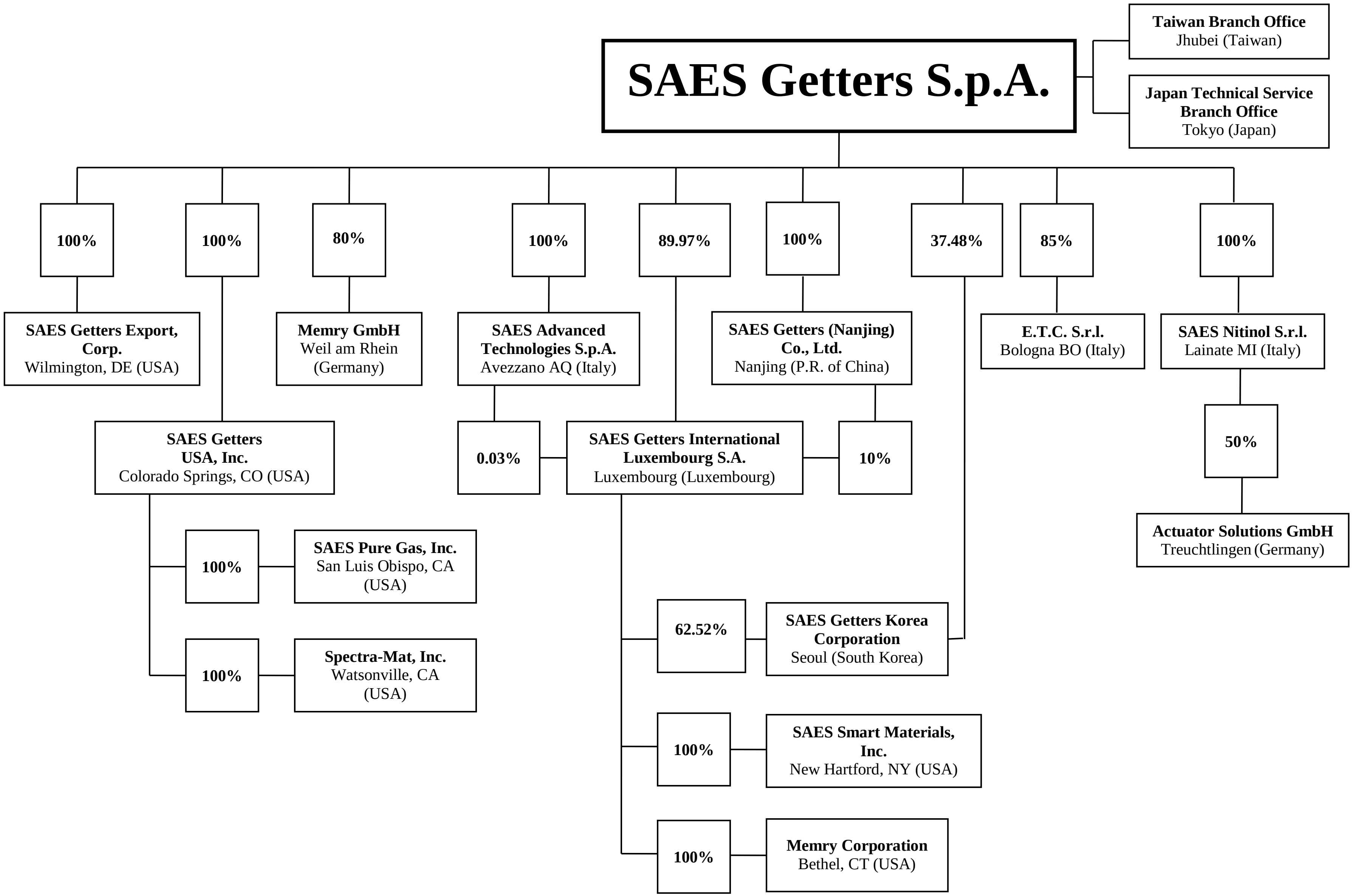
Consolidated Financial Statements 2012

saes group

2012


SAES Getters S.p.A.
Taiwan Branch Office
Jhubei (Taiwan)
Japan Technical Service Branch Office
Tokyo (Japan)
100%
SAES Getters Export, Corp.
Wilmington, DE (USA)
100%
SAES Getters USA, Inc.
Colorado Springs, CO (USA)
100%
SAES Pure Gas, Inc.
San Luis Obispo, CA (USA)
100%
Spectra-Mat, Inc.
Watsonville, CA (USA)
80%
Memry GmbH
Weil am Rhein (Germany)
100%
SAES Advanced Technologies S.p.A.
Avezzano AQ (Italy)
0.03%
89.97%
SAES Getters International Luxembourg S.A.
Luxembourg (Luxembourg)
100%
SAES Getters (Nanjing) Co., Ltd.
Nanjing (P.R. of China)
10%
62.52%
SAES Getters Korea Corporation
Seoul (South Korea)
37.48%
100%
SAES Smart Materials, Inc.
New Hartford, NY (USA)
100%
Memry Corporation
Bethel, CT (USA)
85%
E.T.C. S.r.l.
Bologna BO (Italy)
100%
SAES Nitinol S.r.l.
Lainate MI (Italy)
50%
Actuator Solutions GmbH
Treuchtlingen (Germany)

Consolidated Financial Statements 2012

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

Board of Directors

President	Massimo della Porta
Vice President and Managing Director	Giulio Canale
Directors	Stefano Baldi (2) Emilio Bartezzaghi (1) (2) (4) (7) Carola Rita della Porta (2) Luigi Lorenzo della Porta (2) Adriano De Maio (1) (2) (5) Andrea Dogliotti (2) (3) Pietro Alberico Mazzola (2) Roberto Orecchia (2) (3) (4) (7) (8) Andrea Sironi (1) (2) (3) (4) (6) (7)

Board of Statutory Auditors

President	Vincenzo Donnamaria (8)
Statutory Auditors	Maurizio Civardi Alessandro Martinelli
Alternate Statutory Auditors	Fabio Egidi Piero Angelo Bottino

Audit Firm	Reconta Ernst & Young S.p.A.
Representative of Holders of Savings Shares	Massimiliano Perletti (e-mail: massimiliano.perletti@roedl.it)

(1) Member of the Compensation Committee
(2) Non-executive Director
(3) Member of the Audit Committee
(4) Independent Director, pursuant to the criteria of the Code of Conduct of the Italian Stock Exchange
(5) Independent Director, pursuant to the combined provisions of article 147-*ter*, paragraph 4, and article 148, paragraph 3, of Legislative Decree 58/1998
(6) Lead Independent Director
(7) Member of the Related Parties Committee
(8) Member of the Supervisory Body

The mandate of the Board of Directors and of the Board of Statutory Auditors, elected on April 24, 2012, will expire on the same date of the Shareholders' Meeting in which the financial statements for the year ended December 31, 2014 are approved.

Powers

Pursuant to article 20 of the Articles of Association, the President and the Vice President and Managing Director are each of them separately entrusted with the legal representation of the Company, for the execution of Board of Directors' resolutions, within the limits of and for the exercise of the powers attributed to them by the Board itself.

Following the resolution adopted on April 24, 2012, the Board of Directors granted the President and the Vice President and 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' Meeting.

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

INDEX

LETTER TO SHAREHOLDERS

Dear Shareholders,

2012 was a year of considerable importance for the future of our Group.

The year ended with revenues substantially stable, although the deep international economic crisis and the energy crisis in Japan, due to the earthquake in 2011, have caused a significant loss of revenues in some of the businesses in which we historically operate.
The decrease in turnover, concentrated in the semiconductors, defense, solar thermal and lighting businesses, was offset by the excellent results in the medical sector, as well as of the new products for vacuum systems, of getters for miniaturized electromechanical devices, of the components for solar cells and of the shape memory alloy products for industrial applications, among which we can include also the devices produced by the joint venture Actuator Solutions GmbH.

These results witness the right choice in the strategic moves of diversification and development of the product portfolio undertaken in recent years.

The persistence of the crisis and its effects on turnover are instead delaying the main objective of the Group, the growth. However, the positive results already achieved by the new products in 2012, which will be consolidated in 2013, the news coming from the OLED market, that finally has seen the official presentation of the first televisions from major Asian producers, and the expected strong growth in the sales of Actuator Solutions GmbH, all these factors make us look forward with great confidence.
In this context there is also the expected recovery of the semiconductors market, that in the last recent years has given great satisfaction to the Group and where we are strengthening our leadership also thanks to the recent agreement signed with Power & Energy, Inc. for the purchase of its hydrogen purification business.

The significant efforts to contain costs, which have began a few years ago, led to a slight improvement in the gross margin, despite a slight decrease in revenues, as well as the preservation of the operating results. Instead, the net income is still heavily burdened by a fiscal unbalance.

The steady generation of operating cash flow has allowed to maintain the net financial position of the Group substantially unchanged, offsetting both the investments made to fund the growth and the excellent dividend distributed to the shareholders.

Dr Ing. Massimo della Porta
President

Group financial highlights

GROUP FINANCIAL HIGHLIGHTS

(thousands of euro)

Income statement figures	**2012**	**2011 restated** (1)	**Difference**	**Difference %**
NET SALES				
- Industrial Applications	92,496	105,676	(13,180)	-12.5%
- Shape Memory Alloys	47,088	38,622	8,466	21.9%
- Information Displays	2,877	4,346	(1,469)	-33.8%
- Business Development	12	0	12	n.a.
Total	**142,473**	**148,644**	**(6,171)**	**-4.2%**
GROSS PROFIT				
- Industrial Applications	41,527	49,233	(7,706)	-15.7%
- Shape Memory Alloys	16,706	11,519	5,187	45.0%
- Information Displays	492	(556)	1,048	188.5%
- Business Development & Corporate Costs (2)	(332)	(282)	(50)	-17.7%
Total	**58,393**	**59,914**	**(1,521)**	**-2.5%**
% on sales	*41.0%*	*40.3%*		
EBITDA (3)	**21,651**	**25,281**	**(3,630)**	**-14.4%**
% on sales	*15.2%*	*17.0%*		
OPERATING INCOME	**11,349**	**12,878**	**(1,529)**	**-11.9%**
% on sales	*8.0%*	*8.7%*		
NET INCOME (4)	**3,340**	**15,634**	**(12,294)**	**-78.6%**
% on sales	*2.3%*	*10.5%*		

Balance sheet and financial figures	**December 31, 2012**	**December 31, 2011 restated** (1)	**Difference**	**Difference %**
Property, plant and equipment, net	55,964	59,263	(3,299)	-5.6%
Group shareholders' equity	114,227	123,035	(8,808)	-7.2%
Net financial position	(16,331)	(15,534)	(797)	-5.1%

Other information	**2012**	**2011 restated** (1)	**Difference**	**Difference %**
Cash flow from operating activities	19,260	18,842	418	2.2%
Research and development expenses	14,459	13,870	589	4.2%
Number of employees as at December 31 (5)	1,039	1,038	1	0.1%
Personnel cost (6)	57,802	53,690	4,112	7.7%
Disbursements for acquisition of tangible assets	5,585	6,069	(484)	-8.0%

(1) 2011 figures, have been reclassified to enable a homogeneous comparison with 2012; in particular:
- revenues and costs related to dispensable dryers and to alkaline metal dispensers for OLED displays have been transferred from the Business Development Unit to the Information Displays Business Unit (Organic Light Emitting Diodes Business);
- similarly, revenues and costs of getter sealants for photovoltaic modules and of sophisticated getters for energy storage devices have been transferred from the Business Development Unit to the Industrial Applications Business Unit (Energy Devices Business).
In addition, for a more accurate representation, the recharge of costs related to services undertaken for the benefit of the joint venture Actuator Solutions GmbH has been reclassified from the item "Other income" and put as deduction of the related cost items.

Finally, please note that 2011 figures were subject to adjustment (with an impact on the net income and the shareholders' equity) as a result of the early application of the revised IAS 19 that requires the immediate reporting (that means in the period in which they occur) of actuarial income/losses in the consolidated statements of comprehensive income.

(2) This item includes costs that cannot be directly attributed or allocated in a reasonable way to the Business Units, but which refer to the Group as a whole.

(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 results. 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 "earnings before interests, taxes, depreciation and amortization".

(4) It includes the net result from assets held for sale and discontinued operations (equal to +86 thousand euro in 2012 and +292 thousand euro in 2011).

(5) As at December 31, 2012 this item includes:
- employees for 1,012 units (1,011 units as at December 31, 2011);
- personnel employed with contract types other than employment agreements, equal to 27 units (unchanged compared to December 31, 2011).
This figure does not include the employees of the joint venture Actuator Solutions GmbH amounting, according to the percentage of ownership held by the Group, to 11 units as at December 31, 2012 (3 units at the end of the previous year).

(6) As at December 31, 2012 the severance costs, included in the personnel cost, are equal to 384 thousand euro; instead, the use of C.I.G. (ordinary redundancy fund) has determined a reduction in the personnel cost equal to 1,093 thousand euro.
In 2011 the severance costs were equal to 508 thousand euro, while the use of C.I.G. had determined a reduction in the personnel cost equal to 942 thousand euro.

Report on operations of SAES Group

REPORT ON OPERATIONS

A pioneer in the development of getter technology, the SAES® Group is the world leader in a variety of scientific and industrial applications where stringent vacuum conditions or ultra-pure gases are required. In more than 70 years of activity, the Group's getter solutions have been supporting innovation in the information display and lighting industries, in sophisticated high vacuum systems and in vacuum thermal insulation, in technologies spanning from large vacuum power tubes to miniaturized silicon-based microelectronic and micromechanical devices. The Group also holds a leading position in ultra pure gas refinement for the semiconductor and other high-tech markets.

Since 2004, by leveraging the core competencies in special metallurgy and in the materials science, the SAES Group has expanded its business into the advanced materials market, in particular the market of shape memory alloys, a family of materials characterized by super elasticity and by the property of assuming predefined forms when subjected to heat treatment. These special alloys, which today are mainly applied in the biomedical sector, are also perfectly suited to the realization of actuator devices for the industrial sector (domotics, white goods industry, consumer electronics and automotive sector).

More recently, SAES has expanded its business by developing components whose getter functions, traditionally obtained from the exploitation of the special features of some metals, are instead generated by chemical processes. These new products are used in the OLED promising sector (Organic Light Emitting Diodes, both for displays and for lighting) and in the photovoltaic one.
Thanks to these new developments, SAES is evolving, adding to its competencies in the field of special metallurgy also those of organic chemicals.

A total production capacity distributed in eleven facilities across three continents, a worldwide-based sales & service network and more than 1,000 employees allow the Group to combine multicultural skills and expertise to form a truly global enterprise.

SAES Group is headquartered in the Milan area (Italy).

SAES Getters S.p.A. is listed on the Italian Stock Exchange Market, STAR segment, since 1986.

The Group's business structure identifies three Business Units: Industrial Applications, Shape Memory Alloys and Information Displays. The corporate costs (those expenses that cannot be directly attributed or allocated in a reasonable way to the business units, but which refer to the Group as a whole) and the costs related to the basic research projects or undertaken to achieve the diversification into innovative businesses (Business Development Unit), are shown separately from the three Business Units.

The following table illustrates the Group's Business organizational structure:

Industrial Applications Business Unit	
Electronic Devices	Getters and metal dispensers for electron vacuum devices and getters for microelectronic and micromechanical systems (MEMS)
Lamps	Getters and metal dispensers used in discharge lamps and fluorescent lamps
Vacuum Systems and Thermal Insulation	Pumps for vacuum systems, getters for solar collectors and products for thermal insulation
Energy Devices	Getter sealants for photovoltaic modules and sophisticated getters for energy storage devices
Semiconductors	Gas purifier systems for semiconductors industry and other industries
Shape Memory Alloys Business Unit	
Shape Memory Alloys (SMA)	Shape memory alloys both for medical and for industrial applications
Information Displays Business Unit	
Liquid Crystal Displays (LCDs)	Getters and metal dispensers for liquid crystal displays
Cathode Ray Tubes (CRTs)	Barium getters for cathode ray tubes
Organic Light Emitting Diodes (OLEDs)	Dispensable dryers and alkaline metal dispensers for OLED displays
Business Development Unit	
Business Development	Research projects undertaken to achieve the diversification into innovative businesses (among which, components for High-Brightness LEDs)

Please refer to the segment information contained in the Note no. 13 for more details on the major reclassifications operated in the breakdown of costs and revenues of each Business Unit.

Industrial Applications Business Unit

Electronic Devices Business
SAES Group provides advanced technological solutions to the electronic devices of 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, microwave tubes and gyroscopes.
The getter solutions for MEMS are also included in the Electronic Devices Business. In particular, in order to support adequately the growing trend for smaller microelectronic and microelectromechanic devices, SAES has developed solutions that involve the use of thin film getters, 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 the MEMS devices, thin film getters ensure optimum functioning, improved performance and significantly increased lifespan.

Lamps Business
SAES Group is the world leader in the supply of getters and metal dispensers for lamps. Its innovative and high-quality products work by preserving the vacuum and the purity of the refill gases, thereby maintaining optimum lamp operation conditions over time.
SAES 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 field.

Vacuum Systems & Vacuum Thermal Insulation Business
The expertise gained in vacuum technology has served to boost the development of pumps based on non-evaporable getter materials (NEG) and a proprietary technology for vacuum thermal insulation. NEG pumps are used in both industrial and scientific applications including analytical instruments, vacuum systems and particle accelerators. SAES solutions for vacuum thermal insulation include NEG products for cryogenic applications, for solar collectors both domestic and operating at high temperatures, for thermos and for vacuum insulated panels for the white industry.
At the end of the previous year a new family of high vacuum pumps (NEXTorr®) was launched in the market, that concentrates both the getter and the ionic technology in a single highly miniaturized and compact device.

These features make this product particularly innovative and have allowed the Group to expand its markets of reference.

Energy Devices Business
In the expanding renewable energy business, thin-film photovoltaic panels are winning market share due to their competitive pricing and ease of architectural integration. SAES, thanks to the expertise acquired in the getters sector, can contribute to increase the reliability and to extend the lifespan of thin-film photovoltaic panels by supplying a sealant strip that, if applied to the edge of a panel, ensures that the two sheets of glass that constitute it remain attached, at the same time preventing the entry of water vapor that would damage the structure of the photovoltaic thin film.
Always in the renewable energy business, SAES is exploring the sector of next-generation electrochemical energy storage devices, such as super-condensers and lithium batteries. In particular, the Group is developing systems for checking the gas generation inside these devices, whose main application is in hybrid and electric engines.

Semiconductors Business
In the microelectronics market, SAES mission is to develop and sell advanced gas purification systems for the semiconductors industry and for other industries which use pure gases in their processes. Through the subsidiary SAES Pure Gas, Inc. the Group offers a full range of purifiers for bulk gases and special gases. The range of SAES purifiers, which covers the full spectrum of flows required and all gases normally used in the production processes, represents the market standard as regards the technology used, the totality of impurities removed and the lifespan of the purifiers.

Shape Memory Alloys Business Unit

Shape Memory Alloys (SMA) Business
SAES Group produces semi-finished products, components and devices, made of shape memory alloy, a special NiTinol alloy characterized by super elasticity and by the property of assuming predefined forms when subjected to heat treatment. The SAES production process, vertically integrated following the 2008 acquisitions, allows for complete flexibility in the supply of the products, together with a total quality control. These SMA special alloys, which today are mainly applied in the biomedical sector, are also perfectly suited to the production of actuators for the industrial sector (domotics, white goods industry, consumer electronics and automotive).

Information Displays Business Unit

Liquid Crystal Displays (LCD) Business
For the television set, monitor and liquid crystal display industry, SAES provides technologies for absorbing harmful gases in the cold cathode fluorescent lamps (CCFL).

Cathode Ray Tubes (CRT) Business
SAES supplies evaporable getters used to maintain vacuum conditions in cathode ray tubes.

Organic Light Emitting Diodes (OLED) Business
Organic semiconductors have opened a new frontier in the displays industry: SAES, that already supplies dryers and highly sophisticated getters for OLED (Organic Light Emitting Diodes) displays, has also successfully completed the development of a new generation of getters, based on organic matrices, for the next-generation of ultra-flat large-screen OLED TVs.

Business Development Unit

High-Brightness LED Business
Taking advantage of its expertise in powder metallurgy, SAES is developing innovative materials, based on refractory metals, for the management of heat dissipation in the solid-state LED lighting for advanced applications, such as miniaturized image projectors.

Main events for the year ended December 31, 2012

The year 2012, ended with sales equal to 142.5 million euro, slightly down (-4.2%) compared to 2011 because of to the deterioration in the macroeconomic scenario.

In the **industrial applications** sector, please note the significant decrease in the sales of the semiconductors - gas purification (-22.6%), in line with the expected slowdown of some of the major reference markets where the customers of this business operate. However, the figure for the fourth quarter of 2012 was positive and showed a slight turn around compared to the previous quarters. Also the lamps business (mainly because of the general slowdown in the economy) and the electronic devices business (because of the containment of public investments, especially in the defense sector) were down compared to the previous year.
The decrease in revenues in the above mentioned businesses was partially offset by the significant growth in sales of the Vacuum Systems and Thermal Insulation Business (+23.6%), thanks to the introduction of new extremely miniaturized and compact pumps that faced a great success in the market. There was an increase also in the Energy Devices Business, notwithstanding absolute values of sales still not relevant, despite being penalized by the reduction of public incentives.
Also the **shape memory alloys (SMA)** business recorded an increase (+21.9%), mainly thanks to the expansion of its product range and customer base in the medical field, resulting from the investments in research and development activities carried out in the last few years.
In the field of shape memory alloys for industrial applications, please note the contribution of the joint venture Actuator Solutions GmbH (ASG), already operating in the automotive sector and committed to the development of actuator devices for other industrial sectors.
In this regard, on April 1, 2012 the joint venture finalized the acquisition from Alfmeier Präzision AG (Alfmeier) of the business related to the production and distribution of SMA actuators for the automotive market.
This agreement also provides for side contracts, lasting at least three years, for the supply to ASG, at standard market conditions, of SMA components in the form of wires or springs by SAES and of plastic materials, electronic devices and design support by Alfmeier. Finally, ASG will be the supplier, always for a period of at least three years and at standard market conditions, of the automotive actuator for Alfmeier, which will continue to manage its distribution to its end customers, being the latter bound by an exclusive contract.
The purchase price was equal to 3.7 million euro and was paid in cash in the second quarter of 2012.
In order to provide ASG with an adequate cash to finance the expected growth and to finalize the transaction, on March 22, 2012, the share capital of the joint venture, equal to 1,012 thousand euro as of December 31, 2011, has been increased to 2 million euro, by means of a payment of 494 thousand euro by each of the two partners SAES Nitinol S.r.l. and Alfmeier SMA Holding GmbH. Later, on April 3, 2012, the company was provided with additional resources allocated to the share capital reserves through the payment of 7 million euro by the two partners, each of them for an amount equal to 3.5 million euro respectively.
This transaction strengthens the joint venture ASG, allowing it to become an operating manufacturing company, in view of the launch of the new SMA actuators for applications designed for various markets, among which the white goods and the consumer electronics markets.

In the **display sector** the international recession caused a slowdown in the investments made in the OLED (Organic Light Emitting Diodes) business by the major TV manufacturers in Asia, for which SAES is an important technological partner. Consequently the turnover of this sector, although it is growing, is at levels typical of a start-up business and it has not allowed to offset the structural and irreversible decline of the traditional LCD and CRT businesses.

Here below the other significant events occurred in 2012.

On January 1, 2012 it has been finalized the merger of SAES Getters America, Inc. into SAES Getters USA, Inc. (the former was already 100% owned by the latter), with the aim of achieving economies of scale and pursuing operational efficiency between the two companies. In this regard, please note that SAES Getters

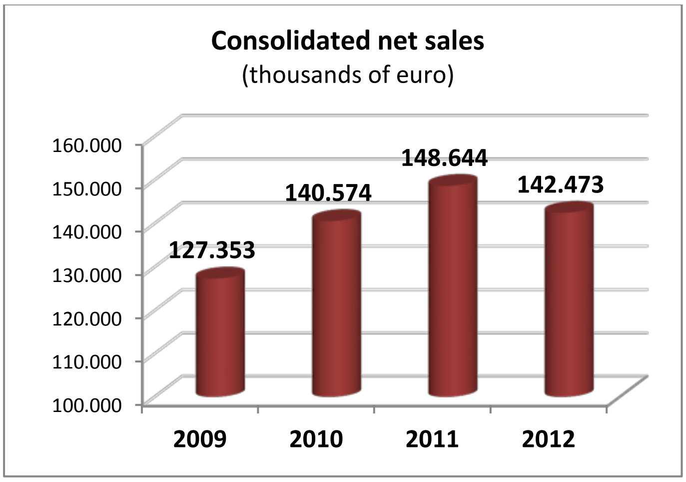
America, Inc. already made use of the production facilities and of the resources of SAES Getters USA, Inc. for the carrying out of its manufacturing activities. Please also note that, on March 30, 2012 SAES Getters USA, Inc. sold its plant located in Ohio (former plant of SAES Getters America, Inc.) and the equipment located therein for a price of about 950 thousand USD. This sale generated a capital gain of 86 thousand euro, classified in the item "Income from assets held for sale and discontinued operations" in the consolidated income statement.

Following the failure to comply with a financial covenant on the loan held by the subsidiary Memry Corporation as of December 31, 2011, in the first part of 2012 the value of such covenant was formally renegotiated with the financing institution. Such renegotiation led to the charge of a fee (already included in the 2011 financial expenses) for the waiver of the recall of that debt by the issuing bank. Please note that during the year the covenants on the loans held by both the U.S. subsidiaries Memry Corporation and SAES Smart Materials, Inc. have been renegotiated and standardized. For further details on the new conditions, please refer to Note no. 27.

On April 12, 2012 the Parent Company signed an agreement of collaboration, technology license and supply with a leading semiconductor manufacturer operating in the global market and specialized, among other things, in the production and distribution of MEMS (micro electro-mechanical systems). This agreement provides for the integration of the thin film getter technology of SAES in the vacuum packaging of MEMS devices for the consumer market.
This cooperation confirms the high strategic value of the integration of the getter technology in vacuum-encapsulated MEMS devices. The thin film getter solution offers superior performance and a stable environment for integrated sensors in various applications, such as smartphones, tablets, electronic games and other devices for the consumer electronics market.

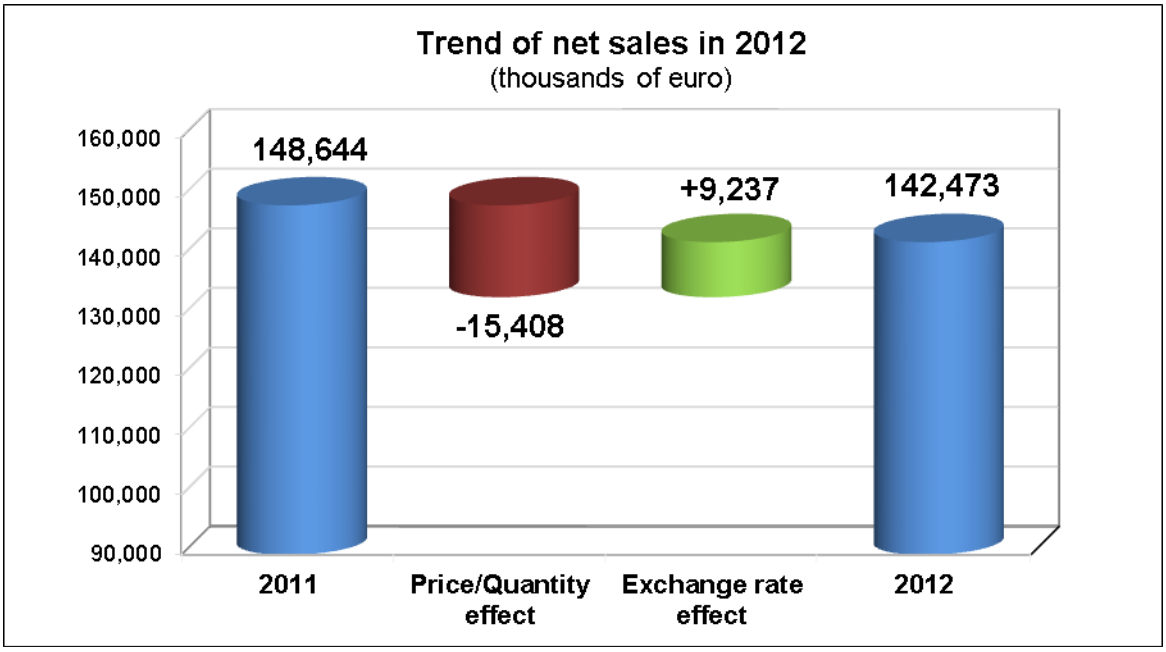
On June, 27, 2012 it was signed an agreement to acquire, in two subsequent tranches, the entire share capital of Memry GmbH (a company operating in the production and distribution of shape memory alloy semi-finished products and components for industrial and medical applications, already 60% controlled by SAES Getters S.p.A.). The first tranche, equal to 20% of Memry GmbH's shares, has been acquired by SAES Getters for a total consideration of 500 thousand euro, paid on July 12, 2012. The remaining 20% of the shares may be transferred in the first quarter of 2013, or within the first half of 2014, according to two options, that provide for, in the first case, the payment by SAES of the same amount, equal to 500 thousand euro; in the second case, a consideration equal to the initial amount of 500 thousand euro, adjusted for a factor related to Memry GmbH's sales in 2013 and in any case not less than 375 thousand euro. This agreement cancels and replaces all prior agreements and in particular the one signed between the parties on December 15, 2008 for the sale of 100% of the shares to SAES Getters S.p.A. in more tranches. Consequently, the financial debt that at December 31, 2011 was calculated on the basis of the former agreements, has been re-assessed on the basis of the new contract; for further details please refer to Note no. 29.

Sales and operating results for the fiscal year 2012

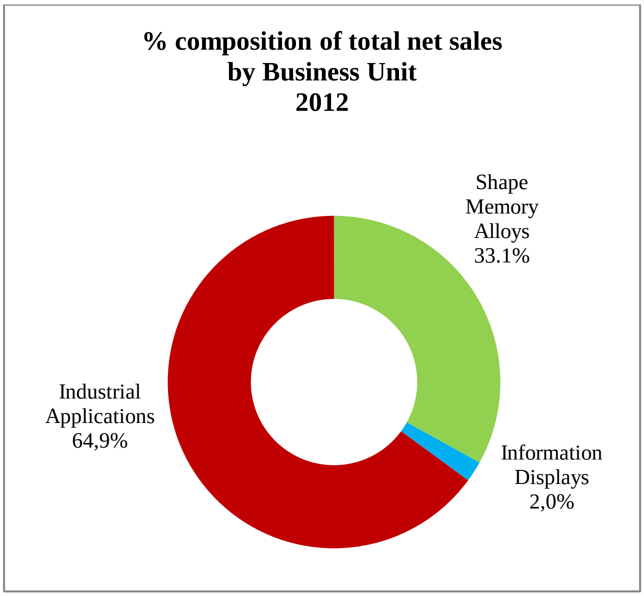


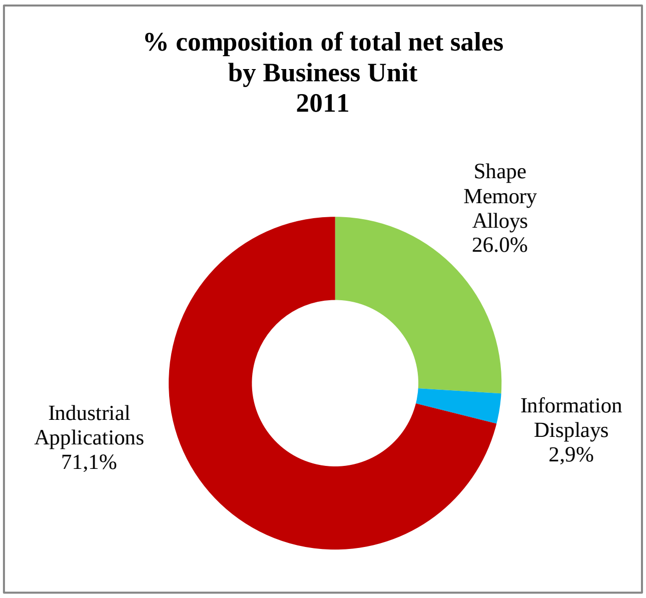
In 2012 **consolidated net revenues** were equal to 142,473 thousand euro, slightly down (-4.2%) compared to 148,644 thousand euro achieved in 2011.
The **exchange rate effect** was positive (+6.2%), mainly due to the strengthening of the U.S. dollar and of the yen against the euro which happened during the middle part of the year.
At comparable exchange rates, consolidated net revenues would have decreased by 10.4% compared to the previous year.
With reference to revenues, the **scope of consolidation** was unchanged compared to the previous year.

The following chart shows the trend of consolidated net sales during the year 2012:



2012 was characterized by the expected decrease in the sales of the Industrial Applications Business Unit, that was concentrated, mostly in the second half of the year, in those sectors mainly linked to the macroeconomic cycle (lamps and products for the defense market).
Part of this decrease was offset by the increase of sales in the SMA Business Unit, whose weight on the total consolidated revenues rose from 26% to 33.1%, driven by the introduction of new products in the market.
In the Information Displays Business Unit, the delay in the introduction of OLED televisions on a large scale basis had the effect of maintaining the turnover of this sector at levels typical of a start-up business and, therefore, sales of the Information Displays Business Unit were still low (2% of consolidated revenues).





The following table contains a breakdown of net sales in 2012 and 2011 by business segment, along with the percent change at current and comparable exchange rates:

(thousands of euro)

Business	2012	2011 (*)	Difference	Difference %	Exchange rate effect %	Price/Q.ty effect %
Electronic Devices	20,832	23,475	(2,643)	-11.3%	4.2%	-15.5%
Lamps	11,506	12,442	(936)	-7.5%	3.6%	-11.1%
Vacuum Systems and Thermal Insulation	15,687	12,693	2,994	23.6%	6.3%	17.3%
Energy Devices	398	110	288	261.8%	3.3%	258.5%
Semiconductors	44,073	56,956	(12,883)	-22.6%	6.0%	-28.6%
Industrial Applications	**92,496**	**105,676**	**(13,180)**	**-12.5%**	**5.3%**	**-17.8%**
Shape Memory Alloys	**47,088**	**38,622**	**8,466**	**21.9%**	**8.8%**	**13.1%**
Liquid Crystal Displays	761	1,743	(982)	-56.3%	3.7%	-60.0%
Cathode Ray Tubes	1,231	1,877	(646)	-34.4%	5.3%	-39.7%
Organic Light Emitting Diodes	885	726	159	21.9%	6.6%	15.3%
Information Displays	**2,877**	**4,346**	**(1,469)**	**-33.8%**	**4.9%**	**-38.7%**
Business Development	**12**	**0**	**12**	**100.0%**	**0.0%**	**100.0%**
Total net sales	**142,473**	**148,644**	**(6,171)**	**-4.2%**	**6.2%**	**-10.4%**

(*) 2011 revenues have been reclassified to enable a homogeneous comparison with 2012; in particular:
- revenues related to dispensable dryers and to alkaline metal dispensers for OLED displays have been transferred from the Business Development Unit to the Information Displays Business Unit (Organic Light Emitting Diodes Business);
- similarly, revenues of getter sealants for photovoltaic modules and of sophisticated getters for energy storage devices have been transferred from the Business Development Unit to the Industrial Applications Business Unit (Energy Devices Business).

Revenues of the **Industrial Applications Business Unit** were equal to 92,496 thousand euro in 2012, down by 12.5% compared to 105,676 thousand euro in the previous year. The trend of the euro against the major foreign currencies resulted in a positive exchange rate effect equal to 5.3%, net of which revenues would have decreased by 17.8%.

Compared to the previous year, please note the growth in the vacuum systems sector (Vacuum Systems and Thermal Insulation Business), thanks to the introduction of new pumps technologically sophisticated and smaller than both the traditional products of SAES and those of competitors. Also sales in the Energy Devices Business have increased, even if with absolute figures still low, despite the reduction of public incentives in this area. On the other hand, there was a strong decrease in the field of gas purification (Semiconductors Business), in line with the expected slowdown in some of the markets where the customers of the Group operate. There was also a decrease of sales in the Electronic Devices Business and in the Lamps one, mainly due to the worsening of the macroeconomic situation and to a slowdown in public investments in the defence sector.

Sales of the *Electronic Devices Business* were equal to 20,832 thousand euro in 2012 compared to 23,475 thousand euro in 2011 (-11.3%). Excluding the positive exchange rate effect (+4.2%), the overall organic decrease was equal to 15.5%.
The increase in the sales of getter solutions for MEMS miniaturized sensors produced directly by the Group only partially offset the decline of traditional products, caused by the drastic cuts in U.S. public spending in the defence sector and by lower investments in infrastructures.

Sales of the *Lamps Business* were equal to 11,506 thousand euro, down by 7.5% compared to 12,442 thousand euro in 2011. Excluding the positive exchange rate effect (3.6%), the lamps business went down by 11.1% compared to the previous year.
The weakness of the Japanese market after the earthquake in March 2011, together with that of the Chinese market caused by the difficult economic situation, slowed down the sales of the lamps business during the year.

Sales of the *Vacuum Systems and Thermal Insulations Business* were equal to 15,687 thousand euro in 2012, up by 23.6% compared to 12,693 thousand euro in 2011. The exchange rate effect was positive and equal to 6.3%, while the organic growth was equal to 17.3%.
The commercial success of the new pumps NEXTorr, mainly in the field of scientific applications, together with new projects both to upgrade and to build particle accelerators, have made it possible to end the 2012 with sales significantly higher than those of the previous year. Also the devices for thermal insulation contributed to the revenues growth.
Instead, the sales of getters for solar collectors were decreasing, due to the cuts in public subsidies.

Sales of the *Energy Devices Business* were equal to 398 thousand euro (110 thousand euro in 2011). The exchange rate effect was positive and equal to 3.3%.
Despite the fact that the global recession and the subsequent decline in public investments had a severe impact on the photovoltaic business, our product, qualified by a major European manufacturer of thin-film photovoltaic modules at the end of 2011, has begun to be effectively distributed by the end of 2012, positively contributing to the results of this sector.

Sales in the purification sector (*Semiconductors Business*) were equal to 44,073 thousand euro in 2012, significantly down (-22.6%) compared to 56,956 thousand euro in 2011; the currency trend led to a positive exchange rate effect, equal to 6%, excluding which sales decreased by 28.6%.As already highlighted before, this figure confirms the expected slowdown in the markets where the customers of the Group operate.

Revenues of the **Shape Memory Alloys Business Unit** were equal to 47,088 thousand euro, up from 38,622 thousand euro in 2011. The exchange rate effect was positive and equal to +8.8%, net of which the organic growth was equal to 13.1%.
In the area of medical SMAs, the increase in turnover was mainly due to the expansion of the product range and of the customer base resulting from the investments in research and development activities carried out by the Group during the recent years.
There was a positive contribution brought by the business of industrial SMAs, which represents an important development opportunity for the future of SAES.

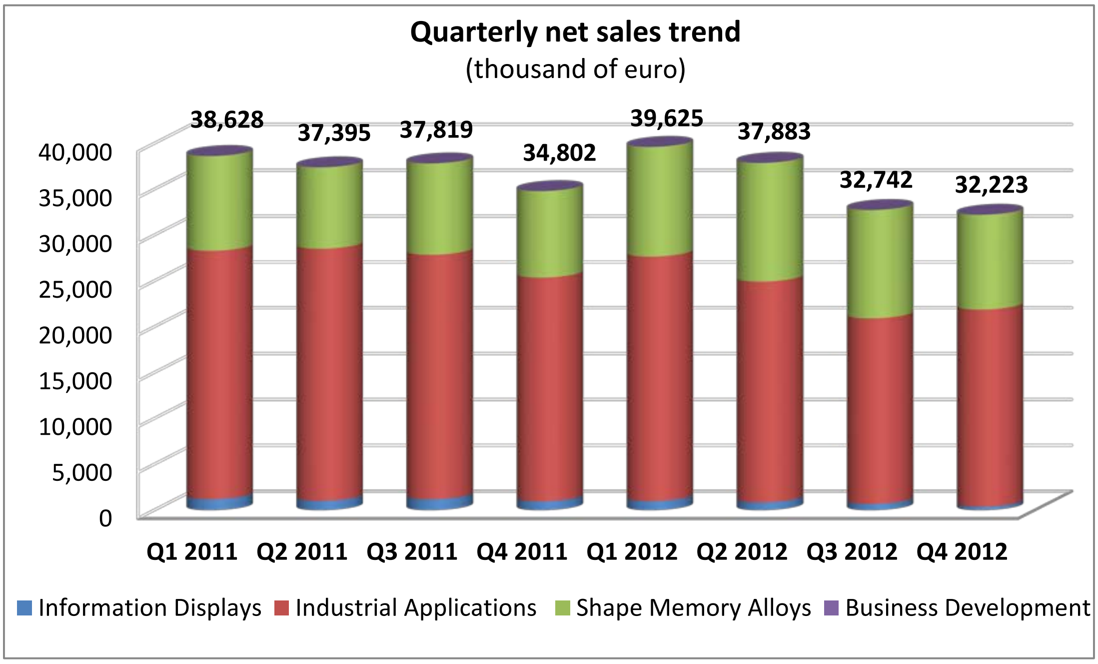
Revenues of the **Information Displays Business Unit** were equal to 2,877 thousand euro, down by 33.8% compared to 2011, which recorded revenues equal to 4,346 thousand euro. The currency trend led to a positive exchange rate effect equal to 4.9%.
This decrease (-38.7% excluding the exchange rate effect) was due to the structural and irreversible decline both in the business of fluorescent lamps for the backlighting of LCD displays and in that of cathode ray tubes (CRT).
The delay in the large scale introduction of OLED TVs has resulted in the maintaining of the turnover of this sector, although it is growing, at levels typical of a start-up business and it has not allowed to offset the decline of the traditional LCD and CRT businesses.

Sales of the *Liquid Crystal Displays Business* amounted to 761 thousand euro compared to 1,743 thousand euro in 2011 (-56.3%); the currency trend led to a positive exchange rate effect equal to +3.7%.
In 2012, in addition to the technological substitution of the cold cathode fluorescent lamps with LED lamps (which do not need getters) in the backlighting of the LCD displays, also the global recession and the sharp reduction in prices have contributed to the decline in the sales in this sector.

The *Cathode Ray Tubes Business* achieved sales equal to 1,231 thousand euro, down by 34.4% compared to 1,877 thousand euro in 2011; the exchange rate effect was positive and equal to +5.3%.
The weakness of the TV market in the developing countries, combined with the constant decrease in the volumes of cathode ray tube televisions sold and with competitive pressure, resulted in a further decline in the sales of evaporable getters for CRTs in 2012.

The *Organic Light Emitting Diodes Business* achieved sales equal to 885 thousand euro, compared to 726 thousand euro in 2011 (+21.9%); the positive exchange rate effect was equal to +6.6%.
The research activities carried out in recent years have allowed the Group to enter into the business of large OLED TVs; in 2012 the supply of innovative getters for the pilot lines of the major TV manufacturers in Asia, for which SAES is an important technological partner, has continued, with interesting prospects for future growth.

The following chart shows the quarterly trend of revenues in 2012 and 2011, with evidence of the breakdown by Business Unit:

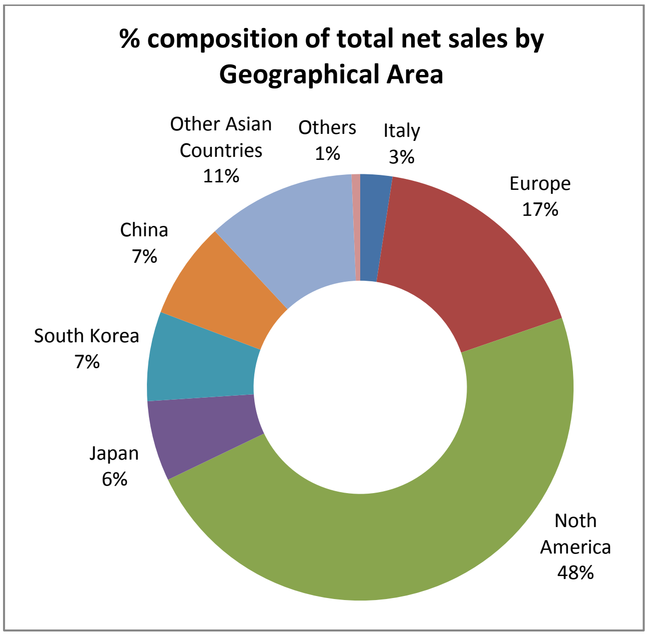


In the Industrial Applications Business Unit, the progressive decline of the first three quarters of 2012 stopped in the last quarter thanks to the semiconductors business, which shows a turn around compared to the previous periods.
On the other hand, sales of the SMA Business Unit stabilized in the second part of the year, after the excellent results of the first half of the year due to the need of stock by some customers wh replaced mature medical products with more innovative ones. The last quarter has also been affected by the suspension of the sales of a component at the end of its life cycle to an important U.S. medical customer, only partially mitigated by the development of new components.

A **breakdown of revenues by geographical location of customers** is provided below:

(thousands of euro)

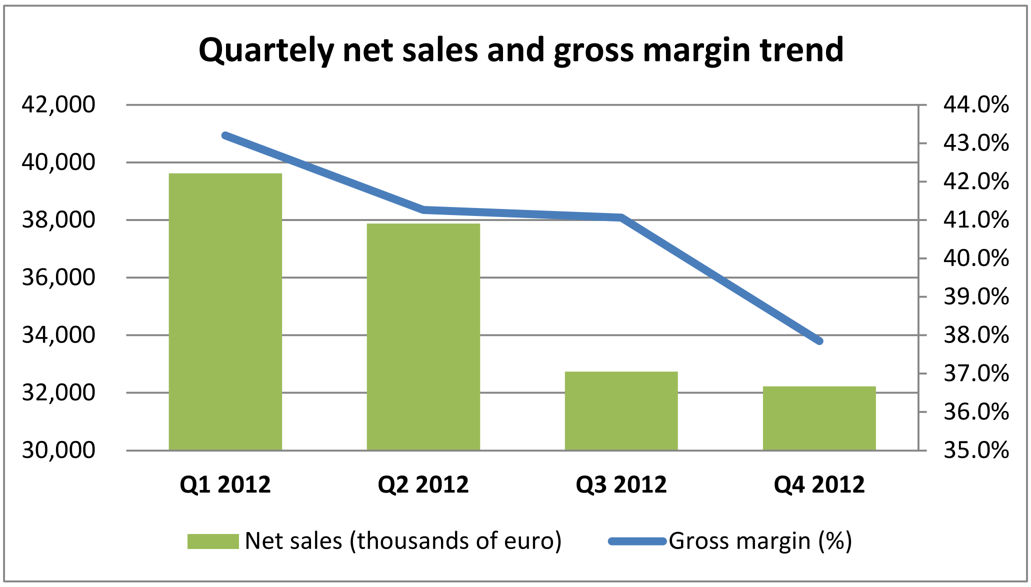
Geographical area	2012	%	2011	%	Difference	Difference %
Italy	3,464	2.4%	1,558	1.0%	1,906	122.3%
Europe	24,645	17.3%	27,695	18.6%	(3,050)	-11.0%
North America	68,581	48.1%	61,124	41.1%	7,457	12.2%
Japan	8,686	6.1%	6,316	4.2%	2,370	37.5%
South Korea	9,660	6.8%	16,504	11.1%	(6,844)	-41.5%
China	10,445	7.3%	18,366	12.4%	(7,921)	-43.1%
Other Asian countries	16,060	11.3%	15,943	10.7%	117	0.7%
Others	932	0.7%	1,138	0.8%	(206)	-18.1%
Total net sales	**142,473**	**100%**	**148,644**	**100%**	**(6,171)**	**-4.2%**



The decrease in sales in the Far East (in particular in China and South Korea) was mainly due to the already mentioned slowdown in the semiconductors area. In Japan, the first success in the medical SMA sector, as well as the new projects both to upgrade and to build particle accelerators, completely offset the decline in the lamps business and allowed to end the year with an increase in turnover equal to 37.5%. In North America the decrease in the defense sector was completely offset by the increase in sales of SMAs for medical applications. Finally, in Europe the decrease in sales is mainly attributable to the weakness of the solar thermal business consequent to the cuts in the public investments.

In 2012, **consolidated gross profit** was equal to 58,393 thousand euro (41% of consolidated revenues), slightly down when compared to 59,914 thousand euro in 2011 (40.3% of consolidated revenues).
The slight improvement in the margin, despite the decrease in revenues, was due to the different mix of sales and to the consolidation of the effects resulting from the rationalization of the production structure implemented in the previous year. For further details please refer analysis by Business Unit..

In analyzing the quarterly trend of the gross margin in 2012, please note its correspondence with that of turnover:



The following table shows the gross profit by Business Unit in the year 2012 and 2011:

(thousands of euro)

Business Unit		2012	2011	Difference	Difference %
Industrial Applications		41,527	49,233	(7,706)	-15.7%
	% on Business Unit net sales	*44.9%*	*46.6%*		
Shape Memory Alloys		16,706	11,519	5,187	45.0%
	% on Business Unit net sales	*35.5%*	*29.8%*		
Information Displays		492	(556)	1,048	188.5%
	% on Business Unit net sales	*17.1%*	*-12.8%*		
Business Development		(332)	(282)	(50)	-17.7%
	% on Business Unit net sales	*n.s.*	*n.s.*		
Gross profit		**58,393**	**59,914**	**(1,521)**	**-2.5%**

Gross profit of the **Industrial Applications Business Unit** was equal to 41,527 thousand euro in 2012, compared to 49,233 thousand euro in 2011. As a percentage of revenues, gross margin was 44.9%, slightly down compared to 46.6% in the previous year, mainly due to the increased incidence of the plant fixed costs resulting from the decrease in revenues, partially offset by the shift of the sales mix towards products with higher margins (in particular, Vacuum Systems Business).

Gross profit of the **Shape Memory Alloys Business Unit** amounted to 16,706 thousand euro (35.5% of consolidated revenues) in 2012, showing an increase compared to 11,519 thousand euro in 2011 (equal to 29.8% as a percentage of revenues). The increase in gross margin is the result both of the shift of the sales mix towards innovative medical solutions with higher margins and of the reduction of plant fixed costs that was possible thanks to the optimization of the manufacturing footprint implemented during the previous year.

Gross profit of the **Information Displays Business Unit** was equal to 492 thousand euro in 2012 (17.1% of consolidated revenues), compared to a negative gross profit of 556 thousand euro in 2011 (-12.8% as a percentage of revenues).
Gross profit, negative in the previous year, has returned to be positive in 2012 despite the decrease in turnover, thanks to both the increased sales in the OLED Business and the consolidation of the savings deriving from the rationalization of the LCD production facilities, completed with the shutdown of the plant located in Korea in the first half of 2011.

The gross profit of the **Business Development Unit & Corporate Costs** was negative and equal to -332 thousand euro, substantially in line with that of the previous year (-282 thousand euro).

Consolidated operating income amounted to 11,349 thousand euro, compared to an operating income equal to 12,878 thousand euro in 2011. As a percentage of revenues, the operating margin was equal to 8%, substantially in line with that of 2011 (8.7%).
The decrease in the operating income (-11.9%) is due only to the reduction in gross profit, the latter being in line with the decrease in revenues.

The following table shows the operating income by Business Unit in 2012 and 2011:

(thousands of euro)

Business Unit	2012	2011 restated	Difference	Difference %
Industrial Applications	26,385	32,576	(6,191)	-19.0%
Shape Memory Alloys	6,201	2,245	3,956	176.2%
Information Displays	(3,202)	(3,492)	290	8.3%
Business Development & Corporate Costs	(18,035)	(18,451)	416	2.3%
Operating income (loss)	**11,349**	**12,878**	**(1,529)**	**-11.9%**

Operating income of the **Industrial Applications Business Unit** amounted to 26,385 thousand euro in 2012, compared to 32,576 thousand euro in 2011. This decrease (-19%) was mainly due to the reduction in sales that caused the contraction of the gross profit (-7,706 thousand), only partially offset by the reduction of selling expenses (in particular, lower commissions related to the decrease in the sales of the purification business). As a percentage of revenues, the operating margin decreased from 30.8% to 28.5%.

Operating income of the **Shape Memory Alloys Business Unit** was equal to 6,201 thousand euro, almost tripled (+176.2%) compared to 2,245 thousand euro in 2011.
The strong growth in the gross profit (+45%), already commented before, allowed this excellent result at operational level, despite a slight increase in operating expenses (in particular, those related to the increase in the staff employed in the commercial sector and in research activities).
As a percentage of revenues, the operating margin increased from 5.8% to 13.2%.

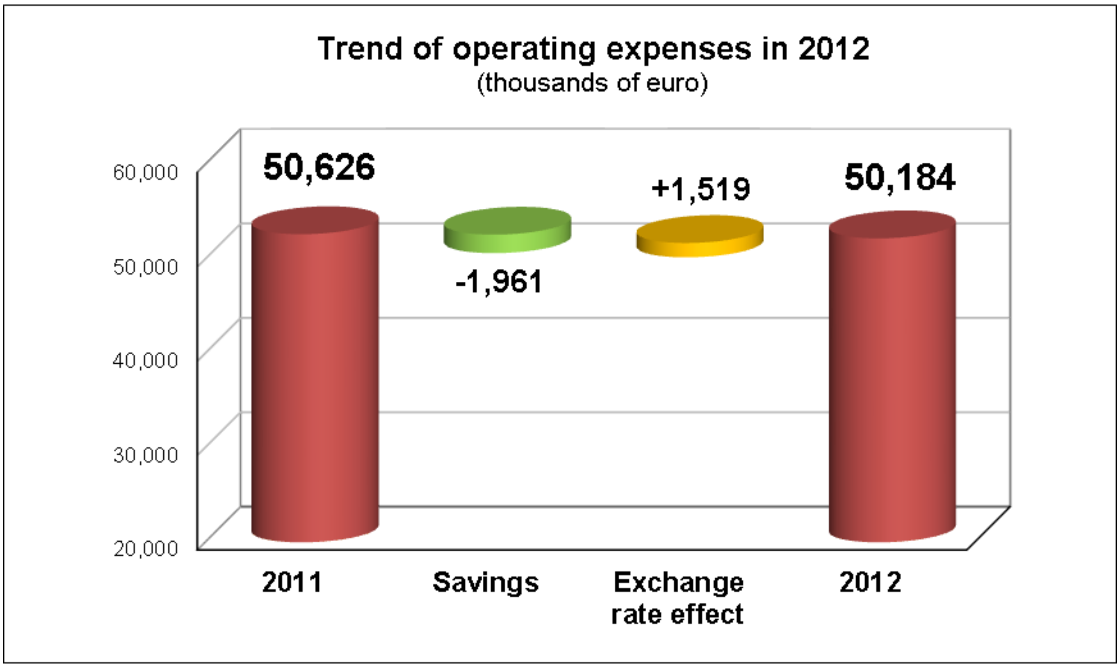
The **Information Displays Business Unit** ended the 2012 with an operating loss equal to 3,202 thousand euro (in 2011 the loss was equal to 3,492 thousand euro). Despite the positive gross profit, the volumes of this business were not yet enough to support the operating expenses (in particular, research and development expenses in the field of OLED) and to ensure an operating income.

The operating income of the **Business Development Unit & Corporate Costs** was negative and amounted to -18,035 thousand euro.It includes both the result of the Business Development Unit and the costs that cannot be directly attributed or reasonably allocated to any business sector but that refer to the Group as a whole. The operating loss is compared with a negative figure equal to -18,451 thousand euro in 2011; the slight improvement was mainly due to lower general and administrative expenses of the Parent Company (less consultant fees and reduced costs for hardware rental following the renegotiation of the supply contracts).

Total **consolidated operating expenses** were equal to 50,184 thousand euro, slightly down when compared to 50,626 thousand euro in 2011 (-0.9%). Excluding the exchange rate effect, which resulted in an increase of the operating expenses equal to 1,519 thousand euro, these expenses were reduced by 1,961 thousand euro, demonstrating the continued effort of the Group to control costs. The items that decreased were selling expenses (less commissions paid to agents due to the lower sales in the purification business) and general and administrative expenses (in particular, reduced costs for hardware rental following the renegotiation of the supply contracts undertaken by the Italian companies).

On the other hand, research and development expenses increased from 13,870 thousand euro (9.3% of total consolidated revenues) to 14,459 thousand euro (10.1% of Group's revenues) as a result of the increase in the staff of the Parent Company involved in research activities.

The following chart shows the trend of operating expenses in the fiscal year 2012:



Altogether, the item **personnel cost** amounted to 57,802 thousand euro in 2012 compared with 53,690 thousand euro in 2011. After excluding the severance costs[1], the savings resulting from the adoption of C.I.G.[2] at the Parent Company and at the Italian subsidiary SAES Advanced Technologies S.p.A. and the exchange rate effect[3], both in 2012 and in 2011, the personnel cost increased by nearly 2 million euro, mainly because of the increase of the staff of the Parent Company, involved in research activities (with a particular focus in the development of SMA applications for industrial markets) and of that of the subsidiary Memry Corporation, following the strong growth of the SMA business, together with contractual increases aimed at a recovery of the inflation, as well as the effect of a moderate merit-based compensation policy.

The net result of the year includes **depreciation and amortization** equal to 10,152 thousand euro (10,912 thousand euro in 2011).
The slight reduction of amortization and depreciation, equal to 760 thousand euro, is due to the fact that some assets, both tangible and intangible, reached the end of their useful life during the year 2012.

Consolidated EBITDA was equal to 21,651 thousand euro in 2012, compared to 25,281 thousand euro in 2011. As a percentage of revenues, EBITDA was equal to 15.2% in 2012, slightly lower than that of the previous year, equal to 17%.

The balance of **other net income (expenses)** was positive and equal to 3,140 thousand euro (compared with a balance always positive and equal to 3,590 thousand euro in 2011) and is mainly composed of the lump-sums and of the royalties generated by the licensing of the thin film getter technology for MEMS of new generation (2.5 million euro). This item also includes a non-recurring income resulting from the release of the excess of a

[1] Severance costs were equal to 384 thousand euro in 2012 and 508 thousand euro in 2011.
[2] Savings resulting from the adoption of C.I.G. were equal to 1,093 thousand euro as at December 31, 2012 and 942 thousand euro as at December 31, 2011.
[3] The effect of the exchange rates led to an increase in personnel costs of around 2.4 million euro.

risk provision following the settlement of a dispute of the subsidiary SAES Advanced Technologies S.p.A. with the social security institutions (0.3 million euro).
In the previous year, in addition to the royalties deriving from the sale of the MEMS technology (2.3 million euro), this item included also the capital gain realized by the Korean subsidiary on the sale of its factory located in Jincheon (0.5 million euro), public grants accrued by the Parent Company for ongoing research projects (0.3 million euro) and the indemnity received by SAES Getters S.p.A. following the expropriation of part of its owned land (0.3 million euro).

The net balance of **financial income and expenses** was negative and amounted to -1,666 thousand euro (compared to a negative balance of -1,486 thousand euro in 2011) and it mainly includes interest expenses on loans held by the Parent Company and by the U.S. subsidiaries, the effect on the income statement of the evaluation of the Interest Rate Swap (IRS) contracts signed by the latter and the fees for the restructuring of the Group's portfolio of credit lines. In particular, the last ones explain the decrease compared to 2011 (-188 thousand euro).

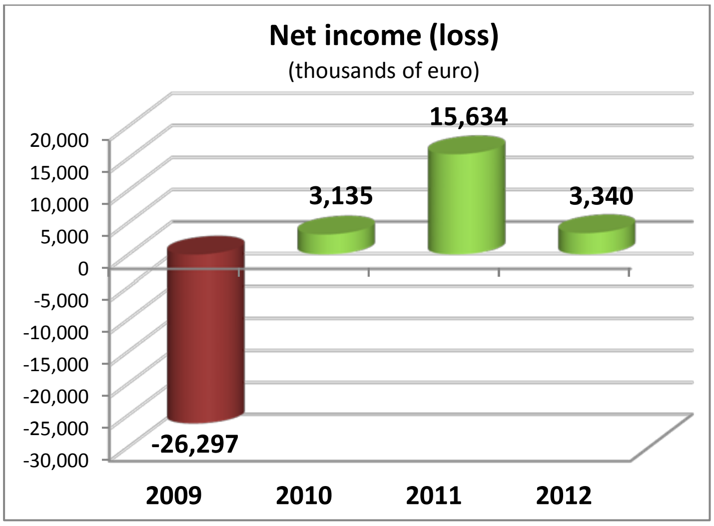
The loss deriving from the **evaluation with the equity method** of the joint venture Actuator Solutions GmbH amounted to -829 thousand euro (-264 thousand euro in the previous year[4]).

In 2012 the sum of the **exchange rate differences** recorded a balance substantially at break-even (-106 thousand euro), in line with that of 2011 (-58 thousand euro) and ensured by the same hedging policy adopted by the Group in the previous year.

Consolidated income before taxes was equal to 8,748 thousand euro, compared to an income before taxes of 11,070 thousand euro in 2011.

Income taxes amounted to 5,494 thousand euro, compared with a positive balance of 4,272 thousand euro in 2011. Last year the presence of tax revenues, notwithstanding a positive income before taxes, was mainly due to the recognition, within the Italian perimeter, of deferred tax assets on tax losses of the previous years[5] and to the reversal of the fiscal provision (1.6 million euro), accrued by the Parent Company, released after obtaining a positive response from the Italian Tax Authority regarding the tax ruling related to the request for not enforcing the "CFC" (Controlled Foreign Companies[6]) legislation on the income generated by SAES Getters Export, Corp., a U.S. subsidiary of SAES Getters S.p.A.
In 2012, the benefit deriving from the recognition of deferred tax assets on tax losses realized during the year was equal to 2.4 million euro.
The Group tax rate was equal to 62.8%.

[4] We remind that the joint venture Actuator Solutions GmbH was established on July 5, 2011.
[5] In 2011, the recognition of deferred tax assets on tax losses was the result of the changes in the Italian tax legislation, that allowed to carry forward past tax losses for an unlimited period of time (the previous law provided for the time limit of five years) and this recognition was also supported by medium-term visibility on the future performance of some businesses and by the strategic choices taken with respect to the localization of some productions.
[6] According to article 167, paragraph 8-*bis* of the Italian Income Tax Code (TUIR), the income generated by foreign subsidiaries that meet certain requirements may be subject to a separate IRES taxation at the Italian parent company level. The next paragraph 8-*ter* provides that this requirement may be disapplied if the company domiciled in Italy demonstrates that the foreign establishment is not an artificial construction aimed to achieve an undue tax advantage to the detriment of the National Treasury.



The Group's **consolidated net income** was equal to 3,340 thousand euro in 2012, compared to a net income of 15,634 thousand euro in the previous year.

Please note that the **net income** includes 86 thousand euro deriving **from assets held for sale and discontinued operations**, corresponding to the capital gain generated by SAES Getters USA, Inc. following the sale of its factory located in Ohio. In 2011 the net income from discontinued operations was equal to +292 thousand euro (for further details please refer to Note no. 11).

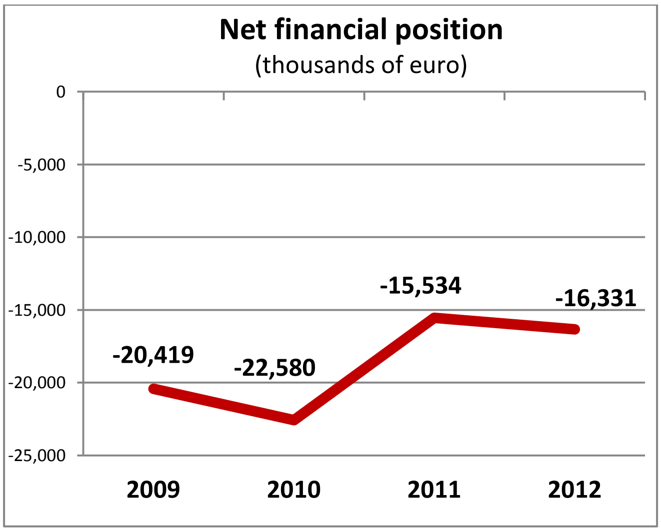
Net financial position – Investments – Other information

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

(thousands of euro)

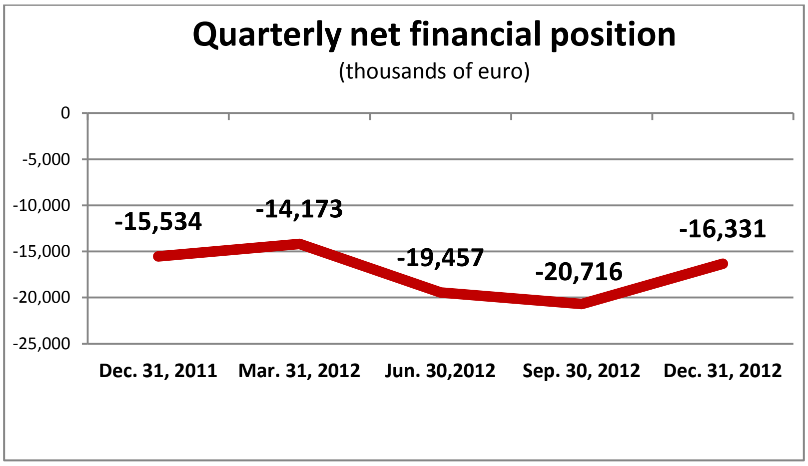
	December 31, 2012	June 30, 2012	December 31, 2011
Cash on hand	16	14	16
Cash equivalents	22,594	28,372	20,276
Cash and cash equivalents	**22,610**	**28,386**	**20,292**
Current financial assets	**114**	**261**	**0**
Bank overdraft	(10,051)	(14,834)	(1)
Current portion of long term debt	(6,476)	(7,672)	(26,156)
Related parties financial liabilities	(2,019)	0	0
Other current financial liabilities	(1,276)	(1,693)	(1,335)
Current financial liabilities	**(19,822)**	**(24,199)**	**(27,492)**
Current net financial position	**2,902**	**4,448**	**(7,200)**
Long term debt, net of current portion	(19,179)	(23,200)	(7,621)
Other non current financial debt	(54)	(705)	(713)
Non current financial liabilities	**(19,233)**	**(23,905)**	**(8,334)**
Net financial position	**(16,331)**	**(19,457)**	**(15,534)**

The **consolidated net financial position** as at December 31, 2012 was negative and equal to 16,331 thousand euro (cash equal to +22,610 thousand euro and net financial liabilities of -38,941 thousand euro), compared to a negative net financial position of -15,534 thousand euro as at December 31, 2011.

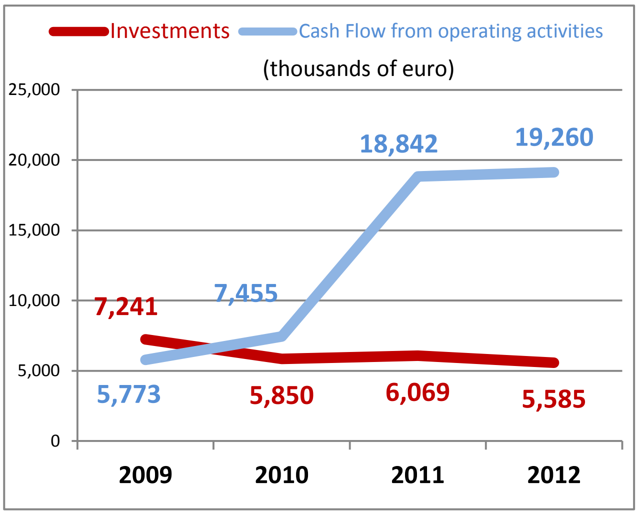


The resources generated by the operating activities have almost completely offset the investment activities (-9,481 thousand euro) and the cash-out for the payment of dividends (-10,972 thousand euro).
The exchange rate effect was slightly positive (about +0.4 million euro): in fact, almost all of the Group's financial debt is in U.S. dollar and held by the U.S. subsidiaries and its equivalent value in euro has decreased following the devaluation of the U.S. dollar as of December 31, 2012 compared to December 31, 2011.

The chart below shows the quarterly amount of the net financial position during the fiscal year 2012:



The deterioration in the net financial position in the second quarter of 2012 (-5,284 thousand euro) is due to both the payment of dividends and to the capital contributions made to the joint venture Actuator Solutions GmbH. Please note the significant improvement in the last quarter (+4,385 thousand euro), totally attributable to the cash flows generated by the operating activities: the improvement in the net working capital added up to the self-financing generated by the Group in the quarter.

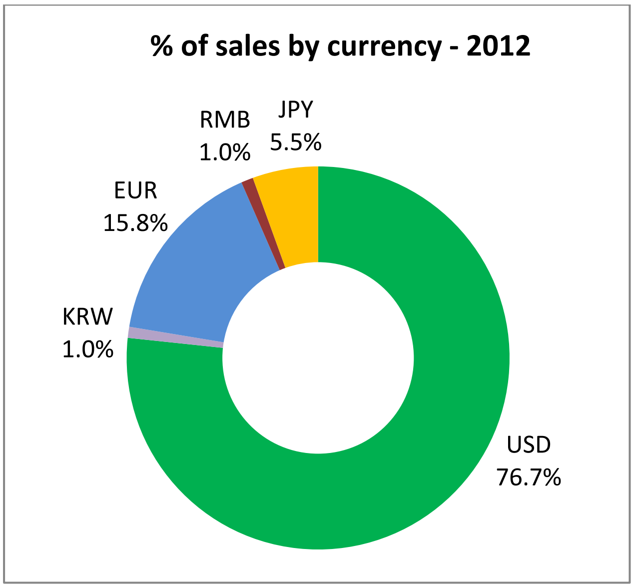


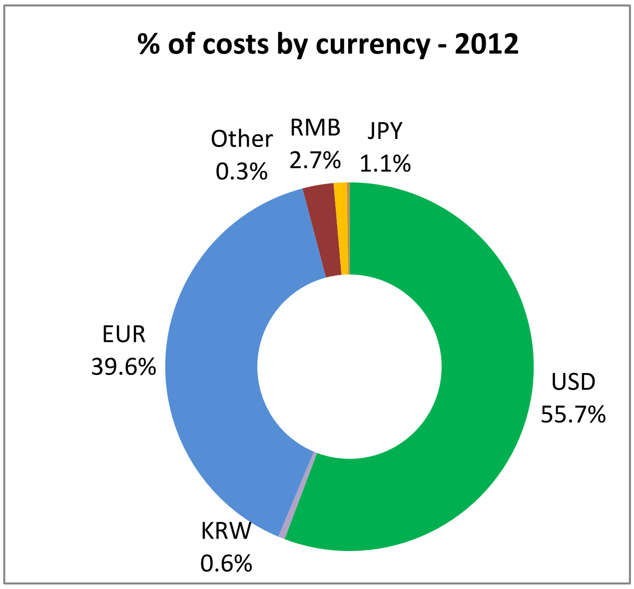
The financial resources generated by the operating activities were positive and amounted to 19,260 thousand euro (13.5% of consolidated revenues) and they were substantially in line with those of 2011 (18,842 thousand euro equal to 12.7% of revenues). The improvement in the net working capital allowed to offset the decline in the self-financing.

In 2012 the cash out for investments in tangible assets was equal to 5,585 thousand euro, substantially in line with the previous year (6,069 thousand euro) and it was partially offset by proceeds from the sale of certain assets equal to 797 thousand euro (in particular, the plant located in Ohio and the equipment located therein of the subsidiary SAES Getters USA, Inc.). Investments in intangible assets were not significant (-199 thousand euro). For further details please refer to Notes no. 14 and no. 15.

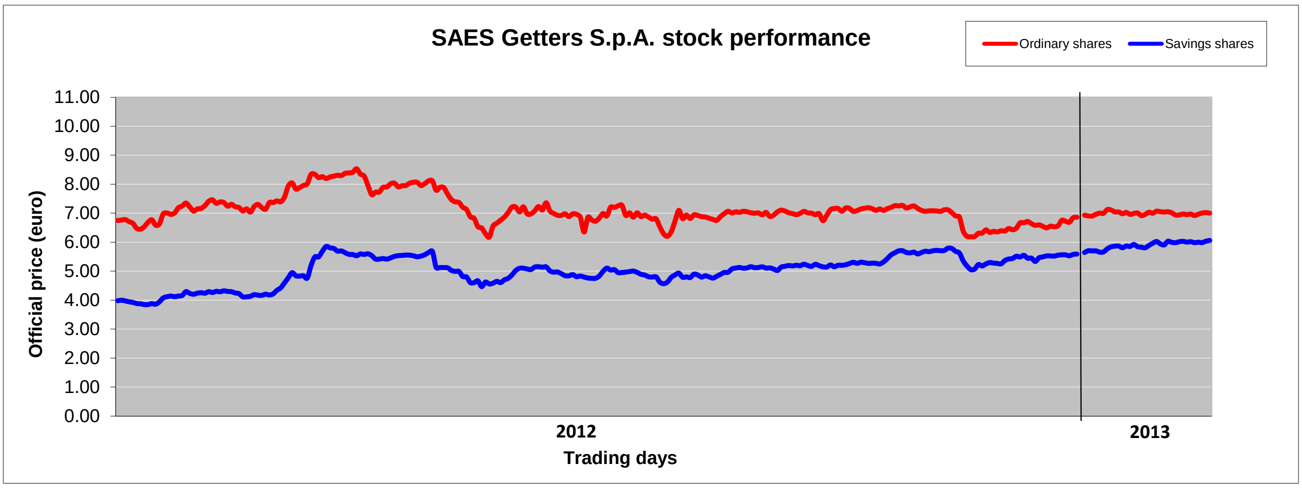
In the first months of 2012 the value of the financial covenant on the loan held by the subsidiary Memry Corporation, not complied with as of December 31, 2011, was renegotiated and the financing institution formally accepted the request of the Group for the waiver of the recall of that debt. Since the observance of this covenant was restored as of December 31, 2012 following this renegotiation, , the related financial liability, which at December 31, 2011 was classified as current, has been reclassified in the non-current financial liabilities (for further details please refer to Note no. 27).

The composition of net sales and costs (cost of sales and operating expenses) by currency is provided below:





The official price trend for ordinary and savings shares during the year 2012 is given below:



Ordinary and savings shares listed on the STAR segment of Mercato Telematico Azionario of Borsa Italiana in 2012 increased their values by +2% and +40% respectively, compared with an increase of +5% and +15% recorded on the FTSE MIB and FTSE Italia Star indices respectively.

The following table shows the main ratios:

Ratios		2012	2011 restated	2010
Operating income/Total net sales	%	8.0	8.7	7.8
Income before taxes/Total net sales	%	6.1	7.4	4.5
Net income from continuing operations/Total net sales	%	2.3	10.3	2.2
Net income from continuing operations/Average shareholders' equity (ROAE)	%	3.0	14.2	3.0
Research expenses/Total net sales	%	10.1	9.3	9.9
Depreciation (tangible assets)/Total net sales	%	5.9	6.0	6.4
Cash flow from operating activities/Total net sales	%	13.5	12.7	5.3
Taxes/Income before taxes	%	62.8	-38.6	51.7
Total net sales/Average number of employees (*)	keuro	142	146	141
Accumulated depreciation/Tangible assets	%	68.7	68.1	66.4

(*) 2010 and 2011 figures have been calculated without considering the employees of the Chinese joint venture Nanjing SAES Huadong Vacuum Material Co., Ltd., disposed in April 2011
2011 and 2012 figures excluded the employees of the joint venture Actuator Solutions GmbH (established on July 5, 2011) evaluated using the equity method

Performance of SAES Getters S.p.A.'s subsidiaries

SAES ADVANCED TECHNOLOGIES S.p.A., Avezzano, AQ (Italy)

During the year, the company achieved a turnover of 37,375 thousand euro, with a decrease compared to 38,657 thousand euro in the previous year. The decrease in sales of mercury dispensers for LCDs (caused by the structural crisis of this business), of components for lamps (due to the general slowdown in the economy) and porous getters for military applications (due to the reduction in demand in the field of defense) was only partially offset by the growth in sales of vacuum pumps. The company ended the year with a net income of 7,115 thousand euro, compared with 5,458 thousand euro in the previous financial year: despite the decline in sales, the shift in the sales mix towards products with higher margins and the containment of operating expenses (in particular, G&A expenses as a result of the renegotiation of the contracts for hardware rental), allowed to close the year with a net income on the increase.
The use of *Cassa Integrazione Guadagni* (C.I.G. – redundancy fund) instrument during the year generated a decrease in personnel costs equal to 1,025 thousand euro (672 thousand euro in 2011).

SAES GETTERS USA, Inc., Colorado Springs, CO (USA)

The company reported consolidated net sales of 78,024 thousand USD during the year 2012 (60,729 thousand euro at the average exchange rate for the year 2012), compared with 95,912 thousand USD (68,902 thousand euro at the relative average exchange rate) and a consolidated net income of 7,366 thousand USD (5,733 thousand euro), compared to a consolidated net income of 9,928 thousand USD in 2011 (7,132 thousand euro).

Further comments are provided below.

The U.S. parent company ***SAES Getters USA, Inc.*** (which operates primarily in the Industrial Applications Business Unit) reported sales of 14,771 thousand USD, showing an increase compared with those of the previous fiscal year (9,734 thousand USD). The increase in the turnover is the result of the merger of SAES Getters USA, Inc. with SAES Getters America, Inc. (which ended the year 2011 with a turnover of 7,480 thousand USD), while on a comparable basis the turnover decreased by approximately 2.4 million USD, mainly because significantly affected by the cuts in public spending in the U.S. defense sector.
The company ended the year with a net income of 7,366 thousand USD, compared to a net income of 13,708 thousand USD in 2011(of which 9,928 thousand USD attributable to the net income of SAES Getters USA, Inc. in 2011 and 3,780 thousand USD to the SAES Getters America, Inc.'s one): this decrease, in addition to the decrease in sales, was due to the lower gains deriving from the evaluation of the investments in the subsidiaries SAES Pure Gas, Inc. and Spectra-Mat, Inc., which ended the

year 2012 with a reduction in the net income compared to the previous year. Please also note that the 2011 result included the recognition by SAES Getters America, Inc. deferred tax assets on previous years tax losses (approximately 3 million USD) in respect of their likely future use.

The subsidiary ***SAES Pure Gas, Inc.***, based in San Luis Obispo, CA (USA) (active in the Semiconductors Business) reported sales of 56,386 thousand USD (compared to 79,160 thousand USD in the previous year) and a net income equal to 5,695 thousand USD, down compared with the net income of 2011 (6,876 thousand USD). The decrease in both turnover and net income is a consequence of the sharp slowdown of some major markets in which the main customers of the subsidiary operate.

The subsidiary ***Spectra-Mat, Inc.***, Watsonville, CA (USA), active in the Electronic Devices Business, achieved a turnover of 6,867 thousand USD in 2012, substantially aligned with the previous year (7,018 thousand USD), and a net loss of 405 thousand USD (125 thousand USD was the loss as at December 31, 2011). The shift in the sales mix towards products with lower margins, despite the containment of operating expenses, has caused the decrease in the net result.

SAES GETTERS (NANJING) CO., LTD., Nanjing (P.R. of China)

The company, which carries out its manufacturing activity mainly in the CRTs business and deals with the resale in the Chinese market of products manufactured by other Group companies, ended the 2012 with net sales equal to 23,544 thousand RMB (2,905 thousand euro), down when compared to 35,977 thousand RMB (equal to 3,999 thousand euro) in the previous year. The decrease was due to the drop in the sales of getters for CRTs and of mercury dispensers for LCDs and to the lower commissions paid by the associate SAES Pure Gas, Inc. on the sales of purifiers made by the latter on the Chinese territory. The company ended the period with a net loss of 10,041 thousand RMB (1239 thousand euro), doubled compared to a net loss of 5,235 thousand RMB (582 thousand euro) in the previous year, mainly because of the reduction in the sales volumes.

MEMRY GmbH, Weil am Rhein (Germany)

The company, which manufactures and markets in the European market shape memory alloy components for both medical and industrial applications, in 2012 reported sales equal to 3,382 thousand euro, slightly up (+5%) if compared to sales equal to 3,222 thousand euro in the previous year, and a net income of 92 thousand of euro, compared to 71 thousand euro in 2011. The slight improvement in sales and in net income was due to the increased resale activities of in the European market of SMA components for medical applications produced by the associate Memry Corporation.
Please note that SAES Getters S.p.A., which currently owns 80% of the German company, on June 27, 2012, besides the purchase of an additional 20% shareholding, entered into an agreement to acquire the entire company’s share capital within the first half of 2014; for more details, please refer to the sections "Significant events occurred in 2012" and "Subsequent Events".

SAES GETTERS EXPORT CORP., Wilmington, DE (USA)

The company, which is owned directly by SAES Getters S.p.A., operates with the object of managing the exports of some U.S. Group’s companies.
In 2012 it reported a net income of 7,295 thousand USD (5,678 thousand euro), down compared to the previous year (14,114 thousand USD, equal to 10,140 thousand euro), as a consequence of lower commissions received by the subsidiaries for which it handles the exports.

E.T.C. S.r.l., Bologna, BO (Italy)

The company, a spin-off supported by the National Research Council (CNR), is located in Bologna and has as its purpose the development of functional materials for applications in the Organic Electronics and in the Organic Photonics, as well as the development of integrated organic photonic devices for niche applications.

The company, 85% controlled by the Parent Company and which operates exclusively as a research centre for the above mentioned developments, ended the year 2012 with a net loss equal to -2,484 thousand euro (-1,985 thousand euro was the net loss in 2011), which, under the signed Shareholders' Agreements, will be entirely covered by SAES Getters S.p.A. at the beginning of 2013 (for more details, please refer to the paragraph "Subsequent Events").
The worsening in net income was primarily due to the increase in personnel costs, as a consequence of the additional number of employees involved in research activities.

SAES Nitinol S.r.l., Lainate, MI (Italy)

The company, 100% owned by SAES Getters S.p.A., was established on May 12, 2011, and it has as its business purpose the design, the production and the sale of both shape memory alloy instruments and actuators and of getters and any other equipment for the creation of high vacuum, either directly or by means of interests and investments in other companies. In order to achieve its corporate purpose, on July 5, 2011, SAES Nitinol S.r.l. established the joint venture Actuator Solutions GmbH, together with the German group Alfmeier Präzision (for further details on the joint venture, please refer to Notes no. 8 and no. 16 of the Consolidated financial statements).
The company ended the fiscal year 2012 with a loss of 94 thousand euro (-13 thousand euro the loss in the previous year), primarily consisting in the cash pooling interest expenses charged by the parent company SAES Getters S.p.A. This loss will be covered by the same SAES Getters S.p.A. at the beginning of 2013 (for more details, please refer to the paragraph "Subsequent Events").

SAES GETTERS INTERNATIONAL LUXEMBOURG S.A., Luxembourg (Luxembourg)

The company's main objects are the management and the acquisition of investments, the optimal cash management, the grant of intercompany loans and the coordination of Group services.
In the year 2012, the company reported a net income equal to 95 thousand euro, compared to a net income of 6,134 thousand euro in the previous year. Please note that the 2011 result included the capital gain from the disposal of the investment in SAES Getters America, Inc. to SAES Getters USA, Inc. (+6,191 thousand euro); excluding this amount, in 2011 the net result changes from a loss of 57 thousand euro to a net income of 95 thousand euro in 2012, primarily as a result of the interest income earned on the interest-bearing loan granted to the Parent Company.

Some notes on the performance of the subsidiaries of SAES Getters International Luxembourg S.A. are provided below.

SAES Getters Korea Corporation, Seoul (South Korea), 62.52% owned by SAES Getters International Luxembourg S.A., whereas the remainder of the capital stock is held directly by the Parent Company SAES Getters S.p.A. Last year the company ceased the production activity and now operates only as a distributor of products made by other Group's companies in the Korean market.
In the fiscal year 2012 the company reported net sales equal to 3,244 million KRW (2,241 thousand euro), down compared to 3,980 million KRW (2,582 thousand euro): the reduction in sales of getters for CRTs caused by the continued decline in the volumes of CRT televisions sold, was only partially offset by the turnover in the OLED business. The year ended with a net loss equal to 362 million KRW (-250 thousand euro), compared to a net loss of 157 million KRW (-102 thousand euro) in 2011.
Please note that last year, after the shutdown of its production activity, the Korean subsidiary sold the industrial building to a local third party; separating the net economic effect of this transaction (capital gain of nearly 151 million KRW[7], equal to 97 thousand euro), the 2012 result is substantially in line with that of the previous year.

[7] Equal to the difference between the capital gain realized from the sale of assets (766 million KRW) and the severance costs and other costs associated with this sale (615 million KRW).

The company ***SAES Smart Materials, Inc.***, based in New Hartford, NY (USA), active in the development, production and sale of shape memory alloy semi-finished products, achieved during the year 2012 net sales equal to 16,195 thousand USD (12,605 thousand euro), up (+9.3%) compared to 14,818 thousand USD (10,645 thousand euro) in 2011. The period ended with a net income of 2,582 thousand USD (2,010 thousand euro), compared to a net income of 2,884 thousand USD (2,072 thousand euro) in 2011: despite the increase in sales and the reduction in operating expenses (in particular, lower amortization of intangible assets that have ended their useful life), the net income is slightly down because in the previous year the income statement benefited from the recognition of deferred tax assets both on temporary differences formed in previous years and on tax losses carried forwards, that were booked in 2011 because of their likely recovery against an expected future taxable income. Please note that the tax losses carried forwards were fully utilized in 2012.

Memry Corporation, Bethel, CT (USA), is a technological leader in the field of new generation medical devices with a high engineering value, made of NiTinol shape memory alloys. In 2012, the company achieved sales of 43,922 thousand USD (34,186 thousand euro), compared to sales of 38,353 thousand USD (27,553 thousand euro) in 2011: the increase in sales compared to last year (+14.5%) was made possible by the commercial efforts and investments in research that led to the introduction of new products.
2012 net income was equal to 4,079 thousand USD (3,175 thousand euro), compared with a net income of 628 thousand USD (451 thousand euro) in the fiscal year 2011: the strong growth was possible thanks both to the increase in sales and to the increased profitability, the latter resulting from the shift in the sales mix towards innovative solutions and from the reduction of fixed costs. In this regard, please note that the 2011 gross profit was negatively affected by write-downs of approximately 1.1 million USD related to the optimization of its production structure through the concentration of some productions in the plant located in Bethel and the closure of one of the two plants in Menlo Park.

Certification pursuant to article 2.6.2, sub-paragraph 12 of the Regulations of Markets organised and managed by Borsa Italiana S.p.A.

In relation to article 36 of the Consob Market Regulations no. 16191 dated 29/10/2007, regarding the conditions for the listing of shares of companies with control over companies established and regulated under the law of non-EU countries and significant for the purposes of the consolidated financial statements, please note that (i) the companies of the Group listed below fall within this regulatory provision, (ii) appropriate procedures have been adopted to ensure full compliance with the above-mentioned regulations and (iii) the conditions laid down in the said article 36 exist.

The following companies are considered important in that, with reference to December 31, 2012, they exceed the individual significance parameters provided for in article 151 of the Issuer Regulation:
- SAES Getters USA, Inc. – Colorado Springs, CO (USA);
- SAES Pure Gas, Inc. – San Luis Obispo, CA (USA);
- Spectra-Mat, Inc. – Watsonville, CA (USA);
- SAES Smart Materials, Inc. – New Hartford, NY (USA);
- Memry Corporation – Bethel, CT (USA);
- SAES Getters Export, Corp. – Wilmington, DE (USA);
- SAES Getters Korea Corporation – Seoul (South Korea);
- SAES Getters (Nanjing) Co., Ltd. - Nanjing (P.R. of China).

Research, development and innovation activities

Research and innovation activities were intense in 2012, as shown by the amount of R&D expenses (14,459 thousand euro, equal to 10.1% of consolidated revenues). The expenditure remained substantially unchanged compared to the previous years, confirming the strategic importance of research for the SAES Group, which is more and more competitive in the field of innovation and know-how.

Research activities focused on the development and finalization of products that will support the Group's growth in the next few years.
In particular, in the field of OLED, the organic chemistry department, in order to meet the more and more pressing demands of some major Korean and Japanese customers, focused on the improvement of the water absorption characteristics of the various formulations of DryPaste®. In parallel, the materials laboratory has developed new configurations of sophisticated AlkaMax® lithium dispensers, already qualified and used in a pilot production.
In 2013 we expect the launch of OLED TVs in the market by several manufacturers.
Always in the field of organic chemistry, please also note the considerable progress made in the OLET project of E.T.C. S.r.l.; in particular, red, blue and green working demonstrators have been developed with a performance significantly higher than those of other laboratories engaged in the same activities, a proof of the distinctive skills of our team of researchers. This is an important result, the starting point for the evaluation of possible application fields for this new technology.

The Vacuum Systems Laboratory, in the wake of the great success of the NEXTorr pump, has continued the development of new models of the same family with higher capacities, whose commercial launch is expected in the next few months. In fact, we believe that the combination of the getter pump and the ionic one, developed with new alloys having appropriate characteristics, can compete with more traditional pumps, such as the sublimation pumps and the turbo-molecular ones.
In addition, the Group has started the development of the High Vacuum pumps family with which SAES wants to expand in a market segment much broader than the niche one in which it currently operates.

An equally intense effort was made in the development of new amalgams and mercury dispensers for fluorescent lamps. Amalgams have the function of controlling the pressure of mercury fumes in the lamps and help their quick ignition (in fact, the ignition time is one of the main issues of these lamps for domestic use); they will be used in high-end compact fluorescent lamps of a major European producer.
We are also intensively working on the development of the next generation of mercury dispensers of the TQS® and Roof families, activities of the utmost importance to support and defend the sales of these products whose patents will expire in the coming years.

In the field of energy devices it has been completed the development of a sophisticated getter for lithium ion batteries, which has the function of absorbing the carbon dioxide that is produced inside the battery as a result of chemical reactions among its components and which makes its use dangerous. This getter is being tested by some potential users in Asia. In parallel, the qualification of getters for hydrogen absorption in super-condensers has continued with positive outcomes. The qualification process is very long and we expect the first final outcomes at the end of this year.

Always in the field of energy, in this case on the production side, please note that in mid 2012 the B-Dry® was adopted on an industrial scale by a major European customer with its production facility in Germany. The B-Dry is a sealing tape consisting of a polymer in which a highly performing water absorbing material is dispersed and it has the function of sealing the two sheets of glass that constitute the photovoltaic panel and at the same time it prevents the access of moisture, maintaining a good electrical insulation of the contacts that come out from the panel itself. In the wake of this commercial success, towards the end of the year the development of a second generation of this product with a hot dispensable configuration has started, with the same features of the previous one, but that can be used by those customers who have preferred using continuous dispensing systems instead of tapes.

In the last recent months the laboratory has also begun some important basic research activities in the field of SMAs. These are both basic studies aimed at understanding complex phenomena such as the hysteresis, the fatigue break and the relationship with their compositional characteristics, as well as some development activities of new compounds with a higher transition temperature. To carry out these activities we have started a collaboration with some leading European research centers.

Instead, the joint venture Actuator Solutions GmbH has focused its efforts on the development of devices for the image stabilization of the miniaturized cameras of high-end mobile phones (Optical Image Stabilizer), of mixing valves for vending machines and of devices both to control the ventilation of refrigerators and for the automotive sector.

Group’s main risks and uncertainties

In accordance with the requirements of Legislative Decree no. 32/2007, the following is a brief account of the primary risks and uncertainties to which the Group is exposed and the primary mitigating actions implemented in order to deal with said risks and uncertainties.

Risks associated with the market context

Sensitivity to the market context

Some of the SAES Group’s businesses are more sensitive to the performance of macroeconomic indicators (GDP trends, consumer confidence levels, availability of liquidity, etc.) than others. In particular, also during 2012, the contraction in public investments had some negative effects on the solar thermodynamic and military related businesses. The effect on the Group’s performance was a decline in demand of getters for solar collectors and military applications, with effects on revenues and margins.

Another sector that is particularly dependent on the economic situation is the industrial lamps one, which in 2012 continued to be affected, albeit to a lesser extent than in the previous year, by the slowdown in the macroeconomic cycle; however, the SAES Group was able to partially offset the decline of volumes in the historical geographic areas, with the expansion in emerging Asian countries.

The SAES Group has reacted by seeking to diversify and evolve into markets less dependent on the economic cycle, in particular the medical industry, and at the same time by rebalancing and rationalizing its fixed costs structure, however maintaining those functions (engineering, applied research, etc.) necessary to ensure a rapid reaction of the production structures when the suffering areas show some signs of recovery.

Competition

The Group is active in the upstream segment of both the value chains and the production processes in the industrial sectors in which it operates and thus it does not sell to end consumers (B2B, i.e. Business-to-Business).
This decreases the SAES Group’s capacity to anticipate and steer the evolution of the end demand for its products, which depends more on the success and ability of its customers.
Aggressive competitors have emerged in recent years, and these competitors target those customers and industries that are most price-sensitive and most mature, with the consequent risks of decreased margins.

The SAES Group has adopted various response strategies to deal with this risk. In particular, it has sought to increase customers’ fidelity by developing new solutions and services, offering new products of higher quality, repositioning the offer along different stages of the value chain and trying to maximize the leverage provided by a skilled global commercial structure.
In addition, as mentioned above, the Group aims at diversifying its target markets in order to reduce its dependency on markets characterized by a rising level of competition.
In parallel, the Group has continued with market researches aimed at anticipating the evolution of the demand, also through alliances and agreements with leading specialized centers of study.
Finally, also with the establishment of the new joint venture Actuator Solutions GmbH, the Group intends to pursue the goal of changing its position in the value chain, moving from the production of simple components

to the production of more complex devices that can be sold directly to their end users, with the possibility, thanks to the greater closeness to the customers, to better face the competition.

Technological obsolescence of products

A typical risk of companies that operate in the consumer electronics industry is the accelerated technological obsolescence of applications and technologies in the market. It may also happen that the replacement of one technology by another is also driven by changes in the law in target countries.

This risk is mitigated through constant market analyses and the screening of emerging technologies both to identify new development opportunities and to seek to avoid being caught unprepared by the phenomenon of technological obsolescence.
In addition, as mentioned above, the Group seeks to reduce its dependence on a single industry/application by diversifying the markets in which it operates.

<u>Operational risks</u>

Uncertainty concerning the success of research and development projects

The SAES Group, both on its own initiative or in cooperation with its customers and partners, works with the aim of developing innovative products and solutions, which are often on the cutting edge and intended to generate returns in the long term.
The risk of failure does not depend solely on our ability to provide the requested products in terms of form, schedule and cost. SAES has neither the control over its customers' ability to succeed in implementing the content of their business plans nor over the timing for the new technologies to take root in the market.
Examples include, but are not limited to, the emergence of competitive technologies that do not require the use of the Group's products and know-how, or the development timeframe may be so long as to make it no longer profitable to continue the project, or in any case the time-to-market is delayed, with a negative effect on the return on investment.

This risk is mitigated through periodic, structured revisions of the project portfolio using the Stage-Gate® method.
Wherever and whenever possible, the Group seeks access to public funding, obviously only if they are intended to achieve goals that are perfectly consistent with the development project in question. The Group makes increasingly frequent use of "open" forms of cooperation with external centers of excellence in order to reduce the development timeframe.

A further cause of failure of the research and development projects can be found in the difficulty to transfer their results in the industrialization stage and this may limit the ability to switch to the mass production.

To mitigate this risk, the Group's organization has promoted the contiguity of the R&D and engineering functions, in order to encourage a greater interaction in managing the projects and to limit the timing dilution in switching to mass production.

Protection of intellectual property

The SAES Group has always sought to develop an original knowledge and, where possible, to protect this knowledge using patents. Please note that the Group is facing an increasing difficulty in defending its patents, in part due to the uncertainties relating to the legal systems of the countries in which the Group operates.
The risks in question are the loss of market shares and margins due to fake products, in addition to incurring enormous expenses for lawsuits.

The Group reacts to these risks by seeking to increase the quality and completeness of its patents, as well as by reducing the number of its published patents, and closely monitoring the commercial initiatives of its competitors, in order to promptly identify potential prejudices to the value of these patents.

Risks related to the production capacity

The rationalization of the Group’s manufacturing and marketing structures is leading to an increasing polarization, between Italy, and in particular the Avezzano facility, being the sole manufacturing center for getter alloys and many products for displays and lamps, and the U.S.A., with some sub-specialized facilities, as the base of production addressed to the semiconductor and medical industries.
A similar situation is found in the shape memory alloys business, with the production of the alloy NiTinol concentrated in the plant of SAES Smart Materials, Inc.
The primary risks are associated with the greater distance from some customers, with possible consequences in the service level, in addition to the increase in transportation and insurance costs.

The Group has reacted by seeking to maintain the service level high and a direct customer relationship, also through an improved inventory management, with the aim of enhancing efficiency in delivering orders.

Moreover, following the mentioned exposure of the Group to the external context, the risk of a shortage in the production capacity may occur for specific markets/product lines, in case of particularly positive unforeseen changes in demand, to which the Group's factories may not be able to respond with the necessary promptness.

In order to limit the potential effects of such risk, the group has tried to increase the integration between its sales departments and the Operations one, in order to anticipate as much as possible the evolution of demand; in addition, the main factories have sought to maximize the flexibility of its structures, with particular regards to indirect activity centers.

Risks related to dealings with suppliers

This risk refers to the possibility that limited sources of energy and other key resources and/or difficulty in accessing such resources could jeopardize the ability to manufacture quality products at competitive prices and in a timely manner.
We believe that the Group’s exposure to this risk is limited. The risk associated with the procurement of the major raw materials used by the Group is low, even in periods of growing demand.

Nevertheless, the Group always seeks to diversify its sources and, when possible, to enter into agreements with prices fixed over the medium/long-term, in order to mitigate the volatility of purchase prices.

Financial risks

The SAES Group is also exposed to some risks having a financial nature, and in particular:

- *Interest-rate risk*, associated with the volatility of interest rates, which may influence the cost of the use of debt financing or the return on temporary investments of cash;
- *Exchange-rate risk*, associated with the volatility of exchange rates, which may influence the related value of the Group’s costs and revenues denominated in currencies different from the euro and may thus have an impact on the Group’s net income or loss; the value of the exchange rates also affects the amount of financial receivables/payables denominated in currencies other than the euro, with a potential effect both on the net income and on the net financial position as well;
- *The risk of changes in prices of raw materials*, which may affect the Group’s product margins if these changes are not charged to the price agreed upon with customers;
- *Credit risk*, associated with the solvency of customers and the ability to collect receivables claimed from them;
- *Liquidity risk*, associated with the Group’s ability to raise funds to finance its operating activities.

With reference to financial risks, the Board of Directors periodically re-examines and sets the related risk-management policies, as described in detail in the Note no. 38, to which the reader may also refer for the associated sensitivity analyses.

Subsequent events

On February 8, 2013 SAES Pure Gas, Inc. signed a letter of intent with the U.S. company Power & Energy, Inc. for the acquisition of its hydrogen purifier business, mainly utilized in the semiconductors market.
Under the terms of this agreement, SAES will acquire all the intellectual property rights, patents, know-how, manufacturing processes and supply agreements related to the business of hydrogen purification, as well as a minority share of Power & Energy, Inc., equal to 15% of the company's share capital.
The consideration for the acquisition of the hydrogen purifier business is equal to 7 million USD and it will be paid in cash in three subsequent tranches, respectively equal to 3.2 million USD at the signature of the agreement, 2 million USD within the third week of 2014 and 1.8 million USD within the third week of 2015.
The equity acquisition will be made through a dedicated share capital increase. The total consideration for the transfer of the shares is equal to 3 million USD and will be made in different tranches, as follows: 400,000 shares at the closing, upon the payment of 2 million USD; the remaining 172,500 shares within the third week of 2014, upon the payment of 1 million USD. The agreement also includes a call option clause, guaranteeing to SAES the discretionary right to purchase a further amount of 200,000 shares, for a price of 2 million USD within the third week of 2015. The exercise of such option would allow SAES to increase its shareholding from 15% to around 19%.
The success of the agreement depends on the outcome of the technical and financial due diligence that will take place in the forthcoming weeks and the closing of the transaction is expected to be completed in the first half of 2013.
The acquisition of the hydrogen purification business is part of SAES strategy to strengthen its gas purification business, allowing the SAES Group to complement its traditional offering, based on getter technology, with innovative technology solutions in the field of catalytic hydrogen purification, with the consequent increase in the sales volumes and in the results of the Semiconductors Business.
Instead, the participation in the share capital aims at starting, with Power & Energy, Inc., a joint research, development, production and sales project in the field of fuel cells.

On February 19, 2013 SAES Getters S.p.A., in order to provide the subsidiary E.T.C. S.r.l. with more funds in order to ensure an adequate capitalization, resolved a capital contribution of 2,484 thousand euro, equal to the net loss registered by E.T.C. S.r.l. in the fiscal year 2012, of which 1,849 thousand euro by waiving the financial receivable, 536 thousand euro by waiving the trade receivable, both of the Parent Company, and the remaining amount of 99 thousand euro by cash. The shareholding of SAES Getters S.p.A. remained unchanged compared to December 31, 2012 (85% of the share capital).

Furthermore, on February 19, 2013, SAES Getters S.p.A. resolved a capital contribution of 94 thousand euro to the subsidiary SAES Nitinol S.r.l. (equal to the loss incurred by the subsidiary during the year 2012) in order to restore its share capital, decreased below one third as a result of the above mentioned loss.

Following the agreement signed on June 27, 2012, on March 7, 2013 SAES Getters S.p.A. finalized the contract for the purchase of the last 20% of the shares of Memry GmbH for a consideration of 500 thousand euro, to be paid by the first half of 2013. Please note that the Consolidated financial statements at December 31, 2012 already included a liability for the same amount in the item "Other current financial liabilities"; for further details please refer to Note no. 29.

On February 27, 2013 the Group signed a forward contract for the sale of euro, in order to limit the currency risk arising from the effect of the fluctuation of the Korean won on the balance of the cash pooling financial receivables denominated in euro that SAES Getters Korea Corporation holds in respect of the Parent Company.
The contract, with a notional value of 7.5 million euro, expires on December 27, 2013 and provides for a forward exchange rate of 1,438.00 against the euro.
After December 31, 2012 and until March 13, 2013, the company has not entered any additional forward contract for the sale of foreign currency on trade receivables denominated in U.S. dollars and Japanese yen.

Business outlook

In the **first two months of 2013**, **consolidated net revenues** were equal to 22,555 thousand euro, up by 15% over last two months of 2012 (19,619 thousand euro), despite down by 15.2% when compared the corresponding period of the previous year (26,588 thousand euro). Including also the MEMS royalties, revenues for the first two months of 2013 would have amounted to 22,814 thousand euro, while the consolidated revenues for the first two months of 2012 would have been 26,938 thousand euro.

Compared to the last periods of 2012, please note the gradual economic recovery occurred in almost all sectors. In particular, the Industrial Applications Business appears to be on the increase, driven by the lamps and by the semiconductors sectors which have seen the end of the downturn cycle; also the other sectors are growing with the exception of the vacuum pumps business, which remained stable because penalized by the cyclicality of the projects for new particle accelerators.
Almost unchanged was the field of shape memory alloys, after the particularly positive results achieved in 2012.
Also the display business was stable, recording the end of the gradual decline that had characterized the past few years.

In particular, consolidated revenues of the **Industrial Applications Business Unit** were equal to 15,246 thousand euro in the first two months of 2013, while the **Shape Memory Alloys Business Unit** recorded revenues of 7,083 thousand euro. Consolidated revenues of the **Information Displays Business Unit** amounted to 220 thousand euro.

In the forthcoming months of 2013 the positive trend that has begun in the first two months of the year will continue.

Related party transactions

The Group reports that its dealings with related parties fall within ordinary operations and are settled at market or standard conditions.
Complete disclosure of related-party transactions during the year is provided in the Note no. 40 of the Consolidated financial statements.

Consob regulatory simplification process

Please note that, on November 13, 2012, the Board of Directors has approved, pursuant to Art. 3 of Consob resolution no.18079/2012, to adhere to the opt-out provisions as envisaged by Art. no.70, paragraph 8, and no.71, paragraph 1-*bis* of the Consob Regulation related to Issuer Companies, and it therefore avails itself of the right of making exceptions to the obligations to publish information documents required in connection with significant mergers, spin-offs and capital increases by contributions in kind, acquisitions and disposals.

Consolidated Financial Statements
for the year ended on December 31, 2012

Consolidated income statement

(thousands of euro)	Notes	2012	2011 Restated (*)
Total net sales	3	**142,473**	**148,644**
Cost of sales	4	(84,080)	(88,730)
Gross profit		**58,393**	**59,914**
Research & development expenses	5	(14,459)	(13,870)
Selling expenses	5	(12,962)	(13,674)
General & administrative expenses	5	(22,764)	(23,082)
Total operating expenses		**(50,184)**	**(50,626)**
Other income (expenses), net	6	3,140	3,590
Operating income (loss)		**11,349**	**12,878**
Interest and other financial income	7	392	411
Interest and other financial expenses	7	(2,058)	(1,897)
Share of result of investments accounted for using the equity method	8	(829)	(264)
Foreign exchange gains (losses), net	9	(106)	(58)
Income (loss) before taxes		**8,748**	**11,070**
Income taxes	10	(5,494)	4,272
Net income (loss) from continuing operations		**3,254**	**15,342**
Net income (loss) from assets held for sale and discontinued operations	11	86	292
Net income (loss) for the period		**3,340**	**15,634**
Minority interests in consolidated subsidiaries		0	0
Group net income (loss) for the period		**3,340**	**15,634**
Net income (loss) per ordinary shares	12	0.1459	0.7034
Net income (loss) per savings shares	12	0.1626	0.7202

Consolidated statement of comprehensive income

(thousands of euro)	Notes	2012	2011 Restated (*)
Net income (loss) for the period		**3,340**	**15,634**
Exchange differences on translation of foreign operations	26	(967)	3,549
Exchange differences on discontinued operations	26	0	0
Total exchange differences		**(967)**	**3,549**
Actuarial gains (losses) on defined benefit plans	26	(536)	37
Income tax effect	26	147	(10)
Actuarial gains (losses) on defined benefit plans, net of tax		**(389)**	**27**
Other comprehensive income (loss) for the period		**(1,356)**	**3,576**
Total comprehensive income (loss) for the period		**1,984**	**19,210**
attributable to:			
-Equity holders of the Parent Company		1,984	19,210
-Minority interests		0	0

(*) Certain amounts shown in the column do not correspond to the 2011 financial statements because they reflect reclassifications and adjustments as detailed in Note no.1 paragraph “Restatement on 2011”.

Consolidated statement of financial position				
(thousands of euro)	Notes	December 31, 2012	December 31, 2011 Restated (*)	January 1, 2011 Restated (*)
ASSETS				
Non-current assets				
Property, plant and equipment, net	14	55,964	59,263	63,813
Intangible assets, net	15	41,563	44,009	44,411
Investments accounted for using the equity method	16	3,407	242	0
Deferred tax assets	17	15,378	14,818	5,626
Tax consolidation receivables from Controlling Company	18	484	135	77
Other long term assets	19	892	932	439
Total non current assets		**117,688**	**119,399**	**114,366**
Current assets				
Inventory	20	31,614	30,605	27,748
Trade receivables	21	15,991	21,982	22,931
Prepaid expenses, accrued income and other	22	6,388	4,614	5,230
Tax consolidation receivables from Controlling Company	18	0	0	229
Derivative financial instruments evaluated at fair value	23	114	0	0
Cash and cash equivalents	24	22,610	20,292	20,577
Assets held for sale	25	0	648	2,277
Total current assets		**76,717**	**78,141**	**78,992**
Total assets		**194,405**	**197,540**	**193,358**
EQUITY AND LIABILITIES				
Capital stock		12,220	12,220	12,220
Share issue premium		41,120	41,120	41,120
Treasury shares		0	0	0
Legal reserve		2,444	2,444	2,444
Other reserves and retained earnings		52,256	47,803	49,052
Other components of equity		2,847	3,814	557
Net income (loss) of the period		3,340	15,634	3,134
Group shareholders' equity	26	**114,227**	**123,035**	**108,527**
Other reserves and retained eanings of third parties		3	3	3
Net income (loss) of third parties		0	0	0
Minority interest in consolidated subsidiaries		**3**	**3**	**3**
Total equity		**114,230**	**123,038**	**108,530**
Non current liabilities				
Financial debt	27	19,179	7,621	29,971
Other non current financial debt towards third parties	29	54	713	701
Deferred tax liabilities	17	5,268	5,080	4,182
Staff leaving indemnities and other employee benefits	30	7,777	7,086	6,886
Provisions	31	1,163	1,937	1,713
Total non current liabilities		**33,441**	**22,437**	**43,453**
Current liabilities				
Trade payables	32	12,903	11,463	11,006
Other payables	33	9,602	9,226	9,428
Accrued income taxes	34	1,526	1,015	390
Provisions	31	2,102	2,045	3,412
Derivative financial instruments evaluated at fair value	23	487	826	948
Current portion of medium/long term financial debts	27	6,476	26,156	11,683
Financial debts towards related parties	28	2,019	0	0
Other current financial debts towards third parties	29	789	509	0
Bank overdraft	35	10,051	1	1,504
Accrued liabilities	36	779	824	1,354
Liabilities held for sale	25	0	0	1,650
Total current liabilities		**46,734**	**52,065**	**41,375**
Total equity and liabilities		**194,405**	**197,540**	**193,358**

(*) Certain amounts shown in the column do not correspond to the 2011 financial statements because they reflect reclassifications and adjustments as detailed in Note no.1 paragraph "Restatement on 2011".

Consolidated cash flow statement

(thousands of euro)	2012	2011 Restated (*)
Cash flow from operating activities		
Net income (loss) from continuing operations	3,254	15,342
Net income (loss) from assets held for sale and discontinued operations	86	292
Current income taxes	5,498	3,831
Changes in deferred income taxes	(4)	(8,103)
Depreciation	8,441	8,891
Write down (revaluation) of property, plant & equipment	93	1,207
Amortization	1,711	2,021
Write down (revaluation) of intangible assets	48	0
Net loss (gain) on disposal of property, plant and equipment	(131)	(569)
Interest and other financial income (expenses), net	2,496	1,749
Other non-monetary costs	(205)	(356)
Accrual for termination indeminities and similar obligations	946	787
Changes in provisions	(665)	356
	21,568	**25,448**
Working capital adjustments		
Cash increase (decrease) in:		
Account receivables and other receivables	4,316	329
Inventory	(1,469)	(1,889)
Account payables	1,395	(73)
Other current payables	43	(100)
	4,285	**(1,733)**
Payment of termination indemnities and similar obligations	(434)	(386)
Interests and other financial payments	(727)	(462)
Interests and other financial receipts	152	186
Taxes paid	(5,584)	(4,211)
Net cash flows from operating activities	**19,260**	**18,842**
Cash flows from investing activities		
Disbursements for acquisition of tangible assets	(5,585)	(6,069)
Proceeds from sale of tangible and intangible assets	797	1,869
Disbursements for acquisition of intangible assets	(199)	(38)
Investments in joint ventures	(3,994)	(506)
Cash paid to acquire controlled company shares	(500)	0
Cash paid to joint venture minority shareholders	0	(1,540)
Decrease (increase) in assets and liabilities held for sale	0	(27)
Net cash flows from investing activities	**(9,481)**	**(6,311)**
Cash flows from financing activities		
Proceeds from long term financial liabilities, current portion included	0	3,630
Proceeds from short term financial liabilities	10,000	0
Dividends payment	(10,792)	(4,410)
Repayment of financial liabilities	(7,633)	(13,704)
Interest and other costs paid on financial liabilities	(1,306)	(1,257)
Changes in minority interest in consolidated subsidiaries	2,000	0
Other financial payables	262	0
Payment of finance lease laibilities	(20)	0
Change in minority interests	0	0
Net cash flows from financing activities	**(7,489)**	**(15,741)**
Net foreign exchange differences	29	1,278
Net (decrease) increase in cash and cash equivalents	**2,318**	**(1,932)**
Cash and cash equivalents at the beginning of the period	**20,291**	**22,223**
Cash and cash equivalents at the end of the period	**22,609**	**20,291**

(*) Certain amounts shown in the column do not correspond to the 2011 financial statements because they reflect reclassifications and adjustments as detailed in Note no.1 paragraph “Restatement on 2011”.

Consolidated statement of changes in equity as at December 31, 2012

(thousands of euro)	Capital stock	Share issue premium	Treasury shares	Legal reserve	Other components of equity		Other reserves and retained earnings	Net income (loss)	Group shareholders' equity	Minority interests	Total euiqty
					Currency conversion reserve	Currency conversion reserve from discontinued operations					
January 1, 2012 restated	**12,220**	**41,120**	**0**	**2,444**	**3,814**	**0**	**47,803**	**15,634**	**123,035**	**3**	**123,038**
Distribution of 2011 result							15,634	(15,634)	0		0
Dividends paid							(10,792)		(10,792)		(10,792)
Net income (loss)								**3,340**	**3,340**	**0**	**3,340**
Other comprehensive income (loss)					(967)		(389)		(1,356)		(1,356)
Total comprehensive income (loss)					**(967)**		**(389)**	**3,340**	**1,984**	**0**	**1,984**
December 31, 2012	**12,220**	**41,120**	**0**	**2,444**	**2,847**	**0**	**52,256**	**3,340**	**114,227**	**3**	**114,230**

Consolidated statement of changes in equity as at December 31, 2011 restated

(thousands of euro)	Capital stock	Share issue premium	Treasury shares	Legal reserve	Other components of equity		Other reserves and retained earnings	Net income (loss)	Group shareholders' equity	Minority interests	Total euiqty
					Currency conversion reserve	Currency conversion reserve from discontinued operations					
January 1, 2011	**12,220**	**41,120**	**0**	**2,444**	**265**	**292**	**49,121**	**3,135**	**108,597**	**3**	**108,600**
Changes in accounting policies							(69)	(1)	(70)		(70)
Janaury 1, 2011 restated	**12,220**	**41,120**	**0**	**2,444**	**265**	**292**	**49,052**	**3,134**	**108,527**	**3**	**108,530**
Distribution of 2010 result							3,134	(3,134)	0		0
Dividends paid							(4,410)		(4,410)		(4,410)
Reversal of currency conversion reserve after the sale of subsidiaries						(292)			(292)		(292)
Net income (loss)								**15,634**	**15,634**	**0**	**15,634**
Other comprehensive income (loss)					3,549		27		3,576		3,576
Total comprehensive income (loss)					**3,549**		**27**	**15,634**	**19,210**	**0**	**19,210**
December 31, 2011 restated	**12,220**	**41,120**	**0**	**2,444**	**3,814**	**0**	**47,803**	**15,634**	**123,035**	**3**	**123,038**

1. BASES OF PREPARATION AND ACCOUNTING POLICIES

Bases of preparation

SAES Getters S.p.A., the Parent Company, and its subsidiaries operate both in Italy and abroad in the development, manufacturing and marketing of getters and other components for displays and other industrial applications, as well as in the gas purification industry. The Group also operates in the field of advanced materials, particularly in the business of shape memory alloys for both medical and industrial applications.

The Parent Company SAES Getters S.p.A., based in Lainate (Italy), is controlled by S.G.G. Holding S.p.A.[8], which does not exercise any management and coordination activity.
The Board of Directors approved and authorized the publication of the 2012 Consolidated Financial Statements in a resolution passed on March 13, 2013.

The Consolidated Financial Statements of the SAES Getters Group are expressed in euro (rounded to the nearest thousand).
Foreign subsidiaries are included in the Consolidated Financial Statements according to the standards described in the Note no. 2 "Main accounting principles".

The Consolidated Financial Statements for the year ended December 31, 2012 have been prepared in accordance with the IFRSs issued by the International Accounting Standards Board ("IASB") and approved by the European Union ("IFRS"), Consob resolutions no. 15519 and no. 15520 of July 27, 2006, Consob communication no. DEM/6064293 of July 28, 2006 and article 149-*duodecies* of the Issuers Regulations. The abbreviation "IFRS" includes all revised international accounting standards ("IAS") and all interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"), included those previously issued by the Standing Interpretations Committee ("SIC").
In the interest of comparability, the comparative figures for 2011 have also been presented in application of the requirements of IAS 1 – *Presentation of Financial Statements.*

Accounting schemes

The presentation adopted is compliant with the provisions of the IAS 1 – revised that provides the statement of comprehensive income (the Group elected to present two different statements) and a statement of changes in equity that includes only the details of operations on the Group's shareholders' equity, while changes in the third party interests are presented as a single line.

Moreover we report that:

- the Consolidated statement of financial position has been prepared by classifying assets and liabilities as current or non-current and by stating "Assets held for sale" and "Liabilities held for sale" in two separate items, as required by IFRS 5;
- the Consolidated income statement has been prepared by classifying operating expenses by allocation, as this form of disclosure is considered more suitable to represent the Group's specific business, is compliant with the internal reporting procedures, and is in line with standard industry practice;
- the Consolidated cash flow statement has been prepared by stating cash flows provided by operating activities according to the "indirect method" as permitted by IAS 7.

In addition, as required by the Consob resolution no. 15519 of July 27, 2006, in the context of the allocation basis for the preparation of the income statement, income and expenses arising from

[8] Based in Milan at Via Vittor Pisani, 27.

non-recurring transactions or from events that do not recur frequently during the normal conduct of operations have been specifically identified and their effects have been stated separately at the main mid result levels.
Non-recurring events and transactions have been identified primarily on the basis of the nature of the transactions themselves. In particular, non-recurring expenses/income include cases that by their nature do not occur consistently in the course of normal operating activities. In further detail:
- income/expenses arising from the sale of real property;
- income/expenses arising from the sale of business divisions and equity investments included among non-current assets;
- income/expenses arising from reorganization processes associated with extraordinary corporate actions (mergers, de-mergers, acquisitions and other corporate actions).

On the basis of the aforementioned Consob resolution, the amounts of positions or transactions with related parties have been highlighted separately from the related items in the Explanatory notes.

2011 restatement

2011 income statement and balance sheet figures, presented for comparative purposes, have been reclassified and adjusted; in particular:

- for a more reliable representation, the debit of costs for services undertaken for the benefit of the joint venture Actuator Solutions GmbH have been reclassified and taken off from the item "Other income" and put as deductions of their related cost items. Since this is a reclassification, this amendment does not involve any change in the 2011 result and in the consolidated shareholders' equity at December 31, 2011;
- the Group has opted for the early application of the revised IAS 19 that eliminates the option to defer the recognition of actuarial gains and losses (the so called corridor method) and requires their recognition in the overall income statement. Therefore, with respect to the defined benefit plans of the Italian companies, the Group, which previously used to apply the corridor method (entering only the cumulative not recognized actuarial gains and losses in excess of the limit of 10 % of the actuarial liabilities in the income statement), in order to improve the comparability and accuracy of the financial reporting, has decided to change its accounting policy in advance and to recognize all actuarial gains and losses in the overall income statement in the period in which they occur. This change in the accounting policy has been applied retroactively, in accordance with IAS 8, resulting in a restatement of the financial reporting of the previous year. As a result of this adjustment, 2011 net income increased by 50 thousand euro, the total net income increased by 77 thousand euro, and the consolidated shareholders’ equity at December 31, 2011 increased by 7 thousand euro; earnings per both ordinary and savings share increased by 0.0023 euro.

The following tables show the effects of these reclassifications and adjustments on both the consolidated income statement and the consolidated statement of financial position:

Consolidated income statement

(thousands of euro)	2011	Restatement	Reclassifications	2011 Restated
Total net sales	**148,644**			**148,644**
Cost of sales	(88,730)			(88,730)
Gross profit	**59,914**	**0**	**0**	**59,914**
Research & development expenses	(13,881)		11	(13,870)
Selling expenses	(13,855)		181	(13,674)
General & administrative expenses	(23,170)	69	19	(23,082)
Total operating expenses	**(50,906)**	**69**	**211**	**(50,626)**
Other income (expenses), net	3,801		(211)	3,590
Operating income (loss)	**12,809**	**69**	**0**	**12,878**
Interest and other financial income	411			411
Interest and other financial expenses	(1,897)			(1,897)
Share of result of investments accounted for using the equity method	(264)			(264)
Foreign exchange gains (losses), net	(58)			(58)
Income (loss) before taxes	**11,001**	**69**	**0**	**11,070**
Income taxes	4,291	(19)		4,272
Net income (loss) from continuing operations	**15,292**	**50**	**0**	**15,342**
Net income (loss) from assets held for sale and discontinued operations	292			292
Net income (loss) for the period	**15,584**	**50**	**0**	**15,634**
Minority interests in consolidated subsidiaries	0			0
Group net income (loss) for the period	**15,584**	**50**	**0**	**15,634**
Net income (loss) per ordinary shares	0.7011	0.0023		0.7034
Net income (loss) per savings shares	0.7179	0.0023		0.7202

Consolidated statement of comprehensive income

(thousands of euro)	2011	Restatements	Reclassifications	2011 Restated
Net income (loss) for the period	**15,584**	**50**	**0**	**15,634**
Exchange differences on translation of foreign operations	3,549	0		3,549
Exchange differences on discontinued operations	0	0		0
Total exchange differences	**3,549**	**0**	**0**	**3,549**
Actuarial gains (losses) on defined benefit plans	0	37		37
Income tax effect	0	(10)		(10)
Actuarial gains (losses) on defined benefit plans, net of tax	**0**	**27**	**0**	**27**
Other comprehensive income (loss) for the period	**3,549**	**27**	**0**	**3,576**
Total comprehensive income (loss) for the period	**19,133**	**77**	**0**	**19,210**
attributable to:				
-Equity holders of the Parent Company	19,133	77	0	19,210
-Minority interests	0	0	0	0

Consolidated statement of financial position						
(thousands of euro)	December 31, 2011	Restatement	December 31, 2011 Restated	January 1, 2011	Restatement	January 1, 2011 Restated
ASSETS						
Non-current assets						
Property, plant and equipment, net	59,263		59,263	63,813		63,813
Intangible assets, net	44,009		44,009	44,411		44,411
Investments accounted for using the equity method	242		242	0		0
Deferred tax assets	14,778	39	14,817	5,562	64	5,626
Tax consolidation receivables from Controlling Company	135		135	77		77
Other long term assets	932		932	439		439
Total non current assets	**119,359**	**39**	**119,398**	**114,302**	**64**	**114,366**
Current assets						
Inventory	30,605		30,605	27,748		27,748
Trade receivables	21,982		21,982	22,931		22,931
Prepaid expenses, accrued income and other	4,614		4,614	5,230		5,230
Tax consolidation receivables from Controlling Company	0		0	229		229
Cash and cash equivalents	20,292		20,292	20,577		20,577
Assets held for sale	648		648	2,277		2,277
Total current assets	**78,141**	**0**	**78,141**	**78,992**	**0**	**78,992**
Total assets	**197,500**	**39**	**197,539**	**193,294**	**64**	**193,358**
EQUITY AND LIABILITIES						
Capital stock	12,220		12,220	12,220		12,220
Share issue premium	41,120		41,120	41,120		41,120
Treasury shares	0		0	0		0
Legal reserve	2,444		2,444	2,444		2,444
Other reserves and retained earnings	47,846	(43)	47,803	49,121	(69)	49,052
Other components of equity	3,814		3,814	557		557
Net income (loss) of the period	15,584	50	15,634	3,135	(1)	3,134
Group shareholders' equity	**123,028**	**7**	**123,035**	**108,597**	**(70)**	**108,527**
Other reserves and retained eanings of third parties	3		3	3		3
Net income (loss) of third parties	0		0	0		0
Minority interest in consolidated subsidiaries	**3**	**0**	**3**	**3**	**0**	**3**
Total equity	**123,031**	**7**	**123,038**	**108,600**	**(70)**	**108,530**
Non current liabilities						0
Financial debt	7,621		7,621	29,971		29,971
Other non current financial debt towards third parties	713		713	701		701
Deferred tax liabilities	5,038	42	5,080	4,146	36	4,182
Staff leaving indemnities and other employee benefits	7,095	(10)	7,085	6,788	98	6,886
Provisions	1,937		1,937	1,713		1,713
Total non current liabilities	**22,404**	**32**	**22,436**	**43,319**	**134**	**43,453**
Current liabilities						**0**
Trade payables	11,463		11,463	11,006		11,006
Other payables	9,226		9,226	9,428		9,428
Accrued income taxes	1,015		1,015	390		390
Provisions	2,045		2,045	3,412		3,412
Derivative financial instruments evaluated at fair value	826		826	948		948
Current portion of medium/long term financial debts	26,156		26,156	11,683		11,683
Other current financial debts towards third parties	509		509	0		0
Bank overdraft	1		1	1,504		1,504
Accrued liabilities	824		824	1,354		1,354
Liabilities held for sale	0		0	1,650		1,650
Total current liabilities	**52,065**	**0**	**52,065**	**41,375**	**0**	**41,375**
Total equity and liabilities	**197,500**	**39**	**197,539**	**193,294**	**64**	**193,358**

Please note that during the fiscal year 2012, following their transfer to production:

- revenues and costs related to dispensable dryers and to alkaline metal dispensers for OLED displays have been transferred from the Business Development Unit to the Information Displays Business Unit (Organic Light Emitting Diodes Business);
- similarly, revenues and costs of getter sealants for photovoltaic modules and of sophisticated getters for energy storage devices have been transferred from the Business Development Unit to the Industrial Applications Business Unit (Energy Devices Business).

2011 figures were subject to the same reclassifications to enable their comparison with 2012. For more details please refer to Note no. 13.

Segment information

The Group's financial reporting is broken down into the following business segments:

- Industrial Applications;
- Shape Memory Alloys;
- Information Displays.

Seasonality of operations

Based on historical trends, the revenues of the different businesses are not characterized by seasonal circumstances.

Scope of consolidation

The following table shows the companies included in the scope of consolidation according to the full consolidation method as at December 31, 2012:

Company	*Currency*	*Capital stock*	*% of 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 (Nanjing) Co., Ltd. Nanjing (P.R. of China)	USD	13,570,000	100.00	-
SAES Getters International Luxembourg S.A. Luxembourg (Luxembourg)	EUR	34,791,813	89.97	10.03*
SAES Getters Export, Corp. Wilmington, DE (USA)	USD	2,500	100.00	-
Memry GmbH Weil am Rhein (Germany)	EUR	330,000	80.00**	-
E.T.C. S.r.l. Bologna, BO (Italy)	EUR	20,000	85.00***	-
SAES Nitinol S.r.l. Lainate, MI (Italy)	EUR	10,000	100.00	-
Indirectly-controlled subsidiaries:				
Through SAES Getters USA, Inc.:				
SAES Pure Gas, Inc. San Luis Obispo, CA (USA)	USD	7,612,661	-	100.00
Spectra-Mat, Inc. Watsonville, CA (USA)	USD	204,308	-	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 Smart Materials, Inc. New Hartford, NY (USA)	USD	17,500,000	-	100.00
Memry Corporation Bethel, CT (USA)	USD	30,000,000	-	100.00

* % of indirect ownership held by SAES Advanced Technologies S.p.A. (0.03%) and by SAES Getters (Nanjing) Co., Ltd. (10.00%).
** Starting from 2008 the company is fully consolidated at 100% without attribution of minority interests since there is an obligation for SAES Getters S.p.A. to purchase the remaining shares of the company (for further details please refer to the Note no. 29 and the section "Main events for the year ended December 31, 2012" in the Report on the operations of the Group).
*** 15.00% held by third parties. Moreover the company is fully consolidated at 100% without attribution of minority interests since in the shareholders' agreements SAES Getters S.p.A. has committed to cover any losses, also on behalf of the minority shareholder if the latter is unwilling or unable to proceed to cover them, maintaining unchanged its percentage of ownership.

The following table shows the companies included in the scope of consolidation according to the equity method as at December 31, 2012:

Company	*Currency*	*Capital stock*	*% of ownership Direct*	*Indirect*
Actuator Solutions GmbH Treuchtlingen (Germany)	EUR	2,000,000**	-	50.00*

* % of indirect ownership held by SAES Nitinol S.r.l.

** Actuator Solutions' capital stock, amounting to 1,012 thousand euro as at December 31, 2011, on March 22, 2012 was increased to 2,000 thousand euro against the payment of 494 thousand euro by each of the two shareholders, SAES Nitinol S.r.l. and Alfmeier SMA Holding GmbH. On April 3, 2012 the company was provided with additional resources allocated to the share capital reserves through the payment of 7 million euro by the two partners, each of them for an amount equal to 3.5 million euro respectively, in order to provide ASG with an adequate cash to finalize the acquisition of the manufacturing business of Alfmeier Präzision AG (Alfmeier) related to the production and distribution of SMA actuators for the automotive market (purchase price equal to 3.7 million euro) and finance the future expected growth (for further details please refer to the section "Main events for the year ended December 31, 2012" in the Report on the operations of the Group).

The changes occurred in the consolidation area compared with December 31, 2011, are as follows:

- On January 1, 2012 it has been finalized the merger of SAES Getters America, Inc. into SAES Getters USA, Inc. (the former was already 100% owned by the latter), with the aim of achieving economies of scale and pursuing operational efficiency between the two companies. In this regard, please note that SAES Getters America, Inc. already made use of the production facilities and of the resources of SAES Getters USA, Inc. for the carrying out of its manufacturing activities. Please also note that, on March 30, 2012 SAES Getters USA, Inc. sold its plant located in Ohio (former plant of SAES Getters America, Inc.) and the equipment located therein;
- On 12 July 2012, the percentage of ownership of SAES Getters S.p.A. in Memry GmbH has increased from 60% to 80% following the acquisition of an additional 20% of the shares for a consideration of 500 thousand euro. The remaining 20% of the shares, according to the agreement signed with Matthias Mertmann (founder of the German company) on June 27, 2012, may be transferred in the third quarter of 2013, or within the first half of 2014, according to two options, that provide for, in the first case, the payment by SAES of the same amount, equal to 500 thousand euro; in the second case, a consideration equal to the initial amount of 500 thousand euro, adjusted for a factor related to Memry GmbH's sales in 2013 and in any case not less than 375 thousand euro. For more details on the finalization of the agreement for the purchase of the last 20% of the shares, see the section "Subsequent Events" in the Report on the operations of the Group.

2. MAIN ACCOUNTING PRINCIPLES

Consolidation principles

The Consolidated financial statements include the financial statements of all the subsidiaries, effective from the date on which their control is assumed and until such control ceases to exist.
The control exists when the Parent Company, SAES Getters S.p.A. holds, directly or indirectly, the majority of voting rights, or has the power, directly or indirectly, to determine, also through contractual agreements, the financial and operating policies of a company in order to secure the benefits from its operations.
In preparing the Consolidated financial statements, the assets, liabilities as well as costs and revenues of the consolidated companies are added up line by line, attributing to minority-interest shareholders their portion of net equity and net income or loss for the period in specific items in the Statement of financial position and in the Income statement.
The carrying value of the equity investment in each of the subsidiaries is eliminated to account for the corresponding share of net equity, including any adjustment to the fair value on the date of acquisition. Any resulting positive difference is recognized among intangible assets as goodwill, as illustrated below, whereas any negative difference is charged to the income statement.
In preparing the Consolidated financial statements, all balance sheet, income statement and cash flow balances between the Group companies have been eliminated, as well as unrealized gains and losses on infra-group transactions.
All of the assets and liabilities of foreign companies in currencies other than the euro that fall within the scope of consolidation are converted by using the exchange rates in force as of the balance sheet date (current exchange rate method), whereas the associated revenues and costs are

converted at the average exchange rates for the year. Translation differences resulting from the application of this method are classified as a shareholders' equity item until the equity investment is sold. In preparing the Consolidated cash flow statement, the cash flows of consolidated foreign companies expressed in currencies other than the euro are converted by using the average exchange rates for the year.
Goodwill and adjustments to the fair value generated during the purchase price allocation of a foreign company are recognized in the applicable currency and are converted using the exchange rate at year-end.

During the first-time adoption of IFRSs, the cumulative translation differences generated by the consolidation of foreign companies operating outside of the euro area were reduced to zero, as permitted by IFRS 1 (*First-time Adoption of International Financial Reporting Standards*). Consequently, only translation differences accumulated and recognized after January 1, 2004 are considered in determining any capital gains or losses arising from the sale thereof.

Investments in joint ventures are included in the Consolidated financial statements according to the equity method, as permitted by IAS 31 – *Interests in joint ventures*, starting from the date when the joint control starts, until the time it ceases to exist.

Business combinations and goodwill

Business combinations are recognized according to the purchase method. According to this method, the identifiable assets (including previously unrecognized intangible assets), liabilities and contingent liabilities (excluding future restructuring) acquired are recognized at their current values (fair values) at the date of acquisition. The positive difference between the purchase cost and the Group's interest in the fair value of such assets and liabilities is classified as goodwill and recognized among intangible assets. Any negative difference (badwill) is charged to the income statement upon acquisition.
If the purchase cost and/or the value of the assets and liabilities acquired may only be determined on a provisional basis, the Group recognizes the business combination using the provisional values. These values will then be definitively determined within 12 months from the date of acquisition. Any use of this accounting method, if used, will be mentioned in the explanatory notes.
Goodwill is not amortized, but rather tested for impairment on an annual basis, or more frequently if specific events or particular circumstances indicate that impairment may have occurred, according to IAS 36 – *Impairment of assets*. After its initial recognition, goodwill is measured at cost, less any impairment recognized. Goodwill, once impaired, may not be recovered.
For the purposes of congruity analysis, the goodwill acquired in a business combination is allocated, at the date of acquisition, to the Group's individual cash-generating units or to groups of cash-generating units (CGUs) that should benefit from the synergies of the combination, regardless of whether other Group's assets and liabilities have been allocated to such units or groups of units. Each CGU or group of CGUs to which goodwill is allocated, represents the lowest Group's level at which goodwill is monitored for internal management purposes.
When goodwill represents a part of a CGU and a part of the assets internal to the unit is sold, the goodwill associated with the assets sold is included in the carrying value of the assets in order to determine the gain or loss on the sale. The goodwill transferred in such circumstances is measured on the basis of the figures for the transferred assets and the portion of the unit retained.
When all or part of a previously acquired company, the acquisition of which had generated goodwill, is disposed of, the residual share of goodwill is considered when calculating the effects of the sale. The difference between the price of sale and net assets, plus any accumulated translation differences and goodwill is recognized on the income statement. Retained earnings or losses entered directly in the shareholders' equity are transferred to the income statement at the time of the sale.
Where options do not grant effective access to the economic benefits associated with the ownership of minority interests, the shares or units referring to these options are recognized at the date of the acquisition of the control as "minority interests"; the share of the net income and losses (and other

changes in shareholders' equity) of the entity acquired are attributed to the minority interests after the business combination is completed. The minority-interest share is eliminated as of each balance sheet date and classified as a financial liability at its fair value (equal to the current value of the strike price of the option), as if the acquisition had occurred on said date. In the absence of a specific applicable standard or interpretation, on the basis of the provisions of the IAS 8, the Group has opted to recognize the difference between the financial liability at fair value and the minority-interest share eliminated as of the balance sheet date as goodwill (the Parent entity extension method).

Intangible assets

Development expenses

Internally incurred costs for the development of new products and services constitute, depending on the circumstances, internally produced intangible or tangible assets and are recognized as assets solely where all of the following conditions have been satisfied: the Group has the technical capacity and intention to complete the assets so as to render them available for use or sale, the Group has the capacity to use or sell the assets, there is a market for the products or services resulting from the assets or they are useful for internal purposes, the Group has sufficient technical and financial resources to complete the development and sale or internal use of the resulting products or services, and the allocation of costs to these assets during their development phase is reliable.

Capitalized development costs consist solely of effectively incurred expenses that may be directly allocated to the development process.

Capitalized development costs are systematically amortized starting from the year of production throughout the estimated useful life of the product/service.

Other intangible assets with finite useful life

Other purchased or internally produced intangible assets with finite useful lives are recognized as assets, in accordance with the provisions of IAS 38 – *Intangible assets*, where it is likely that the use of the assets will generate future economic benefits and that the determination of their cost is reliable.

Such assets are recognized at the cost of purchasing or producing them and are amortized on a straight-line basis over their estimated useful lives. Intangible assets with finite useful lives are also assessed for impairment annually, or whenever there is an indication that the assets may have become impaired.

Amortization is calculated on a straight-line basis over the estimated useful lives of the assets. Amortization rates are revised annually and are amended if the current estimated useful life differs from the previous estimate. The effects of such changes are recognized prospectively in the income statement.

Intangible assets are amortized according to their estimated useful lives, where 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

Property, plant and equipment

Owned property, plant and equipment are recognized at the cost of purchase or production, or, where such assets were carried as of January 1, 2004, at deemed cost, which, for some assets, is represented by revalued cost. Costs incurred subsequent to the purchase are capitalized only if they increase the future economic benefits deriving from the asset to which they refer. All other costs are charged to the income statement when they are incurred. The cost of the assets also includes the projected costs of dismantling the asset and restoring the site, where there is a legal or implicit obligation to do so. The corresponding liability is recognized at its net present value during the period in which the obligation arises as a provision among the liabilities within the provisions for

risks and contingencies . The capitalized expense is recognized on the income statement over the useful life of the associated property, plant and equipment through the depreciation process.
Depreciation is calculated at constant rates over the estimated useful life of the assets.
Land, including that annexed to buildings, is not depreciated.
Depreciation rates are revised annually and are amended if the current estimated useful life differs from the previous estimate. The effects of such changes are recognized prospectively on the income statement.
The minimum and maximum depreciation rates are listed below:

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

Leasing contracts that substantially transfer to the Group all the risks and benefits of the leased item, are considered as financial leases.
The leased assets are capitalized at the beginning of the lease at the fair value of the leased property or, if lower, at the present value of the minimum leases payments and they are depreciated over the estimated useful life of the asset.
The liability due to the lessor is classified as a financial liability in the statement of financial position. Lease payments are apportioned between principal and interest in order to obtain the application of a constant interest rate on the remaining balance of the liability. Interests are recognized in the financial costs of the income statement.

Leasing contracts in which the lessor does not transfer all the risks and benefits related to the ownership are considered as operating leases. The operating lease payments are charged to the income statement on a straight-line basis over the term of the contract.

Impairment

Goodwill
Goodwill is assessed for impairment at least once a year.
The test is normally conducted to coincide with the Group’s budgeting process near the end of each year. Consequently, the date of reference for impairment testing is the balance sheet date. The goodwill acquired and allocated during the year is assessed for impairment before the end of the year in which it was acquired and allocated.
For the purposes of impairment testing, goodwill is allocated, as of the date of acquisition, to each cash-generating unit or group of cash-generating units that benefit from the acquisition, regardless of whether other Group’s assets and liabilities have been allocated to such units.
If the carrying value of the cash-generating unit (or group of units) exceeds its recoverable value, an impairment loss is recognized on the income statement.
The impairment loss is charged to the income statement, initially by decreasing the carrying value of the goodwill allocated to the unit (or group of units), and only then is charged to the unit’s other assets in proportion to their carrying value, up to a maximum of the recoverable value of assets with finite useful lives. The recoverable value of a cash-generating unit or group of cash-generating units to which the goodwill is allocated is the greater of the fair value, less selling costs, and the value in use of the unit itself.
The value in use of an asset consists of the current value of expected cash flows, calculated by applying a discount rate that reflects current market valuations of the value of money over time and the specific risks of the activity. Future cash flows normally cover a period of three years, except for projections that require longer periods, such as in the case of initiatives in the start-up phase. The long-term growth rate used to estimate the terminal value of the unit (or group of units) cannot exceed the average long-term growth rate for the industry, country or market in which the unit (or group of units) operates.

The value in use of cash-generating units in foreign currencies is estimated in the local currency discounting such cash flows at a rate appropriate to the currency itself. The current value obtained through this process is translated into euro at the spot exchange rate as of the date of the impairment test (which, in our case, is the balance sheet date).
Future cash flows are estimated by referring to the cash-generating unit's current conditions and consequently do not contemplate either the benefits of future restructuring operations to which the entity is not yet committed or future investments to improve or optimize the unit.
For impairment testing purposes, the carrying value of a cash-generating unit is determined in accordance with the criteria according to which the cash-generating unit's recoverable value is determined, excluding surplus assets (i.e. financial assets, deferred tax assets, and net non-current assets held for sale).
After having conducted an impairment test on the cash-generating unit (or group of units) to which the goodwill is allocated, a second level impairment test is conducted that includes also centralized assets with auxiliary functions (corporate assets) that do not generate positive cash flows and cannot be allocated to the individual units according to a reasonable and consistent criterion. At this second level, the recoverable value of all units (or groups of units) is compared with the carrying value of all units (or groups of units), including those units to which no goodwill has been allocated and corporate assets.
Where the conditions that had previously required the recognition of impairment cease to apply, the original value of the goodwill is not restored, according to IAS 36 - *Impairment of assets*.

Tangible and intangible assets with finite useful life
During the year, the Group verifies whether there are indications that tangible and intangible assets with finite useful lives may have become impaired. Both internal and external sources of information are considered in this process. These internal sources include: the obsolescence or physical deterioration of the asset, any significant changes in the use of the asset and the economic performance of the asset with respect to projections. The external sources include: the trend in the market prices of assets, any discontinuities of technology, market, or legislation, the trend in market interest rates and the cost of capital used to assess investments, and, lastly, whether the carrying value of the Group's net assets exceeds its market capitalization.
If there are indications that tangible or intangible assets with finite useful lives have become impaired, the carrying value of the assets is reduced to their recoverable value. The recoverable value of an asset is defined as the greater of its fair value, net of selling costs, and its value in use. The value in use of an asset consists of the current value of expected cash flows, calculated by applying a discount rate that reflects current market valuations of the value of money over time and the specific risks of the activity. When it is not possible to determine the recoverable amount of an individual asset, the Group estimates the recoverable value of the asset's cash-generating unit.
Impairment is charged to the income statement.
If the reasons that led to impairment subsequently cease to apply, the carrying value of the asset or cash-generating unit is increased up to the new estimate of the recoverable value, which, however, may not exceed the value that would have resulted if no impairment had been recognized. Reversals are recognized on the income statement.

Investments in associates and joint ventures

Investments in associates and joint ventures are evaluated using the equity method. According to this method, the investment in an associate is initially recognized at cost and then it is adjusted to recognize the Group's share of its net assets. The result of the application of this consolidation method is recognized in the income statement, under the item "Share of result of investments accounted for using the equity method".
Losses of associates in excess of the Group's share are not recognized, unless the Group has assumed any obligation to cover them.
The positive difference between the purchase price and the Group's interest in the fair value of the assets, liabilities and contingent liabilities of the associate at the date of acquisition represents the goodwill and it is included in the carrying value of the investment.

Any negative difference between the purchase price and the Group's interest in the fair value of assets, liabilities and contingent liabilities of the associate is charged to the income statement once the acquisition method process is completed (within and no later than twelve months from the date of the acquisition).
When there has been a change recognized directly in the equity of the associate or of the joint venture and in its statement of comprehensive income, the Group recognizes its share of any changes and discloses this in the statement of changes in equity and in the consolidated statement of comprehensive income.
The consolidated net income is adjusted to delete the positive and negative economic effects arising from intercompany transactions with the associate or the joint venture and not yet realized with third parties at year end.
At least once a year, the Group verifies whether there are indications of impairment, by comparing the value of the investment according to the equity method and its recoverable value. Any impairment loss is allocated to the investment and charged to the income statement.

Receivables

Receivables generated by the company are initially recognized at their nominal value and subsequently measured at their estimated realizable value.
Receivables with maturities beyond one year and receivables that do not bear interest or bear interest at below-market rates are discounted using market rates.

Cash and cash equivalents

Cash and cash equivalents are recognized, according to their nature, at their nominal value.
Cash equivalents consist of highly liquid short-term investments that are readily convertible into known amounts of cash and are subject to an insignificant risk of change in value, the original maturity or maturity upon acquisition of which does not exceed three months.

Financial items

Financial liabilities include financial payables and other financial liabilities, including derivative instruments. Under IAS 39, they also include trade and sundry payables.
Non-derivative financial liabilities are initially recognized at fair value, less transaction costs, and are subsequently measured at amortized cost, i.e. the amount initially recognized less any repayments of principal, plus or minus the cumulative amortization, calculated using the effective interest method, of any difference between the initial value and the value at maturity.

Financial liabilities hedged by derivative instruments aimed at covering the risk of changes in the value of the liability (fair value hedge derivatives) are measured at their fair value according to the hedge accounting methods set out in IAS 39: gains and losses arising from subsequent adjustments to fair value, limited to the hedged component, are recognized on the income statement and offset by the effective portion of the loss or gain arising from subsequent measurements of the hedging instrument at fair value.

Derivative financial instruments

The derivatives transactions undertaken by the SAES Group are aimed at hedging its exposure to exchange-rate and interest-rate risks and diversifying debt parameters in order to reduce the cost and volatility of debt within pre-determined management limits.

According to the requirements of IAS 39, hedging instruments are accounted according to the hedge accounting methods only when:
a) at inception, they are formally designated as a hedge and the hedge relationship is documented;
b) the hedge is expected to be highly effective;

c) the effectiveness of the hedge can be reliably measured;
d) the hedge is highly effective in each designated accounting period.

All derivative instruments are measured at their fair value according to IAS 39.

Where derivatives satisfy the requirements for their treatment under hedge accounting rules, the following accounting standards are applied:

- *Fair value hedges* – If a derivative financial instrument is designated as a hedge of the exposure to the changes in the fair value of an asset or liability attributable to a particular risk, the gain or loss resulting from subsequent changes in the fair value of the hedging instrument is recognized on the income statement. The portion of the gain or loss arising from the fair value adjustment of the hedged item attributable to the hedged risk is recognized as an adjustment to the carrying value of the item itself and entered in the income statement.
- *Cash flow hedges* – If a derivative financial instrument is designated as a hedge of the exposure to the changes in the cash flows of an asset or liability carried on the balance sheet or of a highly probable planned transaction, the effective portion of the gains or losses arising from the fair value adjustment of the derivative instrument is recognized in a specific shareholders' equity reserve (cash flow hedge reserve). The cumulative gain or loss is reversed from the shareholders' equity reserve and recognized in the income statement during the same years in which the effects of the hedged transaction are recognized in the income statement.

The gain or loss associated with the ineffective portion of the hedge is immediately recognized in the income statement. If the hedged transaction is no longer deemed highly probable, the unrealized gains or losses recognized in the shareholders' equity reserve are immediately entered in the income statement.

Gains and losses arising from the fair-value measurement of derivatives not designated as hedges are directly recognized in the income statement.

Inventory

Inventory, which consists of raw materials, purchased products, semi-finished, work in progress and finished products, is measured at the lesser of the cost of purchase and production and the estimated realizable value. Costs are determined according to the FIFO method. The measurement of inventory also includes direct material and labor costs and indirect production costs (both variable and fixed).
In addition, provisions for impairment are allocated for materials, finished products, spare parts and other articles deemed obsolete or with a slow rotation, on the basis of their expected future use and estimated realizable value.

Assets and liabilities held for sale

Discontinued operations and assets held for sale refer to lines of business and assets (or groups of assets) that have been sold or are in the process of being sold, the carrying value of which have been, or will be, recovered primarily through their sale rather than their continuing use. Assets held for sale are measured at the lesser of their net carrying value and fair value, net of selling costs.
Where such assets have originated in recent business combinations, they are measured at their current value, net of disposal costs.
In accordance with IFRSs, the figures for discontinued operations and/or assets held for sale are presented as follows:

- in two specific items of the balance sheet: Discontinued operations/Assets held for sale and Discontinued operations/Liabilities held for sale;
- in a specific item of the income statement: Net income (loss) from discontinued operations/ assets held for sale.

Staff leaving indemnity and other employee benefits

Staff leaving indemnity

The staff leaving indemnity, which is compulsory for Italian companies according to article 2120 of the Italian Civil Code, is a deferred benefit and is correlated to the length of each employee's term of employment and the compensation received during the period of service.
In application of IAS 19, the staff leaving indemnity calculated as indicated above is a "Defined-benefit plan" and the associated obligation to be recognized (Staff leaving indemnity debt) is determined through an actuarial calculation by using the Projected Unit Credit Method. As required by the revised version of IAS 19, that the Group has decided to apply in advance, gains and losses arising from the actuarial calculation are fully recognized in the comprehensive income statement in the period in which they occur. These actuarial differences are entered immediately on the retained earnings and are not classified in the income statement in the following periods. Please refer to Note no. 1, and in particular to the paragraph "Restatement of 2011 figures" for more details.
The costs associated with the increase in the current value of the staff leaving indemnity obligation arising from the proximity of the moment in which benefits are to be paid are included among "Personnel costs".
Effective from January 1, 2007, the 2007 Finance Law and related implementation decrees have introduced significant changes to staff leaving indemnity rules, including the employees' right to choose whether to allocate the not accrued portion of their leaving indemnity to complementary pension funds or the "Treasury Fund" managed by INPS.
It follows that the obligation to INPS, as well as contributions to complementary pension schemes, acquire the status of "Defined-contribution plans" in accordance with IAS 19, whereas the amounts recognized in the Staff leaving indemnity debt continue to be considered "Defined-benefit plans".
The amendments to the law enacted in 2007 have consequently entailed the redetermination of actuarial assumptions and the ensuing calculations employed to determine the staff leaving indemnity.

Other long term benefits

Anniversary or other seniority bonuses and long-term incentive plans are discounted back in order to determine the present value of the defined-benefit liability and the cost relating to the current employment services. As required by the revised version of IAS 19, that the Group has decided to apply in advance, gains and losses arising from the actuarial calculation are fully recognized in the comprehensive income statement in the period in which they occur. These actuarial differences are entered immediately on the retained earnings and are not classified in the income statement in the following periods. Please refer to Note no. 1, and in particular to the paragraph "Restatement of 2011 figures" for more details.

Provisions for contingencies and obligations

Group companies recognize provisions for contingencies and obligations when there is a current (legal or implicit) obligation to a third party as the result of a past event and it is likely that the Group will be required to spend resources in order to fulfill this obligation and the amount of the obligation may be reliably estimated.
Changes in estimates are reflected in the income statement for the year in which they occur.

Treasury shares

Treasury shares are deducted from the shareholders' equity.

Transactions in foreign currencies

Transactions in foreign currencies are entered at the exchange rate in force on the transaction date. Monetary assets and liabilities denominated in foreign currencies are converted at the exchange rate in effect at the balance sheet date. Exchange differences resulting from the discharge of monetary items or the conversion of such items at rates differing from those at which they were initially recognized during the year or at those of the end of the previous year are recognized in the income statement.

Revenue recognition

Revenues are recognized to the extent that it is probable that the Group will receive the economic benefits and the amount of such benefits may be reliably determined. Revenues are represented net of discounts, allowances and returns.

Research and development costs and promotion expenses

Research and promotion expenses are charged directly to the income statement during the year in which they are incurred. Development expenses are capitalized if the conditions set out in IAS 38 are met, as already described in the paragraph 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.

Income taxes

Income taxes include all taxes calculated on the taxable income of the Group’s companies.
Income taxes are recognized on the income statement, with the exception of taxes pertaining to items directly charged or entered in a shareholders’ equity reserve, in which case the associated tax effect is recognized directly in the respective shareholders’ equity reserves.
Accruals for taxes that could be generated by the transfer of the undistributed earnings of subsidiaries are made solely where there is an effective intention to transfer such earnings.
Deferred tax liabilities/assets are recognized according to the balance sheet liability method. They are calculated on all temporary differences that arise between the taxable base of the assets and liabilities and the carrying values of these assets/liabilities in the consolidated financial statements, with the exception of goodwill, which is not tax-deductible.
Deferred tax assets on tax-losses carried forwards are recognized to the extent that there is likely to be a future taxable income against which they may be recovered. Current and deferred tax assets and liabilities are offset where the income taxes are applied by the same tax authority and there is a legal right to offset them. Deferred tax assets and liabilities are determined by applying the tax rates expected to be applied under the tax codes of the various countries in which Group companies operate during the years in which the temporary differences will be eliminated.

Earnings per share

Basic earnings per ordinary share are calculated by dividing the Group’s net income for the year attributable to ordinary shares by the weighted average number of ordinary shares outstanding during the year (excluding treasury shares). In a like manner, basic earnings per savings share are calculated by dividing the Group’s net income for the year attributable to savings shares by the weighted average number of savings shares outstanding during the year.

Use of estimates and subjective assessments

In order to prepare the consolidated financial statements and the related notes in accordance with IFRSs, the management is required to make estimates and assumptions that have an effect on assets and liabilities and on the information about contingent assets and liabilities at the balance sheet

date. The final results may differ from these estimates. Estimates and subjective assessments are employed to determine the recoverable value of non-current assets (including goodwill), revenues, accruals to provisions for receivables, obsolete and slow-rotation inventory, depreciation and amortization, employees' benefits, taxes, restructuring provisions, and other accruals and provisions. Estimates and assumptions are reviewed periodically and the effects of all changes are immediately reflected in the income statement.
In the absence of a standard or interpretation specifically applicable to a transaction, the Group's management decides, through subjective assessments, which accounting methods to adopt in order to provide relevant and reliable information so that the financial statements:

- are a faithful representation of the Group's financial position, net result and cash flows;
- reflect the economic substance of transactions;
- are neutral;
- are drafted on a prudential basis;
- are complete in all significant aspects.

New standards, interpretations and amendments effective from January 1, 2012

Accounting standards used to prepare the Consolidated financial statements as at December 31, 2012 are consistent with those applied in the Consolidated financial statements as at December 31, 2011, except for the adoption of the following new Standards and Interpretations applicable starting from January 1, 2012:

IFRS 7 *Financial Instruments: Disclosures — Enhanced Derecognition Disclosure Requirements*
The amendment requires additional disclosure about financial assets that have been transferred but not derecognised to enable the user of the Group's financial statements to understand the relationship with their associated liabilities. In addition, the amendment requires disclosures about the entity´s continuing involvement in derecognised assets to enable the user to evaluate the nature of, and risks associated with, such involvement.
The amendment is effective for annual periods beginning on or after 1 July 2011. The amendment did not have any impact on the SAES Group's financial position, performance or disclosures.

New standards and amendments issued but not yet applicable in the European Community

The following are the principles and interpretations that at the date of preparation of the consolidated financial statements are already being issued, but not yet in force:

IAS 12 *Income Taxes — Recovery of Underlying Assets*
The amendment clarifies the determination of deferred tax on investment property measured at fair value. The amendment introduces a rebuttable presumption that deferred tax on investment property measured using the fair value model in IAS 40 should be determined on the basis that its carrying amount will be recovered through sale The presumption is rebutted if the investment property is depreciable and it is held within a business model whose objective is to consume substantially all of the economic benefits in the investment property over time, rather than through sale.
The amendment is effective for annual periods beginning on or after 1 January 2013. This amendment will not have any impact on the Group's financial position, performance or disclosures.

IFRS 1 *Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters*
When an entity's date of transition to IFRS is on or after the functional currency normalisation date, the entity may elect to measure all assets and liabilities held before the functional currency normalisation date, at fair value on the date of transition to IFRS. This fair value may be used as the deemed cost of those assets and liabilities in the opening IFRS statement of financial position. However, this exemption may only be applied to assets and liabilities that were subject to severe hyperinflation.

The amendment is effective for annual periods beginning on or after 1 January 2013. This amendment will not have any impact on the Group.

IFRS 10 *Consolidated financial statements*

IFRS 10 replaces the portion of IAS 27 *Consolidated and Separate Financial Statements* that addresses the accounting for consolidated financial statements. It also addresses the issues raised in SIC 12 *Consolidation Special Purpose Entities*.

IFRS 10 establishes a single control model that applies to all entities including special purpose entities. The new standard defines the principle of control (which requires to present consolidated financial statements) when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The changes introduced by IFRS 10 will require management to exercise significant judgement to determine which entities are controlled and therefore are required to be consolidated by a parent, compared with the requirements that were in IAS 27.

This standard was endorsed by the European Union in December 2012 (EC Regulation no. 1254/2012) and will apply starting from January 1, 2014. Based on the preliminary analyses performed, IFRS 10 is not expected to have any impact on the current investments of the Group.

IFRS 11 *Joint Arrangements*

IFRS 11 replaces IAS 31 *Interests in Joint Ventures* and SIC 13 *Jointly-controlled Entities — Non-monetary Contributions by Venturers*. According to the new IFRS 11, the definition of joint arrangements is based on their substance and on the distribution of rights and obligations of investors in the net capital of such entities. Moreover, it eliminates the measurement of the joint ventures through proportional consolidation in the consolidated financial statements of the shareholder, requiring only the use of the equity method.

This standard was endorsed by the European Union in December 2012 (EC Regulation no. 254/2012) and will apply starting from January 1, 2014. Its application will not have any impact on the consolidated financial position, as the Group already consolidated joint ventures using the equity method.

IFRS 12 *Disclosure of interests in other entities*

IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28. These disclosures relate to an entity’s interests in subsidiaries, joint arrangements, associates and structured entities. Some new disclosures are also required.

This standard was endorsed by the European Union in December 2012 (EC Regulation no. 254/2012) and will apply starting from January 1, 2014.

IAS 27 *Separate financial statements*

As a consequence of the new IFRS 10 *Consolidated financial statements* and IFRS 12 *Disclosure of interests in other entities*, what remains of IAS 27 is limited to accounting for subsidiaries, jointly controlled entities, and associates in separate financial statements.

The amendment was endorsed by the European Union in December 2012 (EC Regulation no. 254/2012) and will apply starting from January 1, 2014.

IAS 28 *Investments in associates and joint ventures*

As a consequence of the new IFRS 11 and IFRS 12, IAS 28 has been renamed IAS 28 *Investments in associates and joint ventures* and it describes the application of the equity method to investments in joint ventures in addition to associates. The amendment was endorsed by the European Union in December 2012 (EC Regulation no. 254/2012) and will apply starting from January 1, 2014.

IFRS 7 *Disclosures — Offsetting Financial Assets and Financial Liabilities (amendments)*

These amendments require an entity to disclose information about rights to set-off and related arrangements (e.g., collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on Group’s financial position. The

new disclosures are required for all recognized financial instruments that are set off in accordance with IAS 32 *Financial Instruments: Presentation.* The disclosures also apply to recognized financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are set off in accordance with IAS 32.
These amendments will not impact the Group's financial position or performance and become effective for annual periods beginning on or after 1 January 2013.

IAS 32 *Financial instruments: presentation (amendment)*
These amendments clarify the meaning of "currently has a legally enforceable right to set-off". The amendments also clarify the application of the IAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous.
These amendments will not impact the Group's financial position or performance and become effective for annual periods beginning on or after 1 January 2014.

IAS 1 *Presentation of Items of Other Comprehensive Income (amendments)*
The amendments to IAS 1 change the grouping of items presented in other comprehensive income (OCI). Items that could be reclassified (or 'recycled') to profit or loss at a future point in time (for example, actuarial gains and losses on defined benefit plans and revaluation of land and buildings) would be presented separately from items that will never be reclassified (for example, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets).
The amendment affects only the accounting presentation and has no impact on the Group's financial position or performance. The amendment becomes effective for annual periods beginning on or after 1 July 2012.

IFRS 1 *Government Loans (amendments)*
These amendments require first-time adopters to apply the requirements of IAS 20 *Accounting for Government Grants and Disclosure of Government Assistance*, prospectively to government loans existing at the date of transition to IFRS. Entities may choose to apply the requirements of IAS 39 and IAS 20 to government loans retrospectively if the information needed to do so had been obtained at the time of initially accounting for that loan. The exception would give first-time adopters relief from retrospective measurement of government loans with a below-market rate of interest.
The amendment is effective for annual periods on or after 1 January 2013. The amendment has no impact on the Group.

IAS 19 *Employee Benefits (revised)*
It deleted the option of deferring the recognition of actuarial costs and revenues (so-called corridor approach) by improving the comparability and accuracy of financial information. The new principle also requires a separate indication of those effects in Other Comprehensive Income statement.
Despite the amendments to this standard are effective for periods beginning on January 1, 2013, the Group has decided to apply them in advance. With regards to the effects of these changes on the consolidated financial position and results of the Group, see the section "2011 restatement" included in Note no. 1.

IFRS 13 *Fair Value Measurement*
IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted.
This standard becomes effective for annual periods beginning on or after 1 January 2013 and, based on a preliminary analyses, no material impact is expected on the financial position and performance of the Group.

In May 2012, the IASB issued a series of improvements to the standards in order to eliminate inconsistencies and clarifying their wording. These improvements are effective for annual periods beginning on or after 1 January 2013 and their adoption will not have any impact on the Group's financial position or performance.
These improvements include:

IAS 1 *Presentation of Financial Statements*
This improvement clarifies the difference between voluntary additional comparative information and the minimum required comparative information. Generally, the minimum required comparative information is the previous period.

IFRS 1 *First-time Adoption of International Financial Reporting Standards*
This improvement clarifies that an entity that stopped applying IFRS in the past and chooses, or is required, to apply IFRS, has the option to re-apply IFRS 1. If IFRS 1 is not re-applied, an entity must retrospectively restate its financial statements as if it had never stopped applying IFRS.

IAS 16 *Property Plant and Equipment*
This improvement clarifies that major spare parts and servicing equipment that meet the definition of property, plant and equipment are not inventory.

IAS 32 *Financial Instruments, Presentation*
This improvement clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with IAS 12 *Income Taxes*.

IAS 34 *Interim Financial Reporting*
The amendment aligns the disclosure requirements for total segment assets with total segment liabilities in interim financial statements. This clarification also ensures that interim disclosures are aligned with annual disclosures.

3. NET SALES

Consolidated net sales in the fiscal year 2012 were equal to 142,473 thousand euro, slightly down (-4.2%) compared to the previous year. The exchange rate effect was positive and equal to +6.2%.

The following table shows a breakdown of revenues by Business:

(thousands of euro)

Business	2012	2011 (*)	Difference	Difference %	Exchange rate effect %	Price/Q.ty effect %
Electronic Devices	20,832	23,475	(2,643)	-11.3%	4.2%	-15.5%
Lamps	11,506	12,442	(936)	-7.5%	3.6%	-11.1%
Vacuum Systems and Thermal Insulation	15,687	12,693	2,994	23.6%	6.3%	17.3%
Energy Devices	398	110	288	261.8%	3.3%	258.5%
Semiconductors	44,073	56,956	(12,883)	-22.6%	6.0%	-28.6%
Industrial Applications	**92,496**	**105,676**	**(13,180)**	**-12.5%**	**5.3%**	**-17.8%**
Shape Memory Alloys	**47,088**	**38,622**	**8,466**	**21.9%**	**8.8%**	**13.1%**
Liquid Crystal Displays	761	1,743	(982)	-56.3%	3.7%	-60.0%
Cathode Ray Tubes	1,231	1,877	(646)	-34.4%	5.3%	-39.7%
Organic Light Emitting Diodes	885	726	159	21.9%	6.6%	15.3%
Information Displays	**2,877**	**4,346**	**(1,469)**	**-33.8%**	**4.9%**	**-38.7%**
Business Development	**12**	**0**	**12**	**100.0%**	**0.0%**	**100.0%**
Total net sales	**142,473**	**148,644**	**(6,171)**	**-4.2%**	**6.2%**	**-10.4%**

(*) 2011 revenues, shown for comparative purposes, have been reclassified to enable a homogeneous comparison with 2012; in particular:

- revenues related to dispensable dryers and to alkaline metal dispensers for OLED displays have been transferred from the Business Development Unit to the Information Displays Business Unit (Organic Light Emitting Diodes Business);
- similarly, revenues of getter sealants for photovoltaic modules and of sophisticated getters for energy storage devices have been transferred from the Business Development Unit to the Industrial Applications Business Unit (Energy Devices Business).

Please refer to the Report on operations for further details.

4. COST OF SALES

The cost of sales amounted to 84,080 thousand euro in 2012, showing a decrease of 4,650 thousand euro compared to the previous year.

A breakdown of the cost of sales by category is provided below:

(thousands of euro)

Cost of sales	2012	2011	Difference	Difference %
Raw materials	33,554	38,270	(4,716)	-12.3%
Direct labour	16,037	15,525	512	3.3%
Manufacturing overhead	34,924	35,426	(502)	-1.4%
Increase (decrease) in work in progress and finished goods	(435)	(491)	56	11.4%
Total cost of sales	**84,080**	**88,730**	**(4,650)**	**-5.2%**

The decrease is mainly due to the cost of raw materials as a result of both the decline in sales and the shift in the sales mix towards products with a lower absorption of materials. Excluding the exchange rate effect, which led to an increase in raw material costs of approximately 2.3 million euro, the latter would have decreased by 7 million euro.
Instead, the change in the direct labor costs is offset by the change of the same amount, but of opposite sign, in the indirect costs of production.

As a percentage of consolidated turnover, the cost of sales incidence decreased from 59.7% to 59.0% mainly for the different sales mix, with an increasing incidence of products with higher profitability, in particular with regard to SMA products for medical applications.

5. OPERATING EXPENSES

In the fiscal year 2012 operating expenses were equal to 50,184 thousand euro, slightly down (-0.9%) compared to the previous year.

(thousands of euro)

Operating expenses	2012	2011 restated	Difference	Difference %
Research & development expenses	14,459	13,870	589	4.2%
Selling expenses	12,961	13,674	(713)	-5.2%
General & administrative expenses	22,764	23,082	(318)	-1.4%
Total operating expenses	**50,184**	**50,626**	**(442)**	**-0.9%**

Excluding the exchange rate effect, which resulted in an increase of the operating expenses equal to 1,519 thousand euro, these expenses were reduced by 1,961 thousand euro, demonstrating the continued effort of the Group to control costs. The items that decreased were selling expenses (less commissions paid to agents due to the lower sales in the purification business) and general and administrative expenses (in particular, reduced costs for hardware rental following the renegotiation of the supply contracts undertaken by the Italian companies).
On the other hand, research and development expenses increased from 13,870 thousand euro to 14,459 thousand euro as a result of the increase in the staff of the Parent Company involved in research activities.

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

(thousands of euro)

Total costs by nature	2012	2011 restated	Difference
Raw materials	33,554	38,270	(4,716)
Various materials	6,461	6,930	(469)
Personnel cost	57,802	53,690	4,112
Corporate bodies	2,195	2,147	48
Travel expenses	1,727	1,652	75
Maintenance and repairs	2,930	2,857	73
Transports	1,826	1,904	(78)
Promotion and advertising	524	473	51
Commissions	988	1,641	(653)
Consultant fees and legal expenses	4,674	4,664	10
Audit fees (*)	519	548	(29)
Rent and operating leasing	2,514	3,204	(690)
Utilities	3,180	3,260	(80)
General services (canteen, cleaning, vigilance, etc.)	1,382	1,334	48
Training	450	205	245
Licenses and patents	1,106	1,270	(164)
Telephones and faxes	506	515	(9)
Insurances	1,143	1,192	(49)
Depreciation	8,441	8,891	(450)
Amortization	1,711	2,021	(310)
Write-down of non current assets	141	1,207	(1,066)
Provision (release) for bad debts	9	284	(275)
Other	916	1,688	(772)
Total costs by nature	**134,699**	**139,847**	**(5,148)**
Increase (decrease) in work in progress and finished goods	(435)	(491)	56
Total cost of sales and operating expenses	**134,264**	**139,356**	**(5,092)**

(*) of which 76 thousand of euro as reimbursement of expenses incurred in 2012 (81 thousand of euro in 2011)

The items “Raw materials” and “Various materials”, that are strictly connected to the production cycle, decreased as a consequence of the increase in turnover and the shift of the sales mix towards products with a lower consumption of resources.

The item “Personnel cost”, excluding the severance costs[9], the savings resulting from the adoption of C.I.G.[10] at the Italian Group companies and the exchange rate effect[11], increased by nearly 2 million euro, mainly due to the increase of the staff involved in research activities at the Parent Company (with a particular focus in the field of SMAs for industrial markets) and of that at the subsidiary Memry Corporation, following the growth of the SMA business, along with contractual increases aimed at the recovery of inflation, as well as to the effect of a moderate merit-based compensation policy.

The item “Corporate bodies” includes the remuneration of the members of the Board of Directors and the Board of Statutory Auditors of the Parent Company. For the details on the 2012 remunerations and the comparison with the previous year, please refer to the Note no. 40 and to the Report on the remuneration.

[9] Severance costs were equal to 384 thousand euro in 2012 and 508 thousand euro in 2011 (of which 374 thousand euro related to the shut-down of the plant located in Korea).

[10] Savings resulting from the adoption of C.I.G. were equal to 1,093 thousand euro as at December 31, 2012 and 942 thousand euro as at December 31, 2011.

[11] The effect of the exchange rate led to an increase in labor costs of approximately 2.4 million euro.

As mentioned above, the item "Commissions" decreased compared to the previous year as a result of the less commissions paid to agents due to the lower sales in the purification business.

The reduction in the item "Rent and operating leasing" is the result of the renegotiation of the hardware supply contracts undertaken by the Italian companies.

The item “Depreciation” decreased due to the end of the useful life of some production lines dedicated to the manufacture of mercury dispensers for LCDs.
The item “Amortization”, instead, decreased because some intangible assets of the U.S. subsidiaries that were identified at the moment of the acquisition reached the end of their useful life at the end of the previous year.

Please note that in 2011 the item “Write-down of non-current assets”, amounting to 1,207 thousand euro, was composed by the plant and equipment write-downs of the subsidiary Memry Corporation as a result of the optimization of the production structure between the two sites located in Menlo Park (California) and in Bethel (Connecticut), as well as the write-down of the production line dedicated to mercury dispensers for LCDs manufactured by the subsidiary SAES Advanced Technologies S.p.A. In 2012 this item was equal to 141 thousand euro (for further details please refer to Notes no. 14 and no. 15).

The decrease in the item "Other" is mainly due to a higher recharge of costs for services that the Group has performed on behalf of the joint venture Actuator Solutions GmbH.

All other items are substantially in line with the previous year, as a result of the continuing commitment of the management to control these costs.

6. OTHER INCOME (EXPENSES)

This item recorded a net income of 3,140 thousand euro as at December 31, 2012, with a decrease of 450 thousand euro compared to the previous year.

The details are provided below:

(thousands of euro)

	2012	2011 restated	Difference
Other income	3,559	4,000	(441)
Other expenses	(419)	(410)	(9)
Total other income (expenses)	**3,140**	**3,590**	**(450)**

The balance of other net income (expenses) was mainly composed of the lump-sum and of the royalties generated during the year by the licensing of the thin film getter technology for MEMS of new generation (2,452 thousand euro). This item also includes a non-recurring income resulting from the release of the excess of a risk provision following the settlement of a dispute of the subsidiary SAES Advanced Technologies S.p.A. with the social security institutions (263 thousand euro).
In the previous year, in addition to the royalties deriving from the sale of the MEMS technology (equal to 2,312 thousand euro), the item included also the capital gains on the sale of fixed assets for an amount of 622 thousand euro[12], public grants accrued by the Parent Company for ongoing

[12] Of which 496 thousand euro representing the capital gain realized by the Korean subsidiary on the sale of its factory located in Jincheon

research projects (324 thousand euro) and the indemnity received by SAES Getters S.p.A. following the expropriation of part of its owned land (227 thousand euro).

7. FINANCIAL INCOME (EXPENSES)

The following table shows the breakdown of the financial income in the fiscal year 2012, compared to the previous year:

(thousands of euro)

Financial income	2012	2011	Difference
Bank interests income	145	165	(20)
Other financial income	7	21	(14)
Gains from IRS evaluation at fair value	240	225	15
Total financial income	**392**	**411**	**(19)**

The following table shows the breakdown of the financial expenses in the fiscal year 2012, compared to the previous year:

(thousands of euro)

Financial expenses	2012	2011	Difference
Bank interests and other bank expenses	1,519	1,148	371
Other financial expenses	180	131	49
Realized losses on IRS	359	472	(113)
Losses from IRS evaluation at fair value	0	146	(146)
Total financial expenses	**2,058**	**1,897**	**161**

The item “Bank interests and other bank expenses” mainly includes interests expenses on loans held by the Parent Company and the U.S. subsidiaries and the commissions on unused credit lines. The increase compared to the previous year is mainly due to the fees for the reshaping of the credit lines’ portfolio of the Group and to the higher bank fees related to credit lines not used by the Parent Company.

The item “Gains (losses) from IRS evaluation at fair value” represents the effect on the income statement of the measurement of the Interest Rate Swap (IRS) agreements of the Group’s U.S. subsidiaries. The item “Realized losses on IRS” includes the interest differences paid to the banks on the signed hedging contracts.

8. SHARE OF RESULT OF INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

This item includes the Group’s share in the result of Actuator Solutions GmbH, evaluated with the equity method. For more details, please refer to the Note no. 16.

9. FOREIGN EXCHANGE GAINS (LOSSES)

In 2012, the exchange rate management recorded an overall net loss equal to 106 thousand euro, substantially in line with that of the previous year.
The exchange rate-related result close to zero confirms the effectiveness of the hedging policy implemented by the Group whose aim is precisely to limit currency losses.

The breakdown of foreign exchange gains and losses as of December 31, 2012 compared to the previous year is given below:

(thousands of euro)

Foreign exchange gains and losses	2012	2011	Difference
Foreign exchange gains	1,014	2,057	(1,043)
Foreign exchange losses	(1,725)	(2,116)	391
Foreign exchange gains (losses), net	**(711)**	**(59)**	**(652)**
Realized exchange gains on forward contracts	554	191	363
Realized exchange losses on forward contracts	(155)	(254)	99
Gains (losses) from forward contracts evaluation at fair value	206	64	142
Gains (losses) on forward contracts	**605**	**1**	**604**
Total foreign exchange gains (losses), net	**(106)**	**(58)**	**(48)**

The item "Foreign exchange gains (losses), net", is negative for 711 thousand euro, and mainly consists of exchange-rate gains arising in relation to the financial credit in euro claimed by the Korean subsidiary from the Parent Company, following the revaluation of the Korean won against euro and by the negative differences arising from the translation of some trade items in Japanese YEN held by the subsidiary SAES Advanced Technologies S.p.A.

The item "Gains (losses) on forward contracts" recorded a positive balance of 605 thousand euro, compared with a substantial break-even balance of the previous year. This balance includes both the gains or losses realised when forward contracts on transactions in foreign currencies are unwound and the impact on the income statement of a fair market evaluation of existing contracts.
Please note that, among the gains on forward contracts, there are also 420 thousand euro related to the realization of two forward contracts in euro (total notional value of 7.5 million euro) entered in 2012 by SAES Getters Korea Corporation in order to limit the currency risk arising from the oscillation of the Korean won on the balance of the cash pooling financial receivable denominated in euro that the Korean subsidiary holds in respect of the Parent Company.

10. INCOME TAXES

Income taxes were negative and equal to 5,494 thousand euro, against a positive balance of 4,272 thousand euro in the year 2011.

This item can be broken down as follows:

(thousands of euro)

	2012	2011 restated	Difference
Current taxes	5,498	3,831	1,667
Deferred taxes	(4)	(8,103)	8,099
Total	**5,494**	**(4,272)**	**9,766**

Please note that in the previous year the item "Current taxes" included the write-off of the fiscal provision accrued by the Parent Company in 2010 (1,643 thousand euro) and released after obtaining a positive response from the Italian Tax Authority, regarding the tax ruling presented in March 2011 related to the request for not enforcing the "CFC" (*Controlled Foreign Companies*[13]) legislation on the income generated by SAES Getters Export, Corp., a U.S. subsidiary of SAES Getters S.p.A.

Always in the previous year the item "Deferred taxes" was positive and equal to 8,103 thousand euro, mainly for the recognition, within the Italian perimeter, of deferred tax assets on tax losses, as a result of the changes introduced by article 23, paragraph 9, of the Legislative Decree no. 98 of 2011 (that allow to carry forward past tax losses for an unlimited period of time) and by a better medium-term visibility on the business of the Italian companies.

The following table shows the reconciliation of the theoretical tax charges, on the basis of the tax rates in force in Italy (IRES), and the effective tax charges according to the Consolidated financial statements:

(thousands of euro)

	2012		2011 restated	
Income before taxes		**8,748**		**11,070**
Theorical tax rate and tax charges	**27.50%**	**2,406**	**27.50%**	**3,044**
Effect of different tax rates	28.36%	2,481	23.12%	2,560
Non deductible costs/non taxable income	-23.89%	(2,089)	-32.76%	(3,627)
Taxes on subsidiaries' accumulated profits	14.16%	1,239	13.24%	1,466
Unrecognition (recognition) of deferred tax assets on fiscal losses	7.83%	685	-52.50%	(5,812)
Unrecognition (recognition) of deferred tax assets on temporary differences	0.60%	53	-5.18%	(573)
Reversal of the CFC fiscal provision	0.00%	0	-14.84%	(1,643)
R&D activities and other tax credits	-3.23%	(282)	-5.51%	(609)
Other permanent differences	-1.05%	(92)	0.84%	93
IRAP and other local taxes	12.29%	1,095	7.49%	829
Effective tax rate and tax charges	**62.57%**	**5,494**	**-38.59%**	**(4,272)**

In 2012, the Group realized tax losses for 13,144 thousand euro; deferred taxes have been recognized only on losses equal to 8,718 thousand euro (the tax losses of the Parent Company and SAES Nitinol S.r.l., both included in the consolidated taxation, for further details please refer to Note no. 18); on the residual amount (4,426 thousand euro) deferred taxes were not recognized because these losses were not expected to be used to offset a future taxable income.

As already mentioned in the previous Consolidated financial statements, the 2005 income tax return of SAES Getters S.p.A. was assessed by the Italian Revenue Agency, as a result of which notices of assessment for IRAP and IRES purposes were notified to the Company requiring additional taxes of 41 thousand euro (IRAP) and 290 thousand euro (IRES), respectively, plus sanctions and interests. The company is awaiting the outcome of the application presented in previous years to the Regional Tax Commission of Milan and it has not entered any risk provision

[13] According to article 167, paragraph 8-*bis*, of the Italian Income Tax Code (TUIR), the income generated by foreign subsidiaries that meet certain requirements may be subject to a separate IRES taxation at the Italian parent company level. The next paragraph 8-*ter* provides that this requirement may be not applied if the company domiciled in Italy demonstrates that the foreign establishment is not an artificial construction aimed to achieve an undue tax advantage to the detriment of the National Treasury.

in the financial statements, since it considers its defensive reasons adequate to support its own operations.

11. NET INCOME (LOSS) FROM ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

Net income from assets held for sale and discontinued operations amounted to 86 thousand euro, compared to 292 thousand euro in the previous year, and the related breakdown is provided below:

(thousands of euro)

	2012	2011
Revaluation (write-down) for alignment to fair value	0	61
Group's share in the net result of the Chinese joint venture	0	(61)
Release of translation reserve	0	292
Result from the sale of Nanjing SAES Huadong Vacuum Material Co., Ltd.	**0**	**292**
Result from the sale of the assets held for sale of SAES Getters USA, Inc.	86	0
Net income (loss) from assets held for sale and discontinued operations	**86**	**292**

As of December 31, 2012 this item included the capital gain generated by SAES Getters USA, Inc. following the sale of its factory located in Ohio (former plant of SAES Getters America, Inc. and the equipment located therein). For further details please refer to Note no. 1.

As of December 31, 2011 this item included the expenses and income related to the sale of the Chinese joint venture Nanjing SAES Huadong Vacuum Material Co., Ltd. as well as the Group's share in the 2011 result of this company until the date of its transfer (-61 thousand euro).
For further details, please refer to the notes of the consolidated financial statements for the year ended on December 31, 2011.

12. EARNING (LOSS) PER SHARE

As indicated in the Note no. 26, SAES Getters S.p.A.'s capital stock is represented by two different types of shares (ordinary shares and savings shares) which bear different rights with regards to the distribution of dividends.

The pro-quota earnings attributable to each type of share was determined on the basis of the relevant rights to cash dividends. Therefore, in order to calculate the earnings per share, the value of the preferred dividends contractually assigned to savings shares has been deducted from the net income for the period, assuming the theoretical distribution of the latter.
The value obtained was divided by the average number of shares existing in the relevant time-period.
In case of loss, this is allocated equally between the shares of the two different types.

The following table shows the earning (loss) per share in the fiscal year 2012, compared with the corresponding figure in 2011:

Earning (loss) per share	2012			2011 restated		
	Ordinary shares	Savings shares	Total	Ordinary shares	Savings shares	Total
Profit (loss) attribuitable to shareholders (thousands of euro)			**3,340**			**15,634**
Theoretical preference dividend (thousands of euro)	0	1,022	1,022	0	1,022	1,022
Profit (loss) attribuitable to the different categories of shares (thousands of euro)	2,140	178	2,318	10,320	4,292	14,612
Total profit (loss) attributable to the different categories of shares (thousands of euro)	**2,140**	**1,200**	**3,340**	**10,320**	**5,314**	**15,634**
Average number of oustanding shares	14,671,350	7,378,619	22,049,969	14,671,350	7,378,619	22,049,969
Earning (loss) per share (euro)	**0.1459**	**0.1626**		**0.7034**	**0.7202**	
- from continuing operations (euro)	*0.1420*	*0.1587*		*0.6902*	*0.7070*	
- from discontinued operations (euro)	*0.0039*	*0.0039*		*0.0132*	*0.0132*	

13. SEGMENT INFORMATION

For management purposes, the Group is organized into three Business Units according to the final destination of the products and services provided. As of December 31, 2012 the Group's operations were divided into three main operating segments:

- **Industrial Applications** – getters and dispensers used in a wide range of industrial applications (lamps, electronic devices, MEMS, vacuum systems and vacuum thermal insulation solutions, solar collectors, semiconductors and other industries that use pure gases in their processes, photovoltaic modules and energy storage devices);
- **Shape Memory Alloys** – raw materials, semi-finished products components and shape memory alloy devices for both medical and industrial applications;
- **Information Displays** – getters, dispensers and dryers used in displays.

The top management monitors the results of the various Business Units separately in order to make decisions concerning the allocation of resources and investments and to determine the Group's profitability. Each sector is evaluated according to its operating result. Financial income and expenses, foreign exchange performance and income taxes are measured at the overall Group level and thus are not allocated to operating segments.
Internal reports are prepared in accordance with IFRSs and no reconciliation with carrying amounts is therefore necessary.

The column "Not allocated" includes corporate income statement and financial position amounts that cannot be directly attributed or allocated to the business units on a reasonable basis, but which refer to the Group as a whole, and the amounts related to the basic research projects or undertaken to achieve the diversification in innovative businesses (Business Development Unit).

Please note that during the fiscal year 2012, following their transfer to production:

- revenues and costs related to dispensable dryers and to alkaline metal dispensers for OLED displays have been transferred from the Business Development Unit to the Information Displays Business Unit (Organic Light Emitting Diodes Business);
- similarly, revenues and costs of getter sealants for photovoltaic modules and of sophisticated getters for energy storage devices have been transferred from the Business Development Unit to the Industrial Applications Business Unit (Energy Devices Business).

2011 figures were subject to the same reclassifications to enable their comparison with 2012.
The detail of these reclassifications is shown in the following table:

(thousands of euro)

Profit and loss	Industrial Applications			Shape Memory Alloys			Information Displays			Not allocated			Total		
	2011 restated	Reallocation	2011 reallocated	2011 restated	Reallocation	2011 reallocated	2011 restated	Reallocation	2011 reallocated	2011 restated	Reallocation	2011 reallocated	2011 restated	Reallocation	2011 reallocated
Total net sales	**105,566**	**110**	**105,676**	**38,622**	**0**	**38,622**	**3,620**	**726**	**4,346**	**836**	**(836)**	**0**	**148,644**	**0**	**148,644**
Gross profit	**49,588**	**(355)**	**49,233**	**11,519**	**0**	**11,519**	**(752)**	**196**	**(556)**	**(441)**	**159**	**(282)**	**59,914**	**0**	**59,914**
% on net sales	47.0%		46.6%	29.8%		29.8%	-20.8%		-12.8%	-52.8%		n.s.	40.3%		40.3%
Total operating expenses	(18,660)	(341)	(19,001)	(9,421)	0	(9,421)	(2,224)	(1,225)	(3,449)	(20,321)	1,566	(18,755)	(50,626)	0	(50,626)
Other income (expenses), net	2,344	0	2,344	147	0	147	514	(1)	513	585	1	586	3,590	0	3,590
Operating income (loss)	**33,272**	**(696)**	**32,576**	**2,245**	**0**	**2,245**	**(2,462)**	**(1,030)**	**(3,492)**	**(20,177)**	**1,726**	**(18,451)**	**12,878**	**0**	**12,878**
% on net sales	31.5%		30.8%	5.8%		5.8%	-68.0%		-80.3%	n.s.		n.s.	8.7%		8.7%
Interest and other financial income (expenses), net													(1,486)	0	(1,486)
Income (loss) from equity method evaluated companies													(264)	0	(264)
Foreign exchange gains (losses), net													(58)	0	(58)
Income (loss) before taxes													**11,070**	**0**	**11,070**
Income taxes													4,272	0	4,272
Net income (loss) on continuing operations													**15,342**	**0**	**15,342**
Net income (loss) on discontinued operations													292	0	292
Net income (loss)													**15,634**	**0**	**15,634**
Minority interest in consolidated subsidiaries													0	0	0
Group net income (loss)													**15,634**	**0**	**15,634**

The following table shows the breakdown of the main income statement figures by operating segment:

(thousands of euro)

Profit and loss	Industrial Applications		Shape Memory Alloys		Information Displays		Not allocated		Total	
	2012	2011 restated	2012	2011 restated	2012	2011 restated	2012	2011 restated	2012	2011 restated
Total net sales	**92,496**	**105,676**	**47,088**	**38,622**	**2,877**	**4,346**	**12**	**0**	**142,473**	**148,644**
Gross profit	**41,527**	**49,233**	**16,706**	**11,519**	**492**	**(556)**	**(332)**	**(282)**	**58,393**	**59,914**
% on net sales	44.9%	46.6%	35.5%	29.8%	17.1%	-12.8%	n.s.	n.s.	41.0%	40.3%
Total operating expenses	(17,824)	(19,001)	(10,654)	(9,421)	(3,757)	(3,449)	(17,949)	(18,755)	**(50,184)**	**(50,626)**
Other income (expenses), net	2,682	2,344	149	147	63	513	246	586	**3,140**	**3,590**
Operating income (loss)	**26,385**	**32,576**	**6,201**	**2,245**	**(3,202)**	**(3,492)**	**(18,035)**	**(18,451)**	**11,349**	**12,878**
% on net sales	28.5%	30.8%	13.2%	5.8%	-111.3%	-80.3%	n.s.	n.s.	8.0%	8.7%
Interest and other financial income (expenses), net									(1,666)	(1,486)
Income (loss) from equity method evaluated companies									(829)	(264)
Foreign exchange gains (losses), net									(106)	(58)
Income (loss) before taxes									**8,748**	**11,070**
Income taxes									(5,494)	4,272
Net income (loss) on continuing operations									**3,254**	**15,342**
Net income (loss) on discontinued operations									86	292
Net income (loss)									**3,340**	**15,634**
Minority interest in consolidated subsidiaries									0	0
Group net income (loss)									**3,340**	**15,634**

The following table shows the breakdown of the main balance sheet figures by operating segment:

(thousands of euro)

	Continuing operations								Discontinued operations		Total	
	Industrial Applications		Shape Memory Alloys		Information Displays		Not allocated		Industrial Applications			
	Dec. 31, 2012	Dec. 31, 2011 restated	Dec. 31, 2012	Dec. 31, 2011 restated	Dec. 31, 2012	Dec. 31, 2011 restated	Dec. 31, 2012	Dec. 31, 2011 restated	Dec. 31, 2012	Dec. 31, 2011 restated	Dec. 31, 2012	Dec. 31, 2011 restated
Assets and liabilities												
Non current assets	31,347	30,942	54,687	55,273	5,039	6,701	26,615	26,483	0	0	117,688	119,399
Current assets	33,796	38,695	12,571	11,699	3,127	3,523	27,223	23,577	0	648	76,717	78,142
Total assets	**65,143**	**69,637**	**67,258**	**66,972**	**8,166**	**10,224**	**53,838**	**50,060**	**0**	**648**	**194,405**	**197,541**
Non current liabilities	6,226	6,224	328	272	472	588	26,415	15,353	0	0	33,441	22,437
Current liabilities	11,863	11,802	4,341	3,191	1,761	1,422	28,769	35,650	0	0	46,734	52,065
Total liabilities	**18,089**	**18,026**	**4,669**	**3,463**	**2,233**	**2,010**	**55,184**	**51,003**	**0**	**0**	**80,175**	**74,502**
Other segment information												
Capital expenditure	2,190	3,052	1,589	2,209	419	712	1,586	624	0	0	5,784	6,597
Depreciation & amortization	4,808	4,720	3,394	3,752	781	1,206	1,169	1,234	0	0	10,152	10,912
Other non cash expenses	78	115	15	858	(12)	518	69	0	0	0	150	1,491

Information on geographical areas

The following table provides the sales by customers' location:

(thousands of euro)

	Italy	Europe	United States	Asia	Total non current assets (*)
2012	41,998	2,477	54,825	3,010	**102,310**
2011	40,639	2,651	58,103	3,188	**104,581**

(*) This amount includes: tangible assets, intangible assets, investments in joint ventures, other long term assets and the non current part of the tax consolidation receivables from the Controlling Company

Please refer to the Report on operations for the breakdown of consolidated net sales by geographical areas.

14. PROPERTY, PLANT AND EQUIPMENT, NET

Property, plant and equipment, net of accumulated depreciation, amounted to 55,964 thousand euro as of December 31, 2012, with a decrease of 3,299 thousand euro compared to December 31, 2011.

The following tables show the changes occurred in the items during the current and the previous year:

(thousands of euro)

Property, plant and equipment	Land	Building	Plant and machinery	Assets under construction and on account	Total
December 31, 2011	**3,891**	**25,633**	**27,960**	**1,779**	**59,263**
Additions	0	245	2,533	2,807	**5,585**
Disposals	0	(7)	(6)	0	**(13)**
Reclassifications	0	456	1,175	(1,631)	**0**
Depreciation	0	(1,560)	(6,881)	0	**(8,441)**
Write-downs	0	0	(89)	(4)	**(93)**
Revaluations	0	0	0	0	**0**
Translation differences	(54)	(91)	(182)	(10)	**(337)**
December 31, 2012	**3,837**	**24,676**	**24,510**	**2,941**	**55,964**
December 31, 2011					
Historical cost	3,891	43,834	136,263	1,934	185,922
Accumulated depreciation and write-downs	0	(18,201)	(108,303)	(155)	(126,659)
Net book value	**3,891**	**25,633**	**27,960**	**1,779**	**59,263**
December 31, 2012					
Historical cost	3,837	44,291	127,788	3,097	179,013
Accumulated depreciation and write-downs	0	(19,615)	(103,278)	(156)	(123,049)
Net book value	**3,837**	**24,676**	**24,510**	**2,941**	**55,964**

(thousands of euro)

Property, plant and equipment	Land	Building	Plant and machinery	Assets under construction and on account	Total
December 31, 2010	**3,720**	**27,872**	**29,399**	**2,822**	**63,813**
Additions	0	357	4,332	1,473	**6,162**
Disposals	(241)	(985)	(74)	0	**(1,300)**
Reclassifications	326	(219)	2,433	(2,540)	**0**
Depreciation	0	(1,606)	(7,285)	0	**(8,891)**
Write-downs	0	0	(1,203)	(4)	**(1,207)**
Revaluations	0	0	0	0	**0**
Translation differences	86	214	358	28	**686**
December 31, 2011	**3,891**	**25,633**	**27,960**	**1,779**	**59,263**
December 31, 2010					
Historical cost	3,720	45,440	138,001	2,982	190,143
Accumulated depreciation and write-downs	0	(17,568)	(108,602)	(160)	(126,330)
Net book value	**3,720**	**27,872**	**29,399**	**2,822**	**63,813**
December 31, 2011					
Historical cost	3,891	43,834	136,263	1,934	185,922
Accumulated depreciation and write-downs	0	(18,201)	(108,303)	(155)	(126,659)
Net book value	**3,891**	**25,633**	**27,960**	**1,779**	**59,263**

(*)The figure reported in the above table differs from that of the cash flow statement as a result of the assets acquired with leasing contracts, for which there was only a partial monetary payment.

As of December 31, 2012 land and buildings are not burdened by mortgages or other guarantees.

In 2012, investments in tangible assets were equal to 5,585 thousand euro and they included the purchases made by the Parent Company of laboratory equipment intended to be used in research activities in the businesses of OLEDs and SMA for industrial applications, as well as investments for the renewal of the production site in Lainate. This item included also the purchases made by the

U.S. subsidiary Memry Corporation, of plant and machinery intended to be used in new medical SMA production lines.

The write-downs, equal to 93 thousand euro, mainly refer to a production line of the subsidiary SAES Getters (Nanjing) Co., Ltd. dedicated to the production of traditional display components and written-off during the year as a consequence of the further decline in sales.

The following table shows the composition of tangible fixed assets based on their related ownership rights:

(thousands of euro)

	December 31, 2012			December 31, 2011		
	Property assets	Assets under finance lease	Total	Property assets	Assets under finance lease	Total
Land and building	28,513	0	28,513	29,524	0	29,524
Plant and machinery	24,433	77	24,510	27,857	103	27,960
Assets under construction and on account	2,941	0	2,941	1,779	0	1,779
Total	**55,887**	**77**	**55,964**	**59,160**	**103**	**59,263**

For further details on financial lease contracts, please refer to the Note no. 29.

15. INTANGIBLE ASSETS, NET

Intangible assets, net of accumulated amortization, were equal to 41,563 thousand euro as of December 31, 2012, with a decrease of 2,446 thousand euro compared to the previous year.

The following tables show the changes occurred during the current and the previous years:

(thousands of euro)

Intangible fixed assets	Goodwill	Research and development expenses	Industrial and other patent rights	Concessions, licenses, trademarks and similar rights	Other intangible assets	Assets under development and on account	Total
December 31, 2011	**33,900**	**0**	**2,071**	**2,451**	**5,536**	**51**	**44,009**
Additions	0	0	0	28	0	171	199
Disposal	0	0	0	0	0	0	0
Reclassifications	0	0	70	0	0	(70)	0
Amortization	0	0	(214)	(408)	(1,089)	0	(1,711)
Write-downs	0	0	0	0	0	(48)	(48)
Revaluations	0	0	0	0	0	0	0
Other changes	(167)	0	0	0	0	0	(167)
Translation differences	(596)	0	(34)	(10)	(78)	(1)	(719)
December 31, 2012	**33,137**	**0**	**1,893**	**2,061**	**4,369**	**103**	**41,563**
December 31, 2011							
Historical cost	39,177	183	4,970	11,280	18,272	714	74,596
Accumulated amortization and write-downs	(5,277)	(183)	(2,899)	(8,829)	(12,736)	(663)	(30,587)
Net book value	**33,900**	**0**	**2,071**	**2,451**	**5,536**	**51**	**44,009**
December 31, 2012							
Historical cost	38,414	183	4,980	11,267	18,026	814	73,684
Accumulated amortization and write-downs	(5,277)	(183)	(3,087)	(9,206)	(13,657)	(711)	(32,121)
Net book value	**33,137**	**0**	**1,893**	**2,061**	**4,369**	**103**	**41,563**

(thousands of euro)

Intangible fixed assets	Goodwill	Research and development expenses	Industrial and other patent rights	Concessions, licenses, trademarks and similar rights	Other intangible assets	Assets under development and on account	Total
December 31, 2010	**32,528**	**36**	**2,218**	**2,776**	**6,807**	**46**	**44,411**
Additions	396	0	0	14	7	17	434
Disposal	0	0	0	0	0	0	0
Reclassifications	0	1	(1)	27	(15)	(12)	0
Amortization	0	(37)	(203)	(415)	(1,366)	0	(2,021)
Write-downs	0	0	0	0	0	0	0
Revaluations	0	0	0	0	0	0	0
Translation differences	976	0	57	49	103	0	1,185
December 31, 2011	**33,900**	**0**	**2,071**	**2,451**	**5,536**	**51**	**44,009**
December 31, 2010							
Historical cost	37,805	183	4,872	11,084	18,437	709	73,090
Accumulated amortization and write-downs	(5,277)	(147)	(2,654)	(8,308)	(11,630)	(663)	(28,679)
Net book value	**32,528**	**36**	**2,218**	**2,776**	**6,807**	**46**	**44,411**
December 31, 2011							
Historical cost	39,177	183	4,970	11,280	18,272	714	74,596
Accumulated amortization and write-downs	(5,277)	(183)	(2,899)	(8,829)	(12,736)	(663)	(30,587)
Net book value	**33,900**	**0**	**2,071**	**2,451**	**5,536**	**51**	**44,009**

The difference is mainly due to the amortization of the period (-1,711 thousand euro) and to the translation differences (-719 thousand euro) related to the intangible assets of the U.S. companies of the Group.

During 2012, intangible assets investments were equal to 199 thousand euro and they mainly refer to purchases made by the Parent Company of software licenses intended to be used in development activities.

As regards the changes of the item “Goodwill”, please see the section below.
All intangible assets, except for goodwill, are considered to have finite useful lives and are systematically amortized each year to account for their expected residual use.
Goodwill is not amortized; instead, its recoverable value is periodically reviewed on the basis of the expected cash flows of the related Cash Generating Unit - CGU (impairment test).

Goodwill

The following table shows the changes in the item “Goodwill” and specifies the Cash Generating Unit to which it is allocated:

(thousands of euro)

Business Unit	December 31, 2011	Additions	Write-downs	Other changes	Translation differences	December 31, 2012
Industrial Applications	944	0	0	0	0	944
Shape Memory Alloys	32,956	0	0	(167)	(596)	32,193
Information Displays	0	0	0	0	0	0
Not allocated	0	0	0	0	0	0
Total	**33,900**	**0**	**0**	**(167)**	**(596)**	**33,137**

The decrease of 167 thousand euro in “Goodwill” is due to the adjustment made both to the price paid for the purchase of the first tranche (equal to 20% of share capital) of the minority interest in the subsidiary Memry GmbH, and to the present value of the assessed consideration for the purchase of the remaining 20% of the share capital, on the basis of the agreement signed on June 27, 2012.
For further details, please refer to the Note no. 29 and to the section “Main events for the year ended December 31, 2012” in the Report on operations of the SAES Group.

The following table shows the gross book values of goodwill and their accumulated write-downs for impairment from January 1, 2004 to December 31, 2012 and to December 31, 2011:

(thousands of euro)

Business Unit	December 31, 2012			December 31, 2011		
	Gross value	Write-downs	Net book value	Gross value	Write-downs	Net book value
Industrial Applications	1,007	(63)	944	1,007	(63)	944
Shape Memory Alloys (*)	35,593	(3,400)	32,193	36,356	(3,400)	32,956
Information Displays	1,456	(1,456)	0	1,456	(1,456)	0
Not allocated	358	(358)	0	358	(358)	0
Total	**38,414**	**(5,277)**	**33,137**	**39,177**	**(5,277)**	**33,900**

(*) The difference between the gross value as of December 31, 2012 and the gross value as of December 31, 2011, without considering the decrease of -167 thousand euro previously commented, is related to the conversion differences on goodwill in currencies other than euro.

Impairment test

Pursuant to IAS 36, goodwill is not amortized, but rather is assessed for impairment annually or more frequently where specific events or circumstances indicate that it may have become impaired. For the purposes of impairment testing, goodwill is allocated to Cash Generating Units (CGUs) or groups of units, which may be no larger than the segments identified for management reporting purposes pursuant to IFRS 8. In particular, the CGUs identified by the SAES Group coincide with its operating segments, as indicated in the Note no. 13.

Impairment testing consists in estimating the recoverable amount of each Cash Generating Unit (CGU) and comparing it with the net carrying amount of the associated assets, including goodwill.
The recoverable amount is estimated by determining the value in use, which corresponds to the present value of the future cash flows that are expected from each Cash Generating Unit according to the most recent three-year plans 2013-2015 developed by the top management and approved by the Board of Directors on February 19, 2013.
In making these projections, the management employed many assumptions, including an estimate of future sales volumes, price trends, gross margin, operating costs, changes in working capital and investments.
Expected sales growth is based on the management’s projections. The margins and operating costs of the various businesses were estimated on the basis of historical data, adjusted to account for the expected results and projected market price trends. The value of investments and working capital was determined according to various factors, such as expected future growth rates and the products development plan.
The discount rate applied in discounting cash flows represents the estimate of the expected rate of return of each Cash Generating Unit in the market. In order to select an appropriate discount rate to be applied to future cash flows, the Group’s effective interest rates, the long-term government bond yield curve and the Group’s equity structure were taken into consideration. The weighted average the cost of capital (WACC) applied to future cash flows was estimated to be 9.5%, and is deemed to be representative of all of the Group’s CGUs. The WACC used is net of taxes, in accordance with the cash flows employed.
The model used to discount future cash flows considers a terminal value, which reflects the residual value that each Cash Generating Unit is expected to generate beyond the three-year period covered by the plans. This value was estimated by conservatively assuming a growth rate equal to zero and a timeframe deemed representative of the estimated duration of the various businesses, as reported in the table below:

	Industrial Applications	Shape Memory Alloys	Information Displays
Estimated years after the three years plan	7	12	12 (*)

(*) This figure refers to the OLED sector. Instead for the LCD and CRT Businesses, it was conservatively assumed a timeframe of 3 years (equal to the three years plan approved by Board of Directors).

In this first grade of testing no need for any write-downs was identified.

A sensitivity analysis of up to 1 percentage points of the WACC value employed by the Group doesn't show any critical points with reference to the fixed assets reported in the balance sheet as of December 31, 2012.

A second grade of testing was conducted, adding to the recoverable amount also the costs associated with corporate functions, as well as income statement figures not allocated to the primary segments. Also this second grade of testing did not reveal any potential impairment of the assets.

The estimation of the recoverable amounts of the various Cash Generating Units required the management to use its discretion and prepare estimates. Accordingly, the Group cannot guarantee that impairment losses will not be incurred in future periods. In fact, several factors, including those associated with the future development of the current market scenario and of the demand, could require asset values to be re-determined in future periods. The Group will constantly monitor the circumstances and events that could require further testing of impairment losses.

16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

As of December 31, 2012 this item included the share of the net assets attributable to the Group in the joint venture Actuator Solutions GmbH.

The following table shows the changes in this item during the current year:

(thousands of euro)

Investments accounted for using the equity method	December 31, 2011	Additions	Equity method valuation	Dividends paid	Disposals	Other	Translation differences	December 31, 2012
Actuator Solutions GmbH	242	0	(829)	0	0	3,994	0	3,407

The item "Equity method valuation" (negative for 829 thousand euro) relates to the adjustment, in connection with the percentage of ownership, of the value of the investment held by the Group in relation to the results achieved by the joint venture in 2012.

The item "Other" includes payments made during the year in order to provide the joint venture with adequate funds to finance the expected growth and to finalize the acquisition of the manufacturing business of Alfmeier Präzision AG (Alfmeier) related to the production of SMA actuators for the automotive market.
In particular, on March 22, 2012, the share capital has been increased to 2 million euro through the payment of 494 thousand euro by each of the two partners, SAES Nitinol S.r.l.(100% controlled by SAES Getters S.p.A.) and Alfmeier SMA Holding GmbH (100% controlled by Alfmeier). In addition, on April 3, 2012, the company was provided with additional resources allocated to the share capital reserves through the payment of 7 million euro by the two partners, each of them for an amount equal to 3.5 million euro respectively. For further details, please refer to the section "Main events for the year ended on December 31, 2012" in the Report on operations of the SAES Group.

The chart below shows the SAES Group interest in Actuator Solutions GmbH' assets, liabilities, costs and revenues:

(thousands of euro)

Actuator Solutions GmbH	December 31, 2012	December 31, 2011
Financial Statement		
Non current assets	2,405	97
Current assets	2,108	424
Total assets	**4,513**	**521**
Non current liabilities	35	1
Current liabilities	1,071	278
Total liabilities	**1,107**	**279**
Total equity	**3,407**	**242**
Income Statement		
Net sales	3,038	0
Cost of sales	(2,976)	(25)
Total operating expenses	(1,214)	(347)
Other income (expenses), net	3	0
Operating income (loss)	**(1,149)**	**(372)**
Financial income (expenses)	10	0
Income taxes	310	108
Net income (loss)	**(829)**	**(264)**

The value of the investment in Actuator Solutions GmbH was subjected to the impairment test. To this end, the value in use was determined with the Free Operating Cash Flow method, on the basis of the most recent plans prepared by the management and approved by the Supervisory Committee of the company, and by using a WACC of 6.2%, which considers the structure of the share capital of the joint venture and the of the long-term German government bond yields curve.
The analysis conducted did not reveal any potential impairment of the asset.
A sensitivity analysis was also conducted increasing the discount rate to bring it in line with that used by the Group for impairment test purposes (9.5%); also in this case there wasn't any criticality.

The following table provides the number of employees of the joint venture split by category, based on the percentage of ownership held by the Group:

	December 31, 2012	December 31, 2011
Managers	2	1
Employees and middle management	5	3
Workers	5	0
Total	**11**	**4**

17. DEFERRED TAX ASSETS AND LIABILITIES

As of December 31, 2012 the net balance of deferred tax assets and deferred tax liabilities was positive and equal to 10,110 thousand euro, with a change of 372 thousand euro compared to the previous year.

The related details are provided below:

(thousands of euro)

Deferred taxes	December 31, 2012	December 31, 2011 restated	Difference
Deferred tax assets	15,378	14,818	560
Deferred tax liabilities	(5,268)	(5,080)	(188)
Total	**10,110**	**9,738**	**372**

Since deferred tax assets and liabilities have been recognized in the Consolidated financial statements by setting off the figures attributable to the various legal entities against one another, the following table shows deferred tax assets and liabilities before the offsetting process:

(thousands of euro)

Deferred taxes	December 31, 2012	December 31, 2011 restated	Difference
Deferred tax assets	19,885	20,231	(346)
Deferred tax liabilities	(9,775)	(10,493)	718
Total	**10,110**	**9,738**	**372**

The following table provides a breakdown of the temporary differences that comprise deferred tax assets and liabilities by their nature, compared with the figures for the previous year.

(thousands of euro)

Deferred tax assets	December 31, 2012		December 31, 2011 restated	
	Temporary differences	Fiscal effect	Temporary differences	Fiscal effect
Intercompany profit eliminations	4,293	1,396	4,312	1,392
Depreciations and differences on write-downs	5,468	1,782	8,146	2,695
Bad debts	514	194	454	171
Inventory write-downs	4,722	1,743	5,659	2,185
Provisions	2,808	1,060	2,662	1,004
Cash deductible expenses	5,044	1,565	5,766	1,833
Deferred on recoverable losses	39,709	11,328	32,263	9,446
Exchange differences and other	1,503	817	2,100	1,504
Total		**19,885**		**20,231**

The decrease in deferred tax assets as of December 31, 2012 (-346 thousand euro) is the cumulative effect of several factors; in particular, the recognition of deferred tax assets on 2012 tax losses of the Parent Company was offset by the tax losses carried forwards (for which deferred tax assets had been accrued) used the by U.S. companies and by the effects generated by temporary differences between depreciation and devaluations.

The Group had 95,752 thousand euro in tax losses eligible to be carried forward as of December 31, 2012, most of which were attributable to the subsidiary SAES Getters International Luxembourg S.A. and to the Parent Company (tax losses eligible to be carried forward amounted to 84,918 thousand euro in 2011).
The tax losses eligible to be carried forward that were taken into account when determining deferred tax assets were equal to 39.709 thousand euro.
The item “Deferred taxes on recoverable losses” includes the effect resulting by the presentation by the subsidiary SAES Advanced Technologies S.p.A of the application for the refund related to the non-deduction of IRAP on the personnel costs in the years 2009, 2010 and 2011, in which the national consolidated taxable income was negative; for the years 2007 and 2008, when the national tax consolidation recorded a positive taxable income, the application for the refund led instead to

the recognition of a tax receivable for the controlling company S.G.G. Holding S.p.A. for tax consolidation equal to 272 thousand euro (for further details, please refer to the Note no.18).

(thousands of euro)

Deferred tax liabilities	December 31, 2012		December 31, 2011 restated	
	Temporary differences	Fiscal effect	Temporary differences	Fiscal effect
Tax due on distribution of earnings accumulated by the subsidiaries	(10,035)	(1,376)	(43,253)	(1,575)
Differences on depreciation and fair value revaluations	(22,613)	(8,100)	(23,829)	(8,567)
IAS 19 effect	(493)	(151)	(801)	(220)
Other	(496)	(148)	101	(131)
Total		**(9,775)**		**(10,493)**

The deferred tax liabilities recorded in the Consolidated financial statements as of December 31, 2012 included not only a provision allocated to account for taxes due in the event of distribution of the net income and of the reserves of the subsidiaries (with the exclusion of income and reserves not likely to be distributed in the foreseeable future), but also the temporary differences on the plus-values identified during the purchase price allocation of the U.S. companies acquired in the past years.
The reversal of the latter was the main reason of the decrease in deferred tax liabilities compared to the previous year (-718 thousand euro).

18. TAX CONSOLIDATION RECEIVABLES/PAYABLES FROM THE CONTROLLING COMPANY

SAES Getters S.p.A., SAES Advanced Technologies S.p.A. and SAES Nitinol S.r.l. (the latter since January 1, 2012) participate in the tax consolidation program with S.G.G. Holding S.p.A., which directly controls SAES Getters S.p.A., opting for the taxation at Group level in accordance with article 117 of the Consolidated Income Tax Act.
The item “Tax consolidation receivables/payables from the Controlling Company” includes the net balance of tax receivables/payables that the Italian companies of the Group have accrued towards the Controlling Company S.G.G. Holding S.p.A. as of December 31, 2012.

Since the national tax consolidation results for the year 2012 show a tax loss, the Parent Company and SAES Nitinol S.r.l. recognized as income the taxes on income (IRES) corresponding to their tax loss solely for the share recoverable with the consolidation mechanism and proceeded to the recognition of deferred taxes on the fiscal losses exceeding this amount (for further details please see the Note no. 10). The Group claims a receivable related to its adhesion to the national tax consolidation corresponding to the recoverable withholding taxes on royalties and dividends received by the Parent Company, in addition to the receivable arising from the presentation by the subsidiary SAES Advanced Technologies S.p.A. of the application for the reimbursement for the non-deduction of IRAP on personnel costs limited to the years 2007 and 2008, in which the national tax consolidation recorded a positive taxable income. Instead, for the years 2009, 2010 and 2011, when the national tax consolidation recorded a loss, the application for the refund led to the recognition of a deferred tax asset on the higher tax losses of the Parent Company equal to 216 thousand euro (for more details, please refer to Note no. 17).

Tax consolidation receivables and payables from and to the Controlling Company for tax consolidation have been set off against one another. The receivables due beyond one year have been classified among non-current assets.

19. OTHER LONG TERM ASSETS

The item "Other long term assets" amounted to 892 thousand euro as of December 31, 2012, compared to 932 thousand euro as of December 31, 2011.
This item includes the caution money given by the Companies of the Group for their operating activities and the trade down payments with recoverability over 12 months.
Long term assets include also the advance payment of the Parent Company towards Cambridge Mechatronics Ltd (CML), amounting to 510 thousand euro, which, although being unchanged compared to the previous year, has not been depreciated because it was considered recoverable based on the commissions which are expected to accrue on the future SMA wire sales of the Parent Company to Actuator Solutions GmbH for the production of autofocus and image stabilization systems based on the CML technology.

20. INVENTORY

Inventory amounted to 31,614 thousand euro as of December 31, 2012, with an increase of 1,009 thousand euro compared to the previous year. Excluding the impact of exchange rates (-460 thousand euro), linked to the U.S. dollar depreciation as of December 31, 2012 compared to the previous year, this increase, equal to 1,469 thousand euro, was due to the need to replenish stocks, both of raw materials and finished products, in order to quickly respond to the market requests, mainly in the lamps and the shape memory alloys businesses.

The following table shows the breakdown of inventory as of December 31, 2012 and December 31, 2011:

(thousands of euro)

Inventories	December 31, 2012	December 31, 2011	Difference
Raw materials, auxiliary materials and spare parts	14,936	14,097	839
Work in progress and semifinished goods	11,003	11,298	(295)
Finished products and goods	5,675	5,210	465
Total	**31,614**	**30,605**	**1,009**

Inventory is stated net of any provision for depreciation, which recorded the following changes in 2012:

(thousands of euro)

Inventory provisions for depreciation	
December 31, 2011	**4,692**
Accrual	1,127
Release	(672)
Utilization	(1,356)
Translation differences	(44)
December 31, 2012	**3,747**

Its utilization (1,356 thousand euro) is mainly attributable to the U.S. subsidiaries Memry Corporation e SAES Smart Materials, Inc as well as SAES Advanced Technologies S.p.A and it is a consequence of the scrapping of items already written-down in the previous years.

21. TRADE RECEIVABLES

Trade receivables, net of bad debt provisions, were equal to 15,991 thousand euro as of December 31, 2012 and were down by 5,991 thousand euro compared to the previous year.
The reduction, which is also influenced by the exchange rate effect, is in line with the decline in sales recorded mainly in the second part of the year.

The breakdown of the item is shown in the following table:

(thousands of euro)

Trade receivables	December 31, 2012	December 31, 2011	Difference
Gross value	16,321	22,354	(6,033)
Bad debt provision	(330)	(372)	42
Net book value	**15,991**	**21,982**	**(5,991)**

Trade receivables do not bear interests and generally are due after 30-90 days.

The bad debt provision showed the following changes during the year:

(thousands of euro)

Bad debt provision	December 31, 2012	December 31, 2011
Opening balance	**372**	**380**
Accrual (release)	9	284
Utilization	(46)	(311)
Translation differences	(5)	19
Closing balance	**330**	**372**

The following table provides a breakdown of trade receivables by those not yet due and past due as of December 31, 2012, as compared with the previous year:

(thousands of euro)

Ageing	Total	Not yet due	Due not written down					Due written down
			< 30 days	30 - 60 days	60 - 90 days	90 - 180 days	> 180 days	
December 31, 2012	**16,321**	11,956	2,125	924	277	517	192	330
December 31, 2011	**22,354**	17,200	2,338	719	1,060	255	410	372

Receivables past due and not written down, that do not represent a significant percentage when compared to the total trade receivables, are constantly monitored and have not been written down as they are deemed to be recoverable.

Please refer to the Note no. 38 for the credit risk on trade receivables, in order to understand how the Group manages and detects the credit quality, in case the related receivables are neither past due nor written down.

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 6,388 thousand euro as of December 31, 2012, compared with 4,614 thousand euro as of December 31, 2011.

A breakdown of the item is provided below:

(thousands of euro)

Prepaid expenses, accrued income and other	December 31, 2012	December 31, 2011	Difference
Income tax and other tax receivables	490	430	60
VAT receivables	3,695	1,927	1,768
Social security receivables	7	38	(31)
Personnel receivables	101	83	18
Receivables for public grants	787	569	218
Other receivables	60	105	(45)
Total other receivables	**5,140**	**3,152**	**1,988**
Accrued income	3	21	(18)
Prepaid expenses	1,245	1,441	(196)
Total prepaid expenses and accrued income	**1,248**	**1,462**	**(214)**
Total prepaid expenses, accrued income and other	**6,388**	**4,614**	**1,774**

The item “Income tax and other tax receivables” includes the receivables for advance corporation taxes and other tax credits of the Group’s companies with local authorities.

The item “VAT Receivables” increased compared to December 31, 2011 due to the lower benefits deriving from the status of the Parent Company as “frequent exporter”. In fact, in 2012 SAES Getters S.p.A. limit to purchase goods and services without charging VAT, calculated on the basis of the export sales of the previous year, was significantly lower compared to 2011, due to the contraction of 2011 exports compared to 2010 ones (about -4.5 million euro).

Please note that the item “Receivables for public grants” is mainly composed of credits matured by the Parent Company as of December 31, 2012 as a result of contributions for outstanding research projects. Income from government grants amounted to 526 thousand euro in 2012.

23. DERIVATIVE FINANCIAL INSTRUMENTS EVALUATED AT FAIR VALUE

As of December 31, 2012 the fair value of derivative financial instruments was negative for 373 thousand euro.

The asset and liability items include, respectively, the assets and liabilities arising from the measurement at fair value of hedging contracts against the exposure to the variability of future cash flows arising from sales and financial transactions denominated in currencies other than the euro, as well as the measurement at fair value of interest rate swap (IRS) contracts. The purpose of these contracts is to protect the Group’s margins from the fluctuation of exchange rates and interest rates.
With regards to such contracts, the accounting requirements to apply the hedge accounting method are not met, therefore these are evaluated at fair value and the profits or losses deriving from their evaluation are directly charged to the income statement.

In order to hedge against the risk of fluctuation in exchange rates on current and future receivables denominated in foreign currencies, as of December 31, 2012 the Group held forward contracts on the U.S. dollar for a notional value of 7.8 million USD. The average forward exchange rate for these contracts is 1.2969 dollars to the euro and they will apply throughout 2013.

The following table provides a breakdown of the forward contracts entered into and their fair value as of December 31, 2012:

	December 31, 2012		December 31, 2011	
Currency	**Notional** (amount in local currency)	**Fair value** (thousands of euro)	**Notional** (amount in local currency)	**Fair value** (thousands of euro)
USD	7,800,000	114	7,800,000	(24)
JPY	0	0	360,000,000	(68)
	Total	**114**	**Total**	**(92)**

As of December 31, 2012 the Group had one Interest Rate Swap (IRS) contract aimed at fixing the interest rate on the loan in U.S. dollars, held by the U.S. subsidiary Memry Corporation. .

The following table provides a summary of this Interest Rate Swap contract and its fair value as of December 31, 2012 compared to previous year:

Interest Rate Swap (IRS)	**Currency**	**Notional amount** (U.S. dollars)	**Subscription date**	**Maturity date**	**Interest rate**	**Period**	**Fair value as of December 31, 2012** (thousands of euro)	**Fair value as of December 31, 2011** (thousands of euro)
IRS executed on loan of $20 million by **SAES Smart Materials, Inc.**	USD	10,000,000	March 13, 2008	May 31, 2012	Fixed rate paid: 3.65% Variable rate received: USD Libor BBA - 6 months	Half yearly	0	(114)
IRS executed on loan of $30.5 million by **Memry Corporation**	USD	12,000,000	April 9, 2009	December 31, 2014	Fixed rate paid: 3.03% Variable rate received: USD Libor BBA - 3 months	Quarterly	(487)	(620)
Total							**(487)**	**(734)**

The Interest Rate Swap contract held by the U.S. subsidiary SAES Smart Materials, Inc. expired on May 31, 2012.
No new Interest Rate Swap contracts have been signed during the year 2012.

The Group enters into derivative contracts with various counterparties, primarily leading financial institutions and it uses the following hierarchy to determine and document the fair values of its financial instruments:
Level 1 – (unadjusted) prices listed on an active market for identical assets or liabilities;
Level 2 – other techniques for which all inputs with a significant effect on the fair value reported may be observed, either directly or indirectly;
Level 3 – techniques that use inputs with a significant effect on the fair value reported that are not based on observable market data.

As of December 31, 2012, all the derivative instruments held by the Group belonged to Level 2. Accordingly, their fair value has been determined on the basis of market data, such as interest rate curves and exchange rates.

No instruments were transferred from one level to another during the year.

24. CASH AND CASH EQUIVALENTS

The following table shows a breakdown of this item as of December 31, 2002 and December 31, 2011:

(thousands of euro)

Cash and cash equivalents	December 31, 2012	December 31, 2011	Difference
Bank accounts	22,594	20,276	2,318
Petty cash	16	16	0
Total	**22,610**	**20,292**	**2,318**

The item "Bank accounts" consists of short-term deposits with leading financial institutions, denominated primarily in U.S. dollars and euro.

The item includes the liquid funds mainly held by the U.S. subsidiaries and the Parent Company for the cash flow management necessary for operating activities.

For the analysis of the changes occurred in cash and cash equivalents during the year please refer to the comments on the Cash flow statement (Note no. 37).

As of December 31, 2012, the Group had access to unused credit lines of 51.9 million euro (45.3 million euro as of December 31, 2011), of which 10 million euro available to fund possible acquisitions or restructuring plans.
The increase compared to the previous year, equal to 6.6 million euro, was the result of opposing factors: on one hand, the grant of a new Stand-by credit line for 15 million euro to fund temporary financial needs of working capital or which may arise during the completion of new acquisitions, and on the other the increased use of the available credit lines for nearly 8.4 million euro.

25. ASSETS AND LIABILITIES HELD FOR SALE

The item "Assets held for sale", as of December 31, 2011, equal to 648 thousand euro, included the property, plant and equipment of the subsidiary SAES Getters America, Inc., and was reduced to zero in 2012, following the sale of these assets. For more details please refer to Note no. 1.

26. SHAREHOLDERS' EQUITY

The Group shareholders' equity amounted to 114,227 thousand euro as of December 31, 2012, down by 8,808 thousand euro compared to December 31, 2011. A summary of the changes occurred is provided in the Statement of changes in the shareholders' equity.

Capital stock
As of December 31, 2012 the capital stock, fully subscribed and paid-up, amounted to 12,220 thousand euro and consisted of no. 14,671,350 ordinary shares and no. 7,378,619 savings shares, for a total of no. 22,049,969 shares.
The composition of the capital stock was unchanged from December 31, 2011.
The implicit book value per share was 0.554196 euro as of December 31, 2012, unchanged from December 31, 2011.

Please refer to the Report on corporate governance for all of the information required by article 123-*bis* of the Consolidated Finance Act (TUF).

All of the Parent Company's securities are listed on the segment of the *Mercato Telematico Azionario* known as "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 the shareholders in excess of the par value for new shares of the Parent Company subscribed in capital issues.
This item was unchanged compared to December 31, 2011.

Legal reserve
This item corresponds to the Parent Company's legal reserve of 2,444 thousand euro as of December 31, 2012 and it was unchanged compared to December 31, 2011, since the reserve had reached its legal limit

Other reserves and retained earnings
This item includes:

- the reserves (totalling 2,729 thousand euro) formed from the positive monetary revaluation balances resulting from the application of Law no. 72 of March 19, 1983 (1,039 thousand euro) and Law no. 342 of November 21, 2000 (1,690 thousand euro) by the Italian companies of the Group. Pursuant to Law no. 342 of 2000, the revaluation reserve has been stated net of the associated substitute taxes of 397 thousand euro;
- the other reserves of subsidiaries, retained earnings, and other shareholders' equity items of the companies of the Group which were not eliminated during the consolidation process.

The change in the item "Other reserves and retained earnings" includes the distribution to shareholders of 2011 dividends, approved by the Parent Company's Shareholders' Meeting equal to 10,792 thousand euro and the actuarial gains and losses of defined benefit plans arising from the advance of the revised version of IAS 19, net of tax (389 thousand euro).

As reported in the Report on corporate governance and ownership enclosed to the Consolidated financial statements, each share is entitled to a proportional part of the net income that it is decided to distribute, except the rights attached to savings shares.
More specifically, as described in article no. 26 of the By-laws, savings shares are entitled to a preferred dividend equal to 25% of their implied book value; if, in one financial year, a dividend of less than 25% of the implied book value has been allocated to savings shares, the difference will be

made up by increasing the preferred dividend in the following two years. The remaining profit that the Shareholders' Meeting has resolved to allocate will be distributed among all shares in such a way to ensure that savings shares are entitled to a total dividend that is 3% of the implied book value higher than that of ordinary shares..

Other components of equity

This item includes the exchange differences arising from the translation of financial statements in foreign currencies. The translation reserve had a positive balance of 2,847 thousand euro as of December 31, 2012, compared to a positive balance of 3,814 thousand euro as of December 31, 2011. The decrease of 967 thousand euro was due to the overall impact on the consolidated shareholders' equity of the conversion into euro of the financial statements of foreign subsidiaries expressed in currencies other than the euro, as well as of the respective consolidation adjustments.

Please note that the Group exercised the exemption allowed under IFRS 1, *First-time adoption of International Financial Reporting Standards*, regarding the possibility of writing-off the accumulated translation gains or losses generated by the consolidation of foreign subsidiaries as of January 1, 2004. Consequently, the translation reserve includes only the translation gains or losses generated after the date of transition to IASs/IFRSs.

The reconciliation between the net income and the shareholders' equity of SAES Getters S.p.A. and the consolidated net income and the consolidated shareholders' equity as of December 31, 2012 and December 31, 2011 is set out below:

(thousands of euro)	December 31, 2012		December 31, 2011 restated	
	Net income	Shareholders 'equity	Net income	Shareholders ' equity
SAES Getters S.p.A. - Parent Company	**8,495**	**74,423**	**2,022**	**77,295**
Shareholders' equity and net results of consolidated subsidiaries, net of dividends distribution and write-downs of investments in share capital	(4,525)	149,242	21,466	163,255
Book value of investments in share capital		(97,559)		(106,266)
Consolidation adjustments:				
Elimination of profit arising from intercompany transactions, net of the related tax effect	48	(9,270)	(6,748)	(9,318)
Accrual of deferred taxes on equity distributable of consolidated subsidiaries	192	(1,383)	(855)	(1,575)
Equity valuation of joint venture	(829)	(1,093)	(264)	(264)
Other adjustments	(41)	(133)	13	(92)
Consolidated financial statements	**3,340**	**114,227**	**15,634**	**123,035**

27. FINANCIAL DEBT

As of December 31, 2012, the financial debt amounted to 25,655 thousand euro, down by 8,122 thousand euro compared to the previous year.
The decrease was due to the repayments made during the year (about -7,6 million euro) and the fluctuations of the exchange rates (-447 thousand euro): 95% of the Group's debt is composed by loans denominated in U.S. dollars, contracted by the U.S. subsidiaries, whose equivalent in euro has declined following the devaluation of the U.S. dollar at December 31, 2012 compared to December 31, 2011.

The following table shows the breakdown of the debt by contractual maturity. Please note that the debt with a maturity of less than one year is included among the "Current portion of medium/long term financial debt".

(thousands of euro)

Financial debt	December 31, 2012	December 31, 2011	Difference
Less than 1 year	6,476	26,156	(19,680)
Current portion of financial debt	**6,476**	**26,156**	**(19,680)**
Between 1 and 2 years	5,938	3,675	2,263
Between 2 and 3 years	4,863	2,576	2,287
Between 3 and 4 years	5,457	1,289	4,168
Between 4 and 5 years	2,921	0	2,921
Over 5 years	0	80	(80)
Non current financial debt	**19,179**	**7,621**	**11,558**
Total	**25,655**	**33,777**	**(8,122)**

Please note that the loan held by the subsidiary Memry Corporation, that was classified as a current liability as of December 31, 2011, because it had become immediately repayable as a result of not compliance to a financial covenant, was reclassified as a long-term liability following such covenant renegotiation and the waiver of the recall of the debt by the issuing bank

The item "Financial debt" consists primarily of the loans, denominated in U.S. dollars, contracted by the U.S. companies, the details of which are provided below:

Description	Currency	Principal (millions of USD)	Timing of capital reimbursement	Timing of covenants calculation	Interest rate	Effective interest rate as of December 31, 2012 (spread included)	Value as of December 31, 2012 (*) (thousands of euro)
Memry Corporation							
Tranche Amortising Loan	USD	20.2	half yearly with maturity date January 31, 2016	Half -yearly	USD Libor for a variable period (1-3 months); Cost of Funds if not available	1.53%	18,151
Tranche Bullet Loan	USD	10.3	repayments in two tranches with maturity date July 31, 2016 and July 31, 2017				
SAES Smart Materials, Inc.	USD	20	half yearly with maturity date May 31, 2015	Half -yearly	USD Libor for a variable period (1-3 months); Cost of Funds if not available	1.32%	6,316

(*) interests included

During the previous year, the Parent Company signed a loan agreement for an amount equal to 3.5 million euro, with maturity on April 18, 2013, intended to support the company's financial requirements. The details are provided below:

Description	Currency	Principal (millions of EUR)	Timing of capital reimbursement	Timing of covenants calculation	Interest rate	Effective interest rate as of December 31, 2012 (spread included)	Value as of December 31, 2012 (*) (thousands of euro)
SAES Getters S.p.A.	EUR	3.5	quarterly with maturity date April 18, 2013	n.a.	Euribor 3 months	3.71%	1,108

(*) interests included

The subsidized loans provided by the special fund for applied research (304 thousand euro as of December 31, 2011) issued to the Parent Company by the Ministry of Production Activities through Banca Intesa Sanpaolo S.p.A., was fully repaid according to the original reimbursement plan in November 2012. For further details please refer to the Notes of the Separate financial statements of SAES Getters S.p.A.

Covenants

In the first months of 2012 the financial covenants on loans held by the U.S. companies Memry Corporation and SAES Smart Materials, Inc. were renegotiated and made homogeneous. The new conditions require that covenants are measured every six months (on June 30 and on December 31 each year) on the group's income statement and financial data

As of December 31, 2012, the new covenants, calculated on the consolidated figures, have been complied with, as shown in the table below:

	Covenant	December 31, 2012
Net equity *	≥ 110,000	114,227
Net financial position / Net equity	≤ 1	0.14
Net financial position / EBITDA	≤ 1.5	0.75

* thousands of euro

28. FINANCIAL DEBT TOWARDS RELATED PARTIES

The item "Financial debt towards related parties" is equal to 2,019 thousand euro as of December 31, 2012, and refers to the interest-bearing loan issued to the Parent Company by the joint venture Actuator Solutions GmbH on July 5, 2012. The average interest rate applied in 2012 was 1.92%.

29. OTHER FINANCIAL DEBT TOWARDS THIRD PARTIES

As of December 31, 2012, the item "Other financial debt towards third parties" was equal to 843 thousand euro, compared to 1,222 thousand euro in the previous year, and it is split in long-term portion (54 thousand euro) and short-term portion (789 thousand euro).

This item mainly refers to the obligation to purchase the last 20% of the share capital of the subsidiary Memry GmbH (500 thousand euro), still owned by the minority shareholder Matthias Mertmann.
The decrease compared to December 31, 2011, equal to 624 thousand euro, is the result of both the payment of 500 thousand euro made on July 12, 2012 for the purchase of a first tranche equal to 20%, and of the adjustment made to the amount to be paid to the minority shareholder for the second and last tranche on the basis of the agreement signed on June 27, 2012.
In accordance with this agreement. the last 20% of the shares may be transferred in the third quarter of 2013, or within the first half of 2014, according to two options, that provide for, in the first case, the payment by SAES of 500 thousand euro; in the second case, a consideration equal to the initial amount of 500 thousand euro, adjusted for a factor related to Memry GmbH's sales in 2013 and in any case not less than 375 thousand euro. Given that the minority shareholder Matthias Mertmann has decided to exercise the first option, the value of the amount due to be paid to the minority shareholder on December 31, 2011 has been adjusted, reducing it by 124 thousand euro.
For further details, please refer to the Note no. 15 and to the section "Subsequent Events" in the Report on operations of the SAES Group.

In addition, the item "Other financial debt towards third parties" includes 50 thousand euro of a residual debt resulting from the acquisition, in 2008, of the subsidiary Memry Corporation. In 2008 the price for the acquisition of the company was paid to a financial broker. During 2011 the brokerage mandate came to maturity and the consideration related to the shares not collected was paid to the state of Delaware (USA). In 2012 the latter paid back part of the amount to the U.S. subsidiary, because it didn't fall within its jurisdiction. Memry Corporation must paid this amount to other U.S. states, according to the residence of the previous holders of the shares.

This item also includes the debts (totaling 73 thousand euro) related to financial lease contracts signed during the previous year by some subsidiaries.
The table below shows the future minimum payments related to these financial lease contracts:

(thousands of euro)

	December 31, 2012	December 31, 2011
Less than 1 year	19	19
Between 1 and 5 years	54	74
Over 5 years	0	0
Total	**73**	**93**

30. STAFF LEAVING INDEMNITIES AND OTHER EMPLOYEE BENEFITS

Please note that this item includes liabilities to employees under both defined-contribution and defined-benefit plans existing in the companies of the Group in accordance with the contractual and legal obligations in place in the various countries.

The following table shows a breakdown of this item and the changes occurred during the period:

(thousands of euro)

Staff leaving indemnities and other employee benefits	Staff leaving indemnities	Other employee benefits	Total
December 31, 2011 restated	**4,457**	**2,629**	**7,086**
Total cost	223	727	950
Indemnities paid	(387)	(47)	(434)
Other changes	445	(248)	197
Translation differences	0	(22)	(22)
December 31, 2012	**4,738**	**3,039**	**7,777**

The amounts recognized on the income statement may be broken down as follows:

(thousands of euro)

Financial expenses	288
Current service cost	662
Expected return on plan assets	0
Past service costs recognised	0
Total cost	**950**

The split between the obligations under defined-contribution and defined-benefit plans and relative changes occurred during the period, is shown below:

(thousands of euro)

	December 31, 2011 restated	Financial expenses	Current service cost	Benefits paid	Actuarial gains (losses) in other comprehensive income	Other changes	Exchange differences	December 31, 2012
Present value of defined benefit obligations	6,122	288	577	(434)	536	(339)	0	6,750
Fair value of plan assets	0	0	0	0	0	0	0	0
Costs non yet recognized deriving from past obligations	0	0	0	0	0	0	0	0
Defined benefit obligations	**6,122**	**288**	**577**	**(434)**	**536**	**(339)**	**0**	**6,750**
Defined contribution obligations	964	0	84	0	0	0	(22)	1,027
Staff leaving indemnities and similar obligations	**7,086**	**288**	**662**	**(434)**	**536**	**(339)**	**(22)**	**7,777**

The item "Actuarial profit/loss on obligation" refers to the differences on the amounts due for defined benefit plans resulting from the actuarial calculation, which are immediately recognized in the shareholders' equity among the retained earnings.

The item “Other changes” refers to the share of the long term incentive plans which will be paid during the first half of 2013 and whose amount was, therefore, reclassified into the item “Other payables” to employees. For further details on this item, please refer to the following paragraphs.

When referred to the Group’s Italian companies, staff leaving indemnity consists of the estimated obligation, according to actuarial techniques, in connection with the sum to be paid to the employees of Italian companies when employment is terminated.
Following the entry into force of the 2007 Budget Act and associated implementation decrees, the liability associated with past years staff leaving indemnity continues to be considered a defined-benefit plan and is consequently measured according to actuarial assumptions. The portion paid in to pension funds is instead considered a defined-contribution plan and is therefore not discounted.

The obligations under defined-benefit plans are measured annually by independent actuarial consultants according to the projected unit credit method, separately applied to each plan.
The following table shows the primary assumptions employed in the actuarial assessments of the defined-benefit plans as of December 31, 2012 and December 31, 2011, respectively:

	Italy	
	December 31, 2012	December 31, 2011
Discount rate	3.00%	4.80%
Inflation rate	2.20%	2.20%
Expected annual salary increase rate *	3.50%	3.50%

* factor not considered in the actuarial appraisal of staff leaving indemnity

With reference to the demographic assumptions, the ISTAT 2004 mortality tables and the INPS disability/invalidity tables were used.
With regards to the probability of employees leaving for reasons other than death, we have used employee turn-over probabilities consistent with previous assessments and identified in the companies being evaluated over a representative period of observation.

The item “Other employee benefits” includes the provision for long-term incentive plans, signed by some employees of the Parent Company identified as particularly important for the medium to long term purposes of the Group. The three-year plans provide for the recognition of money incentives proportionate to the achievement of certain personal and Group objectives.
The aim of these plans is to further strengthen the alignment over time of individual interests to business interests and, consequently, to the shareholders’ interests. The final payment of the long-term incentive is always subject to the creation of value in the medium to long-term viewpoint, rewarding the achievement of performance objectives over time. The performance conditions are based on multi-year indicators and the payment is always subject, in addition to maintaining the employer-employee relationship with the company for the duration of the plan, also to the presence of a positive consolidated income before taxes in the year of expiry of the plan.
Such plans fall into the category of defined benefit obligations and therefore were discounted back. The discount rates used, reflecting the rates of return of government bonds, taking into account the different duration of the plans, are shown below:

Year	Discount rate
2013	1.43%
2014	1.96%
2015	2.44%

With regards to defined-benefit plans, the following table shows effect of an increase or a decrease of half a percentage point in the discount rate on the obligation and on the amounts recognized in the income statement in the year.

(thousands of euro)	Discount rate	
	+0,5%	-0,5%
Effect on the aggregate current service cost and interest cost	(7)	8
Effect on the defined benefit obligation	(221)	225

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

Group employees	December 31, 2012	December 31, 2011	Average 2012	Average 2011
Managers	90	87	88	88
Employees and middle management	409	388	399	385
Workers	513	536	514	548
Total (*)	**1,012**	**1,011**	**1,001**	**1,021**

(*) Figure do not include the employees of the joint venture Actuator Solutions GmbH, please refer to the Note no. 16

The workforce amounted to 1,012 units (out of which 567 were employed outside of Italy) as of December 31, 2012, broadly in line compared to December 31, 2011.

31. PROVISIONS

Provisions amounted to 3,265 thousand euro as of December 31, 2012.
The following table shows the composition of and the changes in these provisions compared to the previous year:

(thousands of euro)

Provisions	December 31, 2011	Increase	Utilization	Release	Translation differences	December 31, 2012
Warranty provisions on prod	444	94	(71)	0	(9)	457
Bonus	1,889	1,821	(1,788)	0	(31)	1,890
Other provisions	1,649	117	(574)	(263)	(12)	917
Total	**3,982**	**2,032**	**(2,433)**	**(263)**	**(52)**	**3,265**

The item “Bonus” includes the accrual of bonuses to the Group’s employees related to the year 2012. The change compared to the previous year is due to both the accrual of bonuses related to the period and to the payment of the bonuses of the previous financial year, settled during the first half of 2012.

The item “Other provisions” mainly includes the implicit obligations of Spectra-Mat, Inc. in connection with the expenses to be incurred to monitor pollution levels at the site in which it operates (451 thousand euro). The value of this liability has been calculated on the basis of the agreements reached with the local authorities.

The provision allocated by the SAES Advanced Technologies S.p.A. for a dispute contribution on insurance deductions amounting to 748 thousand euro as of December 31, 2011, has been used for 485 thousand euro in the year 2012 following the settlement of such dispute with the social-security institution; the difference, equal to 263 thousand euro, generated a non-recurring income. For further details refer to the Note no. 6.

A breakdown of provisions by current and non-current portion is provided below:

(thousands of euro)

Provisions	Current provisions	Non current provisions	December 31, 2012	Current provisions	Non current provisions	December 31, 2011
Warranty provisions on prod	0	457	457	0	444	444
Bonus	1,890	0	1,890	1,889	0	1,889
Other provisions	211	706	917	156	1,493	1,649
Total	**2,102**	**1,163**	**3,265**	**2,045**	**1,937**	**3,982**

32. TRADE PAYABLES

Trade payables were equal to 12,903 thousand euro as of December 31, 2012, up by 1,440 thousand euro compared to the previous year.
The increase is mainly attributable to the reduction of the *plafond* of the Parent Company for the purchase of goods and services without charging VAT (for further details see the Note no. 22).

Trade payables do not bear interests and are due within twelve months.
There are no trade payables in the form of debt securities.

The following table provides a breakdown of trade payables by those not yet due and past due as of December 31, 2012, compared with the previous year:

(thousands of euro)

Ageing	Total	Not yet due	Due				
			< 30 days	30 - 60 days	60 - 90 days	90 - 180 days	> 180 days
December 31, 2012	12,903	7,514	4,345	589	228	121	106
December 31, 2011	11,463	9,010	1,258	990	40	75	90

33. OTHER PAYABLES

The item “Other payables” includes amounts that are not strictly classified as trade payables and amounted to 9,602 thousand euro as of December 31, 2012, compared to 9,226 thousand euro as of December 31, 2011.

(thousands of euro)

Other payables	December 31, 2012	December 31, 2011	Difference
Employees payables (vacation, wages and staff leaving indemnity, etc.)	5,031	4,636	395
Social security payables	1,545	1,365	180
Tax payables (excluding income taxes)	966	818	148
Other	2,060	2,407	(347)
Total	**9,602**	**9,226**	**376**

The item “Employees payables” is made up of the provision for holidays but not taken during the year and of the salaries for the month of December 2012. The increase is due to the increase in the number of employees in the Group's Italian companies.

The item “Social security payables” consists primarily of the payables owed by the Group’s Italian companies to the INPS (Italy’s social-security agency) for contributions to be paid on wages. It also includes payables to the treasury fund operated by the INPS and pension funds under the reformed staff leaving indemnity legislation.

The item "Tax payables" consists primarily of the payables owed by the Italian companies to the Treasury in connection with the withholding taxes on the wages of salaried employees and independent contractors.

Lastly, the item "Other" mainly includes payables of the Parent Company for Directors' compensation, for commissions to agents and for the down payment on public grants received for research activities. The decrease compared to the previous year is due to lower variable remunerations payable to the Directors for the year 2012.

34. ACCRUED INCOME TAXES

This item consists of payables for taxes associated with the SAES Getters Group's foreign subsidiaries, as the Italian companies (excluding E.T.C. S.r.l.) have elected to participate in the national tax consolidation program and the associated tax balance is included in "Tax consolidation receivables/payables to the controlling company" (please refer to the Note no. 18 for further information).
The item also includes the IRAP debt of the Italian companies.

Accrued income taxes amounted to 1,526 thousand euro as of December 31, 2012.
The increase compared to the previous year (511 thousand euro) is mainly due to the fact that some U.S. subsidiaries have used all the available deferred tax losses during the year and, as a consequence, have entered the related payable taxes liability.

35. BANK OVERDRAFT

As of 31 December 2012 bank overdrafts amounted to 10,051 thousand euro and consisted primarily of short-term debt owed by the Parent Company in the form of "hot money" debt (10,050 thousand euro).
As of 31 December 2011 this item amounted to 1 thousand euro and consisted in the overdrafts on current bank accounts.

36. ACCRUED LIABILITIES

Accrued expenses and deferred income were equal to 779 thousand euro as of December 31, 2012.
This item may be broken down as follows:

(thousands of euro)

Accrued liabilities	December 31, 2012	December 31, 2011	Difference
Accrued expenses	216	220	(4)
Deferred income	563	604	(41)
Total	**779**	**824**	**(45)**

37. CASH FLOW STATEMENT

Cash flow from operating activities amounted to 19,260 thousand euro, with a slightly increase compared to 18,842 thousand euro generated in 20: the improvement in net working capital offset the decrease in self-financing.

Investing activities used liquidity for 9,481 thousand euro, (the cash absorption was 6,311 thousand euro in 2011).
In 2012 the disbursements for purchases of both tangible and intangible fixed assets were equal to 5,784 thousand euro, substantially in line with that of the previous year (6,107 thousand euro), partially offset by proceeds resulting from the sale of some assets equal to 797 thousand euro (in particular, the plant located in Ohio and the equipment located therein, sold to third parties by the subsidiary SAES Getters USA, Inc.).
In addition, during the year the acquisition of an additional 20% of the share capital of the subsidiary Memry GmbH has implied an payment of 500 thousand euro, while cash outflows to finance the growth of the joint venture Actuator Solutions GmbH amounted to 3,994 thousand euro. For further details please refer to the Notes no. 29 and no. 16

The balance of financing activities is negative and equal to 7,489 thousand euro compared to the negative balance of 15,741 thousand euro of the previous financial year.
The financial management of the period was characterised by the financial disbursements for the payment of dividends, equal to 10,792 thousand euro, as well as by the repayments on loans according to their contractual repayment plans and related interests. These cash-out were partially offset by the cash-in generated by the short-term loans (hot money) and the loan received from the joint venture Actuator Solutions GmbH. For further details please refer to the Note no. 35 and no. 28.

The following is a reconciliation of the net cash and cash equivalents shown in the statement of financial position and in the cash flow statement:

(thousands of euro)

	December 31, 2012	December 31, 2011
Cash and cash equivalents	22,610	20,292
Bank overdraft	(10,051)	(1)
Cash and cash equivalents, net - statement of financial position	**12,559**	**20,291**
Short term debt	10,050	0
Cash and cash equivalents, net - cash flow statement	**22,609**	**20,291**

38. FINANCIAL RISK MANAGEMENT

The Group's main financial liabilities other than derivatives include bank loans and trade payables. The primary purpose of these liabilities is to fund the Group's operating activities.
The Group also holds cash and cash equivalents and short-term deposits, as well as trade receivables deriving directly by its operating activities.

The derivative instruments used by the Group at the balance sheet date were primarily forward foreign currency contracts and Interest Rate Swaps (IRS). The purpose of these instruments is to manage exchange-rate risk and interest-rate risk arising from the Group's commercial and financing transactions denominated in currencies other than the euro.

The Group does not deal in financial instruments.

The Board of Directors periodically reviews and sets the policies for managing such risks, as summarized below.

Interest-rate risk

The Group's financial debts are mainly structured on a variable interest rate basis, therefore they are subject to the risk of interest rate fluctuations.
The exposure to interest rate variation is handled by way of entering into Interest Rate Swap (IRS) agreements for a substantial percentage of the financing which has been obtained, with a view to guarantee a level of financial expenditures which are sustainable by the SAES Group's financial structure. See Note no. 23 for further details on the agreements in place as of December 31, 2012.

The funding for the working capital is managed through short-term financing transactions and, as a consequence, the Group does not hedge itself against the interest-rate risk.

Interest-rate sensitivity analysis

The following table provides a sensitivity analysis of the short-term financial assets (cash and cash equivalents) in terms of the impact of changes in interest rates on the income before taxes, assuming that all the other variables remain unchanged:

		(% on basis point)	(thousands of euro)
		Increase/ Decrease	**Effect on income before taxes**
2012	euro	+/- 0.20	+/- 5
	other currencies	+/- 0.20	+/- 43
2011	euro	+/- 0.20	+/- 5
	other currencies	+/- 0.20	+/- 32

The following table provides a sensitivity analysis of the Interest Rate Swaps in terms of the impact of changes in interest rates on the income before taxes, assuming that all the other variables remain unchanged:

(amounts in USD)

Description	Notional (USD)	Mark to Market (USD)	Fixed rate (%)	3 months LIBOR BBA USD as at December 31, 2012	+0.20%	Estimated MTM Libor +0.20%	-0.20%	Estimated MTM Libor -0.20%
IRS with maturity date December 31, 2014 executed on Loan of $30.5 million by Memry Corporation	12,000,000	(642,074)	3.03%	0.31%	0.51%	(594,897)	0.11%	(689,251)
Totale	**12,000,000**	**(642,074)**				**(594,897)**		**(689,251)**

The following table provides a sensitivity analysis of financial liabilities in terms of the impact of changes in interest rates on the income before taxes, assuming that all the other variables remain unchanged:

		(% on basis point)	(thousands of euro)
		Increase/ Decrease	**Effect on income before taxes**
2012	euro	+/- 1	+/- 136
	USD/other currencies	+/- 1	+/- 273
2011	euro	+/- 1	+/- 97
	USD/other currencies	+/- 1	+/- 301

Exchange-rate risk

The Group is exposed to the exchange rate risk on foreign commercial transactions.

Such exposure is generated predominantly by sales in currencies other than the reference currency. In 2012 around 84% of the Group's sales and around 60% of the Group's operating costs were denominated in a currency other than the euro.
In order to manage the volatility generated by the economic impact of fluctuations in exchange rates, primarily EUR/USD and EUR/JPY, the Group has in place hedges on these currencies, whose values are periodically determined by the Board of Directors according to the net currency cash flows expected to be generated by SAES Getters S.p.A. and SAES Advanced Technologies S.p.A. The maturities of hedging derivatives tend to coincide with the scheduled date of collection of the hedged transactions.
Moreover, the Group can occasionally hedge specific transactions in a currency other than the reporting currency, to mitigate the effect on profits and losses of the exchange rate volatility, with reference to financial receivables/payables denominated in a currency different from the one used in the financial statements, included those related to cash pooling (executed by foreign subsidiaries but denominated in euro).
Please refer to Note no. 23 for further details on the agreements signed in 2012.

Exchange-rate sensitivity analysis

The following table provides a sensitivity analysis for the trade receivables and payables outstanding at year-end in terms of the impact of changes in the EUR/USD and EUR/JPY exchange rates on the consolidated income before taxes and shareholders' equity, assuming that all the other variables remain unchanged:

Exchange-rate risk – Sensitivity analysis – Trade account receivables and payables

(thousands of euro)

U.S. dollar	Increase/ Decrease	Effect on income before taxes	Effect on net result
2012	+ 5%	52	38
	- 5%	(57)	(42)
2011	+ 5%	49	35
	- 5%	(54)	(39)

(thousands of euro)

Japanese YEN	Increase/ Decrease	Effect on income before taxes	Effect on net result
2012	+ 5%	52	38
	- 5%	(58)	(42)
2011	+ 5%	104	76
	- 5%	(115)	(84)

The following tables provide a sensitivity analysis of cash and cash equivalents and cash-pooling receivables outstanding at year-end in terms of the impact of changes in exchange rates between the U.S. dollar and euro and other currencies on the Group's income before taxes and shareholders' equity, assuming that all the other variables remain unchanged. This analysis has been conducted as the subsidiaries have both cash and cash equivalents and cash-pooling receivables/payables from/to the Parent Company in euro, whose conversion may result in exchange gains or losses.

Exchange-rate risk – Sensitivity analysis – Cash, cash equivalents and cash pooling account receivables

(thousands of euro)

Euro	Increase/ Decrease	Effect on income before taxes	Effect on net result
2012	+ 5% - 5%	(383) 383	(290) 290
2011	+ 5% - 5%	(532) 532	(403) 403

(thousands of euro)

U.S. dollar	Increase/ Decrease	Effect on income before taxes	Effect on net result
2012	+ 5% - 5%	85 (94)	65 (71)
2011	+ 5% - 5%	53 (59)	40 (44)

The following table provides a sensitivity analysis of forward agreements in terms of the impact of changes in exchange rates on the income before taxes, assuming that all the other variables remain unchanged:

(thousands of euro)

	Increase/ Decrease	Effect on income before taxes	Effect on net result
2012	+1% - 1%	58 (60)	42 (43)
2011	+1% - 1%	95 (97)	69 (71)

With reference to the net financial position, an appreciation of the U.S. dollar by 5% would have had a negative impact of approximately 613 thousand euro on the net financial position as of December 31, 2012, whereas a depreciation of the same percentage would have had a positive impact of approximately 555 thousand euro.

	Increase/ Decrease (% on basis point)	Effect on Net Financial Position (thousands of euro)
December 31, 2012	+5% - 5%	(613) 555
December 31, 2011	+5% - 5%	(839) 759

Commodity price risk

The Group's exposure to commodity price risk is usually moderate. The procurement procedure requires the Group to have more than one supplier for each commodity deemed to be critical. In order to reduce its exposure to the risk of price variations, it enters into specific supply agreements aimed at controlling the commodity price volatility. The Group monitors the trends of the main commodities subject to the greatest price volatility and does not exclude the possibility of undertaking hedging transactions using derivative instruments with the aim of neutralizing the price volatility of its commodities.

Credit risk

The Group deals predominantly with well-known and reliable customers: the Sales and Marketing Department assesses new customers' solvency and periodically verifies that credit limit conditions are met.
The balance of receivables is constantly monitored so as to minimize the risk of potential losses, particularly in the light of the difficult macroeconomic situation.
The credit risk associated with other financial assets, including cash and cash equivalents, is not significant due to the nature of the counterparties: the Group places such assets exclusively in bank deposits held with leading Italian and international financial institutions.

Liquidity risk

This risk can arise from the incapacity to obtain the necessary financial resources to grant the continuity of the Group's operations.
In order to minimize such risk, the Administration Finance and Control Division acts as follows:

- constantly monitors the Group's financial requirements in order to obtain credit lines necessary to meet such requirements;
- optimizes the liquidity management through a centralized management system of available liquidity (cash pooling) in euro which involves nearly all the Group's companies;
- manages the correct balance between short-term financing and medium/long-term financing depending on the expected generation of operational cash flows.

For further information about the Group's financial debts as of December 31, 2012 and about the maturity date of these debts please refer to Note no.27.

As of December 31, 2012 the Group was not significantly exposed to a liquidity risk, also considering the unused credit lines to which it has access.

Equity management

The objective pursued by the Group's equity management is to maintain a solid credit rating and adequate capital ratios in order to support operations and maximize the value for shareholders.
No changes were made to equity management objectives or policies during the year 2012.
The Group periodically monitors some performance indicators, such as the debt-to-equity ratio, with the aim of keeping them at low levels in accordance with the agreements undertaken with its lenders.

39. POTENTIAL LIABILITIES AND COMMITMENTS

The guarantees that the Group has granted to third parties are the following ones:

(thousands of euro)

Guarantees	December 31, 2012	December 31, 2011	Difference
Guarantees in favour of third parties	35,358	46,794	(11,436)

The decrease compared to the previous year is mainly explained by the partial expiration of some guarantees provided by the Parent Company to secure the loans undertaken by some foreign subsidiaries consistent with the repayment of the principal during the year.

The maturities of operating lease obligations outstanding as of December 31, 2012 are shown below:

(thousands of euro)

	Less than 1 year	1-5 years	Over 5 years	Total
Operating lease obligations	1,354	1,539	232	**3,125**

40. RELATED PARTY TRANSACTIONS

Related Parties are identified in accordance with IAS 24 revised.

In this case, Related Parties include:

- **S.G.G. Holding S.p.A.**: the controlling company, which is both creditor and debtor of the SAES Getters Group as a result of the adhesion of the Group's Italian companies to the national tax consolidation program. Please also note that S.G.G. Holding S.p.A. receives dividends from SAES Getters S.p.A.
- **Actuator Solutions GmbH**: a joint venture, 50% owned by the two groups SAES and Alfmeier Präzision respectively, aimed at the development, manufacturing and distribution of actuators based on the SMA technology.
- **Managers with Strategic Responsibilities**: these include the members of the Board of Directors, including non-executive directors and the members of the Board of Statutory Auditors. Moreover, the Corporate Human Resources Manager, the Corporate Operations Manager, the Group Legal General Counsel, the Corporate Research Manager and the Group Administration, Finance and Control Manager are considered managers with strategic responsibilities. Their close relatives are also considered related parties.

The following tables show the total values of the related party transactions undertaken in 2012 and 2011:

(thousands of euro)

December 31, 2012	Total net sales	Research & development expenses	Selling expenses	General & administrative expenses	Other income (expenses)	Other financial income (expenses)	Trade receivables	Tax consolidation receivables from Controlling Company	Tax consolidation payables to Controlling Company	Financial debt towards related parties
S.G.G. Holding S.p.A.								3,247	(2,763)	
Actuator Solutions GmbH	69	174 (*)	545 (*)	27 (*)	9 (*)	(19)	830			(2,019)
Total	**69**	**174**	**545**	**27**	**9**	**(19)**	**830**	**3,247**	**(2,763)**	**(2,019)**

(*) costs recovery

(thousands of euro)

December 31, 2011	Total net sales	Research & development expenses	Selling expenses	General & administrative expenses	Other income (expenses)	Other financial income (expenses)	Trade receivables	Tax consolidation receivables from Controlling Company	Tax consolidation payables to Controlling Company	Financial debt towards related parties
S.G.G. Holding S.p.A.								2,485	(2,349)	
Actuator Solutions GmbH	0	11 (*)	181 (*)	19 (*)	60 (*)	0	271			0
Total	**0**	**11**	**181**	**19**	**60**	**0**	**271**	**2,485**	**(2,349)**	**0**

(*) costs recovery

The following table shows the remunerations to managers with strategic responsibilities as identified above:

(thousands of euro)

Total remunerations to key management	2012	2011
Short term employee benefits	2,884	3,114
Post employment benefits	0	0
Other long term benefits	210	166
Termination benefits	381	106
Total	**3,476**	**3,386**

As of December 31, 2012 payables to Managers with Strategic Responsibilities, as defined above, were equal to 2,484 thousand euro, compared with payables of 2,397 thousand euro as of December 31, 2011.

Pursuant to the Consob communications of February 20, 1997 and February 28, 1998, as well as to IAS 24 revised, we report that also in 2012 all related-party transactions fell within ordinary operations and were settled at economic and financial standard market conditions.

41. EXCHANGE RATES APPLIED IN THE CONVERSION OF FINANCIAL STATEMENTS EXPRESSED IN A FOREIGN CURRENCY

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

expressed in foreign currency (per 1 euro)

Curency	2012		2011	
	Average rate	Final rate	Average rate	Final rate
U.S. dollar	1.2848	1.3194	1.3920	1.2939
Japanese yen	102.4920	113.6100	110.9590	100.2000
South Korean won	1,447.6900	1,406.2300	1,541.2300	1,498.6900
Renminbi (P.R. of China)	8.1052	8.2207	8.9960	8.1588

42. FEES PAID TO INDEPENDENT AUDITORS AND ITS RELATED COMPANIES

Pursuant to article 149-*duodecies* of the Issuer Regulations ("Disclosure of Compensation"), which was introduced by the Consob resolution no. 15915 of May 3, 2007, the following table shows the remunerations of the independent auditors and of the entities belonging to the independent auditors' network for auditing engagements and for other services, broken down by type or category:

(thousands of euro)

Business services	Supplier	Customer	Fees
Audit	Parent Company auditor	SAES Getters S.p.A.	87
Tax and legal advices	Parent Company auditor	SAES Getters S.p.A.	0
Other	Parent Company auditor	SAES Getters S.p.A.	0
Audit	Parent Company auditor	Subsidiaries	160
Tax and legal advices	Parent Company auditor	Subsidiaries	0
Other	Parent Company auditor	Subsidiaries	0
Audit	Network of Parent Company auditor	Subsidiaries	210
Tax and legal advices	Network of Parent Company auditor	Subsidiaries	6
Other	Network of Parent Company auditor	Subsidiaries	0

Lainate (MI), March 13, 2013

On behalf of the Board of Directors
Dr Ing. Massimo della Porta
President

Certification of the Consolidated financial statements

Certification of the Consolidated financial statements
pursuant to article no. 81-ter of CONSOB Regulation no. 11971 of May 14, 1999, as subsequently amended

1. The undersigned, Giulio Canale, in his capacity as Vice President and Managing Director, and Michele Di Marco, in his capacity as Officer Responsible for the preparation of the corporate financial reports of SAES Getters S.p.A., hereby certify, pursuant to the provisions of article 154-*bis*, paragraphs 3 and 4, of the Legislative Decree no. 58 of February 24, 1998:

- the adequacy for the characteristics of the firm and

- the effective application

of the administrative and accounting procedures for the preparation of the consolidated financial statements during the period from January 1 to December 31, 2012.

2. The following remarks apply to this situation:

2.1 The Administrative and Accounting Control Model of the SAES Group

- On December 20, 2012, the Board of Directors of SAES Getters S.p.A. approved the update of the Administrative and Accounting Control Model, issued on May 14, 2007, the adoption of which is aimed at ensuring that SAES complies with the provisions of Law no. 262 of December 28, 2005 (hereinafter the "Savings Law"), implemented in December 2006 through the approval of the Legislative Decree no. 303/06, and, specifically, obligations pertaining to the preparation of corporate accounting documents and all documents and communications with a financial nature issued in the market;

- The Control Model, with reference to the organizational structure of the SAES Group:
  - sets the roles and responsibilities of the entities involved in various capacities in the process of forming and/or controlling the financial information of the SAES Group and introduces the role of manager in charge of the preparation of corporate accounting documents (hereinafter the “Officer Responsible”);
  - describes the elements that comprise the administrative and accounting control system, citing the general control environment underlying the Internal Control System of the SAES Group, in addition to specific components pertaining to administrative and accounting information;
  - regarding the latter in particular, it calls for the integration of the Group Accounting Principles and IAS Operating Procedures with a system of administrative and accounting procedures and the related control matrices;
  - establishes the conditions and frequency of the administrative and accounting risk assessment process in order to identify the processes of greatest relevance to the accounting and financial information.

2.2 Implementation of the Administrative and Accounting Control Model within SAES Getters S.p.A. and the results of the internal certification process

For further information on this issue, please refer to paragraphs 2.2, 2.3 and 2.4 of the Certification of the Separate financial statements of SAES Getters S.p.A., which are of particular relevance in this regards in relation to the consolidation process.

2.3. Internal administrative and accounting control system of the subsidiaries of the SAES Group

- Following the administrative and accounting risk assessment conducted on the basis of the 2011 Consolidated financial statements - the most significant administrative and accounting processes were selected, on the basis of their materiality, for each of the Group companies.

- In order to certify the Consolidated financial statements, the Officer Responsible requested to each of the companies subject to controls and affected by significant processes the dispatch of a representation letter drafted in the format attached to the Administrative and Accounting Model of the SAES Group and signed by the General Managers/Financial Controllers, certifying the application and adequacy of procedures ensuring the accuracy of company accounting and financial information and the correspondence of financial reports with company transactions and accounting records.

2.4. Results of the certification process by the subsidiaries of the SAES Group

- As of today, the Officer Responsible has received all the twelve representation letters requested, signed by the General Managers/Financial Controllers of the subsidiaries affected by the processes deemed relevant after a risk assessment.

- The results of the process were positive and no anomalies were reported.

3. Furthermore, we certify that:

3.1. The Consolidated financial statements for the year ended December 31, 2012:

a) have been prepared in accordance with applicable international accounting standards recognized within the European Union pursuant to Regulation (EC) 1606/2002 of the European Parliament and the Council of July 19, 2002;
b) correspond to the results of accounting records and books;
c) are suitable to providing a truthful, accurate representation of the earnings and financial position of the issuer and the companies included in the consolidation perimeter.

3.2. The Report on operations includes a reliable analysis of operating performance and results, as well as the situation of the issuer and the companies included in the scope of consolidation, along with a description of the primary risks and uncertainties to which they are exposed.

Lainate (MI), March 13, 2013

Vice President and Managing Director Dr Giulio Canale	Officer Responsible for the preparation of the corporate financial reports Dr Michele Di Marco

Board of Statutory Auditors’ report to the Shareholders’ Meeting

<u>SAES GETTERS S.p.A.</u>

BOARD OF STATUTORY AUDITORS' REPORT TO THE SHAREHOLDERS' MEETING
PURSUANT TO ARTICLE 153 OF THE LEGISLATIVE DECREE 58/1998 AND ARTICLE 2429, PARAGRAPH 3, OF THE ITALIAN CIVIL CODE

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

Dear Shareholders,
During the year ended on December 31, 2012, our supervisory activity was conducted in accordance with the regulation of the "Consolidated Law on financial intermediation" enacted by the Legislative Decree 58/1998, and the applicable provisions of the Civil Code, taking into account also the Principles of Conduct recommended by the National Board of Chartered Accountants and Auditors, as well as Consob communications concerning the corporate governance and the activities of the Board of Statutory Auditors and, in particular, the communication n. DEM/1025564 dated April 6, 2001 and its subsequent amendments.
In addition, the Board of Statutory Auditors, in his role of Internal Control and Audit Committee, pursuant to article 19 of the Legislative Decree n. 39/2010, has carried out, during the year, the verification activities assigned to it by law.
Having acknowledged the foregoing, we report on the supervisory activities required by law, that we have carried out during the year ended on December 31, 2012 and, in particular:

- we ensure that we have verified the compliance with the law and the Company By-laws and the respect of the principles of proper administration, holding n. 5 meetings of the Board of Statutory Auditors during the year, without considering other informal meetings;
- in these meetings, in the Board of Directors' meetings and, in any case, at least quarterly, we obtained information from the Directors on the general corporate management and its foreseeable outlook, as well as on the most significant transactions, because of their size or nature, carried out by the Company also in relation to its subsidiaries;
- in the calendar year 2012, we took part to n. 1 Shareholders' Meeting and to n. 12 meetings of the Board of Directors, held in accordance with the statutory rules and laws that regulate their operation and for which we can reasonably assure that the actions approved in these meetings were compliant with the law and the by-laws and were always in the corporate interest, including intra-group transactions, that were not manifestly imprudent, hazardous, atypical or unusual, or in potential conflict of interest or as such to compromise the integrity of the company's assets. At these meetings, it was possible to freely express considerations, views and opinions;
- we assessed and verified the adequacy of the organizational, administrative and accounting system and the reliability of said system in correctly representing the operating circumstances, by obtaining information from the department managers and through the analysis of corporate documents. In this respect, we have no particular remarks to report. Furthermore, having followed the work done by the Internal Audit Department, and by the Audit and Risk Committee, we can confirm that the internal control system adopted by the Company is fully adequate;
- we supervised, pursuant to article 19, paragraph 1, of the Legislative Decree n. 39/2010, the financial reporting process; the effectiveness of the internal control system, of the audit system and of the risk management one; the statutory audit of the annual accounts and consolidated accounts; the independence of the legal independent audit firm, in particular as regards the provision of non-auditing services to the Company;
- we also verified the adequacy of the instructions provided to subsidiaries in accordance with article 114, paragraph 2, of the Legislative Decree 58/1998;
- we read and obtained information on the organizational and procedural activities carried out pursuant to the Legislative Decree 231/2001 and subsequent additions, on the administrative responsibility of the entities for the offences envisaged by this regulation. The report of the Supervisory Body on the activities carried out during 2011 and the meetings of this Committee

with the Board of Statutory Auditors did not point out any significant critical situation to be reported herein.
With reference to the provisions set forth in article 36 of the Market Regulation, issued by Consob, concerning relevant controlled companies, established and governed by the law of non-EU Countries, please note that the companies to which such provisions refer were identified and their related administrative and accounting system is suitable for submitting on a regular basis all the economic and financial data required for the preparation of the consolidated financial statements to the Company and to the independent auditors.
Having acknowledged the foregoing, we would like to draw the attention of the Shareholders' Meeting to the following paragraphs.

Performance of the period

As appropriately illustrated by the Directors in annual Report, the results of 2012 show a substantially stable Group's turnover, despite the ongoing global economic crisis and the energy crisis in Japan, due to the earthquake in 2011, have caused a significant loss of revenues in some businesses in certain business sectors, such as the semiconductors, defense, solar thermal and lighting ones. However, this decrease was offset by the excellent results in the medical sector, as well as by those of the new products for vacuum systems, of getters for miniaturized electromechanical devices, of the components for solar cells and of the shape memory alloy products for industrial applications, among which we can include also the devices produced by the joint venture Actuator Solutions GmbH. These results confirm, without any doubt, the validity of the strategic initiatives of diversification and development of the product range undertaken in the last few years.
At present, the ongoing global economic crisis prevents the Group from reaching its most important objective represented by growth; however, the positive results recorded in 2012 by the new products, which should consolidate in 2013, the news coming from the OLED business and the expectations of a recovery in the semiconductor business, bode well for the future.
The policy of cost containment already begun in the previous years led to a slight improvement in the gross margin (+0.7%), despite the slight decline in revenues (-4.2%) and the maintenance of operating results.

Most significant transactions undertaken during the year

Among the significant events that marked 2012 please note that on April 12, 2012 SAES Getters S.p.A. signed an agreement of collaboration, technology license and supply with a leading semiconductor manufacturer operating in the global market and specialized, among other things, in the production and distribution of micro electro-mechanical systems (MEMS). This agreement provides for the integration of the thin film getter technology of SAES in the vacuum packaging of MEMS devices for the consumer market.
On June, 27, 2012 it was signed an agreement to acquire, in two subsequent tranches, the entire share capital of Memry GmbH, already 60% controlled by SAES Getters S.p.A. The first tranche, equal to 20% of Memry GmbH's shares, has been acquired by SAES Getters for a total consideration of 500 thousand euro, paid on July 12, 2012. The remaining 20% of the shares may be transferred in the third quarter of 2013, or within the first half of 2014, according to two options, that provide for, in the first case, the payment by SAES of the same amount paid for the acquisition of the first 20%, that means 500 thousand euro, in the second case, a consideration equal to the initial amount of 500 thousand euro, adjusted for a factor related to Memry GmbH's sales in 2013 and in any case not less than 375 thousand euro. This agreement cancels and replaces all prior agreements and in particular the one signed between the parties on December 15, 2008 for the sale of 100% of the shares to SAES Getters in more tranches. In this regard, please note that, as reported in the events occurred after the reporting period, the contract for the transfer of the remaining 20% of the share capital of Memry GmbH was finalized on March 7, 2013, with effect for the payment of the amount of 500 thousand euro to be completed within the first half of 2013.
With reference to the investments in the business of SMAs for industrial applications, please note the acquisition, finalized on April 1, 2012, by the joint venture Actuator Solutions GmbH of the manufacturing business owned by Alfmeier Präzision AG related to the production and distribution

of SMA actuators for the automotive market. The purchase price was equal to 3.7 million euro and was paid in cash in the third quarter of 2012.
This agreement also provides for side contracts, lasting at least three years, for the supply to ASG, at standard market conditions, of SMA components in the form of wires or springs by SAES and of plastic materials, electronic devices and design support by Alfmeier respectively. Finally, ASG will be the supplier, always for a period of at least three years and at standard market conditions, of the automotive actuator for Alfmeier, which will continue to manage its distribution to its end customers, being the latter bound by an exclusive contract.
In order to provide ASG with an adequate cash to finance the expected growth and, at the same time, to finalize the transaction, on March 22, 2012, the share capital of the joint venture, equal to 1,012 thousand euro, has been increased to 2 million euro, by means of a payment of 494 thousand euro by each of the two partners, SAES Nitinol S.r.l. and Alfmeier SMA Holding GmbH. Later, on April 3, 2012, an additional amount of 7 million euro was allocated to the share capital reserves, through the payment of an equal amount by the two partners.
With regard to the events occurred after the end of the fiscal year, please note that on February 19, 2013 the Company in order to provide the subsidiary E.T.C. S.r.l. with more funds in order to ensure an adequate capitalization, resolved a capital contribution of 2,484 thousand euro (equal to the net loss registered by E.T.C. S.r.l. in the fiscal year 2012). This capital increase was made by waiving a financial receivable of 1,849 thousand euro, a trade receivable of 536 thousand euro, and the remaining amount of 99 thousand euro by cash. Furthermore, on February 19, 2013, SAES Getters S.p.A. resolved a capital contribution of 94 thousand euro to the subsidiary SAES Nitinol S.r.l. in order to restore its share capital, decreased below one third as a result of the losses incurred by the subsidiary in 2012.
Finally, as already mentioned, following the agreement signed on June 27 2012, the Company, on March 7, 2013, has finalized the contract for the purchase of the last 20% of the shares of Memry GmbH for a consideration of 500 thousand euro, to be paid within the first half of 2013.
As for the other companies of the Group, on January 1, 2012 it has been finalized the merger of SAES Getters America, Inc. into SAES Getters USA, Inc., with the aim of achieving economies of scale and pursuing operational efficiency between the two companies that, in any case, already made use of the same production facility.
Please also note that, on March 30, 2012 SAES Getters USA, Inc. sold the plant of the merged company located in Ohio and some of the equipment located therein for a price of about 950 thousand USD, generating a capital gain of 86 thousand euro.
On February 8, 2013 SAES Pure Gas, Inc. signed a letter of intent with the U.S. company Power & Energy, Inc. for the acquisition of its “hydrogen purifier” business, mainly utilized in the semiconductors market.
Under the terms of this agreement, SAES will acquire all the intellectual property rights, patents, know-how, manufacturing processes and supply agreements related to the business of hydrogen purification, as well as a minority share of Power & Energy, Inc., equal to 15% of the company’s share capital.
The consideration for the acquisition of the “hydrogen purifier” business is equal to 7 million USD and it will be paid in cash in three subsequent tranches, respectively equal to 3.2 million USD at the signature of the agreement, 2 million USD within the third week of 2014 and 1.8 million USD within the third week of 2015.
The equity acquisition will be made through a dedicated share capital increase. The total consideration for the transfer of the shares is equal to 3 million USD and will be made in different tranches, as follows: 400,000 shares at the closing, upon the payment of 2 million USD; the remaining 172,500 shares within the third week of 2014, upon the payment of 1 million USD. The agreement also includes a call option clause, guaranteeing to SAES the discretionary right to purchase a further amount of 200,000 shares, for a price of 2 million USD within the third week of 2015. The exercise of such option would allow SAES to increase its shareholding from 15% to around 19%.
The success of the agreement depends on the outcome of the technical and financial due diligence that will take place in the forthcoming weeks and the closing of the transaction is expected to be completed in the first half of 2013.

The acquisition of this business is part of SAES strategy to strengthen its gas purification business, allowing the SAES Group to complement its traditional offering, based on getter technology, with innovative technology solutions in the field of catalytic hydrogen purification, with the consequent increase in the sales volumes and in the results of the Semiconductors business. Instead, the participation in the share capital aims at starting, with Power & Energy, Inc., a joint research, development, production and sales project in the field of fuel cells.
The Board of Statutory Auditors, after being properly and promptly informed by the Directors, assessed the compliance of the foregoing transactions with the law, the Company By-laws, and the principles of proper administration, ensuring that said transactions were not manifestly imprudent, hazardous, or in conflict with the resolutions passed by the Shareholders' Meeting, or such as to compromise the integrity of the Company's assets.

<u>Atypical and/or unusual transactions, including infra-group and related-party transactions</u>
There weren't any atypical or unusual transactions to report; the transactions with the Group's companies were part of the Company's ordinary operations.
Related-party transactions generally consist of intra-group transactions with subsidiaries, mainly of a commercial nature. In particular, these include the purchase and sale of raw materials, semi-finished products, finished products, tangible assets and various types of services. Cash-pooling and interest-bearing financing agreements are in force with some companies of the Group. Also some agreements for the provision of commercial, technical, information technology, administrative, legal, and financial services and for the development of specific projects are in force with some subsidiaries. All these agreements were entered at arm's length economic and financial conditions.
With reference to the transactions with related parties other than subsidiaries, the Directors indicated in their Report:
- the relations with S.G.G. Holding S.p.A., the parent company, which holds 7,958,920 ordinary shares, representing 54.25% of the ordinary share capital with voting rights. An agreement concerning the participation in the national tax consolidation program has been in force with this company since May 12, 2005, and was renewed on June 14, 2011 for a further three years. Under the term of this agreement, as at December 31, 201, SAES Getters S.p.A. claimed a receivable of 2,729 thousand euro from S.G.G. Holding S.p.A.;
- relations with Actuator Solutions GmbH, a joint venture jointly controlled with equal shares by the two Groups SAES and Alfmeier Präzision, aiming at the development, production and distribution of actuators based on the SMA technology. The economic relationship includes proceeds from the sale of semi-finished products. In addition, a service contract is in force, which provides for the recharge to Actuator Solutions GmbH of the costs incurred by the Company for commercial, research and development and administrative services and an interest-bearing financing agreement.
The Directors also identified the following additional related parties, among the Managers with strategic responsibilities:
- the members of the Board of Directors, including non-executive directors and their close family members;
- the members of the Board of Statutory Auditors and their close family members;
- the Corporate Human Resources Manager, the Corporate Operations Manager, the Group Legal General Counsel, the Corporate Research Manager and the Group Administration, Finance and Control Manager and their close family members.
The above remarks on the transactions with related parties comply with the provisions of article 2391-*bis* of the Civil Code and with the Consob Notices dated February 20, 1997 and February 28, 1998, as well as with the revised IAS 24. In addition, as required by the Consob resolution 15519 dated July 27, 2006, the explanatory notes to the financial statements bear information on the amounts of positions or transactions with related parties highlighted separately from the related items.
The information disclosed by the Directors in their Report on the Financial statements for the year ended on December 31, 2012 is complete and adequate with respect to the transactions undertaken with all the companies of the Group and with related parties as well.

In this regard, the Board of Statutory Auditors acknowledges that, as appropriately indicated in the corporate governance report, the Company adopted the procedures for related-party transactions, in compliance with article 2391-*bis* of the Civil Code, as implemented by the Consob Regulation n. 17221 dated March 12, 2010, and with the Consob Regulation dated September 24, 2010,aimed at ensuring the transparency and the substantial and procedural correctness of related-parties transactions, identified in accordance with the revised international accounting principle IAS 24.

Independent audit firm

Reconta Ernst & Young S.p.A., the independent audit company, issued the audit reports on March 20, 2012, in which they expressed a judgment containing no remarks on either the Consolidated or the Parent Company accounts for 2012.

We held meetings, including informal ones, with the representatives of Reconta Ernst & Young S.p.A., the audit firm in charge of reviewing the consolidated and SAES Getters S.p.A. financial statements and of the statutory audit of the accounts pursuant to article 150, paragraph 3, of Italian Legislative Decree 58/1998. At these meeting there weren't any data or information that should be highlighted in this report

The Board of Statutory Auditors acknowledges that it has received, pursuant to article 19, paragraph 3, of the Legislative Decree n. 39/2010, the report of the legal audit firm explaining the basic issues emerged during the legal audit and any significant deficiency recorded in the internal audit system in relation to the financial reporting process, on which no specific deficiencies were identified.

The Board also acknowledges that it has received from the audit firm, pursuant to article 17, paragraph 9 letter a), of the Legislative Decree n. 39/2010, the confirmation of its independence, the indication of the services other than the statutory audit provided to the Company by any of the entities belonging to its network and, finally, that it has discussed with the legal audit firm the risks related to its independence as well as the measures taken to limit such risks, pursuant to the mentioned article 17, paragraph 9, letter b).

Indication of the assignment of additional mandates to the audit firm and/or parties bearing long-term relationships with the former

With regards to any additional mandates assigned to the audit firm and/or parties bearing long-term relationships with the former, please refer to the information provided by the Company in the notes to the consolidated financial statements, pursuant to article 149-*duodecies* of the Issuer Regulations regarding the disclosure of compensations.

Indication of the existence of opinions issued in accordance with the law during the year

In 2012, the Board of Statutory Auditors was not asked to provide any opinion in accordance with the law.

Filing of complaints pursuant to article 2408 of the Civil Code and of petitions

The Board of Statutory Auditors did not receive any complaints pursuant to article 2408 of the Italian Civil Code nor any kind of petition.

Proper administration - Organizational structure

The Company is competently administered in accordance with the law and the Company By-laws.

We attended the Shareholders' Meetings and the meetings of the Board of Directors as well as those meetings of the other Committees in which our presence is required. These meetings were held in accordance with the Company By-laws and the regulations governing their operation.

The delegations and powers conferred were appropriate to the Company's needs and adequate for the evolution of the corporate management.

The Board of Statutory Auditors believes that the Company's overall organizational structure is appropriate to the Group's size.

Finally, the Statutory Auditors, in the periodic reviews made during the year, were able to observe the accuracy and timeliness of all the fulfillment of obligations and communications to Borsa

Italiana and Consob, related to the listing of the Parent Company on the STAR segment of the Italian Stock Exchange.

Internal control and risk management system-Administrative and accounting system

The system of internal control and corporate risk management, which is the set of rules, procedures and organizational structures aimed at the identification, measurement, management and monitoring of the main risks in order to ensure the protection of the company's assets, is the responsibility of the Board of Directors, of the manager in charge of the internal control and risk management system, of the Audit and Risk Committee, of the Internal audit Department, of the Supervisory Board and of the Board of Statutory Auditors, each one within the scope of its role and related responsibilities. In addition to the above-mentioned individuals, also the Manager responsible for preparing the corporate accounting documents in accordance with the Legislative Decree n. 262/2005, the independent auditors and other corporate internal control departments are involved in this process.

During the year, the Board of Statutory Auditors, as part of its monitoring activity on the effectiveness of the system and the compliance with the law, also as a result of its regular meetings with the above-mentioned individuals, didn’t find any particular issues or anomalies that require to be mentioned in this report.

Moreover, please note that the Board of Directors, gathered on March 13, 2012, following the proposal of the Audit and Risk Management Committee, after consulting the Board of Statutory Auditors, considered appropriate the internal control and risk management system adopted by the Company.

We had the knowledge and supervised the adequacy of both the Company’s organizational structure and of its administrative and accounting system, as well as the reliability of the latter to accurately represent operating events, by obtaining the information from the heads of the respective offices, reviewing the corporate documents, through direct controls, and exchanging information with the audit firm Reconta Ernst & Young S.p.A., in accordance with article 150 of the Legislative Decree 58/1998. We do not have any particular remarks to report in this regard.

The Company has adopted appropriate procedures to govern and monitor the disclosure to the market of data and transactions pertaining to the companies of the Group. In this regard, please note that the Company has a complex administrative and accounting control Model, approved by the Board of Directors on May 14, 2007, adopted also following the obligations introduced by the Savings Law concerning the drafting of corporate accounting documents and of all the financial documents and communications intended for the market. This Model, that puts into a legal form the system of corporate rules and procedures adopted by the Group, in order to identify and manage the principal risks associated with the preparation and dissemination of the financial information and thereby to achieve the Company’s objectives of truthfulness and accuracy of such information, was subjected to an update process that led to the issue of a new release approved by the Board of Directors on December 20, 2012.

Subsidiaries

As required by the internal control Model adopted by the Company, the Officer Responsible ensures the dissemination and the update of the rules for the control of the subsidiaries, ensuring their alignment with the principles of the Group. On this issue, the Board of Statutory Auditors refers to the details provided in the specific paragraph of the 2012 corporate governance and ownership Report, approved by the Board of Directors on March 13, 2013 and available on the Company’s website.

Code of Conduct for listed Companies

The Corporate Governance system of the Company incorporates, in its essentials, the principles and recommendations contained in the “Code of Conduct for the corporate governance of listed companies” in its edition dated December 2011, to which the Board of Directors has decided to adhere on February 23, 2012. The Board of Directors also approved the Annual Report on Corporate Governance and ownership structure for the year 2012. The full text of this report, which can be consulted for a detailed information, is available to the public in the ways provided for by the current laws and regulations.

Report on remuneration pursuant to article 123-ter of the Consolidated Finance Act and article 84–quarter of the Issuers' Regulation and monetary incentive systems of strategic resources

The Board of Statutory Auditors states that it has previously examined and expressed its favorable opinion, together with the Compensation and Appointment Committee, also in accordance with the provisions set forth in article 2389, paragraph 3 of the Civil Code, on the policies and general guidelines for the remuneration of the administrative bodies and managers with strategic responsibilities of the Company and, in particular ,on the Report on remuneration, drawn up pursuant to article 123-*ter* of the Consolidated Finance Act and 89-*quarter* of the Issuers Regulation as well as with reference to the annual and three-year instruments of monetary incentive targeted to the strategic resources of the Company and of the SAES Group.

The Board of Statutory Auditors states that it has verified the accuracy of the criteria adopted by the Board of Directors in assessing the independence of its members, taking note of the statements granted by the Directors.

The Board of Statutory Auditors also supervise the conditions of independence and autonomy of its own members and notifies the Board of Directors in time for the drafting of the corporate governance Report. In particular, with regards to 2012, the Board of Statutory Auditors verified the continuing satisfaction of the independence requirements on February 19, 2013.

Finally, each member of the Board of Statutory Auditors fulfilled the requirements to notify Consob, pursuant to article 144 *quaterdecies* of the Issuers' Regulation, with regard to the regulation on the plurality of assignments.

CONSOLIDATED AND SAES GETTERS S.p.A. FINANCIAL STATEMENTS for the year ended on December 31, 2012

As we are not responsible for an analytical review of the contents of the financial statements, we certify that we have verified the general setting adopted for both the Consolidated and SAES Getters S.p.A. financial statements and its general compliance with the law in terms of form and structure. We further certify that the information contained therein corresponds to the facts and information in our possession.

As in previous years, we report that both the consolidated financial statements, following the entry into force of the EC Regulation n. 1606/2002, and the financial statements of the Parent Company were drafted in accordance with the IAS/IFRS, which have been applied since January 1, 2005. Having acknowledged the foregoing, the financial statements of the Parent Company and the Consolidated ones consist of the balance sheet, the income statement, the statement of comprehensive income, the cash flow statement, the statement of changes in the shareholders' equity and the explanatory notes. The reporting formats adopted are compliant with the provisions of the IAS 1-revised.

The financial position was prepared by distinguishing between current and non-current assets and liabilities, according to whether the assets and liabilities are likely to be realized within or beyond twelve months from the reporting date and stating them under two separate items, "Assets held for sale" and "Liabilities held for sale" as required by the IFRS 5.

In the income statement, operating expenses are disclosed on the basis of their destination.

The cash flow statement has been prepared according to the indirect method, as allowed under the IAS 7.

In addition, as required by the Consob resolution n.15519 dated July 27, 2006, in the income statement by destination, revenues and costs derived from non-recurring transactions or events that do not occur frequently in the ordinary course of business have been specifically identified.

In accordance with this resolution, the amounts of positions or transactions with related parties have been presented separately from the applicable items in the explanatory notes.

With regards to the financial statements submitted for your review, we point out the following (figures in thousand euro):

Income statement	*Separate financial statements*	*Consolidated financial statements*
Net revenues	4.685	142.473
Operating income (loss)	(18.404)	11.349
Other income and expenses	23.204	(2.601)
Income before taxes	4.800	8.748
Net income (loss)	8.495	3.340
	=======	=======

Balance Sheet		
Non current assets	100.715	117.688
Current assets	22.148	76.717
Total assets	122.863	194.405
Non current liabilities	4.579	33.441
Current liabilities	43.861	46.734
Shareholders' equity	74.423	114.230
Total liabilities and Shareholders' equity	122.863	194.405
	=======	======

As of December 31, 2012, the Parent Company's cash flow statement showed net cash and cash equivalents of 4,416 thousand euro; as of the same date, the consolidated cash flow statement showed net cash and cash equivalents of 22,609 thousand euro.

Intangible assets with finite useful lives, acquired or produced internally, have been classified among the assets in accordance with the IAS 38, as it is likely that some future economic benefits will derive from their use, and they are amortized on the basis of their estimated useful lives. Goodwill is not amortized, but it is subjected to audit at least annually in order to identify any devaluation.

Long-term equity investments, equal to 73,384 thousand euro at the end of the year, are valued at cost and adjusted as necessary to account for any impairment in the Parent Company's financial statements. In the consolidated financial statements, the subsidiaries have been included in the scope of consolidation with the line-by-line method, with the exception of the joint venture Actuator Solutions GmbH, to which the equity method has been applied.

The dividends collected by the Parent Company in 2012 amounted to 26,735 thousand euro, compared to 12,302 thousand euro in 2011.

Financial debts amounted to 35,102 thousand euro in the Parent Company's financial statements as of December 31, 2012, showing an increase of 11,595 thousand euro compared to December 31, 2011.

Share Capital

As of 31 December 2012 the share capital, fully subscribed and paid, amounted to 12,220 thousand euro and consisted, as in the previous year, of n. 14,671,350 ordinary shares and n. 7,378,619 savings shares, for a total of n. 22,049,969 shares.

The shareholders' equity of the Parent Company, equal to 74,423 thousand euro, included, inter alia, the reserve of positive currency revaluation balances, following the application of the Laws 72/1983 and n. 342/2000 for a total amount of 1,727 thousand euro, the retained earnings reserve of 4,212 thousand euro, the IAS conversion reserve of 2,712 thousand euro, the reserve for capital gains on the sale of treasury shares in portfolio (a negative 589 thousand euro), and the reserve representing the capital gain on the sale of the three business units to SAES Advanced Technologies S.p.A., equal to 2,426 thousand euro, entered as an increase of the shareholders' equity according to the OPI1 principle issued by the Italian Association of Chartered Accountants, and the reserve representing the difference between the appraised value and the book value of the assets transferred by the Company to the subsidiary SAES Advanced Technologies S.p.A., negative for 344 thousand euro and recorded as a reduction of the shareholders' equity in accordance with the same principle OPI1.

Research, development and innovation expenses were equal to 8,255 thousand euro in the Parent Company’s financial statements and equal to 14,459 thousand euro in the consolidated financial statements. These expenses were charged to the income statement because they did not meet the requirements as envisaged by the IAS 38 for their compulsory capitalization.
Current and deferred income taxes were entered with a positive balance of 3,695 thousand euro for the Parent Company, consisting of 1,529 thousand euro in current taxes and 2,166 thousand euro in deferred taxes. The positive balance of current taxes was primarily due to the national tax consolidation program in which the Company participates with its controlling company S.G.G. Holding S.p.A. and, in particular, the remuneration of the tax loss for the period transferred to the consolidated financial statements. Current and deferred income taxes recorded a negative balance equal to 5,494 thousand euro in the consolidated financial statements. For more information concerning the recognition of deferred tax assets and liabilities, please refer to the remarks made by the Directors in the explanatory notes and to the statements of temporary differences and associated tax effects.
The information on the performance of the subsidiaries, on the research, development and innovation activities, on the significant events occurred after the end of the year and on the business outlook, can be found in the Report on operations of the SAES Group.
The Board of Statutory Auditors takes note of the proposal of the Board of Directors to fully distribute the net income for the period equal to 8,495,024.13 euro, net of unrealized net exchange gains as envisaged by art. 2426 paragraph 8-bis of the Civil Code and equal to 9,391.87 euro, and a portion of the “Retained earnings” reserve equal to 1,479,354.47 euro, assigning a total dividend of 0.555175 euro per each of the n. 7,378,619 savings shares and 0.400000 euro per each of the n. 14,671,350 ordinary shares.
On the basis of the foregoing, and in consideration of the results of our activity, we propose that the Shareholders’ Meeting approve the consolidated financial statements and the financial statements of the Parent Company for the year ended on December 31, 2012, as prepared by the Directors.

March 28, 2013

Vincenzo Donnamaria

Alessandro Martinelli

Maurizio Civardi

Independent Auditors' report

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Independent auditors' report
pursuant to art. 14 and 16 of Legislative Decree n. 39 dated 27 January 2010
(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 its subsidiaries, (the "SAES Group") as of 31 December 2012 and for the year then ended, comprising the statement of financial position, the statement of income, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and the related explanatory notes. The preparation of these financial statements in compliance with International Financial Reporting Standards as adopted by the European Union and with art. 9 of Legislative Decree n. 38/2005 is the responsibility of SAES Getters S.p.A.'s Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards recommended by CONSOB (the Italian Stock Exchange Regulatory Agency). In accordance with such standards, 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 statements, taken as a whole, may be relied upon. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, as well as assessing the appropriateness of the accounting principles applied and the reasonableness of the estimates made by Directors. We believe that our audit provides a reasonable basis for our opinion.

   The consolidated financial statements of the prior year and the statement of financial position at 1 January 2011 are presented for comparative purposes. As described in the explanatory notes, certain comparative data related to the prior year have been restated; the restated data is derived from the consolidated financial statements as of 31 December 2011 on which we issued our auditor's report on 20 March 2012. We have examined the method used to restate the comparative financial data and the information presented in the explanatory notes in this respect, for the purpose of expressing our opinion on the consolidated financial statements as of 31 December 2012 and for the year then ended.

3. In our opinion, the consolidated financial statements of SAES Group at 31 December 2012 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with art. 9 of Legislative Decree n. 38/2005; accordingly, they present clearly and give a true and fair view of the financial position, the results of operations and the cash flows of the SAES Group for the year then ended.

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4. The Directors of SAES Getters S.p.A. are responsible for the preparation of the Report on Operations and the Report on Corporate Governance and Ownership Structures in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency with the financial statements of the Report on Operations and of the information presented in compliance with art. 123-bis of Legislative Decree n. 58/1998, paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) in the Report on Corporate Governance and Ownership Structures, as required by the law. For this purpose, we have performed the procedures required under Auditing Standard 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion, the Report on Operations and the information presented in compliance with art. 123-bis of Legislative Decree n. 58/1998, paragraph 1, letters c), d), f), l), m) and paragraph 2), letter b) in the Report on Corporate Governance and Ownership Structure, are consistent with the consolidated financial statements of the SAES Group at 31 December 2012.

Milan, March 28, 2013

Reconta Ernst & Young S.p.A.

Signed by: Gabriele Grignaffini, partner

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

SAES Getters S.p.A. financial highlights

FINANCIAL HIGHLIGHTS OF SAES GETTERS S.p.A.

(thousands of euro)

Income statement data	2012	2011 Restated (1)	Difference	Difference %
NET SALES				
- Industrial Applications	3,374	2,518	856	34.0%
- Shape Memory Alloys	558	143	415	290.2%
- Information Displays	751	1,191	(440)	-36.9%
- Advanced Materials & Corporate Costs	2	0	2	n.a.
Total	**4,685**	**3,852**	**833**	**21.6%**
GROSS PROFIT				
- Industrial Applications	(504)	(563)	59	10.5%
- Shape Memory Alloys	(52)	(104)	52	50.0%
- Information Displays	(265)	(464)	199	42.9%
- Business Development & Corporate Costs (2)	(332)	(282)	(50)	-17.7%
	(1,153)	**(1,413)**	**260**	**18.4%**
% on sales	-24.6%	-36.7%		
EBITDA (3)	**(15,673)**	**(14,720)**	**(953)**	**-6.5%**
% on sales	-334.5%	-382.1%		
OPERATING INCOME (LOSS)	**(18,404)**	**(17,570)**	**(834)**	**-4.7%**
% on sales	-392.8%	-456.1%		
NET INCOME	**8,495**	**2,022**	**6,473**	**320.1%**
% on sales	181.3%	52.5%		

Balance Sheet and Financial data	2012	2011 Restated (1)	Difference	Difference %
Property, plant and equipment, net	15,344	14,318	1,026	7.2%
Shareholders'equity	74,423	77,296	(2,873)	-3.7%
Net financial position	(25,739)	(18,032)	(7,707)	-42.7%

Other information	2012	2011 Restated (1)	Difference	Difference %
Cash flow from operating activities	(19,681)	(13,820)	(5,861)	-42.4%
Research & development expenses	8,255	7,747	508	6.6%
Number of employees as at 31 December (4)	213	200	13	6.5%
Personnel cost (5)	15,622	14,328	1,294	9.0%
Purchase of property, plant and equipment	3,376	2,001	1,375	68.7%

(1) 2011 figures, shown for comparative purposes, have been reclassified to enable a homogeneous comparison with 2012; in particular:

- revenues and costs related to dispensable dryers and to alkaline metal dispensers for OLED displays have been transferred from the Business Development Unit to the Information Displays Business Unit (Organic Light Emitting Diodes Business);
- similarly, revenues and costs of getter sealants for photovoltaic modules and of sophisticated getters for energy storage devices have been transferred from the Business Development Unit to the Industrial Applications Business Unit (Energy Devices Business).

In addition, for a more accurate representation, the recharge of costs related to services undertaken for the benefit of the joint venture Actuator Solutions GmbH has been reclassified from the item "Other income" and put as deduction of the related cost items.

Finally, please note that 2011 figures were subject to adjustment (with an impact on the net income and the shareholders' equity) as a result of the early application of the revised IAS 19 that requires the immediate reporting (that means in the period in which they occur) of actuarial income/losses in the consolidated statements of comprehensive income.

(2) This item includes those costs that cannot be directly attributed or reasonably allocated to any business sector, but which relate to the Company as a whole.

(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 Company's results. However, we believe that EBITDA is an important parameter for measuring the Company's performance. Since the calculation of EBITDA is not regulated by applicable accounting standards, the method applied by the Company may not be homogeneous with methods adopted by other groups. EBITDA is defined as "earnings before interests, taxes, depreciation and amortisation".

(4) Includes staff employed by the Company other than contracts of employment and personnel of SAES Getters S.p.A. – Taiwan Branch and SAES Getters S.p.A. - Japan Branch.

(5) In 2012, the use of the Redundancy Fund (Cassa Integrazione Guadagni - C.I.G.) brought a benefit to the personnel costs equal to 67 thousand euro compared to 272 thousand euro in 2011.

REPORT ON OPERATIONS

The organisational structure of SAES Getters S.p.A., as the Parent Company (also referred to hereinafter as the "Company"), identifies three Business Units, Industrial Applications, Shape Memory Alloys and Information Displays. The corporate costs (those expenses that cannot be directly attributed or allocated in a reasonable way to the business units, but which refer to the Group as a whole) and the costs related to the basic research projects or undertaken to achieve the diversification in innovative business (Business Development Unit), are shown separately from the three Business Units.

The following table illustrates the Group's Business organizational structure:

Industrial Applications Business Unit	
Electronic Devices	Getters and metal dispensers for electron vacuum devices and getters for microelectronic and micromechanical systems (MEMS)
Lamps	Getters and metal dispensers used in discharge lamps and fluorescent lamps
Vacuum Systems and Thermal Insulation	Pumps for vacuum systems, getters for solar collectors and products for thermal insulation
Energy Devices	Getter sealants for photovoltaic modules and sophisticated getters for energy storage devices
Semiconductors	Gas purifier systems for semiconductor industry and other industries
Shape Memory Alloys Business Unit	
Shape Memory Alloys (SMA)	Shape memory alloys both for medical and for industrial applications
Information Displays Business Unit	
Liquid Crystal Displays (LCD)	Getters and metal dispensers for liquid crystal displays
Cathode Ray Tubes (CRT)	Barium getters for cathode ray tubes
Organic Light Emitting Diodes (OLED)	Dispensable dryers and alkaline metal dispensers for OLED displays
Business Development Unit	
Business Development	Research projects undertaken to achieve the diversification into innovative businesses (among which, components for High-Brightness LEDs)

Please refer to the business information contained in Note n. 13 of the consolidated financial statements for further details on the main reclassifications of costs and revenues made for each Business Unit.

Net sales were 4,685 thousand euro compared to 3,852 thousand euro in 2011.

EBITDA for the year came to a negative 15,673 thousand euro, compared to a negative 14,720 thousand euro in 2011.

The operating loss came to 18,404 thousand euro in 2012, compared to 17,570 thousand euro in 2011.

Dividends, net financial income, net foreign exchange gains and write-downs of investments in subsidiaries were equal to 23,204 thousand euro in 2012, on the increase compared to 9,852 thousand euro in the previous year, mainly due to higher dividends received by the subsidiaries (equal to 26,735 thousand euro in 2012 compared to 12,302 thousand euro in 2011).

The net income for 2012 was 8,495 thousand euro, compared to a net income of 2,022 thousand euro in 2011.

Financial position as at December 31, 2012 stood at net debt of 25,739 thousand euro compared to net debt of 18,032 thousand euro as at December 31, 2011.

Research, Development and Innovation Activities – Parent Company

Research and innovation activity was intense in 2012, as shown by the amount of the related expenditure, which came to Euro 8,255 thousand euro. The expenditure increased compared to 2011, confirming the importance of research for the SAES Getters S.p.A.

Research activities focused on the development and finalization of products that will support the Group's growth in the next few years.

In particular, in the field of OLED, the organic chemistry department, in order to meet the more and more pressing demands of some major Korean and Japanese customers, focused on the improvement of the water absorption characteristics of the various formulations of DryPaste. In parallel, the materials laboratory has developed new configurations of sophisticated AlkaMax lithium dispensers, already qualified and used in a pilot production.

The Vacuum Systems Laboratory, in the wake of the great success of the NEXTorr pump, has continued the development of new models of the same family with higher capacities, whose commercial launch is expected in the next few months. In fact, we believe that the combination of the getter pump and the ionic one, developed with new alloys having appropriate characteristics, can compete with more traditional pumps, such as the sublimation pumps and the turbo-molecular ones.
In addition, the Company has started the development of the High Vacuum pumps family with which SAES wants to expand in a market segment much broader than the niche one in which it currently operates.

An equally intense effort was made in the development of new amalgams and mercury dispensers for fluorescent lamps, together with its subsidary SAES Advanced Technologies S.p.A. Amalgams have the function of controlling the pressure of mercury fumes in the lamps and help their quick ignition (in fact, the ignition time is one of the main issues of these lamps for domestic use); they will be used in high-end compact fluorescent lamps of a major European producer.
We are also intensively working on the development of the next generation of mercury dispensers of the TQS and Roof families, activities of the utmost importance to support and defend the sales of these products whose patents will expire in the coming years.

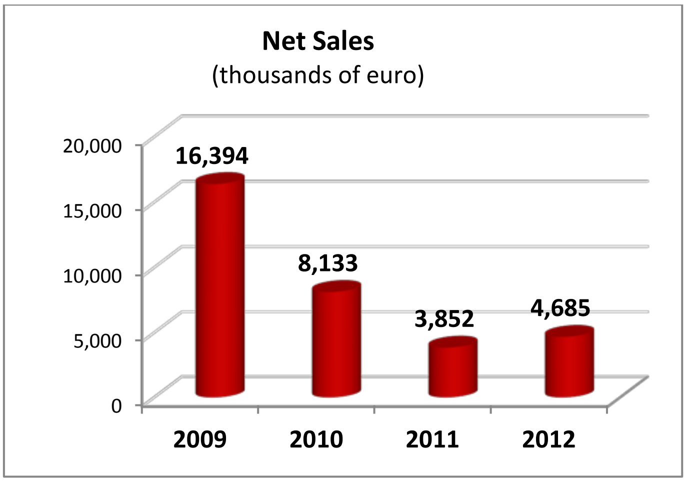
In the field of energy devices it has been completed the development of a sophisticated getter for lithium ion batteries, which has the function of absorbing the carbon dioxide that is produced inside the battery as a result of chemical reactions among its components and which makes its use dangerous. This getter is being tested by some potential users in Asia. In parallel, the qualification of getters for hydrogen absorption in super-condensers has continued with positive outcomes. The qualification process is very long and we expect the first final outcomes at the end of this year.

Always in the field of energy, in this case on the production side, please note that in mid 2012 the B-Dry was adopted on an industrial scale by a major European customer with its production facilities in Germany. The B-Dry is a sealing tape consisting of a polymer in which a highly performing water absorbing material is dispersed and it has the function of sealing the two sheets of glass that constitute the photovoltaic panel and at the same time it prevents the access of moisture, maintaining a good electrical insulation of the contacts that come out from the panel itself. In the wake of this commercial success, towards the end of the year the development of a second generation of this product with a hot dispensable configuration has started, with the same features of the previous one, but that can be used by those customers who have preferred using continuous dispensing systems instead of tapes.

In the last recent months the laboratory has also begun some important basic research activities in the field of SMAs. These are both basic studies aimed at understanding complex phenomena such as the hysteresis, the fatigue break and the relationship with their compositional characteristics, as well as some development activities of new compounds with a higher transition temperature. To carry out these activities we have started a collaboration with some leading European research centers.

Sales and net income for the year ended December 31, 2012

Net sales were 4,685 thousand euro in 2012, up to 21.6% from the 3,852 thousand euro reported in 2011.



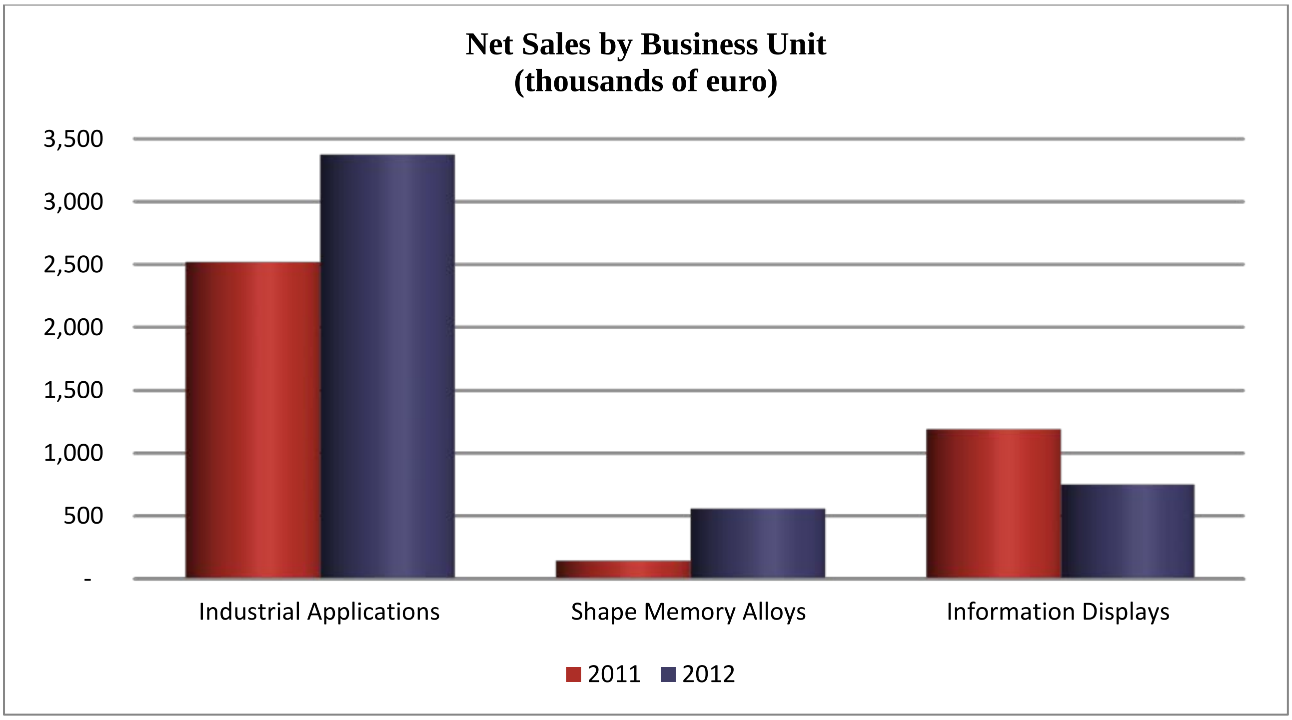
The following table contains a breakdown of net sales in 2012 and 2011 by business segment, along with the percent change at current and comparable exchange rates:

(thousands of euro)

Business Unit and Business	Year 2012	Year 2011 (*)	Difference	Difference %	Exchenge rate effect	Price /quantity effect %
Electronic Devices	1,794	1,793	1	0.1%	3.4%	-3.3%
Lamps	8	44	(36)	-81.8%	0.0%	-81.8%
Vacuum Systems and Thermal Insulation	1,181	576	605	105.0%	1.9%	103.1%
Energy Devices	385	105	280	266.7%	2.8%	263.9%
Semiconductors	6	0	6	100.0%	0.0%	100.0%
Subtotal Industrial Applications	**3,374**	**2,518**	**856**	**34.0%**	**2.9%**	**31.1%**
Subtotal Shape Memory Alloys	**558**	**143**	**415**	**290.2%**	**0.2%**	**290.0%**
Liquid Crystal Displays	443	845	(402)	-47.6%	4.0%	-51.6%
Cathode Ray Tubes	0	6	(6)	-100.0%	0.0%	-100.0%
Organic Light Emitting Diodes	308	340	(32)	-9.4%	3.4%	-12.8%
Subtotal Information Displays	**751**	**1,191**	**(440)**	**-36.9%**	**3.8%**	**-40.7%**
Subtotal Business Development	2	0	2	100.0%	0.0%	**100.0%**
Total Net Sales	**4,685**	**3,852**	**833**	**21.6%**	**3.1%**	**18.5%**

(*) 2011 revenues, shown for comparative purposes, have been reclassified to enable a homogeneous comparision with 2012; in particular:

- revenues related to dispensable *dryers* and to alkaline metal dispensers for OLED displays have been transferred from the Business Development Unit to the Information Displays Business Unit (Organic Light Emitting Diodes Business);
- similarly, revenues of getter sealants for photovoltaic modules and of sophisticated getters for energy storage devices have been transferred from the Business Development Unit to the Industrial Applications Business Unit (Energy Devices Business).

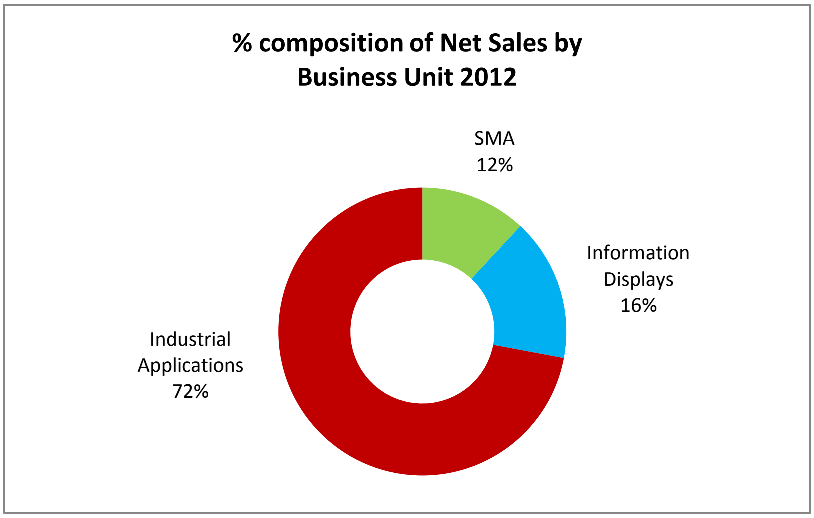


Revenues of the **Industrial Applications Business Unit** were equal to 3,374 thousand euro, up by 34% compared to the previous year. The currency trend led to a positive exchange rate effect equal to 2.9%. The increase is concentrated in the Vacuum Systems & Thermal Insulation Business, which recorded higher sales of getters for particle accelerators.

Revenues of the **Shape Memory Alloys Business Unit** were equal to 558 thousand euro, showing an increase of 415 thousand euro compared to the previous year.

Revenues of the **Information Displays Business Unit** amounted to 751 thousand euro, down by 440 thousand euro compared to 2011. The currency trend led to a positive exchange rate effect equal to 3.8%. This Business Unit had an overall decrease of 36.9% over the previous year, due to the continued contraction in the Liquid Crystal Displays sector.

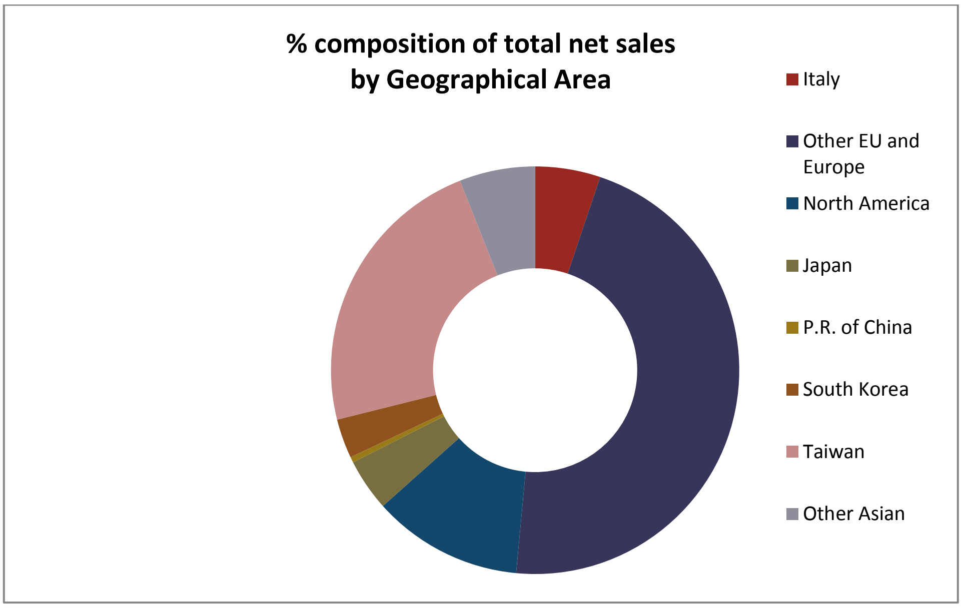
The following table shows the percentage of sales by Business Unit:



A breakdown of revenues by geographical location of customers is provided below:

(thousands of euro)

Geographical Area	Year 2012	%	Year 2011	%	Difference	Difference %
Italy	242	5.2%	241	6.3%	1	0.4%
Other EU and Europe	2,170	46.3%	1,732	45.0%	438	25.3%
North America	558	11.9%	395	10.3%	163	41.3%
Japan	194	4.1%	198	5.1%	(4)	-2.0%
P. R. of China	21	0.5%	31	0.8%	(10)	-32.3%
South Korea	146	3.1%	100	2.6%	46	46.0%
Taiwan	1,073	22.9%	1,135	29.5%	(62)	-5.5%
Other Asian	281	6.0%	20	0.5%	261	1305.0%
Total Net Sales	**4,685**	**100.0%**	**3,852**	**100.0%**	**833**	**21.6%**



The following table shows the gross profit by Business Unit in 2012 and 2011:

(thousands of euro)

Business Unit	2012	2011	Difference	Difference %
Industrial Applications	(504)	(563)	59	10.5%
Shape Memory Alloys	(52)	(104)	52	50.0%
Information Displays	(265)	(464)	199	42.9%
Business Development & Corporate Costs	(332)	(282)	(50)	-17.7%
Gross profit	**(1,153)**	**(1,413)**	**260**	**18.4%**

Gross profit was equal to -1,153 thousand euro in 2012, compared to -1,413 thousand euro in 2011. This negative figure, although improved thanks to the increase in revenues, is consistent with the Company's business characterized by development projects and pilot lines production, which have frequent interaction with the research activities.

The following table shows the operating income by Business Unit in 2012 and 2011:

(thousands of euro)

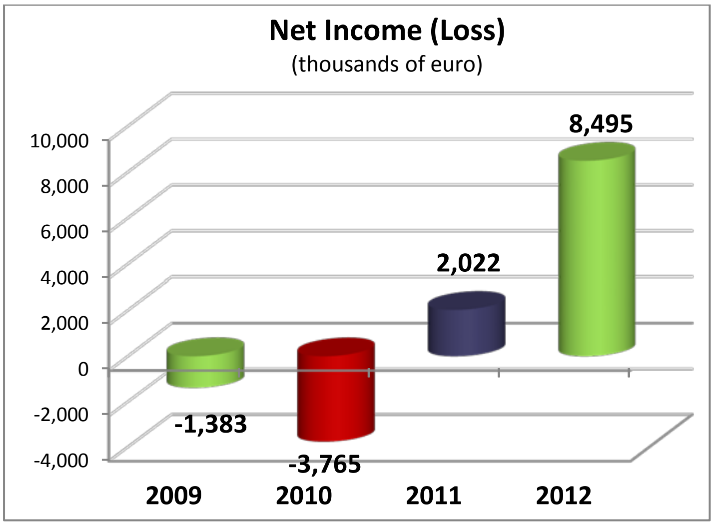
Business Unit	2012	2011 restated	Difference	Difference %
Industrial Applications	(2,377)	(3,187)	810	25.4%
Shape Memory Alloys	(2,546)	(1,195)	(1,351)	-113.1%
Information Displays	(2,247)	(2,104)	(143)	-6.8%
Business Development & Corporate Costs	(11,234)	(11,084)	(150)	-1.4%
Operating Income (Loss)	**(18,404)**	**(17,570)**	**(834)**	**-4.7%**

The **operating loss** was equal to 18,404 thousand euro in the current year, compared to a loss of 17,570 thousand euro in the corresponding period of 2011.
Dividends received from the subsidiaries, equal to 26,735 thousand euro, allowed to end 2012 with an income before taxes of 4,800 thousand euro.

2012 taxes recorded (see Note n.11) a positive balance of 3,695 thousand euro including current and deferred taxes.

Research and development expenses amounted to 8,255 thousand euro, compared to 7,747 thousand euro in 2011.

Net income or loss is shown in the following chart:



The Net Income for year 2012 was 8,495 thousand euro compared to a Net Income of 2,022 thousand euro in 2011.

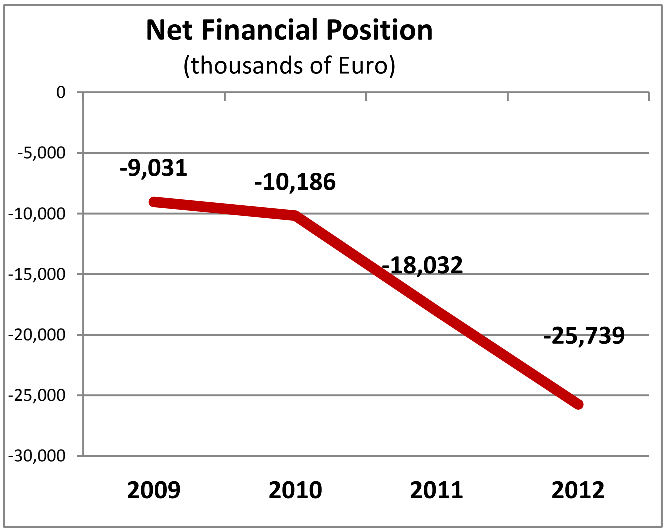
Financial position – Investments – Other information

A breakdown of the items making up the Company net financial position is provided below:

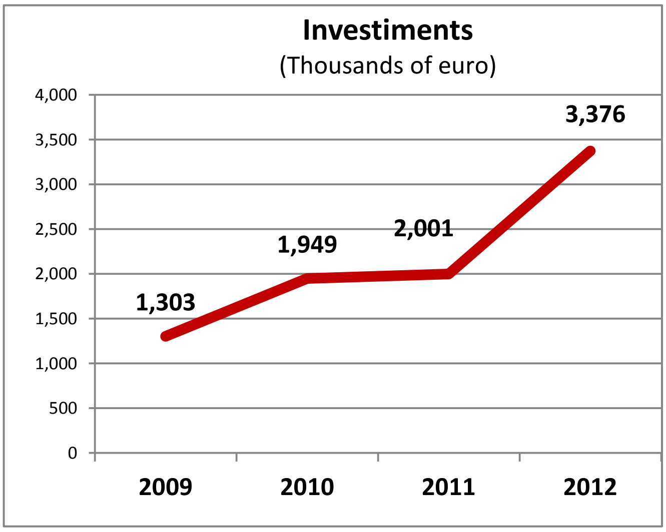
(thousands of euro)

	December 31, 2012	December 31, 2011	Difference
Cash on hand	8	8	0
Cash equivalents	4,408	2,379	2,029
Total cash and cash equivalents	**4,416**	**2,387**	**2,029**
Current financial assets*	**4,946**	**3,098**	**1,848**
Bank overdraft	(10,050)	(3)	(10,047)
Current portion of long term debt	(1,108)	(2,740)	1,632
Other current financial liabilities*	(23,722)	(19,674)	(4,048)
Other current financial liabilities of third party	(221)	0	(221)
Total current liabilities	**(35,101)**	**(22,417)**	**(12,684)**
Current net financial positions	**(25,739)**	**(16,932)**	**(8,807)**
Long term debt, net of current portion	0	(1,100)	1,100
Total non current liabilities	**0**	**(1,100)**	**1,100**
Net financial position	**(25,739)**	**(18,032)**	**(7,707)**

* current financial payables to and receivables from subsidiaries, associates or joint ventures (included Actuator Solutions GmbH)

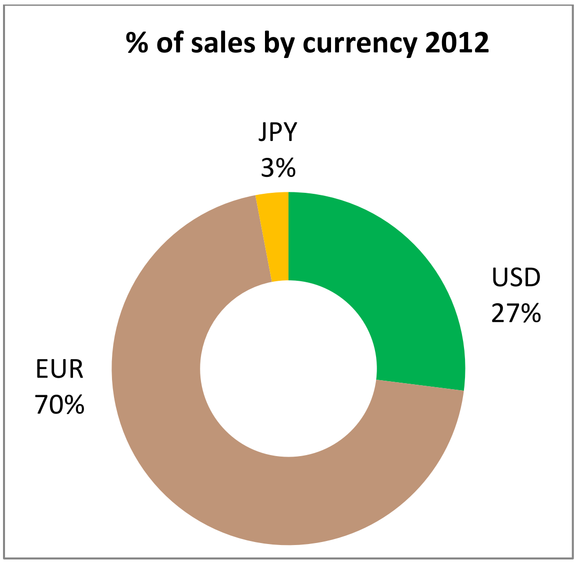


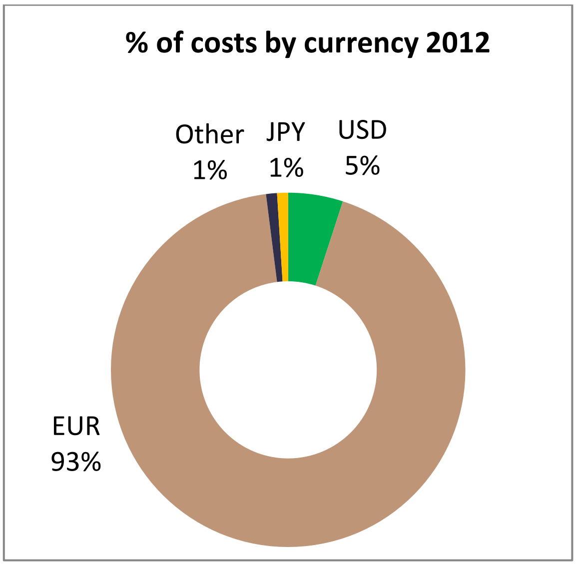
Financial position showed a negative amount of 25,739 thousand euro as at December 31, 2012, as result of cash and cash equivalents of 4,416 thousand euro and financial liabilities of 30,155 thousand euro, compared to net debt of 18,032 thousand euro as at December 31, 2011. The decrease compared to 2011 was due to the distribution of higher dividends and to higher investments made during the year.



In the 2012 financial year, increases in **property, plant and equipment** came to 3,376 thousand euro (2,001 thousand euro in 2011) of which 2,278 thousand euro consisted of investments in fixed assets for production and research activities.

The composition of net sales and costs (cost of sales and operating expenses) by currency is given below:





Transactions with Group Companies

Transactions with Group companies are identified on the basis of IAS 24 revised and article 2359 of the Italian Civil Code. Transactions with subsidiaries continued in 2012. Transactions were undertaken with such counterparties as part of the Company's ordinary operations. 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 undertaken under at arm's-length financial conditions. Interest-bearing cash pooling agreements and loan agreements are in force with several Group companies. All agreements entered into were at arm's length conditions.

The main transactions with the subsidiaries, associates or joint ventures of the SAES Group were as follows:

SAES ADVANCED TECHNOLOGIES S.p.A., Avezzano, AQ (Italy)
Revenue from royalties relating to the sale of getters for industrial applications; charge-backs relating to the use of software licenses purchased centrally; the charge-back of centrally managed insurance costs; revenue on the charge-back of centralised group services; purchase of finished products for resale; purchases of raw materials. In addition, an interest-bearing cash pooling agreement and a receivables insurance agreement have been entered into with SAES Advanced Technologies S.p.A.

SAES GETTERS USA, Inc., Colorado Springs, CO (USA)
Getter sales; purchases of finished products; charge-backs of centrally managed insurance costs; revenue on the charge-back of centralised group services and revenue on the use of the SAES brand and royalties for the licensing of the PageLid technology. In addition, an interest-bearing cash-pooling agreement is in effect.

SAES PURE GAS, Inc., San Luis Obispo, CA (USA)
Revenue on licensing rights for purifier sales; the charge-back of centrally managed insurance costs and revenue on the charge-back of centralised group services.

SAES SMART MATERIALS, Inc., New York, NY (USA)
Revenue on the charge-back of centrally managed insurance costs and revenue on the charge-back of centralised group services.

SPECTRA-MAT. INC., Watsonville, CA (USA)
Revenue on the charge-back of centralised group services, the charge-back of centrally managed insurance costs.

MEMRY CORPORATION, Bethel, CT (USA)
Purchase of raw materials; revenue on the charge-back of centralised group services and the charge-back of centrally managed insurance costs.

SAES GETTERS KOREA Corporation – Seoul (South Korea)
Revenue deriving from the charge-back of centrally managed insurance costs; commission expenses related to commercial transactions. In addition, an interest-bearing financing through borrowing is in effect.

SAES GETTERS (NANJING) CO., LTD. – Nanjing (P.R. of China)
Purchase of getters, revenue on the charge-back of centralised group services; and charge-backs of centrally managed insurance costs.

MEMRY GmbH, Weil am Rhein (Germany) (formerly Dr.-Ing Mertmann Memory-Metalle GmbH)
Purchases of raw materials and charge-back of centralised group services. In addition, an interest-bearing financing through borrowing is in effect.

SAES GETTERS INTERNATIONAL LUXEMBOURG S.A., Luxembourg (Luxembourg)
An interest-bearing loan agreement is in effect.

E.T.C. S.r.l., Bologna (Italy)
Revenue on the charge-back of general and administrative services. In addition, an interest-bearing cash-pooling agreement is in effect. The Company has leased to the subsidiary the use of its specific equipment for research and development projects.

SAES Nitinol S.r.l. – Lainate (Italy)
In addition, an interest-bearing cash-pooling agreement is in effect with the Company.

SAES GETTERS EXPORT CORP. – Wilmington, DE (USA)
No transactions.

In clarification of the foregoing, it should be noted that the Company has entered into agreements for the provision of commercial, technical, information technology, legal, and financial services and the study of specific projects with the following subsidiaries (SAES Advanced Technologies S.p.A., SAES Getters USA, Inc., Inc., SAES Pure Gas, Inc., SAES Getters Korea Corporation, SAES Getters (Nanjing) Co., Ltd., Spectra-Mat, Inc., SAES Smart Materials, Inc., Memry Corporation) .

The Company manages and coordinates SAES Advanced Technologies S.p.A., E.T.C. S.r.l. and SAES Nitinol S.r.l., pursuant to Article 2497 et seq. of the Italian Civil Code.

The Company provides bank guarantees to its subsidiaries, as described in the note concerning contingent liabilities and commitments.

Comments on the most significant transactions undertaken during 2012 are given in the Explanatory Notes, as part of the analysis on the composition of the individual items of the Financial Statements.

Financial transactions with the subsidiaries, associates or joint ventures of the SAES Getters Group are summarized below:

(thousands of euro)

Company	Receivables 2012	Payables 2012	Revenues 2012	Expenses 2012	Memorandum 2012 *
SAES Advanced Technologies S.p.A.	2,375	3,820	3,502	1,462	0
SAES Getters USA, Inc.	286	2,367	1,000	12	4,000
SAES Getters America, Inc.	0	0	0	0	0
SAES Pure Gas, Inc.	553	26	661	6	0
SAES Smart Materials, Inc.	25	25	34	37	6,316
Spectra-Mat, Inc.	123	0	127	2	0
Memry Corporation	53	49	74	225	20,843
SAES Getters Korea Corporation	123	7,642	257	142	0
SAES Getters (Nanjing) Co.Ltd.	45	0	53	21	0
Memry GmbH	334	2	30	0	0
SAES Getters International S.A.	0	8,182	0	232	0
E.T.C. S.r.l.	0	0	672	0	0
SAES Nitinol S.r.l.	4,619	0	124	0	0
Actuator Solutions GmbH	832	2,019	827	19	0
Total	**9,368**	**24,132**	**7,361**	**2,158**	**31,159**

*includes guarantees issued by SAES Getters S.p.A.

With reference to IAS 24 (revised), the following Related Parties other than subsidiaries, associates or joint ventures are identified:

- **S.G.G. Holding S.p.A.**, the controlling company. It is the Company's majority shareholder. As of the reporting date, it held 7,958,920 ordinary shares, representing 54.25% of ordinary capital with voting rights.
  As regards the majority interest held by S.G.G. Holding S.p.A., it should be noted that said company does not manage or coordinate SAES Getters S.p.A. pursuant to Article 2497 of the Italian Civil Code. On the basis of the assessments conducted by the Board of Directors, it was determined that S.G.G. Holding S.p.A. does not play any role in defining the annual budget, long-term strategic plans or investment choices, does not approve specific significant transactions undertaken 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. Furthermore, SAES Getters S.p.A. is entirely independent in its organisation and decision-making and acts in an independent negotiating capacity in its dealings with customers and suppliers.

It should be recalled that a national tax consolidation agreement was signed with the controlling company S.G.G. Holding S.p.A. on May 12, 2005 and then renewed for the second time on June 14, 2011, for the following three years in order to control the effects of the joint exercise of the group taxation option, as described in article 117 of the Consolidated Income Tax Act. As a result of the tax consolidation process, at the end of 2012 the Company claimed a total of 2,729 thousand euro in receivables from S.G.G. Holding S.p.A.
It should further be noted that, pursuant to article 2428, paragraphs 3 and 4, of the Italian Civil Code, the Company does not own shares of the controlling company, either directly or through trusts or intermediaries. During 2012, no transactions were undertaken involving the purchase or sale of shares of the controlling company.

- **Actuator Solutions GmbH**: a joint venture 50% owned by the two groups SAES and Alfmeier Präzision respectively, aimed at the development, production and distribution of actuators based on the SMA technology.
The economic and financial relations include proceeds from the sale of semi-finished products; a contract is in place for the recharge of commercial, research and development and administrative costs and services; in addition, a contract is in place for a financing against payment.

- **Managers with Strategic Responsibilities:** these include the members of the Board of Directors, including non-executive directors and the members of the Board of Statutory Auditors. Their close relatives are also considered Related Parties.
Moreover, the Corporate Human Resources Manager, the Corporate Operations Manager, the Group Legal General Counsel, the Corporate Research Manager and the Group Administration, Finance and Control Manager are considered managers with strategic responsibilities.

The following table details balance sheet and income statement dealings with Related Parties other than subsidiaries, associates and joint ventures for years 2012 and 2011:

(thousands of euro)

December 31, 2012	Net sales	Research and development expenses (*)	Selling expenses (*)	General and administrative expenses (*)	Other income (expenses)	Financial expenses	Trade receivables	Tax consolidation receivables from Controlling Company	Tax consolidation payables from Controlling Company	Intercompany financial payables
S.G.G. Holding S.p.A.								2,729		
Actuator Solutions GmbH	102	174	515	27	9	(19)	832			(2,019)
Total	**102**	**174**	**515**	**27**	**9**	**(19)**	**832**	**2,729**	**0**	**(2,019)**

(*) costs recovery

(thousands of euro)

December 31, 2011	Net sales	Research and development expenses (*)	Selling expenses (*)	General and administrative expenses (*)	Other income (expenses)	Financial expenses	Trade receivables	Tax consolidation receivables from Controlling Company	Tax consolidation payables from Controlling Company	Intercompany financial payables
S.G.G. Holding S.p.A.								2,485		
Actuator Solutions GmbH	0	11	181	19	60	0	271			0
Total	**0**	**11**	**181**	**19**	**60**	**0**	**271**	**2,485**	**0**	**0**

(*) costs recovery

The following table shows the compensation provided to key management personnel as identified above:

(thousands of euro)	**Year 2012**	**Year 2011**
Short term employee benefits	2,829	3,054
Post employment benefits	0	0
Other long term benefits	214	166
Termination benefits	381	105
Payments in shares	0	0
Other benefits	0	0
Total remuneration provided to managers with strategic responsibilities	**3,424**	**3,325**

On December 31, 2012 the payable entered in the financial statements towards Managers with strategic responsibilities as defined above, amounted to 2,429 thousand euro, to be compared to a payable of 2,342 thousand euro as at December 31, 2011.

In accordance with the Consob notices of February 20, 1997 and February 28, 1998 and IAS 24 revised, we report that in 2012 all related party transactions were undertaken within the Company's ordinary operations and at arm's-length conditions and within the Company's ordinary operations.

Additional information about the Company

For information concerning the performance of subsidiaries, reference is made to the Consolidated Financial Statements and the "Summary of main data of subsidiaries' Financial Statements".

The Company has two branch offices, one in Jhubei City (Taiwan) and one in Tokyo (Japan).

The disclosures concerning ownership structure required under paragraph 1 of article 123-bis of Italian Legislative Decree No. 58/98 (Consolidated Finance Act) are provided in the Company's Corporate

Governance Report, which is included in the financial statement package and has been published in the Corporate Documentation area of the Investor Relations section of the Company's website, www.saesgroup.com.

Subsequent events

On February 19, 2013 SAES Getters S.p.A., in order to provide the subsidiary E.T.C. S.r.l. with more funds in order to ensure an adequate capitalization, resolved a capital contribution of 2,484 thousand euro, equal to the net loss registered by E.T.C. S.r.l. in the fiscal year 2012, of which 1,849 thousand euro by waiving the financial receivable, 536 thousand euro by waiving the trade receivable, both of the Parent Company, and the remaining amount of 99 thousand euro by cash. The shareholding of SAES Getters S.p.A. remained unchanged compared to December 31, 2012 (85% of the share capital).

Furthermore, on February 19, 2013, SAES Getters S.p.A. resolved a capital contribution of 94 thousand euro to the subsidiary SAES Nitinol S.r.l. (equal to the loss incurred by the subsidiary during the year 2012) in order to restore its share capital, decreased below one third as a result of the above mentioned loss.

Following the agreement signed on June 27, 2012, on March 7, 2013 SAES Getters S.p.A. finalized the contract for the purchase of the last 20% of the shares of Memry GmbH for a consideration of 500 thousand euro, to be paid by the first half of 2013; for further details please refer to Note no. 29 of the Consolidated financial statements.

Project of approval of Financial Statements and distribution of dividends

Shareholders,

We hereby submit the financial statements and the proposed distribution of the "Net income for the period" and of the "Retained earnings" for your approval.

We hereby submit the proposal to distribute the entire "Net income for the period" equal to euro 8,495,024.13, net of unrealized net exchange gains as envisaged by art. 2426 c. 8-bis of the Civil Code, and a portion of the "Retained earnings" reserve equal to euro 1,479,354.47, as shown in the table below, for your approval.

			euro
Net income for the period			**8,495,024.13**
(Net exchange gains - unrealised and undistributable)			(9,391.87)
Distributable Net income			**8,485,632.26**
From distributable Net income:			
Only to saving shares - full recognition of the preferred dividend with reference to 2010			
- euro	0.138549	for each out of	
n.	7,378,619	saving shares	1,022,300.28
to ordinary and saving shares according the following distribution			
- euro	0.349535	(including the increase of euro 0,016626 and of euro 0,138549 as full recognition of the preferred dividend with reference to 2012) for each out of	
n.	7,378,619	saving shares	2,579,085.59
- euro	0.332909	for each out of	
n.	14,671,350	ordinary shares	4,884,224.46
to retained earnings for roundings			21.93
			8,485,632.26
From Retained earnings:			
in equal measure to the ordinary and saving shares			
- euro	0.067091	for each out of	
n.	7,378,619	saving shares	495,038.93
- euro	0.067091	for each out of	
n.	14,671,350	ordinary shares	984,315.54
			1,479,354.47
For a total dividend equal to:			
- euro	0.555175	for each out of	
n.	7,378,619	saving shares	4,096,424.80
- euro	0.400000	for each out of	
n.	14,671,350	ordinary shares	5,868,540.00
For a maximum total equal to:			**9,964,964.80**

The dividend will be paid, as determined above, to the entitled ordinary and savings shares in circulation, excluding treasury shares, with effect from May 3, 2013 (against the detachment of the coupon no. 29); the shares will trade ex-dividend starting from April 29, 2013.

The legal Reserve has already reached 20% of the share capital.

We also propose that any rounding performed during payment be charged to the "Retained earnings reserve".

Lainate (MI) Italy, March 13, 2013

On behalf of the Board of Directors

Dr Ing. Massimo della Porta
President

Separate financial statements of the SAES Getters S.p.A. for the year ended December 31, 2012

Income Statement

(euro)	Notes	2012	2011 Restated (*)
Third party net sales		3,802,189	3,298,065
Intercompany net sales		882,955	553,820
Total net sales	4	**4,685,144**	**3,851,885**
Third party cost of sales		(4,229,158)	(4,001,041)
Intercompany cost of sales		(1,608,650)	(1,263,628)
Total cost of sales	5	(5,837,808)	(5,264,669)
Gross profit		**(1,152,664)**	**(1,412,784)**
Research & development expenses	6	(8,255,052)	(7,747,083)
Selling expenses	6	(4,875,226)	(4,611,836)
General & administrative expenses	6	(11,926,692)	(12,714,489)
Total operating expenses		**(25,056,970)**	**(25,073,408)**
Other third party income (expenses), net		2,414,835	2,987,115
Other intercompany income (expenses), net		5,391,034	5,929,022
Total other income (expenses), net	7	7,805,869	8,916,137
Operating income (loss)		**(18,403,764)**	**(17,570,055)**
Dividends	8	**26,734,608**	**12,301,801**
Third party financial income		5,508	9,944
Intercompany financial income		226,833	244,514
Total financial income	8	**232,341**	**254,458**
Third party financial expenses		(828,325)	(471,116)
Intercompany financial expenses		(377,128)	(188,838)
Total financial expenses	8	**(1,205,453)**	**(659,954)**
Foreign exchange gains (losses), net	9	**(73,413)**	**(59,825)**
Write down of intercompany investments	10	**(2,484,304)**	**(1,984,962)**
Income before taxes		**4,800,015**	**(7,718,537)**
Income taxes	11	3,695,009	9,740,732
Net income (loss) from continuing operations		**8,495,024**	**2,022,195**
Net income (loss) from discontinuing operations		0	0
Net income (loss)		**8,495,024**	**2,022,195**

Statement of comprehensive income

(euro)	Notes	2012	2011 Restated (*)
Net income (loss) for the period		**8,495,024**	**2,022,195**
Actuarial gain (loss) on defined benefit plans		(320,055)	18,334
Income tax effect		88,015	(5,042)
Actuarial gains (losses) on defined benefit plans, net of tax		**(232,040)**	**13,292**
Total income (loss), net of income taxes		**8,262,984**	**2,035,487**

(*) Certain amounts shown in the column do not correspond to the 2011 financial statements because they reflect reclassifications and adjustments as detailed in Note n. 1 paragraph "Restatement on 2011".

Statement of financial position

(euro)	Notes	December 31, 2012	December 31, 2011 Restated (*)	January 1, 2011 Restated (*)
ASSETS				
Non Current Assets				
Property, plant and equipment, net	12	15,343,672	14,318,146	14,882,988
Intangible assets, net	13	1,487,248	1,715,939	2,068,251
Investments and other financial activities	14	73,383,727	72,870,692	72,860,692
Intercompany financial credits	19	0	0	0
Non current tax consolidation receivables	20	201,414	135,746	76,563
Deferred tax assets	15	9,732,810	7,262,243	1,050,106
Other long term assets	16	566,082	555,891	47,281
Total Non Current Assets		**100,714,953**	**96,858,656**	**90,985,881**
Current Assets				
Inventory	17	519,358	344,289	185,231
Third party trade receivables		1,215,633	929,878	1,652,566
Intercompany trade receivables		4,432,394	4,368,337	4,083,433
Trade receivables	18	5,648,027	5,298,215	5,735,999
Derivative instruments evalutated at fair value	30	11,364	0	0
Intercompany financial credits	19	4,935,311	3,097,737	5,784,351
Tax consolidation receivables	20	2,527,689	2,349,173	3,339,972
Prepaid expenses, accrued income and other	21	4,090,826	2,501,269	2,597,403
Cash and cash equivalents	22	4,415,531	2,387,012	1,922,927
Total Current Assets		**22,148,106**	**15,977,696**	**19,565,884**
Total Assets		**122,863,059**	**112,836,352**	**110,551,765**

(euro)	Notes	December 31, 2012	December 31, 2011 Restated (*)	January 1, 2011 Restated (*)
SHAREHOLDERS' EQUITY AND LIABILITIES				
Capital stock		12,220,000	12,220,000	12,220,000
Share issue premium		41,119,940	41,119,940	41,119,940
Tresury shares		0	0	0
Legal reserve		2,444,000	2,444,000	2,444,000
Sundry reserves and retained earnings		10,144,284	19,490,136	27,619,420
Net income (loss) for the period		8,495,024	2,022,195	(3,732,581)
Shareholders' Equity	23	**74,423,248**	**77,296,272**	**79,670,779**
Non Current Liabilities				
Non current financial liabilities	24	0	1,100,000	239,108
Deferred tax assets	15	0	0	3,097
Staff leaving indemnity and other employee benefits	25	4,488,646	4,028,433	3,948,413
Non current provisions	26	90,485	87,785	0
Other non current payables		0	0	0
Total Non Current Liabilities		**4,579,131**	**5,216,218**	**4,190,618**
Current Liabilities				
Third party trade payables		3,943,122	2,919,339	3,003,278
Intercompany trade payables		409,848	246,344	393,673
Trade payables	27	4,352,970	3,165,683	3,396,950
Intercompany financial payables	28	23,722,337	19,663,814	9,381,051
Other payables	29	3,893,900	3,892,192	3,572,865
Income taxes payables		0	0	79,322
Current provisions	26	512,041	849,405	1,987,842
Derivative instruments evalutated at fair value	30	0	9,306	0
Bank overdraft	31	10,050,163	3,398	1,500,794
Current portion of long term debt	24	1,108,269	2,740,065	6,771,544
Other Financial Debts		221,000	0	0
Total Current Liabilities		**43,860,680**	**30,323,863**	**26,690,368**
Total Liabilities and Shareholders' Equity		**122,863,059**	**112,836,352**	**110,551,765**

(*) Certain amounts shown in the column do not correspond to the 2011 financial statements because they reflect reclassifications and adjustments as detailed in Note n. 1 paragraph "Restatement on 2011".

Cash Flow Statement

(euro)	Year 2012		2011 restated(*)	
Cash flows provided from operating activities				
Net income from continuing operations		8,495,024		2,022,195
Net income from discontinuing operations		0		0
Current income taxes		(1,528,598)		(3,523,552)
Change in deferred income taxes		(2,166,411)		(6,217,180)
Depreciation of property, plant and equipment		2,328,570		2,380,543
Amortization of intangible assets		330,820		369,189
Capital gains (losses) on sales of intangible assets		(40,846)		(84,093)
Write down of assets		68,983		184,726
Dividends in Income Statement		(26,734,608)		(12,301,801)
Financial revenues (expenses), net		1,046,525		465,321
Accrual for termination indemnities		726,693		592,699
Accrual (utilization) for risk and contingencies, net		(334,664)		592,348
		(17,808,512)		**(15,519,605)**
Change in operating assets and liabilities				
Cash increase (decrease) in :				
Account receivables and other receivables	(1,939,369)		24,223	
Inventory	(175,069)		(159,058)	
Trade account payables	1,187,287		(231,267)	
Other current payables	(2,179,834)		(504,363)	
		(3,106,985)		**(870,466)**
Payments of termination indemnities ans similar obbligations		(203,203)		(296,257)
Payments of debit interest and other financial expenses		(771,172)		(479,667)
Interest and other financial receipts		4,876		9,944
Income taxes received (paid)		2,204,484		3,336,084
Cash flows from operating activities		**(19,680,511)**		**(13,819,967)**
Cash flows used by investing activities				
Purchase of property, plant and equipment		(3,376,474)		(2,000,428)
Proceeds from sales of property, plant and equipment		40,869		108,847
Dividends received		26,734,608		12,301,801
Purchase of intangible assets		(149,519)		(16,876)
Decrease (increase) of non current financial assets		(513,035)		(10,000)
Decrease (increase) of current financial assets		(20,670)		9,306
Cash flows from investing activities		**22,715,778**		**10,392,651**
Cash flows used by financing activities				
Proceeds from short term financial debts		10,267,765		0
Proceeds from long term financial debts		0		3,628,843
Proceeds from / repayments of Intercompany financial debts		2,220,949		12,969,377
Dividends paid		(10,791,680)		(4,409,994)
Purchase of treasury shares		0		0
Repayments of financial debts		(2,703,782)		(8,296,826)
Cash flows from financing activities		**(1,006,748)**		**3,891,401**
Exchange gains (losses) from balances conversion into foreign currencies		0		0
Increase (decrease) in cash equivalents, net		**2,028,519**		**464,085**
Cash and equivalents at the beginning of the period		**2,387,012**		**1,922,927**
Cash and cash equivalents, net, at the end of the period		**4,415,531**		**2,387,012**

(*) Certain amounts shown in the column do not correspond to the 2011 financial statements because they reflect reclassifications and adjustments as detailed in Note n. 1 paragraph "Restatement on 2011".

Statement of changes in the shareholders' equity as at December 31, 2012

(thousands of euro)

	Capital stock	Share issue premium	Treasury shares	Legal reserve	Sundry reserves and retained earnings					Net income (loss) for the period	Total shareholders' equity
					Reserve for treasury shares	Cash flow hedge reserve	Revaluation reserve	Other	Total		
Balance at December 31, 2011 restated	**12,220**	**41,120**	**0**	**2,444**	**0**	**0**	**1,727**	**17,763**	**19,490**	**2,022**	**77,296**
Appropriation of 2011 result:								2,022	2,022	(2,022)	0
Dividends paid								(10,792)	(10,792)		(10,792)
Revocation of treasury shares									0		0
Income (loss) from transactions with Group companies								(344)	(344)		(344)
Net income for the period									0	8,495	8,495
Other comprehensive income (loss)								(232)	(232)		(232)
Balance at December 31, 2012	**12,220**	**41,120**	**0**	**2,444**	**0**	**0**	**1,727**	**8,417**	**10,144**	**8,495**	**74,423**

Statement of changes in the shareholders' equity as at December 31, 2011 restated

(thousands of euro)

	Capital stock	Share issue premium	Treasury shares	Legal reserve	Sundry reserves and retained earnings					Net income (loss) for the period	Total shareholders' equity
					Reserve for treasury shares	Cash flow hedge reserve	Revaluation reserve	Other	Total		
Balance at January 1, 2011	**12,220**	**41,120**	**0**	**2,444**	**0**	**0**	**1,727**	**26,092**	**27,819**	**(3,765)**	**79,838**
Changes in accounting policies								(200)	(200)	33	(167)
Balance at January 1, 2011 restated	**12,220**	**41,120**	**0**	**2,444**	**0**	**0**	**1,727**	**25,892**	**27,619**	**(3,732)**	**79,671**
Appropriation of 2010 result:								(3,732)	(3,732)	3,732	0
Dividends paid								(4,410)	(4,410)		(4,410)
Revocation of treasury shares									0		0
Income (loss) from transactions with Group companies									0		0
Net income for the period									0	2,022	2,022
Other comprehensive income (loss)								13	13		13
Balance at December 31, 2011 restated	**12,220**	**41,120**	**0**	**2,444**	**0**	**0**	**1,727**	**17,763**	**19,490**	**2,022**	**77,296**

Summary of main data of subsidiaries' Financial Statements as of December 31, 2012

Statement of financial position 2012	Subsidiaries								
	SAES Advanced Technologies S.p.A.	***SAES Getters USA, Inc.***	***SAES Getters Korea Corporation***	***SAES Getters International Luxembourg S.A.***	***SAES Getters (Nanjing) Co., Ltd.***	***SAES Getters Export, Corp.***	***Memry GmbH***	***E.T.C. S.r.l.***	***SAES Nitinol S.r.l.***
	(thousands of euro)	*(US Dollar)*	*(thousands of Won)*	*(thousands of euro)*	*(Chinese Cinesi)*	*(US Dollar)*	*(thousands of euro)*	*(thousands of euro)*	*(thousands of euro)*
Property, plant and equipment, net	20,597	1,480,753	9,956	0	18,066,775	0	531	0	0
Intangible assets, net	2,905	36,348	0	0	5,476,941	0	8	0	0
Other non current assets	303	49,077,669	174,386	30,698	31,964,346	0	3	0	4,516
Current assets	16,717	11,860,968	15,354,929	8,284	55,767,734	11,974,310	816	583	21
Total assets	**40,522**	**62,455,738**	**15,539,271**	**38,982**	**111,275,796**	**11,974,310**	**1,358**	**583**	**4,537**
Shareholders' equity	28,165	19,953,364	15,153,985	38,918	103,849,623	7,692,783	618	(2,464)	(84)
Non current liabilities	2,685	1,790,594	0	0	0	0	98	8	0
Current liabilities	9,672	40,711,779	385,286	64	7,426,173	4,281,527	642	3,039	4,621
Total liabilities and shareholders' equity	**40,522**	**62,455,738**	**15,539,271**	**38,982**	**111,275,796**	**11,974,310**	**1,358**	**583**	**4,537**

Income statement 2012	Subsidiaries								
	SAES Advanced Technologies S.p.A.	***SAES Getters USA, Inc.***	***SAES Getters Korea Corporation***	***SAES Getters International Luxembourg S.A.***	***SAES Getters (Nanjing) Co., Ltd.***	***SAES Getters Export, Corp.***	***Memry GmbH***	***E.T.C. S.r.l.***	***SAES Nitinol S.r.l.***
	(thousands of euro)	*(US Dollar)*	*(thousands of Won)*	*(thousands of euro)*	*(Chinese Cinesi)*	*(US Dollar)*	*(thousands of euro)*	*(thousands of euro)*	*(thousands of euro)*
Total net sales	37,375	14,770,527	3,243,814	0	23,543,809	0	3,382	0	0
Cost of sales	(19,458)	(8,932,912)	(2,735,991)	0	(20,940,110)	0	(2,232)	0	0
Gross profit	**17,917**	**5,837,614**	**507,823**	**0**	**2,603,699**	**0**	**1,150**	**0**	**0**
Research & development expenses	(694)	(125,953)	0	0	0	0	(209)	(1,861)	0
Selling expenses	(924)	(1,723,227)	(288,581)	0	(5,482,992)	5,617,388	(324)	(0)	0
General & administrative expenses	(2,929)	(632,234)	(657,224)	(90)	(7,608,097)	0	(491)	(8)	(5)
Total operating expenses	(4,548)	(2,481,414)	(945,805)	(90)	(13,091,089)	5,617,388	(1,024)	(1,869)	(5)
Other income (expenses), net	(3,030)	(178,656)	(139,040)	0	(782,002)	1,690,604	31	(580)	(1)
Operating income (loss)	**10,339**	**3,177,544**	**(577,022)**	**(90)**	**(11,269,392)**	**7,307,992**	**157**	**(2,449)**	**(5)**
Interest and other financial income (expenses), ne	(63)	8,761,674	318,098	230	1,277,713	(12,800)	(26)	(54)	(125)
Foreign exchange gains (losses), net	(27)	75,409	(102,659)	0	(48,335)	0	6	19	0
Income (loss) before taxes	**10,249**	**12,014,628**	**(361,583)**	**140**	**(10,040,014)**	**7,295,192**	**137**	**(2,484)**	**(130)**
Income taxes	(3,134)	(4,760,000)	0	(45)	(1,058)	0	(45)	0	36
Net income (loss) from continuing operations	**7,115**	**7,254,628**	**(361,583)**	**95**	**(10,041,072)**	**7,295,192**	**92**	**(2,484)**	**(94)**
Net income (loss) from discontinuing operations	0	111,075	0	0	0	0	0	0	0
Net income (loss)	**7,115**	**7,365,703**	**(361,583)**	**95**	**(10,041,072)**	**7,295,192**	**92**	**(2,484)**	**(94)**

Certification of the Financial Statements of the Parent Company

CERTIFICATION OF THE CONSOLIDATED FINANCIAL STATEMENTS
pursuant to article no. 81-*ter* of CONSOB Regulation no. 11971 of May 14, 1999, as amended

1. The undersigned, Giulio Canale, in his capacity as Vice President and Managing Director, and Michele Di Marco, in his capacity as Officer Responsible for the preparation of the corporate financial reports of SAES Getters S.p.A., hereby certify, pursuant to the provisions of article 154-*bis*, paragraphs 3 and 4, of Legislative Decree no. 58 of February 24, 1998:

- the adequacy for the characteristics of the enterprise and

- the effective application

of the administrative and accounting procedures for the formation of the Company Financial Statements during the period from January 1 to December 31, 2012.

2. The following remarks apply to this situation:

2.1 The Administrative and Accounting Control Model of the SAES Group

- On December 20, 2012, the Board of Directors of SAES Getters S.p.A. approved the update of the Administrative and Accounting Control Model, issued on May 14, 2007, the adoption of which is aimed at ensuring that SAES Getters complies with the provisions of Law no. 262 of December 28, 2005 (hereinafter the "Savings Law"), implemented in December 2006 through the approval of Legislative Decree no. 303/06, and, specifically, obligations pertaining to the preparation of corporate accounting documents and all documents and communications of a financial nature disseminated to the market.
- The Control Model, which refers to the organizational structure of the SAES Group:
    - sets the roles and responsibilities of the entities involved in various capacities in the process of forming and/or controlling the financial information of the SAES Group and introduces the role of manager in charge of the preparation of corporate accounting documents (hereinafter the “Officer Responsible”);
    - describes the elements that comprise the administrative and accounting control system, citing the general control environment underlying the Internal Control System of the SAES Group, in addition to specific components pertaining to administrative and accounting information;
    - regarding this latter aspect in particular, calls for the integration of the Group Accounting Principles and IAS Operating Procedures with a system of administrative and accounting procedures and the related control matrices, which describes the controlling activities implemented in each process;
    - establishes the conditions and frequency of the administrative and accounting risk assessment process in order to identify the processes of greatest relevance to accounting and financial information.

2.2. Matrices of administrative and accounting controls of SAES Getters S.p.A.

- On December 20, 2012, 9 Matrices of administrative and accounting controls were issued, related to the most significant processes of SAES Getters S.p.A., selected after the risk assessment conducted on the basis of the 2011 financial statements.
- The controls described in these matrices were shared with the responsibles - according to the current organization chart - of the audited processes, and a process of continuous monitoring

and alignment of these matrices to the effective operations has been established, requiring each responsible to verify the implementation of the controls and to confirm their adequacy and effectiveness, and to report non-operating controls, or inadequate ones, or controls made obsolete by the evolution of the internal organization.

2.3. Results of the internal certification process of SAES Getters S.p.A.

- The process owners have signed and submitted to Officer Responsible its own “internal certification letters” in which they confirmed that they had verified the activities /processes forming the object of the controls for which they were responsible and deemed them suitable and operationally effective to ensuring the reliability of the corresponding information flows and the processing of the associated data in accordance with the administrative and accounting procedures adopted by SAES Getters S.p.A.
- As of today, the Responsible Officer has received all the 11 letters of internal declaration required to the process responsibles of SAES Getters S.p.A.;
- The results of the process were positive and no anomalies were reported.

2.4. Results of the review by the Internal Audit Department of SAES Getters S.p.A.

- The Officer Responsible requested the support of the Internal Audit Department for verification of part of the controls included in administrative and accounting procedures by a department independent from the offices responsible for the controls.
- With regards to this review, the Internal Audit Department, through its own assessment of critical situations, selected n. 3 administrative and accounting processes and it verified with its related managers the proper operation of controls within the processes themselves, collecting the supporting documentation where necessary.
  The results of the reviews were positive according to the report prepared by the Head of Internal Audit Department.

3. Furthermore, we certify that:

3.1. the Financial Statements of the Parent Company for the year ended December 31, 2012:

a) have been prepared in accordance with applicable international accounting standards recognized within the European Union pursuant to Regulation (EC) 1602/2002 of the European Parliament and the Council;
b) correspond to the results of accounting records and books;
c) are suitable to providing a truthful, accurate representation of the issuer’s earnings and financial position.

3.2. the Report on Operations includes a reliable analysis of operating performance and income, as well as the issuer’s situation, along with a description of the primary risks and uncertainties to which it is exposed.

Lainate, (MI) Italy, March 13, 2013

Vice President
and Managing Director
Dr Giulio Canale

Officer Responsible for the preparation
of the corporate financial reports
Dr Michele Di Marco

Directors' Report prepared pursuant to Article 125-*ter*, first subsection of the Consolidated Financial Act, on each point on the agenda of the ordinary and extraordinary Shareholders' meeting of SAES Getters S.p.A. convened, at the registered office of Lainate, Viale Italia 77, in single call on 23 April 2013 at 10:30 a.m.

ORDINARY SESSION

1st Item of the agenda

Report of the Board of Directors for the year ended 31 December 2012; financial statements as at 31 December 2012; presentation of the consolidated financial statements as at 31 December 2012; proposal for dividend distribution and for partial distribution of the reserve retained earnings; pertinent and consequent resolutions.

Dear Shareholders,

You have been called in ordinary session to discuss and deliberate, together with the other holders of voting rights upon the financial statements of SAES Getters S.p.A. ended 31 December 2012, complete with the Directors’ report on operations, Report of the Board of Statutory Auditors, External Auditors’ Report, as well as Certification of the Manager in charge of preparing corporate accounting documents, documents made available to the public at the registered office in Lainate Viale Italia 77, and on the website of the Company, www.saesgetters.com, no later than 2 April 2013. For a detailed illustration of the financial statements as at 31 December 2012, reference is made to the above-mentioned reports thereto.
Having taken note of the results for the year ended 31 December 2012, considering the high capitalisation of the Company and the strong operating cash flow generation during the 2012 financial year, we also submit to your resolution the proposal to fully distribute the net profit for the year of Euro 8,495,024.13 in favour of savings shares and ordinary shares, by acknowledging, pursuant to Article 26 of the Bylaws, Euro 0.488084 to each eligible savings share (amount including the full recognition of the preferred dividend for the 2010 financial year, the increase and the preferred dividend for the 2012 financial year) and Euro 0.332909 to each eligible ordinary share. It is not necessary to make provisions for the legal reserve that has already reached 20% of the share capital.
At the same time, repeating that there is no need to make provisions for the legal reserve, we also submit to your resolution the proposal to distribute part of Euro 1,479,354.47 of the reserve “Retained earnings” of Euro 4,630,875.39, in equal measure to the ordinary and savings shares pursuant to Article 26 of the Bylaws, for an amount of Euro 0.067091 per savings share and Euro 0.067091 per ordinary share.

Following this use, the reserve will present a residual balance of Euro 3,151,520.92 (excluding any rounding-off when paying the net profit).

These amounts will be paid, as determined above, to the eligible outstanding ordinary and savings shares on 2 May 2013 (*Record date*), excluding treasury shares as from 3 May 2013 (against coupon no. 29); shares will be traded ex dividend as from 29 April 2013.

We also propose that any rounding performed during payment be charged to the "Retained earnings" reserve.

This being stated, we submit the following draft resolution to your approval

"*The Shareholders' Meeting,*

- after examining the figures of the Financial Statements of SAES Getters S.p.A., as at 31 December 2012, complete with the Directors' report on operations, Report of the Board of Statutory Auditors, External Auditors' Report and additional documents required by law;

- after acknowledging that the legal reserve has already reached 20% of the share capital;

- after taking note of the results for the year ended 31 December 2012, considering the high capitalisation of the Company and the strong operating cash flow generation during the 2012 financial year;

decides

- to approve the Financial Statements of SAES Getters S.p.A as at 31 December 2012;

- to fully distribute the net profit for the year of Euro 8,495,024.13, except rounding-off, and therefore by assigning: (i) a dividend of Euro 0.138549 per savings share, as full recognition of the preferred dividend for 2012 and (ii) of Euro 0.138549 per savings share, as total recovery of the preferred dividend for 2010, pursuant to Article 26 of the Bylaws; as well as (iii) a dividend of Euro 0.332909 per ordinary share and (iv) of Euro 0.210986 per savings share,
for this reason – considering what is provided in points (i), (iii) and (iv) - the savings shares are assigned an overall dividend, on the 2012 profit, net of the amount allocated as provided in point (ii), increased compared to ordinary shares by 3% of the implied par value in accounting terms of the shares, pursuant to Article 26 of the Bylaws;

- to distribute part of Euro 1,479,354.47 of the reserve "Retained earnings" of Euro 4,630,875.39 and therefore by assigning a divided of Euro 0.067091 per share, in equal measure to the ordinary and savings shares pursuant to Article 26 of the Bylaws, by reducing its residual amount to Euro 3,151,520.92, (excluding any rounding-off when paying the net profit);

- to pay these amounts as from 3 May 2013, against coupon no. 29; the security will be quoted ex dividend as from 29 April 2013;

- to charge any rounding-off performed during payment to the Retained earnings reserve;

- to grant the Chairman, Deputy Chairman and Managing Director acting severally, any power required for carrying out this resolution."

The present is the English translation of the Italian official report approved by the Board of Directors on March 13, 2013. For any difference between the two texts, the Italian text shall prevail.

The financial statement documents are made available at the registered office in Viale Italia 77, Lainate (Milano) and on the website of the Company www.saesgetters.com/it/investor/report-account to which reference is made.

Moreover, the same documents will be distributed to the shareholders attending the meeting during the meeting.

Lainate, 13 March 2013

for The Board of Directors

Massimo della Porta

Chairman

The present is the English translation of the Italian official report approved by the Board of Directors on March 13, 2013. For any difference between the two texts, the Italian text shall prevail.

Report of the Board of Directors drafted pursuant to Art. 125-ter, first paragraph, of the TUF, on each item on the agenda of the Ordinary and Extraordinary Meeting of the Shareholders of SAES Getters S.p.A., to be held at the company's offices in Viale Italia, 77, Lainate, in single call on April 23, 2013 at 10.30 am.

ORDINARY BUSINESS

2nd Item of the Agenda

Report on remuneration pursuant to Art. 123-*ter* of Legislative Decree No. 58/1988 and Art. 84-*quater* of Consob resolution No. 11971 of May 14, 1999 on issuer regulations

Shareholders,

you have been called by the Board of Directors, in ordinary session, to resolve also with regard to the first section of the compensation report, drafted pursuant to Art. 123-*ter* of Legislative Decree No. 58/1998 (TUF) and Art. 84-*quater* and related Annex 3A, Schedule 7-*bis* of Consob resolution No. 11971 of May 14, 1999, relating to issuer regulations.
We inform you that the above mentioned report was approved by the Board of Directors on March 13, 2013, upon proposal by the Compensation Committee, and having heard the opinion of the Audit Committee, who have met on February 15, 2013.
The compensation report was made available to the public at the Company's headquarters in Lainate, Viale Italia 77, and online on the Company's website at www.saesgetters.com/investor/shareholders-meeting, by April 2, 2013.
The report was drafted in compliance with the above mentioned Laws and regulations issued by the Consob, as well as in keeping with the recommendations contained in the amended application principles and criteria of the Self-Regulatory Code of public companies, issued by the Corporate Governance Committee of Borsa Italiana S.p.A. in December 2011.
We remind you that, pursuant to Art. 123-*ter* of the TUF, the Shareholders are called to resolve, either granting or denying their approval, on the first section of the compensation report, with a non-binding vote.

Now, therefore, we submit to your approval the following proposal of resolution:

"*The Shareholders of SAES Getters S.p.A., in ordinary session:*

- *having acknowledged the information received;*

- *having acknowledged the results of the vote;*

resolves

1. *to approve the first section of the compensation report, drafted pursuant to Art. 123-ter of Legislative Decree No. 58/1998 and Art. 84-quater and related Annex 3A, Schedule 7-bis of Consob resolution No. 11971 of May 14, 1999, relating to issuers regulations;*
2. *to appoint the Chairman, Deputy Chairman, and Chief Executive Officer, each in their separate function, to do anything which may be needed to fully execute said resolutions, through and by any power which may be deemed necessary or opportune to such end, none excluded, including through any third party, upon their discretion.*"

Lainate, March 13, 2013

For the Board of Directors

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Mr. Massimo della Porta

Chairman

The present is the English translation of the Italian official report approved by the Board of Directors on March 13, 2013. For any difference between the two texts, the Italian text shall prevail.

Report of the Board of Directors drafted pursuant to Art. 125-ter, first paragraph, of the TUF, on each item on the agenda of the Ordinary and extraordinary Meeting of the Shareholders of SAES Getters S.p.A., to be held at the company's offices in Viale Italia, 77, Lainate, in single call on April 23, 2013 at 10.30 am.

ORDINARY BUSINESS

3th Item of the Agenda

Proposal to authorize the Board of Directors, pursuant to and by the effects of Articles 2357 *et seq*. of the Civil Code, and 132 of Legislative Decree No. 58, 1998, to purchase and dispose of a maximum of 2,000,000 treasury shares; related and consequent resolutions.

Shareholders,

you have been called by the Board of Directors, in ordinary session, to resolve also this year with regard to the proposal to approve and regulate share buy backs.

1. Reasons why approval is required for share buy backs operations.

We would first like to remind you that the Shareholders, on their Meeting of April 24, 2012, had authorized share buy backs up to a maximum 2,000,000 shares for a period of 18 months starting on the day of approval.

During the course of the year 2012 the Board has not made use of the authorization granted by the Shareholders on April 24, 2012, nor has it used, in the months prior said Meeting, the authorization previously granted by the Shareholders on their Meeting of April 20, 2011. However, it is not to be excluded that circumstances may arise in the future which would call for an intervention by the Company, and thus we think it appropriate for the Board, after the revocation of the previous authorization granted by the Shareholders on April 24, 2012, to continue to exercise the faculty granted by the Shareholders for the purchase and disposal of shares in the Company's portfolio. It is the opinion of the Board that the purchase and sale of treasury shares constitutes a flexible instrument in terms of company management and strategy. From such perspective, the request for authorization is thus linked to the opportunity to be able to intervene on Company securities in relation to activities relating to investment and the efficient utilization of company liquidity and for purposes of stock titles in accordance with the terms and purposes defined by law and in particular EC Regulation 2273/2003 and market practices referred to in Article 180, paragraph 1, lett. c) of the TUF, approved by Consob resolution no. 16839 of March 19, 2009, to which it can be made reference.

Said authorization is also requested for additional purposes, such as the opportunity to use treasury shares as payment in extraordinary operations or acquisition operations, or to obtain the required financing for the realization of projects and/or the attainment of company goals, or, lastly, as part of share-incentive plans or stock options in favor of directors and/or employees and/or other collaborators of the Company.

2) Maximum number, category and value of the buy back shares.

We propose to pass a resolution, pursuant to Art. 2357, second paragraph, of the Civil Code, on the authorization to purchase, either in one or several lots, up to a maximum number of 2,000,000 ordinary and/or saving shares of the Company, with no nominal value, keeping into account the shares already in the portfolio of the Company, and in any case within the limitations of Law.

3) Compliance with the provisions of the third paragraph of Art. 2357 of the Civil Code.

After implementing, on May 26, 2010, the resolutions of the Extraordinary Meeting of the Shareholders held on April 27, 2010, ordering the annulment of 600,000 ordinary shares and 82,000 saving shares in the Company's portfolio, as of today the Company has no shares in its portfolio.

As of today no subsidiary company owns any SAES Getters S.p.A. shares. In any case all the subsidiary companies shall be given specific dispositions to promptly inform us of any shares owned by them.

In no case whatsoever, in compliance with the provisions of Articles 2346, third paragraph, and 2357, third paragraph, of the Civil Code, may the number of treasury shares purchased – keeping into account also the shares owned by subsidiary companies – exceed the tenth part of the overall number of shares issued.

Share buy backs shall be kept within the limitations of distributable profit and available reserves as per the last duly approved Financial Statement. Where, and in the measure in which, the prospected buy backs shall be completed, pursuant to Article 2357-*ter* of the Civil Code, the necessary accounting recordings shall be made, in keeping with the provisions of Law and the applicable accounting principles. All operations employing treasury shares shall be equally accounted for, in keeping with the provisions of law and applicable accounting principles.

4) Duration of the authorization.

The authorization to purchase shares is requested for a period of 18 months, starting on the date in which the Shareholders shall resolve accordingly. The authorization to dispose the treasury shares purchased is requested with no limitations of time.

5) Minimum and maximum prices, and market valuations used to determine said prices.

5.1. Minimum and maximum purchase price.

The price of purchase, including accessory costs, shall not go above or below the quota of 5% of the reference stock price on the day before any such operation: said parameters are deemed adequate to identify the range of values where the purchase of shares is beneficial to the Company.

5.2. Sale price.

Treasury shares purchase operations may be effected at a minimum price equal to the weighted average of the registered price of the shares in the same category registered in the 20 trading days prior to such purchase.

Said limitation shall not be applied in case of any exchanges or transfer of treasury shares effected as part of acquisition of stock, or in case of extraordinary finance operation entailing the use of unassigned treasury shares. In the latter case price shall be applied using reference average prices in line with international best practice procedures.

Sales operations subject to stock option plans shall be effected at the conditions provided in the stock option plan to be approved by the Shareholders pursuant to Art. 144-*bis* of Legislative Decree No. 58 of February 24, 1998 (TUF) and to any applicable regulation.

6) Procedures for the purchase and sale of shares.

Purchase operations shall be effected on the stock exchange, in one or more operations, with the procedures agreed with the stock exchange operator, so as to assure full equality of treatment among Shareholders pursuant to Art. 132 of the TUF, and in any case in keeping with any procedure that may be allowed under any Law applicable, including *pro tempore*.

Furthermore, following the admission of the Company in the STAR Segment (High Performance Equities Segment), in keeping with the terms of the agreement entered into with the Market Specialist, the purchase and sale of ordinary treasury shares must be previously communicated to the Market Specialist, who may not unreasonably deny its consent to said operations.

Buy backs may be effected pursuant to Art. 144-*bis* letters a) and b) of the Issuers Regulations:

a) by means of public offer of purchase or exchange;

b) on the stock exchange, regulated according to operational procedures established in the organization and administration of said market, not allowing any direct match of purchase proposals with predetermined sale proposals.

Among the procedures allowed under the Issuers Regulations, we consider preferable the purchase on the stock exchange, regulated for the purposes above indicated, particularly for the purposes of supporting the course of the stock, which purposes we consider most effectively reached through a simple, elastic and flexible mechanism such as the direct purchase on the stock exchange, as soon as an intervention is deemed appropriate. We don't exclude the possibility to use the public offer procedure for exchange or purchase, which shall have to be resolved upon by the Board of Directors with adequate motivation.

The Shareholders and the stock exchange shall promptly be informed pursuant to the third, fourth, and fifth paragraph of Art. 144-*bis* of the Issuers Regulations.

The Treasury shares purchased may be utilized at any moment, in whole or in part, in one or several operations, even before having completed all purchases, in the manners deemed most propitious in the interest of the Company: i) by selling the ownership of said shares, or by transferring any of the real and/or personal rights of said shares (including, but not limited to, the lending of stock); ii) by selling on the stock exchange and/or outside of the stock exchange, on the block market, through institutional placement, or exchange, even through public offer, iii) by sale or assignment to directors and/or employees and/or collaborators of the Company as part of share incentive plans or stock options, iv) as payment for the purchase of company stock and/or companies and/or assets and/or businesses, v) in case of extraordinary finance operations entailing the availability of unassigned treasury stock (including, but not limited to, mergers, spinoffs, issue of convertible bonds or warrant, etc., vi) given, within the limitations of Law, as security in order to obtain, for the Company and/or the companies of the Group, any loan which may be necessary for the realization of projects or the pursuit of company objectives, and vii) under any form of utilization allowed by the applicable laws and regulations.

Sale/assignment operations aimed at share incentive plans shall be effected in keeping with the terms and conditions of the relative plans approved by the Shareholders pursuant to Art. 144-*bis* of the TUF and the applicable Laws and regulations.

With regard to the above written report, we submit to your approval the following proposal of resolution

"The Shareholders,

- *having acknowledged the Directors' Report;*
- *having also acknowledged the provisions of Articles 2357 and 2357-ter of the Civil Code, as well as Art. 132 of Legislative Decree 58/1998;*

resolves

1) *to revoke, starting on this day, the resolution of approval for the purchase of treasury shares and utilization of the same, adopted by the Shareholders on April 24, 2012;*
2) *to authorize, pursuant to and by the effects of Art. 2357 of the Civil Code, the purchase, in one or several operations and over a period of eighteen (18) months starting on the day of this resolution, on the stock market and with the procedures agreed with the stock exchange operator pursuant to Art. 132 of Legislative Decree 58/1998, up to a maximum of 2,000,000 ordinary and/or saving*

shares of the Company, and in any case within any limitation of law, for a price, inclusive of any accessory costs, not above nor under 5% of the official price registered by the stock on the day prior to every single operation, targeted to deliver any market intervention to support the liquidity of the stock and for any purpose of stock titles in the terms, the terms and purposes defined by law and in particular EC Regulation 2273/2003 and market practices referred to 'Article 180, paragraph 1, lett. c) of the TUF, approved by Consob resolution no. 16839 of March 19, 2009, to which reference may usefully be given to possible or investment needs and the efficient use of corporate liquidity, as well as for any other purposes, such as the opportunity to use treasury shares as payment in extraordinary operations or acquisitions, or to obtain necessary funding to implement projects and / or the achievement of corporate objectives and, ultimately, for any stock option plans or stock options to directors and / or employees and / or associates of Company;

3) *to appoint the Board of Directors, and in representation thereof the Chairman, Deputy Chairman and Chief Executive Officer, each in their separate function, to purchase the shares subject to the conditions above defined, and in keeping with the terms of Art. 144-bis letter a) and b) of Consob Regulations No. 11971 of May 14, 1999, and in the degree deemed opportune in the interest of the Company, without prejudice to the terms of the agreement entered into with the Market Specialist as concerns ordinary shares;*

4) *to appoint the Board of Directors, and in representation thereof the Chairman, Deputy Chairman, and CEO, each in their separate function, pursuant to and by the effects of Art. 2357-ter of the Civil Code, so as they may dispose – at every moment, in whole or in part, on one or several operations, even before having completed purchasing, of the treasury shares purchased base on this resolution, in the manner deemed most favorable to the interests of the Company, provided that said disposal may include: i) the sale of the ownership of such shares, or the transfer of the real and/or personal rights attached to such shares (including, but not limited to, the lending of stock), ii) the sale on the stock exchange and/or outside the stock exchange market, on the block market, through institutional placement, or exchange, including through public offer, iii) the sale or assignment to directors and/or employees and/or collaborators of the Company as part of share incentive plans or stock options, iv) or as payment for the purchase of company stock and/or companies and/or assets and/or businesses, v) in case of extraordinary finance operations entailing the availability of unassigned treasury stock (including, but not limited to, mergers, spinoffs, issue of convertible bonds or warrant, etc., vi) given such shares, within the limitations of Law, as security in order to obtain, for the Company and/or the companies of the Group, any loan which may be necessary for the realization of projects or the pursuit of company objectives, and vii) any form of utilization allowed by the applicable laws and regulations, attributing to the same*

the faculty to establish, from time to time and in compliance with the provisions of Law and other regulations, the terms, manner, and conditions that they may deem most appropriate, provided that the sale of shares may only be effected against a minimum payment equal to the weighted average of the official prices of shares in the same category in the 20 trading days preceding such sale. The latter term shall not apply in case of any exchange or transfer of treasury shares effected as part of acquisitions of company stock and/or companies and/or assets and/or businesses, or in case of extraordinary finance operations;

5) *to dispose that purchases be effected within the limits of the distributable profit and available reserves as per the last duly approved Financial Statement, and that where, and in the measure in which, the prospected buy backs shall be completed, an unavailable reserve called "Portfolio treasury shares reserve", containing the same amount of shares as the treasury shares purchased and in the portfolio, be constituted by withdrawing an equal amount of distributable profit and available reserves; and that upon the transfer of portfolio treasury shares, either ordinary and/or saving, and shares purchased based on this resolution, the portfolio treasury share reserve is liberated to match;*
6) *to grant the Chairman, Deputy Chairman, and CEO, each in their separate functions, any power needed to execute this resolution, making any suitable entry in the balance sheet and records in the accounts, with the faculty also to purchase and dispose of treasury shares, within the limitations provided above, also through specialized intermediaries including by entering into liquidity agreements according to the provisions of the competent market authority."*

Lainate, March 13, 2013

For the Board of Directors

Mr. Massimo della Porta

Chairman

The present is the English translation of the Italian official report approved by the Board of Directors on March 13, 2013. For any difference between the two texts, the Italian text shall prevail.

Report of the Board of Directors drafted pursuant to Art. 125-ter, first paragraph, of the TUF, on each item on the agenda of the Ordinary and Extraordinary Meeting of the Shareholders of SAES Getters S.p.A., to be held at the company's offices in Viale Italia, 77, Lainate, in single call on April 23, 2013 at 10.30 am.

ORDINARY BUSINESS

4th Item of the Agenda

Assignment of external audit for the years 2013-2021 and determination of the compensation in consideration of the Legislative Decree no. 39/2010; related and consequent resolutions.

Dear Shareholders,

We remind you that with the approval of the financial statements as of December 31, 2012 the mandate to the external auditors Ernst & Young SpA granted for the period 2007-2012 will expire. The Shareholders' Meeting is called to take the consequent decisions regarding the new assignment.

In this regard, as provided by the reform of the rules of statutory audit (Legislative Decree no. Jan. 27, 2010, no. 39 "Implementation of Directive 2006/43/EC on statutory audits of annual accounts and consolidated accounts "), the Shareholders' Meeting - on a reasoned proposal made by the Board of Statutory Auditors - is made responsible for the appointment of the external auditors and determines the amount payable to the external auditors for the entire duration of the assignment and any criteria for the adjustment of such consideration during the task. It should be noted, moreover, that the appointment of external auditors will be for a period of nine years.

We therefore submit for your approval the proposal of the Board of Statutory Auditors formulated on 13 March 2013, pursuant to art. 13, paragraph 1 of the above mentioned Law. Jan. 27, 2010, n. 39 on the appointment of the external auditors of SAES Getters S.p.A. for the years 2013-2021.

To this extent, we attach to this report the above-mentioned proposal of the Board of Statutory Auditors dated 13 March 2013.

That said, we submit for your approval the following proposed resolution

"The Ordinary General Meeting of Shareholders of SAES Getters SpA:

- after taking note of the information provided;

- having examined the report of the Board of Directors and the proposal of the Board of Statutory Auditors attached to the same resolution

resolve

1. *to approve the proposal of the Board of Statutory Auditors on the appointment of the external auditors for the years 2013-2021, according to all the terms and conditions referred to the above proposal of the Board of Statutory Auditors attached to the same.*
2. *to grant the Chairman and the Deputy Chairman and Managing Directors, severally, full powers to carry out the formalities required by the current regulations, as well as to do everything necessary for the complete implementation of the above resolution, with any and all powers necessary and appropriate for that purpose, excluding none and with the right to give proxies to third parties."*

Lainate, March 13, 2013

For the Board of Directors

Mr. Massimo della Porta

Chairman

Reasoned proposal of the Board of Auditors to the Shareholders' Meeting of the SAES Getters S.p.A. concerning the appointment of an external auditor for the 2013-2021 financial years in accordance with article 13 of Italian Legislative Decree 2010, no.39.

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

Dear Shareholders,

The audit mandate that was granted to the auditing company Reconta Ernst & Young S.p.A. expires with the approval of the financial statements for the financial year closing on 31 December 2012, and it is therefore necessary to appoint a new external auditor.

As you are aware, article 13 of Italian Legislative Decree 27 January 2010, no.39, provides that "*except as provided in Article 2328, second section, number 11) of the Italian Civil Code, the shareholders' meeting, on a reasoned proposal of the supervisory body, is made responsible for the statutory audit and determines the amount payable to the statutory auditor or the statutory auditing company for the entire duration of the appointment and any criteria for the adjustment of this amount during the appointment*"

In compliance with the provisions stated above, the Supervisory Body is therefore required to advance its reasoned proposal concerning the appointment of an external auditor to the Shareholders' Meeting.

The proposal must be the result of the resolution of the board of auditors and be justified on the basis of the comparative and comprehensive analysis of the offers that have been received, taking the following criteria into consideration:

i) the standing of the auditing company;

ii) the international character of their organisations;

iii) the absence of grounds for incompatibility with the company;

iv) the résumé of the partner in charge and, possibly, the résumés of the main members of the auditing team;

v) the auditing plan annexed to the offer;

vi) the number of hours anticipated for the performance of the audit;

vii) the proposed fees.

The Company therefore provided the Board of Auditors with the offers of the following leading auditing companies, which also state the methods and conditions proposed for the performance of the auditing activities:

- Price Waterhouse Coopers (hereinafter also "PWC");

- Deloitte & Touch (hereinafter Deloitte);

- Crowe Horwath.

The Board of Statutory Auditors, in the exercising of its responsibilities, carefully examined the submitted offers and in several cases requested additional information and explanations that it considered necessary in order to make its choice.

In consideration of the above, on the basis of the acquired information and the examined documentation, the Board hereafter states its observations subsequent to the analysis carried out.

First of all, the Board believes that all the companies possess an adequate standing. However, Crowe Horwath seems not to have matured specific experiences as external auditor in listed companies. Furthermore PWC and Deloitte seem to have a more extensive network in terms of global presence.

The Board also checked the absence of grounds for incompatibility for all three companies and found the proposed audit plan of each company as well as the resumés of the individual professionals to be sound.

Taking the above considerations into account, the Board therefore considers the proposed fees and the assumed quality - dictated mainly by the number of working hours that each company proposes to employ – to be decisive in making its choice.

Going into greater detail, the Board verified the following points:

In absolute terms, Crowe Horwath is the company that made the most inexpensive offer, whereas PWC made the most expensive offer, although the offer of Deloitte was only slightly lower (€ 10,000).

Nevertheless, as already stated, the number of working hours hypothesized by the three companies cannot be left out of consideration when assessing the offers as a whole.

In this respect, Deloitte proposed 3993 hours, against the 3922 hours of PWC and the 3720 of Crowe Horwath.

In cross-checking the data, the Board believes that even though the offer of Crowe Horwath is without question the most inexpensive, the scant number of hours proposed, especially if compared with the number hypothesized by Deloitte and PWC, risks being inadequate to the actual demands of the Company also taking into account the apparent lack of specific experience in the field of listed companies.

For the reason stated above, and considering also that the Crowe Horwath network has a lower presence internationally, the Board therefore decided to limit its choice to the offers of PWC and Deloitte.

Although the offers presented by the Companies are extremely close, Deloitte quoted the lower fees and, at the same time, offered a greater number of hours.

And, in fact, Deloitte quoted a total fee of € 395,000 for a total of 3993 working hours, against the €405,000 requested by PWC for 3922 hours of work.

The conditions related to the reimbursement of the occurred costs, even though not automatically comparable, seems to be overall more favourable.

***

In a nutshell, the Board considers that the following conclusions must be presented to the Shareholders' Meeting.

The combination of the two indices - represented by the inexpensiveness of the offers and by the quality of the latter (in terms of the greater number of hours offered for the production of the service) - leads one to believe that the Deloitte offer is the most competitive: €395,000 for 3993 hours.

The Board of Auditors

HAVING VIEWED

article 13 of Italian Legislative Decree 27 January 2010, no.39;

HAVING EXAMINED

The offer of the auditing company Deloitte&Touche S.p.A. of 18 December 2012 and the subsequent supplements of 5 February 2013

Company	Estimated Total Hours	Audit Fees
SAES Getters S.p.A.	887	81.000
SAES Nitinol S.r.l.	69	5.000
E.T.C. S.r.l.	14	1.000
SAES Advanced Technologies S.p.A.	498	35.000
Memry GmbH	33	2.000
SAES Getters International Luxembourg S.A.	95	11.000
SAES Pure Gas, Inc.	453	58.000
SAES Getters USA, Inc.	371	45.000
SAES Smart Materials, Inc.	286	32.500
Spectra-Mat, Inc.	133	18.000
Memry Corporation	625	62.000
SAES Getters Export, Corp.	51	4.000
SAES Getters (Nanjing) Co., Ltd.	300	25.000
SAES Getters Korea Corporation	87	8.500
Actuator Solutions GmbH	91	7.000
TOTAL	**3.993**	**395.000**

HAVING NOTED

- that the aforesaid offer contains the audit plan for the financial statements of the Company, the Companies of the Group and the consolidated financial statements for the 2013-2021 financial years pursuant to article 14, section 1, letter a) of Italian Legislative Decree 27 January 2010, no.39, and that the aforesaid plan appears to adequate and complete;
- that the aforesaid offer contains an explanation of the procedures for verifying that the company accounts are kept properly and that results of company operations are reported correctly in the accounting records pursuant to article 14, section 1, letter b), of Italian legislative Decree 27 January 2010, no.39 and that the aforesaid procedures appear to be adequate;
- that the auditing company in question appears to meet the requirements of independence prescribed by law and that, at the moment, there are no incompatibilities;
- that the aforesaid auditing company appears to have the organisation and technical suitability that are required for the dimensions and complexity of the auditing activities to be carried out;
- that the company Deloitte&Touche S.p.A. is an auditing company registered in CONSOB's special Roll of auditing companies qualified to exercise this function;

- that the annual remuneration requested appears to be fair, in light also of the statements above.

PROPOSES

therefore, that this Shareholders' Meeting appoints Deloitte&Touche S.p.A. as external auditor of the financial statements and the consolidated financial statements of the Company for the 2013-2021 financial years, as well as entrusts the aforesaid company with the audits limited to the consolidated six-monthly reports of Saes Getters S.p.A. for the 2013-2021 financial years and with the other auditing and supervisory activities stated in article 14 of Italian Legislative Decree 27 January 2010, no.39, in compliance with the offer made by Deloitte&Touche S.p.A. on 18 December 2012 and the subsequent additional information provided on 5 February 2013.

Best regards

13 March 2013

The Board of Auditors

Mr. Vincenzo Donnamaria

Mr. Alessandro Martinelli

Mr. Maurizio Civardi

The present is the English translation of the Italian official report approved by the Board of Directors on March 13, 2013. For any difference between the two texts, the Italian text shall prevail.

Directors' Report prepared pursuant to Article 125-ter, first subsection of the Consolidated Financial Act, on each point on the agenda of the ordinary and extraordinary Shareholders' meeting of SAES Getters S.p.A. convened, at the registered office of Lainate, Viale Italia 77, in single call on 23 April 2013 at 10:30 a.m.

ORDINARY SESSION

5th Item of the agenda

Amendment to Article 4, subsection 7 of the Rules and procedures for shareholders' meetings

Dear Shareholders,

You were convened by the Board of Directors in ordinary session to deliberate also on the proposal to amend Article 4, subsection 7 of the Rules and procedures for shareholders' meetings in order to implement the regulatory provisions contained in Italian Legislative Decree no. 91 of 18 June 2012, concerning amendments and supplements to Italian Legislative Decree no. 27 of 27 January 2010 (implementing the so-called Shareholders' Rights directive), which made, among other things, some amendments to the regulations concerning the meetings of the listed companies.

In particular, some provisions concerning the call of shareholders' meeting were amended: this led the Board of Directors of the Company to amend on 22 January 2013 Article 8 of the Bylaws, requiring that the call of shareholders' meeting occur in a single session.

As a result of the adaptation of the Bylaws to such new regulatory provisions, it becomes necessary to propose to the next shareholders' meeting the amendment to Article 4, subsection 7 of the Rules and procedures for shareholders' meetings.

This being stated, we submit the following draft resolution to your approval

"*The Ordinary Shareholders' Meeting of SAES Getters S.p.A.:*

- after taking note of the information received;

resolve

1. to approve the amendment to Article 4, subsection 7 of the Rules and procedures for shareholders' meetings of SAES Getters S.p.A., by making the change showed in detail in the text below, compared with that of the Bylaws currently in force.

Article 4, subsection 7 - Current text	***Article 4, subsection 7 - New proposed text***
If the quorum for the establishment of the Meeting is not reached, the Chairman will give notice of it and postpone the discussion of the points on the agenda to the next meeting.	*If the quorum for the establishment of the Meeting is not reached, the Chairman will give notice of it and ~~postpone the discussion of the points on the agenda to the next meeting.~~* ***provides the obligations required for a new call of the Shareholders' Meeting pursuant to the current regulations.***

2. to grant the Chairman and the Deputy Chairman and Managing Directors, severally, full powers to carry out the formalities required by the current regulations, as well as to do everything necessary for the complete implementation of the above resolution, with any and all powers necessary and appropriate for that purpose, excluding none and with the right to give proxies to third parties."

Lainate, 13 March 2013

For the Board of Directors

Massimo della Porta

Chairman

The present is the English translation of the Italian official report approved by the Board of Directors on March 13, 2013. For any difference between the two texts, the Italian text shall prevail.

Report of the Board of Directors drafted pursuant to Art. 125-*ter*, first paragraph, of the TUF, on each item on the agenda of the Ordinary and Extraordinary Meeting of the Shareholders of SAES Getters S.p.A., to be held at the company's offices in Viale Italia, 77, Lainate, in single call on April 23, 2013 at 10.30 am.

EXTRAORDINARY PART

1th Item of the Agenda

Revocation of the proxy in pursuance of Article 2443 of the Italian Civil Code granted by the shareholders' meeting of 23 April 2008 to the Board of Directors to increase the share capital in one or more times; proposal to grant the directors the power, in pursuance of Article 2443 of the Italian Civil Code, to carry out a bonus issue and/or rights issue, in one or more times, for a maximum nominal amount of Euro 15,600,000 for a period of five years; pertinent and consequent resolutions, to amend the Bylaws, as well.

Shareholders,

The Board of Directors is pleased to invite you to attend the extraordinary session of the Shareholders' Meeting to request your approval for the Board of Directors to be authorised to increase the Share Capital.
You will recall that the Extraordinary Shareholders' Meeting of April 23, 2008 had authorised the Board of Directors, pursuant to Article 2443 of the Italian Civil Code, to increase the share capital, with and/or without consideration, on one or more occasions within a period of five years of the date of the resolution, up to a maximum amount of EUR 15,600,000, by issuing shares of any category to be allocated free of charge or offered in the form of rights.
This power has so far not been exercised.

The Board of Directors, observing the imminent expiry of the authorisation, believes that, in the Company's interest, the power previously granted should be withdrawn and a new power should be granted to the Board of Directors to increase the share capital with and/or without consideration.

In the opinion of the Board of Directors, it still remains appropriate to request the granting of a new power to perform capital increases.
The proposal originates from the need, in relation to capital increases with consideration, to reduce the period of time necessary for the Company to acquire new funds, including with regard to any acquisitions.
The use of such power - both for transactions with or without consideration - is more generally prompted by the desire to ensure that the Board, given the uncertainty and volatility of the stock markets, has the necessary flexibility and timeliness in terms of performing capital transactions, by seizing the most favourable conditions that arise.
In terms of merit, the Company's capital strengthening falls within the framework of an approach to provide adequate financial support to its strategy of ensuring a

constant and progressive increase in the size and international presence of the SAES Getters Group.
This strategy, currently in place, aims to combine internal growth, supported by the continual development of the existing product catalogue and by the introduction of new innovative products, with continued external growth through strategic alliances and targeted acquisitions and by seizing the opportunities that arise from time to time on the market. In addition, these resources can be used to pursue new business opportunities.

The granting of power for the capital increase, taking also into account the balanced financial situation enjoyed by the Company, will enable the Company to secure necessary financial resources, by taking advantage of any favourable market conditions, which are often unexpected and dynamic and do not therefore allow for strict compliance with the time periods required for the calling of Shareholders' Meetings, for obtaining the appropriate resolutions and for implementing them.

The reasons for a possible increase without consideration can be drawn from a potential reallocation of shareholders' equity items, taking also into account the presence of substantial reserves.

In consideration of the foregoing, we therefore propose that the Board of Directors be granted the power, pursuant to Article 2443 of the Italian Civil Code, to increase the Share Capital on one or more occasions for a maximum total amount of EUR 15,600,000, to be exercised within a period of five years. In particular, it is proposed that such power may be exercised:

- by means of one or more increases without consideration, either without the issue of new shares (with a consequent increase in the implied book value of all shares already in issue), or by assigning ordinary and savings shares, in proportion to the ordinary and savings shares already held, in observance of the provisions of Article 2442 of the Italian Civil Code; the increase may be effected - within the limit of the amount authorised - by drawing from the available reserves posted in the financial statements for the year ended 31 December 2012, without prejudice to the obligation for the Board of Directors to check that such reserves exist and are usable at the time of the capital increase;

and/or

- by means of one or more increases with consideration, with the issue of ordinary and/or savings shares, having the same characteristics as the corresponding shares already in issue, to be offered in the form of rights, with the right for the Board to determine the issue price, including any premium; it is stipulated that the conversion shares in such increase(s) cannot be issued with an implied book value less than that of the shares in issue at the time of the board resolution(s) to issue shares.

The proposed granting of power requires an amendment of the second paragraph of Article 4 of the Company's By Laws, namely the change set out in the text below, which is compared with the current By Laws.

Art. 4

Current text	**Proposed new text**
The Company's registered Share Capital is 12,220,000 Euro (twelve million, two hundred and twenty thousand euro), divided into 14.671.350 (fourteen million six hundred and seventy-one thousand three hundred and fifty) ordinary shares and 7.378.619 (seven million three hundred and seventy-eight thousand six hundred and nineteen) savings shares. This does not affect the provisions concerning representation, validation and circulation of shareholdings applicable to securities traded on regulated markets.	PART UNCHANGED
The directors have the power, within a period of five years of the resolution of 23 April 2008, to increase the Share Capital on one or more occasions up to an amount of EUR 15,600,000 (fifteen million six hundred thousand); it is in particular proposed that such power may be exercised: - by means of one or more increases without consideration, (i) either without the issue of new shares (with a consequent increase in the implied book value of all shares already in issue), or (ii) by assigning ordinary and savings shares, in proportion to the ordinary and savings shares already held, in observance of the provisions of Article 2442 of the Civil Code; the increase may be effected - within the limit of the amount authorised - by drawing from the available reserves posted in the financial statements for the year ended 31 December 2007, without prejudice to the obligation for the Board of Directors to check that such reserves exist and are usable at the time of the capital increase; and/or - by means of one or more increases with consideration, with the issue of ordinary and/or savings shares,	The directors have the power, within a period of five years of the resolution of **23 April 2013**, to increase the Share Capital on one or more occasions up to an amount of EUR 15,600,000 (fifteen million six hundred thousand); it is in particular proposed that such power may be exercised: - by means of one or more increases without consideration, *(i)* either without the issue of new shares (with a consequent increase in the implied book value of all shares already in issue), or *(ii)* by assigning ordinary and savings shares, in proportion to the ordinary and savings shares already held, in observance of the provisions of Article 2442 of the Civil Code; the increase may be effected - within the limit of the amount authorised - by drawing from the available reserves posted in the financial statements for the year ended 31 December 2012, without prejudice to the obligation for the Board of Directors to check that such reserves exist and are usable at the time of the capital increase; and/or - by means of one or more increases with consideration, with the issue of ordinary and/or savings shares,

having the same characteristics as the corresponding shares already in issue, to be offered in the form of rights, with the right for the Board to determine the issue price, including any premium; it is stipulated that the conversion shares in such increase(s) cannot be issued with an implied book value less than that of the shares in issue at the time of the board resolution(s) to issue shares.	having the same characteristics as the corresponding shares already in issue, to be offered in the form of rights, with the right for the Board to determine the issue price, including any premium; it is stipulated that the conversion shares in such increase(s) cannot be issued with an implied book value less than that of the shares in issue at the time of the board resolution(s) to issue shares.

Note, finally, that, in accordance with current regulatory obligations, the amendments to the by laws in question do not fall within any legislative or statutory framework involving the right of withdrawal of shareholders.

With regard to the above written report, we submit to your approval the following proposal of resolution

"The Shareholders' Extraordinary Meeting, having taken note of the Report of the Board of Directors

resolve

1) to cancel the resolution passed by the meeting of 23 April 2008 related to the proxy to the Board of Directors to increase the Share Capital pursuant to Article 2443 of the Italian Civil Code;

2) to delegate to the Board of Directors, pursuant to Article 2443 of the Italian Civil Code, the power to increase the Share Capital in one or more times for a maximum nominal amount totalling Euro 15,600,000, to be exercised over a period of five years; it is specifically provided that the proxy can be implemented:

- *through one or more bonus issues, (i) without issuing new shares (thus increasing the implied par value in accounting terms of all the already outstanding shares), or (ii) by allocating ordinary and savings shares, in proportion to the ordinary and savings shares held, in compliance with what is laid down by Article 2442 of the Italian Civil Code; the increase may take place – within the limit of the assigned amount – through allocation of unappropriated retained earnings recorded in the financial statements relevant to the financial year ended 31 December 2012, without prejudice to the obligation to verify their existence and possibility of use at the time of capital increase, by the Board of Directors and/or*
- *through one or more rights issues, by issuing ordinary and/or savings shares, having the same characteristics of the corresponding shares already outstanding, to be offered under option to those entitled, with the right of the administrative body to determine the issue price, including any share premium; it is established that the conversion shares for this increase may not be issued with an implied par value in accounting terms lower than the value of the outstanding shares at the time of the board resolution for the issuing.*

3) to amend, as a result of previous resolutions, Article 4 of the Bylaws as follows:

"Article 4°) The Share Capital amounts to Euro 12,220,000 (Euro twelve million two hundred twenty thousand) divided in 14,671,350 (fourteen million six hundred seven seventy one thousand three hundred fifty) ordinary shares and 7,378,619 (seven million three hundred seventy eight thousand six hundred nineteen) savings shares. There is no prejudice to the provisions on the representation, legitimation, circulation of company shareholdings for securities traded on regulated markets.

The directors have the right to increase for the period of five years from the resolution of 23 April 2013, one or more times, the Share Capital up to a maximum of Euro 15,600,000.00 (fifteen million six hundred thousand/00); it is specifically provided that the proxy can be implemented:

- through one or more bonus issues, (i) without issuing new shares (thus increasing the implied par value in accounting terms of all the already outstanding shares), or (ii) by allocating ordinary and savings shares, in proportion to the ordinary and savings shares held, in compliance with what is laid down by Article 2442 of the Italian Civil Code; the increase may take place – within the limit of the assigned amount – through allocation of unappropriated retained earnings recorded in the financial statements relevant to the financial year ended 31 December 2012, without prejudice to the obligation to verify their existence and possibility of use at the time of capital increase, by the Board of Directors and/or

- through one or more rights issues, by issuing ordinary and/or savings shares, having the same characteristics of the corresponding shares already outstanding, to be offered under option to those entitled, with the right of the administrative body to determine the issue price, including any share premium; it is established that the conversion shares for this increase may not be issued with an implied par value in accounting terms lower than the value of the outstanding shares at the time of the board resolution for the issuing".

4) to grant the Chairman and the Managing Directors, also separately, full powers to comply with the formalities required so that the resolutions passed during today's extraordinary meeting achieve law approvals, with the explicit right to make any non-substantial amendment that may be necessary or required by the competent authorities."

Lainate, March 13, 2013

for and on behalf of the Board of Directors

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Mr. Massimo della Porta
Chairman

REPORT
ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURES

Drawn up pursuant to Articles 123-*bis* Consolidated Financial Act and 89-*bis* Consob Issuer Regulation

(Traditional administration and control model)

Issuer: SAES®Getters S.p.A. – Viale Italia 77 – 20020 Lainate (MI)
Website: www.saesgetters.com

The financial year to which the Report refers: 2012
Date of approval of the Report: 13 March 2013

CONTENTS

GLOSSARY

Independent Director: member of the Board of Directors of the Company possessing the requirements for independence provided by the Corporate Governance Code and by Articles 147–*ter*, subsection 4, and 148, subsection 3, of Italian Legislative Decree 58/1998.

2011 Code / Corporate Governance Code: The Code of Corporate governance approved in December 2011 by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria.

Board: The Board of Directors of the Company.

Financial year: 2012 business year (01/01/2012-31/12/2012).

Savings Law: Italian law on protection of savings no. 262 of 28 December 2005.

Model 231: The Organisational, Management and Control Model pursuant to Italian Legislative Decree no. 231 of 8 June 2001 approved by the Board of Directors of SAES Getters S.p.A. on 22 December 2004 as amended.

Control Model: Administrative and Accounting Control Model, adopted by the Board of Directors of SAES Getters S.p.A. on 14 May 2007 and subsequently updated on 20 December 2012, also in the light of the provisions introduced by Savings Law (as defined above).

Issuers' Regulation: The Regulation issued by Consob with resolution no. 11971 of 14 May 1999 (as amended and supplemented later) on issuers.

Market Regulation: The Regulation issued by Consob with resolution no. 16191 of 29 October 2007 (as amended and supplemented later) on markets.

Report: The report on corporate governance and corporate structures that companies are required to prepare pursuant to Article 123-*bis* Consolidated Financial Act and 89-*bis* Consob Issuer Regulation.

Company: SAES Getters S.p.A.

Bylaws: The Company Bylaws, in the current version (amended by the Shareholders' Meeting of 28 June 2012 and 22 January 2013).

Consolidated Financial Act: The Italian Legislative Decree no. 58 of 24 February 1998.

1. ISSUERS' PROFILE

A pioneer in the development of getter technology, the SAES® Getters Group is the world leader in a variety of scientific and industrial applications where stringent vacuum conditions or ultra-pure gases are required. In more than 70 years of activity, the Group's getter solutions have been supporting innovation in the information display and lamp industries, in sophisticated high vacuum systems and in vacuum thermal insulation, in technologies spanning from large vacuum power tubes to miniaturised silicon-based microelectronic and micromechanical devices. The Group also holds a leading position in ultra pure gas refinement for the semiconductor and other high-tech markets.

Starting in 2004, by leveraging the core competencies in special metallurgy and in the materials science, the SAES Getters Group has expanded its business into the advanced material markets, in particular the market of shape memory alloys, a family of advanced materials characterised by super elasticity and by the property of assuming predefined forms when subjected to heat treatment. These special alloys, which today are mainly applied in the biomedical sector, are also perfectly suited to the realisation of actuator devices for the industrial sector (domotics, white goods industry, consumer electronics and automotive sector).

More recently, SAES has expanded its business by developing components whose getter functions, traditionally obtained from the exploitation of the special features of some metals, are instead generated by chemical processes. These new products are used in the OLED promising sectors (*Organic Light Emitting Diode*, both for displays and lighting) and in the photovoltaic one.
Thanks to these new developments, SAES is evolving, adding to its competencies in the field of special metallurgy also those of advanced chemicals.

A total production capacity distributed in eleven facilities across three continents, a worldwide-based sales & service network and more than 1,000 employees allow the Group to combine multicultural skills and expertise to form a truly global enterprise.

The SAES Group is headquartered in the Milan area (Italy).

SAES Getters is listed on the Italian Stock Exchange Market, STAR segment, since 1986.

In compliance with the Bylaws, the administration and control **model** adopted by the Company is the so-called **traditional** model focusing on the combination of Board of Directors-Board of Statutory Auditors; specifically, in this model the Governance of the Company is characterised by the presence of:

- a Board of Directors in charge of business management, which operates in accordance with the 1.P.1. principle of the 2011 Code;
- a Board of Statutory Auditors / Internal control and audit committee called upon to supervise, among other matters laid down by current regulations, the compliance with the law and the Bylaws, the financial reporting process, the

effectiveness of the internal control, audit and risk management system; the external audit of the annual accounts and consolidated accounts; the independence of the external auditing firm, in particular as regards the provision of non-auditing services to the Company;

- the Shareholders' Meeting, competent for deciding in accordance with the provisions of the law and of the Bylaws, in ordinary and extraordinary session.

The external audit of the annual accounts and consolidated accounts is entrusted to an auditing firm registered in the register of external auditors and external auditing firms, set up pursuant to Article 2, subsection 1 of Italian Legislative Decree no. 39/2010.

2. INFORMATION ON OWNERSHIP STRUCTURES

The information reported below, unless otherwise indicated, refers to the date of approval of this Report on 13 March 2013.

2.1. Share capital structure

The share capital of SAES Getters S.p.A. amounts to € 12,220,000.00, fully paid up, and is divided in 22,049,969 shares, broken down as follows:

	No. of shares	% of share capital	listed/ unlisted	Rights and obligations
Ordinary shares	14,671,350	66.54	MTA STAR segment – Borsa Italiana S.p.A.	Article 5, 6, 11, 26, 29, 30 Bylaws
Shares with limited voting rights	0	0	-	-
Savings shares (without voting rights)	7,378,619	33.46	MTA STAR segment – Borsa Italiana S.p.A.	Article 5, 6, 11, 26, 29, 30 Bylaws

All shares are without par value and currently have a par value in accounting terms (defined as the ratio between the total amount of the share capital and the total number of issued shares), implied at being € 0.554196 for each share.

Each ordinary share carries the right to vote without limitation. All administrative and economic rights and the obligations provided for by law and Company Bylaws are related to ordinary shares. Savings shares are without voting rights during ordinary and extraordinary meetings.
The rights belonging to different classes of shares are described in the Bylaws, in particular in Articles 5, 6, 11, 26, 29 and 30. The Bylaws are available on the Company's website www.saesgetters.com (Investor Relations/Corporate Governance/Company Bylaws).

The ordinary shares are registered shares; savings shares are bearer shares or registered shares according to the Shareholder's choice or the provision of the law; all shares are issued in dematerialised form.

Each share confers the right to a proportional portion of the profits allocated for distribution and shareholders' equity resulting from the liquidation, without prejudice to the rights established in favour of savings shares, referred to in Articles 26 and 30 of the Bylaws.

More precisely, the net profits of each financial year are distributed as follows:

- 5% to the legal reserve until this reaches one fifth of the share capital;

- the remaining part is distributed as follows:

  - savings shares are entitled to a preferred dividend equal to 25% of the implied par value in accounting terms; when, during a financial year, savings shares are assigned a dividend lower than 25% of the implied par value in accounting terms, the difference will be added to the preferred dividend in the next two financial years;

  - the residual profit that the Shareholders' Meeting decides to distribute will be distributed among all the shares in such a way that, however, savings shares are entitled to a total dividend, increased compared to ordinary shares, equal to 3% of the implied par value in accounting terms (defined as the ratio between the total amount of the share capital and the total number of issued shares).

In case of distribution of reserves, shares have the same rights regardless of the category they belong to.

In case of liquidation, savings shares have a priority in the repayment of capital of the implied par value in accounting terms.

To date, the Company does not hold treasury shares.

The share capital can be increased also by issuing shares with rights other than those of the shares already issued. In case of an increase in share capital, the holders of shares of each class are eligible to receive in option newly issued prorated shares of their class and, failing this or for the difference, shares of another class (or other classes).

Resolutions authorising the issue of new shares having the same characteristics as the outstanding shares do not require further approval by special shareholders' meetings.

If ordinary or savings shares are de-listed, the savings shares will be given the same rights to which they were previously entitled.

There are no other financial instruments that allow the holder to subscribe newly issued shares.

2.2. Restrictions on the transfer of securities

There are no restrictions on the transfer of securities except for what is indicated in the following Article 2.8 and some restrictions applicable to Significant Persons for limited periods of time (the so-called blackout periods) as identified in the Internal Dealing Code published on the Company's website www.saesgetters.com.

2.3. Significant investments in capital

S.G.G. Holding S.p.A. is the Company's majority Shareholder currently holding 7,958,920 SAES Getters S.p.A. ordinary shares representing 54.25% of the ordinary capital, according to what has come to the Company's knowledge on the basis of the communications received ex Article 120 of the Consolidated Financial Act and ex Article 152-*sexies* and 152-*octies* of the Issuers' Regulation.

The subjects holding the right to vote in excess of 2% of the subscribed capital, represented by shares with voting rights, according to the results of the shareholders' register updated on 31 December 2012 integrated by the communications received by the Company so far and by other information are set below:

Declarer	**Direct shareholder**	**% on ordinary capital (14,671,350 ordinary shares)**	**% on voting capital (14,671,350 ordinary shares)**
S.G.G.Holding S.p.A.	S.G.G.Holding S.p.A.	54.25	54.25
Giovanni Cagnoli	Carisma S.p.A.	5.80	5.80
The Tommaso Berger Trust	Berger Trust S.p.A.	2.73	2.73

2.4. Securities with special rights

No securities have been issued that grant special controlling rights and there are no persons entrusted with special powers, according to disposition of laws and Company Bylaws in force.

2.5. Shareholdings of employees: voting rights mechanisms

The Company has no share-based incentive plans (*stock option*, *stock grant*, etc.).

2.6. Restrictions on voting rights

There are no restrictions on voting rights.

2.7. Shareholder Agreements

The Company is not acquainted with shareholder agreements entered into pursuant to Article 122 of the Consolidated Financial Act.

2.8. Change of control clauses and provisions established by the bylaws on public purchase offers

The Group companies, in the normal course of business, are party to supply contracts or collaboration agreements with customers, suppliers and industrial or financial partners that, as customary in international contracts, contemplate clauses that assign to the counterpart or to each party the right to rescind such contracts if there is a change in the control by the SAES Getters S.p.A. Parent Company or, more in general, by one of the parties. None of these agreements is significant.

Some companies of the Group are also parties to bank loan agreements, as well as credit lines: such agreements with credit institutions require, as customary in this type of contracts, the right of the credit institutions to require/claim early redemption of the loans and the obligation of the financed company to redeem in advance all the amounts used by it, if there is a change in the control of the financed company and/or of the parent company (SAES Getters S.p.A.). The debt exposure interested in the possible application of the clause of *change of control* is of approximately € 30.6 million.
With reference to provisions regarding public purchase offer on the shares, the Bylaws do not derogate to passivity rules provisions set out in Article 104, subsections 1 and 2 of Consolidated Financial Act and do not refer to neutralisation rules set out in Article 104-*bis*, subsections 2 and 3 of the Consolidated Financial Act.

2.9. Authorisation to increase the share capital and authorisation to purchase treasury shares

The Extraordinary Shareholders' Meeting of 23 April 2008 granted the Board the power, pursuant to Article 2443 of the Italian Civil Code, to carry out a bonus issue and/or rights issue, in one or more times, within five years as from the date of the shareholders' resolution up to an amount of €15,600,000.00,

- through one or more bonus issues, (i) without issuing new shares (thus increasing the implied par value in accounting terms of all the already outstanding shares), or (ii) by allocating ordinary and savings shares, in proportion to the ordinary and savings shares held, in compliance with what is laid down by Article 2442 of the Italian Civil Code; the increase may take place – within the limit of the assigned amount – through allocation of available reserves recorded in the financial statements relevant to the financial year ended 31 December 2007 net of the distributions approved by the shareholders' meeting of 23 April 2008, without prejudice to the obligation to verify their existence and possibility of use at the time of capital increase, by the Board of Directors

and /or

- through one or more rights issues, by issuing ordinary and/or savings shares, having the same characteristics of the corresponding shares already outstanding, to be offered under option to those entitled, with the right of the administrative body to determine the issue price, including any share premium; it is established that the conversion shares for this increase may not be issued with an implied par value in accounting terms lower than the value of the outstanding shares at the time of the board resolution for the issuing.

The renewal of the proxy to the Board to increase the share capital expiring in 2013 and the revocation of the previous proxy is a point on the agenda of the next Shareholders' Meeting, in extraordinary session, on 23 April 2013.

Reference is made to the report to the Shareholders' Meeting prepared by the Directors on the subject, which will be filed with the registered office as well as made available on the Company’s website www.saesgetters.com (Investor Relations/Shareholders' Meeting section), within the terms contemplated by the laws and regulations in force.

The Extraordinary Shareholders' Meeting of 24 April 2012 authorised the purchase of treasury shares of the Company up to a maximum of 2,000,000 ordinary and/or savings shares for a period of 18 months from the authorisation date considering the shares already held in the portfolio by the Company itself, and in any case within the limits of the law, for a valuable consideration, including additional purchase charges, not more than 5% and not less than 5% compared to the official stock-exchange price recorded by the security at the close of the trading session before each transaction.

During the Financial Year, the Board did not start any purchase program of treasury shares, and therefore did not make use of the authorisation granted by the Shareholders' Meeting of 24 April 2012 (nor used, during the months before the Shareholders' Meeting, the authorisation previously granted by the Shareholders' Meeting of 20 April 2011).

As mentioned in the previous paragraph, to date, the Company does not hold treasury shares.

The revocation of the resolution for purchasing treasury shares and using them adopted by the Shareholders' Meeting of 24 April 2012 and the proposal to adopt a similar resolution is inserted in the agenda of the next Shareholders' Meeting, in ordinary session, on 23 April 2013.

Reference is made to the special report to the Shareholders' Meeting prepared by the Board of Directors on the subject, pursuant to Article 73 of the Issuers' Regulation, which will be filed, within the terms contemplated by the laws and regulations in force (i.e. at least 21 days before the date of the Shareholders' Meeting) with the registered office as well as made available on the Company’s websitewww.saesgetters.com (Investor Relations/Shareholders' Meeting section).

2.10. Management and coordination activities

The Company is not subject to management or coordination in accordance with Article 2497 et seq. of the Italian Civil Code.

For the purposes of Article 37 subsection 2 of the Market Regulation, it is specified that, following the consideration of the Board, confirmed today, considering overcome the presumption set forth in Article 2497 of the Italian Civil Code, S.G.G. Holding S.p.A. does not manage or coordinate SAES Getters S.p.A. as regards the majority interest held by it. This, given the fact that S.G.G. Holding S.p.A., from the management, operating and industrial viewpoints, does not play any role in defining long-term strategic plans, the annual budget and investment choices, does not approve specific significant transactions undertaken 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. S.G.G. Holding S.p.A. does not give instructions nor does it carry out service activities or technical, administrative and financial coordination in favour of the Company or its subsidiaries.

The Company is entirely independent in its organisation and decision-making and acts in an independent negotiating capacity in its dealings with customers and suppliers.

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It is specified that the information required by Article 123-*bis*, subsection one, letter i) ("*the agreements between the Company and the Directors (...) that provide for payments in the event of resignation or dismissal without just cause or if the employer-employee relationship is terminated following a public purchase offer"*) is contained in the remuneration report published pursuant to Article 123-*ter* of the Consolidated Financial Act.

Moreover, the information required by article 123-*bis*, first subsection, letter l) ("*applicable law for the appointment and replacement of directors (...) and for the amendment to the Bylaws, if different from those laws and regulations additionally applicable*") is included in the section of the Report related to the Board of Directors (Sec. 4).

3. COMPLIANCE

The Corporate Governance system of SAES Getters S.p.A. is mainly based on the implementation of the principles and recommendations contained in the 2011 Code of Corporate Governance, which the Board of Directors has adopted on 23 February 2012, available on the website of Borsa Italiana S.p.A. www.borsaitaliana.it, in the firm belief that the principles and provisions expressed therein contribute significantly to the achievement of a proper company and entrepreneurial management and to the value generation for Shareholders, by increasing the level of trust and interest of investors, foreign or otherwise.

The Company did not adopt or comply with the Code of Corporate Governance other than the one promoted by Borsa Italiana.

The following Report provides information on the corporate governance of SAES Getters S.p.A. and on the level of compliance of the Company to the 2011 Code of Corporate Governance.

When writing out the Report, the Company mainly used the format circulated by Borsa Italiana S.p.A. on February 2013, by applying the "comply or explain" principle and therefore, giving the reasons for the failure to comply with one or more provisions, as well as by indicating the corporate governance practices actually applied by the Company, beyond the obligations established by laws and regulations, pursuant to

Article 123-*bis* of the Consolidated Financial Act and to Article 89-*bis* of the Issuer Regulation.
Neither the Company nor its subsidiaries with strategic importance are subject to non-Italian law provisions that affect the corporate governance structure of SAES Getters S.p.A.

4. BOARD OF DIRECTORS

4.1. Appointment and replacement of directors

The Board of Directors is appointed by the Shareholders' Meeting based on the lists presented by the Shareholders in accordance with the procedure provided by article 14 of the Bylaws, except for different and further provisions provided by mandatory law regulations or depending on the compliance with or subjection of the Company to codes of conduct drafted by regulated market management companies or by trade associations.

As resolved by the Board of Directors on 23 February 2012, with the renewal of the Company's Board of Directors on 24 April 2012, the Company applied the provisions of the 2011 Code relevant in relation to the composition of Board of Directors and its Committees and in particular the provisions set forth in 5.P.1., 6.P.3. and 7.P.4. Principles and 2.C.3. and 2.C.5 Application Criteria.

As things stand, the Board considers that the appointment of the Directors is carried out with a transparent procedure, as described below.

Today, the Shareholders who, with regard to the shares that are registered in favour of the shareholder the day on which the lists are filed with the Company, on their own or together with other Shareholders presenters, own a participating share, in the share capital with voting rights, at least equal to the one indicated by Article 144-*quarter* of the Issuers' Regulation, can present a list for the appointment of the Directors. At the date of this Report, the requested share is 2.5% of the share capital with voting rights.

The lists, signed by those who present them, accompanied by the information and documents required by law, are filed by the Shareholders with the registered office no later than the twenty fifth day before the date of the shareholders' meeting called to decide on the appointment of the members of the Board of Directors. The Company makes this list available to the public at the registered office, as well as to the management company of the market and on its website, within the terms and in the manner provided by law.

The lists include a number of candidates not exceeding fifteen, each coupled with a progressive number. Each list must contain and expressly indicate at least one Independent Director[1], with a progressive number of no more than seven. If the list

[1]Defined as Director possessing the requirements for independence provided under article 147-ter, subsection 4, Consolidated Financial Act as well as other independence requirements contemplated by the Corporate Governance Code.

consists of more than seven candidates, it must contain and expressly indicate a second independent director.

A Shareholder cannot present or vote more than one list, albeit by proxy or through a trust. Each candidate shall come up in one list under penalty of ineligibility.

At the end of the vote, the candidates of the two lists who obtained the highest number of votes are elected as follows: (i) a number of Directors equal to the total number of members of the Board, minus one, is taken from the list that obtained the majority of votes (hereinafter also “Majority List”), as previously established by the Shareholders' Meeting; within such number limits, the candidates are elected in the order in which they are listed in the list; (ii) a Director is drawn from the second list that obtained the highest number of votes and who is not connected directly or indirectly with the Shareholders who presented or voted the Majority List pursuant to the applicable provisions (hereinafter also “Minority List”), in the person of the candidate indicated with the first number in the list itself; however, if not even one independent Director is elected within the Majority List, in case of a Board of not more than seven members, or only one Independent Director is elected, in case of a Board of more than seven members, the first Independent Director indicated in the Minority List will be elected, instead of the first on the Minority List.

Lists are not taken into consideration unless they obtain a percentage of votes equal at least to half the percentage required for presenting the lists.

In the event that the lists obtain the same number of votes, the list presented by Shareholders owning the largest stake when the list is presented prevails, or, subordinately, the one presented by the greatest number of Shareholders.

If only one list is presented, the Shareholders’ Meeting will vote on it and if it obtains the relative majority of voters, without taking account of abstentions, the candidates listed in progressive order will be elected Directors, up to the number established by the Shareholders' Meeting, without prejudice to the fact that, if the Board has more than seven members, the second Independent Director is also elected, in addition to the one necessarily placed with the first seven.

In the absence of lists, or if the number of Directors elected on the basis of the presented lists is lower than the one determined by the Shareholders' Meeting, the members of the Board of Directors are appointed by the Shareholders' Meeting itself with the majorities provided by the law, without prejudice to the obligation to appoint, by the Shareholders' Meeting, the minimum number of Independent Directors required.

The Company is not subject to special field regulations on the composition of the Board of Directors.

The Shareholders' Meeting convened on 24 April 2012 resolved to fix in 11 (eleven) the number of members of the Board of Directors and appointed as Directors, the following persons still holding office: Stefano Baldi, Emilio Bartezzaghi, Giulio Canale, Adriano De Maio, Carola Rita della Porta, Luigi Lorenzo della Porta, Massimo della Porta, Andrea Dogliotti, Pietro Alberico Mazzola, Roberto Orecchia and Andrea Sironi.
The Board holding office was elected, for the first time, through the list voting mechanism (introduced with the Extraordinary Shareholders' Meeting of 29 June 2007 to implement the amendments and supplements to the election procedures introduced in the meantime in the regulations in force), however, based on a single list, filed and

published by the Majority Shareholder S.G.G. Holding S.p.A., in accordance with the procedures and terms prescribed by the regulations and bylaws. The list and the documents that came with it were also promptly published on the Company's website.

4.1.1. Succession plans

The Board of Directors during the meeting of 19 February 2013, after hearing the advice of the Remuneration and Appointment Committee convened for this reason on 15 February 2013, considered how the ownership structure characterised by the presence of a stable majority shareholder, and the existence of the delegated powers of ordinary and extraordinary administration equally assigned to both the executive directors make it unnecessary at the present time the establishment of ad hoc succession plans.

4.2. Composition

The current Board of Directors of the Company was appointed by the Shareholders' Meeting on 24 April 2012 by list voting mechanism according to article 14 of the Bylaws. Only one list has been presented by the Majority List presented by S.G.G.Holding S.p.A.; such list obtained 95.24% of the voting capital. The Board of Directors thus elected will hold office until the approval of the financial statements as at 31 December 2014.

The Bylaws in force allow the Shareholders' Meeting to determine the number of Directors from a minimum of three (3) to a maximum of fifteen (15). The high maximum number of Directors reflects the need to structure the Board in a manner more suited to the needs of the Company, also in relation to the number of subsidiaries and to the variety of business areas in which the Group operates. Moreover, it allows the Company to find professional skills of different extraction and integrate different skills and experiences to better meet current and future needs, maximising the value for Shareholders. The complexity and totality of the interests of the Company and of the Group imply an increasing need of different professional skills, experiences and competences within the administrative body. With a more complete composition, the Board is able to ensure a better internal communication and carry out effectively its functions, with the required powers and authority, responding promptly to the increasingly complex issues that the Company has to face.

In accordance with Articles 147-*ter*, subsection 1-*ter* and 148, subsection 1-*bis* of Italian Legislative Decree no. 58 of 1998, as amended by Italian law no. 120 of 12 July 2011 on the issue of equal access to the management and control bodies of the companies listed on regulated markets, the Board amended Articles 14 and 22 of the Bylaws to ensure gender balance to the management and control bodies of the Company.

The Board of Directors, on 31 December 2012, consists of eleven Directors, as indicated in Table 1 enclosed with this Report; three Directors - Prof. Giuseppe della Porta, Prof. Andrea Gilardoni and Gianluca Spinola - were revoked upon expiry of their term in office and three new Directors - Prof. Emilio Bartezzaghi, Carola Rita della Porta and Luigi Lorenzo della Porta - were appointed.

Information concerning the personal and professional characteristics of each director is provided below:

Stefano BALDI - Born in Trieste on 26 May 1950

He graduated in 1975 from Università degli Studi of Trieste with a degree in law.

In 1977, he held the position of export manager at Acciaierie Waissenfels S.p.A. of Fusine (UD), leading company in the field of industrial and snow chains.

In 1978, he started working as product manager with Laboratori DON BAXTER S.p.A. of Trieste, a pharmaceutical company.

In 1983, he was employed by GEFIDI S.p.A. of Trieste, companies promoting financial products and Italian investment trusts, as associate marketing director and then as marketing manager.

From 1986 to 1988, he was employed by HAUSBRANDT S.p.A., company operating in the coffee sector, as marketing manager.

Subsequently, until 1990, he held the position of inspector in Friuli-Venezia Giulia for ASSICURAZIONI GENERALI S.p.A.

He is Director of SAES Getters S.p.A. since 1987.

Emilio BARTEZZAGHI - Born in Milan on 5 July 1948

He graduated in 1971 in electronic engineering from Polytechnic University of Milan.

He is currently Full professor of Business Management at the Department of Industrial Engineering of Polytechnic University of Milan, where he is Lecturer of Organisational Systems.

He is Deputy Chairman of the Fondazione Politecnico di Milano.

He is a member of the Evaluation Group of the University of Verona.

From 2004 to 2008, he was a delegate of the Rector for Internationalisation of the Polytechnic University of Milan.

He is member of the Committee for the Protection of impartiality and Product Quality of Certiquality and, as independent director, of the Boards of Directors of Artemide Group and SAES Getters.

He was a member of the Board of Directors of Vincenzo Zucchi from 2005 to 2011.

He contributed to the development of Management Engineering in Italy, not only as a lecturer or researcher, but by carrying out an intense organisational and cultural activity: in fact, he was Director of the Department of Industrial Engineering of Polytechnic University of Milan from 1993 to 2000 and Chairman of the MIP – Business School of the Polytechnic University of Milan from 2000 to 2004.

He was Chairman of the Italian Association of Management Engineering, member of the board of the European Operations Management Association and Professor of EIASM - European Institute for Advanced Studies in Management of Bruxelles. Since the beginning of his professional career, he combined research and teaching with consultancy for both businesses and public bodies.

He is Director of SAES Getters S.p.A. since 2012.

Giulio CANALE - Born in Genoa on 16 March 1961

He graduated from Università degli Studi of Genoa with a degree in Economics and Commerce.

From 1984 to 89, he started his first work experience at the premises of Milan of an important Advertising Company, IGAP S.p.A. At IGAP S.p.A., he held different positions, coming up to the position of Sales Manager.

In 1990, he became part of the SAES Getters Group as person representing special Group interests with SAES Getters Korea where he worked for four years. To date, he is the Chairman of SAES Getters Korea.

In 1994, he moved to the Tokyo premises of SAES Getters Japan, taking on the delicate role of Asian Markets Coordinator. In particular, he also acted as Chief Negotiator of the delegation of the SAES Getters Group that negotiated with a Chinese partner the setting-up of a Joint Venture at Nanchino, PRC: this Joint venture was opened in November 1997.

In 1997, he returned to SAES Getters S.p.A. of Lainate, Milan, since he was appointed co-Managing Director, and acted as SAES Group Subsidiaries Director.

In 2003, he was reconfirmed Managing Director and appointed Group Deputy Chief Executive Officer.

In 2006, he was confirmed Managing Director, Deputy Chief Executive Officer and appointed Group Chief Financial Officer.

In 2009, he was appointed Deputy Chairman and Managing Director and appointed Group Deputy Chief Executive Officer as well as Group Chief Financial Officer.
In 2012, he was confirmed Managing Director, Deputy Chief Executive Officer and appointed Group Chief Financial Officer.

Carola Rita DELLA PORTA - Born in Milan on 9 April 1965

Degree in Letters (**March 1989**), Università degli Studi of Milan.
Specialisation degree in Archaeology (**July 1994**), Università degli Studi of Milan.
Certificate of Proficiency in English of the University of Cambridge (**December 1983**), Grade B.
Zentrale Mittelstufenprüfung, Goethe Institut (**June 1991**), Gesamtnote befriedigend.
European Computer Driving Licence Start (**28 June 2006)**
Master in Library Management, organised by the Università Cattolica del Sacro Cuore and by the national IAL CISL, **Accademic Year 2008-09**.

Library employee (Level D3), Università degli Studi of Milan (**from September 1996**)

Library Manager at Library of Classics and Modern Philology, Università degli Studi of Milan (**from February 2012**)

From 1996 to 2012 at the Library of Political Science, Università degli Studi of Milan, she carried out different functions, Department head – Services to the public; Curator of the library's web site: http://www.sba.unimi.it/biblioscienzepolitiche; Revision of the Italian interface of the catalogue of useful links of the library; Supervision and coordination of services to the public; Support for completing the automation of access to the library; Reference librarian; Documentalist at the European Documentation Centre; Development (in collaboration with Michela Missana) of "Orfeo", web application for managing reference transactions, carried out in php, html and javascript; Courses for users; Subject heading; Completion of the recovery of periodicals in SBN.

She took part in several activities carried out on behalf of the Library Division of the University, Università degli Studi of Milan**.**

Archaeologist (1990-1996):
- taking part in excavations of the Università degli Studi of Milan and of the Archaeological Superintendence of Lombardy;
- cataloguing of archaeological materials in museums of Lombardy on behalf of the Archaeological Superintendence of Lombardy;
- carrying-out of educational tours of archaeological sites on behalf of the Archaeological Superintendence of Lombardy;
- collaboration in the production of catalogues for archaeological exhibitions, Electa editions.

She is Director of SAES Getters S.p.A. since 2012.

Luigi Lorenzo DELLA PORTA - Born in Milan on 5 March 1954.

He began working in Rome in 1975 and founded together with other partners the first private radio station in the capital, which he ran until 1979 when he opened the RAM production centre that produces and distributes news and current affairs programs to private radios nationwide.

In 1979, he managed the Soram company, owner of important recording studios, which he sold in 1983, year in which he founded the Delven company that he still manages and that deals in marketing historical military finds from 1500 to 1945.

In 1997, he took over a business together with a partner in the centre of Rome offering various articles in the world of collectibles - an activity that made the shop famous all over the world.

In 2008, he was appointed Chairman of a motorcycling sport association of the federation affiliated to CONI.

He is Director of SAES Getters S.p.A. since 2012.

Massimo DELLA PORTA - Born in Pontremoli (MS) on 8 September 1960

In 1989, he graduated from the Polytechnic University of Rome with a degree in Mechanical Engineering.

In April 1989, he began working at one of the companies of the SAES Getters Group, the SAES Metallurgia of Avezzano (AQ), as a researcher and with the specific task of creating an applied research laboratory at the SAES Metallurgia di Avezzano subsidiary. In this role, he is also responsible for the activities carried out in Avezzano (southern portion) as part of a project funded by IMI and concerning the "Superpurification of gas."

In 1991, after working for about one year on a project for improving the production processes, he dealt with production management of SAES Metallurgia SpA.

In 1992, he took up the position of Technical Manager of the subsidiaries of Avezzano dealing with the coordination of the applied research activities and of the production operations of the two companies, SAES Metallurgia and SAES Engineering.

From 1993 to 1995, he personally followed the construction (and partially the planning) at Avezzano of a new factory, SAES Advanced Technologies and he often went to Korea to follow the construction works for the second factory of Chinchon and of USA, SAES Pure Gas.

During the same period, he worked as project leader in some Group innovation projects with the task of industrialising new products developed by the Central Research and Development within the SAES 2001 project. In this function, he coordinated multidisciplinary and multinational working groups whose mission was to design, build and launch mass production plants.

In 1995, he followed the start-up of new production lines at the new factory SAES Advanced Technologies as well as the transfer of some production lines from the factory of Lainate. Moreover, he also followed, as Technical Manager, the ISO 9001 certification of the companies of Avezzano.

In 1996, he moved with his family to Milan to take on the role of Group Innovation Manager at the parent company SAES Getters S.p.A., while simultaneously maintaining previous responsibilities on the production sites of Avezzano.

In 1997, he took up the position of Deputy Chairman and Managing Director of SAES Getters S.p.A. In the same year, he was appointed Group Chief Technology & Innovation Officer and was in charge at Group level of the Information System.

In 1998, he launched and coordinated a world project for the creation of a corporate intranet, the connection of all the subsidiaries of the Group and the development of software applications supporting local and Group management activities.

In 2003, he was reconfirmed Deputy Chairman and Managing Director, Group Chief Technology & Innovation Officer and appointed Group Chief Executive Officer.

In 2009, he was appointed Chairman and reconfirmed Group Chief Executive Officer and Group Chief Technology & Innovation Officer.

In 2012, he was reconfirmed Chairman and Group Chief Executive Officer and Group Chief Technology & Innovation Officer.

He is member of the Board of Directors of various companies of the SAES Getters Group. Moreover, he is Chairman of SAES Advanced Technologies and E.T.C. S.r.l. and Director of SAES Nitinol S.r.l.; Chairman of SAES Getters USA, Spectra-Mat, Memry Corp., SAES Getters International Luxembourg S.A. and Actuator Solutions GmbH.

He is a director, Deputy Chairman and Managing Director of S.G.G. Holding S.p.A., company controlling SAES Getters S.p.A.

He is an independent director of Alto Partners SGR S.p.A. since December 2004.

He is the manager of MGM srl.

Inventor or co-inventor of alloys and products for which patents have been obtained.

He is a member of EIRMA (Association for European industrial research).

Adriano De Maio - Born in Biella, on 29 March 1941, married, two children and a grandson.
Degree in electronic engineering - Polytechnic University of Milan in 1964

Polytechnic University of Milan:

1967-2002 Professor of innovation management (Associated lecturer, then Full professor from 1986)

1990-1994 Deputy Pro-Rector

1994-2002 Rector

2006-2012 Full professor of Management of Complex Projects

Other positions:

1996-2010 Chairman of IReR (Istituto Regionale di Ricerca della Lombardia, Regional Research Institute of Lombardy)

1998-2002 Member of the Board of Directors of Ecole Centrale de Paris from which it obtained the diploma of “Docteur Honoris Causa” in 2003

2000-2002 Chairman of TIME (Associazione delle Università industriali in Europa, Association of technical universities in Europe) of which he is currently honorary chairman

2002-2005 Rector, University Luiss Guido Carli, Rome

2002-2005 Chairman of the Ministerial Commission for the reform of the University

2003-2004 Extraordinary Commissioner of the National Research Centre

2005-2008 Delegate for Higher Education, Research and Innovation - Lombardy Region

2007-2009 Chairman of the Board of Engineers and Architects of Milan

He is currently the Chairman of several institutions: Science Park Area (Trieste); European Foundation Centre for Nanomedicine (CEN); Green and High-Tech district of Monza and Brianza; Investment Committee of the Venture Capital Next Fund; Alumni Association of the Collegio Ghislieri in Pavia.

He is also the Director of Telecom Italia Media SpA, TxT e-solutions SpA, EEMS SpA.

He is currently member of Scientific Committees of ASI – Agenzia Spaziale Italiana (Italian Space Agency), of Fondazione Politecnico and Fondazione Tronchetti Provera.

Author of several publications on business management and research and innovation management.

He is Director of SAES Getters S.p.A. since 2001.

Andrea DOGLIOTTI - Born in Genoa on 23 January 1950, married, one daughter.

Classical studies. In February 1974, he graduated with a degree in Mechanical Engineering/Methods of conducting business in Genoa, 110/110 cum laude. Excellent knowledge of English, French, economy, law, computer science.

From 1974 to 1995, he was employed by Italimpianti and became manager in 1981; he worked in the formulation and evaluation of projects and investment plans, in Italy and abroad. He managed major projects of territorial and industrial logistics. He also dealt with industry strategies and organisational approach of the company and of the IRI Group. He is part of the Boards of Directors of various operating companies.
From 1995 to 2005, he was the "logistics development manager" of an important international shipping and logistics company. He managed and developed Logistics planning, Project management, information systems, quality system.
From 2005 to 2010, he was the chairman of Fos Progetti S.r.L, a consulting company based in Genoa. He dealt with organisation projects, computer science, innovative technologies, and internationalisation.

Since 2010, freelance consultant in "technologies, processes and strategies”.

Since 2006, member of the BoD of SAES Getters S.p.A., from 2009 member of the Audit Committee, as well.

Pietro MAZZOLA – Born in Milan on 13 June 1960

Full professor of “Business strategy and policy” at the IULM University of Milan;

Adjunct Professional Professor of “Budget” at the Bocconi University of Milan;

senior lecturer of the Strategy area of the Business Management School of the Bocconi University of Milan;

co-author of the "listing guide" for the business plan prepared by Borsa Italiana S.p.A;

co-promoter of the attention and interest group of AIDEA on the "Communication to financial markets"

member of the examining board of the CONSOB competitive state examination, which took place in 2005, based on qualifications and examinations, for 10 positions of assistant on a trial basis in the operational career of permanent personnel, with professional profile graduated in economics;

enrolled with the Register of Professional Accountants and Auditors, and member of the European Accounting Association;

member of the editorial board of the Family Business Review and of the Journal of Family Business Strategy Review member of the board of directors of the Italian society of professors of accounting and business administration;

technical consultant in several civil and criminal proceedings pending before the court or before arbitration boards; in determining the damage or the value of companies and branches of companies;

management consultant for some Italian medium-sized companies;

Co-founder of Partners - Consulenti e Professionisti Associati S.p.A.;

member of the research committee of the NED Association on the role of independent directors in family concerns;

author or co-author of several national and international publications.

He is Director of SAES Getters S.p.A. since 2008.

Roberto ORECCHIA - Born in Turin, on 19 September 1952

In 1980, he graduated from the University of Turin in Medicine and Surgery.

He is Professor of Radiotherapy (Scientific Field MED/36 Diagnostic imaging and radiotherapy) at the Università degli Studi of Milan, Manager of the School of Specialisation in radiotherapy at the same University.

He is the Manager of the Chairman of the Imaging and Radiation Sciences Department, as well as the Manager of the Radiotherapy Department of the European Cancer Institute of Milan, Scientific Manager of the CNAO Foundation (National Centre of Oncology Hadrontherapy) of Pavia and Scientific Manager of the European Centre for Nanomedicine in Milan.

He is the owner of:

- Course of diagnostic imaging and radiotherapy at the University of Milan;

Other activities:

Former Chairman of AIRO (Italian Association of therapeutic radiation oncology)

Former Member of the ESTRO Board (European Society of Therapeutic Radiation Oncology)

Member of the managing committee of the University Centre of the LUVI Foundation for research in palliative care (in collaboration with the Floriani Foundation)

Honorary Member of GLAC/RO (Latin American Group of Therapeutic Radiation Oncology) and Associate Professor at the University della Plata (Argentina).

Member of the Board of Fondazione TERA.

Formerly, Chairman of the International Society of Intraoperative Radiation Therapy (ISIORT).

Member of the EUSOMA Board (European Society of Oncological Mastology)

Chairman of AIRB (Italian Association of Radiobiology)

Since the beginning of its activity, in addition to his clinical and educational commitments, Prof. Orecchia carried out an intense scientific activity documented by over 350 publications in national and international journals (288 of which reviewed on Pub Med), chapters of books, and other educational material, which over the years have dealt with topical issues in clinical research: from integration between ratiotherapy and medicines, to hyperthermia, to brachytherapy and, more recently, to precision radiotherapy techniques (3D Conformal radiotherapy, stereotaxic, intraoperative, intensity modulation) and hadrontherapy.

Moreover, he is or was, owner or participant of numerous research projects, in collaboration with other Universities as well, which were financed by various bodies including CNR, MURST, Ministry of Health, Italian Association for Cancer Research(AIRC) and the American Italian Cancer Foundation (AICF), as well as by private subjects.

Currently, he coordinates an international project involving 20 European countries financed for more than € 8 million to the ULICE project.

He is also involved in other two European projects, Partner and Allegro.

He is Director of SAES Getters S.p.A. since 2009.

Andrea SIRONI - Born in Milan on 13 May 1964

He graduated from the Bocconi University with a degree in Political Economy with a major in "International Economy" in March 1989. Marks obtained 110/110 cum laude.

He is the Rector of the Università Bocconi since October 2012 and professor of Economics of financial intermediaries at the same University.

He was a visiting scholar at the Department of Finance of the Stern School of Business of New York University and a visiting professor at the Division of Research and Statistics of the Federal Reserve Board of Washington.

He is an Independent Director of Banco Popolare.

He was deputy chairman of Banca Aletti SpA until September 2012.

From 1989 to 1990, he was a financial analyst at the Chase Manhattan Bank of London.

His research mainly concerns the measurement and management of risks in financial institutions and the regulation of markets and financial institutions.

He published several articles on international scientific reviews and several Italian and international books.

He is Director of SAES Getters S.p.A. since 2006.

4.2.1. MAXIMUM AMOUNT OF POSITIONS HELD IN OTHER COMPANIES

In compliance with the 1.P.2. Principle of the 2011 Code, the Directors of the Company act and decide in full cognition of the facts and independently, pursuing the goal of creating value for shareholders in the medium to long term. In compliance with the

1.C.2. Application Criteria of the 2011 Code, the Directors accept the office when they believe they can devote the necessary time to the diligent performance of their duties, also allowing for the commitment related to their jobs, profession, number of offices as director or auditor held by them in other companies listed on controlled markets - including foreign markets - in holding, banking, insurance or big-sized companies

The Board reports and reveals, in the Corporate Governance report, the director or auditor offices held by the Directors in listed companies and in other companies indicated above. Table 1 enclosed with this report indicates the offices of director or auditor held on 31 December 2012 by each Director in other companies listed on controlled markets, including foreign markets, in holding, banking, insurance or big-sized companies, as disclosed during the board meeting of 19 February 2013.

The Board believes that an excessive plurality of offices in board of directors or board of statutory auditors of companies, whether listed or not, may compromise or risk the efficient performance of the office of Director in the Company.

The Board, in compliance with the 1.C.3. Application Criteria of the 2011 Code, defined some general principles on the maximum number of administration and control offices in other companies that can be considered compatible with an efficient performance of the role of Director of the Company, allowing for the participation of the directors in the committees set-up within the Board itself.

In particular, during the meeting held on 21 December 2006, the Board considered appropriate to assign a score to each office, other than the one of member of the Board of the Company, distinguishing this score according to the commitment related to the type of office (executive/non-executive director) also in relation to the type and size of the companies where the office is held, and set a maximum score beyond which it is reasonable to assume that the office of Director of the Company cannot be carried out efficiently. Exceeding the maximum threshold is a just cause for the removal of the Director from his/her office.

The Board believes that 100 points is the maximum threshold beyond which the office of director of the Company cannot be carried out efficiently.

The Board of the Company reserves the right to amend and supplement the above general principles, allowing for changes in regulations, experience and best practice gained in this field.

The current composition of the Board complies with the above general principles.

The offices and equivalent scores are summarised in the following table:

OFFICE	SCORE
Executive director in listed issuer, banking, financial or insurance companies, whether listed or not	50
Chairman (without operational proxies) in listed issuer, banking, financial or insurance companies, whether listed or not	15
Participation in each listed issuer committee (Appointment Committee, Audit Committee, Remuneration Committee)	5
Non-executive director in listed issuer, banking, financial or insurance	12

companies, whether listed or not	
Executive director in a company subject to controls provided by the Consolidated Financial Act other than the subsidiaries of the Company	25
Non-executive director in a company subject to controls provided by the Consolidated Financial Act other than the subsidiaries of the Company	10
Executive director in subsidiaries of the Company	5
Non-executive director in subsidiaries of the Company	3
Executive director in non listed companies, subject to controls provided by the Consolidated Financial Act and not controlled by the Company with shareholders' equity exceeding € 100 million	20
Non-executive director in non listed companies, not subject to controls provided by the Consolidated Financial Act and not controlled by the Company with shareholders' equity exceeding € 100 million	7
Executive director in non listed companies, not subject to controls provided by the Consolidated Financial Act and not controlled by the Company with shareholders' equity less than € 100 million	18
Non-executive director in non listed companies, not subject to controls provided by the Consolidated Financial Act and not controlled by the Company with shareholders' equity less than € 100 million	5
Member of the Board of Statutory Auditors in listed companies; banking, financial or insurance companies, whether listed or not	17
Member of the Board of Statutory Auditors in non-listed companies, and not controlled by the Company, subject to controls provided by the Consolidated Financial Act	13
Member of the Board of Statutory Auditors in subsidiaries of the Company	10
Member of the Board of Statutory Auditors in non-listed companies, not subject to controls provided by the Consolidated Financial Act and not controlled by the Company	10
Member of the Supervisory Board	5
Owner (or co-owner) of the management function in a trust	7

In compliance with the 2.C.2. Application Criteria of the 2011 Code, the Directors are obliged to know the duties and responsibilities concerning their office. The Chairman of the Board makes sure that the Directors and auditors can take part, after the appointment and during their mandate, in initiatives to provide them with an adequate knowledge of the sector of activity in which the Issuer operates, of company trends and their development, as well as of the regulatory framework of reference.

In this regard, the Chairman, during the meeting of 9 May 2012, outlined to the Board and in particular to the newly elected Directors, the most significant changes of the Group in the last two decades by pointing out the key elements of the different strategic stages of the Group. He explained in detail the various products and technologies characterising the development of the group over several decades of activity and emphasised the new skills developed that have created new business opportunities often synergistic with those received through acquisitions.

Always within the initiatives aimed at increasing the knowledge of the business reality of the Directors, in the board meeting of 17 October 2012, the Chairman invited the Directors and the Auditors to visit the research laboratory of Lainate with the support of the Corporate Research & Development Manager, which showed the different divisions of the laboratory, the technological instruments used for the prototyping and development of some SAES technologies, as well as the group of researchers engaged in the research.

Moreover, during the board meeting of 22 January 2013, the Chairman invited the Chief Executive Officer of Memry Corporation and SMA Medical Business Unit Manager to take part in the meeting, who provided an overview on Memry Corporation, company acquired by the SAES Group in 2008, and on SMA Medical Business Unit of the SAES Group and the Getters Technology Business Unit Manager who provided an overview on the Getters Technology Business Unit.

In the board meeting of 19 February 2013, the Chairman invited the Chief Executive Officer of SAES Pure Gas Inc. and Semiconductor Business Manager to attend the meeting, who provided an overview on SAES Pure Gas Inc. founded in 1989 to San Luis Obispo, California.

4.3. Role of the Board of Directors

The Board is convened on a regular basis to examine the performance of management, business results, as well as all relevant transactions. The Bylaws provide that the Board will be convened at least every three months.

During the Financial year, the Board met 10 times with an average attendance rate of 90% of the Directors, (92.8% for the 2011 financial year). The presence of Executive Directors was 100% (as the 2011 financial year), the presence of Non-executive Directors was on average 87.7% (in line with the average for the 2011 financial year) and the presence of Independent Directors was on average 90.0% (in 2011 it was 93.3%).

The meetings lasted approximately 2.5 hours.

For the 2013 financial year, the Board is currently expected to meet at least eleven times, including four times for approving the periodic results; the relevant dates have already been communicated in December 2012 to Borsa Italiana S.p.A. during the publication of the calendar of company events, made available on the Company's website. In 2013, on the date of this Report, the Board met three times, on 22 January, 19 February and on the date of approval of this report.

The Chairman does its best to provide the Directors, on the occasion of the board meetings, in reasonable advance, where possible together with the notice of meeting (typically about ten days before the board meeting) with the documents and information necessary to enable the Board to express an informed opinion on matters under its consideration; as regards the financial reports, they are provided with at least two working days' notice, depending on the technical time of preparation of the documents. Exceptionally, in the light of the nature of the resolutions to be passed and confidentiality requirements, such as strategic plans, with the consent of the directors, the material may not be disclosed in advance to them or the documents can be made available to the Directors in a data room, which in this case is prepared and dedicated for that purpose at the registered office.

Each Director has the right to propose topics for discussion at subsequent meetings of the Board.

The Chairman, with the agreement of the persons attending, can invite subjects external to the Board to attend the meetings as listeners or with support functions. The Manager responsible for preparing the company's financial reports pursuant to Article 154 -*bis* of the Consolidated Financial Act is invited to participate to all the meetings of the Board of Directors concerning the approval of the interim report on operations, half-year financial statements, financial statements and consolidated financial statements, and whenever the agenda of the Board of Directors includes the approval of resolutions requiring the issuance of a certification by the Manager, and whenever deemed necessary by the Chairman of the Board of Directors, also upon a proposal by the Managing Director, given the presence on the agenda of the Board of Directors of topics which may have an impact on the accounting information of the Company or the Group.

The Group Legal General Counsel - that normally acts as Secretary of the Board - attends the meetings of the Board.

On the occasion of the board meetings, and at least once per quarter, pursuant to Article 19 of the Bylaws, the Board of Directors and the Board of Statutory Auditors are informed, by the Chairman and by the Managing Director, also with regard to subsidiaries, on the business carried on, general business performance, the Company’s business outlook and operations that, due to size or characteristics, acquire a greater economic and financial importance as well as, if necessary, on transactions in which Directors have their own or a third-party interest.

The Directors examine the information received from the Executive Directors, taking care, however, to require any explanation, deepening or integration deemed necessary or appropriate for a complete and correct assessment of the facts brought before the Board.

The Board plays a central role in the Corporate Governance system of the Company, being vested with the broadest powers for the routine and extraordinary administration of the Company, having the power to carry out all acts held to be necessary in order to implement and achieve the business purpose, with the sole exception of powers that are, by law and without exception, reserved to the Shareholders’ Meeting.

Without prejudice to the exclusive jurisdiction in the fields referred to in Article 2381 of the Italian Civil Code and provisions established by the Bylaws, the Board exclusively and in compliance with the 1.C.1. Application Criteria of the 2011 Code

a) defines, applies and updates corporate governance rules, in conscious accordance with the regulations in force; defines the guidelines of the corporate governance of the Company and of the Group it controls;

b) examines and approves the strategic, industrial and financial plans of the Company and of the Group it controls;

c) defines the nature and level of risk that is compatible with the strategic objectives of the company;

d) evaluates and approves the annual budget and the investment plan of the Company and of the Group it controls;

e) evaluates and approves the regular report envisaged by the regulations in force;

f) establishes and revokes the powers to the Board (and to the Executive Committee, if appointed) defining the limits, modes of operation and regularity, generally on a quarterly basis, with which the delegated bodies must report to the Board on the activity carried out exercising the given powers; reference is made to paragraph 4.4.1 for further information;

g) determines, after examining the proposals of the Remuneration and Appointment Committee and after hearing the Board of Statutory Auditors, the remuneration of the Executive Directors and of the other Directors holding special offices, as well as the division of the entire remuneration due to each Board member, if the meeting has not already seen to it;

h) monitors and evaluates the general performance, including any situation of conflict of interest, taking into account the information received by the Executive Directors, the Remuneration and Appointment Committee and the Audit and Risk Committee, as well as periodically comparing the results achieved with those planned;

i) examines and approves significant transactions and related party transactions; see paragraph 12 for more information;

j) evaluates the adequacy of organisational, administrative and accounting structure, as well as the structure of the Company and of its subsidiaries with strategic importance[2], with a special reference to the Internal control and risk management system; see paragraph 11 for further information;

k) carries out an evaluation on the size, composition and operation of the Board itself and its committees at least once a year, if necessary expressing guidelines on professionals whose presence in the Board is considered appropriate;

l) reports to the Shareholders during the Meeting; provides disclosure, in the report on corporate governance and, in particular, on the number of meetings of the Board held during the financial year and on the relevant attendance percentage of each Director;

m) prepares, at the end of each financial year, a calendar of company events for the following financial year; during the Financial Year, the 2013 calendar of company events was announced to the market on 20 December 2012;

n) is ultimately responsible of the operation and efficiency of the Organisational, Management and Control Model ex Italian Legislative Decree 231/2001.

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[2] Intended as a "significant" company in accounting terms (with assets greater than 2% the assets of the consolidated financial statements or the revenues greater than 5% the consolidated revenues) or more in general, in terms of market or business (therefore, even a newly set-up company will be considered "significant"). On the basis of the evaluations updated at the end of 2012, in compliance with the above parameters as well as together with business considerations, the following companies are considered significant: SAES Advanced Technologies S.p.A., SAES Getters USA, Inc., SAES Getters (Nanjing) Co. Ltd., SAES Getters Korea Corporation, SAES Smart Materials, Inc., Memry Corporation, SAES Pure Gas Inc., Spectra-Mat Inc. Otherwise, albeit observing the above parameters, following business considerations, SAES Getters International Luxembourg S.A. and SAES Getters Export, Corp. are not considered companies "with strategic importance".

With reference to letter b) above, during the Financial Year, the Board carried out evaluations on the strategic plans during the meetings of 13 January, 23 February and 9 May.

With reference to letter c) above, the Board defined the nature and level of risk that is compatible with the strategic objectives of the company, as best shown in paragraph 11;

With reference to letter d) above, during the Financial Year, the Board approved the budget of the Company and of the Group during the meeting of 23 February 2012; in 2013, on 22 January.

With reference to letter e) above, during the Financial Year, the Board met for this purpose on 13 March, 9 May, 27 July and 13 November; in 2013, on 13 March.

With reference to letter f) above, the Board did not set any limit of power, considering it adequate to reserve the significant transactions to the board of directors. Moreover, it should be noted that historically, as also during the Financial Year, Directors with proxies used the powers granted to them wisely, only for the normal management of the company business, on which the Board has been updated regularly and promptly. The Executive Directors are obliged to report briefly to the Board of Directors and to the Board of Statutory Auditors on the exercise of delegated powers, providing adequate information on the deeds carried out and in particular on any abnormal, atypical or unusual operation carried out in the exercise of the delegated powers. During the Financial Year, the delegated bodies continuously reported to the Board, at the next meeting, on the activity carried out exercising the given powers. See paragraph 4.1.1 for further information on this point.

With reference to letter g) above, on 13 March and 24 April the Board resolved on this point on the proposal of the Remuneration and Appointment Committee convened on 3 March and 24 April.

With reference to letter j) above, the Board of Directors met for this purpose on 13 March and, on the proposal of the Audit and Risk Committee, after hearing the favourable opinion of the Board of Statutory Auditors (convened together with the Auditing firm, Director in charge of the Internal control and risk management system, the Manager in charge of preparing corporate accounting documents and the Group General Counsel), considered adequate the organisational, administrative and accounting structure, as well as the structure of the Company and of the subsidiaries with strategic importance, with a special reference to the Internal control and risk management system.

With reference to letter k) above, in line with international best practices, the Board carried out, for the third consecutive year, the self-assessment on the composition and on the activities of the Board of Directors and Board Committees.
In November 2012, a series of answers to a questionnaire sent by the Company Secretary's office and aimed at the formalisation of the self-assessment by the Board were collected; after processing the answers, occurred in an aggregate and anonymous

way, the Board carried out this assessment successfully during the meeting of 13 November 2012.
In particular, it was pointed out that the decision-making process within the board is powered by timely and effective information flows, supported by documents and complete and quality information that allow a good understanding of business processes and of the most important issues for the company. A director, albeit acknowledging the degree and the quality of the information provided during the board meetings, expressed the need to increase the debate within the Board, urging more internal debate.
The Directors as a whole also expressed their appreciation for the regular and thorough update provided by the Managing Directors on the recent and perspective development of the industry, market and research and development initiatives.
Initiatives for analysing specific areas - such as the organisation of a meeting for analysing in depth the Corporate R&D organisational structure and related projects under development and visiting the laboratories of the site of Lainate - were appreciated.
The Directors also pointed out, among the initiatives that could increase even more the knowledge and the comprehension by the Directors themselves of the management trends and business developments of the SAES Group, in-depth theme meetings on R&D, business development and group organisation, if possible with the presence of the business management involved each time in the management of the themes dealt with, respectively.

The Bylaws assign to the Board, without prejudice to the limits of the law, the authority to decide on the proposals concerning:

1. the merger resolution in the cases set forth in Articles 2505 and 2505-*bis* of the Italian Civil Code, also as mentioned for the split-up by Article 2506-*ter* last subsection of the Italian Civil Code, in cases where such rules are applicable;
2. establishment and cancellation of sub-offices;
3. indication of the directors who have the legal representation of the company;
4. the reduction of share capital in case of the shareholder's withdrawal;
5. the adaptation of the Company Bylaws to regulatory provisions;
6. the relocation of the registered office in the national territory.

The Shareholders’ Meeting is not expected to give any general or prior authorisation for an exception to the prohibition on competition provided under article 2390 of the Italian Civil Code.

The Board of Directors of 13 November 2012 decided to comply with the opt-out system set forth in Articles 70, subsection 8 and 71, subsection 1-*bis*, of Consob Resolution on issuers, by making use of the right to depart from the obligation to publish information documents required on the occasion of significant mergers, demergers, capital increase by non-cash contributions, acquisitions and sales;

4.4. Delegated bodies

4.4.1. Managing Directors

In compliance with the 2.C.1. Application Criteria of the 2011 Code, the following directors are considered Executive Directors of the Company:

– the Managing Directors of the Company or of a subsidiary company with strategic importance,[3] including the relevant Chairmen when they are vested with individual operational authorisation or when they have a specific role in the formation of company strategies;

– the Directors holding managerial offices in the Company or in a subsidiary company with strategic importance, or in the parent company when the office concerns also the Company;

The granting of vicarious powers or only in the cases of emergency to Directors not vested with operational authorisation is not sufficient to configure them as Executive Directors, unless such powers are used, in fact, with considerable frequency.

Two of the Directors holding office are Executive Directors. The Board appointed by the Shareholders' Meeting of 24 April 2012 met at the end of this meeting for assigning the company positions, the granting of powers, and the appointment of Committees. As done in the past, the Board adopted a proxy model that provides for the granting of wide operational powers to the Chairman and to the Managing Director. Consequently, the powers for ordinary and extraordinary administration - except those that are exclusively reserved for the Board or those that the law reserves for the Shareholders' Meeting - were granted to the Chairman (appointed in the person of Massimo della Porta) and to the Managing Director as well as *Group Chief Financial Officer* (appointed in the person of Giulio Canale), acting severally.

The powers invested in the Chairman and the Managing Director are identical and do not differ in value or competence.

In particular, Massimo della Porta and Giulio Canale, acting severally and with separate signature, were vested with the following powers (by way of example but not by way of limitation):

a) appointing attorneys for single acts or categories of acts determining their powers and fees, as well as removing them;

b) representing the Company in any relation with third parties, with public administrations, public bodies, as well as with other companies of the Group, by signing the relevant acts and contracts and making any kind of commitment;

c) purchasing, exchanging and transferring assets when running the company business; drawing up, with all the appropriate clauses, amending and rescinding any kind of contract, agreement and convention without limitation as to the cause or matter; authorising purchases of raw materials, semi-finished goods, finished products and consumables; authorising offers also outside the current business conditions;

d) requiring the fulfilment of third-party obligations or of obligations by third parties to the Company;

[3]See Note no. 2

e) opening current accounts and/or post office giro accounts, making payments, both by bank transfers and by cheques, making withdrawals from current accounts and post office giro accounts, carrying out debit and credit operations on the current accounts of the Company with banks and postal offices, uncovered or otherwise, always in the interest of the Company, as well as issuing and requesting the issue of cheques and bank drafts;

f) negotiating and drawing up all the documents to obtain all kinds of bank credits and loans in favour of the Company and negotiating terms and conditions related in any way to the granting of credit facilities or loans; drawing up factoring agreements for the assignment of credits of the Company;

g) carrying out operations towards the railway and customs administrations, concerning forwarding, clearance and collection of all kinds of goods;

h) issuing certificates relevant for tax purposes, extracts of the payrolls concerning the personnel both for social-security, insurance and health institutions and for other Bodies and individuals and signing any declaration established by the tax legislation;

i) hiring and firing employees and personnel, of each category and grade, including managers, signing the relevant contracts and setting the conditions of engagement and the following economic improvements;

j) representing the Company before all the Authorities of the Italian Republic and of foreign countries; representing the Company towards the Bank of Italy, Consob and management company of the market, handling and defining each procedure towards them; appointing and revoking if necessary lawyers, warrant of attorneys and technical consultants, granting them full powers;

k) representing the Company, whether it be a plaintiff or respondent in any civil, criminal or administrative court, and any instance and level of jurisdiction;

l) compromising and settling disputes of the Company with third parties, appointing arbitrators, also amicable conciliators, and signing the corresponding settlement deeds;

m) representing the Company in insolvency proceedings to the charge of third parties with all the required powers.

The Board did not set any limit of power, considering it adequate to reserve the significant transactions to the board and by pointing out that historically, as also during the Financial Year, the Directors with proxies used the powers granted to them wisely, only for the normal management of the company business, on which the Board has been regularly and promptly updated.

The Executive Directors are obliged to report briefly to the Board of Directors and to the Board of Statutory Auditors on the exercise of delegated powers, providing adequate information on the deeds carried out and in particular on any abnormal, atypical or unusual operation carried out in the exercise of the delegated powers. During the Financial Year, the delegated bodies continuously reported to the Board, at the next meeting, on the activity carried out exercising the given powers.

4.4.2. Chairman of the Board of Directors

The Chairman, Massimo della Porta, coordinates and organises the activities of the Board, he is responsible for the orderly functioning, serves as a connection between Executive and Non-executive Directors, defines the agenda, leads the course of the relevant meetings.

The Chairman does his best to provide the members of the Board, in reasonable advance, where possible together with the notice of meeting (typically about ten days before the board meeting), except in case of need or emergency, with the documents and information necessary to enable the Board to express an informed opinion on matters under its consideration and approval. As regards the financial reports, they are provided with at least two working days' notice, depending on the technical time of preparation of the documents. Exceptionally, in the light of the nature of the resolutions to be passed and confidentiality requirements, such as strategic plans, with the consent of the Directors, the material is not disclosed in advance to them or, the documents can be made available to the Directors in a data room, which is prepared and dedicated at the registered office, if necessary.

The Chairman of the Board is also the Chief Executive Officer, but shares the responsibility for the management of the Company with the Managing Director, Giulio Canale. Both are the expression of a list of Directors presented to the controlling Shareholder of the Company (S.G.G. Holding S.p.A.).

In accordance with the 2.P.5. Principle of the 2011 Code, it should be specified that the Board considered to grant proxies to the Chairman equal to those granted to the Managing Director, in such a way that Massimo della Porta, former Managing Director in the 2006-2008 three-year period, could continue to act efficiently and carry out the role of strategic impulse always carried out as Managing Director in the previous board mandates (as from 29 April 1997). The granting of proxies and the concentration of offices in Massimo della Porta is considered to be consistent with the organisational structure of the Company.

In accordance with the 2.C.3. Application Criteria of the 2011 Code, the Board considered the advisability to appoint an Independent Director as the Lead Independent Director in order to strengthen the characteristics of impartiality and common sense required from the Chairman of the Board since he is the main person in charge of the management of the company and has operational proxies. Therefore, the Board of 24 April 2012 considered appropriate to appoint Andrea Sironi as Lead Independent Director and informed the market, on the same date, according to what is provided by the Issuers' Regulation.

In compliance with the 2.C.2. Application Criteria of the 2011 Code, the Chairman, during the meeting of 9 May 2012, outlined to the Board and in particular, to the newly elected Directors, the most significant changes of the Group in the last two decades by pointing out the key elements of the different strategic stages of the Group.

He explained in detail the various products and technologies characterising the development of the group over several decades of activity and emphasised the new skills developed that have created new business opportunities often synergistic with those received through acquisitions. Always within the initiatives aimed at increasing the knowledge of the business reality of the Directors, in the board meeting of 17

October 2012 the Chairman invited the Directors and the Auditors to visit the research laboratory of Lainate with the support of the Corporate Research & Development Manager, which showed the different divisions of the laboratory, the technological instruments used for the prototyping and development of some SAES technologies, as well as the group of researchers engaged in the research.

During the board meeting of 22 January 2013, the Chairman invited the Chief Executive Officer of Memry Corporation and SMA Medical Business Unit Manager to take part in the meeting, who provided an overview on Memry Corporation, company acquired by the SAES Group in 2008, and on SMA Medical Business Unit of the SAES Group and the Getters Technology Business Unit Manager who provided an overview on the Getters Technology Business Unit.

In the board meeting of 19 February 2013, the Chairman invited the Chief Executive Officer of SAES Pure Gas Inc. and Semiconductor Business Manager to attend the meeting, who provided an overview on SAES Pure Gas Inc. founded in 1989 to San Luis Obispo, California.

The Chairman and the Managing Director do their best to inform the Board on the main legislative and regulatory news concerning the Company and the company bodies.

Should the Directors require clarifications and information from the management of the Company, they forward the request to the Chairman, who sees to it, by collecting the required information or by putting the Directors in contact with the management concerned. The Directors can ask the Chairman and/or Managing Director that business representatives of the Company and the Group attend the board meetings to provide the necessary insights on the topics on the agenda.

The Manager in charge of preparing corporate accounting documents pursuant to Article 154-*bis* of the Consolidated Financial Act is invited to participate to all the meetings of the Board of Directors concerning the approval of the interim report on operations, half-year financial statements, financial statements and consolidated financial statements, and whenever the agenda of the Board of Directors includes the approval of resolutions requiring the issuance of a certification by the Manager, and whenever deemed necessary by the Chairman of the Board of Directors, also upon a proposal by the Managing Director, given the presence on the agenda of the Board of Directors of points that may have an impact on the accounting information of the Company or the Group.

The Group Legal General Counsel - that normally acts as Secretary of the Board - attends the meetings of the Board.

4.4.3. Reporting to the Board

The delegated bodies are obliged to report briefly to the Board of Directors and to the Board of Statutory Auditors on the exercise of delegated powers, providing adequate information on the deeds carried out and, in particular, on any abnormal, atypical or unusual operation carried out in the exercise of the delegated powers. During the Financial Year, the delegated bodies continuously reported to the Board, at the next meeting, on the activity carried out exercising the given powers.

4.5. Other Executive Directors

As things stand, there are no other executive directors apart from the Chairman and the Managing Director.

4.6. Independent Directors

The Board holding office, elected by the Shareholders' Meeting of 24 April 2012, consists of eleven (11) members, including two (2) Executive Directors and nine (9) non-executive directors, three (3) of which qualify as Independent Directors, and one (1) as independent director pursuant to the combined provision of Articles 147–*ter*, subsection 4, and 148, subsection 3, of Italian Legislative Decree 58/1998, who have no relations, nor did they recently have relations, either directly nor indirectly, with the Company or with subjects related to it, such as to influence their independence of judgement.

With reference to the 3.P.1. Principle and the 3.C.3. Application Criteria of the 2011 Code, the Company believes that three (3) is the adequate number of non-executive Independent Directors to appoint.

It is already considered that with this composition, the number, competence, availability of time and authoritativeness of the non-executive Directors are such as to enrich the board discussion and guarantee the importance of their opinion when taking the board decisions.

Non-executive Directors contribute their specific competences to the board debates, helping to take sound decisions in compliance with the corporate interest and paying particular attention to areas where conflict of interest may occur.

In compliance with the 3.C.1. Application Criteria of the 2011 Code, the Board considers the independence of its non-executive members placing more emphasis on substance than on form. Moreover, in principle, within this consideration, the Board tends to consider a Director as not Independent, as a rule, in the following cases, albeit not mandatory:

a) if he/she owns, directly or indirectly, also through subsidiaries, trust companies or proxy, shares of entities such as to allow the Director to exercise control and significant influence over the Company, or takes part in shareholders' agreements through which one or more subjects may exercise control or significant influence over the Company;

b) if he/she is, or has been in the previous three financial years, a representative [4] of the Company, of a subsidiary company with strategic importance or a company under common control with the Company, or of a company or body that, also with others through a shareholders' agreement, controls the Company or is able to exercise a significant influence over it;

c) if, directly or indirectly (for example through subsidiary companies or companies in which he/she is a representative, or as a partner of an office or consulting firm), he/she

[4] In compliance with the 3.C.2. Application Criteria of the 2011 Code, the "representatives" of the Company are the Chairman of the Board of Directors, the Executive Directors and Executives with strategic responsibilities.

has, or had in the prior financial year, a significant commercial, financial or professional relation[5]

– with the Company, a subsidiary, the parent company, or with any of the relevant representatives;

– with a subject that, also with others through a shareholders' agreement, controls the Company, or with the relevant representatives;

or he/she is, or has been in the previous three financial years, an employee of one of the previously mentioned subjects;

d) if he/she receives, or has received in the previous three financial years, from the Company or from a subsidiary or parent company, a significant additional remuneration compared to the "fixed" fee of the non-executive Director of the Company, and compared to the remuneration for participating in committees also as participation in investment plans related to business performance, also share based;

e) if he/she was a Director of the Company for more than nine years in the last twelve years;

f) if he/she holds the office of Executive Director in another company in which an Executive Director of the Company holds the office of Director;

g) if he/she is a shareholder or Director of a company or of an entity belonging to the *network* of the external auditing company engaged to carry out the audit of the Company;

h) If he/she is a close relative of a person who is in one of the situations referred to in the previous paragraphs and in particular if he/she is a spouse not legally separated, common law spouses, relatives and in-laws within the fourth degree of kinship of a Director of the Company, of the subsidiaries, of the parent company/companies and those subject to joint control, or subjects who are in the situations indicated under the previous points.

The assumptions listed above are not mandatory. The Board in its evaluation must take into consideration all the circumstances that might seem appropriate to compromise the independence of the Director.

Evaluation. The Independent Directors undertake to inform immediately the Board if an event considered likely to alter their status of "independence" occurs.

The independence of the Directors and the relations that may be or appear likely to compromise the independent opinion of that Director is evaluated annually by the Board taking into account the information provided by the individuals concerned or available to the Company. The result of the evaluations of the Board is immediately announced to the market upon its appointment, as well as within the corporate governance report.

If the Board believes that there exists, in actual fact, the requirement of independence albeit in the presence of situations abstractly referable to non-independent cases, the Board will provide adequate information to the market on the result of the evaluation,

[5]The above relations are certainly important when: (i) trade or financial transactions exceed 5% of the turnover of the supplier or of the beneficiary company; or, (ii) the professional services exceed 5% of the income of the Director or € 100,000".

without prejudice to the control of the Board of Statutory Auditors on the adequacy of the relevant motivation.

There is no prejudice to the predominance of more restrictive regulatory or provisions established by the Bylaws that establish the termination of the office for the Director who loses some independence requirements.

In compliance with the 3.P.2. Principle and with the 3.C.4. Application Criteria of the 2011 Code, during the meeting of 19 February 2013, as every year, the Board reported the degree of independence of its Directors pursuant to the regulations in force (Article 147-*ter* of the Consolidated Financial Act), confirming, on the basis of the requirements set forth in the Corporate Governance Code and Articles 147-*ter*, subsection 4, and 148, subsection 3, of the Consolidated Financial Act, the qualification of "Independent" to the Directors, Emilio Bartezzaghi, Roberto Orecchia, Andrea Sironi and on the basis of the independence requirements only set forth in Articles 147-*ter*, subsection 4 and 148, subsection 3, of the Consolidated Financial Act, the qualification of independent to Adriano De Maio. The Board has not made use of additional or different criteria, not being in the presence of situations abstractly referable to the cases identified by the Code as indicative of lack of independence. Before the Shareholders' Meeting, the three Directors filed special declarations on the possession of the requirements of Independent Directors (as explained above). The Board, in the next meeting after the Shareholders' meeting, accepted this qualification, communicating it to the market on the same date (24 April 2012).

Also for the purposes of the 3.C.5. Application Criteria of the 2011 Code, the Board of Statutory Auditors verified the correct application of the criteria adopted by the Board for assessing the independence of its members, acknowledging the statements issued by each director concerned.

The Board and the Board of Statutory Auditors on 15 May 2012 issued a regular certification ex Article 2.2.3 subsection 3 letter K) of the Regulations of Markets Organised and Managed by Borsa Italiana S.p.A. (verification of the degree of independence and correct application of the criteria for evaluation).

Meetings. In compliance with the 3.C.6. Application Criteria of the 2011 Code, the Independent Directors meet as a rule once a year in the absence of other Directors, where they consider it advisable (also in the light of the number of persons attending the meetings of the Board ad of the various Committees). The meeting may be held informally through audio or video conferencing.

During the financial year, the Independent Directors met in the absence of the other Directors on 13 November 2012, in order to discuss the self-assessment process of the Board, as well as the composition and operation of the Board, considering them adequate. A subsequent meeting of only independent directors was held on 15 February 2013, which discussed proposals for further improvement in the management of the Board with a view to making the Directors even more involved in the business dynamics of the company.

The Independent Directors did not consider it necessary to meet further in the absence of the other Directors, considering the quality of the informative reports received from the delegated bodies and their active participation in the Board and in the Committees, which allowed them to investigate adequately the issues of interest to them.

Number. Should the Shareholders' Meeting resolve to change the number of the members of the Board, it is desirable for the following proportions to be observed:

- Board consisting of up to eight (8) members: at least two (2) Independent Directors;
- Board consisting of up to nine (9) to fourteen (14) members: at least three (3) Independent Directors;
- Board consisting of fifteen (15) members: at least four (4) Independent Directors.

4.7. Lead Independent Director

As shown in the above paragraph 4.4.2., since the Chairman of the Board has also operational proxies, holding the office of Chief Executive Officer, albeit he is not the sole responsible of the company management, in compliance with the 2.C.3. Application Criteria of the 2011 Code, the Board of 24 April 2012 considered it appropriate to appoint the Independent Director, Andrea Sironi as Lead Independent Director. The non-executive Directors (in particular, the Independent Directors) refer to the Lead Independent Director for a better contribution to the activity and operation of the Board. The *Lead Independent Director* collaborates (as he collaborated during the Financial Year) with the Chairman to ensure that the Directors receive complete and timely information flows. The Lead Independent Director, among other things, is also entitled to convene, autonomously or at the request of other Directors, meetings of only Independent Directors to discuss on the issues considered of interest with regard to the operation of the Board of Directors or company management.

Andrea Sironi is the Chairman of the two Committees set up within the Board*:* the Audit and Risk Committee and the Remuneration and Appointment Committee.

5. PROCESSING CORPORATE INFORMATION

On 24 March 2006, the Board adapted to the new provisions of the Consolidated Financial Act, of the Issuers' Regulation as supplemented by Consob Resolution no. 15232 of 29 November 2005, as well as of the Regulations of Markets Organised and Managed by Borsa Italiana S.p.A. and relevant Instructions, as amended following the Italian Savings Law, transposing the European directive on “market abuse”, introducing ad hoc internal procedures and updating those already existing on the matter.

More precisely, the Board adopted:

- the *Procedure for Managing Inside Information*, also for the purposes of the 1.C1. Application Criteria letter j) of the 2011 Code, defines the behaviour of Directors, Auditors, managers and employees in relation to the internal management and disclosure to the market of inside information, namely precise information, which has not been made public, concerning, directly or indirectly, one or more issuers of financial instruments or one or more financial instruments, information that would be likely to have a significant effect on the price of such financial instruments if it were made public.

The above procedure, available on the website of the Company www.saesgetters.com (Investor Relations/Corporate Governance/Policy and Procedures/Inside Information sector) is drawn up in order to ensure that the dissemination outside the company of information concerning the Company occurs in full compliance with the principles of correctness, clarity, transparency, timeliness, wide and homogeneous dissemination to ensure equal treatment, completeness, comprehensibility and continuity of information, in a complete and adequate manner and, however, through the institutional channels and according to the terms established by the Company, as well as to ensure that the internal management of the information occurs, in particular, in compliance with the duties of confidentiality and lawfulness;

- the Insiders Register*:* set-up effectively from 1 April 2006, identified the persons who, due to their work or profession or to the functions carried out, have access to the information indicated in Article 114, subsection 1 of the Consolidated Financial Act, pursuant to and for the purposes of Article 115-*bis* of the Consolidated Financial Act and of Articles 152-*bis,* 152-*ter,* 152-*quarter,* 152-*quinquies* of the Issuers' Regulation.

The Board also approved a *Code of Conduct for Internal Dealing*(hereinafter referred to also as "Internal Dealing Code"), which regulates the disclosure requirements that the Significant Persons and/or Persons Closely Associated with the Significant Persons, as identified in the Code itself, are obliged to observe in relation to the transactions carried out by them on financial instruments of the Company or other financial instruments related to them; moreover, the Internal Dealing Code regulates the obligations that the Company is bound to observe towards the market in relation to the transactions on financial instruments carried out by Significant Persons and by Closely Associated Persons. The Internal Dealing Code contemplates "black-out periods", i.e. predetermined periods (the 15 calendar days prior to the Board meetings for the approval of the accounting data for the period and the 24 hours after the dissemination of the issuance of the relevant press release) during which the persons subject to the provisions of the Code cannot carry out transactions on SAES Getters financial instruments or on financial instruments related to them.

The Chairman and the Managing Director can prohibit or restrict the performance of transactions by significant persons and closely associated persons in other periods of the year when particular events are taking place.

In this case, the Appointed Person shall be responsible for notifying the Significant Persons (who have not already been informed of such on account of their position) of the start and finish dates of the period during which Transactions are restricted.

The Board reserves the right to make, on the proposal of the Executive Directors, also by granting special proxies in this regard, all further changes or adjustments to the procedures deemed necessary, as a result of law and regulatory changes, or even only advisable.

During the Financial Year, the transactions carried out by Significant Persons were reported to the market and to the competent authorities. The relevant filing models as well as the Code of Conduct for Internal Dealing - as amended on 28 August 2008 and 23 February 2012 by the Board of Director to comply with new dispositions of law in force - are available on the company's website www.saesgetters.com (Investor Relations/Corporate Governance/Policy and Procedures/Internal Dealing section).

The Directors and the Auditors are bound to keep confidential the documents and information acquired during the execution of their duties and to observe the procedures adopted for the internal management and for the disclosure of such documents and information.

The information to the outside must be uniform and transparent. The Company must be accurate and homogeneous in communicating with the media. Relations with the media are reserved exclusively to the Chairman and Managing Director, or to business functions in charge of this.

6. INTERNAL BOARD COMMITTEES

For a more effective performance of their duties, the Board established the internal Audit and Risk Committee and the Remuneration and Appointment Committee, with the functions described later.

The Chairman of each Committee refers on a regular basis to the Board on the works of such Committee.

Both Committees comprise non-executive Directors, predominantly independent.

The Board does its best to ensure an adequate rotation within the Committees, except for any reason and cause it considers advisable to confirm one or more Directors beyond the fixed terms.

Except for the right of the Board to set up one or more internal Committees with proposing and advisory functions that will be defined in actual fact in the board resolution for the setting-up.

In relation to the 4.C.1. Application Criteria let. e) of the 2011 Code, it is specified that the existing Committees (Remuneration and Appointment Committee and Audit and Risk Committee) are provided with annual expense budgets predetermined adequately for the carrying-out of their activities.

6.1. Audit and Risk Committee

For any information concerning the Audit and Risk Committee, reference is made to paragraph 10.

6.2. Appointment Committee

With reference to the 2012 financial year, the Board, based on the recommendations of the 2011 Code, 4.C.1 Application Criteria, let. c) with the renewal of the Board of Directors on 24 April 2012 considered to group the functions provided for the Appointment Committee (5.C.1. Application Criteria let. a) and let. b) in a single Committee, the Remuneration and Appointment Committee in consideration of the correlation and mutual relevance of the subjects dealt with.

6.3. Executive Committee

The Board did not consider it appropriate to establish an internal Executive Committee, as already shown in paragraph 4.5.

6.4. Appointment and Remuneration Committee

For any information concerning the Appointment and Remuneration Committee of the directors, reference is made to the Remuneration report published by the Company, pursuant to Article 123-*ter* of the Consolidated Financial Act.

6.5. Related Parties Committee

The Related Parties Committee is formed by 3 directors not related and in possession of the independence requirements. It is chaired by the Lead Independent Director. The Related Parties Committee is convened whenever any decision on transactions with related parties shall be adopted after having received advice by the Committee, according to the Procedure regarding Related Parties Transactions available on the Company website www.saesgetters.com (Investor Relations/Corporate Governance/Policy and Procedures/Related Party).

7. APPOINTMENT COMMITTEE

With reference to the 2012 financial year, the Board, based on the recommendations of the 2011 Code, 4.C.1 Application Criteria, let. c) with the renewal of the Board of Directors on 24 April 2012 considered to group the functions provided for the Appointment Committee (5.C.1. Application Criteria let. a) and let. b) in a single Committee, the Remuneration and Appointment Committee in consideration of the correlation and mutual relevance of the subjects dealt with.

8. REMUNERATION AND APPOINTMENT COMMITTEE (COMPENSATION COMMITTEE)

The Board of Directors has instituted, as part of the Board, since 17 December 1999, the Compensation Committee, currently Remuneration and Appointment Committee, formed by 3 non-executive directors, 2 are independent and one of them has an adequate experience in accounting and finance matters. The Committee has its own Regulations, approved by the Board of Directors on 20 December 2012, which regulates the composition and appointment, the tasks and operations of the Committee, in compliance with the principles and Application Criteria contained in the Corporate Governance Code of the listed companies.

To date, the members of the Committee are the following: Emilio Bartezzaghi (independent director), Adriano De Maio (non-executive and independent director pursuant to combined provision of Articles 147–*ter*, subsection 4, and 148, subsection

3, of Italian Legislative Decree 58/1998) and Andrea Sironi (Lead Independent Director). During the Financial year, the Committee met 4 times with the attendance of all the members. The meetings lasted approximately one hour and half. The Group Legal General Counsel was invited to participate to all the meetings. For the current year, the Committee plans to meet three times. One meeting was already held on 15 February 2013. The meetings of the Committee are recorded.

The Executive Directors do not attend to the meetings of the Remuneration and Appointment Committee. The Committee has the right to access the information and business functions required for carrying out the assigned functions, as well as to make use of external consultants, at the Company's expense (during the Financial Year it chose not to exercise the right to use external consultants).

In compliance with the 4.C.1. Application Criteria let. e) of the 2011 Code, it is specified that the Remuneration and Appointment Committee is provided with annual expense budgets predetermined adequately for the carrying-out of its activities.

For any information concerning the Remuneration and Appointment Committee, reference is made to the Remuneration report published by the Company, pursuant to Article 123-*ter* of the Consolidated Financial Act.

9. DIRECTORS' REMUNERATION

For any information concerning the remuneration of the directors, reference is made to the remuneration report published by the Company, pursuant to Article 123-*ter* of the Consolidated Financial Act.

10. AUDIT AND RISK COMMITTEE

10.1. Composition and operation of the Audit and Risk Committee

Composition and Operation. By virtue of the 7.P.4. Principle of the 2011 Code, the Board set up an Audit and Risk Committee (Committee replacing the Audit Committee), which comprises three (3) non-executive Directors, the majority of whom are independent. On 24 April 2012, the Board appointed the Directors, Adriano De Maio, Andrea Sironi and Andrea Dogliotti, as members of the Audit and Risk Committee.

At least one member of the Committee has an adequate experience in accounting and finance matters. In the case in point, this member is Andrea Sironi.

The Committee has its own Regulations that regulate the composition and appointment, the tasks and operations of the Committee, in compliance with the principles and Application Criteria contained in the Corporate Governance Code of the listed companies.

The Audit and Risk Committee is chaired and meets on the initiative of the Chairman. The meetings of the Committee are recorded. The Chairman of the Board of Statutory Auditors or other Auditor appointed by the Chairman of the Board takes part in the works of the Committee. At the Committee's invitation, the Internal Control Officer attends all the meetings.

The Committee carries out its functions, listed under paragraph 10.2, in coordination with the Board of Statutory Auditors, with the Internal Control Officer and the Managing Director in charge of supervising the functionality of the internal control and risk management system.

The Audit and Risk Committee, when carrying out its tasks, has the right to access the information and business functions required for carrying out the assigned functions, as well as to make use of external consultants, at the Company's expense. During the Financial Year, the Audit and Risk Committee had access to the information and contacted the business functions made available by the Company, whereas it chose not to exercise the right to use external consultants.

The Committee can ask subjects who are not members to attend the meetings at the Committee's invitation, with reference to each point of the agenda. The Chairman of the Audit and Risk Committee refers on a regular basis to the Board on the works of such Committee. During the Financial Year, the Audit and Risk Committee carried out its activity also by means of appropriate contacts with the auditing firm, the Chairman of the Board of Statutory Auditors, Manager in charge of preparing corporate accounting documents, with the Internal Control Officer and the Group General Counsel.

10.2. Functions assigned to the Audit and Risk Committee

During the meeting of 23 February 2012, the Board of Directors decided to adjust the functions of the Audit and Risk Committee to the recommendations contained in Article 7 of the 2011 Code. Therefore, the Audit and Risk Committee is in charge of:

a) expressing opinions to the Board of Directors with regard to:

i. defining the guidelines of the internal control and risk management system;
ii. the adequacy of the internal control and risk management system compared to the characteristics of the company and to the risk profile assumed, as well as on its efficacy, at least every year;
iii. formulating the work program prepared by the Internal Control Officer, which the Board of Directors approves at least every year;
iv. describing, in the corporate governance report, of the main characteristics of the internal control and risk management system, whose overall adequacy is evaluated by the Board;
v. the results reported by the external auditors in the suggestion letter, if any, and in the report on basic issues emerged during the external audit;
vi. appointing, removing and defining the remuneration of the Internal Control Officer.

b) evaluating, together with the manager in charge of preparing corporate accounting documents and after hearing the external auditor and the Board of Statutory Auditors, the adequacy of the accounting principles used and their homogeneity for the purposes of preparing the consolidated financial statements;

c) expressing opinions on specific aspects related to the identification of the main business risks;

d) examining the regular reports covering the evaluation of the internal control and risk management system, and those of particular relevance prepared by the Internal Control Officer;

e) monitoring the independence, adequacy, effectiveness and efficiency of the internal audit function;

f) requesting the internal audit function to carry out verifications on specific operational areas;

g) the task of reporting to the Board of Directors on the activity carried out and on the adequacy of the internal control and risk management system.

Following the coming into force of Italian Legislative Decree no. 39/2010, the Audit and Risk Committee is even more focused on its preliminary activity to prepare the relevant issues to be submitted to the Board in order to allow the latter to take adequate resolution on internal control and risk management system issues.

The role of the Audit and Risk Committee as an investigation body and analysis and study centre of proposal preparatory to the decisions of the Board of Directors aimed at putting in place the necessary conditions to enable the administrative body to adopt appropriate choices and decisions on internal control and risk management system stands in perfect harmony with the new provisions on the external audit introduced in the system by Italian Legislative Decree 39/2010.

During the Financial Year, the Committee met seven times, (on 13 January, 23 February, 8 March, 9 May, 11 July, 10 October and 20 December). The members, the Chairman of the Board of Statutory Auditors and the Internal Control Officer attended all the meetings.
The average duration of each meeting is of about one hour with an average attendance of 100%. For the current financial year, five meetings are scheduled. Two meetings were already held on 19 February and 5 March 2013, the latter as part of the regular meetings between the Committee, the Internal Control and Audit Committee, the Auditing Firm, Internal Control Officer, the Director in charge of the internal control and risk management system, the Manager in charge of drawing up company accounting documents pursuant to Italian Legislative Decree no. 262/05 and the Group General Counsel

During the Financial year, the Audit and Risk Committee:

- assisted the Board in determining the guidelines for the internal control and risk management system, in the periodic assessment of its adequacy and effective functioning;

- monitored the advancing of the audit plan as prepared by the Internal Control Department and the implementation of the recommendations issued from time to time;
- evaluated together with the Manager in Charge and the audit firm whether accounting principles have being used correctly and consistently for the purposes of preparing the consolidated Financial Statements;
- reported to the Board (on 23 February 2012 and 27 July 2012) on the activities performed during the half-years of reference and the adequacy of the Internal Control System.

11. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

In compliance with the 7.P.1. Principle and the 2011 Code, the internal control and risk management system is defined as a set of rules, procedures and organisational structures allowing the identification, measurement, management and monitoring of the main risks. An efficient Internal control and risk management system helps to ensure the protection of company assets, the efficiency and effectiveness of the company operations, the reliability of the financial information, the observance of laws and regulations.

The Internal control and risk management system is maintained by the following company subjects involved in various capacities and with different responsibilities in the internal control and risk management system. Each has specific duties as described below:

- Board of Directors;
- Director in charge of the Internal control and risk management system;
- Board of Statutory Auditors;
- Supervisory Body;
- Audit and Risk Committee;
- Internal Control Department.

In addition to the subjects mentioned above, other subjects are involved, in various capacities, and with different levels of responsibility in the management of the Internal control and risk management system:

- Manager in charge of preparing corporate accounting documents pursuant to Italian Legislative Decree no. 262/05;
- Auditing firm;
- Other internal control functions (Quality, Safety, etc.);
- Other bodies contemplated by different regulations (ISO Certification Bodies).

The Board of Directors believes that the current division of the subjects involved in the internal control and risk management system and the interrelationship between supervisory bodies and control functions, is able to ensure a high level of reliance on the ability of the implemented System to achieve its purposes.

The evaluation, in that referring to all the internal control and risk management system, is affected by its limits. Although well conceived and functioning, this system can guarantee only with a reasonable probability the achievement of business goals.

The Board of Directors met on 13 March 2012 and, on proposal of the Audit and Risk Committee, after hearing the favourable opinion of the Board of Statutory Auditors (convened together with the Auditing firm, Director in charge of the Internal control and risk management system, the Manager in charge of preparing corporate accounting documents and the Group General Counsel), considered adequate the Internal control and risk management system.

In order to define the nature and the level of risk that is compatible with the strategic objectives, the Company started in 2012 a project to develop Risk Management instruments and methods aimed at identifying, analysing and understanding the level of business risk mitigation. These instruments were field-tested by choosing a pilot area of focus: the Medical Business Unit. The Audit and Risk Committee provided several suggestions to optimise the development of the mentioned instruments and, at the conclusion of the pilot project, the results were presented to the Board of directors together with specific methodological improvement suggestions that may be applied to subsequent developments of the methodology used in other areas of evaluation.

The project also contemplates to extend subsequently the methods that will gradually lead to a comprehensive view of Group risks and provide an instrument for more detailed decisions of the Board of Directors regarding the level of risk considered acceptable for the Company.

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The information relevant to the main characteristics of the internal control system for the purposes of financial reporting and risk management system existing in relation to the financial reporting process, consolidated or otherwise, is set below.

THE INTERNAL CONTROL SYSTEM FOR THE PURPOSES OF THE FINANCIAL REPORTING PROCESS AND RISK MANAGEMENT

Introduction

The regulatory changes in recent years has covered different aspects of the Internal control and risk management system, and the resulting proliferation of control models and different bodies referred to in various capacities to provide a level of reliability on these models. The Administrative and Accounting Control Model (hereinafter referred to also as “Accounting Control Model”) is defined within this context as document describing the Internal Control System with reference to the financial reporting process.

The Internal control system related to the financial reporting process is an integral part of the internal control and risk management system of the SAES Group, and contributes to ensure the achievement of the objectives described above.

More specifically, for the purposes of the financial reporting process, this System is aimed at ensuring:

- the reliability of the informative report, its correctness and compliance with the accounting standards and legal requirements;
- the accuracy of the informative report, its neutrality and precision;
- the reliability of the informative report, which must be clear and complete such as to lead to investment decisions by the investors characterised by awareness;
- the timeliness of the informative report, with a special reference to the observance of the deadlines for its publication according to the laws and regulations applied.

The task of monitoring the implementation of the above Accounting Control Model was assigned, by the Board of Directors, to the Manager in charge of preparing corporate accounting documents (hereinafter referred to also as "Manager in charge"), and to the Managing Director.

The guidelines taken as a reference in the planning, implementation, monitoring and updating of the Accounting Control Model, even if not explicitly indicated, are the guidelines established in the CoSO Report[6].

Reference is made to the following paragraphs for the specificities of the Accounting Control Model and tasks assigned to the Manager in charge.

Also in order to ensure the integration of the Internal Control System for the purposes of the financial reporting process with the more general Internal Control and risk management system of business risks, the Manager in Charge collaborates closely with the Internal Control Department, and orders the regular independent control activities aimed at verifying compliance with administrative and accounting procedures.

These controls, by selecting specific processes among those considered important following the *risk assessment* process described later, are always included in the more general verification of the interventions of the Internal Control Department with the subsidiary companies of the SAES Group.

ADMINISTRATIVE AND ACCOUNTING CONTROL MODEL

On 14 May 2007, the Board of Directors approved the Accounting Control Model, adopted also in the light of the provisions introduced by the Savings Law, with a special

[6] Report of the Treadway Commission of the Committee of Sponsoring Organisations (CoSO) of 1992, considered as best practice of reference for the architecture of the Internal Control Systems and of the Enterprise Risk Management Framework, published in September 2004.

reference to the obligations concerning the drafting of corporate accounting documents and all documents and communications of a financial nature intended for the market.

This Accounting Control Model, which represents a system of company rules and procedures in order to identify and manage the principal risks associated with the preparation and dissemination of financial information and thereby to achieve the Company's objectives in the areas of the truthfulness and accuracy of such information, was submitted to an updating process that led to the issue of a new release approved by the Board of Directors on 20 December 2012.

Components of the Accounting Control Model

The Accounting Control Model consists of the following elements:

- the general control environment;
- administrative and accounting risk assessment;
- counterfoils of administrative and accounting controls (hereinafter also "counterfoils");
- regular evaluation of the adequacy and effective application of the controls described in the counterfoils;
- internal certification process, functional to external certifications required by law.

The control environment is the basis of an effective internal control and risk management system. The main documents formalising its essential characteristics are: the Code of Ethics and Conduct, the set of governance rules contained in the Report on Corporate Governance and ownership structures, the organisation chart and the organisational provisions, the system of proxies.

The administrative and accounting risk assessment is the identification and assessment process of the risks related to the accounting and financial reporting. The *risk assessment* is carried out at an *entity level* and a single process level. When determining the materiality threshold, the methods established by Italian Legislative Decree no. 61/2001 are followed.

This process is repeated and updated every year by the Manager in Charge with the support of the Internal Control Department, and later on shared with the Managing Director, and requires:

- the identification, using quantitative (size) and qualitative (importance) criteria, of the balance-sheet items/financial information with high volatility or implying risks of error, with reference to the financial statements of the Company, the consolidated financial statements and the financial statements of the subsidiaries;
- the identification, for each important balance-sheet item/financial information, of the relevant feeding accounting processes/flows and relevant controls of the identified risks;
- the communication to the involved functions of the intervention areas with regard to which it is necessary to monitor the efficiency and operation of the controls.

If, in relation to the risk areas selected as a result of the regular *risk assessment* activity, the control activities are not properly documented or formalised, the Process or accounting flow Manager will be in charge of preparing, with the support of the Person in Charge and, if necessary, of the Internal Audit, appropriate documentary evidence in order to allow the evaluation of the controls existing in the analysed area.

The body of the *administrative and accounting manuals and procedures* of SAES Getters mainly consists of the following documents:

- "Group Accounting Principles": document aimed at promoting the development and application of uniform criteria within the SAES Getters Group for what concerns the recognition, classification and measurement of the affairs of the company;
- “IAS” (“International Accounting Standard”) operational procedures enclosed with the Accounting Manual that regulate the most important issues, for the SAES Getters Group, in terms of application of the international accounting standards;
- Counterfoils of administrative and accounting controls, which describe the control activities implemented in each administrative and accounting process to meet the remarks on financial statements; the controls described in them represent the application of the controlling principles (by process) outlined inside the administrative and accounting control procedures;

With regard to the regular evaluation of the adequacy and effective application of the controls described in the counterfoils the Function Managers and the managers of subsidiaries involved in the formation and management process of the accounting and financial reporting are responsible for the proper operation and updating of the Administrative and Accounting Internal Control System with reference to all the pertaining accounting processes/flows, and must verify continuously the proper application of the administrative-accounting procedures, their adequacy to the existing processes, and the updating of the relevant counterfoils of the controls.

Moreover, the Administrative and accounting Internal Control System is subject to independent testing, carried out by the Internal Control Department, and aimed at evaluating the adequacy of the project and the actual effectiveness of the existing controls. The testing activity must be carried out based on the general audit plan prepared by the Internal Control Officer, confirmed by the Audit and Risk Committee and approved by the Board of Directors.

On a regular basis, the Manager in Charge monitors the adequacy and effectiveness of the Administrative and accounting internal control system based on the informative reports received by the Function Managers and subsidiaries and of the reports on the Internal Audit activity.

Finally, the Manager in Charge must inform the Managing Director, the Board of Directors and the other control bodies, in addition to the company in charge of the audit, on the results of the control activity and monitoring of the implementation of the Administrative and accounting internal control system. To this end, first he/she must report to the Managing Director any defect that can compromise the joint certification of the regular official financial reporting.

Finally, the Manager in Charge produces regular reports to the Board of Directors on the control activities carried out and the relevant results, and on the development of the Accounting Control Model: these reports also form the reference for the quality descriptions enclosed with the official certifications of the consolidated half-year condensed financial statements, of the financial statements and of the consolidated financial statements.

All the documents relating to the control activities carried out and to the relevant results are made available to the company in charge of the audit for the appropriate verifications in terms of certification.

Finally, with regard to the internal certification process, functional to external certifications required by law, this process consists of a series of subsequent certifications aimed at ensuring a proper communication to the outside in accordance with what is defined by Article 154-*bis* of the TUF.

Depending on the type of financial announcement to the market, different certifications are identified:

- Annual Accounts and Half-year Report produced with reference to the Separate financial statements of SAES Getters S.p.A., the Consolidated Financial Statements of the SAES Getters Group and the consolidated half-year condensed financial statements of the SAES Getters Group;
- Certifications to Interim management reports and other final accounting report or produced with reference to other documents such as price sensitive press releases containing economic and financial information on final data, interim or otherwise; Final accounting data included in the presentations delivered on a regular basis to the shareholders and to the financial community or published.

THE ADMINISTRATIVE AND ACCOUNTING INTERNAL CONTROL SYSTEM OF THE SUBSIDIARY COMPANIES OF SAES GETTERS S.P.A.

The Persons in charge of the management and preparation of accounting and financial reporting for the subsidiaries, namely administrative directors and/or local Controllers, together with their general managers, have the responsibility to:

- make sure that the activities and controls existing in the feeding process of the accounting reporting are in accordance with the principles and objectives defined at Group level;
- carry out a continuous monitoring of the identified pertaining controls, in order to ensure their effectiveness and efficacy;
- communicate immediately and, however, on a regular basis, to the Managing Director or to the Manager in Charge:
    - important changes relevant to the Internal Control System in order to identify the specific control activities to be implemented;
    - any defect or objection that can generate significant errors in the accounting reporting.

Considering the small size of the control structures of most of the subsidiaries, the Company decided not to issue specific procedures relevant to processes that affect the feeding of the accounting informative report of these companies, and detailed control counterfoils were prepared, for the processes selected as a result of the risk assessment, which are verified by Administrative directors and/or Controllers of each subsidiary.

11.1. Executive director in charge of the Internal Control System

The Board of 24 April 2012 identified in the Managing Director, Giulio Canale, the Director in charge of the internal control and risk management system (hereinafter referred to as "Director in charge") who in particular, in compliance with the 7.C.4. Application Criteria of the 2011 Code:

a) sees to the identification of the main business risks, taking into account the characteristics of the activities carried out by the issuer and its subsidiaries, and submits them on a regular basis to the Board;
b) implements the guidelines defined by the Board of Directors, by designing, implementing and managing the Internal control and risk management system, constantly verifying the adequacy and effectiveness;
c) sees also to the adaptation of this System to the trend of operating conditions and legislative and regulatory outline;
d) can ask the Internal Control Department to carry out verifications on specific operational areas and on the compliance with internal rules and procedures in the execution of business operations, by informing at the same time the Chairman of the Board of Directors, the Chairman of the Audit and risk committee and the Chairman of the Board of Statutory Auditors;
e) reports immediately to the Audit and Risk Committee (or to the Board of Directors) issues and problems in the course of its work or of which he was informed, so that the Committee (or the Board) can take appropriate actions.

The Managing Director, with the support of the Internal Control Department continuously verifies the actual effectiveness of the implemented internal control and risk management system. It is also acknowledged that, in relation to the 7.C.4. Application Criteria of the 2011 Code, the Director in charge verified constantly the overall adequacy, effectiveness and efficiency of the internal control and risk management system. The Board of Directors, during the meeting of 13 March 2013, made a positive evaluation on the subject.

A description of the business risks is entered in the report on operations contained in the financial statement documents relevant to the financial year.

11.2. Internal Control Officer

In addition, with reference to the Internal Control Officer, the Company, always on 23 February 2012, resolved to adopt the 7.C.1. Application Criteria of the 2011 Code.
The Internal Control Officer is appointed and removed by the Board, on the proposal of the Director in charge and after hearing the opinion of the Audit and Risk Committee. The Board, during the same meeting, on proposal of Giulio Canale and with the positive opinion of the Audit and Risk Committee, in consideration of the previously mentioned Application Criteria, appointed Laura Marsigli as Internal Control Officer.

With reference to the 7.C.1. Application Criteria of the 2011 Code, the Board of Directors defined the remuneration received by the Internal Control Officer consistent with the company policies normally applied and provided her with an adequate budget for the performance of his responsibilities.

As defined by the Board and in compliance with the 7.P.3. Principle of the 2011 Code, the Internal Control Officer is responsible for ensuring the operation and adequacy of the internal control and risk management system and its basic compliance with the 7.C.5. Application Criteria of the 2011 Code, in particular, she:

a) verifies the effectiveness and adequacy of the internal control and risk management system, through an audit plan: the audit activity plan for the 2013 Financial Year was submitted, in compliance with the 7.C.1. Application Criteria, to the approval of the Board on 19 February 2013;

    a) is not in charge of any operational area and hierarchically depends on the Board;

    b) has direct access to all the information useful for carrying out her activity;

    c) prepares regular reports containing adequate information on her activity, on the procedures according to which risk management is performed, as well as on compliance with the plans defined to minimise risks. The regular reports contain an opinion on the suitability of the internal control and risk management system;

    d) prepares opportunely a report on events of major importance;

    e) sends the reports to the chairmen of the Board of Statutory Auditors, of the audit and risk committee and of the Board of Directors as well as to the Director in charge;

    f) verifies within the audit plan the reliability of the information systems including the accounting systems.

It is specified that on 19 February 2013, due to the temporary impossibility of Laura Marsigli in holding the position of Internal Audit Manager and in carrying out the activities assigned to her, the Board of Directors, on proposal of the director in charge of the internal control and risk management system and with the positive opinion of the Audit and risk committee, entrusted the position of Internal Control Office *ad interim* to Elisabetta Bellone (Group Tax Manager) selected among the managers with expertise on financial and accounting matters, as from 11 March 2013.

In compliance with the 7.C.6. Application Criteria of the 2011 Code, the Internal Control Department, as a whole or by operational segments, can be entrusted to subjects outside the company, provided they have requirements of professional standing and independence, this organisational choice has not been adopted by the Company in the 2012 financial year.

For the 2013 financial year, the Company decided to make use of external consultants that can assist Elisabetta Bellone in the Internal Audit activities. The Ernst & Young company is the external consultant selected (with the same proposal and approval process by the Board contemplated for the assignment of the task *ad interim* to the Internal Control Officer) to carry out the above activities contemplated by the Audit plan. The task was formally assigned to the Board of Directors on 19 February 2013, subject to the positive opinion of the Audit and risk committee, as from 24 April 2013 in order to ensure compliance with the requirement of independence, which is necessary for the carrying out of the activity.

11.3. Organisational model pursuant to Italian Legislative Decree 231/2001

The Italian Legislative Decree no. 231 of 8 June 2001 concerning the "*Rules on the administrative liability of legal entities, companies and associations, also deprived of legal status*", introduced, in the Italian legal system, an administrative liability system of companies for offences committed in the interest or to the advantage of the companies themselves, by directors, managers or employees.

The Board, with resolution of 22 December 2004, approved and adopted its "Organisational, Management and Control Model" pursuant to and for the purposes of Italian Legislative Decree no. 231/2001 ("Model 231") and at the same time the "Code of Ethics and Conduct", which is an integral part of the Model, in order to clearly define the set of values that the SAES Getters Group recognises, accepts and shares as well as the set of rules of conduct and the principles of legality, transparency and correctness to be applied in carrying out its work and in relations with third parties.

The General Part of the Model and the Code of Ethics are available on the website of the Company www.saesgetters.com (Investor Relations/Corporate Governance section).

The Board with resolution of 13 February 2007, approved the updating of the 231 Model in the light of the coming into force of the rules for the implementation of the Community regulation on preventing market abuse, as well as within the regular verification pursuant to Article 7, subsection 4, let. a) of Italian Legislative Decree no. 231/2001.

With resolutions of 18 March 2008 and 23 April 2008, the Board then approved the updating of the 231 Model also in order to adapt it to regulatory changes occurred during 2007 designed to expand the number of offences protected ex Italian Legislative Decree no. 231/2001. Specifically, the following offences have been introduced:

- receiving, laundering and using money, goods or benefits of unlawful origin Article 25-*octie*s of Italian Legislative Decree no. 231/2001, introduced by Italian Legislative Decree of 16 November 2007 implementing the third anti-money laundering 2005/60/EC Directive.
- Article 9 of Italian Law no. 123 of 3 August 2007, introduced Article 25-*septies* in Italian Legislative Decree no. 231/2001, relevant to offences related to the violation of accident-prevention regulations. Reference is made to the crime case of culpable homicide and serious or very serious negligent personal injury, committed in violation of accident-prevention regulations and occupational health and safety protection.

On 8 May 2008, the Board updated the Code of Ethics and Conduct of the Company.

The Company, during the last quarter of the 2009 financial year, started the project for reviewing and adjusting the Model to the Italian Legislative Decree no. 231/2001 as a result of the inclusion in the list of relevant offences of the following:

- (Article 24-*ter*) organised crime offences - Italian Law no. 94 of 15 July 2009,

- (Article 25-*bis)* crimes against the industry and trade - Italian Law no. 99 of 23 July 2009,

- (Article 25-*novies*) offences relating to violation of copyright - Italian Law no. 99 of 23 July 2009,

in addition to the offence of induction not to make statements or to make false statements to the judicial authorities - Italian Law no. 116 of 3 August 2009.

To this end, the activities carried out by each business function were mapped to verify in particular the existence of any relevant business activity for the purposes of Italian Legislative Decree no. 231/2001, as updated, as well as the adequacy of the supervision facilities implemented for the prevention of crime.

The Model was submitted to and approved by the Board of Directors during the meeting held on 27 April 2010.

During this verification, it was considered appropriate to prepare a new procedure on patents, the "*Procedure for the management of the new company IP assets".*

The purpose of this procedure is to illustrate the operating methods that SAES must follow when managing the relations with Patent Firms, Patent Offices, Courts, Third Parties and Supervisory Authorities relating to the requirements prescribed for the protection of industrial property rights, in compliance with the reference legislation, principles of maximum transparency, timeliness and collaboration as well as asset traceability.

This procedure is drawn up in accordance with the principles confirmed by the Model and with those specifically identified in the Special Part A - "Offences against the Public Administration" and F - "Crimes against public faith, industry and commerce, and relating to infringement of copyright".

On 17 February 2011, the Procedure was submitted to, approved by the Board of Directors of the Company and subsequently disseminated to all the company personnel, also by virtue of trainee courses organised by the company with the support of external advisors.

The Model was updated by the Board of Directors on 20 December 2011 to implement the introduction of environmental offences among the cases of predicate offence set forth in Italian Legislative Decree 231/2001. The updating implied the introduction of a new Special Part G – "Environmental offences".

Finally, on 20 December 2012, the Board of Directors updated the Model by introducing a new Special Part H – "Offences relating to employment of foreign workers" containing protocols of behaviour to protect the potential commission of criminal behaviours referable to the cases of predicate offence contemplated by Article 22, subsection 12-*bis*, of Italian Legislative Decree 109/2012, which applies sanctions to the employer in case of recruitment of third-country nationals with unlawful residence permit.

The 231 Model was adopted by the Board in the firm belief that the establishment of an "organisational, management and control model" may be a valid awareness-raising tool towards all the employees of the Company so that they follow, when carrying on their activities, correct and consistent behaviours and an absolutely necessary tool to prevent the risk of committing the crimes contemplated by Italian Legislative Decree no. 231/2001. With the adoption and effective implementation of the Model, the Company aspires to take advantage of the so-called justification in the unlikely event of involvement for the relevant types of offences.

The Document describing the Model is divided in a "*General Part*", which, after a brief description of the essential contents of Italian Legislative Decree no. 231/2001, describes the activity carried out for defining the 231 Model of the Company and illustrates its components and in "*Special Parts*" prepared for the different types of offence contemplated by Italian Legislative Decree no. 231/2001 (if relevant for the company), which form an integral part of the Model.

11.4. Supervisory Body

The Company has a supervisory body whose tasks are identified by Italian legislative Decree 231/2001 as specified in the 231 Model formalised by the Company, such as supervising the functioning, effectiveness, compliance and updating of the Model, as well as preparing the operational procedures to ensure its proper functioning.

On 24 April 2012, after the Shareholders' Meeting for the appointment of the Board holding office, the latter appointed, as members of the Supervisory Body, the following subjects:

- Vincenzo Donnamaria (as member of the Board of Statutory Auditors);
- Laura Marsigli (Internal Control Officer);
- Roberto Orecchia (as Independent Director).

On 22 January 2013, the Board of Directors entrusted, *ad interim*, the Group General Counsel, Pietro Minaudo, with the task of member of the Supervisory Body, as a substitute for Laura Marsigli due to her temporary impossibility to continue the task.

The Body has its own Regulations and elected internally its Chairman, in the person of Vincenzo Donnamaria.

The Body will hold office until the approval of the financial statements relevant to the 2014 financial year.

The Body met three times during the Financial Year (with an average attendance rate of 100% of its members at all the meetings).

The Company on 15 May 2012 issued a regular certification ex Article I.A.2.10.2 of the Instructions accompanying the regulations of Borsa Italiana S.p.A. (231 Model adequacy and its compliance and composition of the Supervisory Body).

The Board of Directors, also considering the activities of the Supervisory Body, assigns it an annual expense budget for carrying out the activity, in full economic and managerial autonomy. The said budget is updated each time in accordance with the specific requirements that will be determined by the Supervisory Body. Any budget overrun determined by specific needs will be communicated by the Supervisory Body to the Board of Directors.

11.5. Auditing firm

The auditing is carried out by an auditing firm appointed and operating pursuant to the law. On 9 May 2007, the Shareholders Meeting - after taking note of the proposal of Reconta Ernst & Young S.p.A. of 19 December 2006, of the Directors' Report and of the proposal of the Board of Statutory Auditors - decided to entrust Reconta Ernst & Young S.p.A., by extending it for the 2007-2012 financial years, pursuant to and in compliance with Article 159 of the Consolidated Financial Act. The granted mandate expires and is no longer liable to extension with the approval of the financial statements as at 31 December 2012.

The ordinary shareholders' meeting for approval of the financial statements as at 31 December 2012 will be called to assign the auditing task:

- set forth in Article 159 of Italian Legislative Decree no. 58 of 24 February 1998 for auditing the financial statements of the Company, of the consolidated financial statements of the SAES Getters Group,

- relating to the verification of the regular bookkeeping and correct recognition of the management facts in the accounting records set forth in Article 155 subsection 1 of the Italian Legislative Decree no. 58 of 24 February 1998, for Saes Getters S.p.A.,

- of the limited audit of the half-yearly report of the Company also on a consolidated basis,

pursuant to and in compliance with Article 159 of Italian Legislative Decree no. 54 of 24 February 1998 based on the proposal of the Board of Statutory Auditors.

Finally, the renewed Article 159 of Italian Legislative Decree no. 54 of 24 February 1998, as amended by Italian Legislative Decree no. 303 of 29 December 2006, with regard to the procedure for entrusting the auditing task established that the proposal to the shareholders' meeting relating to the audit firm no longer pertains to the Board of Directors, but pertains exclusively to the Board of Statutory Auditors.

11.6. Manager in charge of preparing corporate accounting documents

On 24 April 2012, the Board appointed Michele Di Marco, *Group Administration, Finance & Control Manager* and *Deputy Chief Financial Officer*, by confirming him as Manager in charge of preparing corporate accounting documents, after obtaining the opinion of the Board of Statutory Auditors, pursuant to and for the purposes of the new article 154-*bis* of the Consolidated Financial Act, introduced by the Italian Savings Law.

Pursuant to Article 24 of the Bylaws, introduced by resolution of the Extraordinary Shareholders' Meeting of 29 June 2007, the Manager in charge of preparing corporate accounting documents must be in possession of the professional requirements characterised by a qualified experience of at least three years in the performance of administrative, accounting and/or auditing tasks, or carrying out managerial or advisory functions on finance, administration, accounting and/or control, within listed companies and/or relevant groups of companies, or companies, bodies and enterprises of significant size and relevance, also in relation to the function of drafting and control of corporate accounting documents.

The office of the Manager in Charge expires at the end of the mandate of the Board that appointed him (approval of the financial statements relevant to the 2014 financial year). He is eligible for re-election Di Marco was appointed Manager in Charge on 29 June 2007, confirmed on 24 April 2009 and whose appointment was renewed on 24 April 2012.

The Manager in Charge has autonomous spending and signature powers. The Board ensures that Di Marco is provided with adequate powers and means for the fulfilment of the duties assigned to him pursuant to the same Article 154-*bis* of the Consolidated Financial Act, of those assigned by the Board upon his appointment as well as on the actual observance of the administrative and accounting procedures.

On 14 May 2007, the Board approved the first version of the document describing the Accounting Control Model, described in paragraph 11., and an update of 20 December 2012, in order to better ensure the reliability of the financial reporting disclosed to the market and the effectiveness of the Manager in Charge. In particular, the document:

- describes the components of the Accounting Control Model;
- indicates the responsibility, means and powers of the Manager in Charge;
- regulates the rules of behaviour, the roles and responsibilities of the company organisational structures involved in various capacities;
- defines the (formal and internal) certification process on financial reporting.

12. DIRECTORS' INTERESTS AND RELATED PARTIES TRANSACTIONS

On 21 December 2010, the Board of Directors adopted, after hearing the favourable opinion of the Committee of Independent Directors, the Procedures for related-party transactions (the "Procedures") in compliance with what is provided by Consob Regulation no. 17221 of 12 March 2010 (hereinafter "Regulation") and with the Consob Communication of 24 September 2010 (hereinafter "Communication"), in order to ensure the transparency and the substantial and procedural correctness of the related party transactions, identified pursuant to the international accounting standard IAS 24 revised.

The Procedures define the transactions of "greatest importance" that must be previously approved by the Board, with the reasoned and binding opinion of the Committee of Related Parties.

The other transactions, unless they are part of the residual category of small amount transactions - transactions of less than € 250,000 - are defined as "of minor importance" and can be carried out subject to the reasoned and non-binding opinion of the aforesaid Committee. Moreover, the Procedures identify cases of exemption from their application, including, in particular, the ordinary transactions concluded under conditions equivalent to those of the market or standard, transactions with or between

subsidiaries and those with associates, provided that there are no significant interests in them of other related parties of the Company, and small amount transactions.
The Procedures came into force on 1 January 2011 and are published on the website of the Company www.saesgetters.com

13. APPOINTMENT OF STATUTORY AUDITORS

The appointment of the Board of Statutory Auditors is explicitly managed by the Bylaws, which provides for an appointment procedure through a list voting system, except for different and further provisions provided by mandatory law or regulations.

The Board considers that the appointment of the Directors, in the same way as the Directors, is also carried out with a transparent procedure, as described below.

Article 22 of the current Bylaws, which already provided for the election of the Board of Statutory Auditors by presenting lists, was amended by the resolution of the Extraordinary Shareholders' meeting of 29 June 2007 to implement the amendments and supplements to the election procedures introduced in the meantime in the regulations in force.

In particular, the amendments were introduced in compliance with the provisions of Article 148, subsections 2 and 2-*bis* as well as of Article 148-*bis* of the Consolidated Financial Act, as amended by Italian Legislative Decree no. 303 of 29 December 2006, and of Article 144-*sexies* of the Issuers' Regulation as amended by Consob resolution no. 15915 of 3 May 2007, which establishes that an active member of the Board of Statutory Auditors must be elected by the minority Shareholders who are not directly or indirectly related to the Shareholders who presented or voted the list that obtained the most votes, with reference to the definition of relations between current Shareholders and minority Shareholders contained in the Issuers' Regulations; that the Chairman of the Board of Statutory Auditors shall be appointed by the Shareholders' Meeting from among the Auditors appointed by the minority shareholders; that the Bylaws may require that the Shareholder or the Shareholders who present the list own, when the list is presented, a stake not greater than the one determined pursuant to Article 147-*ter*, subsection 1 of the Consolidated Financial Act; that the lists must be filed with the registered office, accompanied by a series of documents specified by the regulations, at least 15 days before the one contemplated by the Shareholders' meeting called to decide on the appointment of the Auditors; that the list must be made available to the public at the registered office, the management company of the market and on the website of the issuing companies within the terms and methods contemplated by the regulations; that the bylaws can establish the criteria to identify the candidate to be elected, lists being equal.

The current Article 22 of the Bylaws requires that the minority - which is not an associate or a subsidiary, relevant pursuant to Article 148 subsection 2 of the Consolidated Financial Act and relevant regulations - is reserved the right to elect a Regular auditor as Chairman of the Board, and an Alternate Auditor.

The minority Auditors are elected at the same time of the other members of the supervisory board (except for cases of replacement).

Today, the Shareholders who, with regard to the shares that are registered in favour of the shareholder the day on which the lists are filed with the Company, on their own or together with other Shareholders presenters, own a stake in the share capital with voting rights, at least equal to the one determined by Consob pursuant to Article 148, subsection 2, of the Consolidated Financial Act and in compliance with what is provided by the Issuers' Regulation, can present a list for the appointment of the members of the Board of Statutory Auditors. At the date of this Report, the requested share is 2.5% of the share capital with voting rights.

A Shareholder cannot present or vote more than one list, albeit by proxy or through a trust.

The Shareholders belonging to the same group and the Shareholders that join a shareholders' agreement that concerned shares of the Company cannot present or vote more than one list, albeit by proxy or through a trust. Each candidate shall come up in one list under penalty of ineligibility.

The lists, signed by those who present them, must be filed with the registered office no later than the twenty fifth day before the date of the shareholders' meeting called to decide on the appointment of the members of the Board of Statutory Auditors. The Company makes this list available to the public at the registered office, at the premises of the management company of the market and on its website, within the terms and in the manner provided by law.

The lists must contain the names of one or more candidates for the position of Regular Auditor and of one or more candidates for the position of Alternate Auditor. The name of the candidates are marked in each section (Regular Auditor section, Alternate Auditor section) by a progressive number and in numbers not exceeding the members to be elected.

The lists also contain, as an enclosure:

a) the information relevant to the identity of the Shareholders who presented them by indicating the percentage of overall shareholding; this possession must be supported by appropriate certification issued by an intermediary to be presented also after filing the list, provided by the deadline for the publication of the lists by the issuer;

b) a declaration of the Shareholders other than those holding, also jointly, a controlling interest or a relative majority interest, certifying the absence of any associate or subsidiary relation contemplated by Article 144-*quinquies* of the Issuers' Regulation with the latter;

c) an exhaustive document regarding the personal and professional characteristics of candidates, accompanied by the list of management and control positions held in other companies;

d) a declaration of the candidates certifying the non-existence of the reasons to exclude their eligibility, as well as the possession of the requirements provided by law and by temporary regulatory provisions in force, and their acceptance of the candidature;

e) any additional or different privacy declaration, informative report and/or document provided for by law and by applicable regulations.

In the event in which, on the deadline for the presentation of the lists, only one list has been presented or only lists presented by Shareholders related to one another on the basis of the applicable regulations, lists may be presented up until the fifth day following said date. In this case, the thresholds provided above for presenting lists are reduced by half. The failure to present minority lists, the new deadline for the presentation of the lists and the reduction of the thresholds are reported within the terms and in the manner provided by applicable regulations.

Members of the Board of Statutory Auditors are elected as follows: i) two Regular auditors and one Alternate auditor are drawn from the list that obtained the highest number of shareholder votes ("Majority List"), in the sequential order in which they appear on the list; (ii) a Regular Auditor, who must act as Chairman of the Board of Statutory Auditors ("Minority Auditor") and an Alternate Auditor (Minority Alternate Auditor) are drawn from the second list that obtained the highest number of votes and that is not connected directly or indirectly with the Shareholders who presented or voted the Majority List pursuant to the applicable provisions ("Minority List"), in the sequential order in which they appear on the list.

In the event that the lists obtain the same number of votes, the list presented by Shareholders owning the largest stake when the list is presented prevails, or, subordinately, the one presented by the greatest number of Shareholders.

If only one list is presented, the Shareholders' Meeting will vote on it and if it obtains the relative majority of voters, without taking account of abstentions, all the candidates listed for these positions will be elected Regular and Alternate Auditors. In this case, the Chairman of Board of Statutory Auditors is the first candidate as Regular Auditor.

In the absence of lists, the Board of Statutory Auditors and its Chairman are appointed by the Shareholders' Meeting with the quorum required by law.

If, for any reason, the Majority Auditor is no longer available, he/she is replaced by the Alternate Auditor drawn from the Majority List.

If, for any reason, the Minority Auditor is no longer available, he/she is replaced by the Minority Alternate Auditor.

The Shareholders' Meeting, as provided by Article 2401, subsection 1 of the Italian Civil Code, appoints or replaces in compliance with the principle of necessary representation of minorities.

14. STATUTORY AUDITORS

The Board of Auditors holding office was appointed by the Shareholders' Meeting of 24 April 2012 and will remain in office until approval of the 2014 financial statements. The Board, as best shown in the following table, consists of Vincenzo Donnamaria, Chairman of the Board of Statutory Auditors, Maurizio Civardi and Alessandro Martinelli, Regular Auditors. The Board of Auditors holding office was appointed on the basis of a single list received by the Company, presented by the Majority

Shareholder S.G.G. Holding S.p.A., in accordance with the procedures and terms prescribed by the regulations and bylaws.

The list and the documents that came with it were also promptly published on the Company's website.

The Board checks every year the continuance of the requirements of professional and honourable standing that the Auditors must have pursuant to Decree no. 162 of the Ministry of Justice of 30 March 2000, as well as of independency pursuant to Article 148, subsection 3 of the Consolidated Financial Act and of the 8.C.1. Application Criteria of the 2011 Code. During the Financial Year, with reference to the 2011 financial year, this verification was carried out on 23 February 2012. With reference to the 2012 Financial Year, this verification was carried out on 19 February 2013.

In addition to the requirements provided by the applicable regulations, the Auditors of the Company must also have proven skills and expertise on tax, legal, organisational and accounting matters, in such a way as to guarantee the Company maximum efficiency in the controls and the diligent execution of their duties.

Making an exception to the 8.C.1. Application Criteria of the 2011 Code, the Board did not provide expressly that the Auditors should be chosen from among persons who qualify as independent on the basis of the methods indicated for Directors, considering the regulatory provisions sufficient. Shareholders presenting the lists for the appointment of the Board are required to indicate the possible suitability of candidates to qualify as independent, leaving the evaluation of the importance of this qualification to the Shareholders' Assembly for the appointment.

Also in compliance with the 8.C.2. Application Criteria of the 2011 Code, the Auditors accept the office when they believe they can devote the necessary time to the diligent performance of their duties

During the Financial Year, each member of the Board of Statutory Auditors informed Consob on the management and control positions held at the companies set forth in Book V, Title V, Chapters V, VI and VII of the Italian Civil Code, pursuant to and for the purposes of the Article 144-*quaterdecies* of the Issuers' Regulation.

Also in accordance with the 8.P.1. Principles of the 2011 Code, the Auditors operate autonomously and independently from the Shareholders who elected them.

The Auditor who, on his/her own account or on account of third parties, has an interest in a particular operation of the Company, informs immediately and exhaustively the other Auditors and the Chairman of the Board on the nature, terms, origin and extent of his/her interest, also due to the effects of the 8.C.3. Application Criteria of the 2011 Code.

The Board of Statutory Auditors, within the tasks assigned to it by law, supervises the methods of implementing corporate governance regulations and ensures that (as it positively ensured during the Financial Year) the criteria and procedures to ascertain the independence of its members adopted by the Board of Directors was correctly applied. The result of these checks is made known to the market within this Report or the report of the statutory auditors to the Shareholders' Meeting.

The Board of Statutory Auditors also oversees (as it oversaw during the Financial Year) the conditions for the independence and autonomy of its own members and informs the

Board thereof in a timely manner with respect to the drafting of this Report. The Board verified, in the next meeting after the appointment (on 24 April 2012) and during the Financial Year the continuing satisfaction of independence requirements of its members. In making the above evaluations, the Board did not apply additional criteria for the independence of Directors, but only laws and regulations.

The Board of Statutory Auditors values the proposals formulated by the auditing firms in order to be entrusted with the relevant task, as well as the plan prepared for the auditing, and the results shown in the report and in the suggestion letter. The Board of Statutory Auditors also supervises the effectiveness of the auditing process and the independence of the Auditing Firm, ensuring its compliance with prevailing laws and the nature and type of services other than auditing services provided to the Company and its subsidiaries by the Auditing Firm and the entities belonging to its network.

During the Financial year, the Board of Statutory Auditors supervised the independence of the Auditing Firm, ensuring its compliance with prevailing laws and the nature and type of services other than auditing services provided to the Issuer and its subsidiaries by Reconta Ernst & Young S.p.A. and the entities belonging to its network.

Moreover, in virtue of the provisions contained in Italian Legislative Decree 39/2010, the Board of Statutory Auditors acts also as Internal Control and Audit Committee called upon to supervise the financial reporting process, the effectiveness of the internal control, internal audit and risk management systems, the external audit of the annual accounts and consolidated accounts and on the independence of the external auditing firm.

Reference is made to the following paragraph “17. Additional Corporate Governance Practices” for further details.

Within its activities, the Board of Statutory Auditors can ask the Internal Control Department to carry out verifications on specific operational areas or business operations, as indicated in the 8.C.4. Application Criteria of the 2011 Code.

In accordance with the 8.C.5. Application Criteria of the 2011 Code, the Board of Statutory Auditors and the Audit and Risk Committee immediately exchanged important information for the carrying out of their tasks, for example on the occasion of the meetings of the Board of Directors or of the Audit and Risk Committee (the Chairman of the Board of Auditors or other Auditor appointed by it takes part in the works of the Committee).

During the Financial Year, the Board of Statutory Auditors met 5 times with the constant participation of all members. The Board meetings last on average 3 hours. Five meetings have been planned for the 2013 financial year; two meetings were already held.

In relation to the 8.P.2. Principle of the 2011 Code, the Company believes it has adopted adequate measures to ensure an effective performance of the tasks of the Board of Statutory Auditors.

Information concerning the personal and professional characteristics of each auditor is provided below:

Maurizio CIVARDI - Born in Genoa on 30 July 1959

Chartered Accountant - Associato STUDIO ROSINA e ASSOCIATI

- Registered at the Register of Auditors (Italian Ministerial Decree 12/4/1995 O.G. 31 bis - IV Special series of 21/4/1995)
- Official receiver
- Expert appointed by the Court (ex Article 2343 Italian Civil Code) for the evaluation of business complexes
- Liquidator
- Tax and company advisor of several companies, offers his services also in corporate restructuring operations, company organisation and in requests for admission to insolvency proceedings
- formerly Member of the Research Committee for Direct Taxes with the Italian National Board of Chartered Accountants
- formerly Delegate in the C.N.D.C. / ACCA Bilateral Committee within the JOINT INTERNATIONAL COMMITTEE on behalf of the Italian National Board of Chartered Accountants

He is Regular Auditor of SAES Getters S.p.A. since 2006.

Vincenzo DONNAMARIA - Born in Rome on 4 October 1955

He graduated in 1978 from Università degli Studi of Rome with a degree in law.

Lawyer enrolled in the Bar Association of Rome (1984).

Registered at the Register of Auditors from the date in which it was initially set up (Italian Ministerial Decree 12 April 1995).

Court of Cassation Lawyer, enrolled in the Special Register of Cassation Lawyers since 2003.

Vincenzo Donnamaria is the founding member national manager of Studio Associato di Consulenza Legale e Tributaria KStudio Associato (law firm). The Studio, which has more than 300 professionals, lawyers, professional and chartered accountants, is associated with the international network of KPMG.

From November 1978 to April 1985, he worked professionally at Arthur Andersen until he held the office of ordinary member of the Tax and company consultancy firm.

From May 1985 to September 1988 he was the founding member of Studio Consulenti Associati Di Paco, Donnamaria, Guidi, (KPMG) responsible for the premises of Rome.

He took part in teaching courses in the field of direct and indirect taxes as a lecturer and as a speaker at conferences on topics related to tax.

He published, together with Francesco Rossi Ragazzi, the book called "Disciplina fiscale degli ammortamenti" (Tax regulations on amortisation/depreciations) for the IPSOA publishing house in 1985.

He is a member of ANTI (Associazione Nazionale Tributaristi Italiani, National Association of Italian tax Advisors).

During 1998, he was appointed Consultant of the Authority for Communication Guarantees within the preparation of the Regulations concerning the organisation and operation of this Authority.

In 1998, he was also appointed member of the Commission of inquiry set up by the Ministry of defence, with Italian Ministerial Decree of 29 September 1998, in relation to the criminal procedure established by the Court to the charge of the personnel ex General Management of Constructions of naval weapons and arming.

He was a Regular Auditor of SAES Getters S.p.A. from 1997 to 2006. In 2006, he was appointed Chairman of the Board of Statutory Auditors.

Alessandro MARTINELLI - Born in Milan on 5 July 1960

Enrolled in the Register of National Accountants of Milan, roll section a since 22 September 1987.

Enrolled in the Register of External Auditors O.G. no. 31 of 21/04/1995 Italian Decree 12/04/95.

After a period of apprenticeship in a leading professional accountant's office of Milan, he started in 1987 his professional work in the family Firm, active since 1920, dealing mainly with tax consultancy, company consultancy and tax related lawsuit.

He also followed, as manager, the administrative and accounting management of the Firm's customers.

He is Regular Auditor of SAES Getters S.p.A. since 2006.

15. INVESTOR RELATIONS

The Chairman and the Managing Director, in compliance with the procedure for the management of inside information, work actively towards establishing a constant dialogue with the Shareholders, with the institutional investors and with the market, fit to guarantee the systematic dissemination of a complete and timely informative report on its activity. Disclosure to investors, market and press is ensured by the press releases, regular meetings with institutional investors and with the financial community.

Also in accordance with the 9.C.1. Application Criteria of the 2011 Code, the dialogue with institutional investors, the majority of the Shareholders and analysis is entrusted to a specific dedicated function, called Investor Relations, in order to ensure a continuous and professional relation as well as a correct, continuous and complete communication.

The management of relations with the Shareholders is entrusted to Emanuela Foglia, Investor Relations Manager, under the supervision of the Group Chief Financial Officer as well as Managing Director, Giulio Canale.

During the Financial Year, meetings and conference calls were organised on regular economic and financial segment reporting. Moreover, during the Financial Year, the

Company took part in the STAR Conference organised by Borsa Italiana S.p.A. in Milan on 28 March 2012 and for 2013 on 27 March.

The presentations used during the meetings planned with the financial community are made public on the website of the Company www.saesgetters.com (Investors Relations/Presentations sector), in addition to being disclosed to Consob and Borsa Italiana S.p.A.

The following e-mail address (investor_relations@saes-group.com) can be used for collecting requests for information and for providing clarifications to Shareholders on the operations carried out by the Company.

Moreover, the Company, in order to facilitate the attendance of the Shareholders at the Meetings, allows the Shareholders to ask questions on the points of the agenda, even before the Shareholders' Meeting, by sending a registered letter with return receipt to the registered office by certified e-mail to the following address saes-ul@pec.it. The questions received before the Shareholders' Meeting are answered on the website of the Company or, at the latest, during the shareholders' meeting, with the right of the Company to provide a unified response to questions with the same content.

A special attention is paid to the website of the Company (www.saesgetters.com), where economic and financial information can be found (such as financial statements, half-yearly and quarterly reports) as well as data and documents in which the majority of the Shareholders is interested (press releases, presentations to the financial community, calendar of company events), in Italian and English.

Also in compliance with the 9.C.2. Application Criteria of the 2011 Code, on the website, in the Investor Relations Sector, the Company provides the required or only appropriate information so that the Shareholders can make informed decisions in exercising their rights, with a special reference to the methods provided for the attendance and exercise of the voting rights at the Shareholders' Meeting, as well as to the documents relevant to the points of the agenda, including the lists of candidates for the positions of Director and Auditor with the indication of their personal and professional characteristics.

The admission and permanence of the Company in the STAR (Segmento Titoli con Alti Requisiti, Segment of securities with high requirements) of Borsa Italiana S.p.A. represent an indicator of the Companies that are able to meet high disclosure standards that constitute an essential requirement.

16. SHAREHOLDERS' MEETINGS

Duly constituted Shareholders’ Meetings represent all Shareholders and its resolutions, passed in compliance with the law, bind Shareholders even if they are absent or dissenting. The Shareholder' Meeting can meet in ordinary and/or extraordinary session, according to the law, at the registered office or elsewhere, also abroad, provided that in the countries of the European Union.

The Shareholders' Meeting is regulated by Articles 8, 9, 10, 11, 12 and 13 of the Bylaws, available on the Company's website www.saesgetters.com (Investor Relations/Corporate Governance/Bylaws section).

Sharing the 9.P.1. and 9.P.2. Principles as well as the 9.C.2. and 9.C.3. Application Criteria of the 2011 Code, the Chairman and the Managing Director do their best to encourage the widest possible attendance to the Shareholders' Meeting, as an actual moment of communication and connection between the Company and the investors. As a rule, all the Directors attend the meetings. The Board does its best to reduce the constraints and obligations that make the attendance in the Shareholders' Meeting and the exercise of the voting rights by the Shareholders difficult and costly. No reports have been received to that effect from the Shareholders.

The Shareholders' Meetings are also an occasion for informing the Shareholders on the company, in compliance with the rules on inside information.

In particular, the Board reports during the Shareholders' Meeting on the activity carried out and planned, and does its best to ensure adequate disclosure to Shareholders on the elements required so that they can take, in full cognition of the facts, the decisions pertaining the Shareholders' Meeting.

During the Financial Year, the Shareholders' Meeting was held on 24 April 2012 in ordinary session, with the following agenda:

1. Report of the Board of Directors for the year ended 31 December 2011; Report of the Board of Statutory Auditors; financial statements as at 31 December 2011; presentation of the consolidated financial statements as at 31 December 2011; proposal for dividend distribution; pertinent and consequent resolutions;

2. Appointment of the Board of Directors; establishing of the number of members and of their remuneration pursuant to Article 2389 Italian Civil Code;

3. Appointment of the Board of Auditors, of its Chairman and establishing of the relating remuneration;

4. Remuneration report pursuant to Article 123-*ter* of Italian Legislative Decree no. 58/1998 and Article 84-*quarter* of Consob resolution no. 11971 of 14/5/1999 concerning the rules for issuers;

5. Proposal for authorisation of the Board of Directors pursuant to and for the purposes of Articles 2357 et sequitur of the Italian Civil Code and 132 of Italian Legislative Decree no. 58/1998, to purchase and dispose up to a maximum of no. 2,000,000 treasury shares; pertinent and consequent resolutions;

6. Proposal for the adoption of a Shareholders' Meeting Regulation.

In order to attend the Shareholders' Meeting, the Company requires that the notification establishing the right to speak and to vote in the Shareholders' Meeting must be carried out by the intermediary on the basis of evidences at the end of the accounting day of the seventh day of open market before the date fixed for the Shareholders' Meeting in first and only call.

In this regard, Article 10 of the Bylaws states that:

"The right to attend and representation at the shareholders' meeting are governed by the law.

Those who have the right to vote may attend the Shareholder's Meeting, provided that their competency to attend the Shareholders' meeting is certified in the manner and within the terms established by law and regulations.
The e-mail notification of the proxy to attend the Meeting can be carried out by using the special section on the website of the company, as indicated in the notice of call, or, subordinately, by certified e-mail, to the e-mail address indicated in the notice of call.
The Chairman of the Shareholders' Meeting must check if the meeting is regularly set-up, also by means of special representatives, establish the identity and the competency of the persons attending, as well as regulate the carrying-out of the shareholders' meeting works establishing the debate and voting methods (in any case open) and ascertain the results of the voting sessions."

16.1. Shareholders' Meeting Regulation

In compliance with 9.C.3. Application Criteria of the 2011 Code, the Board on 13 March 2012 proposed the adoption of a special shareholders' meeting regulation specifying the procedures to be followed in order to allow for the orderly and functional performance of the shareholders' meetings, while ensuring at the same time, the right of each member to take the floor on the points under discussion. This regulation was approved and adopted by the shareholders' meeting of 24 April 2012.

The Company Bylaws are available on the Company's website www.saesgetters.com (Investor Relations/Corporate Governance/Policy and Procedures/Company Bylaws)

16.2. Special Shareholders' Meeting of Savings

The special Shareholders' Meeting of the owner of savings shares meets in ordinary and/or extraordinary session, according to the law, at the registered office or elsewhere, also abroad, provided that in the countries of the European Union.
The last Shareholders' Meeting of the owner of savings shares was held on 20 April 2011 to appoint the Common Representative, since his mandate had expired. The special Shareholders' Meeting confirmed Massimiliano Perletti as Common Representative of the owners of savings shares for the 2011- 2013 financial years by determining his fee (€ 1,100.00 per year). Mr. Perletti is available for any queries on issues related to saving shares at the e-mail addressmassimilano.perletti@roedl.it.

16.3. Significant changes in market capitalisation of shares

The ordinary and savings shares listed on the Italian Electronic Stock Market (STAR segment) registered in 2012 an increase in value by +2% and +40%, respectively, against an increase by 5% and 15%, respectively, registered by the FTSE MIB index and by the FTSE Italia Star index.

16.4. Significant changes in the company structure

No significant changes in the company structure were reported in 2012.

17. ADDITIONAL CORPORATE GOVERNANCE PRACTICES

In consideration of the regulatory and procedural provisions introduced by Italian Legislative Decree no. 39 of 27 January 2010, in order to facilitate a constant information flow among the different company bodies and functions that allows the Internal Control and Audit Committee the adequate supervision required by law, the activities that the Committee carries out in the fulfilment of its functions include regular meetings between the Committee, the Audit and Risk Committee, the Auditing Firm, Internal Control Officer, the Manager in charge of drawing up company accounting documents pursuant to Italian Legislative Decree no. 262/05 and the Group General Counsel, dedicated to the analysis and the discussion on the financial reporting process, to the effectiveness of the system of internal control, internal audit and risk management, external audit of the annual accounts and consolidated accounts, independence of the external auditing firm, in particular for what concerns the provision of non-auditing services to the body submitted to external audit.

18. CHANGES AFTER THE REPORTING PERIOD

The Board of Directors, during the meeting held on 22 January 2013, approved the amendment to Article 8 of the Bylaws in compliance with Italian Legislative Decree no. 91 of 2012 on the single call of the shareholders' meeting.

Lainate, 13 March 2013

for The Board of Directors
Massimo della Porta
Chairman

ENCLOSURES

TABLE 1 - STRUCTURE OF THE BOARD OF DIRECTORS AND COMMITTEES

BOARD OF DIRECTORS											COMMITTEES				
Position	**Members**	**In office since**	**In office until**	**List (M/m)**	**Exec.**	**Non exec.**	**Indep. based on Code**	**Indep. based on TUF**	**% BoD share**	**Number of other offices**	**Audit and Risk Committee**	**Remuneration and Appointment Committee**	**NC N/A**	**EC N/A**	**Other Committee N/A**
Chairman	Massimo della Porta	24.04.12	Shareholders' Meeting for the approval of the 2014 Financial Statements	M	X				100	3					
Deputy Chairman, Managing Director and Chief Financial Officer	Giulio Canale	24.04.12	Shareholders' Meeting for the approval of the 2014 Financial Statements	M	X				100	3					
Director	Stefano Baldi	24.04.12	Shareholders' Meeting for the approval of the 2014 Financial Statements	M		X			90	1		X			
Director	Emilio Bartezzaghi	24.04.2012	Shareholders' Meeting for the approval of the 2014 Financial Statements	M		X	X	X	100	3		X			

BOARD OF DIRECTORS											COMMITTEES				
Position	**Members**	**In office since**	**In office until**	**List (M/m)**	**Exec.**	**Non exec.**	**Indep. based on Code**	**Indep. based on TUF**	**% BoD share**	**Number of other offices**	**Audit and Risk Committee**	**Remuneration and Appointment Committee**	**NC N/A**	**EC N/A**	**Other Committee N/A**
Director	Adriano De Maio	24.04.12	Shareholders' Meeting for the approval of the 2014 Financial Statements	M		X		X	90	3		X			
Director	Carola Rita della Porta	24.04.12	Shareholders' Meeting for the approval of the 2014 Financial Statements	M		X			85.71	-					
Director	Luigi Lorenzo della Porta	24.04.2012	Shareholders' Meeting for the approval of the 2014 Financial Statements	M		X			85.71	2					
Director	Andrea Dogliotti	24.04.12	Shareholders' Meeting for the approval of the 2014 Financial Statements	M		X			100	-	X				
Director	Pietro Mazzola	24.04.12	Shareholders' Meeting for the approval of the 2014 Financial Statements	M		X			70	5					
Director	Roberto Orecchia	24.04.12	Shareholders' Meeting for the approval	M		X	X	X	90	-	X				

BOARD OF DIRECTORS											COMMITTEES				
Position	**Members**	**In office since**	**In office until**	**List (M/m)**	**Exec.**	**Non exec.**	**Indep. based on Code**	**Indep. based on TUF**	**% BoD share**	**Number of other offices**	**Audit and Risk Committee**	**Remuneration and Appointment Committee**	**NC** N/A	**EC** N/A	**Other Committee** N/A
			of the 14 Financial Statements												
Director Lead Independent Director	Andrea Sironi	24.04.12	Shareholders' Meeting for the approval of the 2014 Financial Statements	M		X	X	X	80	1	X	X			

Directors retired during the Financial Year			
Director	Giuseppe della Porta	21.04.2009	During the 2012 Financial Year, for the period in which he was in office, he attended 100% of the Board meetings
Director	Andrea Gilardoni	21.04.2009	During the 2012 Financial Year, for the period in which he was in office, he attended 66.7% of the Board meetings
Director	Gianluca Spinola	21.04.2009	During the 2012 Financial Year, for the period in which he was in office, he attended 100% of the Board meetings

Quorum required for the presentation of the lists on the occasion of the last appointment (24 April 2012)	2.5%

	BOARD OF DIRECTORS	**Audit and Risk Committee**	**Remuneration and Appointment Committee**	**Appointment Committee**	**Executive Committee**	**Other Committee**
Number of meetings held during the Financial Year	10	6	3	N/A	N/A	N/A

TABLE 2 - STRUCTURE OF THE BOARD OF STATUTORY AUDITORS

Position	Members	In office since	In office until	List M/m	Indep. based on Code	%	Other positions
Vincenzo Donnamaria	Chairman	24/04/12	Shareholders' Meeting for the approval of the 2014 Financial Statements	M	No	60	24
Maurizio Civardi	Regular auditor	24/04/12	Shareholders' Meeting for the approval of the 2014 Financial Statements	M	No	100	44
Alessandro Martinelli	Regular auditor	24/04/12	Shareholders' Meeting for the approval of the 2014 Financial Statements	M	No	80	13
Fabio Egidi	Alternate Auditor	24/04/12	Shareholders' Meeting for the approval of the 2014 Financial Statements	M	No	n.a.	n.a.
Piero Angelo Bottino	Alternate Auditor	24/04/12	Shareholders' Meeting for the approval of the 2014 Financial Statements	M	No	n.a.	n.a.
AUDITORS RETIRED DURING THE FINANCIAL YEAR							
		No auditor retired during the Financial Year					
Quorum required for the presentation of the lists on the occasion of the last appointment (24 April 2012)					2.5 %		
Number of meetings held during the Financial Year					5		

ENCLOSURE 1 - OFFICES AS DIRECTOR OR AUDITOR HELD BY THE DIRECTOR IN OTHER COMPANIES LISTED ON CONTROLLED MARKETS - INCLUDING FOREIGN MARKETS - IN HOLDING, BANKING, INSURANCE OR BIG-SIZED COMPANIES.

NAME	**POSITIONS**	
	Company	***Position***
Stefano Baldi	S.G.G. Holding S.p.A.	Non-executive director
Emilio Bartezzaghi	Artemide Group S.p.A. Polimilano Educational Consulting Fondazione Universitaria Politecnico di Milano	Independent non-executive director and Audit and Risk Committee Member, BoD Member Non-executive director Non-executive director
Giulio Canale	S.G.G. Holding S.p.A. Telima Italia S.r.l. JuiceBar S.r.l.	Director, Deputy Chairman and Managing Director Non-executive director Non-executive director
Adriano De Maio	Telecom Italia Media S.p.A. TxT e-solutions S.p.A. EEMS S.p.A.	Non-executive director and Audit Committee Member Non-executive director and Audit Committee Member and Compensation Committee Non-executive director
Carola Rita della Porta	-	-
Luigi Lorenzo della Porta	S.G.G.Holding S.p.A. DELVEN S.n.c.	Non-executive director Executive director
Massimo della Porta	S.G.G. Holding S.p.A. Alto Partners SGR S.p.A. MGM S.r.l.	Director, Deputy Chairman and Managing Director Non-executive director Executive director
Andrea Dogliotti	-	-
Pietro Mazzola	Banca Popolare Commercio e	Chairman of the Board of

	Industria Berger Trust S.p.A. Fratelli Testori S.p.A. La Rapida s.n.c. La Lunga Sas	Statutory Auditors Vice Chairman bod Chairman of the Board of Statutory Auditors Executive director Non-executive director
Roberto Orecchia	-	-
Andrea Sironi	Banco Popolare Scarl	Non-executive director

It is pointed out that, among the above-mentioned companies, only S.G.G. Holding S.p.A. belongs to the SAES Getters Group, as the latest parent company.

ENCLOSURE 2 - OTHER FORECASTS OF THE CORPORATE GOVERNANCE CODE

	YES	NO	Summary of the reasons for any deviation from the Code recommendations
System of proxies and operations with related parties			
Did the Board of Directors gave proxies by defining their:			
a) limits		X	
b) exercise		X	
c) and periodicity of the report?	X		
Did the Board of Directors reserve the right to inspect and approve the operations having a special economic and financial importance (including the operations with related parties)?	X		
Did the Board of Directors define guidelines and methods for identifying “significant” operations?	X		
Are the guidelines and methods mentioned above described in the report?	X		
Did the Board of Directors define special procedures for the inspection and approval of operations with related parties?	X		
Are the procedures for the approval of the operations with related parties described in the report?	X		
Procedures of the most recent appointment of directors and auditors			
Did the presentation of the candidacies as director occur at least ten days in advance?	X		
Were the candidacies as director accompanied by an exhaustive report?	X		
Were the candidacies as director accompanied by the fitness indication to qualify as independent?	X		
Did the presentation of the candidacies as auditor occur at least ten days in advance?	X		
Were the candidacies as auditor accompanied by an exhaustive report?	X		
Shareholders' meetings			
Did the Company approve a Meeting Regulation?	X		
Is the regulation enclosed with the report (or does it indicate from where it can be obtained/downloaded)?	X		

Internal Control			
Did the Company appoint the persons in charge of internal auditing?	X		
Are the persons in charge hierarchically independent from the operating area managers?	X		
Organisational unit in charge of internal control ex art. 9.3 of the Code	X		
Investor relations			
Did the Company appoint an investor relation manager?	X		

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