage investment. Debit and credit items and all other transactions between the jointly controlled company and the subsidiaries are eliminated according to the Group's percentage ownership. Residual balances are recognized in the balance sheet and in the income statement together with third party transactions.
- Any positive difference between the cost of acquisition and the subsidiaries' equity share, expressed at the fair value at the time of acquiring the investment, if the necessary requirements are met, is posted as "Goodwill".
- Profits and losses not yet realized arising from transactions between consolidated companies are eliminated as are debit and credit items and all other transactions between the companies included in the scope of consolidation.
- The financial statements of foreign subsidiaries are converted into the currency of account (euro) by applying the current year-end exchange rate to assets and liabilities and the average exchange rate for the year to income statement entries. The difference between net income for the period obtained from converting at average exchange rates and net income for the period obtained from converting at year-end rates is entered in a special sub-item of the shareholders' equity "Currency translation reserve" included in the item "Sundry reserves and retained earnings". The same item also considers the effect on shareholders' equity of changes in exchange rates between the end of the previous financial year and the end of the current financial year. On the disposal of a foreign subsidiary, the cumulative amount of exchange differences booked in the shareholders' equity for the foreign subsidiary disposed of are reversed to income statement.

Details of the exchange rates applied in the conversion of financial statements expressed in a foreign currency are given in Note No. 44.

Accounting schemes

The balance sheet layout conforms to the minimum content required by International Accounting Standards and is based on a distinction between current and non-current assets and liabilities depending on whether these items are realized within or after twelve months of the balance sheet date. The income statement is based on a cost allocation structure.
The accounting schemes are consistent with the reports prepared for the internal organizational and management structure. The statement of cash flows layout is based on the indirect method.

Property, plant and equipment

These are stated at cost or deemed cost, less accumulated depreciation and impairment losses. The cost includes additional charges and direct and indirect production costs in the amount reasonably attributable to the asset.
Maintenance costs incurred after first recognition are capitalized only if they bring about an increase in the future economic benefits of the assets to which they relate.

Some fixed assets were measured at fair value on the date of transition to International Financial Reporting Standards (IAS/IFRS) and are measured at deemed cost, which consists of the amount adjusted by the Group's Italian companies in accordance with the specific monetary revaluation laws at the time of these revaluations.

Depreciation is calculated on a straight-line basis according to the expected useful life of the fixed assets, using the following rates:

Buildings	2.5%-3%
Machinery and equipment	10%-25%
Industrial and commercial equipment	20%-25%
Other assets	7%-25%

Finance leases are classified as those which transfer to the lessee substantially all the risks and rewards incidental to ownership. Fixed assets acquired under finance leases are recognized at the lower of fair value and the present value of the minimum lease payments owed, according to the contracts, and are depreciated on the basis of their expected useful life. The liability to the lessor is classified amongst financial liabilities in the balance sheet. Interest included in the lease payments is charged to the income statement for the period as financial expenses.
Other leases are considered as operating leases and the respective costs are recognized on the basis of the conditions stipulated in the respective contracts.

Intangible assets

In accordance with International Accounting Standard IAS 38, intangible assets are recognized only if they are identifiable, if future economic benefits will probably flow from their use and if their cost can be reliably measured.

Intangible assets are amortized according to their estimated useful life, if finite, as follows:

- Industrial and other patent rights	3/5 years/duration of the contract
- Concessions, licenses, trademarks and similar rights	3/50 years/duration of the contract
- Other	3/8 years/duration of the contract

Intangible assets with an indefinite useful life are not amortized but are assessed for impairment at least annually or according to the frequency determined by impairment risk indications.

Subsequent expenditure is recognized only if it increases the economic benefits expected from the use of the intangible assets to which it relates.

Goodwill
Any positive difference between the cost of acquisition of a business combination and the fair value of the assets and liabilities acquired is stated amongst intangible assets as goodwill. Any negative difference is charged to the income statement at the time of acquisition.
Goodwill is not amortized but must be tested for impairment in accordance with International Accounting Standard IAS 36 Impairment of assets, at least annually or according to the frequency determined by impairment risk indications. After initial recognition, goodwill is stated at cost less any impairments recognized.
During the first-time adoption of International Financial Reporting Standards, the Group took advantage of the specific exemption allowed under International Financial Reporting

Standard IFRS 1 which makes it possible to avoid the retrospective application of International Financial Reporting Standard IFRS 3 Business combinations for acquisitions made prior to the date of transition to International Financial Reporting Standard IFRS. Therefore, the goodwill generated by acquisitions prior to January 1, 2004 is stated at the value determined according to the accounting principles previously applied, after measuring and recognizing any lasting impairments.

Research and development expenses
The expenses incurred in research activities undertaken to acquire new scientific or technical knowledge or to broaden existing knowledge are charged to the income statement.
The expenses incurred in development activities where research findings are applied to new or substantially improved products and processes are capitalized if all of the following conditions are met:
- technical feasibility, intention to complete the asset for use or sale, ability to use or sell the asset;
- likely to generate future economic benefits from the expenditure incurred (in particular by demonstrating the existence of a market for the asset being developed);
- availability of technical and financial resources to complete the development of the asset;
- expenditure measured reliably.

Impairment

The recoverable amount of property, plant and equipment and intangible assets is verified at least annually if there is an indication of impairment. An impairment loss should be recognized whenever the carrying amount of an asset exceeds its recoverable amount. Intangible assets with an indefinite useful life are tested for impairment annually or according to the frequency determined by impairment risk indications.
If it is not possible to determine the recoverable amount for an individual asset, the Group estimates the recoverable value of the related cash generating unit.
The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. Value in use is determined from estimated future cash flows based on a pre-tax discount rate that reflects the time value of money and the risks specific to the asset.
Impairment loss is equal to the part of carrying amount exceeding recoverable amount.
If, subsequently, an impairment loss on an asset other than goodwill is reversed or reduced, the carrying amount of the asset is increased based on its estimated recoverable amount, but not to exceed the amount that the asset would have had if no impairment loss had ever been recognized. Impairment loss and reversal of an impairment loss are recognized in the income statement.

Investments in share capital and other financial assets

Investments in associates, where the Group has a significant influence but not control, or in a jointly controlled entity not included in the scope of consolidation according to the proportionate consolidation method, are accounted for using the equity method. The book value of the investment is modified according to the quota of results and changes in the net equity of the associate pertaining to the Group after the acquisition date.

Goodwill pertaining to the associate is included in the book value of the investment and it is not amortized, but tested for impairment. The income statement includes the share of result of associates pertaining to the Group after the acquisition date.
Other financial assets belong to the categories "available-for-sale financial assets" or "held-to-maturity investments" defined by International Accounting Standard IAS 39. Assets in the first category are measured at fair value if a market price is available or at cost if it is not possible to determine the fair value. Assets in the second category are valued at amortized cost.

Inventory and construction contracts

Inventory is stated at the lower of purchase or production cost, calculated according to the FIFO method, and the market value.
Production cost includes the direct costs of materials and labor and indirect production costs (variable and fixed).
Obsolete and slow-moving stock is written down in relation to its possible use or realization.
Construction contracts are measured on the basis of the stage of completion, net of any advances invoiced to customers. The production cost includes the direct costs of materials and labor and the indirect production costs (variable and fixed) reasonably attributable to them. Losses on construction contracts, if any, are charged to the income statement if it is likely that the total estimated expenses will exceed the total revenues expected.

Trade and other receivables

These are stated at realizable value, i.e. the nominal value less appropriate allowances for estimated losses on receivables.

Assets and liabilities held for sale and discontinuing operations

These are assets and liabilities whose value will be recovered through sale rather than through use, insofar as they are subject to disposal. This specific classification is adopted when the sale occurs or when the assets and liabilities meet the criteria of "held for sale", if known previously.
These are measured at the lower of carrying value and fair value, less their costs to sell.
Impairments at the time of classification of assets and liabilities as held for sale are charged to the income statement, together with subsequent income and expenses arising from the measurement of these items.

Derivative financial instruments

In accordance with International Accounting Standard IAS 39, at the end of the period derivative financial instruments are measured at fair value and hedge accounting is applied if all requirements set out by the standard are met, i.e.:

- there is formal designation and documentation of a hedging relationship at inception;
- the hedge is expected to be highly effective;
- hedge effectiveness is reliably measurable;
- the hedge has been highly effective throughout the reporting periods for which it was designated.

If all conditions for the application of hedge accounting are met, derivative financial instruments are treated according to the cash flow hedge model, which is applied to hedges against changes in cash flows arising from highly probable future transactions that may produce effects on the income statement. According to the cash flow hedge model, the effective portion of the gain or loss on derivative financial instruments is recognized in an equity reserve. Cumulative gains or losses recognized in equity are charged to the income statement for the period in which the hedged transaction is recognized. The ineffective portion of the gain or loss on financial instruments is charged directly to the income statement. Cumulative gains or losses related to forecasted hedged transactions that are no longer expected to occur are also charged to the income statement.
If a hedging instrument or relationship is terminated and the forecasted hedged transaction has not yet occurred, the cumulative gains or losses recognized in equity at that time are charged to the income statement when the related transaction occurs.

Accrued income/liabilities, prepaid expenses and deferred income

These items include portions of costs and revenues which are common to two or more financial years, in accordance with accrual basis accounting.

Shareholders' Equity

The dividends distributed by the Parent Company are booked as liabilities at the time of the distribution decision. Transactions involving the purchase and sale of treasury shares are recognized directly as movements in shareholders' equity, without going through the income statement.

Financial liabilities

These are initially stated at cost, i.e. the resources received net of the additional charges to pay off the liability. Subsequently, financial liabilities are valued at amortized cost, i.e. the amount of the initial liability net of capital repayments and additional charges amortized.

Staff leaving indemnity and other employee benefits

This item includes staff leaving indemnity and other employee benefits, set aside to cover the accrued liabilities payable to employees according to the Laws, national collective agreements and supplementary company agreements in force in the countries in which the consolidated companies operate.
Both defined contribution and defined benefit plans are included. Under defined contribution plans, obligations are recorded as expenses on an accrual basis. Under defined benefit plans, obligations are valued by independent actuarial consultants according to the Projected Unit Credit Method, separately applied to each plan.
As part of the first-time adoption of International Financial Reporting Standards (IAS/IFRS), all actuarial gains and losses existing on January 1, 2004 were recognized in the special equity reserve, together with the other impacts arising from the transition. After the date of transition to International Financial Reporting Standard IFRS, the corridor approach is applied in respect of actuarial gains and losses, which are recognized

for the cumulative part exceeding 10% of the present value of the defined benefit obligation at the end of the previous period.
The liabilities arising from defined benefit plans are made up of the present value of the obligation towards employees, adjusted by unrecognized actuarial gains or losses and past service costs not yet recorded.
Payments under defined contribution plans are charged to the income statement as costs when incurred.

Provisions for contingencies and obligations

Provisions for contingencies and obligations are set aside to cover legal or constructive obligations, arising from past events and their settlement will require a probable outflow of resources, the amount of which can be reliably estimated.
Changes of estimate are recognized in the income statement for the period in which the change occurs.

If the effect is significant, provisions for contingencies and obligations have to be stated at the present value.

Trade and other payables

These relate respectively to trade or miscellaneous relations and are stated at nominal value.

Treasury shares

Treasury shares are deducted from equity. The original cost and the items generated from their subsequent sale are recognized as changes in shareholders' equity.

Revenue recognition

Revenues are recognized to the extent that it is probable that economic benefits will flow to the Group and the amount of revenue can be measured reliably. Revenues are stated net of discounts, allowances and returns.
Revenues from the sale of goods are recognized when the transfer to the buyer of the risks and rewards of ownership takes place.
Revenues generated from the rendering of services are recognized in the period in which the service was rendered.

Grants

Grants are recognized in the income statement where there is reasonable assurance that these will be obtained and that all the conditions for their recognition will be met.
Capital grants, in the amount pertaining to the year, are charged to the income statement on the basis of the useful life of the assets to which the grants relate. The proportion of the capital grant that relates to future financial years is entered under the item "Accrued liabilities".

Operating grants are recognized according to the accrual method of accounting in the same period in which the associated costs are incurred, shown net of these grants.

Cost of sales

The cost of sales represents the cost of buying or producing the products and goods that have been sold and includes the cost of raw materials, goods and direct and indirect production costs. The cost of sales also includes margins on construction contracts recognized by reference to the stage of completion (percentage of completion method).

Research and development expenses

All research expenses are charged to the income statement for the year in which they are incurred. Development expenses must be capitalized if the conditions set out in International Accounting Standard IAS 38 are met as already described in the Notes on intangible assets. If the requirements for the mandatory capitalization of development expenses are not met, the expenses are charged to the income statement for the year in which they are incurred.

Selling expenses

These include the expenses that are incurred during the year as a result of selling products.

General and administrative expenses

These include the expenses that are incurred during the year in relation to the administrative structure.

Financial items

These include interest income and expense, exchange gains and losses (both realized and unrealized) and any adjustments to securities.
Interest expense of any kind is charged to the income statement for the year in which it is incurred.

Income taxes

Income taxes for the period include both current and deferred taxes and are charged to the income statement for the year, except those relating to items directly debited or credited in an item of shareholders' equity for which the tax effect is recognized in equity.
Current taxes are recognized on the basis of estimated taxable income in accordance with the provisions in force, taking account of the applicable exemptions and tax credits due.
Deferred taxes are recognized for temporary differences between the carrying amount of an asset or liability and its value for tax purposes. Deferred tax assets, including those

arising from tax losses carried forward and unused tax credits, are recognized to the extent that it is probable that future taxable income will be available to allow for their recovery.
Deferred tax assets and liabilities are determined according to the tax rates that are applicable in the years during which the temporary differences are realized or settled in the respective countries in which the Group's companies operate.
The Consolidated Financial Statements recognize provisions for taxes owed in the event of the distribution of profits and reserves by subsidiaries, excluding those relating to profits and reserves that are not considered likely to be distributed in the foreseeable future.

Earnings per share

Earnings per share are calculated by dividing the net income for the period attributable to holders of ordinary and savings shares by the weighted average number of shares in issue during the period.

Business segments

A business segment is a separately identifiable business component whose function is to provide an individual product or service or series of products and services and which is subject to different risks and returns from those of other business segments.

Criteria for converting items expressed in foreign currency

Consolidated Financial Statements are prepared in euro. Group Companies establish the functional currency for their financial statements. Foreign currency items are initially booked at the exchange rate (related to the functional currency) on the date of the transaction. Monetary assets and liabilities expressed in foreign currency are converted into the functional currency at the exchange rate on the balance sheet date. Any exchange difference is booked in the income statement. Non monetary items measured at historical cost expressed in foreign currency are converted by using the foreign exchange rate on the date of first recognition of the transaction.

Other information

With reference to the disclosure required by Consob it has to be noted the following: significant transactions and accounts with Related Parties, already described in the Note No. 41 on Related Parties transactions, have been separately disclosed in the accounting schemes, if relevant. In particular, the only significant transaction identified is the tax consolidation agreement with S.G.G. Holding S.p.A.
Restructuring charges were accrued in the period as significant non recurring event; they are separately disclosed in the income statement (please refer to Note No. 6 Restructuring costs) and included in the provisions for risks and charges (refer to Note No. 30 Current provisions).
There are not unusual and non recurring transactions to be noted.
Net financial position has been disclosed in the Note No. 24 Cash and cash equivalents.

Notes to the financial statements

All amounts stated in the Notes and in the Financial Statements are expressed in thousands of euro unless otherwise specified.

3. Net Sales

Consolidated net sales for 2006 were €165,600 thousand, up 19.5% on the figure of €138,580 thousand recorded in 2005. The increase in sales, net of the exchange rate effect, which produced a loss of 1%, was 20.5%. Of particular note is the excellent trend in sales of flat panel display components (Flat Panel Displays Business Area) only partly offset by the downturn in sales in the Cathode Ray Tube Business Area due to the decline of the traditional cathode ray tubes market. The aforementioned trend was reinforced by increases in sales in the Lamps, Electronic Devices, and Semiconductors Business Areas and the Advanced Materials Business Development Unit.

A breakdown of net sales according to Business Unit and Business Area is given below:

(thousands of euro)

Business Unit and Business Area	2006	2005	Difference	Difference %
Flat Panel Displays	80,429	56,158	24,271	43.2%
Cathode Ray Tubes	29,112	32,217	(3,105)	-9.6%
Subtotal Information Displays	**109,541**	**88,375**	**21,166**	**24.0%**
Lamps	13,011	11,128	1,883	16.9%
Electronic Devices	13,946	12,367	1,579	12.8%
Vacuum Systems and Thermal Insulation	7,573	7,079	494	7.0%
Semiconductors	19,969	18,885	1,084	5.7%
Subtotal Industrial Applications	**54,499**	**49,459**	**5,040**	**10.2%**
Subtotal Advanced Materials	**1,560**	**746**	**814**	**109.1%**
Total Net Sales	**165,600**	**138,580**	**27,020**	**19.5%**

Legend:

Information Displays Business Unit	
Flat Panel Displays	Getters and metal dispensers for flat panel displays
Cathode Ray Tubes	Barium getters for cathode ray tubes
Industrial Applications Business Unit	
Lamps	Getters and metal dispensers used in discharge lamps and fluorescent lamps
Electronic Devices	Getters and metal dispensers for electron vacuum devices
Vacuum Systems and Thermal Insulation	Pumps for vacuum systems and products for thermal insulation
Semiconductors	Gas purifier systems for semiconductor industry and other industries
Advanced Materials Business Development Unit	
Advanced Materials	Getters for microelectronic and micromechanical systems, optical crystals, shape memory alloys

4. Cost of sales

The amount posted in the income statement for 2006 was €58,801 thousand, down by €3,336 thousand on the figure of €62,137 thousand recorded in the previous year.

A breakdown of the cost of sales according to Business Unit is given below:

(thousands of euro)

	2006	2005	Difference
Information Displays	27,831	29,808	(1,977)
Industrial Applications	29,247	31,034	(1,787)
Advanced Materials & Corporate Costs	1,723	1,295	428
Cost of sales	**58,801**	**62,137**	**(3,336)**

There was a clear decrease in the cost of sales in both Business Units, primarily due to the improved sales mix and reduced manufacturing overhead as compared to the previous year.

A breakdown of the cost of sales according to category is given below:

(thousands of euro)

	2006	2005	Variazione
Raw materials	19,431	17,824	1,607
Direct labor	11,657	11,364	293
Manufacturing overhead	28,028	33,360	(5,332)
(Increase) decrease in inventory	(315)	(411)	96
Cost of sales	**58,801**	**62,137**	**(3,336)**

The decrease in manufacturing overhead was mainly caused by increased writedowns of fixed assets and the more extensive use of outside consultants as compared with the previous year, in addition to decreased personnel costs that are entered to said line of the income statement, and the impact of the reduction of various types of structural costs relating to production during 2006.

5. Operating expenses

Operating expenses totalled €49,227 thousand (€43,962 thousand in the previous year), broken down into the following categories:

(thousands of euro)

	2006	2005	Difference
Research and development expenses	15,609	14,629	980
Selling expenses	14,882	15,239	(357)
General and administrative expenses	18,736	14,094	4,642
Total operating expenses	**49,227**	**43,962**	**5,265**

Operating expenses registered an increase of €5,265 thousand, primarily owing to higher general and administrative expenses due to the impact of increased fixed and variable compensation of Corporate bodies, higher personnel costs and greater use of outside consultants entered to the item "General and administrative expenses" than in 2005.

A breakdown of total expenses included in the cost of sales and in operating expenses is given below:

(thousands of euro)

	Total costs by nature		
	2006	**2005**	**Difference**
Personnel cost	42,694	42,586	108
Travel expenses	1,871	2,088	(217)
Maintenance and repairs	3,894	4,121	(227)
Depreciation	10,001	9,655	346
Amortization	845	1,241	(396)
Corporate bodies	4,130	2,374	1,756
Material and office material	5,226	4,973	253
Insurance services	771	810	(39)
Writedown of fixed assets	453	1,541	(1,088)
Promotion and advertising	387	405	(18)
Provision for bad debts	239	465	(226)
Consultant fees and legal expenses	4,362	4,463	(101)
Rent office	478	555	(77)
Licenses and patents	1,467	1,478	(11)
Utilities, post, telephone, telex, fax	3,832	3,561	271
Transport, insurance, freight	1,542	1,249	293
Commissions	565	595	(30)
General duties (canteen, cleaning, vigilance)	1,498	1,446	52
Recovery of transport, insurance, freight	(530)	(397)	(133)
Other recovery	(786)	(713)	(73)
Other expenses	5,973	6,190	(217)
Total	**88,912**	**88,686**	**226**

Personnel costs totalled €42,694 thousand, substantially unchanged from the previous year (€42,586 thousand).

The item "Corporate bodies" includes the fees payable to the Directors (which increased from €2,248 thousand in 2005 to €3,975 thousand in 2006), Statutory Auditors (which decreased from €80 thousand in 2005 to €69 thousand in 2006), the Audit Committee (which increased from €19 thousand in 2005 to €34 thousand in 2006) and the Supervisory Board (which increased from €27 thousand in 2005 to €52 thousand in 2006).

A breakdown is given below of the fees paid to the Directors, Statutory Auditors and General Managers, and Executives with strategic responsibilities (in the persons of the Group Human Resources Director and the Group Commercial Director) (pursuant to Article 78 of Consob resolution No. 11971 of May 14, 1999):

Surname and name	Position	Duration Shareholders Resolution dated April 27, 2006	Compensation for the position		Non monetary benefits	Bonus and other incentives	TFM and PNC*		Other Compens.
Board of Directors									
della Porta Paolo	President	from January 1, 2006 until December 31, 2008	377	a	1	314	160	b	33
della Porta Massimo	Vice President and Managing Director	from January 1, 2006 until December 31, 2008	514	a	6	471	239	b	32
Canale Giulio	Managing Director	from January 1, 2006 until December 31, 2008	424	a	12	471	213	b	27
Rolando Giuseppe	Director**	from January 1, 2006 until December 31, 2008	88	a	3	500		d	103
Baldi Stefano	Director	from January 1, 2006 until December 31, 2008	10					e	1
Berger Roberto (c)	Director	from January 1, 2006 until December 31, 2008	-						
Christillin Evelina	Director	from January 1, 2006 until December 31, 2008	10						
della Porta Giuseppe	Director	from January 1, 2006 until December 31, 2008	10						
De Maio Adriano	Director	from January 1, 2006 until December 31, 2008	10					f	9
Dogliotti Andrea	Director	from January 1, 2006 until December 31, 2008	10					e	1
Gilardoni Andrea	Director	from January 1, 2006 until December 31, 2008	10						
Sironi Andrea	Director	from January 1, 2006 until December 31, 2008	10						
Spinola Gianluca	Director	from January 1, 2006 until December 31, 2008	10						
Ugo Renato	Director	from January 1, 2006 until December 31, 2008	10					g	32
Canale Guido	Director	from January 1, 2003 until April 27, 2006	-						
Colombo Umberto	Director	from January 1, 2003 until April 27, 2006	-						
Total Board of Directors			**1,493**		**22**	**1.756**	**612**		**238**
Board of Statutory Auditors									
Martinelli Pierluigi	Chairman of the Board of Statutory Auditors	from January 1, 2003 until April 27, 2006	7					h	3
Donnamaria Vincenzo	Chairman of the Board of Statutory Auditors	from April 27, 2006 until December 31, 2008	15					i	21
Donnamaria Vincenzo	Standing Statutory Auditor	from January 1, 2003 until April 27, 2006	5						
Civardi Maurizio	Standing Statutory Auditor	from April 27, 2006 until December 31, 2008	10					e	3
Martinelli Alessandro	Standing Statutory Auditor	from April 27, 2006 until December 31, 2008	10					h	5
Rossetti de Scander Antonio	Standing Statutory Auditor	from January 1, 2003 until April 27, 2006	5						
Total Statutory Auditors			**52**		**-**	**-**	**-**		**22**
Total Managers with strategic responsibilities			**602**		**-**	**-**	**-**		**-**

(a) compensation in the form of company car, healthcare assistance, check-ups, accident and extra-professional insurance;
(b) compensation for the position of director in subsidiaries;
(c) compensation of €10 thousand for the position of director paid to the relative company;
(d) of which €10 thousand for the position of director in subsidiaries and, €25 thousand for the position of Chairman of the Supervisory Board and member of the Audit Committee, and €68 thousand as employee compensation;
(e) reimbursement of expenses;
(f) compensation for the position of member of the Audit Committee;
(g) of which €32 thousand for the position of Chairman of the Audit Committee and the position of member of the Supervisory Board;
(h) compensation for the position of director in subsidiaries;
(i) of which €16 thousand for the position of member of the Supervisory Board €5 thousand for reimbursement of expenses;
* TFM: severance package for directors; PNC: covenant in restraint of competition for directors
** Director with management powers until April 27, 2006

In 2005 the item "Writedown of non-current assets" included both writedowns of property, plant and equipment totalling €1,235 thousand, posted by the subsidiaries Saes Getters Technical Service (Shanghai) Co., Ltd. and Saes Getters Korea Corporation, and writedowns of intangible assets totalling €306 thousand, posted by the Parent Company and by the subsidiary Saes Getters Japan Co., Ltd., as compared with the 2006 value relative to writedowns of property, plant and equipment posted solely by the aforementioned Chinese subsidiary.

6. Restructuring costs

The item "Restructuring costs" includes a provision of €4 million for the process of rationalising and reorganising production activity for the Cathode Ray Tubes Business Area (as concerns personnel, the relative agreements were reached with labour unions in October 2006). The aforementioned process, the purpose of which is to bring production capacity into line with the market demand, also calls for the use of the redundancy schemes established by applicable law.

7. Other income (expenses), net

The item is broken down as follows:

(thousands of euro)

	2006	2005	Difference
Capital gains on disposal of assets	33	123	(90)
Gains from financial instruments evaluated at fair value	446	164	282
Other income	880	975	(95)
Total Other Income	**1,359**	**1,262**	**97**
Losses on disposal of assets	(77)	(19)	(58)
Losses from financial instruments evaluated at fair value	(124)	-	(124)
Other expenses	(479)	(960)	481
Total Other Expenses	**(680)**	**(979)**	**299**
Other income (expenses), net	**679**	**283**	**396**

The "Other income" registered in 2006 remained substantially unchanged from the figure for the previous year due to the offsetting changes into the item.

"Other expenses" were down from the previous year as a result of decreased residual operating costs that could not be classified to other lines of the income statement by intended use, primarily in connection with the Group's Italian companies.

The items "Gains from financial instruments evaluated at fair value" and "Losses from financial instruments evaluated at fair value" include income and expenses arising from the fair value measurement of the hedges taken out to protect against changes in cash flows expected from foreign currency sale transactions accounted for using the cash flow hedge method.

8. Financial income/Financial expenses

Financial income is broken down as follows:

(thousands of euro)

	2006	2005	Difference
Bank interest income	2,202	1,599	603
Other financial income	52	62	(10)
Interest and other financial income, net	**2,254**	**1,661**	**593**

The item "Bank interest income" showed an increase of €603 thousand compared to the previous year, mainly due to the increase in the average lending interest rate.

Financial expenses did not undergo significant changes and are broken down as follows:

(thousands of euro)

	2006	2005	Difference
Bank interest expenses and other bank expenses	238	244	(6)
Other financial expenses	211	121	90
Interest and other financial income, net	**449**	**365**	**84**

9. Foreign exchange gains (losses), net

This item shows a total year-on-year decrease of €3,272 thousand and is broken down as follows:

(thousands of euro)

	2006	2005	Difference
Foreign exchange gains	2,644	3,077	(433)
Foreign exchange losses	(4,759)	(1,920)	(2,839)
Total	**(2,115)**	**1,157**	**(3,272)**

The change reflects the trend of exchange rates during 2006 in comparison with 2005.

10. Income taxes

This item shows a total increase of €8,765 thousand and is broken down as follows:

(thousands of euro)

	2006	2005	Variazione
Current income taxes	22,513	11,803	10,710
Deferred taxes	356	2,301	(1,945)
Total	**22,869**	**14,104**	**8,765**

This item includes current taxes and provisions for deferred taxes which include, inter alia, the tax effect of consolidation adjustments.

In detail, current taxes rose from €11,803 thousand in 2005 to €22,513 thousand in 2006. This increase was principally due to greater taxable income and the higher tax rate applicable to certain Group companies. The item also includes positive adjustments made in relation to current taxes in the previous year totalling €364 thousand, as against a positive adjustment of €595 thousand in 2005.
The net amount of deferred taxes moved from negative €2,301 thousand in 2005 to negative €356 thousand in 2006. The change is principally due to the increase in deferred tax assets on consolidation adjustments and increased deferred tax assets by the Korean subsidiary due to the higher tax rate applicable to the latter.

As a percent of income before taxes, taxes rose from 40.2% in 2005 to 42.1% for 2006, primarily due to the higher tax rates applicable to certain Group companies, offset by the percent decrease in the provision for deferred taxes owed in the event of the distribution of the profits and reserves of subsidiaries.

The reconciliation between the theoretical taxes payable on the basis of the tax rates in force in Italy (Ires and Irap) and the actual taxes payable according to the Consolidated Financial Statements is given below:

(thousands of euro)

	2006		2005	
	Amount	Percentage	Amount	Percentage
Income before taxes	**54,260**		**35,111**	
Theoretical tax charge	20,212	37.3%	13,079	37.3%
Effect of different tax rates applicable to Group companies	(1,857)	-3.4%	(3,671)	-10.5%
Non-deductible expenses and writedowns of deferred tax assets	2,455	4.5%	3,192	9.1%
Taxes on accumulated profits of subsidiaries and taxes on dividends	1,544	2.8%	1,641	4.7%
Irap	781	1.4%	606	1.7%
Other	(266)	-0.5%	(743)	-2.1%
Actual tax charge	**22,869**	**42.1%**	**14,104**	**40.2%**

The composition of the deferred tax assets posted in the balance sheet of the Consolidated Financial Statements as at December 31, 2006 and December 31, 2005 respectively is given below according to the nature of the temporary differences that generated the deferred tax effects:

(thousands of euro)

	2006		2005	
	Temporary differences	Fiscal effect	Temporary differences	Fiscal effect
Intercompany profit elimination	16,999	5,439	19,961	4,847
Writedowns of inventory	3,003	1,093	3,132	1,170
Writedowns of receivables	220	33	510	82
IAS 17 effect	(4,202)	(1,565)	(4,519)	(1,683)
Application of cash flow hedge IAS 39	(457)	(170)	644	261
Writedowns of investments	3,082	1,017	6,166	2,035
Taxed provisions	4,911	1,632	1,574	551
Cash deductible fees	2,937	1,053	2,193	779
Other	2,496	653	2,877	613
Losses that can be carried forward by foreign companies	47,737	14,746	50,993	15,308
Value adjustments of deferred tax assets to losses that can be carried forward by foreign companies		(14,746)		(15,308)
Deferred tax assets		**9,185**		**8,655**

The composition of the deferred tax liabilities recorded in the Consolidated Financial Statements as at December 31, 2006 and December 31, 2005 respectively is given below according to the nature of the temporary differences that generated the deferred tax effects:

(thousands of euro)

	2006		2005	
	Temporary differences	Fiscal effect	Temporary differences	Fiscal effect
Taxes due on distribution of earnings accumulated by subsidiaries	41,070	5,386	26,976	3,842
Deferred tax liabilities		**5,386**		**3,842**

It should be noted that, with effect from May 12, 2005, the Parent Company Saes Getters S.p.A. and the subsidiary Saes Advanced Technologies S.p.A. signed an agreement for tax consolidation with S.G.G. Holding S.p.A., the company that controls Saes Getters S.p.A., thus exercising the group taxation option offered in Article 117 of the Italian Income Tax Consolidation Act (TUIR), with the effects set out in Article 118 of said Act.

11. Earnings per share

Earnings per share were calculated by dividing the period income of the Saes Getters Group by the average number of shares in circulation in 2006. The following table brakes down earnings per share for 2006 compared with the corresponding figures for 2005:

Earnings per share	**2006**	**2005**
Number of ordinary shares:	15,271,350	15,271,350
Number of savings shares:	7,460,619	7,460,619
Total number of shares:	**22,731,969**	**22,731,969**
Average number of ordinary treasury shares:	302,028	302,028
Average number of savings treasury shares:	10,013	10,013
Average number of treasury shares:	**312,041**	**312,041**
Average number of outstanding ordinary shares:	14,969,322	14,969,322
Average number of outstanding savings shares:	7,450,606	7,450,606
Average number of outstanding shares:	**22,419,928**	**22,419,928**
Earnings attributable to ordinary shares from continuing operations	21,272	15,056
Earnings attributable to savings shares from continuing operations	10,706	7,614
Earnings attributable to shareholders from continuing operations (€/000)	**31,978**	**22,670**
Losses attributable to ordinary shares from discontinuing operations	(392)	(1,110)
Losses attributable to savings shares from discontinuing operations	(195)	(553)
Losses attributable to shareholders from discontinuing operations (€/000)	**(587)**	**(1,663)**
Earnings attributable to ordinary shares	20,880	13,946
Earnings attributable to savings shares	10,511	7,061
Earnings attributable to shareholders (€/000)	**31,391**	**21,007**
Earnings per share from continuing operations (€) :		
- ordinary shares	1.4210	1.0057
- savings shares	1.4370	1.0218
Losses per share from discontinuing operations (€) :		
- ordinary shares	(0.0262)	(0.0742)
- savings shares	(0.0262)	(0.0742)
Earnings per share (€) :		
- ordinary shares	1.3948	0.9315
- savings shares	1.4108	0.9476

12. Discontinued operations

As part of its strategy to divest itself of non-synergetic businesses and focus on profitable activities, the Group has taken actions geared towards disposing of the assets of the subsidiary Saes Getters Technical Service (Shanghai) Co., Ltd. (hereinafter "SGT").

In application of IFRS 5, Non-current Assets Held for Sale and Discontinued Operations, the fair value of the non-current assets of the aforementioned Company was calculated. In detail, the fair value of plant was measured according to its market value; the proceeds of €498 thousand correspond to the increase in the net book value of the plant owned by the Chinese Subsidiary and held for sale, in connection with the share of the previously recognised impairment losses that were previously recovered and absorbed by its fair value (net of costs directly attributable to the disposal of the asset).

The column labelled “Discontinuing operations” for 2006 includes the values of the subsidiary Saes Getters Technical Service (Shanghai) Co., Ltd. for the period, including the aforementioned proceeds of €498 thousand; the “Discontinuing operations” for 2005 column includes both the values of the Chinese subsidiary and those of FST Consulting International, Inc. (hereinafter FST), the latter having been sold effective from July 29, 2005.

The income (loss) from discontinued operations for 2006 and 2005 may be broken down as follows:

(thousands of euro)

	2006	2005
SGT loss for the year	(1,085)	(1,240)
Fair value of SGT building	498	
FST loss until disposal		(251)
Loss on FST disposal		(328)
FST reversal of currency translation reserve		222
FST selling costs		(66)
Net result of discontinuing operations	**(587)**	**(1,663)**

A summary of SGT's cash flow statement for 2006 and 2005 is provided below:

(thousands of euro)

	December 31, 2006	December 31, 2005
Cash flow from operating activities	321	1,191
Cash flow from investing activities	-	-
Cash flow from financing activities	(470)	(868)
Increase (decrease) in cash and cash equivalents	**(149)**	**323**

13. Segment reporting

The income statement and balance sheet values shown in the following analytical statements are described for primary business segments in accordance with International Accounting Standard IAS 14.
There are two primary business segments identified on the basis of the products developed and sold: Information Displays and Industrial Applications. The column "Not allocated" includes corporate income statement and balance sheet values and income statement and balance sheet values relating to research and development projects undertaken to achieve diversification in the area of advanced materials, as well as any other income statement and balance sheet values that cannot be allocated to primary segments. The presentation shown reflects the Group's organisational structure and the internal reporting structure.
It is pointed out that the result of discontinued operations presented in the consolidated income statement relates totally to the Industrial Applications Business Unit.

The main income statement figures relating to the primary business segments identified are as follows:

Consolidated Income Statement by primary business segments

(thousands of euro)

	Continuing Operations						Discontinuing Operations		Total	
	Information Displays		Industrial Applications		Not allocated		Industrial Applications			
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
Total Net Sales	**109,541**	**88,375**	**53,676**	**44,251**	**1,560**	**746**	**823**	**5,208**	**165,600**	**138,580**
Gross Profit (Loss)	**81,710**	**58,567**	**25,562**	**18,991**	**(163)**	**(549)**	**(310)**	**(566)**	**106,799**	**76,443**
% on net sales	74.6%	66.3%	47.6%	42.9%	-10.4%	-73.6%	-37.7%	-10.9%	64.5%	55.2%
Total operating expenses	(19,922)	(16,715)	(15,490)	(15,534)	(13,285)	(10,163)	(530)	(1,550)	(49,227)	(43,962)
Restructuring costs	(4,000)								(4,000)	
Other income (expenses), net	424	(80)	186	316	41	34	28	13	679	283
Operating Income (Loss)	**58,212**	**41,772**	**10,258**	**3,773**	**(13,407)**	**(10,678)**	**(812)**	**(2,103)**	**54,251**	**32,764**
% on net sales	53.1%	47.3%	19.1%	8.5%	N.S.	N.S.	-98.7%	-40.4%	32.8%	23.6%
Share of result of investments accounted for using the equity method	47		4		(230)				(179)	-
Net income (loss) on discontinuing operations							498	(106)	498	(106)
Interest and other financial income, net									1,805	1,296
Foreign exchange gains (losses), net									(2,115)	1,157
Income before taxes									**54,260**	**35,111**
Income taxes									(22,869)	(14,104)
Net Income									**31,391**	**21,007**

The item "Restructuring costs" includes the aforementioned provision for the process of rationalising and restructuring production activity in the Cathode Ray Tubes Business Area (the reader is referred to Note No. 6).
As at the reporting date, there were no significant risks of impairment of non-current assets relating to said Business Area.

The main balance sheet figures relating to the primary business segments are as follows:

(thousands of euro)

Assets and liabilities	Continuing Operations						Discontinuing Operations				Total	
	Information Displays		Industrial Applications		Not allocated		Industrial Applications		Not allocated			
	Dec 31, 2006	Dec 31, 2005	Dec 31, 2006	Dec 31, 2005	Dec 31, 2006	Dec 31, 2005	Dec 31, 2006	Dec 31, 2005	Dec 31, 2006	Dec 31, 2005	Dec 31, 2006	Dec 31, 2005
Non current assets	36,288	32,128	20,147	19,650	23,394	19,719	-	1,832	-	-	79,829	73,329
Current assets	30,010	29,376	20,225	21,152	101,493	99,650	1,692	418	324	473	153,744	151,069
Total assets	**66,298**	**61,504**	**40,372**	**40,802**	**124,887**	**119,369**	**1,692**	**2,250**	**324**	**473**	**233,573**	**224,398**
Non current liabilities	9,095	5,763	4,450	4,986	9,286	8,373	-	-	-	-	22,831	19,122
Current liabilities	11,936	10,407	7,753	8,652	21,941	14,212	57	306	-	1,102	41,687	34,679
Total liabilities	**21,031**	**16,170**	**12,203**	**13,638**	**31,227**	**22,585**	**57**	**306**	**-**	**1,102**	**64,518**	**53,801**
Other segment information												
Capital expenditure	5,953	4,674	3,037	3,238	2,559	1,955	-	73	-	-	11,549	9,940
Depreciation and Amortization	5,977	5,277	3,107	3,520	1,699	1,850	63	249	-	-	10,846	10,896
Non-cash expenses other than Depreciation and Amortization	7,331	1,410	2,025	947	980	274	446	1,356	-	-	10,782	3,987

The following table shows an analysis of net sales by geographical location of customers:

(thousands of euro)

Revenues by geographical location of customer	2006	2005	Variazione
Italy	1,008	760	248
Other UE and Europe	19,697	19,289	408
North America	17,971	20,976	(3,005)
Japan	41,631	36,442	5,189
Other Asia *	82,879	58,763	24,116
Other	2,414	2,350	64
Total Net Sales	**165,600**	**138,580**	**27,020**

* of which to South Korea €34,980 thousand in 2006 and €23,593 thousand in 2005.

Net sales by geographical location show a significant increase in sales on Asian market as a result of the increasing demand for mercury dispensers used in cold cathode lamps, partially offset by the drop in sales on the North American market chiefly due to the sale of the shareholding in FST Consulting International, Inc. in 2005.

Geographical Areas

(thousands of euro)

	Europe		United States of America	Asia		Adjustments (3)	Consolidated
2006	**Italy**	**Other Europe**		**Japan**	**Rest of Asia**		
Total assets (1)	201,883	16,705	22,088	14,569	55,406	(77,078)	233,573
Capital expenditure (2)	9,379	32	386	-	1,752	-	11,549
2005							
Total assets (1)	187,732	15,844	22,001	18,592	38,348	(58,119)	224,398
Capital expenditure (2)	8,643	34	370	-	893	-	9,940

(1) This includes the total assets carried in the balance sheet of Group companies belonging to the segment, net of adjustments made for consolidation purposes in respect of transactions carried out between Group companies belonging to the same geographical area.
(2) This includes the total investments made by Group companies belonging to the segment, net of adjustments made for consolidation purposes in respect of transactions carried out between Group companies belonging to the same geographical area.
(3) This refers to adjustments made for consolidation purposes in respect of transactions carried out between Group companies belonging to different geographical areas.

Accounts receivable by geographical area, based on the residence of the creditor as at December 31, 2006, are broken down as follows:

(thousands of euro)

	Italy	Other Europe	United States of America	Japan	Other Asia	Other	Consolidated
Trade receivables	469	3,893	2,518	7,772	14,423	137	29,212
Derivative financial instruments evaluated at fair value	388						388
Other receivables	9,948	118	608	256	487	-	11,417
Total receivables	**10,805**	**4,011**	**3,126**	**8,028**	**14,910**	**137**	**41,017**

Accounts payable by geographical area, based on the residence of the debtor as at December 31, 2006, are broken down as follows:

(thousands of euro)

	Italy	Other Europe	United Statesof America	Japan	Other Asia	Other	Consolidated
Bank overdraft	3,832	63	-	-	-	-	3,895
Trade payables	5,934	1,707	1,068	323	173	-	9,205
Other payables	17,325	345	1,055	1,639	6,498	-	26,862
Total payables	**27,091**	**2,115**	**2,123**	**1,962**	**6,671**	**-**	**39,962**

Non-current assets

14. Property, plant and equipment

Total property, plant and equipment, less accumulated depreciation, was €61,303 thousand as at December 31, 2006 and €60,493 thousand as at December 31, 2005.

The changes are shown below:

(thousands of euro)

Net book value	Land	Buildings	Land and buildings	Plant and machinery	Assets under construction and advances	Total
Balance at December 31, 2005	**1,477**	**27,033**	**28,510**	**29,440**	**2,543**	**60,493**
Additions	298	978	1,276	4,673	4,934	10,883
Disposals				(85)		(85)
Reclassifications		887	887	3,888	(4,627)	148
Reclassifications to "Non current assets held for sale"		(1,371)	(1,371)			(1,371)
Acquisitions		1,031	1,031	1,423		2,454
Depreciation		(1,316)	(1,316)	(8,794)		(10,110)
Writedowns				(453)		(453)
Fair value of non current assets held for sale		498	498			498
Conversion differences	(97)	(595)	(692)	(458)	(4)	(1,154)
Balance at December 31, 2006	**1,678**	**27,145**	**28,823**	**29,634**	**2,846**	**61,303**
Balance at December 31, 2005						
Historical cost	1,477	40,410	41,887	104,267	2,543	148,697
Accumulated depreciation and writedowns	-	(13,377)	(13,377)	(74,827)	-	(88,204)
Net book value	**1,477**	**27,033**	**28,510**	**29,440**	**2,543**	**60,493**
Balance at December 31, 2006						
Historical cost	1,678	40,290	41,968	112,356	2,846	157,170
Accumulated depreciation and writedowns	-	(13,145)	(13,145)	(82,722)	-	(95,867)
Net book value	**1,678**	**27,145**	**28,823**	**29,634**	**2,846**	**61,303**

The item "Land and buildings" includes assets redeemed by the Group's Italian companies at the end of finance leases with a net book value of €4,250 thousand as at December 31, 2006 (compared with €4,438 thousand as at December 31, 2005). There are no finance leases currently in progress.

With regard to the assets belonging to the Group's Italian companies previously affected by the application of specific monetary revaluation Laws, the Group decided to exercise the exemption allowed under International Financial Reporting Standard IFRS 1 *First-time Adoption of International Financial Reporting Standards* in relation to the possibility of the selective adoption of fair value on the date of transition to International Accounting Standards. Therefore, these assets are measured on the basis of the deemed cost, which is the restated amount at the time of making these revaluations. The net carrying amount of the revaluations made, net of the amortised portion, on the transition date was €460 thousand and €640 thousand for the assets in the category of "Land and buildings" and in the category of "Plant and machinery" respectively.

The changes occurring during the previous year are shown below:

(thousands of euro)

Net book value	Land	Buildings	Land and buildings	Plant and machinery	Assets under construction and advances	Total
Balance at December 31, 2004	**1,302**	**26,038**	**27,340**	**29,507**	**2,922**	**59,769**
Additions	23	185	208	4,217	5,181	9,606
Disposals	-	(24)	(24)	(52)	-	(76)
Reclassifications	-	1,656	1,656	3,785	(5,567)	(126)
Divestments	-	-	-	(288)	-	(288)
Depreciation	-	(1,208)	(1,208)	(8,509)	-	(9,717)
Writedowns	-	(785)	(785)	(450)	-	(1,235)
Conversion differences	152	1,171	1,323	1,230	7	2,560
Balance at December 31, 2005	**1,477**	**27,033**	**28,510**	**29,440**	**2,543**	**60,493**
Balance at December 31, 2004						
Historical cost	1,302	36,753	38,055	98,450	2,922	139,427
Accumulated depreciation and writedowns	-	(10,715)	(10,715)	(68,943)	-	(79,658)
Net book value	**1,302**	**26,038**	**27,340**	**29,507**	**2,922**	**59,769**
Balance at December 31, 2005						
Historical cost	1,477	40,410	41,887	104,267	2,543	148,697
Accumulated depreciation and writedowns	-	(13,377)	(13,377)	(74,827)	-	(88,204)
Net book value	**1,477**	**27,033**	**28,510**	**29,440**	**2,543**	**60,493**

The main changes affecting property, plant and equipment can be summarised as follows:

Land and buildings

This item posted a total net increase of €313 thousand year-on-year.
The increases for the period are attributable to:

- new purchases for €1,276 thousand, primarily the purchase of an industrial facility intended to house new production lines by the subsidiary Saes Advanced Technologies S.p.A.;
- purchases of €1,031 thousand following the acquisition of the 35% minority-interest stake

in Saes Getters (Nanjing) Co., Ltd. (formerly Nanjing Saes Huadong Getters Co., Ltd.), closed in January 2006;

- reclassifications from the item "Assets under construction and advances" totalling €887 thousand, mainly due to the completion of new industrial facilities by the subsidiary Saes Getters Korea Corporation and Saes Getters USA, Inc.;
- the recognition of €498 thousand in income corresponding to the increase in the net carrying value of the facility held for sale by the subsidiary Saes Getters Technical Service (Shanghai) Co., Ltd., in connection with the part of the previously recorded impairment loss covered by its fair value (net of costs directly attributable to the disposal of the asset); in application of International Financial Reporting Standard IFRS 5, this facility was then reclassified to "Non-current assets held for sale" (with a net reclassified value of €1,371 thousand).

In addition to the aforementioned reclassification to "Non-current assets held for sale", the decreases relate to depreciation for the period (€1,316 thousand) and the effect of conversion differences for foreign currency items (€692 thousand).

Machinary and equipment

A total net increase of €194 thousand was recorded in comparison with the previous year.
The increases for the period comprise new purchases of €4,673 thousand, in addition to reclassifications from "Assets under construction" totalling €3,888 thousand (mainly in relation to the Parent Company and the subsidiary Saes Getters Korea Corporation) and purchases totalling €1,423 thousand following the aforementioned acquisition of the 35% minority-interest stake in Saes Getters (Nanjing) Co., Ltd. (formerly Nanjing Saes Huadong Getters Co., Ltd.). New purchases were mainly related to investments by the Group's Italian companies for the purchase of specific machinery and equipment, the installation of new production lines, enhancement and expansion of existing lines, and the development of research activity at Corporate level.
The period decreases were related to depreciation (€8,794 thousand), net transfers (€85 thousand) and negative differences arising from the conversion of foreign currency items (€458 thousand).
Furthermore, a total of €453 thousand in writedowns were made following the decision to discontinue production by the subsidiary Saes Getters Technical Service (Shanghai) Co., Ltd.

Assets under construction and advances

The balance as at December 31, 2006 was €2,846 thousand compared with €2,543 thousand the previous year.

The increase since December 31, 2005 is due to the higher value of the projects for laboratory instruments, improvements to buildings, machinery and equipment to assemble new production lines and for the expansion of existing production lines compared with those completed during the year, principally by the Parent Company.

15. Intangible assets

Total intangible assets, less amortisation, were €4,674 thousand as at December 31, 2006 and €2,695 thousand as at December 31, 2005.

The changes are shown below:

(thousands of euro)

Net book value	Goodwill	Industrial and other patent rights	Concessions, licences, trademarks and similar rights	Other intangible assets	Assets under development and advances	Total
Balance at December 31, 2005	**-**	**652**	**1,738**	**237**	**68**	**2,695**
Additions	-	157	16	137	356	666
Reclassifications	-	-	(148)	-	-	(148)
Reclassifications to "Non current assets held for sale"	-	-	(300)	-	-	(300)
Changes in consolidation area	2,563	-	254	-	-	2,817
Amortization	-	(272)	(513)	(154)	-	(939)
Conversion differences	-	(29)	(78)	(4)	(6)	(117)
Balance at December 31, 2006	**2,563**	**508**	**969**	**216**	**418**	**4,674**
Balance at December 31, 2005						
Historical cost	-	1,880	5,246	4,258	261	11,645
Accumulated amortization and writedowns	-	(1,228)	(3,508)	(4,021)	(193)	(8,950)
Net book value	**-**	**652**	**1,738**	**237**	**68**	**2,695**
Balance at December 31, 2006						
Historical cost	2,563	1,944	5,450	4,290	611	14,858
Accumulated amortization and writedowns	-	(1,436)	(4,481)	(4,074)	(193)	(10,184)
Net book value	**2,563**	**508**	**969**	**216**	**418**	**4,674**

All intangible assets, except for goodwill, are considered to have finite useful lives, and are systematically amortised each year to account for their expected residual use. Goodwill is not subject to amortisation; rather, its recoverable value is periodically examined on the basis of the expected cash flows of the relative cash generating unit (impairment test).
There are no development costs that meet the requirements for mandatory capitalisation as at December 31, 2006.

The changes occurring during the previous year are shown as follows:

(thousands of euro)

Net book value	Industrial and other patent rights	Concessions, licences, trademarks and similar rights	Other intangible assets	Assets under development and advances	Total
Balance at December 31, 2004	**681**	**1,695**	**379**	**831**	**3.586**
Additions	175	62	30	67	334
Reclassifications	183	552	28	(637)	126
Amortization	(406)	(685)	(158)	-	(1.249)
Writedowns	-	-	(113)	(193)	(306)
Conversion differences	19	114	71	-	204
Balance at December 31, 2005	**652**	**1,738**	**237**	**68**	**2,695**
Balance at December 31, 2004					
Historical cost	1,483	4,288	4,695	831	11,297
Accumulated amortization and writedowns	(802)	(2,593)	(4,316)	-	(7,711)
Net book value	**681**	**1,695**	**379**	**831**	**3,586**
Balance at December 31, 2005					
Historical cost	1,880	5,246	4,258	261	11,645
Accumulated amortization and writedowns	(1,228)	(3,508)	(4,021)	(193)	(8,950)
Net book value	**652**	**1,738**	**237**	**68**	**2,695**

The main changes affecting intangible assets can be summarised as follows:

Goodwill

A total of €2,563 thousand in goodwill was generated by the acquisition of the 35% minority-interest stake in Saes Getters (Nanjing) Co., Ltd. (formerly Nanjing Saes Huadong Getters Co., Ltd.), closed in January 2006; this figure represents the premium paid, i.e. the difference between the purchase price ($11 million) and the fair value of the assets and liabilities acquired in the transaction.

In accordance with International Accounting Standard IAS 36, the above-mentioned goodwill is not amortised; rather, it is tested for impairment on a yearly basis in order to verify whether the carrying value may be maintained by measuring its recoverable value, calculated on the basis of its value in use. The cash flows generated by the Cathode Ray Tubes Business Area, the cash-generating unit to which said goodwill has been provisionally allocated, were calculated. It should be noted that the above allocation is provisional, since on the reporting date 12 months had yet to elapse from the acquisition of the shareholding (which occurred in January 2006) to which the goodwill pertains.
The main assumptions underlying the calculation of value in use are projected revenues associated with the cash-generating unit, estimates of cost trends for the time-horizon employed in the calculation, and the discounting rate.
Projected revenues, which are provided in the multi-year plans prepared by the Group and approved by its top management, extend over a four-year time horizon and are in line with current and expected scenarios for the cathode ray tube market, which call for a steady downturn over the time horizon considered.
Cost estimates for the cash generating unit take into account production volumes pertaining to the revenues considered in the estimates in terms of variable costs; other operating costs are estimated on the basis of the current production and commercial structures, along with certain actions aimed at improving efficiency that it may be assumed will be implemented in the last few years of the time horizon considered.

The discounting rate applied (7.7%) is determined according to the average weighted cost of capital, which comprises the average weighted return on assets, excluding risk, plus a risk premium and the cost of financial debt.

The calculation of value in use also takes into account the assumptions applied to the aforementioned variables. These assumptions were derived from the multi-year plans approved by the Company's top management (revenue projections), or from the cash-generating unit's current cost structure, correlated with expected production volumes according to projected revenues or current operating and commercial costs, factoring in the impact of moderate cost-efficiency gains.

Industrial and other patent rights

The balance as at December 31, 2006 was €508 thousand, compared with €652 thousand as at December 31, 2005.
Increases of €157 thousand were recorded during the year principally corresponding to the capitalisation of costs incurred to improve the Group's information technology system, and decreases due to €272 thousand in amortisation for the period. In addition, there were negative conversion differences on items in foreign currencies totalling €29 thousand.

Concessions, licenses, trademarks and similar rights

The end-of-year balance amounted to €969 thousand, compared with €1,738 thousand at the end of the previous year.
Increases for the period relate to changes in the consolidation perimeter totalling €254 thousand following the acquisition of the 35% minority-interest stake in Saes Getters (Nanjing) Co., Ltd. (formerly Nanjing Saes Huadong Getters Co. Ltd.), in addition to €16 thousand in new purchases.
Amortisation for the period totalled €513 thousand, whilst conversion differences on foreign currency entries had a negative effect of €78 thousand.
During the year €148 thousand in reclassifications to intangible assets and €300 thousand in reclassifications to "Non-current assets held for sale" were also recorded in application of International Financial Reporting Standard IFRS 5 and in connection with the building lease on the land on which the facility held for sale by the subsidiary Saes Getters Technical Service (Shanghai) Co,. Ltd was built.

Other

At the end of the year, this item amounted to €216 thousand, as compared with €237 thousand at December 31, 2005.
Period increases amounted to €137 thousand, whilst other changes in the period correspond to amortisation (€154 thousand) and negative conversion differences (€4 thousand).

Assets under development and advances

This item posted a year-on-year increase of €356 thousand as a result of the capitalisation of internal work orders to develop intangible assets in the area of research and development, along with negative conversion differences of €6 thousand.

16. Investments accounted for using the equity method

As at December 31, 2006 this item included the shareholdings in Scientific Materials Europe S.r.l. (30%), Dr.-Ing. Mertmann Memory-Metalle GmbH (50%), and Nanjing Saes Huadong Vacuum Material Co., Ltd. (51%). The year-on-year increase was due to the acquisitions of the stake in Dr.-Ing. Mertmann Memory-Metalle GmbH, closed in May 2006, and in Huadong Electronic Vacuum Material Co., Ltd., thereafter transformed into a joint venture, and renamed Nanjing Saes Huadong Vacuum Material Co., Ltd., which took place in September 2006.

17. Defend tax assets

This item posted a balance of €9,185 thousand as at December 31, 2006, compared with €8,655 thousand in the previous year and reflects the net balance of deferred taxes on the temporary differences between the value ascribed to assets or liabilities according to statutory criteria and the value ascribed for tax purposes, as well as the effect of consolidation adjustments.

The item includes the deferred tax effect (negative effect of €170 thousand as at December 31, 2006, as compared with a positive effect of €261 thousand as at December 31, 2005) associated with the recognition of a special reserve (positive balance as at December 31, 2006) in the shareholders' equity following the application of the cash flow hedge model to hedges against changes in cash flows arising from highly probable future transactions.

Tax losses that may be carried forward totalled €47,737 thousand at December 31, 2006 and the conditions of their use are established by the Law of the countries in which the executive offices of the relative subsidiaries are located (the United States, China and the European Countries). Tax losses that may be carried forward without time restrictions totalled €34,810 thousand and were almost entirely in relation to the subsidiary Saes Getters International Luxembourg S.A. Potential deferred tax assets resulting from total tax losses that may be carried forward (€14,746 thousand on December 31, 2006) have not been recognised by virtue of uncertainty surrounding their recoverability.

18. Other log term assets

These are broken down as follows:

(thousands of euro)

	December 31, 2006	December 31, 2005	Difference
Guarantee deposits	410	440	(30)
Other	473	596	(123)
Total	**883**	**1,036**	**(153)**

The item "Other" mainly consisted of investments made by the US subsidiaries in relation to the agreements for supplementary pension allowances agreed locally with employees.

Current assets

19. Inventory

The item in question is broken down as follows:

(thousands of euro)

	December 31, 2006	December 31, 2005	Difference
Raw materials, auxiliary materials and spare parts	6,236	5,199	1,037
Work in progress and semi-finished goods	3,896	3,856	40
Finished products and goods	7,928	8,478	(550)
Total	**18,060**	**17,533**	**527**

Inventory values are expressed net of the inventory allowance (€3,011 thousand as at December 31, 2006 compared with €3,469 thousand as at December 31, 2005) in order to bring them into line with their estimated realisable value.
During the year inventory writedowns of €598 thousand were charged to the income statement.

The overall year-on-year increase in inventory is largely attributable to contingent production plans, along with the impact of the change in the consolidation perimeter due to the aforementioned acquisition of the 35% minority-interest stake in Saes Getters (Nanjing) Co., Ltd. (formerly Nanjing Saes Huadong Getters Co., Ltd.), offset by negative conversion differences arising from the trend in the euro against the main foreign currencies.

The item "Work in progress and semi-finished goods" includes the valuation according to the percentage of completion method of the construction contracts undertaken by the Parent Company, whose accrued margin amounted to €13 thousand as at December 31, 2006 compared with €205 thousand as at December 31, 2005.

20. Trade receivables

At December 31, 2006 the entry was broken down as follows:

(thousands of euro)

	Gross value December 31, 2006	Bad debt provision December 31, 2006	Net value December 31, 2006	Net value December 31, 2005	Difference
Trade receivables	**29,800**	**(588)**	**29,212**	**29,286**	**(74)**

Trade receivables (all due within one year) relate to ordinary sales transactions.

The bad debt provision shown above reflects an adjustment made to bring the value of receivables in line with their estimated realisable value.

21. Tax consolidation receivables from Parent Company
Tax consolidation payables to Parent Company

The items "Tax consolidation receivables from Parent Company" and "Tax consolidation payables to Parent Company" include, respectively, the amount receivable by Saes Getters S.p.A. and the amount payable by Saes Advanced Technologies S.p.A. as a result of the Group's Italian companies subscribing to the national tax consolidation with the controlling company S.G.G. Holding S.p.A.
The increase in amounts payable owing to tax consolidation is due to the year-on-year increase in the net income of the subsidiary Saes Advanced Technologies S.p.A.

22. Prepaid expenses, accrued income and other

This item, which includes current non-trade receivables from third parties, along with prepaid expenses and accrued income, showed a balance of €5,414 thousand as at December 31, 2006 compared with €6,270 thousand one year earlier.

The respective balances are broken down as follows:

(thousands of euro)

	December 31, 2006	December 31, 2005	Difference
Income taxes receivable	229	411	(182)
VAT receivables	3,353	3,943	(590)
Social security receivables	160	91	69
Personnel	129	92	37
Receivables in respect of public grants	480	791	(311)
Other	169	250	(81)
Total other receivables	**4,520**	**5,578**	**(1,058)**
Prepaid expenses	42	2	40
Accrued income	852	690	162
Total prepaid expenses and accrued income	**894**	**692**	**202**
Total prepaid expenses, accrued income and other	**5,414**	**6,270**	**(856)**

The year-on-year decrease in the item "Income taxes receivable" is mainly due to the recovery of an Irap tax credit by the Parent Company.

The item "Receivables in respect of public grants" includes the amounts accrued as at December 31, 2006 by the Parent Company (€204 thousand compared with €515 thousand as at December 31, 2005) mainly in relation to grants to cover the operating expenses of research projects in progress, and the residual sums claimed by the subsidiary Saes Advanced Technologies S.p.A. from the Ministry of Treasury, Budget and Economic Planning (€276 thousand, unchanged since December 31, 2005) in relation to the incentives outlined in the "Territorial Agreement for the Marsica Area". The decrease since December 31, 2005 is mainly due to the collection of some of this public funding by the Parent Company.

23. Derivative financial instruments evaluated at fair value (Cash folw hedge)

The asset and liability items include assets and liabilities arising from the fair value measurement of hedges using the cash flow hedge method.

As at December 31, 2006 the Parent Company and the subsidiary Saes Advanced Technologies S.p.A. have hedging agreements against fluctuation in the value of the US dollar (notional value of $20,940 thousand) and the Japanese yen (notional value of 445 million Japanese yen), associated with receivables existing on the balance sheet date and future receivables, relating to sales in US dollars and Japanese yen to hedge against the risk of exchange rate fluctuations.

24. Cash and cash equivalent

The balances are broken down as follows:

(thousands of euro)

	December 31, 2006	December 31, 2005	Difference
Bank deposits	93,851	93,214	637
Cash on hand	28	29	(1)
Total	**93,879**	**93,243**	**636**

The year-on-year increase in the item "Bank deposits" is mainly due to the greater amount of cash generated by current operations, only partly offset by the higher sums paid out for investments and dividends paid during 2006.

The item "Bank deposits" mainly consists of short-term deposits held by the Parent Company and by the subsidiaries Saes Getters Korea Corporation and Saes Getters International Luxembourg S.A. with leading credit institutions.

The cash and cash equivalents held by the Group as at December 31, 2006 were mainly expressed in euro.

A breakdown is given below of the items making up the consolidated net financial position:

(thousands of euro)

	December 31, 2006	December 31, 2005
Cash	28	29
Banks	93,851	93,214
Total cash and banks	**93,879**	**93,243**
Other current financial assets	**388**	**-**
Bank overdraft	67	2,798
Current portion of long term debt	839	257
Other current financial liabilities	-	893
Total current liabilities	**906**	**3,948**
Net current financial position	**93,361**	**89,295**
Long term debt, net of current portion	2,989	3,434
Total non current liabilities	**2,989**	**3,434**
Net financial position	**90,372**	**85,861**

The year-on-year increase may primarily be attributed to cash generated by operations (€56,706 thousand), out of which €29,265 thousand was distributed as dividends, and €22,145 thousand was applied to acquisitions of equity investments and other investments.

25. Non-current assets held for sale

At December 31, 2006 this item included the value of the property (€1,371 thousand) and the building lease on the land (€300 thousand) of the subsidiary Saes Getters Technical Service (Shanghai) Co., Ltd. The Group has taken action aimed at the disposal of said non-current assets, and a variety of negotiations were underway at the end of the financial year; in consequence, the above assets were reclassified from property, plant, and equipment and intangible assets, respectively, to non-current assets held for sale in application of International Financial Reporting Standard IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations.*

For further details, refer to Notes No.12 and No.14.

Shareholders' equity

26. Group shareholders' equity

As at December 31, 2006, shareholders' equity amounted to €169,055 thousand, down by €1,542 thousand on December 31, 2005. The changes that occurred during the period are described in the statement of changes in shareholders' equity.

The Consolidated Financial Statements include provisions for any taxes owed in the event of the distribution of the profits accumulated in previous years by the subsidiaries, excluding those associated with taxable temporary differences that are not expected to be settled in the foreseeable future in the form of a dividend distribution.

Capital stock

As at December 31, 2006, the capital stock, fully subscribed and paid-up, amounted to €12,220 thousand and was made up of 15,271,350 ordinary shares and 7,460,619 savings shares, making a total of 22,731,969 shares. The composition of capital stock is unchanged from December 31, 2005.

The par book value per share was €0.537569 on December 31, 2006.

The Parent Company's ordinary and savings shares are listed on segment of the *Mercato Telematico Azionario* called STAR (Securities with High Requirements), dedicated to small-caps and mid-caps that meet specific requirements with regard to reporting transparency, liquidity and corporate governance.

Share issue premium

This item includes amounts paid by shareholders over the par value of shares underwritten by capital increases.
As at December 31, 2006, this was €48,679 thousand compared with €38,273 thousand at the end of the previous year.

Treasury shares

During 2006 the Parent Company did not purchase or dispose of treasury shares.

The Shareholders' Meeting dated April 27, 2006 has authorised the Board of Directors to purchase treasury shares up to the maximum of distributable profits and available reserves as disclosed on the last duly approved financial statements.

Saes Getters ordinary shares held in the Company's portfolio as at December 31, 2006 have a par book value of €162 thousand and represent 1.33% of the capital stock (1.98% of ordinary shares).
Saes Getters savings shares held in the Company's portfolio as at December 31, 2006 have a par book value of €5 thousand and represent 0.04% of the capital stock (0.13% of savings shares).

The higher market value of treasury shares compared with their book value is shown in the table below:

(thousands of euro)

	Ordinary shares	Savings shares
Higher market value* (at December 29, 2006) than the book value	6,259	112
Higher market value* (average December 2006) than the book value	6,438	113
Higher market value* (average February 2007) than the book value	6,663	133

* calculated on the basis of official prices

Legal reserve

This item, which refers to the legal reserve of the Parent Company, amounted to €2,444 thousand as at December 31, 2006, unchanged from December 31, 2005.

Sundry reserves, retained earnings, and accumulated losses

This item includes:

- the reserve for treasury shares, which had a balance of €2,618 thousand as at December 31, 2006, equal to the book value of Saes Getters ordinary and savings shares in portfolio at the end of the period;
- the cash flow hedge reserve (showing a positive balance of €232 thousand on December 31, 2006), generated by the fair value measurement of hedging transactions undertaken by the Group's Italian companies;
- the reserves (€3,026 thousand) formed from the monetary revaluation credit balances resulting from the application of Law No. 72 of March 19, 1983 (€574 thousand), Law No. 413 of December 30, 1991 (€762 thousand) and Law No. 342 of November 21, 2000 (€1,690 thousand) by the Group's Italian Companies. The revaluation reserves, pursuant to Law No. 413/1991 and Law No. 342/2000, are shown net of substitute taxes totalling €166 thousand and €397 thousand respectively. Refer to Note No. 14 for further details;
- sundry reserves of subsidiaries, the reserve generated from the transition to International Accounting Standards, retained earnings, other equity items relating to the Group's companies which are not eliminated as part of the consolidation process and exchanges differences arising from the conversion of financial

statements expressed in foreign currencies. The translation reserve has a positive balance of €219 thousand as at December 31, 2006, a decrease of €4,433 thousand on the positive balance of €4,652 thousand recorded as the end of last year. This decrease is due to the overall impact on consolidated shareholders' equity caused by converting the financial statements of foreign subsidiaries expressed in foreign currencies into euro, as well as by the respective consolidation adjustments.

The Group exercised the exemption allowed under International Financial Reporting Standard IFRS 1 *First-time Adoption of International Financial Reporting Standards* regarding the possibility of writing off the accumulated profits or losses generated by the consolidation of foreign subsidiaries as at January 1, 2004 and therefore the translation reserve only includes the translation gains or losses generated after the date of transition to International Accounting Standards.

The following table shows the income and expenses recognised directly in shareholders' equity in 2006:

(thousands of euro)

Cash flow hedge reserve movements	765
Exchange rate differences from conversion of financial statements denominated in foreign currency	(4,433)
Total income (expenses) recognised directly in the equity	**(3,668)**

The reconciliation between the net income and shareholders' equity of Saes Getters S.p.A. and the consolidated net income and consolidated shareholders' equity as at December 31, 2006 and December 31, 2005 is set out below:

(thousands of euro)

	December 31, 2006		**December 31, 2005**	
	Net Income	**Shareholders' Equity**	**Net Income**	**Shareholders' Equity**
Group's Parent Company Saes Getters S.p.A.	**24,227**	**113,845**	**17,922**	**118,598**
Difference between the consolidated companies' shareholders' equity and the book value represented by the investment		62,707		61,420
Net profit (losses) of the consolidated companies net of dividends distributed and investment writedowns	8,072		3,665	
Elimination of profits arising from inter-company transactions, net of the related tax effect	214	(5,529)	219	(5,561)
Appropriation of deferred taxes related to subsidiaries' resolutions on net income distribution	(1,544)	(5,386)	(1,641)	(3,842)
Other minor adjustments	422	3,418	842	(18)
Consolidated accounts	**31,391**	**169,055**	**21,007**	**170,597**

As at December 31, 2006, all subsidiaries were wholly owned, whereas in 2005 for the company Nanjing Saes Huadong Getters Co., Ltd., in which the Group had a 65% stake, the proportional consolidation method was applied. The acquisition of the 35% minority-interest stake in the above company was closed in January 2006.

Non-current liabilities

27. Financial liabilities

This item consists of subsidized loans from the special applied research fund granted to the Parent Company by the Ministry of Productive Activities through the bank SanPaolo IMI.

The maturities of the loans are shown below:

(thousands of euro)

	December 31, 2006	December 31, 2005	Difference
Less than 1 year	839	257	582
Between 1 and 2 years	849	763	86
Between 2 and 3 years	859	772	87
Between 3 and 4 years	653	781	(128)
Between 4 and 5 years	628	571	57
Over 5 years	-	547	(547)
Total	**3,828**	**3,691**	**137**

Please note that debt with maturity of less than 1 year is included in the item "Current portion of long-term debt".

The average borrowing rate in 2006 was 1.19%.
The year-on-year change is due to a new loan of €394 million taken out the Parent Company in December 2006, offset by the payment of instalments that came due during the year.

28. Deferred tax liabilities

This item consists of the provision for deferred taxes owed in the event of the distribution of the profits and reserves of the subsidiaries, excluding those relating to profits and reserves that are not considered likely to be distributed in the foreseeable future.

Following recent amendments to the Italian Tax Code (Decree Law No. 223 of July 4, 2006, converted as amended into Law No. 24 of August 4, 2006), regulations governing the taxation of dividends originated from entities residing in countries or territories benefiting from privileged tax treatment (the so-called "black list") have undergone significant changes, requiring an adjustment of deferred tax liabilities associated with distributable reserves possessed as at January 1, 2006 by the Korean and Luxembourg subsidiaries.
The year-on-year increase in the item is primarily due to the foregoing considerations.

29. Staff leaving indemnity and other employee benefits

It should be noted that this item includes liabilities to employees under both defined contribution and defined benefit plans existing in certain Group companies in accordance with the contractual and legal obligations existing in Italy and Korea.

The changes that occurred during the period were as follows:

(thousands of euro)

Balance at December 31, 2005	**10,752**
Provision for the period recorded in the income statement	3,650
Indemnities paid during the period	(2,927)
Other movements	(532)
Differences arising from the translation of financial statements denominated in foreign currencies	(230)
Balance at December 31, 2006	**10,713**

Other movements relate to a reclassification from the item "Staff leaving indemnity and other employee benefits" to the item "Other payables" by the subsidiary Saes Getters Japan Co., Ltd. following changes to supplementary company agreements.

The amounts recognised in the income statement as broken down as follows:

(thousands of euro)

Current service cost	3,326
Interest cost (defined benefit plans)	324
Net actuarial losses (gains) recognised in the period	-
Provision for the period recorded in the income statement	**3,650**

The obligations relating to defined benefit plans are measured annually by independent actuarial consultants according to the projected unit credit method, separately applied to each plan. The reconciliations as at December 31, 2006 and December 31, 2005 respectively are shown below:

(thousands of euro)

	December 31, 2006	December 31, 2005
Present value of defined benefit obligations	9,277	8,817
Fair value of plan assets	-	-
Unrecognised actuarial (gains) losses	97	(31)
Expenses from past service cost not yet recognised	-	-
Accounting liabilities in respect of defined benefit obligations	**9,374**	**8,786**
Accounting liabilities in respect of defined contribution obligations	1,339	1,966
Staff leaving indemnity and similar obligations	**10,713**	**10,752**

The main assumptions used for the actuarial valuations as at December 31, 2006 and December 31, 2005 of the defined benefits plans are given below:

	Italy		Japan		Korea	
	Dec. 31, 2006	Dec. 31, 2005	Dec. 31, 2006	Dec. 31, 2005	Dec. 31, 2006	Dec. 31, 2005
Discount rate	4.25%	4.0%	n.a.	2.5%	5.0%	5.0%
Expected salary increase rate	2.25%	2.0 - 2.5%	n.a.	2.0%	4.5%	4.5%

Effective from January 1, 2007, the Finance Law and associated implementation decrees introduced significant modifications to staff leaving indemnity regulations, including the option afforded the employee regarding the choice of the application of benefits accrued under the programme. As matters stand, the various possible interpretations of the status of the benefits accruing under the staff leaving indemnity programme according to International Accounting Standard IAS 19 and the ensuing changes in actuarial calculations concerning the benefits accrued, as well as the impossibility of estimating decisions by employees as to the application of the benefits accruing under the programme (which each employee has until June 30, 2007 to make) mean that any proposals to modify the actuarial calculations of staff leaving indemnity benefits accrued as at December 31, 2006 are premature.

There were 832 employees on December 31, 2006 (of which 305 outside of Italy), an increase of 7 persons year-on-year.

The following table provides an analysis of the distribution of the Group's employees by category:

	December 31, 2006	December 31, 2005	Average 2006	Average 2005
Managers	67	57	66	58
Employees and middle management	360	345	351	373
Workers	405	423	435	430
Totale	**832**	**825**	**852**	**861**

It should be noted that the number of employees at the formerly jointly-controlled company Saes Getters (Nanjing) Co,. Ltd. (formerly Nanjing Saes Huadong Getters Co. Ltd.) was 101 as at December 31, 2005 (of which 8 managers, 31 employees and middle managers and 62 workers). This headcount was included in the Consolidated Financial Statements on the basis of percentage stake held by the Group (65%), in the previous year.

30. Provisions for contingencies and obligations

The composition of these provisions and the related changes are set out below:

(thousands of euro)

	December 31, 2005	Provisions	Uses	Conversion differences	December 31, 2006
Provision for warranty on products sold	164	104	(41)	(20)	207
Provision for restructuring	-	4,000	-	-	4,000
Other provisions	2,783	2,263	(1,899)	(42)	3,105
Total	**2,947**	**6,367**	**(1,940)**	**(62)**	**7,312**

The provision for restructuring includes a new provision of €4 million and for the process of rationalising and reorganising production activity for the Cathode Ray Tubes Business Area (as concerns personnel, the relative agreements were reached with labour unions in October 2006). The aforementioned process, the purpose of which is to bring production capacity into line with the market demand, also calls for the use of the redundancy schemes established by applicable Laws.

The item "Other provisions" mainly includes the provision made by the Italian subsidiary Saes Advanced Technologies S.p.A. in relation to a dispute with social security institutions concerning contribution benefits granted and provisions allocated by various Group companies for staff bonuses pertaining to 2006.

The table below distinguishes between provisions included amongst current and non-current liabilities:

(thousands of euro)

	Current provisions	Non current provisions	Total December 31, 2006	Current provisions	Non current provisions	Total December 31, 2005
Provision for warranty on products sold	-	207	207	-	164	164
Provision for restructuring	1,200	2,800	4,000	-	-	-
Other provisions	2,384	721	3,105	2,007	776	2,783
Total	**3,584**	**3,728**	**7,312**	**2,007**	**940**	**2,947**

Current liabilities

31. Trade payables

As at December 31, 2006 these amounted to €9,205 thousand, showing an increase of €256 thousand compared to December 31, 2005.

All trade payables fall due within one year and arise from commercial transactions.

32. Other payables

The item "Other payables" includes amounts that are not strictly classified as "trade payables" and amounted to €11,059 as at December 31, 2006, compared with €9,728 thousand at the end of the previous year.

These are broken down as follows:

(thousands of euro)

	December 31, 2006	December 31, 2005	Difference
Payables to employee (holidays, wages and staff leaving)	5,098	4,693	405
Social security payables	1,640	1,348	292
Tax payables (excluding income taxes)	1,503	1,218	285
Other	2,818	2,469	349
Total	**11,059**	**9,728**	**1,331**

The item "Payables to employees" as at December 31, 2006 includes provisions for accumulated unutilised holiday leave, extra monthly wages and, for Italian companies, wages and salaries for the month of December.

The year-on-year increase is mainly due to the fact that the item includes both the aforementioned reclassification from the item "Staff leaving indemnity and other employee benefits" by the subsidiary Saes Getters Japan Co., Ltd. following amendments to supplementary company agreements and the liabilities, paid subsequently to the reporting date in January 2007, in connection with the restructuring of the production of cathode ray tube getters (€245 thousand) by the subsidiary Saes Getters Korea Corporation.

The item "Social security payables" essentially consists of amounts payable by the Group's Italian companies to the INPS (Italian social security system) as employer's contributions.

The increase in the "Other payables" item in comparison with December 31, 2005 was mainly due to the increase in the provision for the variable fees due to the Directors of the Parent Company.
These payables are all due within one year.

33. Accrued income taxes

As at December 31, 2006, this item totalled €6,900 thousand, up by €3,911 thousand on the figure for the previous year.

The year-on-year increase in the item may be mainly ascribed to the higher tax rate applicable to Korean incomes and increased taxable incomes of certain subsidiaries.

The balance does not include the Irap advances (€1,814 thousand) paid by the subsidiary Saes Advanced Technologies S.p.A., while the Ires advances (€3,813 thousand) relating to the same company were paid to the controlling company S.G.G. Holding S.p.A. as part of the subscription to the national tax consolidation and are therefore included in the item "Tax consolidation payables to Parent Company". Refer to Note No. 21 for further details.

Tax payables are all payable within one year.

34. Bank overdraft

This item consists of liabilities arising from overdrafts on transfer accounts held with banks.

The year-on-year reduction is due to the payment of financial liabilities by the US subsidiary Saes Getters America, Inc. and by the Chinese subsidiary Saes Getters Technical Service (Shanghai) Co., Ltd.

35. Accrued liabilities

These are broken down as follows:

(thousands of euro)

	December 31, 2006	December 31, 2005	Difference
Accrued expenses	230	340	(110)
Deferred income	915	2,400	(1,485)
Total accrued liabilities	**1,145**	**2,740**	**(1,595)**

The item "Deferred income" includes the share relating to future years (€780 thousand) of the capital contributions granted by the Ministry of the Treasury, Budget and Economic Planning to Saes Advanced Technologies S.p.A. in relation to investments made in previous years. The year-on-year decrease in value was due to the reduction of the aforementioned deferred income by the portion of contributions pertaining to the year and the fact that the figure for December 31, 2005 included shares of income of the U.S. subsidiary Saes Pure Gas, Inc., for which revenue recognition conditions were not met.

36. Fair value of financial assets and liabilities

As required by International Accounting Standard IAS 32, there are not differences between the values recognised in the 2006 financial statements and the fair value of financial assets and liabilities.

37. Financial risk management: objectives and criteria

The Group's main financial instruments, other than derivative instruments, include short-term bank loans as well as sight and short-term bank deposits. The main objective of these instruments is to finance the Group's operating activities. The Group also has financial assets and liabilities, such as trade payables and receivables, arising from operating activities.

The Group undertakes transactions involving derivative instruments, mainly foreign currency forward contracts. The aim is to manage the exchange rate risk generated by the Group's commercial operations. The Group's policy is not to trade in financial instruments.
The main risk hedged by the Group's financial instruments is the exchange risk. The Board of Directors re-examines and agrees upon the policies for managing such risks, as summarised below. The Group's accounting policies in relation to derivatives are indicated in Note No. 2.

Interest rate risk
The Group's exposure to market risk owing to interest rate changes is not significant insofar as the money it borrows comes from subsidised fixed-rate loans for applied research.

Exchange risks
The Group is exposed to foreign currency exchange risk. Such exposure is generated predominantly by sales in currencies other than the functional currency. Around 87% of Group sales and around 35% of the Group's operating costs are denominated in a currency different from the functional consolidation currency.
In order to reduce the economic impact of fluctuations in the US dollar exchange rate, the Group, and in particular, the two Italian companies, have entered into hedging agreements in relation to the currency to be hedged. The maturities of the hedging derivatives tend to tally with the end dates of the transactions to be hedged so as maximise their effectiveness.
Occasionally, the Group also performs hedging transactions for specific commercial transactions in a currency other than the functional currency.

Commodity price risk
The Group's exposure to commodity price risk is usually moderate. The Group has not entered into long-term supply agreements but makes purchases according to requirements. Generally, the Group has more than one supplier for each commodity deemed critical and in order to reduce exposure to the risk of price variations, it enters into annual supply agreements aimed at controlling the price volatility of commodities.

Credit risk
The Group deals predominantly with well-known and reliable customers. The balance of credits is monitored throughout the year so that the amount of potential exposures to losses is not significant.

Liquidity risk
The Group's objective is to maintain a balance between controlling borrowing and flexibility through the use of overdrafts. Given the dynamic nature of the businesses in which it operates, the Group gives preference to flexibility in securing funds through credit lines for short-term uses taken out at market rates.
As at December 31, 2006, the Group had no significant exposure to the liquidity risk thanks to the availability of assets and bank deposits and limited use of borrowing.

38. Cash flow statement

The cash flow statement is presented using the indirect method.

The cash provided from operating activities was €56,706 thousand, compared with €37,251 thousand in the previous year. The upwards change may largely be attributed to the increase in net income and the impact of the change in current taxes, along with the provision for risks and contingencies, partly offset by the increase in taxes paid, the change in deferred taxes, and the change in net working capital.

The cash flows used in investing activities totalled €22,145 thousand, showing an increase on the figure of €9,970 thousand recorded in the previous year. This increase is mainly in relation to the increased investment in property, plant and equipment, the sum paid out for the acquisition of the 35% stake in Saes Getters (Nanjing) Co., Ltd. (formerly Nanjing Saes Huadong Getters Co., Ltd.), and the sums paid out to acquire the 50% stake in Dr.-Ing. Memory-Metalle GmbH and the 51% stake in Huadong Electronic Vacuum Material Co., Ltd., thereafter transformed into the joint venture known as Nanjing Saes Huadong Vacuum Material Co., Ltd.

For information on the item "Price paid for the acquisition of minority shareholding in previous jointly controlled entity, net of cash acquired", refer to Note No. 39.

The cash used by financing activities increased from €22,926 thousand in 2005 to €29,128 thousand in 2006. This change is mainly attributable to the payment of higher dividends compared with the previous year.

Net cash and cash equivalents are stated net of "Bank overdraft", insofar as the latter falls under the category of liabilities to be repaid on demand by the bank. A reconciliation is given below between the cash and cash equivalents shown in the balance sheet and what is shown in the cash flow statement.

(thousands of euro)

	December 31, 2006
Cash and cash equivalents	93,879
Bank overdraft	(67)
Cash and cash equivalents, net	93,812

39. Company combinations

The acquisition of the minority-interest stake in Saes Getters (Nanjing) Co., Ltd. (formerly Nanjing Saes Huadong Getters Co., Ltd.), which allowed the Group (which already owned 65% at the time) to become the company's sole shareholder, closed in January 2006 and was recognised according to the purchase method.

The fair value that may be assigned to the assets and liabilities attributable to said company on the date of purchase are analysed below:

(thousands of euro)

	Fair value at the date of purchase
Land and buildings	1,031
Plant and machinery	1,423
Concessions, licenses, trademarks and similar rights	254
Inventory	413
Trade receivables	1,827
Cash on hand	1,876
	6,824
Trade payables	(184)
Other payables (current liabilities)	(203)
	6,437
Goodwill	2,563
Cost of purchase	**9,000**

For information on the item “Price paid for the acquisition of minority shareholding in previous jointly controlled entity, net of cash acquired”, included in the 2006 consolidated cash flow statement, may be broken down as follows:

(thousands of euro)

Cost of purchase	9,000
Cash acquired	(1,876)
Net cash flow used	**7,124**

40. Potential liabilities and commitments

The guarantees that the Group has provided to third parties may be analysed as follows:

(thousands of euro)

	December 31, 2006	December 31, 2005	Difference
Guarantees in favour of third parties	11,636	12,962	(1,326)
Total guarantees provided by the Group	**11,636**	**12,962**	**(1,326)**

The item "Guarantees in favour of third parties" is principally made up of guarantees given to the VAT Office (€11,246 thousand, compared with €12,836 thousand as at December 31, 2005) to guarantee refunds granted. The year-on-year decrease is largely due to the termination of certain insurance policies, only partly offset by new policies entered into to cover new refunds collected.

The maturities for operating lease payments in force as at December 31, 2006 are shown below:

(thousands of euro)

	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
Operating lease obligations	241	117	-	358

Guarantees provided by the Group in respect of credit facilities, in the interest of subsidiaries, which were not utilised on the reporting date of the accounts, totalled €9,057 thousand as at December 31, 2006 (against €21,694 thousand as at December 31, 2005).

41. Related party transactions

For the purposes of identifying Related Parties, refer to International Accounting Standard IAS 24.
In this case, the Related Parties include:

- **S.G.G. Holding S.p.A.**, controlling company, which is both creditor and debtor of the Saes Getters Group as a result of the subscription by the Group's Italian companies to the national tax consolidation.
- **Scientific Materials Europe S.r.l.**, ., associated company (30%), which is engaged in the production, manufacture and marketing of synthetic crystals for industrial laser applications and for research; Saes Getters S.p.A. distributes its products.
- **KStudio Associato**, tax, legal and financial consultancy firm whose founding member is Vincenzo Donnamaria, Chairman of the Board of Statutory Auditors of Saes Getters S.p.A. It provides tax, legal and financial consultancy services.
- **Executives with strategic responsibilities:** these include the members of the Board of Directors, including non-executive members, the Group Human Resources Director, and the Group Commercial Director.
- **The Statutory Auditors.**
- **Dr.-Ing. Mertmann Memory-Metalle GmbH e Nanjing Saes Huadong Vacuum Material Co., Ltd.**, jointly-controlled companies (in which the Group holds stakes of 50% and 51%, respectively), measured using the net equity method.

The following table shows the total values of the Related Party transactions carried out in the years 2006 and 2005.

(thousands of euro)

	Costs		Revenues		Payables		Receivebles	
	2006	**2005**	**2006**	**2005**	**2006**	**2005**	**2006**	**2005**
S.G.G. Holding S.p.A.	-	-	-	-	8,888	4,318	5,114	4,737
Scientific Materials Europe S.r.l	620	62	8	27	64	74	-	32
KStudio Associato	46	175	-	-	-	-	-	-
Dr-Ing Mertmann Memory-Metalle GmbH	18	-	-	-	18	-	-	-

The following table shows the salaries paid to executives with strategic responsibilities as identified above:

(thousands of euro)

	2006	2005
Short-term employee benefits	4,074	2,935
Post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefits	636	433
Share-based payments	-	-
Total compensations to key management personnel	**4,710**	**3,368**

Pursuant to Consob communications of February 20, 1997 and February 28, 1998, and to International Accounting Standard IAS 24, it is pointed out that, in 2006, all Related Party transactions were performed under economic and financial conditions in line with market conditions and no atypical, unusual or non-standard Related Party transactions were carried out.

42. Events subsequent to the end of the year

On April 3, 2007 the company Saes Opto Materials S.r.l. was established, with executive offices in Cagliari, Italy. The company's purpose is to produce, process and sell synthetic crystals for applications in industry and research, as well as laser-source components.
The capital stock of Saes Opto Materials S.r.l. was 90% owned by Saes Getters S.p.A., and 10% by Mr. Pier Giorgio Lorrai, current majority shareholder of Scientific Materials Europe S.r.l. (“Scimex”).
After the procedure set forth in Article 47 of Law No. 428/1990 has been completed, and the required company resolutions have been passed, Saes Opto Materials S.r.l. will pay Scimex €2.8 million (in cash) to acquire the latter's assets pertaining to the production, processing, and marketing of synthetic crystals for laser applications in industry and research, as well as laser-source components. On the same date, Saes Getters S.p.A. will sell its current 30% stake in Scimex to Mr. Lorrai for €0.2 million (in cash), thereby relinquishing all ownership of the company, which will continue to engage in business and research in the ophthalmic sector.
This operation will allow the Saes Getters Group to strengthen its presence in the advanced materials sector.
Scimex posted net sales of €0.8 million in 2006.

43. Exchange rates applied in the conversion of financial statements expressed in a foreign currency

The following table shows the exchange rates applied in converting foreign financial statements:

EXPRESSED IN FOREIGN CURRENCY (per 1 euro)

Currency	December 31, 2006		December 31, 2005	
	Average rate	Final rate	Average rate	Final rate
US Dollars	1.256	1.317	1.244	1.180
Japanese Yen	146.015	156.930	136.849	138.900
Korean Won	1,198.580	1,224.810	1,273.610	1,184.420
Renminbi (People's Republic of China)	10.010	10.279	10.196	9.520
Singapore Dollars	1.994	2.020	2.070	1.963
New Taiwan Dollars	42.347	42.900	40.859	38.739
UK Pounds	0.682	0.672	0.684	0.685

Lainate (Milan), Italy, April 6, 2007

On behalf of the Board of Directors
The Chairman
Dr Ing. Paolo della Porta



Board of Statutory Auditors' report to the Shareholders' Meeting

Report of the Board of Statutory Auditors on the Separate and Consolidated Financial Statements for the year ended December 31, 2006 pursuant to art. 2429, subsection 2, of Civil Code

To the Shareholders' Meeting of Saes Getters S.p.A.

Shareholders,

In the year ended December 31, 2006, we provided oversight in accordance with rules for the conduct of the Board of Statutory Auditors as recommended by the *Consigli Nazionali dei Dottori Commercialisti e dei Ragionieri*. In particular:

- we guarantee that we have verified compliance with the law and with the articles of association and observance of the principles of correct administration. During the year, the Board of Statutory Auditors held 5 meetings (as well as informal contacts);
- during board meetings and at least every quarter, we obtained information from the directors on general business performance, the foreseeable business outlook, and the most significant transactions in terms of size and characteristics performed by the Company including with regard to its subsidiaries;
- in the 2006 calendar year, we took part in one Shareholders' Meeting and ten meetings of the Board of Directors, all held in observance of the articles of association and with the legislative and regulatory rules that govern their operation. We can state with reasonable certainty that the actions decided upon in such meetings were compliant with the law and the articles of association and were always taken in the Company's best interests including intercompany interests, and were not manifestly imprudent, risky, atypical or unusual, representing a potential conflict of interests or capable of damaging the integrity of the company's assets. In these meetings, all participants were able to freely express comments, opinions and views;
- we assessed and verified the adequacy of the organisational, administrative and accounting system and the reliability of that system to correctly represent management events, by obtaining information from the respective department managers and examining company documents. In this regard we have no particular remarks to make. Furthermore, having followed the work carried out by the Internal Audit Office, managed and coordinated by the Head of Internal Control and by the Audit Committee, we can confirm that the internal control system adopted by the Company is entirely adequate.

The instructions given to subsidiaries were also adequate. The Board of Statutory Auditors did not receive any complaints pursuant to Art. 2408 of the Civil Code or statements of any kind.

We also held meetings, including informal meetings, with the representatives of Reconta Ernst & Young S.p.A., the Audit firm responsible for reviewing the separate and Consolidated Financial Statements of Saes Getters S.p.A. and for financial auditing. From these meetings, there emerged no facts or information that should be detailed in this report.

Separate and Consolidated Financial Statements of Saes Getters S.p.A. for the year ended December 31, 2006

We certify that we have verified the general layout of both the separate and Consolidated Financial Statements of Saes Getters S.p.A., and the general conformity of their formation and structure with the law. We also certify that the information contained therein corresponded to the facts and information that were in our possession.

To the best of our knowledge, the directors, in preparing the financial statements, did not deviate from the provisions of the Law, in accordance with Article 2423, subsection four, of the Italian Civil Code. As in the previous year, following the entrance into effect of European Regulation No. 1606/2002, both the Consolidated Financial Statements and the Separate Financial Statements were prepared according to IAS/IFRS, which had already been adopted from January 1, 2005.
The Separate and Consolidated Financial Statements comprise the balance sheet, income statement, cash flow statement, statement of changes in Shareholders' equity and the respective notes.
The balance sheet layout conforms to the minimum content required by international accounting standards and is based on a distinction between current and non-current assets and liabilities depending on whether these items will be realised within or after one year of the balance sheet date.
In the income statement, costs are disclosed on the basis of their allocation.
The cash flow statement was prepared using the indirect method.
As regards the financial statements submitted for your consideration, we state the following financial highlights (thousands of euro):

Income Statement	**Separate Fin. Stat.**	**Consolidated Fin. Stat.**
Net sales	30,175	165,600
Operating income	(21,252)	54,251
Income before taxes	20,146	54,260
Net income	24,227	31,391
Balance Sheet		
Non-current assets	84,583	79,829
Current assets	88,253	153,744
Total assets	172,837	233,573
Non-current liabilities	11,915	22,831
Current liabilities	47,077	41,687
Shareholders' equity	113,845	169,055
Total liabilities	172,837	233,573

For the year ended December 31, 2006, the Parent Company's Cash Flow Statement shows net cash and cash equivalents of €70,394 thousand. On the same date, the Consolidated Cash Flow Statement shows net cash and cash equivalents of €93,812 thousand.
In the section "Information on the Management", the directors state that financial year 2006 was characterised by excellent margins, and represented a further improvement on 2005, principally as a result of the growth in net sales and a better sales mix. Sales of components for flat panel displays performed particularly well, and were only partially offset by the shrinkage of the traditional cathode ray tube market.
The Company has announced that it has updated the security policy document referred to in Legislative Decree no. 196 of June 30, 2003.

Related Party transactions essentially consist of intercompany transactions with subsidiaries, associated and jointly controlled companies, predominantly of a commercial nature. In particular, related party transactions included the purchase and sale of raw materials, semi-finished goods, finished products, and various types of equipment and services. They were settled in line with the market's economic and financial conditions, and were not therefore deemed atypical or unusual.

With regard to transactions with Related Parties other than subsidiaries, jointly controlled and associated companies, the directors reported:

- dealings with S.G.G. Holding S.p.A., a parent company, largely held by the former parties to the Saes Getters Shareholders' Agreement, which holds 8,672,910 ordinary shares representing 56.79% of ordinary capital with voting rights, deriving from the agreement concerning participation in the national tax consolidation scheme signed on May 12, 2005. At December 31, 2006, the Company had transferred a total of €5,120 thousand in tax credits to the parent company;
- dealings with KStudio Associato pertaining to legal and tax consultancy services provided during the year for a total cost of €46 thousand.

The above details on Related Parties comply with the provisions of Article 2391 bis of the Civil Code and with the Consob communications of February 20, 1997 and February 28, 1998.

Intangible assets have been identified in accordance with IAS 38, as it is likely that future economic benefits will flow from their use. They are amortised on the basis of their estimated useful life.

Fixed investments totalling €58,320 thousand at the end of the year have been described in detail and divided into direct and indirect subsidiaries, jointly controlled companies (Dr.-Ing. Mertmann Memory-Metalle GmbH), associates (Scientific Materials Europe S.r.l.) and other companies. All are valued at cost in the parent company's separate financial statements. At consolidated level, they are all included in the scope of consolidation according to the full consolidation method, except for jointly controlled company Dr.-Ing. Mertmann Memory-Metalle GmbH, and the company Scientific Materials Europe S.r.l., which are included according to the equity method.
As at December 31, 2006, the shareholding in Scientific Materials Europe S.r.l. was written down by €259 thousand in the Parent Company's separate financial statements.

The **dividends** collected by the parent company in 2006 totalled €41,200 thousand, against €20,414 thousand in 2005.

Financial liabilities totalled €30,325 thousand on December 31, 2006, marking an increase of €12,306 thousand over December 31, 2005. The extension of the cash pooling system to all Group companies, except for European and Chinese companies, is significant in this connection.
For information on the performance of subsidiaries, research, development and innovation activities, significant events occurring after the end of the financial year, and business outlook, refer to the Information on the management related to the Consolidated Financial Statements, which are cited in their entirety.

Capital stock
As at December 31, 2006, the capital stock, fully subscribed and paid-up, amounted to €12,220 thousand and was made up of 15,271,350 ordinary shares and 7,460,619 savings shares, for a total of 22,731,969 shares.

Treasury shares
As at December 31, 2006, the Company held a total of 302,028 ordinary treasury shares and 10,013 savings shares. During 2006 the Company did not purchase or dispose of treasury shares.

The **Shareholders' Equity** of the Parent Company, which totalled €113,845 thousand, included, among other components, the reserve for treasury shares, which stood at €2,618 thousand, the book value of the ordinary and savings shares of Saes Getters held at the end of the year, the cash-flow hedge reserve, which showed a positive balance of €89 thousand, compared to a negative balance of €189 thousand in 2005, generated by the fair value measurement of hedge contracts taken out by the Company to cover its exposure to fluctuations in expected cash flows from sales transactions in foreign currencies (US dollars), the IAS conversion reserve, which stood at €2,712 thousand, and the reserve for the sale of treasury shares, which stood at €9 thousand.

Research, development and innovation costs were €12,013 thousand in the Parent Company's separate financial statements and €15,609 thousand in the consolidated accounts, as usual charged to income, because they did not meet the requirements laid down in IAS 38 for mandatory capitalisation.

Income taxes and deferred taxes recorded a positive balance of €4,081 thousand for the Parent Company and a negative balance of €22,869 thousand in the Consolidated Financial Statements.
As regards the recording of deferred tax assets and liabilities, with the respective tax effect, we refer you to the statements made by the directors and to the statements for the temporary differences and related tax effects.
The firm Reconta Ernst & Young, engaged to audit the financial statements, issued an audit report on April 10, 2007, in which it expressed a judgment containing no remarks on either the consolidated and parent company accounts.
Taking this into account, and in consideration of the outcomes of the actions that we have performed, we propose to the Meeting to approve the separate and Consolidated Financial Statements for the year ended December 31, 2006, as prepared by the directors.
In this connection, the Board of Statutory Auditors would like to report that the Board of Directors of Saes Getters S.p.A. has decided to opt for the extended deadline of 180 days from the end of financial year 2006 to call its Shareholders' Meeting, as permitted by Article 2364 of the Civil Code, and in accordance with its Articles of Association (article 9). It was necessary to avail of the aforementioned extended deadline due to the need to receive the supporting documents required to complete the consolidation programme relating to the timely establishment of intercompany tax relations and the calculation of the tax burden for financial year 2006 in the light of the significant changes recently introduced to the corporate income tax code, especially the rules for the taxation of dividends originating in "black-listed" countries.
In particular, this deferral allowed the Company to await the final ruling of Italy's Inland Revenue Service on the request for an opinion filed by the Company concerning the application of the normal system for the taxation of dividends originating in Korea. This ruling allowed the Company to establish its tax burden for the year in a timely manner, resulting in a decrease from the figure disclosed in the Consolidated Quarterly Report to December 31, 2006, in which taxation of said dividends had been prudentially calculated in full.
Lastly, the Statutory Auditors acknowledge that the Board of Directors has proposed to pay out a total dividend of €31,944 thousand, of which €24,215 thousand from net income for the year, and €7,729 thousand from retained earnings, resulting in a dividend of €1.416 per each of the 7,460,619 savings shares and €1.400 for each of the 15,271,350 ordinary shares.

As prescribed, the Board of Directors presents the following Reports to the Ordinary Shareholders' Meeting:

1) Directors' report on the appointment of the auditing firm;
2) Directors' report on decisions ensuing from the resignation of an alternate statutory auditor;
3) Directors' report on the proposal to purchase and dispose of treasury shares.

The Board of Statutory Auditors has no particular remarks to make on the Reports listed above, for which the reader is referred to the Board's report on the proposal to appoint the auditing firm in accordance with article 159 of the Finance Consolidation Act, and also confirms that the Corporate Governance system adopted by the Company is in line with the recommendations contained in the Code of Corporate Governance for Listed Companies approved by Borsa Italiana S.p.A.

April 20, 2007

The Statutory Auditors

saes getters

Audit firm’s report

ERNST & YOUNG

Reconta Ernst & Young S.p.A.
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20123 Milano

Tel. (+39) 02 722121
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INDEPENDENT AUDITORS' REPORT
PURSUANT TO ART. 156 OF LEGISLATIVE DECREE No. 58 OF FEBRUARY 24, 1998
(TRANSLATION FROM THE ORIGINAL ITALIAN TEXT)

To the Shareholders of
Saes Getters S.p.A.

1. We have audited the consolidated financial statements of Saes Getters S.p.A. and subsidiaries (the SAES Group), as of and for the year ended December 31, 2006, comprising the consolidated balance sheet, the consolidated statement of operations, changes in shareholder's equity and cash flows and the related explanatory notes. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

2. We conducted our audit in accordance with the auditing standards and procedures recommended by CONSOB (the Italian Stock Exchange Regulatory Agency). In accordance with such standards and procedures, we planned and performed our audit to obtain the information necessary to determine whether the consolidated financial statements are materially misstated and if such financial statement, taken as a whole, may be relied upon. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, as well as assessing the appropriateness and correct application of the accounting principles and the reasonableness of the estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

   For our opinion on the consolidated financial statements of the prior year, which are presented for comparative purposes, reference should be made to our report dated April 6, 2006.

3. In our opinion, the consolidated financial statements present clearly and give a true and fair view of the financial position, the result of operations, the changes in shareholder's equity and the cash flows of Saes Getters S.p.A. (the SAES Group) as of December 31, 2006 and for the year then ended in accordance with IFRS as adopted by the European Union and the standards issued in accordance with art. 9 of Italian Legislative Decree n° 38/2005.

Reconta Ernst & Young S.p.A.

Signed by
Fabio Mischi
(Partner)

Milan, Italy
April 10, 2007

This report has been translated into the English language solely for the convenience of international readers.

Reconta Ernst & Young S.p.A.
Sede Legale: 00196 Roma - Via G.D. Romagnosi, 18/A
Capitale Sociale € 1.259.500,00 i.v.
Iscritta alla S.O. del Registro delle Imprese presso la CC.I.A.A. di Roma
Codice fiscale e numero di iscrizione 00434000584
P.I. 00891231003
(vecchio numero R.I. 6697/89 - numero R.E.A. 250904)

Information on the management of Saes Getters S.p.A.

Financial highlights of Saes Getters S.p.A

(thousands of euro)

Income statement data	Year 2006	Year 2005	Difference	Difference %
NET SALES				
- Information Displays	23,585	15,244	8,341	54.7%
- Industrial Applications	5,233	5,294	(61)	-1.2%
- Advanced Materials & Corporate Costs	1,357	659	698	n.a.
Total	**30,175**	**21,197**	**8,978**	**42.4%**
EBITDA*	16,402	(10,863)	27,265	-251.0%
% on sales	54.4%	-51.2%		
OPERATING INCOME (LOSS)				
- Information Displays	(4,396)	(1,571)	(2,825)	179.8%
- Industrial Applications	(4,699)	(4,805)	106	-2.2%
- Advanced Materials & Corporate Costs	(12,157)	(9,677)	(2,480)	25.6%
Total	**(21,252)**	**(16,053)**	**(5,199)**	**32.4%**
% on sales	-70.4%	-75.7%		
NET INCOME	24,227	17,922	6,305	35.2%
% on sales	80.3%	84.5%		
Balance Sheet and Financial data	**December, 31 2006**	**December, 31 2005**	**Difference**	**Difference %**
Property, plant and equipment, net	22,983	23,032	(49)	-0.2%
Shareholders' equity	113,845	118,598	(4,753)	-4.0%
Net financial position	66,676	62,685	3,991	6.4%
Other information				
Cash flow from operating activities	(5,508)	(3,311)	(2,197)	66.4%
Research & development expenses	12,013	12,090	(77)	-0.6%
Number of emplyees as at December 31**	298	296	2	0.7%
Personnel cost	17,424	18,594	(1,170)	-6.3%
Purchase of property, plant and equipment	3,901	3,856	45	1.2%

* EBITDA is defined as operating income plus depreciation and amortisation of non-current assets.

** This figure includes personnel employed by Italian Group companies with contract types other than salaried employment agreements.

General information on operations

The organisational structure of the Group, and consequently also that of Saes Getters S.p.A., as the Parent Company (hereinafter also called the Company), consists of two Business Units (Information Displays and Industrial Applications) and one Business Development Unit (Advanced Materials). Furthermore, partly due to the introduction of the new IFRS accounting standards, Corporate costs and research and development costs for diversification in the area of advanced materials are disclosed separately from the two Business Units, Information Displays and Industrial Applications.

The organizational structure based on Business Units and Business Areas is shown in the following table:

Information Displays Business Unit	
Flat Panel Displays	Getters and metal dispensers for flat panel displays
Cathode Ray Tubes	Barium getters for cathode ray tubes
Industrial Applications Business Unit	
Lamps	Getters and metal dispensers used in discharge lamps and fluorescent lamps
Electronic Devices	Getters and metal dispensers for electron vacuum devices
Vacuum Systems and Thermal Insulation	Pumps for vacuum systems and products for thermal insulated devices
Semiconductors	Gas purifier systems for the semiconductor industry and other industries
Advanced Materials Business Development Unit	
Advanced Materials	Getters for microelectronic and micromechanical systems, optical crystals, shape memory alloys

Following the entry into force of EC Regulation No. 1606/2002, the Group has adopted International Accounting Standards/International Financial Reporting Standards (IAS/IFRS) standards as from January 1, 2005. The Financial Statements of Saes Getters S.p.A. have been prepared according to the new standards.

Net sales for the year 2006 were €30,175 thousand, up 42.4% on the figure of €21,197 thousand recorded in 2005. The increase was essentially due to the sales on the Taiwanese market of mercury dispensers used in cold cathode fluorescent lamps for liquid crystal display backlighting. At the end of 2005 the Company established a branch in Taiwan to sell its products on the Taiwanese market; the increase in net sales was partially offset by the decrease in the sales of getters for cathode ray tubes due to the maturity of the business.

An operating loss of €21,252 thousand was recorded in 2006, compared with €16,053 thousand in the same period of 2005. The greater loss was essentially due to the increased amount accrued for restructuring costs, in addition to the rise in general and administrative expenses, which was only partially offset by greater margins due to the increase in net sales.

Dividends and net financial income totalled €41,714 thousand in 2006, up from the figure of €30,260 thousand for the previous year, an increase that was principally due to the larger dividends collected from Group companies.

Net income in 2006 was €24,227 thousand, compared with €17,922 thousand in 2005, and represented 80.3% of net sales (84.5% in 2005).

The financial position as at December 31, 2006 shows net cash and cash equivalents of €66,676 thousand compared with €62,685 thousand as at December 31, 2005. The increase was mainly due to the expansion of cash pooling to include other Group companies.

Research and development activities in the getters field focused, in particular, on the completion of the development program for new high yield mercury dispensing alloys, with a low and high mercury content, which alloys will sit alongside those already existing in the TQS, ROOF and Wire products.

Innovation activities were also intense in the area of getters for OLED, involving the Company's consolidation of its pilot line; radical research in the area of transparent getters continued.

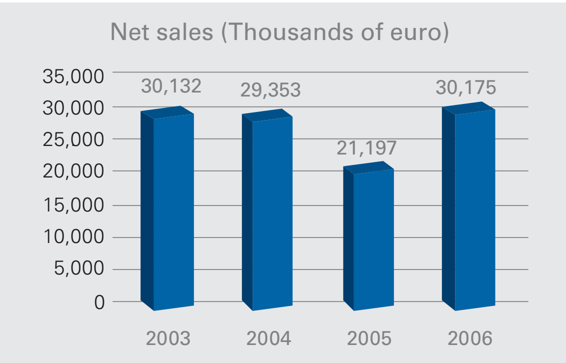
In the area of getters for MEMS applications, the product line was expanded to include 8-inch wafers, and research continued on the development of a photolithographic technique that will be introduced into the process of producing PageWafers in order to improve their physical characteristics and enable particularly small formats to be produced.

Research in the advanced materials field was pursued with equal intensity. As regards SMA, work has continued to develop the production of ingots; a SMA wire pilot production line was also started in parallel. The Company's radical research activity involved the development of high transition temperature alloys and the consolidation of the production process.

In the optoelectronic materials sector the Company was involved in the consolidation of processes and the development of new materials to expand its product portfolio.
For further details on research and development activities, refer to the Information on the Management of the Group.

Sales and income for the year ended December 31, 2006

Net sales for 2006 were €30,175 thousand, up 42.4% on the figure of €21,197 thousand recorded in 2005. The increase in sales, net of the exchange rate effect, was 43.1%; the trend of the major foreign currencies against the euro produced a loss of 0.7%.

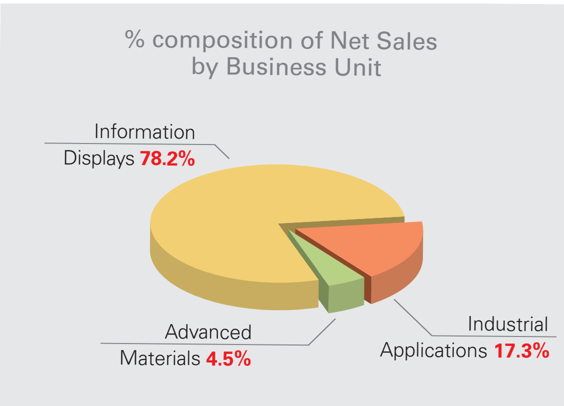


In detail, the Flat Panel Displays Business Area showed significant growth due to increased sales of mercury dispensers for liquid crystal displays on the Taiwanese market following the coming on stream of the Taiwan branch whereas the Cathode Ray Tubes Business Area posted a considerable shrinkage due to the maturity of the business. The Advanced Materials Business Development Unit saw a slight increase in the sales of thin getter films for MEMS applications, and the first sales of synthetic crystals for laser applications.

The table below gives a breakdown of 2006 and 2005 net sales according to Business Unit and Business Area:

(thousands of euro)

Business Units and Business Areas	2006	2005	Total difference	Total difference %	Price/ Quantity effect %	Exchange rate effect %
Flat Panel Displays	12,033	70	11,963	n.a.	n.a.	-0.9%
Cathode Ray Tubes	11,552	15,174	(3,622)	-23.9%	-23.4%	-0.5%
Subtotal Information Displays	**23,585**	**15,244**	**8,341**	**54.7%**	**55.4%**	**-0.7%**
Lamps	747	974	(227)	-23.3%	-22.7%	-0.6%
Electronic Devices	2,983	2,721	262	9.6%	10.3%	-0.7%
Vacuum Systems and Thermal Insulation	1,487	1,417	70	4.9%	5.1%	-0.2%
Semiconductors	16	182	(166)	-91.2%	-90.3%	-0.9%
Subtotal Industrial Applications	**5,233**	**5,294**	**(61)**	**-1.2%**	**-0.7%**	**-0.5%**
Subtotal Advanced Materials	**1,357**	**659**	**698**	**105.9%**	**106.6%**	**-0.7%**
Total Net Sales	**30.175**	**21,197**	**8,978**	**42.4%**	**43.1%**	**-0.7%**



Net sales in the Information Displays Business Unit totalled €23,585 thousand, an increase of €8,341 thousand (+54.7%) on 2005. Currency trends produced a negative exchange rate effect of 0.7%.
Sales in the Cathode Ray Tubes Business Area were 23.9% lower as a result of the shrinkage of the cathode ray tubes market owing to the maturity of the business. The growth of the Flat Panel Displays Business Area was due to the entry into the Taiwanese market as mentioned above.

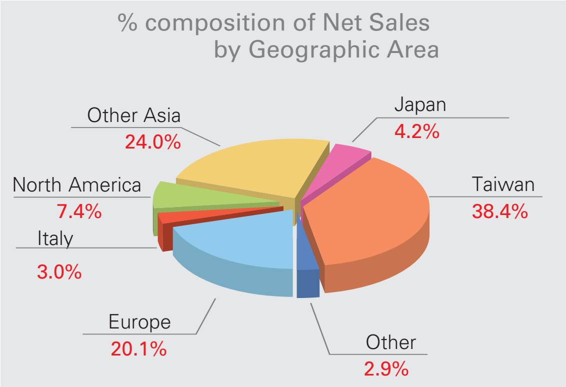
Net sales in the Industrial Applications Business Unit totalled €5,233 thousand, essentially steady compared with the last year's figure. Currency trends produced a negative exchange rate effect of 0.5%.

Net sales in the Advanced Materials Business Development Unit totalled €1,357 thousand, up 105.9% from the previous year's figure, essentially due to sales of thin getter films for MEMS applications and synthetic crystals for laser applications.

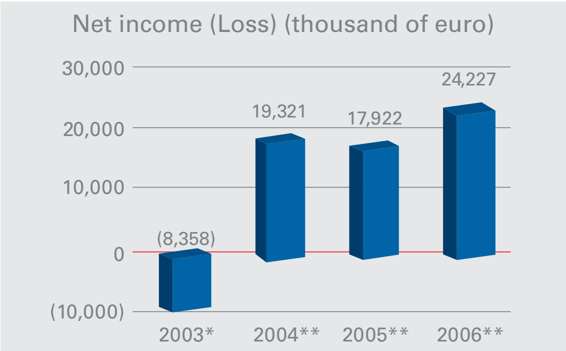
A breakdown is given below of net sales by geographical location of customers:

(thousands of euro)

Geographic Area	2006	%	2005	%	Total difference	Total difference %
Italy	903	3.0%	652	3.1%	251	38.5%
Other UE and Europe	6,054	20.1%	8,322	39.2%	(2,268)	-24.8%
North America	2,246	7.4%	3,303	15.6%	(1,057)	-32.0%
Japan	1,263	4.2%	1,438	6.8%	(175)	-12.2%
Taiwan	11,565	38.4%	-	0%	11,565	n.a.
Other Asia	7,255	24.0%	6,384	30.1%	871	13.6%
Other	889	2.9%	1,098	5.2%	(209)	-19.0%
Total Net Sales	**30,175**	**100.0%**	**21,197**	**100.0%**	**8,978**	**42.4%**



Net sales registered a decrease across all geographic areas, with a particular concentration in Europe as a result of a drop in sales of getters for cathode ray tubes. The Taiwanese market showed growth as commented upon above due to sales of dispensers for liquid crystal displays.



Net income in 2006 was €24,227 thousand, compared with €17,922 thousand in the previous year, and represented 80.3% of net sales (84.5% in 2005).

* Figures prepared according to Italian accounting standards
** Figures prepared according to IAS/IFRS

Net income for the year includes depreciation of tangibles and amortization of intangible assets in a total amount of €4,517 thousand (4,997 thousand in 2005).

The following table shows gross profit for 2006 and 2005 according to Business Unit:

(thousands of euro)

	2006	2005	Difference	Difference %
Information Displays	4,044	2,672	1,372	51.3%
Industrial Applications	1,458	1,357	101	7.4%
Advanced Materials & Corporate Costs	(472)	(357)	(115)	32.2%
Gross Profit	**5,030**	**3,672**	**1,358**	**37.0%**

Gross profit was €5,030 thousand in 2006 compared with €3,672 thousand in 2005. Gross profit, as a percentage of net sales, fell from 17.3% in 2005 to 16.7% in the year just ended.

A negative EBITDA (earnings before income taxes, depreciation and amortisation) of €16,402 thousand was recorded, higher than the negative EBITDA of €10,863 thousand recorded in 2005.

An operating loss of €21,252 thousand was recorded in 2006 compared with €16,053 thousand in 2005. The greater loss was due to the accrual of a provision for restructuring costs and an increase in general and administrative expenses.

The following table shows operating income for 2006 and 2005 according to Business Unit:

(thousands of euro)

	2006	2005	Difference	Difference %
Information Displays	(4,396)	(1,571)	(2,825)	179.8%
Industrial Applications	(4,699)	(4,805)	106	-2.2%
Advanced Materials & Corporate Costs	(12,157)	(9,677)	(2,480)	25.6%
Operating Income (Loss)	**(21,252)**	**(16,053)**	**(5,199)**	**32.4%**

Personnel costs totalled €17,424 thousand, a decrease of €1,170 thousand on the figure of €18,594 thousand recorded in the previous year. The reduction in personnel costs was due to decreased costs for restructuring and occupational mobility.

Research and development expenses, charged to income for the period as they do not meet the criteria laid down in International Accounting Standard IAS 38 for mandatory capitalization, totalled €12,013 thousand (39.8% of net sales) compared with €12,090 thousand in 2005 (57.0% of net sales).

The item “Restructuring costs” includes a provision of €4 million for the process of rationalising and reorganising production activity for the Cathode Ray Tubes Business Area (as concerns personnel, the relative agreements were reached with labour unions in October 2006).
The aforementioned process, the purpose of which is to bring production capacity into line with the market demand, also calls for the use of the redundancy schemes established by applicable Laws.

The item "Other income (expenses), net" totalled €4,864 thousand compared with a net income of €3,888 thousand in 2005.

Net exchange rate differences produced a loss of €316 thousand in the year ended on December 31, 2006 compared with a gain of €153 thousand in 2005. The change reflects the trend of exchange rates during 2006 in comparison with 2005.

Particular attention was given to hedges, with the aim of protecting the Company's margins against fluctuations in exchange rates. To this end, transactions were carried out in 2006 to hedge against the risk of exchange rate fluctuations.

The net balance of dividends and financial income (expenses) was €41,714 thousand compared with €30,260 thousand in 2005. In detail, financial income totalled €1,474 thousand, higher than the figure of €1,283 thousand posted in the previous year. Financial expenses totalled €960 thousand compared with €437 thousand in 2005.

Income taxes totalled €4,081 thousand compared with a figure of €3,562 thousand in the previous financial year. Taxes decreased from -24.8% of income before taxes in 2005 to -20.3% in 2006. This decrease in the negative ratio of taxes to income was principally due to an increase in the amount of dividends collected.

The Financial Statements and the respective Notes included in the 2006 report were audited by the independent Audit firm Reconta Ernst & Young S.p.A.

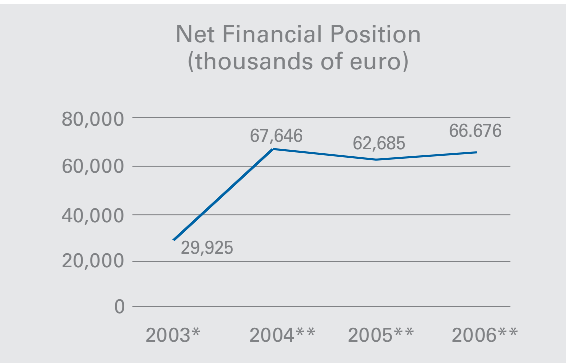
Financial position - Investments

A breakdown is given below of the items making up the net financial position:.

(thousands of euro)

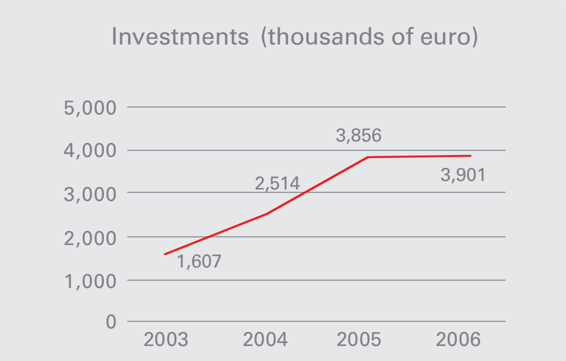
	December 31, 2006	December 31, 2005
Cash on hand	18	19
Cash equivalents	70,376	66,683
Total Cash and cash equivalents	**70,394**	**66,702**
Current financial assets *	**109**	**-**
Bank overdraft	-	-
Current portion of long term debt	839	257
Other current financial liabilities *	-	326
Total current liabilities	**839**	**583**
Current net financial position	**69,664**	**66,119**
Long term debt, net of current portion	2,988	3,434
Total non current liabilities	**2,988**	**3,434**
Net financial position	**66,676**	**62,685**

* Includes the financial assets (liabilities) generated by the fair value measurement of financial derivatives as from January 1, 2005.



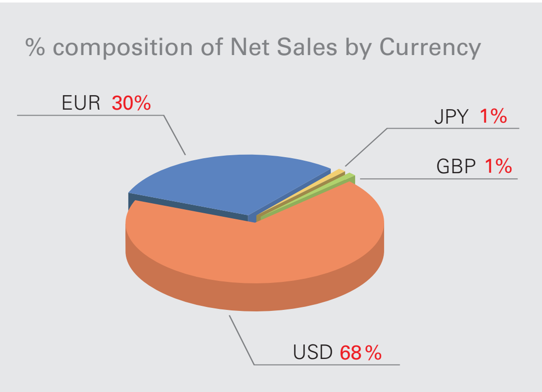
* Figures prepared according to Italian accounting standards
** Figures prepared according to IAS/IFRS

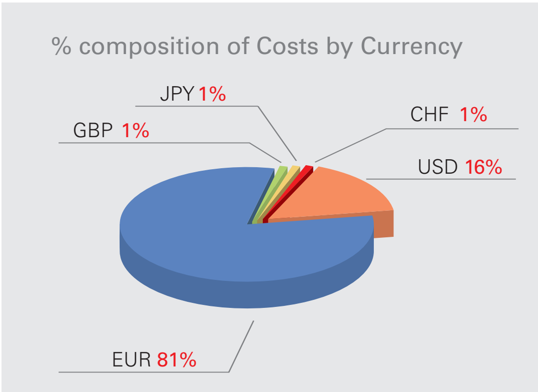
The financial position as at December 31, 2006 shows net cash and cash equivalents of €66,676 thousand, arising from financial assets of €70,503 thousand and financial liabilities of €3,827 thousand, compared with net cash and cash equivalents of €62,685 thousand as at December 31, 2005. The increase compared with December 31, 2005 is chiefly due to cash pooling agreements extended to other Group companies.



In 2006, investments in fixed assets totalled €3,901 thousand (3,856 thousand in 2005) and were mainly used to purchase and install machinery and equipment for new production lines in the area of advanced materials.

The composition of net sales and operating costs by currency is given below:





Related Parties Transactions

As regards transactions with Related Parties, identified on the basis of International Accounting Standard IAS 24 and Article 2359 of the Italian Civil Code, transactions continued in 2006 with subsidiaries, associated or jointly controlled companies. Transactions with these counterparties were performed according to the Company's ordinary activities. These transactions were predominantly commercial in nature and involved the purchase and sale of raw materials, semi-finished goods, finished goods, machinery, tangible assets and services of various kinds and were performed under economic and financial conditions in line with market conditions.

The main transactions with the subsidiaries, associated or jointly controlled companies of the Group were as follows:

SAES ADVANCED TECHNOLOGIES S.P.A.,- Avezzano, AQ, (Italy)
Revenues from royalties relating to the sale of getters for industrial applications; chargebacks relating to the use of software licenses purchased centrally; purchase of mercury dispensers used in liquid crystal displays. In addition, a cash pooling agreement has been set up with Saes Advanced Technologies S.p.A. at the latter's expense. Over the course of financial year 2006 the company entered into a contract to hedge its export credit risk according to which the company calculates and pays the relative premium, which is then periodically reimbursed, also on behalf of Saes Advanced Technologies S.p.A.

SAES GETTERS USA, INC., Colorado Springs, CO (USA)
Sale of barium getters and getters for industrial applications; purchase of finished goods for the Lamps Business Area; chargebacks relating to the use of software licenses purchased centrally and revenues from royalties relating to the use of the "Saes" trademark. In addition, a cash pooling agreement has been set up at said company's expense.

SAES GETTERS AMERICA, INC., Cleveland, OH (USA)
Purchase of barium getters, sale of barium getters and getters for industrial applications, and revenues from royalties relating to the use of the "Saes" trademark.

SAES PURE GAS, INC., San Luis Obispo, CA (USA)
Revenues from royalties relating to the sale of purifiers; purchase of purifiers; chargebacks relating to the use of software licences purchased centrally.

SAES GETTERS TECHNICAL SERVICE (Shanghai) CO., LTD, Shanghai (People's Republic of China)
No transaction.

SAES GETTERS KOREA CORPORATION,- Seoul (South Korea)
Sale of barium getters and getters for industrial applications, raw materials, semi-finished goods; purchase of barium products, revenues from royalties relating to the sale of barium getters, chargebacks relating to the use of software licenses purchased centrally. In addition, a cash pooling agreement has been set up at the said company's expense.

SAES GETTERS JAPAN CO., LTD., Tokyo (Japan)
Sale of barium getters and getters for industrial applications; chargebacks relating to the use of software licenses purchased centrally; scouting and marketing services for the Japanese market; chargebacks relating to administrative costs incurred centrally for the selection of local personnel. In addition, a cash pooling agreement has been set up at said company's expense.

SAES GETTERS SINGAPORE PTE, LTD., Singapore(Singapore)
Sale of barium getters, chargebacks relating to the use of software licenses purchased centrally. In addition, a cash pooling agreement has been set up at said company's expense.

SAES GETTERS (DEUTSCHLAND) GmbH, Cologne (Germany)
Commissions from commercial transactions, chargebacks relating to the use of software licenses purchased centrally.

SAES GETTERS (GB), LTD., Daventry (United Kingdom)
Commissions from commercial transactions, chargebacks relating to the use of software licenses purchased centrally.

SAES GETTERS INTERNATIONAL LUXEMBOURG S.A., Luxembourg (Luxembourg)
Costs for coordination of services for the Group; chargeback of legal fees relating to the establishment of Nanjing Saes Huadong Vacuum Material Co., Ltd.

SAES GETTERS (NANJING) CO., LTD, Nanjing (People's Republic of China)
Chargebacks relating to the use of software licenses purchased centrally and administrative costs incurred centrally for the selection of local personnel.

On January 25, 2006 the Company purchased a 35% minority stake in the company, consequently becoming its sole shareholder.

NANJING SAES HUADONG VACUUM MATERIAL CO., LTD, Nanjing (People's Republic of China)
No transaction.

SCIENTIFIC MATERIALS EUROPE S.R.L., Tortolì, NU, (Italy)
Purchase of products for the optoelectronics business and chargeback of expenses for participation in trade fairs.

DR.-ING. MERTMANN MEMORY-METALLE GmbH., Weil Am Rhein (Germany)
Purchase of nickel alloy wires. On May 30, 2006 the purchase of a 50% stake in the company, which markets semi-finished products and shape memory alloy components for applications in medicine and industry, was closed.

In addition, the Company has entered into contracts with a number of subsidiaries (Saes Advanced Technologies S.p.A., Saes Getters USA, Inc., Saes Getters America, Inc., Saes Pure Gas, Inc., Saes Getters Korea Corporation, Saes Getters Japan Co., Ltd., Saes Getters Singapore PTE, Ltd., Saes Getters International Luxembourg S.A., Saes Getters (Nanjing) Co., Ltd.), to provide commercial, technical, information technology, legal and financial services for studying specific projects and to transfer know-how.

The Company manages and coordinates Saes Advanced Technologies based in Avezzano (Italy), within the meaning given in Article 2497 et seq. of the Italian Civil Code.

The Company provides bank guarantees to its subsidiaries.

Financial and economic transactions with the subsidiaries, associated or jointly controlled companies of the Group are summarised below:

(thousands of euro)

Company	Receivables as of Dec. 31, 2006	Payables as of Dec. 31, 2006	Revenues 2006	Services * 2006	Expenses 2006	Memorandum accounts ** as of Dec. 31, 2006
Saes Advanced Technologies S.p.A.	1,846	17,704	4,225	1,712	6,997	-
Saes Getters USA, Inc.	119	3,240	327	110	7	2,000
Saes Getters America, Inc.	300	21	1,977	40	174	-
Saes Pure Gas, Inc.	165	-	122	213	3	1,822
Saes Getters Technical Service (Shanghai) Co., Ltd.	18	-	-	-	-	987
Saes Getters Korea Corporation	489	7,590	1,000	537	383	-
Saes Getters Japan Co., Ltd.	262	3,420	1,448	163	19	2,500
Saes Getters Singapore PTE, Ltd.	305	1,462	1,557	11	-	1,700
Saes Getters (Deutschland) GmbH	1	72	-	-	255	-
Saes Getters (GB), Ltd.	-	11	-	-	49	150
Saes Getters International Luxembourg S.A.	27	80	150	-	395	-
Saes Getters (Nanjing) Co., Ltd.	91	-	87	151	-	-
Dr.-Ing. Mertmann Memory-Metalle GmbH	-	18	-	-	18	-
Scientific Materials Europe S.r.l.	-	64	8	-	620	-
Total	**3,623**	**33,682**	**10,901**	**2,937**	**8,920**	**9,159**

* includes the contracts to provide commercial, technical, information technology, legal and financial services as described above
** includes guarantees issued by Saes Getters S.p.A.

With regard to transactions with Related Parties other than subsidiaries, associated or jointly controlled companies, the following transactions are reported:

- S.G.G. Holding S.p.A., controlling company. S.G.G. Holding S.p.A., substantially controlled by the former parties to the Saes Getters Shareholders Agreement, is the Company's majority Shareholder, holding, as at December 31, 2006, 8,672,910 ordinary shares representing 56.79% of the ordinary capital with voting right (source: Consob).
  As regards the majority shareholding held by S.G.G. Holding S.p.A., it is specified that the latter does not manage or coordinate Saes Getters S.p.A. within the meaning given in Article 2497 of the Italian Civil Code. The appraisals performed revealed that: S.G.G. Holding S.p.A. does not play any role in defining the annual budget and long-term strategic plans or in investment choices, does not approve specific significant transactions performed by the Company and its subsidiaries (acquisitions, disposals, investments, etc.) and does not coordinate business initiatives and actions in the sectors in which the Company and its subsidiaries operate, and that Saes Getters S.p.A. is entirely independent in its organization and decision-making.
  It is emphasised that on May 12, 2005, an agreement for national tax consolidation was signed with the controlling company S.G.G. Holding S.p.A., in order to control the effects arising from the joint exercise of the Group taxation option, as described in Article 117 of the Italian Consolidated Income Tax Act (TUIR). In addition, the Company transferred tax credits to S.G.G. Holding S.p.A. for an amount totaling €5,120 thousand.
  Note also that, pursuant to Article 2428, subsections 3 and 4, of the Italian Civil Code, the Company does not own shares of the controlling company including through trusts or an intermediary. During 2006, no transactions were performed to buy or sell the shares of the controlling company.
- KStudio Associato, a tax and legal consultancy firm whose founding member is Vincenzo Donnamaria, Chairman of the Board of Statutory Auditors of Saes Getters S.p.A. The firm provided tax and legal consultancy services for a total annual amount of €46 thousand.

Financial and economic transactions with Related Parties other than subsidiaries, associated or jointly controlled companies are summarized below:

(thousands of euro)

Company	Receivables as of Dec. 31, 2006	Payables as of Dec. 31, 2006	Revenues 2006	Expenses 2006
S.G.G. Holding S.p.A.	5,120	-	-	-
K Studio Associato	-	-	-	46
Total	**5,120**	**-**	**-**	**46**

The Board of Directors gives its prior approval to Related Parties transactions, including intercompany transactions, except for atypical or unusual transactions (understood to mean outside the Company's normal business activities and with specific critical factors due to their characteristics or the risks inherent in the nature of the counterparty or the time of their execution) or those to be concluded under standard conditions (concluded under the same conditions applied to unrelated parties).

Pursuant to Consob communications of February 20, 1997 and February 28, 1998, and to International Accounting Standard IAS 24, it is pointed out that during 2006 all transactions with Related Parties were performed under economic and financial conditions in line with market conditions and no atypical, unusual or non-standard transactions with Related Parties were carried out.

Information on the compensation and shareholdings of Members of Administrative and Control Bodies, General Managers, and Executives with strategic responsibilities. (in the persons of the Group Human Resources Director and the Group Commercial Director).

Compensation

(thousands of euro)

	2006	2005
Short-term employee benefits	3,980	2,637
Post-employment benefits	-	-
Other long-term benefits	-	-
Termination benefits	655	433
Share-based payments	-	-
Total compensations to key management personnel	**4,635**	**3,070**

For details of the compensation paid to Directors, refer to Note 6, to the Consolidated Financial Statements, which contains the information required by the Consob Regulation - Annex 3C.

Treasury shares

For information on treasury shares, refer to Note 24 to the Consolidated Financial Statements.

Investments held by Directors, Statutory Auditors and General Managers, and Executives with strategic responsibilities (in the persons of the Group Human Resources Directors and the Group Commercial Director)(*).

(pursuant to Article 79 of Consob resolution No. 11971/99 of May 14, 1999

Surname and first name	Company	Number of shares held at the end of last year	Number of shares bought in the current year	Number of shares sold in the current year	Number of shares held at the end of the current year	Notes (**)
Baldi Stefano	Saes Getters S.p.A.	2,140	-	-	2,140	Ordinary shares
		12,008	-	-	12,008	Savings shares
Canale Guido	Saes Getters S.p.A.	169,534	-	-	169,534 [1]	Ordinary shares
		-	-	-	-	Savings shares
della Porta Giuseppe	Saes Getters S.p.A.	10,000	-	-	10,000	Ordinary shares
		-	-	-	-	Savings shares
della Porta Massimo	Saes Getters S.p.A.	340	-	-	340	Ordinary shares
		117,310	5,050	107,360	15,000	Savings shares
della Porta Paolo	Saes Getters S.p.A.	64,520	-	64,520	-	Ordinary shares
		80,439	-	68,431	12,008 [2]	Savings shares
Dogliotti Andrea	Saes Getters S.p.A.	105,641	-	-	105,641	Ordinary shares
		-	-	-	-	Savings shares
Gilardoni Andrea	Saes Getters S.p.A.	10,100	-	3,000	7,100	Ordinary shares
		-	-	-	-	Savings shares
Rolando Giuseppe	Saes Getters S.p.A.	25,000	-	12,000	13,000	Ordinary shares
		15,000	6,000	19,000	2,000 [2]	Savings shares

(*) These are shareholdings held directly or indirectly, including by spouses who are not legally separated and by minor children, or through subsidiaries, trusts or an intermediary.
(**) Unless specifically mentioned, the shares held are understood to be fully owned.
(1) in usufruct with voting right - (2) registered to a spouse who is not legally separated

Additional information about the Company

To obtain information on:
- subsidiaries' performance;
- research, development and innovation activities;
- significant events occurring after the end of the year;
- business outlook,

refer to the Consolidated Financial Statements, where information is also available about Saes Getters S.p.A..

Pursuant to subsection 26 of Annex B) of Law Decree No. 196 of June 30, 2003 ("Personal Data Protection Code"), the Company declares that it has updated the Security Policy Document, pursuant to the provisions of the technical specifications concerning minimum security measures (Annex sub B of the aforementioned Law Decree). The 2006 Security Policy Document was approved on March 28, 2007.

The Company has representative offices in Shanghai (People's Republic of China) and in Moscow (Russia), and a branch office in Jhubei (Taiwan).

No provisions were set aside on the 2006 Financial Statements in connection with the refund of non-deducted VAT on costs relating to motor vehicles pending clarification and refund conditions that are to be announced by Italian Tax Authorities in the first few months of 2007.

The Board of Directors of Saes Getters S.p.A. has decided to avail itself of the extended deadline option, granted by Article 2364 of the Italian Civil Code and in accordance with its Articles of Association (Article 9) of 180 days from the end of financial year 2006 to call its Shareholders' Meeting,
The necessity of opting to call the Shareholders' Meeting by the extended 180-day deadline derives from the need to receive supporting documentation required to complete the consolidation project relating to the accurate definition of intercompany tax transactions and the calculation of tax charges for financial year 2006.
The extension allowed the Company to take note of the response by the Italian Tax Authorities concerning legislative amendments to the Italian tax code enacted by Law Decree No. 223 of 04/07/06, converted as amended into Law No. 248 of 04/08/2006, as regards the impact on the Company's planned solution, which involves the employment of an ordinary tax system for dividends generated in Korea. This response consequently allowed the Company to accurately calculate its current and deferred tax charges for 2006, resulting in a decrease from the figure disclosed in the Consolidated Quarterly Report as at December 31, 2006; it will also allow the Company to accurately calculate its tax charges for forthcoming years.

Proposed approval of the Financial Statements and dividend distribution

Shareholders,

Before submitting for your approval the Financial Statements and the proposal of profit distribution, we would like to remind you that, pursuant to Article 18 of the Company's Articles of Association, the 2006 compensation for the Board of Directors, the Audit Committee and the Supervisory Board was charged to income in an amount of €232 thousand.

We submit for your approval the following proposal on distribution of the net income and part of the disposable reserve "Retained earnings", indicating that the legal reserve has already reached 20% of capital stock.

(euro)

From Net Income for the year		24,226,963.65
Net exchange gains/losses - unrealised and undistributable		-
Distributable net income		24,226,963.65
From Net Income - distributable:		
- euro 1,076 for each of the 7,460,619 saving shares	8,027,626.04	
- euro 1,060 for each of the 15,271,350 ordinary shares	16,187,631.00	
for a maximum total of:		24,215,257.04
- to Retained earnings (rounding of figures)		11,706.61
From Retained earnings:		
equal to the saving and ordinary shares - euro 0,340 per share - for a maximum total of:		7,728,869.46
For a total dividend, including any proportion pertaining to treasury shares: of euro 1,416 for each of 7,460,619 savings shares and euro 1,400 for each of 15,271,350 ordinary shares, for a maximum total of:		31,944,126.50

The dividend will be paid, as determined above, to the qualifying ordinary and saving shares that will be in circulation, thereby excluding treasury shares, as from May 17, 2007 (detachment of coupon No. 23). The shares will trade ex-dividend and reserve distribution as from May 14, 2007.

In addition we propose that any rounding in the payment is charged to the “Retained earnings” reserve.

Lainate, Milan, Italy, April 6, 2007

On behalf of the Board of Directors
The Chairman
Paolo della Porta

saes getters

Separate financial statements
of Saes Getters S.p.A.
for the year ended
December 31, 2006

Income Statement

(euro)

	2006	2005
Third party Net Sales	24,168,261	14,047,583
Intercompany Net Sales	6,006,703	7,149,459
Total Net Sales	**30,174,964**	**21,197,042**
Third party cost of sales	(11,741,388)	(14,294,657)
Intercompany cost of sales	(13,403,169)	(3,230,629)
Cost of sales	(25,144,557)	(17,525,286)
Gross Profit	**5,030,407**	**3,671,756**
Research & development expenses	(12,013,123)	(12,090,068)
Selling expenses	(4,639,327)	(4,579,348)
General & administrative expenses	(10,493,646)	(6,943,124)
Total operating expenses	(27,146,096)	(23,612,540)
Restructuring costs	(4,000,000)	-
Third party other income (expenses), net	365,857	657,227
Intercompany other income (expenses), net	4,498,323	3,230,629
Total other income (expenses), net	4,864,180	3,887,856
Operating income (loss)	**(21,251,509)**	**(16,052,928)**
Dividends	41,199,917	29,414,054
Third party interest and other financial income	1,475,426	1,282,594
Third party interest and other financial expenses	(400,270)	(138,493)
Intercompany interest and other financial expenses	(561,077)	(298,058)
Total interest and other financial income, net	514,079	846,043
Foreign exchange gains (losses), net	(316,068)	152,817
Income before taxes	**20,146,419**	**14,359,986**
Income taxes	4,080,544	3,561,749
Net Income	**24,226,963**	**17,921,735**

Balance Sheet

(euro)

ASSETS	December 31, 2006	December 31, 2005
Non Current Assets		
Property, plant and equipment, net	22,982,702	23,031,836
Intangible assets, net	1,044,499	1,265,390
Investments	58,320,485	47,729,537
Deferred tax assets	2,216,454	1,966,265
Other long term assets	19,027	16,603
Total Non Current Assets	**84,583,167**	**74,009,631**
Current Assets		
Inventory	2,843,747	3,737,747
Third party trade receivables	3,919,516	2,060,213
Intercompany trade receivables	3,631,946	3,829,125
Trade receivables	7,551,462	5,889,338
Derivative financial instruments evaluated at fair value (cash flow hedge)	109,462	-
Tax consolidation receivables from parent company	5,120,200	4,736,464
Prepaid expenses, accrued income and other	2,234,370	2,458,086
Cash and cash equivalents	70,394,161	66,701,629
Total Current Assets	**88,253,402**	**83,523,264**
Total Assets	**172,836,569**	**157,532,895**
SHAREHOLDERS' EQUITY AND LIABILITIES		
Capital stock	12,220,000	12,220,000
Share issue premium	48,678,745	38,273,629
Treasury shares	(2,618,336)	(2,618,336)
Legal reserve	2,444,000	2,444,000
Sundry reserves, retained earnings and accumulated losses	28,893,696	50,357,349
Net income for the period	24,226,963	17,921,735
Shareholders' Equity	**113,845,068**	**118,598,377**
Non Current Liabilities		
Non current financial liabilities	2,988,512	3,434,367
Staff leaving indemnity and other employee benefits	6,062,720	5,141,930
Non current provisions	2,863,630	62,208
Total Non Current Liabilities	**11,914,862**	**8,638,505**
Current Liabilities		
Third party trade payables	4,131,726	3,390,966
Intercompany trade payables	3,357,320	1,062,498
Trade payables	7,489,046	4,453,464
Financial payables	30,324,820	18,019,331
Other payables	5,475,888	5,820,836
Accrued income taxes	242,440	-
Current provisions	2,565,134	1,177,675
Derivative financial instruments evaluated at fair value (cash flow hedge)	-	326,289
Current portion of long term debt	839,355	257,033
Accrued liabilities	139,956	241,385
Total Current Liabilities	**47,076,639**	**30,296,013**
Total Liabilities and Shareholders' equity	**172,836,569**	**157,532,895**

Statement of Cash flows

(euro)

	2006	2005
Cash flows provided from operating activities		
Net income	24,226,963	17,921,735
Current income taxes	(3,667,424)	(3,753,485)
Change in deferred income tax expense	(250,189)	137,022
Depreciation of property, plant and equipment	3,857,086	4,075,363
Amortization of intangible assets	660,333	987,008
Write down (revaluation) of assets	332,000	193,035
Dividends in Income Statement	(41,199,917)	(29,414,054)
Interest and other financial income, net	(457,011)	(1,501,742)
Accrual for termination indemnities	1,658,481	776,150
Accrual (utilization) for risks and contingencies	4,155,702	(226,735)
	(10,683,976)	**(10,805,703)**
Change in operating assets and liabilities		
Cash increase (decrease) in:		
- Account receivables and other receivables	1,898,236	5,482,870
- Inventories	894,000	459,947
- Trade account payables	3,035,582	(308,862)
- Other payables	(530,226)	2,431,777
	5,297,592	**8,065,732**
Payments of termination indemnities	(672,979)	(748,653)
Interest and other financial receipts	1,053,269	854,489
Income taxes paid	(502,029)	(676,631)
Cash flow from operating activities	**(5,508,123)**	**(3,310,766)**
Cash flows used by investing activities		
Purchase of property, plant and equipment	(3,900,695)	(3,854,652)
Proceeds from sales of property, plant and equipment	92,740	20,320
Dividends receipt	41,199,917	29,414,054
Purchase of intangible assets	(518,199)	(322,456)
Decrease (increase) of non current financial assets	(10,849,948)	(450,000)
Cash flow from investing activities	**26,023,815**	**24,807,266**
Cash flows used by financing activities		
Proceeds from long-term debt	393,500	-
Increase (decrease) intercompany long-term debt	12,305,489	(2,704,108)
Dividends paid	(29,265,116)	(22,548,416)
Purchase of treasury shares	-	(121,108)
Repayments of financial debt	(257,033)	(254,668)
Cash flow from financing activities	**(16,823,160)**	**(25,628,300)**
Increase (decrease) in cash and cash equivalents	3,692,532	(4,131,800)
Cash and cash equivalents at beginning of the year	**66,701,629**	**70,833,429**
Cash and cash equivalents at end of the period	**70,394,161**	**66,701,629**

Statement of Changes in the Shareholders' Equity during the Period Ending December 31, 2006

Thousands of euro

	Capital Stock	Share premium reserve	Treasury shares on hand	Legal reserve	Sundry reserves, retained earnings and accumulated losses						Net income (loss) for the period	Total shareholders' equity
					Reserve for treasury shares	Cash flow hedge reserve	Revaluation reserve	Purchase of treasury shares reserve	Other	Total		
Balance at December 31, 2005	**12,220**	**38,273**	**(2,618)**	**2,444**	**2,618**	**(186)**	**2,599**	**10,406**	**34,920**	**50,357**	**17,922**	**118,598**
Appropriation of 2005 income:									17,922	17,922	(17,922)	-
Dividends paid:												
- euro 1.3000 for each of the 15,271,350 ordinary shares (of which treasury shares 302,028)									(19,460)	(19,460)		(19,460)
- euro 1.316 for each of the 7,460,619 savings shares (of which treasury shares 10.013)									(9,805)	(9,805)		(9,805)
Proceeds of treasury shares										-		-
Capital gain on proceeds of treasury shares										-		-
Reserve for cash flow hedge (IAS 39)						275				275		275
Increase (decrease) purchase of treasury shares reserve		10,406						(10,406)		(10,406)		-
Other movements									10	10		10
Net income for the period											24,227	24,227
Balance at December 31, 2006	**12,220**	**48,679**	**(2,618)**	**2,444**	**2,618**	**89**	**2,599**	**-**	**23,587**	**28,893**	**24,227**	**113,845**

Statement of Changes in the Shareholders' Equity during the Period Ending December 31, 2005

Thousands of euro					Sundry reserves, retained earnings and accumulated losses							
	Capital Stock	Share premium reserve	Treasury shares on hand	Legal reserve	Reserve for treasury shares	Cash flow hedge reserve	Revaluation reserve	Purchase of treasury shares reserve	Other	Total	Net income (loss) for the period	Total shareholders' equity
Balance at December 31, 2004	**12,220**	**38,292**	**(2,505)**	**2,444**	**2,505**	**508**	**2,599**	**10,500**	**38,138**	**54,250**	**19,321**	**124,022**
Appropriation of 2004 income:									19,321	19,321	(19,321)	-
Dividends paid:												
- euro 1.0000 for each of the 15,271,350 ordinary shares (of which treasury shares 302,028)									(14,969)	(14,969)		(14,969)
- euro 1.0161 for each of the 7,460,619 savings shares (of which treasury shares 2,187)									(7,579)	(7,579)		(7,579)
Purchase and sale of treasury shares			(113)		113			(113)		-		(113)
Capital gain on proceeds of treasury shares									9	9		9
Reserve for cash flow hedge (IAS 39)						(694)				(694)		(694)
Increase (decrease) purchase of treasury shares reserve		(19)						19		19		-
Net income for the period											17.922	17.922
Balance at December 31, 2005	**12,220**	**38,273**	**(2,618)**	**2,444**	**2,618**	**(186)**	**2,599**	**10,406**	**34,920**	**50,357**	**17,922**	**118,598**

Summary of main data of subsidiaries Financial Statements as of December 31, 2006

Balance Sheets 2006

	Subsidiaries			
	Saes Advanced Technologies S.p.A.	Saes Getters Usa, Inc.	Saes Getters Korea Corporation	Saes Getters Japan Co., Ltd.
	(Thousands of euro)	(US dollars)	(Thousands of won)	(Thousands of yen)
Property, plant and equipment, net	24,020	1,246,539	5,563,388	281
Intangible assets, net	3,826	91,219	10,884,135	1,509
Other non current assets	28	13,592,973	998,425	71,654
Current assets	35,319	8,912,755	30,217,065	2,212,873
Total Assets	**63,193**	**23,843,486**	**47,663,013**	**2,286,317**
Shareholders' Equity	40,620	19,602,082	39,304,064	1,074,748
Non current liabilities	3,606	1,293,614	767,658	-
Current liabilities	18,967	2,947,790	7,591,291	1,211,569
Total Liabilities and Shareholders' Equity	**63,193**	**23,843,486**	**47,663,013**	**2,286,317**

Income Statements 2006

	Subsidiaries			
	Saes Advanced Technologies S.p.A.	Saes Getters Usa, Inc.	Saes Getters Korea Corporation	Saes Getters Japan Co., Ltd.
	(Thousands of euro)	(US dollars)	(Thousands of won)	(Thousands of yen)
Total net sales	**75,198**	**8,205,363**	**40,226,288**	**7,542,295**
Cost of sales	(28,234)	(3,506,236)	(14,797,086)	(6,188,133)
Gross profit	**46,964**	**4,699,127**	**25,429,202**	**1.354.162**
Research & development expenses	(2,393)	(41,407)	-	-
Selling expenses	(2,241)	(1,459,478)	(1,407,689)	(521,959)
General & administrative expenses	(4,016)	(483,108)	(1,137,109)	-
Total operating expenses	(8,650)	(1,983,993)	(2,544,798)	(521,959)
Other income (expenses), net	285	-	274,918	(205)
Operating Income	**38,599**	**2,715,134**	**23,159,322**	**831,998**
Interest and other financial income, net	409	5,539,402	369,098	(5,908)
Foreign exchange gains (losses), net	(1,192)	(7,794)	54,652	10,159
Income before taxes	**37,816**	**8,246,742**	**23,583,072**	**836,249**
Income taxes	(15,181)	(2,770,000)	(6,033,742)	(354,418)
Net income	**22,635**	**5,476,742**	**17,549,330**	**481,831**

Subsidiaries				
Saes Getters Singapore PTE, Ltd.	Saes Getters (Deutschland) GmbH	Saes Getters (GB), Ltd.	Saes Getters International Luxembourg S.A.	Saes Getters (Nanjing) Co., Ltd.
(Singapore dollars)	(Thousands of euro)	(GB pounds)	(Thousands of euro)	(Chinese Renminbi)
53,523	31	14,690	1	56,749,171
35,762	2	-	-	5,503,154
20,094	17	-	8,249	244,574
5,373,470	524	30,868	7,813	138,003,783
5,482,849	**574**	**45,558**	**16,063**	**200,500,682**
4,020,986	410	(3,897)	15,737	185,903,092
8,200	8	-	-	1,849
1,453,663	156	49,455	326	14,595,741
5,482,849	**574**	**45,558**	**16,063**	**200,500,682**

Subsidiaries				
Saes Getters Singapore PTE, Ltd.	Saes Getters (Deutschland) GmbH	Saes Getters (GB), Ltd.	Saes Getters International Luxembourg S.A.	Saes Getters (Nanjing) Co., Ltd.
(Singapore dollars)	(Thousands of euro)	(GB pounds)	(Thousands of euro)	(Chinese Renminbi)
8,648,880	**989**	**76,693**	**391**	**124,693,626**
(7,325,215)	-	-	(197)	(71,875,962)
1,323,665	**989**	**76,693**	**194**	**52,817,664**
-	-	-	-	-
(1,101,587)	(473)	(161,378)	-	(3,579,734)
-	-	-	(1,005)	(10,559,057)
(1,101,587)	(473)	(161,378)	(1,005)	(14,138,791)
600	-	3,500	13	(60,826)
222,678	**516**	**(81,185)**	**(798)**	**38,618,047**
145,417	(1)	(1,351)	5,164	392,792
(421,426)	-	(1,316)	(17)	(330,154)
(53,331)	**515**	**(83,852)**	**4,349**	**38,680,685**
(93,394)	(206)	(622)	(533)	(3,938,727)
(146,725)	**309**	**(84,474)**	**3,816**	**34,741,958**

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