Consolidated Financial Statements 2010

saes getters

2010

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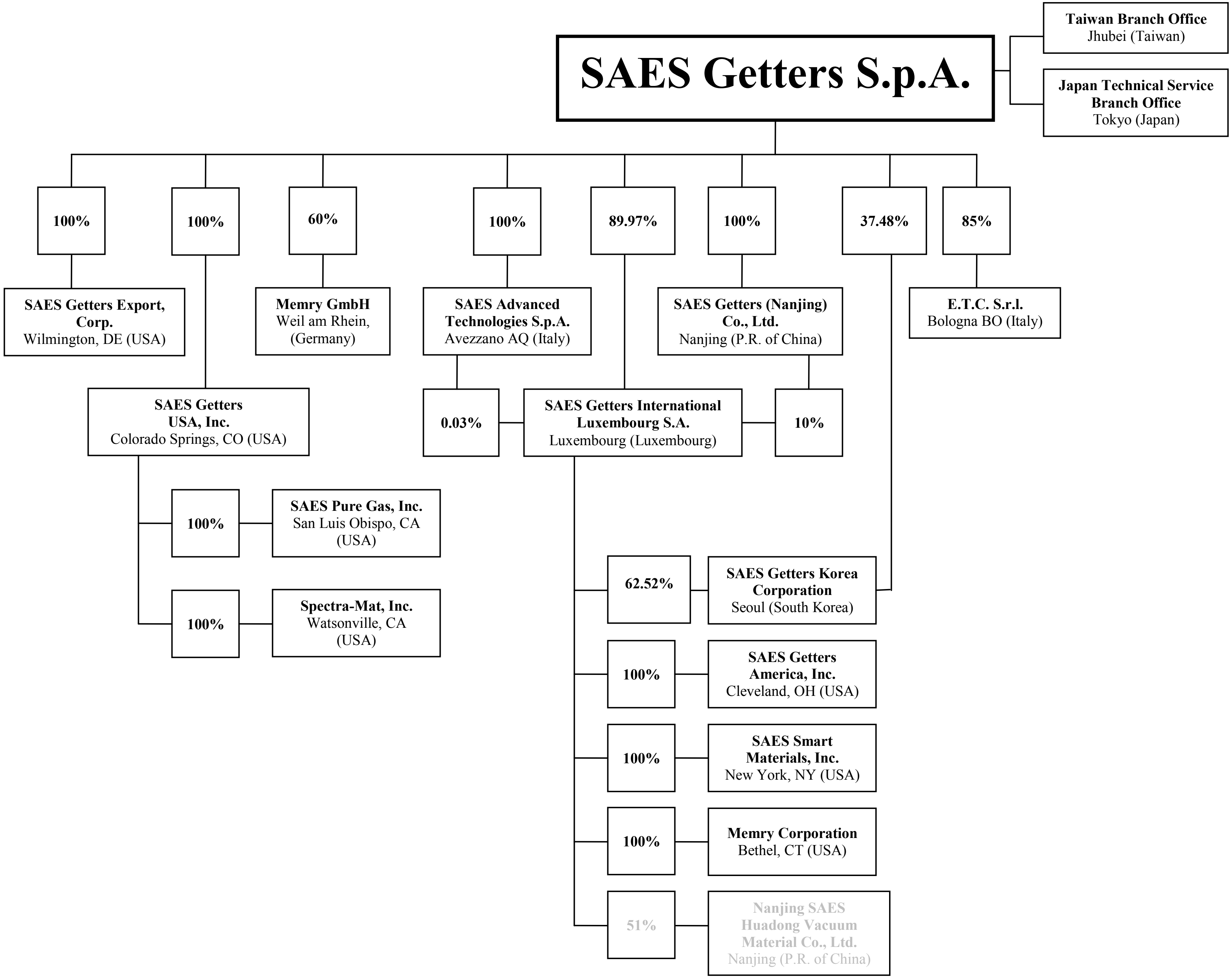
SAES Getters S.p.A.

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


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)
60%
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)
10%
100%
SAES Getters (Nanjing) Co., Ltd.
Nanjing (P.R. of China)
37.48%
85%
E.T.C. S.r.l.
Bologna BO (Italy)
62.52%
SAES Getters Korea Corporation
Seoul (South Korea)
100%
SAES Getters America, Inc.
Cleveland, OH (USA)
100%
SAES Smart Materials, Inc.
New York, NY (USA)
100%
Memry Corporation
Bethel, CT (USA)
51%
Nanjing SAES Huadong Vacuum Material Co., Ltd.
Nanjing (P.R. of China)

Board of Directors

President	Massimo della Porta
Vice President and Managing Director	Giulio Canale
Directors	Stefano Baldi (1) (2) Giuseppe della Porta (2) Adriano De Maio (1) (2) (3) (4) Andrea Dogliotti (2) (3) Andrea Gilardoni (2) Pietro Alberico Mazzola (2) Roberto Orecchia (2) (4) Andrea Sironi (1) (2) (3) (4) Gianluca Spinola (2)

(1) Members of the Compensation Committee
(2) Non executive directors
(3) Members of the Audit Committee
(4) Independent directors

Board of Statutory Auditors

President	Vincenzo Donnamaria
Statutory Auditors	Maurizio Civardi Alessandro Martinelli
Alternate Statutory Auditors	Fabio Egidi Piero Angelo Bottino
Audit firm	Reconta Ernst & Young S.p.A.

The term of office of the Board of Directors and of the Board of Statutory Auditors, elected on April 21, 2009, expires at the Shareholders' Meeting in which the financial statements for the year ended December 31, 2011 are approved.

Powers

Pursuant to Article no. 20 of the Articles of Association, the President and the Vice President and Managing Director are jointly and 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 to exercise the powers attributed to them by the Board itself.
By mean of the resolution adopted on April 21, 2009, 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,

We managed to successfully overcome one of the deepest crisis of the Group and, more generally, of the international economy and we can look at the future with confidence and optimism.
SAES ability to innovate, combined with the acquisitions completed during 2008, has allowed to offset the fall in volumes and therefore in turnover of the Information Displays area, a leading business for SAES Getters for many years.
In fact, already since 2003, innovation focused on the development of new products for Industrial Applications and on diversification in commercially and technically synergistic sectors compared to the historical sectors, in particular the sector of shape memory alloys (SMA).

In 2010, this impressive effort was rewarded and the Group recorded a sharp turnover recovery and the return to profit. The increase in turnover must be analysed taking into account the sharp drop in sales in the Information Displays segment, widely offset by the excellent performance of the industrial segment and, in particular, by the strong increase in the sales of Purifiers. Semi-finished and finished products in shape memory alloy for the medical market increased again in the second half of the year, as expected.

The collaboration with STMicroelectronics in the field of MEMS, as mentioned in last year's letter to shareholders marked a turning point. The thin film getter technology for MEMS, developed by SAES and licensed to ST last year, is present today in various models of miniaturised gyroscopes produced by ST used in new-generation smart-phones.

Moreover, 2010 was the year of breakthrough in industrial applications of SMA with the commercial launch of devices for car seats and a miniaturized system for moving, and hence focusing, the photographic lens in some mobile phones, device developed in cooperation with Cambridge Mechatronics Ltd.

In the coming months further important achievements are expected from the industrial applications, shape memory alloys and advanced materials, allowing to generate additional revenues and to improve profitability.

Massimo della Porta
President

Group financial highlights

GROUP FINANCIAL HIGHLIGHTS

(thousands of euro)

Income statement data	2010	2009 (1)	Difference	Difference %
NET SALES				
- Industrial Applications	88,430	60,323	28,107	46.6%
- Shape Memory Alloys	39,218	34,279	4,939	14.4%
- Information Displays	12,356	32,408	(20,052)	-61.9%
- Advanced Materials	570	343	227	66.2%
Total	**140,574**	**127,353**	**13,221**	**10.4%**
GROSS PROFIT				
- Industrial Applications	44,074	28,767	15,307	53.2%
- Shape Memory Alloys	11,879	5,990	5,889	98.3%
- Information Displays	5,171	17,134	(11,963)	-69.8%
- Advanced Materials & Corporate Costs (2)	(396)	(651)	255	39.2%
Total	**60,728**	**51,240**	**9,488**	**18.5%**
% on sales	43.2%	40.2%		
Adjusted GROSS PROFIT (4)	**60,728**	**59,015**	**1,713**	**2.9%**
% on sales	43.2%	46.3%		
EBITDA (3)	**23,507**	**12,607**	**10,900**	**86.5%**
% on sales	16.7%	9.9%		
EBITDA *adjusted* (3)	**23,507**	**19,164**	**4,343**	**22.7%**
% on sales	16.7%	15.0%		
OPERATING INCOME (LOSS)	**10,922**	**(11,848)**	**22,770**	**192.2%**
% on sales	7.8%	-9.3%		
Adjusted OPERATING INCOME (LOSS) (4)	**10,922**	**5,026**	**5,896**	**117.3%**
% on sales	7.8%	3.9%		
NET INCOME (LOSS) (5)	**3,135**	**(26,297)**	**29,432**	**111.9%**
% on sales	2.2%	-20.6%		

Balance sheet and financial data	December 31, 2010	December 31, 2009	Difference	Difference %
Property, plant and equipment, net	63,813	65,932	(2,119)	-3.2%
Shareholders'equity	108,597	98,851	9,746	9.9%
Net financial position (6)	(22,580)	(20,419)	(2,161)	-10.6%

Other information	2010	2009 (1)	Difference	Difference %
Cash flow from operating activities	7,455	5,773	1,682	29.1%
Research and development expenses (7)	13,892	15,642	(1,750)	-11.2%
Number of employees as at December 31 (8)	1,102	1,042	60	5.8%
Personnel cost (9)	54,588	56,717	(2,129)	-3.8%
Purchase of property, plant and equipment	5,850	7,241	(1,391)	-19.2%

(1) On November 9, 2010 the Group, through its subsidiary SAES Getters International Luxembourg S.A., signed a binding agreement for the transfer of its stake (equal to 51%) in the Chinese joint venture Nanjing SAES Huadong Vacuum Material Co., Ltd. to its Chinese minority-interest shareholders. Following this agreement, which will be definitive only after obtaining the approval and registration by the local Administrative Authorities (expected within the first half 2011), both the 2010 figures of the joint venture and the other costs of the controlling company SAES Getters International Luxembourg S.A. related to the disposal have been classified in a separate income statement item "Income (loss) from assets held for sale and discontinued operations" in accordance with IFRS 5. Also 2009 revenues and expenses were reclassified to enable a homogeneous comparison with 2010.

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

(3) EBITDA is not deemed a measure of performance under IFRS principles 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".For adjusted EBITDA we intend EBITDA rectified in order not to include non-recurring items and in any case items considered by the management as not meaningful with reference to the current operating performance. For its calculation as at December 31, 2009, please refer to the related table "Non-recurring income and expenses" reported in Annex no. 2.
Net of non recurring costs and other costs by the management as not meaningful with reference to the current operating performance For its calculation as at December 31, 2009, please refer to the related table "Non-recurring income and expenses" reported in Annex 2. The year 2010 wasn't penalized by non recurring items related to reorganization processes.

(5) It includes the net loss from assets held for sale and discontinuing operations equal to +63 thousand of euro in 2010 and -9,026 thousand of euro in 2009

(6) The Group's net financial position as of December 31, 2010 includes the 51% of cash and cash equivalents of the Chinese *joint venture* Nanjing SAES Huadong Vacuum Material Co., Ltd. (equal to 1,650 thousand of euro) to be sold and, therefore, reclassified in the line "assets held for sale".

(7) Research & development expenses include in 2009 non recurring costs equal to 1,837 thousand of euro; net of these non recurring costs, they are equal to 13,805 thousand of euro (or 10.8% of net consolidated sales).

(8) As at December 31, 2010 this item includes: employees for 1,061 units (out of which 37 units employed at Nanjing SAES Huadong Vacuum Material Co., Ltd., held for sale, as already outlined in the Note no.1) and personnel employed with contract types other than salaried employment agreements equal to 41 units.
As at December 31, 2009 this figure includes 10 employees related to the subsidiaries liquidated during 2010 (for further details please refer to the paragraph "Consolidation Area" included in the Explanatory Notes).

(9) In 2009 personnel cost includes non recurring expenses equal to 5,709 thousand of euro (severance costs net of C.I.G.O – ordinary redundancy fund – savings); in 2010 one-off costs were equal to 1,659 thousand of euro; instead, the use of C.I.G. determines a reduction in the personnel cost equal to 482 thousand of euro.

Report on operations of the SAES Getters Group

REPORT ON OPERATIONS

A pioneer in the development of getter technology, the SAES® Getters Group is the world leader in a wide range of scientific and industrial applications that require high vacuum conditions or ultra-pure gases.
In nearly 70 years of operation, the Group's getter solutions have supported the technological innovation in sectors including information displays and illumination, complex high-vacuum systems and thermal-vacuum insulation, drawing on technologies ranging from large vacuum power tubes to miniaturized devices such as microelectronic and micromechanical systems mounted on silicon wafers. The Group also leads the market in the ultra-pure gas purification systems for the semiconductor industry and other high-tech industries.

Since 2004, drawing on the skills it has acquired in special metallurgy and materials science, the SAES Getters Group has been expanding its sectors of operation addressing to the advanced materials market, in particular the shape memory alloys's market, a family of advanced materials characterized by super elasticity and by the property of assuming predefined forms when subjected to heat treatment. They are mainly applied in the biomedical sector and, more in general, in niche industrial field.

With an overall production capacity spread out over twelve facilities on three continents, a commercial and technical support network with worldwide coverage and nearly 1,100 employees, the Group brings together multicultural skills and experience, making it a global firm in the full sense of the term.

The executive offices of SAES Getters are situated in the outskirts of Milan.

SAES Getters has been listed on the STAR Segment of the Italian Electronic Stock Exchange ("*Mercato Telematico Azionario*") since 1986.

The Group's business structure identifies three Business Units, Industrial Applications, Shape Memory Alloys, Information Displays, and a Business Development Unit, Advanced Materials. 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 research and development projects undertaken to achieve the diversification in the area of advanced materials (Advanced Materials Business Development Unit), are shown separately from the three Business Unit.

The following table illustrates the Group's organizational structure:

Industrial Applications Business Unit	
Lamps	Getters and metal dispensers used in discharge lamps and fluorescent lamps
Electronic Devices	Getters and metal dispensers for electron vacuum devices and getters for microelectronic and micromechanical systems (MEMS)
Vacuum Systems and Thermal Insulation	Pumps for vacuum systems, getters for solar collectors and products for thermal insulation
Semiconductors	Gas purifier systems for semiconductor industry and other industries
Shape Memory Alloys Business Unit	
Shape Memory Alloys (SMA)	Shape memory alloys
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
Advanced Materials Business Development Unit	
Advanced Materials	Dryers and highly sophisticated getters for OLED, sealants for solar panels and energy storage getter devices

Industrial Applications Business Unit

Lamps Business

SAES Getters 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 Getters has also been involved for years in the development of mercury dispensers with a low environmental impact, in line with the stricter international legislation in force in this area.

Electronic Devices Business

The Electronic Devices Business provides advanced technological solutions to a wide range of markets, including the aeronautical, medical, industrial, security and defence sectors. The products developed are able to satisfy the most stringent application requirements in terms of the high quality of the guaranteed vacuum and are employed in various devices such as night vision devices, infrared seeking devices, X-ray tubes and laser gyroscopes.
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 Getters has developed solutions that involve the use of thin film getters, measuring just a few microns thick, that can be deposited on various substrates in a wide variety of forms. By maintaining the vacuum or inert gas purity conditions present inside application devices, thin film getters ensure optimum functioning, improved performance and significantly increased lifespan.

Vacuum Systems & Vacuum Thermal Insulation Business

The expertise that has been gained in vacuum technology, degassing, permeation and gettering properties of materials has served to boost the development of vacuum pumps based on non-evaporable getter materials (NEGs) and a proprietary technology for vacuum thermal insulation. NEG pumps are used in both industrial and scientific applications including analytical instruments, vacuum systems and particle accelerators. SAES Getters solutions for vacuum thermal insulation include NEG products for cryogenic applications and thermos.
The Vacuum Systems & Vacuum Thermal Insulation Business also includes getter solutions for vacuum thermal insulation of solar collectors.

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

Shape Memory Alloys Business Unit

Shape Memory Alloys (SMA) Business

SAES Getters produces shape memory alloy components, a family of advanced materials characterized by super elasticity and by the property of assuming predefined forms when subjected to heat treatment. The SAES Getters production process, integrated vertically, allows for complete flexibility in the supply of the products, together with total quality control. These special alloys have their applications mainly in biomedical field and, more in general, in niche industrial fields.

Information Displays Business Unit

Liquid Crystal Displays Business

For the television set, monitor and liquid crystal display industry, SAES Getters develops technologies that are considered strategic for maintaining the vacuum and for absorbing harmful gases in the cold cathode fluorescent lamps for the LCD's displays back-ligthing, thereby allowing for improved efficiency and longer lifespan of displays.

Cathode Ray Tubes Business

SAES Getters produces and supplies getters used to maintain vacuum conditions in cathode ray tubes.

Advanced Materials Business Development Unit

It is related to businesses in advanced testing stages.

Organic Electronics

Organic semiconductors have opened a new frontier in both displays and solid-state lighting: SAES Getters already supplies dryers and highly sophisticated getters for displays and lamps based on OLEDs (Organic Light Emitting Diodes) and a new generation of liquid getters for the next-generation of ultra-flat large-screen TVs is currently in the advanced testing stages.

Photovoltaic Industry

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 Getters' expertise in the getters sector can contribute to increasing the reliability and extending 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 layers of glass that comprise it remain attached, while also preventing the entry of water vapor that would damage the structure of the photovoltaic thin film.

Energy Storage

SAES Getters is exploring next-generation electrochemical energy storage devices such as super-condensers and lithium batteries. In particular, the Group is developing systems for checking the generation of gas inside these devices whose main application is in hybrid automobiles.

Main events for the year ended December 31, 2010

2010 results show that the SAES Getters Group has managed to overcome the crisis that, starting from the end of 2008, hit the Information Displays business (for many years the leading business of the Group), strongly penalizing the economic performance of the previous year.

The ability to innovate and the strategy of business diversification, implemented with the acquisitions completed in 2008, have allowed SAES Getters to face the challenges deriving from the general economic recession and from the attacks of the competition, and to look at the future with optimism, despite the strong changes occurred in the sectors and markets of reference.
In particular, in 2010, the drop of LCD sales (-69% compared with 2009) was completely reabsorbed thanks to the introduction of new products, that are achieving positive results, in all the other businesses in which the Group is operating. In fact, despite the drop in sales in the Information Displays, a business now irrelevant for SAES Getters, 2010 turnover shows a balanced growth in all the other areas of business.
This growth, combined with the action to contain costs and with the strict policies introduced by the management, has allowed returning to profitability.

The Industrial Applications Business Unit confirms itself as the first one in terms of sales among the various Business Units of the Group, with a 63% of consolidated revenues and shows growth in all segments, if compared with the previous year. Sales increased in all areas, particularly in the semiconductors (+ 133% over last year), that have experienced a progressive growth driven by new investments in factories, also for the production of LEDs, and by the launch of new products.
Also the area of lamps (Business Industrial Applications), reversing the cyclical trend of last year, shows constantly growing revenues (+24%).
In the MEMS area (Business Electronic Devices), the Group oriented itself towards a new model of business, by choosing the sales on licenses technology instead of the direct sales of products.
During the year the collaboration with STMicroelectronics has continued for the integration of thin film getters in new generation MEMS gyroscopes developed by ST; the combined efforts of both companies have enabled the start of the industrialization of gyroscopes with integrated getter that use SAES Getters technology. The diversification strategy of getter products in emerging sectors and the partnership with industry leaders such as ST turned out to be a winning strategy, whose effects will continue in future contributing to the economic performance of the Group with increasing importance.
In Vacuum Systems Business please note that towards the end of the year a new pump (NEXTorr ®) was launched on 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 will allow the Group to expand its markets of reference.

In the Shape Memory Alloys Business (27% of consolidated net sales), the medical industry is growing again after a decline in the second half 2009; this increase was achieved through the introduction of new products, the development of new applications, the increase and diversification of customers, despite the strong competitive tensions that have characterized the market. Also the Industrial Business saw a positive result in 2010. In particular, during the year the Group signed a major partnership agreement with the company Cambridge Mechatronics Ltd. (CML) for the integration of shape memory educated wires in the autofocus devices for the cameras of new generation mobile phones. The agreement with CML is an important first step in the application of SMA technology in industries such as consumer electronics, potentially characterized by very high volumes. The use of SMAs in the consumer electronics is additional to its increasing use in the automotive sector, confirming the potential of shape memory alloys also outside the medical industry.

Growths in Industrial Applications and SMAs Businesses allowed to balance the Group offer and to reduce the reliance on the Information Displays Business, whose results in the 2010 confirm the already announced structural decline (consolidated sales of this Business Unit decreased by 20,052 thousand of euro, equal to -62%, compared with the previous year and represent only a 9% of total consolidated net sales).
In particular, the sharp decline of the Cold Cathode Fluorescent Lamps (CCFL) business confirms itself as continuous and irreversible mainly due to the competition from the LED technology for backlighting (market in which SAES Getters is active only through the sales of the already mentioned gas purifiers), which has eroded CCFL market shares
However, in the field of displays, the Group continues to invest in the development of highly innovative getter solutions for OLED applications, which are expected to gradually stand next to the current LCD technology over the years.

In 2010, investments in research and innovation continued, as the Group considers them essential to ensure the future growth. Specifically, it has to be pointed out that during the first semester it was established the company E.T.C. S.r.l., 85% controlled by SAES Getters S.p.A., a spin-off supported by the National Research Council (CNR). Such company, based in Bologna, is focused on the development of functional materials for applications in Organic Electronics and Organic Photonics and also the development of organic integrated photonic devices for niche applications (OLET technology).

On April 6, 2010, the Board of Directors of SAES Smart Materials, Inc. has formally approved a capital increase of $2.5 million; this injection was executed in May 2010 by the sole shareholder SAES Getters International Luxembourg S.A..
In order to subscribe the share capital increase in SAES Smart Materials, Inc., SAES Getters International Luxembourg S.A. has used part of the funds (totalling approximately 3.5 million of euro) received on April 22, 2010 by the subsidiary SAES Getters (Nanjing) Co., Ltd. as a capital increase, pursuant to the resolution of the Board of Directors of the Chinese company dated March 1, 2010.

On April 9, 2010 the Group's request for the exemption to the call of the debt of Memry Corporation was formally accepted by the lending company and, simultaneously, the restatement of the financial covenants for the years 2009-2012 has been formalized restoring in this way the original maturity of the debt.

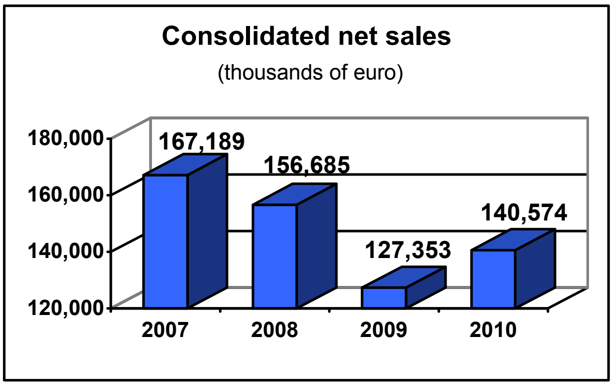
On April 27, 2010 the Extraordinary Shareholders' Meeting resolved to cancel the treasury shares held by the Company. As the shares were already recorded in the financial statements in deduction of the net equity (as defined by IAS 32), on May 26, 2010 the annulment of the treasury shares was carried out without the recognition of any gain or loss in the income statement and without any effect on the net equity of the Company.
The cancellation of treasury shares was executed without any change in the capital stock, but through an increase of the implied book value. In particular, as outcome of the annulment of no. 600,000 ordinary shares and no. 82,000 savings shares held in the company portfolio, the capital stock of SAES Getters S.p.A. remains unchanged and equal to €12,200,000, but represented by fewer shares outstanding, or no. 22,049,969 shares (no. 14,671,350 ordinary shares and no. 7,378,619 savings shares) without nominal value but with an implied book value equal to €0.554196. Furthermore, pursuant to the provisions of Article no. 26 of the By-Laws, the quantification of the privileges of the savings shares is correspondingly increased (the preference dividend rises from €0.134 to €0.139, while the extra-value goes from €0.016 to €0.017).

On November 9, 2010 the Group, through its subsidiary SAES Getters International Luxembourg S.A., signed a binding agreement for the transfer of its stake (equal to 51%) in the Chinese joint venture Nanjing SAES Huadong Vacuum Material Co., Ltd. to its Chinese minority-interest shareholders.

The agreement, in addition to the sale of the stake for a symbolic price equal to 2 Chinese Renminbis (RMB), envisages also the payment by SAES Getters International Luxembourg S.A. of a sum equal to RMB 30 million, to honour the obligation deriving from the agreement signed at the time of the acquisition with the third party shareholders of the joint venture, which called for a fixed remuneration for them through the fiscal year 2013. The total disbursement is in line with what foreseen and accrued yet in the 2009 Financial
Statements (for further details please refer to Note no.28).
While the cash out by SAES Getters for 30 millions of RMB (equal to about 3,4 millions of euro) has been executed before the closing of the year (December 1, 2010), the transfer of the shares will be binding only after the approval and the registration of the Local Administrative Authorities which is expected by the first semester 2011. The Chinese joint venture was established in August 2006 and is active in the production and distribution of components for LCD displays and other industrial applications. The sale of its stake by SAES Getters is part of the plan to rationalize non-strategic investments, resulting from the strong changes occurred in some sectors and markets of reference. After the completion of the agreement, SAES Getters will not hold any more stake in Nanjing SAES Huadong Vacuum Material Co., Ltd. and all the commitments and agreements, including the trading ones, signed for the duration of the joint venture, will cease to be effective. SAES Getters Group will continue to operate in China through its 100% owned subsidiary SAES Getters (Nanjing) Co., Ltd..

During 2010 restructuring actions started in the previous year have been completed, whose effects have been already reflected in 2009 profit and loss.

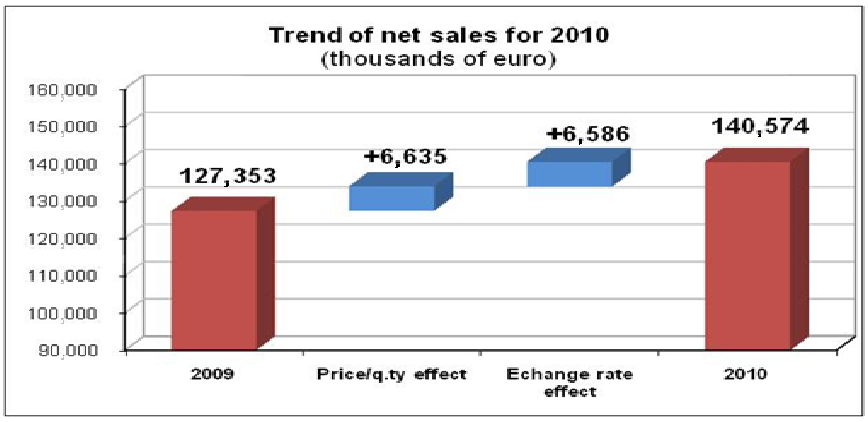
Sales and economical result for the year 2010



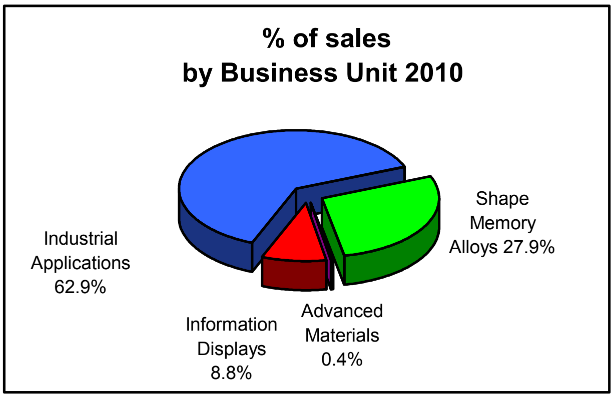
In 2010, **consolidated net turnover** has been equal to 140,574 thousand of euro, increasing by 10.4% compared to 127,353 thousand of euro achieved in 2009.
The **exchange rate effect** was positive and equal to 5.2%, mainly due to the strengthening of the U.S. dollar in the second half 2010 compared to the previous year. On like for like basis consolidated net sales increased by 5,2%.
In terms of revenues, the scope of consolidation is unchanged compared to 2009.

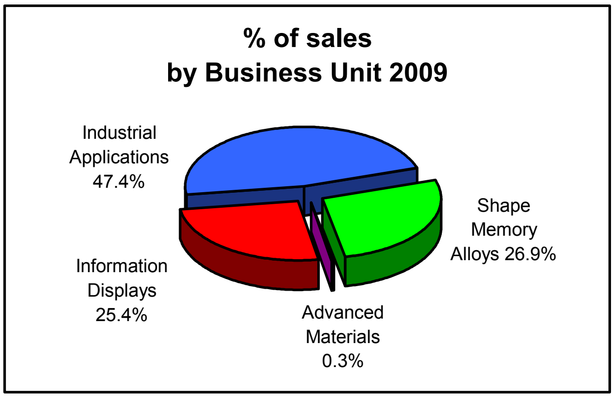
Since on November 9, 2010 SAES Getters, through its subsidiary SAES Getters International Luxembourg S.A., signed a binding agreement for the transfer of its stake (equal to 51%) in the Chinese joint venture Nanjing SAES Huadong Vacuum Material Co., Ltd. to its Chinese minority-interest shareholders the Group's share on revenues 2010 of Chinese company (equal to 1,190 thousand of euro) is not included in consolidated net sales, but is classified into the line "Income (loss) from assets held for sale and discontinued operations". Also 2009 sales have been reclassified in order to allow a consistent comparison with 2010 data.

The following graph shows the trend of the consolidated net sales in 2010:



With reference to net sales, the year 2010 saw the trend reversal compared with 2009 and records a strong recover, despite the strong drop on sales in Information Displays Business, whose decrease, as already reported, has been more than balanced by the growth of the other Businesses.





The following table contains a breakdown of net sales in 2010 and 2009 by business segment, along with the percent change at current and comparable exchange rates:

(thousands of euro)

Business	2010	2009	Difference	Difference %	Exchange rate effect %	Price/qty effect %
Lamps	12,742	10,249	2,493	24.3%	4.6%	19.7%
Electronic Devices	25,074	22,005	3,069	13.9%	4.0%	9.9%
Vacuum Systems and Thermal Insulation	15,794	13,129	2,665	20.3%	5.2%	15.1%
Semiconductors	34,820	14,940	19,880	133.1%	11.5%	121.6%
Subtotale **Industrial Applications**	**88,430**	**60,323**	**28,107**	**46.6%**	**6.2%**	**40.4%**
Subtotale **Shape Memory Alloys**	**39,218**	**34,279**	**4,939**	**14.4%**	**5.4%**	**9.0%**
Liquid Crystal Displays	8,766	28,533	(19,767)	-69.3%	2.7%	-72.0%
Cathode Ray Tubes	3,590	3,875	(285)	-7.4%	4.9%	-12.3%
Subtotale **Information Displays**	**12,356**	**32,408**	**(20,052)**	**-61.9%**	**3.0%**	**-64.9%**
Subtotale **Advanced Materials**	**570**	**343**	**227**	**66.2%**	**6.3%**	**59.9%**
Total net sales	**140,574**	**127,353**	**13,221**	**10.4%**	**5.2%**	**5.2%**

In 2010, consolidated revenues of the **Industrial Applications Business Unit** were equal to 88,430 thousand of euro, with a strong growth (+46.6%) compared to 60.323 thousand of euro in the previous year. The exchange rate effect was positive and equal to 6.2%, while the organic growth was equal to 40.4%.
Compared with the previous year sales increased in all Businesses. Particularly the Semiconductors have experienced a progressive growth and have recorded for the year 2010 consolidated net sales equal to 34,820 thousand of euro (+133.1% over last year) confirming the recovery started from the

end of 2009, driven by new investments in factories, also for the production of LEDs, and by the launch of new products.
Also Lamps Business, reversing the cyclical trend of last year, shows constantly growing revenues (+24%) due to higher sales of dispensers for fluorescent lamps; also getters for high intensity discharge lamps have recorded excellent results in terms of revenues.
The Vacuum Systems and Thermal Insulation Business has increased revenues (+20.3%), despite the slowdown in sales of solar collectors (about -20% compared to 2009), due to the effects of the recession that caused a delay of public investments (mainly in Spain and in the United States of America, the main markets of reference), as well as of the intensifying competition in this sector. In particular, there was an increase in the sales of getter pumps for particle accelerators and non evaporable getters for the insulation of oil piping, excellent results also thanks to the sales of getters for vacuum bottles in the Asian market.
In the Electronic Devices Business, all applications show increasing revenues over the previous year (an overall growth of 13.9% compared to 2009); in particular, the increase is related to the higher sales of porous getters for intra-red devices and for x-ray tubes (for military and civil use) and of getter solutions produced directly by the Group for MEMS.

Turnover of the Lamps Business was equal to 12,742 thousand of euro, with an increase of 24.3% compared to 10,249 thousand of euro in 2009. The positive effect of exchange rates was equal to 4.6%, instead the organic growth has been equal to 19.7%.

Turnover of the Electronic Devices Business was equal to 25,074 thousand of euro in 2010, with an increase of 13.9% compared to 2009. Excluding the positive exchange rate effect (4%), sales increased by 9.9%.

Turnover of the Vacuum Systems and Thermal Insulations Business was equal to 15,794 thousand of euro in 2010, with an increase of 20.3% compared to 13,129 thousand of euro in 2009. The exchange rate effect was positive and amounted to 5.2%.

Turnover of the Semiconductors Business was equal to 34,820 thousand of euro in 2010, showing a sharp increase (+133.1%) compared to 14,940 thousand of euro in 2009; the currency trend resulted in a positive exchange rate effect equal to 11.5%, net of which sales increased by 121.6%.

In 2010, consolidated revenues of the **Shape Memory Alloys Business Unit** amounted to 39,218 thousand of euro, compared to 34,279 thousand of euro in 2009. The exchange rate effect was positive and equal to 5.4%.
After the slowdown in sales that characterized the second semester 2009 due the excessive stocks accumulated by some important USA customers, the sales of Medical segment have been constant and continuously growing up; first positive results also in the SMA Industrial segment.

In 2010, consolidated revenues of the **Information Displays Business Unit** amounted to 12,356 thousand of euro with a decrease equal to 20,052 thousand of euro (-61.9%) compared to 2009 that recorded net sales equal to 32,408 thousand of euro. The currency trend has led to a positive exchange rate effect equal to 3%. Excluding exchange rate effects, the sharp decline of 64.9% was mainly due to the structural decline already commented.

In the CRT Business, the growth in the first half of the year favored by the 2010 Football World Cup (+15.8% at comparable exchange rates) has been completely offset in the second half of the year.

Turnover of the Liquid Crystal Displays Business amounted to 8,766 thousand of euro, compared to 28,533 thousand of euro in 2009 (-69.3%), the currency trend has led to a positive exchange rate effect equal to 2.7%.

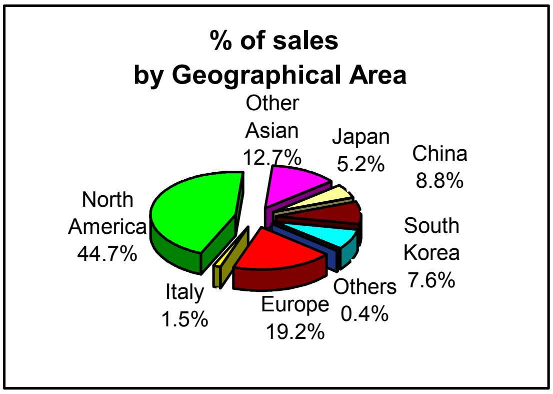
The Cathode Ray Tubes Business recorded a turnover of 3,590 thousand of euro, down by 7.4% compared to 3,875 thousand of euro in 2009; the positive effect of exchange rates was equal to 4.9%.

2010 consolidated revenues of the **Advanced Materials Business Development Unit** were equal to 570 thousand of euro, up from 343 thousand of euro in 2009 growing up especially in the organic electronics segment. The exchange rate effect is positive and equal to 6.3%.

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

(thousands of euro)

Geographical area	2010	%	2009	%	Difference	Difference %
Italy	2,063	1.5%	1,269	1.0%	794	62.6%
Europe	26,962	19.2%	20,402	16.0%	6,560	32.2%
North America	62,904	44.7%	52,539	41.3%	10,365	19.7%
Japan	7,333	5.2%	13,088	10.3%	(5,755)	-44.0%
South Korea	10,644	7.6%	13,479	10.6%	(2,835)	-21.0%
China	12,359	8.8%	8,224	6.5%	4,135	50.3%
Other Asians countries	17,804	12.7%	17,853	14.0%	(49)	-0.3%
Others	505	0.4%	499	0.4%	6	1.2%
Total net sales	**140,574**	**100%**	**127,353**	**100%**	**13,221**	**10.4%**



The significant increase of sales in North America (+19,7%, equal to 10,365 thousand of euro) is mainly due to the growth of Semiconductors and Shape Memory Alloys Businesses. Also to the Semiconductors business is related the increase of sales in China (+50.3%). In Europe (+32.2%) the sales of getters and dispensers for industrial applications increased, particularly for lamps and electric applications.
On the other hand there was a decline in sales in Japan and South Korea due to the above mentioned contraction in sales in the LCD Business; in Korea this decrease is partially offset by the increase in purifiers sales (mainly due to new investments in LED factories)

In 2010, **consolidated gross profit** was equal to 60.728 thousand of euro, compared to 51,240 thousand of euro in 2009. The gross margin, as a percentage of revenues, increased from 40.2% in 2009 to 43.2% in 2010.
In 2009 the gross profit was penalized by non-recurring costs equal to 7,775 thousand of euro (as per Annex no. 2); net of these costs, the adjusted gross profit in 2009 would have been equal to 59,015 thousand of euro; as a percentage of revenues, the adjusted gross margin would have been equal to 46.3%.
By comparing the 2010 gross margin (43.2%) with the adjusted figure of the previous year (46.3%) we note a decline, despite the increase in revenues, due to the different sales mix: despite an overall increase of the profitability of the other Businesses, the drastic reduction in LCD sales has penalized the margins in the Information Displays Business and adversely affects the profitability of the entire Group.

The following table shows gross profit by Business Unit in 2010 and 2009:

(thousands of euro)

Business Unit	2010	2009	Difference	Difference %
Industrial Applications	44,074	28,767	15,307	53.2%
% on Business Unit net sales	49.8%	47.7%		
Shape Memory Alloys	11,879	5,990	5,889	98.3%
% on Business Unit net sales	30.3%	17.5%		
Information Displays	5,171	17,134	(11,963)	-69.8%
% on Business Unit net sales	41.9%	52.9%		
Advanced Materials & Corporate Costs	(396)	(651)	255	39.2%
% on Business Unit net sales	-69.5%	-189.8%		
Gross profit	**60,728**	**51,240**	**9,488**	**18.5%**

Consolidated gross profit of the **Industrial Applications Business Unit** amounted to 44,074 thousand of euro in 2010, compared to 28,767 thousand of euro in 2009. As a percentage of revenues, gross margin was equal to 49.8%, up from 47.7% in the previous year, mainly due to higher sales in all segments. Please note that in 2009 gross profit included non-recurring costs equal to 134 thousand of euro, net of which the adjusted value would have amounted to 47.9%.

Consolidated gross profit of the **Shape Memory Alloys Business Unit** was equal to 11,879 thousand of euro in 2010, with a strong growth compared to 5,990 thousand of euro in the previous year. As a percentage of revenues, gross margin was 30.3%, increasing with respect both to a figure of 17.5% in 2009 and to the adjusted value of that financial year (excluding non-recurring charges, amounting to 3.900 thousand of euro, the adjusted gross profit would have been equal to 9,890 thousand of euro, or 28.9% of consolidated revenues of the SMA Business Unit).

Consolidated gross profit of the **Information Displays Business Unit** was equal to 5,171 thousand of euro in 2010, down from 17,134 thousand of euro in 2009 (-69.8%).
Deducting non-recurring costs amounting to 3,503 thousand of euro that had characterized the year 2009, last year the adjusted gross profit would have been equal to 20,637 thousand of euro, representing 63.7% of consolidated revenues: the sharp decline of the gross margin in 2010 (equal to 41.9% in 2010) was due solely to the fall in sales volumes in the LCD business.

Consolidated gross result of the **Advanced Materials Business Development Unit & Corporate Costs** was negative and equal to 396 thousand of euro, broadly in line with that of the previous year when excluding non-recurring costs that had characterized 2009 (non-recurring charges included in the cost of sales amounted to 238 thousand of euro in 2009, net of which, the adjusted gross loss would have been equal to 413 thousand of euro).

In 2010, **consolidated operating income** amounted to 10,922 thousand of euro, compared to a loss of 11,848 thousand of euro in 2009. In percentage, the operating margin was equal to +7.8%, compared to a negative figure (-9.3%) in the previous year.
Reversing the trend of last year, the operating income returns to be positive and is significantly growing due both to increasing revenues and to the containment of operating expenses, as a result of the rationalization plan and of the strict policies already adopted during 2009 and continued in 2010.
Please note that the operating loss of the previous year included non-recurring charges (as per Annex 2) totaling 16,874 thousand of euro; net of these costs, adjusted operating income would have been positive and equal to 5,026 thousand of euro (3.9% of consolidated revenues).

The following table shows operating income by Business Unit in 2010 and 2009:

(thousands of euro)

Business Unit	2010	2009	Difference	Difference %
Industrial Applications	29,109	13,643	15,466	113.4%
Shape Memory Alloys	1,125	(6,028)	7,153	118.7%
Information Displays	22	8,479	(8,457)	-99.7%
Advanced Materials & Corporate Costs	(19,334)	(27,942)	8,608	30.8%
Operating income (loss)	**10,922**	**(11,848)**	**22,770**	**192.2%**

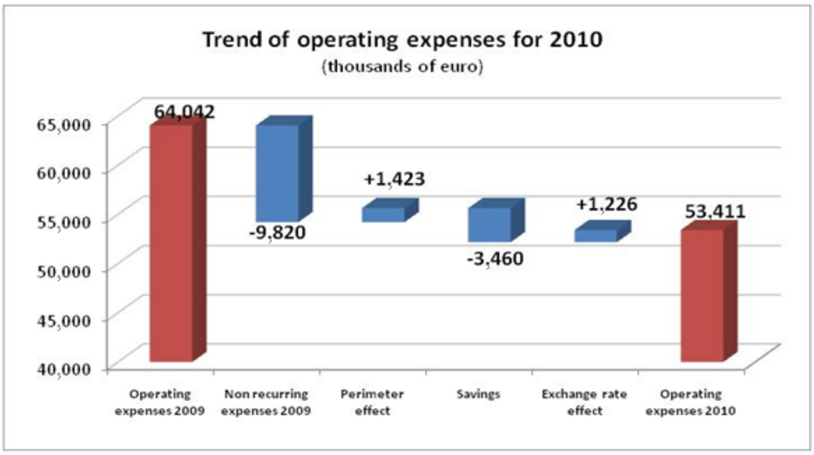
Consolidated operating income of the **Industrial Applications Business Unit** was equal to 29.109 thousand of euro in 2010, compared to 13.643 thousand of euro in 2009. As a percentage of revenues, operating margin rose from 22.6% to 32.9%. Deducting non-recurring costs that have penalized 2009 results, adjusted operating margin would have amounted to 24.4% (14.702 thousand of euro in absolute terms).
The increase in operating profit in 2010 is due to both higher sales in all the Businesses in which the Group operates, already commented, and the revenues for royalties deriving from the sale of the getter technology for MEMS.

Consolidated operating income of the **Shape Memory Alloys Business Unit** amounted to 1,125 thousand of euro (compared with a loss of 6,028 thousand of euro in the previous year, decreasing to 1,837 thousand of euro net of non-recurring charges that had penalized the previous year). In addition to increased revenues and gross margin, also the reduction in operating expenses has allowed returning to a positive operating result.

The **Information Displays Business Unit** ended the year 2010 at operating break-even (consolidated operating income equal to 22 thousand of euro). In 2009, operating profit was 8,479 thousand of euro (26.2% of consolidated revenues). The sharp decline in revenues due to the structural crisis in the LCD Business and the resulting gross profit decline are only partially offset by lower operating expenses. Please note that in 2009 the operating profit was penalized by non-recurring charges of approximately 4,846 thousand of euro.

The operating loss of the **Advanced Materials Business Development Unit & Corporate Costs**, amounting to 19,334 thousand of euro in 2010, includes both the result of the Advanced Materials Business Development Unit and those costs that cannot be directly attributed or reasonably allocated to any Business, but which refer to the Group as a whole. The containment of the operating loss is mainly explained, as well as by non-recurring charges that had characterized the previous year (6,778 thousand of euro), by the capital gain realized by the Parent Company in 2010 on the sale of some assets.

In the following graph the trend of operating expenses in 2010:



Total **consolidated operating expenses** amounted to 53.411 thousand of euro in 2010, dropping sharply in comparison to 64,042 thousand of euro in 2009. Excluding both non-recurring charges that had penalized the previous year (9,820 thousand of euro) as per Annex no. 2 and the effect on 2010 of the change in the scope of consolidation (establishment of E.T.C. S.r.l. in February 2010) and of the exchange rates (which penalized the current year mainly due to the strengthening of the U.S. dollar compared to the previous year), operating expenses decreased by 3,460 thousand of euro (about -5%). In particular, General and Administrative expenses mainly decreased; while the percentage of costs of research and development on consolidated sales remains constant (equal to about 10%). The decrease in operating expenses achieved during the current period is in addition to the savings already achieved in 2009.

On the whole the item **personnel cost** came to 54,588 thousand of euro in 2010 compared with 56,717 thousand of euro in 2009. Net of non recurring expenses that penalized the previous year (equal to 5,709 thousand of euro) personnel cost increased by 3,580 thousand of euro, mainly due to the extra costs related to the leaving of some employees and to the negative effect of exchange rates (mainly the revaluation of US dollar, compared with the previous year).

The result of the year includes **depreciation** and **amortization** totalling to 11,904 thousand of euro (14,493 thousand of euro in 2009). Net of non recurring charges that penalized the previous year (equal to 672 thousand of euro) the reduction of amortization and depreciation, equal to 1,917 thousand of euro, is due to the fact that during 2009 some assets reached the end of their useful life.

Consolidated EBITDA was equal to 23,507 thousand of euro in 2010, compared to 12,607 thousand of euro in 2009. As a percentage of revenues, EBITDA amounted to 16.7% in 2010, a significant improvement compared to the previous year, amounting to 9.9%.
Please note that the income statement of the current period was not affected by non-recurring items; instead, 2009 EBITDA included one-off costs[1] equal to 6557 thousand of euro (for further details please refer to Annex no. 2), net of which the adjusted EBITDA would have been equal to 15% (19.164 thousand of euro).
The balance of other net income (expenses) was a positive 3.605 thousand of euro against a positive balance equal to 954 thousand of euro in 2009. The increase, amounting to 2,651 thousand of euro, is mainly explained by the capital gain realized by the Parent Company on the sale of some assets and by royalties accrued in the second half of the year related to the licensing of the thin film getter technology, patented by SAES, for MEMS of new generation.

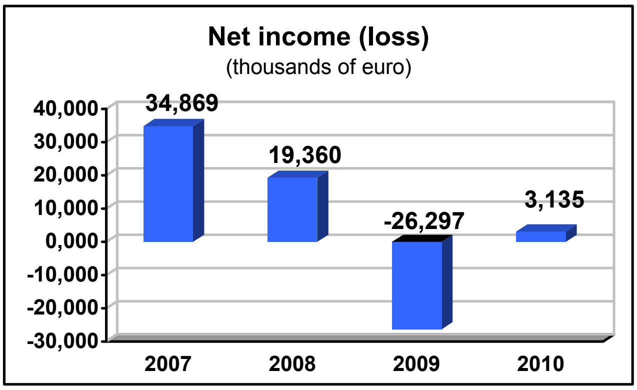
The net balance of financial income and expenses was a negative -2,146 thousand of euro against a negative balance of -1,408 thousand of euro in 2009. The decrease is mainly attributable to the evaluation at fair value of Interest Rate Swaps (IRS) held by the American companies of the Group.

The sum of the exchange rate differences recorded a net loss of -2,413 thousand of euro during 2010 (compared with a negative balance of -1,217 thousand of euro in 2009) and it mainly includes the unrealized foreign exchange losses arising from the translation of cash and cash pooling financial receivables denominated in euro of the foreign subsidiaries, following the appreciation of local currencies (particularly the Korean won and the U.S. dollar) compared to the final exchange rate of the euro at the end of 2009, the currency of reference of such deposits. These losses were mainly generated during the first half of 2010; in fact, in the second half of the year, the Group has, on one hand, reduced the exposure of the Parent Company to its foreign affiliates and, on the other, it has integrated its hedging policy by subscribing forward sale contracts in euro (with maturity by December 31, 2010) with the aim of limiting such unrealized exchange rate losses.

In 2010, **consolidated pre-tax income** was equal to 6,363 thousand of euro (compared with a loss before tax of 14,473 thousand of euro in 2009).

[1] Non recurring costs net of amortization and write downs are equal to 6,557 thousand of euro.

In 2010, income taxes were 3,291 thousand of euro against 2,798 thousand of euro in 2009. In 2009, the presence of income taxes, despite a negative result before tax, was justified by a positive tax base recorded in some companies of the Group not offset by deferred taxes on negative taxable income of other Group companies. In 2010, the Group tax rate is equal to +51.7%.



The **Group's consolidated net income** was equal to 3,135 thousand of euro in 2010, compared with a loss of -26,297 thousand of euro in the previous year.

Moreover, this result includes a net income of 63 thousand of euro arising from discontinued operations and assets held for sale (for further details please refer to Note n. 10).

Financial position – Investements – Other information

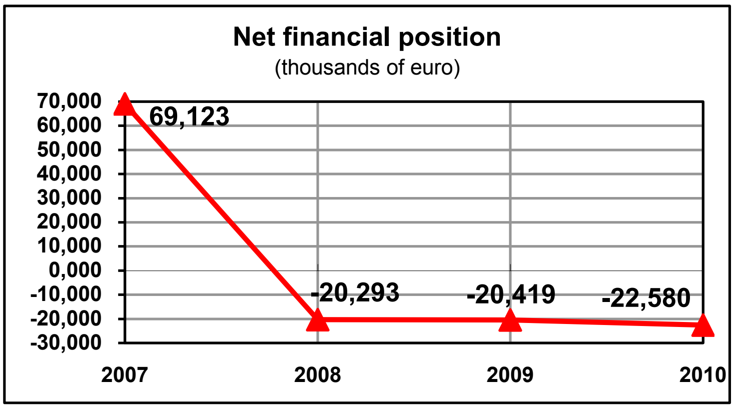
A breakdown is given below of the items making up the consolidated financial position:

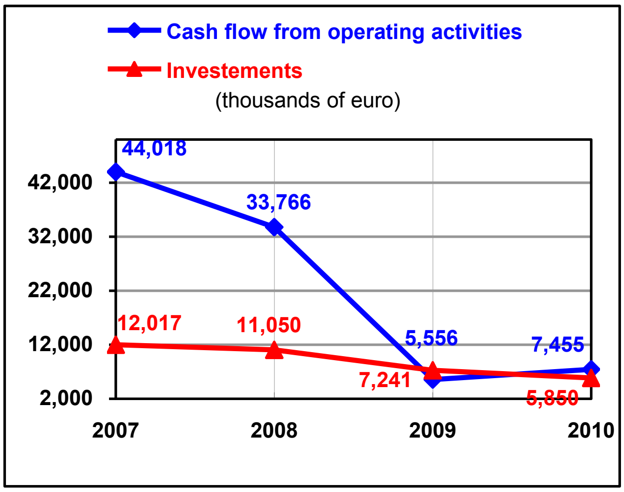
(thousands of euro)

	December 31, 2010	June 30, 2010	December 31, 2009
Cash on hand	11	11	13
Cash equivalents	20,566	25,260	22,311
Cash and cash equivalents	**20,577**	**25,271**	**22,324**
Current financial assets	**0**	**5**	**11**
Bank overdraft	(1,504)	0	(4,033)
Current portion of long term debt	(11,683)	(8,221)	(24,730)
Other current financial liabilities	(948)	(1,797)	(590)
Current financial liabilities	**(14,135)**	**(10,018)**	**(29,353)**
Current net financial position	**6,442**	**15,258**	**(7,018)**
Long term debt, net of current portion	(29,971)	(40,794)	(12,713)
Other non current financial debt	(701)	(688)	(688)
Non current financial liabilities	**(30,672)**	**(41,482)**	**(13,401)**
Net financial position	**(24,230)**	**(26,224)**	**(20,419)**
Cash and cash equivalents held for sale	1,650	0	0
Total net financial position	**(22,580)**	**(26,224)**	**(20,419)**

The **consolidated net financial position** as at December 31, 2010 was negative and equal to 22,580 thousand of euro, compared with a negative net cash equal to 20,419 thousand of euro as at December 31, 2009. This figure is represented by cash of 20,577 thousand of euro and financial liabilities of 44,807 thousand of euro; it also includes the net cash of the Chinese joint venture Nanjing SAES Huadong Vacuum Material Co., Ltd., equal to 1,650 thousand of euro, held for sale, net of which the net financial position would have been negative and equal to 24,230 thousand of euro as at December 31, 2010 (for further details please refer to Note no. 23).
The worsening compared to December 31, 2009 (-2,161 thousand of euro) is mainly due to the disbursement of RMB 30 million (equal to €3.4 million) to the minority-interest shareholders of Nanjing SAES Huadong Vacuum Material Co., Ltd. to close the obligation deriving from the agreement signed at the time of the establishment of the joint venture. Also the exchange rate effect

was negative (approximately -€1 million): 80% of the Group's financial debts is in fact represented by loans in U.S. dollars in the hands of the American subsidiaries, which increased in euro terms following the revaluation of the dollar against the euro. By contrast, the cash flows generated by the operating activities offset the investment activities and contribute positively to the net financial position.



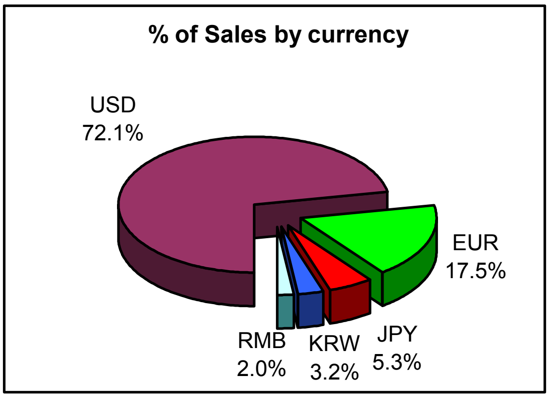


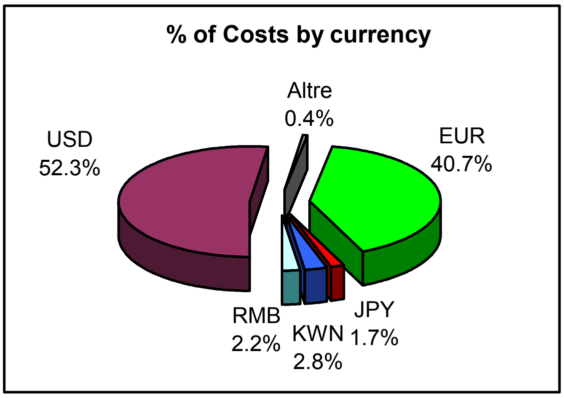
The financial resources generated by operating activities in 2010 were positive and amounted to 7,455 thousand of euro (5.3% of consolidated revenues). In 2009, the cash flow was 5,773 thousand of euro (4.5% of revenues). The increase was mainly due to the growth of the self financing (resulting both from the increased revenues and from the fact that the year 2009 was negatively affected by non-recurring cash out related to the restructuring plan implemented by the Group), partly offset by a decline in the net working capital. The latter has been significantly affected by the increase in the volume of activity in the Semiconductor Business.

In 2010 investments in tangible assets amounted to 5,850 thousand of euro (7,241 thousand of euro in the previous year). The containment of investments compared to the trend of the previous years is mainly due to the fact that the actual production capacity is already adequate to support the production needs of the Group. For further details about investements please refer to Note no. 13.
Investments in intangible assets were not significant in absolute terms (153 thousand of euro).

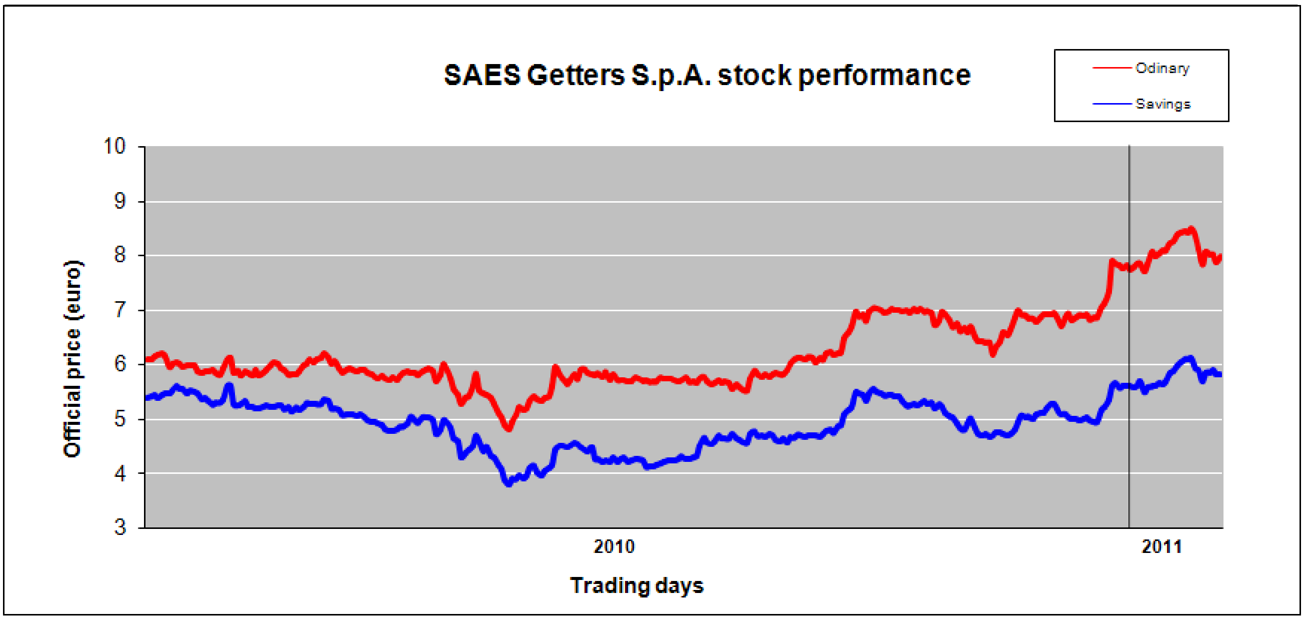
Please note that on April 9, 2010 the Group’s request for the exemption to the call of the debt of Memry Corporation was formally accepted by the lending company. Subsequently, this liability, classified as a current liability as at December 31, 2009, was reclassified as long term financial debt as at December 31, 2010.
Moreover, it should be point out that, during the first semester 2010 the Parent Company signed a new loan agreement for a value of 7 millions of euro; for further details please refer to Note no. 25.

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





The official price trend for ordinary and savings shares during 2010 are given below:



Ordinary and savings shares listed on STAR segment of Mercato Telematico Azionario della Borsa Italiana respectively increased in 2010 their values by +14% and decreased their values of -7% compared with +14% and +2% increases recorded respectively on FTSE MIB and FTSE Italia Star indices.

The following table shows the main ratios:

Ratios		**2010**	**2009**	**2009** ***adjusted*** (*)	**2008**
Operating income (loss)/Total net sales	%	7,8	-9,3	3,9	19,7
Income (loss) before taxes/Total net sales	%	4,5	-11,4	1,9	19,7
Net income (loss) from continuing operations/Total net sales	%	2,2	-13,6	-1,6	13,1
Net income (loss) from continuing operations/Average shareholders' equity (ROAE)	%	3,0	-15,5	-1,7	16,5
Research expenses/Total net sales	%	9,9	12,3	10,8	11,3
Depreciation (tangible assets)/Total net sales	%	6,4	8,6	8,1	6,0
Cash flow from operating activities/Total net sales	%	5,3	4,5	4,4	21,6
Taxes/Income (loss) before taxes	%	51,7	-19,3	n.s.	33,3
Total net sales/Average number of personnel (**) (***)	keuro	141	124	124	150
Accumulated depreciation/Tangible assets	%	66,4	67,7	67,7	61,3

(*) the data have been calculated considering 2009 adjusted figures. Net of non recurring costs and other costs considered by the management as not meaningful with reference to the current operating performance

(**) 2008 and 2009 data has been calculated without considering the employees of polymer division of Memry Corporation, SAES Opto S.r.l. and SAES Opto Materials S.r.l.

(***) 2009 and 2010 data has been calculated without considering the employees of the joint venture Nanjing SAES Huadong Vacuum Material Co., Ltd.

Performance of subsidiaries

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

During the year, the company reported net sales of 42,828 thousand of euro, up from 41,060 thousand of euro in the previous year. The increase of 1,768 thousand of euro was primarily due to the increase in sales in all the segments of Business Unit Industrial Applications (in particular, getter for lamps and porous getters for x-ray tubes and infra-red detectors) that offset the drastic drop in the sales of mercury dispensers for LCDs. The company ended the year with a net income of 7,809 thousand of euro, compared to 8,316 thousand of euro in 2009. The decrease in the bottom line despite the increase in sales is due both to decreased gross margins caused by the drastic drop in the LCD sales and the increase in sales commissions.
The use of the redundancy fund resulted in the decrease in personnel costs of 120 thousand of euro during the year.

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

The company reported consolidated net sales of USD 65,374 thousand in 2010 (49,312thousand of euro at the average exchange rate for 2010) compared to USD 38,635 thousand (27,700 thousand of euro at the average exchange rate for the previous year) and a consolidated net income of USD 7,207 thousand (5,437 thousand of euro) compared to a consolidated net income of USD 3,794 thousand (2,720 thousand of euro) in 2009.

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 USD 12,205 thousand compared to USD 11,797 thousand in the previous year. The increase in net sales is primarily due to greater sales of porous getters and getters for both civilian and military applications in the Electronic Devices business; the sales in non-evaporable getters also increased always for military applications (Business Vacuum Systems). The company ended the year with a net income of USD 7,207 thousand compared to a net income of USD 3,794 thousand in 2009: the increase in net income was due to the greater income on the measurement of the equity investments in the subsidiary SAES Pure Gas, Inc., which ended the year 2010 with a net income much higher than the previous year. This increase was partially offset by foreign-exchange losses originating mainly in the first half of the year for the translation of the cash-pooling financial receivables, denominated in euro, towards the Parent Company following the appreciation of the dollar against the euro.

The subsidiary ***SAES Pure Gas, Inc.***, based in San Luis Obispo, CA (USA) (Semiconductors Business), reported sales of USD 46,059 thousand (compared to USD 20,322 thousand in the previous year) and a net income of USD 4,095 thousand, with a strong increase compared to the 2009 profit (USD 495 thousand). The significant increase in the net income was a consequence of doubling sales of purifiers compared to last year, as a result of both the business recovery (driven by investments in new factories also in the LED segment), and the launch of new products.

The subsidiary ***Spectra-Mat, Inc.***, based in Watsonville, CA (USA), operating in the Electronic Devices business, reported sales of USD 7,110 thousand in 2010 (USD 6,517 thousand in the previous year) and a net loss of USD 247 thousand (compared to a net loss of USD 797 thousand in 2009). Even though the net income (loss) for the period is not yet positive, the company has managed to contain losses thanks to an increase in sales volumes (in particular, in the "*thermal management*" segment).

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

The company, which carries on the manufacturing activity, primarily in the CRT business, and deals in the resale in the Chinese territory of products manufactured by other Group companies, ended the 2010 year with net sales of RMB 46,540 thousand (5,188 thousand of euro), mainly in line with the previous year (RMB 48,357 thousand or 5,075 thousand of euro). The drop in the sales of Information Displays was offset both by greater commissions paid by the associate SAES Pure Gas, Inc. on the sales of purifiers made by the latter on the Chinese territory, and by the sales of getters for *thermos* (Business Vacuum Systems and Thermal Insulation). The company closed the period with a net profit of RMB 1,526 thousand (170 thousand of euro), compared to a net loss of RMB 22,589 thousand (-2,371 thousand of euro) in the previous year. It should be noted that 2009 was penalized by non-recurring expenses of approximately RMB 20 million (*severance* for personnel reduction and write-off of production assets directly allocated to the CRT Business after impairment test).

MEMRY GmbH, Weil am Rhein (Germany)

The company, which manufactures and markets semi-finished products and shape memory alloy components for medical and industrial applications, reported sales of 2,439 thousand of euro in 2010, compared to sales of 1,350 thousand of euro in the previous year, and a net income of 115 thousand of euro, compared to basically break-even 2009. The increase in the net income was mainly due to increased sales volumes both in the medical and industrial SMA segment.

It should be noted that on December 15, 2008, SAES Getters S.p.A., which currently owns 60% of the German firm, entered into an agreement to acquire the remainder of the company's capital stock in two instalments by June 30, 2014.

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 Group's U.S. exports.

In 2010, it reported a net income of USD 7,920 thousand (5,974 thousand of euro), up on the previous year (USD 3,369 thousand or 2,415 thousand of euro), primarily owing to the greater commission income collected from the associate SAES Pure Gas, Inc., whose exports increased in 2010 due to the recovery of the Semiconductors Business.

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

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

The company, which operates exclusively as a research centre for the development of the OLET technology, ended the 2010 year with a loss of 1.605 thousand of euro, which, by virtue of the signed Shareholders' agreements, will be entirely made up by SAES Getters S.p.A. at the beginning of 2011.

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

The company's main objects are the management and acquisition of investments, optimal cash management, the issue of intra-group loans and the coordination of Group services.

In 2010, the company reported a net loss of -4,707 thousand of euro, compared to a net income of -2,147 thousand of euro in 2009. The worsening of the net income was mainly due to lesser dividends collected from subsidiaries. It should be noted, moreover, that the previous year had been penalized by the recording of a fund (-5,986 thousand of euro) in connection with contractual undertakings signed with minority-interest shareholders of the Chinese joint venture Nanjing Huadong Vacuum SAES Material co., Ltd., completely used during the current year (for more details, please refer to Note no. 28); whereas, 2010 was penalised by the adjustment of the value of some investments in subsidiaries (-5,928 thousand of euro).

Comments on the performances 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. (the remainder of capital stock is held directly by the Parent Company, SAES Getters S.p.A.), operates primarily in the manufacture of components for liquid-crystal displays (the Liquid Crystal Displays Business) and the marketing of the Group's other products.
During 2010, the company reported net sales of KRW 9,227 million (6,023 thousand of euro), down sharply from KRW 21,272 million (11,999 thousand of euro) due to the effect of the above-mentioned structural crisis in the LCD segment, which resulted in a decline in both volumes and the prices of the products sold. The year ended with a net income of KRW -5,193 million (-3,391 thousand of euro), down from a net profit of KRW 1,915 million (1,080 thousand of euro) in 2009, mainly due to the aforesaid decrease in net sales.

In 2010, the subsidiary ***SAES Getters America, Inc.*** based in Cleveland, OH (USA), reported net sales of 8,249 thousand of USD (6.222 thousand of euro), slightly greater than 2009 (USD 8,054 thousand, or 5,774 thousand of euro). The associate ended the year with a net income of USD 1,518 thousand (1,145 thousand of euro), compared with a net income of USD 793 thousand (569 thousand of euro) in 2009. It should be noted that the American subsidiary discontinued its manufacturing operations at the factory of Cleveland in April 2010 and, in the rest of the financial year, it engaged solely in commercial activities.

Nanjing ***SAES Huadong Vacuum Material Co., Ltd.***, based in Nanjing (P.R. of China), is considered a joint venture (and consequently consolidated on a proportional basis) since SAES Getters International Luxembourg S.A., despite owning 51% of capital stock, does not exercise control over it as defined by International Accounting Standards.
On November 9, 2010, SAES Getters International Luxembourg S.A., signed a binding agreement for the transfer of its equity investment in the joint venture to the Chinese minority-interest shareholders. This agreement will be final only after obtaining the approval and registration by the local administrative authorities (expected within the first half of 2011), and, therefore, at December 31, 2010, the company is still included in the consolidation, but its revenues and its costs have been classified in the income statement item "Income (loss) from assets held for sale and discontinued operations". The revenues and costs for the year 2009 have also been subject to reclassification to allow a homogeneous comparison with 2010 (for further details please refer to Note no. 10).

In 2010, ***SAES Smart Materials, Inc.***, based in New York, NY (USA), reported sales of USD 11,065 thousand (8,346 thousand of euro) and a net profit of USD 2,279 thousand (1,719 thousand of euro), compared to sales of USD 9,583 thousand (6,871 thousand of euro) and a net loss of USD -5,257 thousand (-3,769 thousand of euro) in 2009.
The significant increase in the net income is due both to the increase in sales volumes and a decrease in operating expenses; moreover, it is noted that the company's results in 2009 were burdened by write-downs of USD 5,437 thousand (3,898 thousand of euro).
Finally, in 2010, the Company recorded deferred taxes amounting to approximately USD 1.5 million on temporary differences not recognised in the past financial years, but now accounted for due to their probable recovery for the expected future tax profits deriving from new trade agreements.

Memry Corporation, based in Bethel, CT (USA), (acquired on September 29, 2008) is a technological leader in the segment of next-generation medical devices with high engineering value made from Nitinol shape memory alloys. In 2010, the company reported sales of USD 40,532 thousand (30,574 thousand of euro) and a net profit of USD 384 thousand (290 thousand of euro), compared to sales of USD 39,617 thousand (28,403 thousand of euro) and a net loss of USD -1,272 thousand (-912 thousand of euro) in 2009. The increase in the net income is due both to the increase in turnover and to lower amortisation as a result of the end of the useful life of some intangible assets identified in the acquisition.

The liquidation of the subsidiary ***SAES Getters Singapore PTE, Ltd.*** (trading company mainly in the CRT business) - whose liquidation process was initiated during the previous financial year - was completed on June 4, 2010.

As a result of the Group's decision to exit the optoelectronics business, viewed as non-strategic, ***SAES Opto S.r.l.***, controlled by SAES Getters S.p.A., was liquidated during the 2010 financial year (the liquidation was completed on August 3, 2010).

The Japanese trading subsidiary ***SAES Getters Japan Co., Ltd.*** that in 2009 had achieved sales amounting to JPY 1,721 million (13,202 thousand of euro at the average exchange rate for 2009) and a loss of JPY 184 million (1,413 thousand of euro), discontinued its operations as at December 31, 2009 and was liquidated on August 16, 2010. However, the Group continues to maintain the coverage of the market through the branch of the Parent Company, set up on August 28, 2009 on the Japanese territory to provide technical support to the companies of the Group that sell in Japan.

Finally, ***SAES Getters (GB), Ltd.*** and ***SAES Getters (Deutschland) GmbH***, both of which are subsidiaries of SAES Getters S.p.A. and act as agents for the distribution of the Group's products, discontinued operating activity in the second half of 2009 and have been liquidated on August 17, 2010 and December 21, 2010, respectively.

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 Market Regulations no. 16191 of 29/10/2007 by Consob, on 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, it is noted that (i) the companies of the Group listed below fall within the 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, 2010, 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 Getters America, Inc. – Cleveland, OH (USA);
- SAES Smart Materials, Inc. - New York, 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 activity was intense in 2010, as shown by the amount of the related expenditure, which came to 13,892 thousand of euro, or 9.9% of consolidated net sales. The expenditure remained essentially unchanged as a percentage of net sales[2], bearing witness to the importance of research to the SAES Getters Group.

During 2010, research activity focused primarily on large diversification projects in the area of organic chemistry. The development of new organic getters for OLED was accompanied by an important project, carried out within E.T.C. S.r.l., a spin-off supported by the National Research Council (CNR) with its headquarters in Bologna, in the OLET sector, i.e. organic transistors that are characterized by being able to work both as light emitters and as sensors. The two activities are also synergic from the technical point of view and this allowed a further acceleration in the development of several families of getters for OLED. Our new products AqvaDry® and DryPaste® are being tested by important Asiatic customers and a commercial outlet is expected in the short term. OLED technology is highly important to SAES Getters because in the coming years it will take up a position alongside LCD technology on the display market and will also be used in lamps for domestic lighting. The first devices with OLED active matrix and color display are already on the market; these are small displays using simple physical getters, but larger displays that could use our products should enter the market in 2011.
Organic chemistry knowledge, combined with those related to nano-structured getters, will allow SAES to enter into new fields of application such as third-generation solar cells or other applications of organic electronics.

During 2010, the effort of innovation to develop new products or applications in Industrial Applications also continued. The research focused mainly on the development of new families of mercury dispensers both for compact fluorescent lamps, which are replacing incandescent lamps, and for traditional fluorescent lamps. The former will allow the entry of SAES in a growing segment, until now dominated by other operators; the latter will allow the Group to strengthen its competitive position in a market in which we have been leaders for years.

Another important activity area was that of tungsten and copper wafers, products developed together with the subsidiary Spectra-Mat, Inc., which will be used as heat dissipaters in LED lamps for household use. Over the next few years, LED lamps will progressively enter the market alongside compact fluorescent lamps and it is primarily important for SAES to serve this market. The new products are being tested and the launch on the market should start in 2011.

In the field of renewable energy, the development of the B-Dry® getters was completed and their marketing is expected during 2011. The Group continued to develop getters for lithium batteries and super-condensers.

In the field of SMA, research activities focused primarily on industrial applications: during the year, SAES has completed successfully, along with its partner Cambridge Mechatronics Ltd., the development of an auto-focus system for miniature cameras in mobile phones where the motion of the lens is ensured by a shape memory wire. This application, along with the other applications developed during the year, placed SAES in a pioneering position in this sector. At the same time, the basic research activity for the finalization of new high-performance alloys continued, both at a higher transition temperature and a lower content of impurities.
The development of new devices to meet the evolving market requests continued in the medical sector.

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[2] Research and development costs for 2009, equal to 15,642 thousand of euro, included non recurring charges equal to 1,837 thousand of euro; net of these costs, R&D costs would have been equal to 13,805 thousand of euro or 10.8% of consolidated net sales.

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 Company 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 Getters Group's target markets are more sensitive to the performance of macroeconomic indicators (GDP trends, consumer confidence levels, availability of liquidity, etc.) than others. In particular, during 2010 the economic crisis has some negative effects on solar collectors business, particularly depending from public investments. The effect on Group performance was a decline in demand of getters for solar collectors, with effects on revenues and margins.

The SAES Getters Group responded 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 production structure and fixed costs to adapt itself to the new scenarios.

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 Getters 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 Getters Group has adopted various response strategies for dealing with this risk. In particular, it has sought to increase customers' fidelity by developing new solutions and services, offering new products of higher quality at overall lower costs and attempted to maximize the leverage provided to an expert global commercial structure.

Lastly, as mentioned above, the Group aims to diversify 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 through collaboration with leading specialized centers of study.

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 on 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.

The risk in question 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 emergence of technological obsolescence.

In addition, as mentioned above, the Group seeks to reduce its dependence on a single industry/application by diversifying its markets.

Operational risks

Uncertainty concerning the success of research and development projects

The SAES Getters Group, both of its own initiative or in cooperation with its customers and partners, works toward the development of 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 products requested in terms of form, schedule and cost. SAES Getters 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 extension of development timeframe that it would be no longer profitable to continue the project or that 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 development timeframe.

Protection of intellectual property
The SAES Getters Group has always sought to develop original knowledge and, where possible, to protect this knowledge using patents. It should be noted that the Group is meeting with increasing difficulty in defending its patents, owing in part to the uncertainty relating to the legal systems in the countries in which the Group operates.
The risks in question are the loss of market shares and margins 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 patents published.

Geographical risks
The rationalization of the Group's manufacturing and marketing structures is leading, with some exceptions with respect to the products of the Industrial Applications Business Unit, to increasing polarization, with Italy, and the Avezzano facility in particular, emerging as the sole manufacturing center for alloys and many products for displays and lamps, and the U.S.A., at sub-specialized facilities, as the base of production addressed to the semiconductor and medical industries.
The primary risks are associated with the greater distance from some customers, with possible consequences for the service level, in addition to the increase in transportation and insurance costs.

The Group has reacted by seeking to maintain the service level and coverage of customers, also through better inventory management, with the aim of enhancing efficiency in dispatching orders.

Risks associated with 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.
It is believed that the Group's exposure to the risk in question is limited.
The risk associated with the procurement of the major raw materials used by the Group is considered reduced, 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 of 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 at hand;
- *Exchange-rate risk*, associated with the volatility of exchange rates, which may influence the related value of the Group's costs and revenue with respect to the currencies in which its accounting records are kept, and may thus have an impact on the Group's net income or loss; the value of exchange rates also depends on the amount of financial receivables/payables denominated in currencies other than the euro, with the ensuing effect on net financial position as well;
- *The risk of changes in prices of raw materials*, which may affect the Group's product margins if it is charge these changes 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 procure funds to finance its operating activity.

To manage financial risks, the Board of Directors periodically re-examines and sets risk-management policies, as described in detail in Note no. 35, to which the reader may also refer for the associated sensitivity analyses.

Subsequent events

On February 17, 2011 SAES Getters S.p.A., in order to provide the subsidiary E.T.C. S.r.l. with more equity aimed at granting an adequate capitalization, has approved a capital contribution of €1.6 million (equivalent to the loss recorded by E.T.C. S.r.l. during 2010), of which 1,259 thousand of euro through the waiver of a financial credit, 194 thousand of euro by giving up a commercial credit, both of them due by the same E.T.C. S.r.l., and the remaining 152 thousand of euro million by cash. The Parent Company's percentage of ownership remained unchanged from December 31, 2010 (85% of the share capital).

Article 13 of Italian L.D. no. 78 of July 1, 2009 amended, starting from January 1, 2010, the "CFC" (*Controlled Foreign Companies*) regulations set forth in Article 167 of the Income Tax Consolidation Act), establishing, under sub-paragraph 8-*bis*, that controlled foreign companies, meeting certain requirements, even if not residing in black-list countries, can fall under the application of the "CFC" regulations and, as a result, be subjected to separate IRES taxation referring to the Italian parent company. The following sub-paragraph 8-*ter* establishes that these provisions can cease to apply if the residing subject demonstrates, requesting a ruling from the Tax Authority, that the foreign establishment is not an artificial construction aimed at achieving an undue tax advantage to the detriment of the Inland Revenue.
In March 2011, SAES Getters S.p.A. requested a ruling to demonstrate that the "CFC" regulations are not applicable to the American subsidiary SAES Getters Export, Corp.. The response of the Tax Office is expected within 120 days from the submission of the request.

The Parent Company SAES Getters S.p.A., has signed with its indirect subsidiary SAES Getters America, Inc. an agreement for the licensing of the PageLid® technology, as a result of the preference expressed by U.S. customers to buy products made directly in the U.S. territory. Under this agreement, in 2011 SAES Getters America, Inc. will start again its production activities by using the facilities and resources of the U.S. subsidiary SAES Getters USA, Inc.

As of January 31, 2011, SAES Getters Korea Corporation has put in place two forward sale contract in euros in order to mitigate the risk of fluctuation of the exchange rate linked to the revaluation of the Korean won on the balance of the cash pooling financial credit in euros which the Korean subsidiary has with the Parent Company. The former contract (for a notional value equal to 0.5 million of euros) expires on April 15, 2011 and provides for a forward exchange rate equal to 1.525,50 against the euro. The second one (for a notional value equal to 7 million of euros) expires on December 30, 2011 and provides for a forward exchange rate equal to 1.527,60 against the euro. Subsequent to December 31, 2010 and till March 14, 2011 no further forward contracts on trade receivables on US dollars and Japanese yen have been signed.

Business performance outlook

2011 promises to be a confirmation of the trend in revenues occurred during 2010 in the various Business Units, both in terms of growth and in terms of contraction, as in the case of LCD products. It is important to note, for its meaning in terms of prospective growth in the years to come, that some new products already launched in 2010 or currently being launched should start to contribute in terms of revenues in all the business areas in which the Group operates.
To date there are no further major restructurings planned. Instead, actions to rationalize production and a rigorous cost control will continue.

In the first two months 2011 consolidated net revenues were equal to 25.049 thousand of euro, showing a 28.5% increase compared to the corresponding period in 2010 (19.489[3] thousand of euro). The positive effect of exchange rates was equal to 4.1%, while the organic growth was equal to 24.4%.

In the first two months 2011, consolidated revenues of the **Industrial Applications Business Unit** amounted to 17.501 thousand of euro, with a net improvement comparing to the corresponding period of 2010 (11,151 thousand of euro). The exchange rate effect was positive (+4,9% at Business Unit level). All sectors are growing up, with the exception of Vacuum Systems Business, penalized by a slow down of sales of getters for solar collectors. Semiconductors Business has a very strong growth (+191,1 % comparing with the first two months of 2010).

Consolidated revenues of the **Shape Memory Alloys Business Unit** were equal to 6.732 thousand of euro in the first two months of 2011, with an increase compared with 4,690 thousand of euro of net sales in the corresponding period of 2010 (+43,5%). The exchange rate effect was positive and equal to 4.6%.

Consolidated net sales of the **Information Displays Business Unit** during the first two months of 2011 was 730 thousand of euro, compared with 3.582 thousand of euro in the corresponding period of 2010. The structural decline of this Business Unit continues (-76,9% in the first two months of 2011), instead substantially nihil was the exchange rate effect (+0,9%).

Consolidated net sales of the **Advanced Materials Business Development Unit,** in the first two months of 2011, was equal to 86 thousand of euro, compared with 66 thousand of euro in the corresponding period of 2010. The exchange rate effect was positive and equal to 4,6%.

[3] Following the signature of a binding agreement for the transfer of shares of the Chinese joint venture Nanjing SAES Huadong Vacuum Material Co., Ltd., held by SAES Getters International Luxembourg S.A. (51%), to minority shareholders, the Group’s share on sales related to the first two months of 2010 has been classified in a separate income statement item "Income (loss) from assets held for sale and discontinued operations" in order to allow a consistent comparison with 2011.

Related party transactions

The Group reports that its dealings with related parties fall within ordinary operations and are settled at market conditions or standard.
Complete disclosure of related-party transactions during the year is provided in Note no. 37 to the Consolidated financial statements.

Investments held by Directors, Statutory Auditors, General Managers and Executives with strategic responsibilities

(pursuant to Artiche 79 of Consob resolution no. 11971 of May 14, 1999)

Surname and first name	Company	Number of shares held at the beginning of the year	Number of shares bought in the current year	Number of shares sold in the current year	Number of shares held at the end of the current year	Notes (*)
Baldi Stefano	SAES Getters S.p.A.	13,411 6,008	- -	- -	13,411 6,008	Ordinary shares (1) Savings shares
della Porta Giuseppe	SAES Getters S.p.A.	10,000 0	- -	- -	10,000 0	Ordinary shares Savings shares
della Porta Massimo	SAES Getters S.p.A.	5,000 0	33,965 -	38,965 -	0 0	Ordinary shares Savings shares
Dogliotti Andrea	SAES Getters S.p.A.	99,141 0	- -	- -	99,141 0	Ordinary shares (2) Savings shares
Gilardoni Andrea	SAES Getters S.p.A.	8,755 10,200	77,982 35,084	- -	86,737 45,284	Ordinary shares Savings shares

(*) unless specifically mentioned, the shares held are understood to be fully owned
(1) of which no. 790 registered to a spouse who is not legally separated
(2) of which no. 95,641 charged with usufruct

Consolidated Financial Statements
for the year ended December 31, 2010

Consolidated income statement

(thousands of euro)	Notes	2010	2009
Total net sales	3	**140,574**	**127,353**
Cost of sales	4	(79,846)	(76,113)
Gross profit		**60,728**	**51,240**
Research & development expenses	5	(13,892)	(15,642)
Selling expenses	5	(14,027)	(16,538)
General & administrative expenses	5	(25,492)	(31,862)
Total operating expenses		**(53,411)**	**(64,042)**
Other income (expenses), net	6	3,605	954
Operating income (loss)		**10,922**	**(11,848)**
Interest and other financial income	7	256	389
Interest and other financial expenses	7	(2,402)	(1,797)
Foreign exchange gains (losses), net	8	(2,413)	(1,217)
Income (loss) before taxes		**6,363**	**(14,473)**
Income taxes	9	(3,291)	(2,798)
Net income (loss) from continuing operations		**3,072**	**(17,271)**
Net income (loss) from assets held for sale and discontinued operations	10	63	(9,026)
Net income (loss) for the period		**3,135**	**(26,297)**
Minority interests in consolidated subsidiaries		0	0
Group net income (loss) for the period		**3,135**	**(26,297)**
Net income (loss) per ordinary shares	11	0.1366	(1.1942)
Net income (loss) per savings shares	11	0.1533	(1.1942)

Consolidated statement of comprehensive income

(thousands of euro)	Notes	2010	2009
Net income (loss) for the period		**3,135**	**(26,297)**
Exchange differences on translation of foreign operations	24	5,983	(426)
Exchange differences on discontinued operations	24	201	0
Other comprehensive income (loss) for the period		**6,184**	**(426)**
Total comprehensive income (loss) for the period		**9,319**	**(26,723)**
attributable to:			
-Equity holders of the Parent		9,319	(26,723)
-Minority interests		0	0

Consolidated statement of financial position

(thousands of euro)	Notes	December 31, 2010	December 31, 2009
ASSETS			
Non-current assets			
Property, plant and equipment, net	13	63,813	65,932
Intangible assets, net	14	44,411	44,038
Deferred tax assets	15	5,562	5,227
Tax consolidation receivables from Controlling Company	16	77	1,306
Other receivables and long term assets	17	439	370
Total non current assets		**114,302**	**116,873**
Current assets			
Inventory	18	27,748	20,387
Trade receivables	19	22,931	18,825
Prepaid expenses, accrued income and other	20	5,476	6,033
Derivative financial instruments evaluated at fair value	21	0	11
Tax consolidation receivables from Controlling Company	16	229	0
Cash and cash equivalents	22	20,577	22,324
Assets held for sale	23	2,277	685
Total current assets		**79,238**	**68,265**
Total assets		**193,540**	**185,138**
EQUITY AND LIABILITIES			
Capital stock		12,220	12,220
Share issue premium		41,120	41,120
Treasury shares		0	(10,177)
Legal reserve		2,444	2,444
Other reserves and retained earnings		49,121	85,595
Other components of equity		557	(6,054)
Net income (loss)		3,135	(26,297)
Group shareholders'equity	24	**108,597**	**98,851**
Other reserves and retained eanings of third parties		3	0
Net income (loss) of third parties		0	0
Minority interest in consolidated subsidiaries		**3**	**0**
Total equity		**108,600**	**98,851**
Non current liabilities			
Financial debt	25	29,971	12,713
Other non current financial debt	26	701	688
Deferred tax liabilities	15	4,146	6,452
Staff leaving indemnities and other employee benefits	27	6,788	6,910
Provisions	28	1,713	6,532
Other payables		0	4
Total non current liabilities		**43,319**	**33,299**
Current liabilities			
Trade payables	29	11,006	9,774
Tax consolidation payables to Controlling Company	16	0	0
Other payables	30	9,674	9,990
Accrued income taxes	31	390	1,044
Provisions	28	3,412	2,289
Derivative financial instruments evaluated at fair value	21	948	394
Current portion of long term debt	25	11,683	24,730
Other current financial debt	26	0	196
Bank overdraft	32	1,504	4,033
Accrued liabilities	33	1,354	538
Liabilities held for sale	23	1,650	0
Total current liabilities		**41,621**	**52,988**
Total equity and liabilities		**193,540**	**185,138**

Consolidated cash flow statement

(thousands of euro)	2010	2009
Cash flow from operating activities		
Net income (loss) from continuing operations	3,072	(17,271)
Net income (loss) from assets held for sale and discontinued operations	63	(9,026)
Current income taxes	6,002	3,320
Changes in deferred income taxes	(2,726)	(483)
Depreciation	9,187	11,507
Write down (revaluation) of property, plant & equipment	66	2,879
Other write-downs (revaluations) of net assets held for sale	2,413	2,175
Amortization	2,845	3,575
Write down (revaluation) of intangible assets	0	6,426
Net loss (gain) on disposal of property, plant & equipment	(1,294)	(68)
Interest and other financial income (expenses), net	2,147	1,439
Other non monetary costs	593	(907)
Accrual for termination indeminities and similar obligations	584	1,807
Changes in provisions	(2,017)	3,998
Career bonus expenses	0	1,446
Cash expenses career bonus	0	(583)
	20,935	**10,234**
Working capital adjustments		
Cash increase (decrease) in:		
Account receivables and other receivables	(5,149)	3,063
Inventory	(6,377)	5,437
Trade account payables	2,073	(1,624)
Other payables	(364)	(3,658)
	(9,817)	**3,218**
Payement of termination indemnities and similar obligations	(778)	(2,754)
Interests and other financial payments	(590)	(464)
Interests and other financial receipts	189	337
Taxes paid	(2,484)	(4,798)
Net cash flows from operating activities	**7,455**	**5,773**
Cash flows from investing activities		
Purchase of property, plant and equipment	(5,850)	(7,241)
Proceeds from sale of propery, plant and equipment	1,310	101
Purchase of intangible assets	(153)	(1,018)
Proceeds from sale of shareholding in subsidiaries and divisions, net of cash disposed of	0	19,380
Amount paid to joint venture third-parties	(3,423)	0
Decrease (increase) in assets and liabilities held for sale	166	181
Net cash flows from investing activities	**(7,950)**	**11,403**
Cash flows from financing activities		
Proceeds from long term financial liabilities, included current portion	7,305	0
Proceeds from short term financial liabilities	1,500	4,000
Dividends payment	0	(17,678)
Repayment of financial liabilities	(9,948)	(16,680)
Interest and other costs paid on financial liabilities	(1,309)	(1,299)
Changes in minority interests in consolidated subsidiaries	3	0
Net cash flows from financing activities	**(2,449)**	**(31,657)**
Net foreign exchange differences	2,876	(547)
Net (decrease) increase in cash and cash equivalents	**(68)**	**(15,028)**
Cash and cash equivalents at the beginning of the period	**22,291**	**37,318**
Cash and cash equivalents at the end of the period	**22,223**	**22,291**

Consolidated statement of changes in equity as at December 31, 2010

(thousands of euro)	Capital stock	Share issue premium	Treasury shares	Legal reserve	Other components of equity: Currency conversion reserve	Other components of equity: Currency conversion reserve discontinued operations	Other reserves and retained earnings	Net income (loss)	Group shareholders' equity	Minority interests	Total euiqty
December 31, 2009	**12,220**	**41,120**	**(10,177)**	**2,444**	**(6,054)**	**0**	**85,595**	**(26,297)**	**98,851**	**0**	**98,851**
Appropriation of 2009 income							(26,297)	26,297	0		0
Dividends paid									0		0
Cancellation of treasury shares			10,177				(10,177)		0		0
Reversal of currency conversion reserve					427				427		427
Changes in minority interests									0	3	3
Discontinued operations					(292)	292			0		0
Net income (loss)								**3,135**	**3,135**		**3,135**
Other comprehensive income (loss)					6,184				6,184		6,184
Total comprehensive income (loss)					**6,184**			**3,135**	**9,319**	**0**	**9,319**
December 31, 2010	**12,220**	**41,120**	**0**	**2,444**	**265**	**292**	**49,121**	**3,135**	**108,597**	**3**	**108,600**

Consolidated statement of changes in equity as at December 31, 2009

(thousands of euro)	Capital stock	Share issue premium	Treasury shares	Legal reserve	Currency translation reserve	Other components of equity: Other reserves and retained earnings	Net income (loss)	Group shareholders' equity	Minority interests	Total euiqty
December 31, 2008	**12,220**	**39,659**	**(11,638)**	**2,444**	**(5,661)**	**85,972**	**19,360**	**142,356**	**0**	**142,356**
Appropriation of 2008 income						19,360	(19,360)	0		0
Dividends paid						(17,678)		(17,678)		(17,678)
Stock grant		1,461	1,461			(2,059)		863		863
Reversal of currency conversion reserve					33			33		33
Changes in minority interests								0		0
Net income (loss)							**(26,297)**	**(26,297)**		**(26,297)**
Other comprehensive income (loss)					(426)			(426)		(426)
Total comprehensive income (loss)					**(426)**		**(26,297)**	**(26,723)**		**(26,723)**
December 31, 2009	**12,220**	**41,120**	**(10,177)**	**2,444**	**(6,054)**	**85,595**	**(26,297)**	**98,851**	**0**	**98,851**

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 development 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. HoldingS.p.A. [4], which does not exercise management and coordination activity.
The Board of Directors approved and authorized the publication of the 2010 Consolidated Financial Statements in a resolution passed on March 14, 2011.

The Consolidated Financial Statements of the SAES Getters Group are presented in euro (rounded to the nearest thousand).

Foreign subsidiaries are included in the Consolidated Financial Statements according to the standards described in Note no. 2, "Main accounting principles".

The Consolidated Financial Statements for the year ended December 31, 2010 have been prepared in accordance with the IFRSs issued by the International Accounting Standards Board ("IASB") and approved by the European Union ("IFRSs"), 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 "IFRSs" includes all revised international accounting standards ("IASs") 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 2009 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 IAS 1 – revised that provide the statement of comprehensive income (the Group elected to present two different statements) and a statement of changes in equity that includes only details of transactions with owners, with non owner changes in equity 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, inasmuch as this form of disclosure has been deemed best suited to representing by Group's specific business, is compliant with internal reporting procedures, and in line with standard industry practice;

[4] Based in Milan (Italy) at Via Vittor Pisani 27.

- 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 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 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 interim result levels.
Non-recurring events and transactions have been identified primarily on the basis of the nature of the transactions. 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;
- expenses/any income 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, broken down according to the line item in question, are reported in the Explanatory notes.

Restatement on 2009 income statement figures

We report that 2009 balance sheet and income statement figures, presented for comparative purposes, have been reclassified compared with those presented in the Consolidated Financial Statements 2009. Particularly, following the signature of a binding agreement for the sales of the chines joint venture Nanjing SAES Huadong Vacuum Material Co., Ltd. both the 2010 figures of the joint venture and the other costs of the controlling company SAES Getters International Luxembourg S.A. related to the disposal have been classified in a separate income statement item "Income (loss) from assets held for sale and discontinued operations" in accordance with IFRS 5. Also 2009 revenues and expenses were reclassified to enable a homogeneous comparison with 2010.

The following table shows the effect of the above mentioned restatements on the Consolidated Income Statement as at December 31, 2010:

(thousands of euro)	December 31, 2009	Reclassifications	December 31, 2009 reclassified
Total net sales	**128,805**	**(1,452)**	**127,353**
Cost of sales	(77,150)	1,037	(76,113)
Gross profit	**51,655**	**(415)**	**51,240**
Research & development expenses	(15,642)	0	(15,642)
Selling expenses	(16,579)	41	(16,538)
General & administrative expenses	(32,035)	173	(31,862)
Total operating expenses	**(64,256)**	**214**	**(64,042)**
Other income (expenses), net	955	(1)	954
Operating income (loss)	**(11,646)**	**(202)**	**(11,848)**
Interest and other financial income	478	(89)	389
Interest and other financial expenses	(7,979)	6,182	(1,797)
Foreign exchange gains (losses), net	(1,217)	0	(1,217)
Income (loss) before taxes	**(20,364)**	**5,891**	**(14,473)**
Income taxes	(2,838)	40	(2,798)
Net income (loss) from continuing operations	**(23,202)**	**5,931**	**(17,271)**
Net income (loss) from assets held for sale and discontinued operations	(3,095)	(5,931)	(9,026)
Net income (loss) for the period	**(26,297)**	**0**	**(26,297)**
Minority interests in consolidated subsidiaries	0	0	0
Group net income (loss) for the period	**(26,297)**	**0**	**(26,297)**

These reclassification didn't have any effect on consolidated net income and consolidated net equity as of December 31, 2009.

Segment informations

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, 2010:

Company	*Currency*	*Capital stock*	*% of ownershipi Direct*	*Indirect*
Direct-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	60.00**	-
E.T.C. S.r.l. °°° Bologna, BO, (Italy)	EUR	20,000	85.00***	-
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 Getters America, Inc. Cleveland, OH (USA)	USD	23,500,000	-	100.00
SAES Smart Materials, Inc. New York, NY (USA)	USD	17,500,000****	-	100.00
Memry Corporation Bethel, CT (USA)	USD	30,000,000	-	100.00

*% held by SAES Advanced Technologies S.p.A (0.03%) and by SAES Getters (Nanjing) Co., Ltd. (10.00%). The capital stock of SAES Getters International Luxembourg S.A. and the % of ownership have been changed, compared to the previous year, due to the capital increase of 3,479,000 euro subscribed during 2010 by SAES Getters (Nanjing) Co., Ltd.
** 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 Note no. 26).
*** 15.00% held by third parties. We report that, on February 17, 2011, the Board of Directors od SAES Getters S.p.A. has approved the waiver of the receivables versus the subsidiary E.T.C. S.r.l. equal to 1,453,278 euro and, simultaneously, the payement o fan amount equal to 151,842 euro, to cover the losses recorded by the Company during 2010 (for further details please refer to the section Subsequent Events included into the Report on operations).
**** During 2010 the sole shareholder SAES Getters International Luxembourg S.A. executed a capital increase equal to 2,500,000 USD.

The following table shows the companies included in the scope of consolidation according to the proportionate consolidation method as at December 31, 2010:

Company	*Currency*	*Capital stock*	*% of ownershipi Direct*	*Indirect*
Nanjing SAES Huadong Vacuum Material Co., Ltd. Nanjing (P.R. of China)	RMB	31,450,000	-	51.00

On November 9, 2010 SAES Getters International Luxembourg S.A. has signed a binding agreement for the transfer of its shareholding (51% of the total shares) in the Chinese joint venture

Nanjing SAES Huadong Vacuum Material Co., Ltd. to the Chinese minority shareholders Nanjing Huadong Electronics Information Technology Co., Ltd. ("Huadong") and
Nanjing DingJiu Electronics Co., Ltd. ("DingJiu). The shares will be transferred to the Chinese partners in proportion to their respective shareholdings. Once completed, Huadong and DingJiu will hold respectively 61% and 39% of the shares of the Chinese company.
The transfer of the shares will be effective by the first semester 2011, after the approval and the registration by the Local Administrative Authorities.

The Group's share in the assets, liabilities, revenues and costs of the joint venture Nanjing SAES Huadong Vacuum Material Co., Ltd., included in the Interim Condensed Consolidated Financial Statements according to the proportionate consolidation method on the basis of the percentage of ownership (51%), is shown below in the tables reported on Notes no. 23 and no. 10.
Following the decision to sell the Chinese joint venture the 2010 figures of the joint venture related to the disposal and the related assets and liabilities have been reclassified respectively in a separate income statement item "Income (loss) from assets held for sale and discontinued operations" and in a balance sheet line "Assets and liabilities held for sale". in accordance with IFRS 5.

The changes occurred in the consolidation area as of December 31, 2010, compared with December 31, 2009, are as follows:

- on February 12, 2010 the company E.T.C. S.r.l. has been established (85% controlled by SAES Getters S.p.A.), a spin-off supported by the National Research Council (CNR). This company, with its headquarters in Bologna, has as its purpose the development of functional materials for applications in the Organic Electronics and Organic Photonics and also the development of integrated organic photonic devices for niche applications. Even though SAES Getters S.p.A. controls 85% of E.T.C. S.r.l., as at December 31, 2010, the company was fully consolidated without creating minority interests since, in the Shareholders' agreements, SAES Getters S.p.A. undertook to balance the losses also on behalf of the minority shareholder, should the latter be unwilling or unable to cover the losses (reference is made to Subsequent events of the Report on operations of the Group for what concerns the covering of losses made during 2010).
- In the year 2010 the following subsidiaries have completed the liquidation process:
  - SAES Getters Singapore PTE, Ltd. (liquidated on June 4, 2010);
  - SAES Opto S.r.l. (liquidated on August 3, 2010);
  - SAES Getters Japan Co., Ltd. (liquidated on August 16, 2010);
  - SAES Getters (GB), Ltd. (liquidated on August 17, 2010);
  - SAES Getters (Deutschland) GmbH (liquidated on December 21, 2010).

2. MAIN ACCOUNTING PRINCIPLES

Consolidation principles

The Consolidated Financial Statements include the financial statements of all the subsidiaries, effective from the date on which control is assumed and until such time as control ceases to exist.
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, including through contractual agreements, the financial and operating policies of a company in order to secure the benefits of its operations.
In preparing the Consolidated Financial Statements, the assets, liabilities, costs and revenues of 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 Balance Sheet and 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 adjustments to 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 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 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.

Equity investments in joint ventures are included in the Consolidated Financial Statements according to the proportional consolidation method, as allowed by IAS 31 – *Equity Investments in Joint Ventures.*

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) as of 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 of the date of acquisition. Any use of this accounting method, if used, will be mentioned in the 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 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 have to 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 accumulated translation differences, and goodwill is recognized on the income statement. Retained earnings or losses taken directly to shareholders' equity are transferred to the income statement at the time of the sale.

Where options are granted that do not confer effective access to the economic benefits associated with the ownership of minority interests, the shares or units referred to by the options are recognized as of the date of acquisition of 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 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 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 costs attributable to the assets during development may be determined reliably.

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

Capitalized development costs are systematically amortized beginning with 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 the cost of the assets may be determined reliably.

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 tested 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 on 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 purchase are capitalized only if they result in increase in the future economic benefits inherent in 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 during the period in which the obligation arises to a provision carried among liabilities in the context of provisions for contingencies and obligations at its current value. 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%

Impairment

Goodwill
Goodwill is tested 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 tested 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 goodwill is allocated is the greater of the fair value, less selling costs, and the value in use of the unit in question.

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 where projections 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) may not 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 in question. 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 goodwill is allocated, a second level impairment test is conducted that also includes centralized assets with auxiliary functions (corporate assets) that do not generate positive cash flows and may not be allocated to the individual units according to a reasonable, 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 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, the 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.

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 Getters Group are aimed at hedging its exposure to exchange-rate and interest-rate risk 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 accounting period designated.

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

Where derivatives satisfy the requirements for treatment under hedge accounting rules, the following accounting standards are applied:
• *Fair value hedges* – If a derivative 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 in question through the income statement.
• *Cash flow hedges* – If a derivative 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 to the income statement.

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

Inventory

Inventory, which consists of raw materials, products purchased, 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. Cost is 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 slow-moving, on the basis of their expected future use and estimated realizable value.

Assets and liabilities held for sale

Discontinued operations and non-current 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 sale rather than continuing use. Non-current 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/Non-current assets held for sale and Discontinued operations/Non-current liabilities held for sale;
- in a specific item of the income statement: Net income (loss) from Discontinued operations/Non-current 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 (the provision for staff leaving indemnity) is determined through an actuarial calculation by using the Projected Unit Credit Method. As permitted by IFRS 1 and IAS 19, SAES Getters has opted to recognize all actuarial gains and losses exceeding the limit of 10% of the actuarial liability on the income statement (the corridor method) both during first-time adoption IFRSs and subsequent years.
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 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 unaccrued portion of their leaving indemnity to complementary pension funds or the "Treasury Fund" managed by the INPS.
It follows that the obligation to the 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 provision for staff leaving indemnity continue to be considered "defined-benefit plans".
The amendments to the law enacted effective 2007 consequently entailed the redetermination of actuarial assumptions and the ensuing calculations employed to determine 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. Actuarial gains and losses are immediately recognised in the income statement without using any "corridor".

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 invest 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 recognized as a reduction in shareholders' equity.

Transactions in foreign currency

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 on 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 to which 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 Group companies.

Income taxes are recognized on the income statement, with the exception of taxes pertaining to items directly charged or entered to 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 on the Consolidated Financial Statements, with the exception of goodwill, which is not tax-deductible.
Deferred tax assets on tax-loss carry-forwards are recognized to the extent to which there is likely to be 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.

Earning per share

Basic earning per ordinary share is 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 earning per savings share is 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 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 as of 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-moving inventory, depreciation and amortization, employee 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 conducts through subjective assessments in order to determine 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 and Interpretations effective from January 1, 2010

Accounting standards used to prepare the Consolidated Financial Statements are consistent with those applied in the Consolidated Financial Statements as of December 31, 2009, except for the adoption of following new Standards and Interpretations to be applied starting from January 1, 2010:

IFRIC 17 - *Distributions of non-cash assets to owners*
This interpretation is effective for annual periods beginning on or after July 1, 2009 with early application permitted. It provides guidance on how to account for non-cash distributions to owners.

The interpretation clarifies when to recognise a liability, how to measure it and the associated assets, and when to derecognise the asset and liability. The Group does not expect IFRIC 17 to have an impact on the Consolidated Financial Statements as the Group has not made non-cash distributions to shareholders in the past.

3. NET SALES

Consolidated net sales came to 140,574 thousand of euro in 2010, up by 10.4% compared to December 31, 2009.

The following table shows a breakdown of net sales by business:

(thousands of euro)

Business	2010	2009	Difference	Difference %	Exchange rate effect %	Price/qty effect %
Lamps	12,742	10,249	2,493	24.3%	4.6%	19.7%
Electronic Devices	25,074	22,005	3,069	13.9%	4.0%	9.9%
Vacuum Systems and Thermal Insulation	15,794	13,129	2,665	20.3%	5.2%	15.1%
Semiconductors	34,820	14,940	19,880	133.1%	11.5%	121.6%
Subtotale **Industrial Applications**	**88,430**	**60,323**	**28,107**	**46.6%**	**6.2%**	**40.4%**
Subtotale **Shape Memory Alloys**	**39,218**	**34,279**	**4,939**	**14.4%**	**5.4%**	**9.0%**
Liquid Crystal Displays	8,766	28,533	(19,767)	-69.3%	2.7%	-72.0%
Cathode Ray Tubes	3,590	3,875	(285)	-7.4%	4.9%	-12.3%
Subtotale **Information Displays**	**12,356**	**32,408**	**(20,052)**	**-61.9%**	**3.0%**	**-64.9%**
Subtotale **Advanced Materials**	**570**	**343**	**227**	**66.2%**	**6.3%**	**59.9%**
Total net sales	**140,574**	**127,353**	**13,221**	**10.4%**	**5.2%**	**5.2%**

Please refer to the Report on operations of SAES Getters Group for further details.

We report that 2010 revenues of the company Nanjing SAES Huadong Vacuum Material Co., Ltd (equal to 1,190 thousand of euro in 2010 and 1,454 thousand of euro in 2009) are not included in consolidated net sales, but are classified into the line “Income (loss) from assets held for sale and discontinued operations”. Please refer to Note no. 10 for further details.

4. COST OF SALES

The cost of sales came to 79,846 thousand of euro in 2010, marking an increase of 3,733 thousand of euro compared to the previous year.
As broken down in the table indicated in Annex no. 2, as at December 31, 2009, the costs of sales included non-recurring expenses of 7,775 thousand of euro mainly related to asset write-downs and staff restructuring expenses.
Net of these expenses, the cost of sales increased to 11,508 thousand of euro, due to the consistent recovery of production, especially in the business of semiconductors and shape memory alloys, and to the exchange-rate effect.
The cost of sales net of non-recurring expenses, in connection with the consolidated turnover, increased from 53.7% in 2009 to 56.8% in 2010 mainly due to the shift in the production mix to productions with a greater absorption of resources, as a result of the drastic reduction in LCD turnover.

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

(thousands of euro)

Cost of sales	2010	2009	Difference	of which: **2009 non recurring costs**	**Difference, net of non recurring costs**
Raw materials	31,843	19,472	12,371	0	12,371
Direct labour	15,971	14,287	1,684	504	1,180
Manufacturing overhead	34,470	38,712	(4,242)	(7,921)	3,679
Increase (decrease) in work in progress and finished goods	(2,438)	3,642	(6,080)	(358)	(5,723)
Total cost of sales	**79,846**	**76,113**	**3,733**	**(7,775)**	**11,508**

5. OPERATING EXPENSES

In 2010 operating expenses came to 53,411 thousand of euro, down by 10,631 thousands of euro compared to the previous year.

(thousands of euro)

Operating expenses	2010	2009	Difference	of which: **2009 non recurring costs**	**Difference, net of non recurring costs**
Research & development expenses	13,892	15,642	(1,750)	(1,837)	87
Selling expenses	14,027	16,538	(2,511)	(2,729)	218
General & administrative expenses	25,492	31,862	(6,370)	(5,254)	(1,116)
Total operating expenses	**53,411**	**64,042**	**(10,631)**	**(9,820)**	**(811)**

As indicated in the table in Annex no. 2, in 2009, the item "Operating expenses" was penalised by non-recurring expenses of 9,820 thousand of euro. They mainly included staff restructuring costs (5,258 thousand of euro) and asset write-downs (3,058 thousand of euro), in addition to 1,447 thousand of euro related to the extraordinary compensation paid to the SAES Getters Group's founder as an acknowledgment to his career.
Net of these expenses, the 2010 operating expenses decreased by 811 thousand of euro compared to those of the previous year.
Stripping the costs deriving from the change in the scope of consolidation (1,423 thousand of euro due to the establishment of the E.T.C. S.r.l. company) and the penalising effect of exchange rates (1,226 thousand of euro), the change compared to the 2009 financial year is even more significant (-3,460 thousand of euro) thanks to the strong savings policy pursued by the Group.

A break down of total expenses included in the cost of sales and operating expenses by their natures is given below:

(thousands of euro)

Total costs by nature	2010	2009	Difference	of which: 2009 non recurring costs	Difference, net of non recurring costs
Raw materials	31,843	19,472	12,371	0	12,371
Personnel cost	54,588	56,717	(2,129)	(5,709)	3,580
Travel expenses	1,750	1,660	90	(10)	100
Maintenance and repairs	2,984	3,510	(526)	(35)	(491)
Depreciation	9,060	10,926	(1,866)	(672)	(1,194)
Amortization	2,844	3,567	(723)	0	(723)
Corporate bodies	1,947	3,450	(1,503)	(1,447)	(56)
Various materials	6,344	4,946	1,398	0	1,398
Insurances	1,064	1,161	(97)	0	(97)
Write-down of non current assets	66	9,287	(9,221)	(9,286)	65
Promotion and advertising	568	685	(117)	0	(117)
Provision for bad debts	141	141	0	0	0
Consultant fees and legal expenses	5,064	4,214	850	(57)	907
Audit fees (*)	616	598	18	0	18
Rent and operating leasing	3,823	3,942	(119)	0	(119)
Utilities	3,693	3,665	28	0	28
Training	163	115	48	0	48
Licenses and patents	1,269	1,542	(273)	0	(273)
Telephone and fax	522	814	(292)	0	(292)
Transports	1,970	1,404	566	(21)	587
Commissions	1,601	713	888	0	888
General services (canteen, cleaning, vigilance, etc.)	1,174	1,277	(103)	0	(103)
Other recovery	(499)	(351)	(148)	0	(148)
Other	3,100	3,058	42	0	42
Total costs by nature	**135,695**	**136,513**	**(818)**	**(17,237)**	**16,419**
Increase (decrease) in work in progress and finished goods	(2,438)	3,642	(6,080)	(358)	(5,723)
Total cost of sales and operating expenses	**133,257**	**140,155**	**(6,898)**	**(17,595)**	**10,697**

(*) of which 31 thousand of euro as reimbursement of expenses incurred

All the costs directly related to the consistent recovery of the turnover such as the cost of raw materials, supplementary production material, transports and commissions increased.

The increase in personnel costs net of non-recurring costs is mainly due to personnel leaving costs, not related to restructuring plans, and to the substantial foreign exchange effect. The item also includes the provision for long-term incentive plans signed during the financial year.

The increase in consultancy costs is related to research and is basically explained by the widening of the scope of consolidation due to the establishment of the E.T.C. S.r.l. company.

The "Depreciation" and "Write-down of non current assets" lines were characterised during the last financial year by non-recurring costs of 9,958 thousand of euro. In fact, the Group had revised the estimated useful life of some assets at the end of their productive life, increasing their depreciation charges and had depreciated some assets on the basis of the non-sustainability of the book value compared to their recoverable value.
As a result of the above and of the end of the useful life of other fixed assets (in particular, the intangible assets of the American companies identified in the acquisition), amortisations in 2010 decreased by approximately 1,917 thousand of euro.

All the other types of costs decreased compared to the previous year thanks to the cost reduction actions and to the belt-tightening policies implemented during the financial year.

The breakdown of the fees paid to Directors, Statutory Auditors and employees with strategic responsibilities (pursuant to Article 78 of Consob resolution no. 11971 of May 14, 1999) is set below:

Surname and name	Position	Duration (Shareholders resolution April 21, 2009)*	Compensation #	Non monetary benefit	Bonus and other incentives **	TFM and PNC***	Other
Board of Directors							
della Porta Massimo	President	from April 21, 2009 to December 31, 2011	800	a 7	40	36	b 1
Canale Giulio	Vice President and Managing Director	from April 21, 2009 to December 31, 2011	690	a 7	40	36	b 1
Baldi Stefano	Director	from April 21, 2009 to December 31, 2011	c 15				
della Porta Giuseppe	Director	from April 21, 2009 to December 31, 2011	10				
De Maio Adriano	Director	from April 21, 2009 to December 31, 2011	d 53				
Dogliotti Andrea	Director	from April 21, 2009 to December 31, 2011	e 20				
Gilardoni Andrea	Director	from April 21, 2009 to December 31, 2011	10				
Mazzola Pietro Alberico	Director	from April 21, 2009 to December 31, 2011	10				
Orecchia Roberto	Director	from April 21, 2009 to December 31, 2011	f 26				
Sironi Andrea	Director	from April 21, 2009 to December 31, 2011	g 23				
Spinola Gianluca	Director	from April 21, 2009 to December 31, 2011	10				
Total Board of Directors			**1.667**	**14**	**80**	**72**	**2**
Board of Statutory Auditors							
Donnamaria Vincenzo	Chairman	from April 21, 2009 to December 31, 2011	h 80				
Civardi Maurizio	Statutory Auditor	from April 21, 2009 to December 31, 2011	i 31				
Martinelli Alessandro	Statutory Auditor	from April 21, 2009 to December 31, 2011	29				l 12
Total Board of Statutory Auditors			**140**	**0**	**0**	**0**	**12**

* It means the approval date of the Financial Statement for the year ending on December 31, 2011
** The colum only include the 2010 variable compensation
*** TFM: severance package for directors; PNC: covenant in restrait of compansation for directors
The column only includes the value related to the 2010 accrual for PNC (covenant in restraint of competition for directors); in fact, with reference to TFM (severance package for directors) related to 2010, Executive Directors waived to their right on March 15, 2010 (as already happened in 2009, for the quota after April 21) given the macroeconomic crisis situation. Please note that on January 18, 2010 the Executive Directors waived also to TFM accrual on fixed compensation and on the potential variable compensation related to the next 2011.
Compensation for the period approved by the Shareholders' meeting, where not differently specified.
Please note that, with reference to 2011 year, the Executive Directors waived to a quota equal to the 10% of their fixed compensation.
(a) compensation in the form of company car, helthcare assistance, check up, life insurance, professional and extra - professional insurance
(b) compansation for the position of director in subsidiaries
(c) of which 4 thousand of euro for the position of member of the Compensation Committee and 1 thousand of euro for reimbursement of expenses
(d) of which 7 thousand of euro for the position of member of the Compensation Committee, 16 thousand of euro for the position of member of the Audit Committee and 20 thousand of euro for the position of Lead Indipendent Director
(e) of which 9 thousand of euro for the position of member of the Compensation Committee and 1 thousand of euro for reimbursement of expenses
(f) of which 16 thousand of euro for the position of member of the Oversight Committee
(g) of which 4 thousand of euro for the position of member of the Compensation Committee and 9 thousand of euro for the position of member of the Audit Committee
(h) of which 16 thousand of euro for the position of member of the Compensation Committee, 8 thousand of euro for reimbursement of expenses and 16 thousand of euro for the position of President of Statutory auditors in subsidiaries
(i) of which 2 thousand of euro for reimbursement of expenses
(l) compensation for the position of Statutory Auditor in subsidiaries

6. OTHER INCOME (EXPENSES)

The item came to a net income of 3,605 thousand of euro as of December 31, 2010, marking an increase of 2,651 thousand of euro compared to the previous year.

The details are provided below:

(thousands of euro)

	2010	2009	Difference
Other income	4,372	2,449	1,923
Other expenses	(767)	(1,495)	728
Total other income (expenses), net	**3,605**	**954**	**2,651**

The significant increase of the item "Other income" is attributable to the capital gain (1,182 thousand of euro) realized by the Parent Company as a result of the sale of certain assets which had previously been partially devaluated to align their accounting value to their estimated recoverable value, as well as 2010 second half royalties proceeds (equal to 1,057 thousand of euro) deriving from for the licensing of SAES thin film getter technology for the new generation of MEMS.

7. FINANCIAL INCOME (EXPENSES)

The following table shows the financial income break down, as compared to the previous year:

(thousands of euro)

Financial income	2010	2009	Difference
Bank interests income	145	248	(103)
Other financial income	44	0	44
Gains from IRS evaluation at fair value	67	141	(74)
Total financial income	**256**	**389**	**(133)**

The decrease in bank interest income is primarily attributable to the lower average balance of deposits in 2010 compared to the previous year and the decrease in interest rates paid by banks as return on the Group's investments.

The following table shows the financial expenses break down, as compared to the previous year:

(thousands of euro)

Financial expenses	2010	2009	Difference
Bank interests and other bank expenses	1,412	1,378	34
Other financial expenses	107	189	(82)
Realized losses on IRS	444	218	226
Losses from IRS evaluation at fair value	439	12	427
Total financial expenses	**2,402**	**1,797**	**605**

The item "Bank interests and other bank expenses" mainly includes the interests expenses on loans by the American affiliates and the bank fees on unused line of credit 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. companies. The item "Realized losses on IRS" includes the interest rates paid to the banks on the signed hedging contracts.

8. FOREIGN EXCHANGE GAINS (LOSSES)

The item showed net foreign exchange losses of 2,413 thousand of euro in 2010, with a worsening of 1,196 thousand of euro on the previous year.

The following table shows a breakdown of foreign exchange gains and losses as of December 31, 2010:

(thousands of euro)

Foreign exchange gains and losses	2010	2009	Difference
Foreign exchange gains	3,358	4,263	(905)
Foreign exchange losses	(4,942)	(5,881)	939
Foreign exchange gains (losses), net	**(1,584)**	**(1,618)**	**34**
Realized exchange gains on forward contracts	2	898	(896)
Realized exchange losses on forward contracts	(665)	(1,404)	739
Gains (losses) from forward contracts evaluation at fair value	(166)	907	(1,073)
Gains (losses) on forward contracts	**(829)**	**401**	**(1,230)**
Total foreign exchange gains (losses), net	**(2,413)**	**(1,217)**	**(1,196)**

The algebraic sum of exchange-rate differences has a negative balance of 1,584 thousand of euro in 2010, basically in line with the 2009 year; it mainly includes foreign exchange losses deriving from the translation of cash and cash-pooling financial receivables of foreign subsidiaries denominated in euro, following the appreciation of local currencies (in particular, of the Korean won and US dollar) compared to euro, currency of denomination of these financial items. The item also includes 427 thousand of euro of net foreign-exchange losses made during the financial year following the liquidation of some foreign companies of the Group.

Gains (losses) on forward contracts also shows a negative balance of 829 thousand of euro in 2010, with a worsening of 1,230 thousand of euro on 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 income statement of fair market evaluation of outstanding contracts.

The negative result of net exchange differences is not offset by a gain on forward contracts because foreign exchange losses were achieved mainly during the first half of the year, when cash-pooling financial receivables were not covered by forward contracts. In the second half of the year, the Group, in order to reduce the risk arising from the fluctuation of exchange rates, on the one hand reduced the exposure of the Parent Company towards the American subsidiaries and on the other hand integrated its hedging policy by stipulating specific forward sales contracts.
In particular, on May 20, 2010, SAES Getters Korea Corporation signed forward sales contracts of euro aimed at limiting the risk deriving from the Korean won fluctuation on the balance of the cash-pooling financial receivable in euro that the Korean subsidiary claims from the Parent Company. This contract (for a notional value of 7.5 million of euro) expired on December 28, 2010 and its loss was -216 thousand of euro.

9. INCOME TAXES

The item in question may be broken down as follows:

(thousands of euro)	2010	2009	Difference
Current taxes	6,014	3,281	2,733
Deferred taxes	(2,723)	(483)	(2,240)
Total	**3,291**	**2,798**	**493**

As at December 31, 2010, income taxes came to 3,291 thousand of euro against 2,798 thousand of euro in the previous financial year. In 2009, the presence of income taxes, despite a negative consolidated pre-tax income, was mainly due to positive current taxes of some companies of the Group not offset by deferred tax assets on the negative taxable income of other companies. In 2010, the Group recorded a positive taxable income and the tax rate was 51.7%. Part of the increase in current taxes is offset by the recognition of deferred tax assets on temporary differences not recognised in the past financial years, but now accounted for due to their probable recovery for expected future tax profits.

As stated in the 2009 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 (on July 16, 2010) and IRES (on November 22, 2010) purposes were notified to the Company requiring additional taxes of 41 thousand of euro (IRAP) and 290 thousand of euro (IRES), respectively, plus sanctions and interests. The Company appealed to the Regional Tax Commission of Milan; it did not record in the financial statements any provision for risks, since it considered its defensive arguments adequate to support its own operations.

The following table shows the reconciliation of 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:

(importi in migliaia di euro)	2010		2009	
Income before taxes		**6,363**		**(14,473)**
Theorical tax charges	**27.50%**	1,750	**27.50%**	(3,980)
Effect of different rate applicable to Group companies	21.05%	1,339	1.72%	(249)
Not deductible costs/not taxable income	0.52%	33	2.05%	(297)
Taxes on subsidiaries 's accumulated profits and taxes on dividends	-19.30%	(1,228)	-6.82%	987
Non recognition of deferred tax assets on fiscal losses	28.41%	1,808	-22.64%	3,277
Non recognition of deferred tax assets on temporary differences	-9.42%	(599)	-9.53%	1,380
Tax receivables fro R&D activities	-8.05%	(512)	2.03%	(294)
Other permanent differences	-3.59%	(228)	-7.35%	1,064
IRAP and other local taxes	14.63%	931	-6.34%	910
Effective tax rate and tax charges	**51.75%**	**3,293**	**-19.39%**	**2,798**

During the year, the Group realized about 9 million of euro in tax losses for which it did not recognize deferred tax assets inasmuch as it does not foresee that these losses may be used to offset future taxable income.

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

Net income from assets held for sale and discontinued operations came to a total of +63 thousand of euro in 2010 (-9,026 thousand of euro in 2009). This amount included expenses and income related to the transfer of the subsidiary Nanjing SAES Huadong Vacuum Material Co., Ltd. as well as the share of the Group in the 2010 net income of the company itself (-19 thousand of euro), the net income of SAES Opto S.r.l. (+27 thousand of euro) and the capital gain of 55 thousand of euro from the sale of some machines of the subsidiary SAES Getters America, Inc., already classified as assets held for sale as at December 31, 2009.

Nanjing SAES Huadong Vacuum Material Co., Ltd.

On November 9, 2010, the Group signed a binding agreement with the minority-interest shareholders of the jointly control company Nanjnig SAES Huadong Vacuum Material Co., Ltd. that established, in addition to the transfer of its equity investment to the latter for a symbolic consideration of 2 renminbi, the disbursement by SAES Getters International Luxembourg S.A. of an amount totalling 30 million of renminbi, to settle the obligation under the contract for consideration entered into upon setting up the joint venture, which called for a fixed consideration through 2013 for the minority-interest shareholders.

The decision of the Group to transfer its equity investment falls under the rationalisation plan of the non-strategic equity investments, ensuing from the strong changes in some sectors and markets of reference.

All the income and expenses deriving from the transfer, as well as the share of the Group in the 2010 net income of the joint venture have been classified in the specific line “Net income (loss) from assets held for sale and discontinued operations”; the comparative figures for the previous year have been reclassified accordingly.

The related detail is given below:

(thousands of euro)

	2010	2009
Write-downs net assets held for sale for alignment to fair value	(2,413)	0
Release (accrual) provisions for future obligations versus minority interests	2,563	(5,986)
Release (accrual) other provisions	196	(196)
Consultant costs	(160)	0
Income (losses) on forward contracts	(338)	0
Group's share in the net result of chinese joint venture	133	251
Net income (loss) from assets held for sale and discontinued operations	**(19)**	**(5,931)**

In particular, as at December 31, 2010, the amount classified in the line “Net income (loss) from discontinued operations” included the cost of write-down of the net asset of the Chinese company (-2,413 thousand of euro) due to the alignment to the selling price.
Economic effects deriving from this write-down were offset by the release of 2,563 thousand of euro of the portion of the provision made in the previous year (5,986 thousand of euro), due to the existing contractual obligations towards minority-interest shareholders. The remaining part of the provision allocated during the previous financial year of 3,423 thousand of euro, was directly used in connection with the disbursement of 30 million of renminbi.
The amount reclassified in the line net income (loss) from discontinued operations includes also additional expenses related to the transfer, such as consultancy and forward hedge transactions. In particular, during 2010 the Group entered into forward purchase contracts on the Chinese renminbi to fix the value in euro of the disbursement in settlement of the obligation in renminbi.

The share of the Group in the net income (loss) of the Chinese joint venture, included in net income (loss) from assets held for sale, is broken down as follows:

Income statement

(thousands of euro)	2010	2009
Net sales	1,190	1,454
Cost of sales	(862)	(1,042)
Gross profit	**328**	**412**
Operating expenses	(214)	(211)
Other income (expenses)	12	2
Operating income (loss)	**126**	**203**
Financial income (expenses)	31	88
Income taxes	(24)	(40)
Net income (loss)	**133**	**251**
of which:		
Depreciation	*127*	*137*
Amortization	*1*	*1*

For further details see Note no. 1.

The following tables show the cash flows generated in 2010 and 2009 respectively:

Cash flow statement
(thousands of euro)

	2010	**2009**
Cash flows from operating activities	252	(1,047)
Cash flows from investing activities	1	(11)
Cash flows from financial activities	0	0
Net increase (decrease) in cash and cash equivalents	**253**	**(1,058)**
Cash and cash equivalents at the beginning of the period	1,196	2,391
Exchange rate differences	201	(137)
Cash and cash equivalents at the end of the period	**1,650**	**1,196**

SAES Opto S.r.l.

As at December 31, 2010, revenues and costs of the subsidiary SAES Opto S.r.l., company liquidated during 2010 operating exclusively in the optoelectronics business - a segment not sufficiently profitable which the Group has decided to quit - are included in "Net income (loss) from discontinued operations".
The 2009 comparative figures of this company, together with those of Opto Materials S.r.l. (operating exclusively in the optoelectronics business and whose transfer was finalised on December 18, 2009) are in turn classified under this item. As at December 31, 2009, the net income (loss) of the subsidiary Opto Materials S.r.l. was equal to -3,162 thousand of euro.

The following tables show SAES Opto S.r.l. net result and cash flows generated in 2010 and 2009 respectively:

Income statement

(thousands of euro)	**2010**	**2009**
Net sales	0	294
Cost of sales	0	(1)
Gross profit	**0**	**293**
Operating expenses	(9)	(425)
Other income (expenses)	0	1
Operating income (loss)	**(9)**	**(131)**
Financial income (expenses)	0	(1)
Income taxes	36	0
Net income (loss) from discontinued operations	**27**	**(132)**
of which:		
Depreciation	*0*	*0*
Amortization	*0*	*6*
Write- downs fixed assets	*0*	*22*

Cash flow statement
(thousands of euro)

	2010	**2009**
Cash flows from operating activities	22	(349)
Cash flows from investing activities	0	880
Cash flows from financial activities	(417)	500
Net increase (decrease) in cash and cash equivalents	**(395)**	**1,031**
Cash and cash equivalents at the beginning of the period	395	(636)
Cash and cash equivalents at the end of the period	**0**	**395**

Finally, it should be noted that in 2009 the line "Net income (loss) from discontinued operations" included the economic results of the polymer division of Memry Corporation transferred on February 9, 2009 (+200 thousand of euro), as well as the loss, of -1 thousand of euro of the SAES

Getters Technical Service (Shangai) Co., Ltd. company whose liquidation procedure was completed on May 21, 2009.

11. EARNING (LOSS) PER SHARE

As indicated in Note no. 24, SAES Getters S.p.A.'s capital stock is represented by two different types of shares (ordinary shares and savings shares) which are associated with different rights during the dividends' distribution.

The pro-quota result attributable to each share type was determined on the basis of the relevant rights to cash dividends. Therefore, in order to calculate the result per share, the value of the preference dividends contractually assigned to savings shares in the theoretical case of the payment of the entire net income was subtracted from the profit in the relevant time-period. In 2009 the loss was allocated equally between the shares of the two different types. In both cases the value which was obtained was divided by the average number of shares existing in the relevant time-period.

The following table shows earnings (loss) per share in 2010, as compared with the figure of 2009:

Earning (loss) per share	2010			2009		
	Ordinary shares	Saving shares	Total	Ordinary shares	Saving shares	Total
Profit (loss) attribuitable to shareholders (thousands of euro)			**3,135**			**(26,297)**
Theoretical preference dividend (thousands of euro)	0	1,022	1,022	0	0	0
Profit (loss) attributable to the different categories of shares (thousands of eu	2,004	109	2,113	(17,485)	(8,812)	(26,297)
Total profit (loss) attributable to the different categories of shares (thous	**2,004**	**1,131**	**3,135**	**(17,485)**	**(8,812)**	**(26,297)**
Average number of oustanding shares	14,671,350	7,378,619	22,049,969	14,641,350	7,378,619	22,019,969
Earning (loss) per share (euro)	**0.1366**	**0.1533**		**(1.1942)**	**(1.1942)**	
- from continuing operations (euro)	*0.1337*	*0.1504*		*(0.7843)*	*(0.7843)*	
- from discontinued operations (euro)	*0.0029*	*0.0029*		*(0.4099)*	*(0.4099)*	

12. SEGMENT INFORMATION

For management purposes, the Group is organized into three Business Units according to the final application of the products and services provided. As of December 31, 2010, the Group's operations were divided into three primary 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);
- **Shape Memory Alloys** – raw materials, semi finished products and components in shape memory alloy for both medical and industrial applications;
- **Information Displays** - getters and dispensers used in the 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 Unit 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 values and income statement and financial position values relating to research and development projects undertaken to achieve diversification in the area of advanced materials, as well as any other income statement and financial position values that cannot be allocated to primary segments.

The following table breaks down the main income statement figures by operating segment:

(thousands of euro)

Profit and loss		Industrial Applications		Shape Memory Alloys		Information Displays		Not allocated		Total	
		2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Total net sales		**88,430**	**60,323**	**39,218**	**34,279**	**12,356**	**32,408**	**570**	**343**	**140,574**	**127,353**
Gross profit		**44,074**	**28,767**	**11,879**	**5,990**	**5,171**	**17,134**	**(396)**	**(651)**	**60,728**	**51,240**
	% on sales	49.8%	47.7%	30.3%	17.5%	41.9%	52.9%	-69.5%	-189.8%	43.2%	40.2%
Total operating expenses		(16,700)	(15,606)	(11,072)	(12,300)	(5,309)	(8,913)	(20,330)	(27,223)	**(53,411)**	**(64,042)**
Other income (expenses), net		1,735	482	318	282	160	258	1,392	(68)	**3,605**	**954**
Operating income (loss)		**29,109**	**13,643**	**1,125**	**(6,028)**	**22**	**8,479**	**(19,334)**	**(27,942)**	**10,922**	**(11,848)**
	% on sales	32.9%	22.6%	2.9%	-17.6%	0.2%	26.2%	n.s.	n.s.	7.8%	-9.3%
Interest and other financial income (expenses), net										(2,146)	(1,408)
Foreign exchange gains (losses), net										(2,413)	(1,217)
Income (loss) before taxes										**6,363**	**(14,473)**
Income taxes										(3,291)	(2,798)
Net income (loss) on continuing operations										**3,072**	**(17,271)**
Net income (loss) on discontinuing operations										63	(9,026)
Net income (loss)										**3,135**	**(26,297)**
Minority interest in consolidated subsidiaries										0	0
Group net income (loss)										**3,135**	**(26,297)**

Revenues and costs by segment for 2009 are different with what has been presented in the Consolidated Financial Statement 2009 due to the reclassification, already mentioned above, of the data of the Chinese joint venture Nanjing SAES Huadong Vacuum Material Co., Ltd.

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

(thousands of euro)

	Continuing operations								Discontinuing operations						Total	
	Industrial Applications		Shape Memory Alloys		Information Displays		Not allocated		Industrial Applications		Information Displays		Not allocated			
Assets and liabilities	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2010	Dec. 31, 2009
Non current assets	28,896	24,573	54,177	52,159	8,857	12,378	22,372	27,763	0	0	0	0	0	0	114,302	116,873
Current assets	36,048	17,559	11,572	10,180	4,390	8,894	24,951	30,947	627	685	1,650	0	0	0	79,238	68,265
Total assets	**64,944**	**42,132**	**65,749**	**62,339**	**13,247**	**21,272**	**47,323**	**58,710**	**627**	**685**	**1,650**	**0**	**0**	**0**	**193,540**	**185,138**
Non current liabilities	5,571	4,961	299	290	675	1,299	36,774	26,749	0	0	0	0	0	0	43,319	33,299
Current liabilities	8,772	6,408	4,395	3,326	1,182	2,399	25,622	40,855	0	0	1,650	0	0	0	41,621	52,988
Total liabilities	**14,343**	**11,369**	**4,694**	**3,616**	**1,857**	**3,698**	**62,396**	**67,604**	**0**	**0**	**1,650**	**0**	**0**	**0**	**84,940**	**86,287**
Other segment informations																
Capital expenditure	2,277	1,691	1,960	1,869	239	578	1,527	4,121	0	0	0	0	0	0	6,003	8,259
Depreciation & amortization	4,548	4,501	4,543	5,231	1,092	2,867	1,721	1,894	0	0	128	139	0	451	12,032	15,083
Other non cash expenses	535	362	112	4,035	29	2,412	5	3,153	0	0	2,413	0	0	0	3,094	9,962

Infomation on geographical areas

The following table breaks down sales by customers' location:

(thousands of euro)

	Italy	Europe	United States	Asia	Total non current assets
2010	43.100	2.113	59.066	4.461	**108.740**
2009	47.714	2.112	56.842	4.978	**111.646**

(*) This amount includes: net property plant and equipment, net intangible assets, other receivables and long term assets and the non current part of the tax consolidation receivables from Controlling Company

Please refer to the Report on operations about the split of consolidated net sales by geographical area of the customer.

13. PROPERTY, PLANT AND EQUIPMENT, NET

Property, plant and equipment, net of accumulated depreciation, came to 68,813 thousand of euro as of December 31, 2010, marking a decrease of 2,119 thousand of euro compared to the previous year.

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

(thousands of euro)

Propery, plant and equipment	Land	Building	Plant and machinery	Assets under construction and advances	Total
December 31, 2009	**3,492**	**27,926**	**30,009**	**4,505**	**65,932**
Additions	0	414	3,031	2,405	5,850
Disposals	0	0	(44)	(13)	(57)
Reclassifications	0	1,007	3,143	(4,162)	(12)
Reclassifications to assets held for sale	0	(369)	(192)	0	(561)
Depreciation	0	(1,759)	(7,428)	0	(9,187)
Write-downs	0	0	(66)	0	(66)
Revaluations	0	0	0	0	0
Translation differences	228	653	946	87	1,914
December 31, 2010	**3,720**	**27,872**	**29,399**	**2,822**	**63,813**
December 31, 2009					
Historical cost	3,492	46,627	149,551	4,645	204,315
Accumulated depreciation and write downs	0	(18,701)	(119,542)	(140)	(138,383)
Net book value	**3,492**	**27,926**	**30,009**	**4,505**	**65,932**
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**

(thousands of euro)

Propery, plant and equipment	Land	Building	Plant and machinery	Assets under construction and advances	Total
December 31, 2008	**3,610**	**29,545**	**40,859**	**2,896**	**76,910**
Additions	42	191	1,554	5,454	7,241
Disposals	0	0	(33)	0	(33)
Reclassifications	(85)	969	2,742	(3,626)	0
Reclassifications to assets held for sale	0	(846)	(153)	0	(999)
Depreciation	0	(1,737)	(9,770)	0	(11,507)
Write-downs	0	(46)	(4,868)	(140)	(5,054)
Revaluations	0	0	0	0	0
Translation differences	(75)	(150)	(322)	(79)	(626)
December 31, 2009	**3,492**	**27,926**	**30,009**	**4,505**	**65,932**
December 31, 2008					
Historical cost	3,610	46,463	145,763	2,896	198,732
Accumulated depreciation and write downs	0	(16,918)	(104,904)	0	(121,822)
Net book value	**3,610**	**29,545**	**40,859**	**2,896**	**76,910**
December 31, 2009					
Historical cost	3,492	46,627	149,551	4,645	204,315
Accumulated depreciation and write downs	0	(18,701)	(119,542)	(140)	(138,383)
Net book value	**3,492**	**27,926**	**30,009**	**4,505**	**65,932**

As of December 31, 2010 land and buildings are not burdened by mortgages or other guarantees.

During 2010, investments in tangible fixed assets were equal to 5,850 thousand of euro and mainly include purchases of new machineries related to SMAs Business, improvements on plants and equipment owned by the Group and the investments carried out by the Parent Company for the purchase of new laboratory instruments for research activity (mainly for Organic Electronics).

Reclassifications to assets held for sale refer to the property, plant and equipment of the jointly controlled company Nanjing SAES Huadong Vacuum Material Co., Ltd. pending the execution of the already mentioned transfer of the joint venture (the authorisation from the Chinese Administrative Authorities is expected to be obtained within the first half of 2011), the assets of the Company, for what concerns the share of the Group, have been reclassified to the specific item "Assets held for sale" and then written down in order to align their book value with the market value. Reference is made to Note no. 23 for further details related to assets and liabilities held for sale.

14. INTANGIBLE ASSETS, NET

Intangible assets came to 44,411 thousand of euro as of December 31, 2010, net of accumulated amortization and are substantially in line with the previous period.
The variation is due almost exclusively to amortizations in the relevant time period (-2,845 thousand of euro) and to differences of conversion (+3,067 thousand of euro) mainly relevant to intangible assets of the American legal entities.

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

(thousands of euro)

Intangible fixed assets	Goodwill	Research and development costs	Industrial and other patents rights	Concessions, licenses, trademarks and similar rights	Other intangible assets	Assets under development and advances	Total
December 31, 2009	**30,363**	**73**	**457**	**2,967**	**10,093**	**85**	**44,038**
Additions	0	0	24	124	5	0	153
Disposals	0	0	0	(2)	(12)	0	(14)
Reclassifications	0	0	1,973	48	(1,967)	(42)	12
Amortization	0	(37)	(250)	(442)	(2,116)	0	(2,845)
Write downs	0	0	0	0	0	0	0
Revaluations	0	0	0	0	0	0	0
Translation differences	2,165	0	14	81	804	3	3,067
December 31, 2010	**32,528**	**36**	**2,218**	**2,776**	**6,807**	**46**	**44,411**
December 31, 2009							
Historical cost	35,193	183	3,840	10,951	19,673	748	70,588
Accumulated depreciation and write downs	(4,830)	(110)	(3,383)	(7,984)	(9,580)	(663)	(26,550)
Net book value	**30,363**	**73**	**457**	**2,967**	**10,093**	**85**	**44,038**
December 31, 2010							
Historical cost	37,615	183	4,872	11,084	18,437	709	72,900
Accumulated depreciation and write downs	(5,087)	(147)	(2,654)	(8,308)	(11,630)	(663)	(28,489)
Net book value	**32,528**	**36**	**2,218**	**2,776**	**6,807**	**46**	**44,411**

(thousands of euro)

Intangible fixed assets	Goodwill	Research and development costs	Industrial and other patents rights	Concessions, licenses, trademarks and similar rights	Other intangible assets	Assets under development and advances	Total
December 31, 2008	**35,434**	**110**	**788**	**954**	**13,265**	**3,861**	**54,412**
Additions	0	0	39	918	15	46	1,018
Disposals	0	0	0	0	0	0	0
Reclassifications	0	0	10	3,819	(10)	(3,819)	0
Amortization	0	(37)	(365)	(354)	(2,819)	0	(3,575)
Write downs	(4,091)	0	0	(2,335)	0	0	(6,426)
Revaluations	0	0	0	0	0	0	0
Translation differences	(980)	0	(15)	(35)	(358)	(3)	(1,391)
December 31, 2009	**30,363**	**73**	**457**	**2,967**	**10,093**	**85**	**44,038**
December 31, 2010							
Historical cost	36,623	183	3,862	6,625	20,439	4,524	72,256
Accumulated depreciation and write downs	(1,189)	(73)	(3,074)	(5,671)	(7,174)	(663)	(17,844)
Net book value	**35,434**	**110**	**788**	**954**	**13,265**	**3,861**	**54,412**
December 31, 2009							
Historical cost	35,193	183	3,840	10,951	19,673	748	70,588
Accumulated depreciation and write downs	(4,830)	(110)	(3,383)	(7,984)	(9,580)	(663)	(26,550)
Net book value	**30,363**	**73**	**457**	**2,967**	**10,093**	**85**	**44,038**

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; rather, its recoverable value is periodically reviewed on the basis of the expected cash flows of the relative Cash-Generating Unit (impairment test).

Goodwill

The following table shows changes in "Goodwill" and specifies the Cash-Generating Unit to which it is allocated:

(thousands of euro)

Business Unit	December 31, 2009	Additions	Write downs	Translation differences	December 31, 2010
Industrial Applications	944	0	0	0	944
Shape Memory Alloys	29,419	0	0	2,165	31,584
Information Displays	0	0	0	0	0
Not allocated	0	0	0	0	0
Total	**30,363**	**0**	**0**	**2,165**	**32,528**

The following table shows the gross book values of goodwill and accumulated write-downs for impairment from January 1, 2004 to December 31, 2010 and December 31, 2009:

(thousands of euro)

Business Unit	December 31, 2010			December 31, 2009		
	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 (*)	34,984	(3,400)	31,584	32,819	(3,400)	29,419
Information Displays	1,456	(1,456)	0	1,456	(1,456)	0
Not allocated	358	(358)	0	358	(358)	0
Total	**37,805**	**(5,277)**	**32,528**	**35,640**	**(5,277)**	**30,363**

(*)The difference between the gross value as at December 31, 2009 and the gross value as at December 31, 2010 is related to the conversion differences on the goodwill in local currency booked on the financial statements of the foreign subsidiaries.

Impairment test

In accordance with IAS 36, goodwill is not amortized, but rather is tested 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 Getters Group coincide with its operating segments, as indicated in Note no. 12.

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 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 four-year plans approved by the top Board of Directors as of January 18, 2011.
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 results expected from the rationalization of production facilities, the savings already achieved during the current year 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 product development plan.
The discount rate applied in discounting cash flows represents the estimate of the expected rate of return of each Cash-Generating Unit on the market. Short-term interest rates, the long-term government bond yield curve and the Group's equity structure were taken into consideration when selecting an appropriate discount rate to be applied to future cash flows. The weighted average cost of capital (WACC) applied to future cash flows was estimated to be 9%, deemed representative of

all of the Group's CGUs. The WACC used is gross 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 four-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	Advanced Materials & Corporate costs
Estimated years after the four years plan	11	11	0	11

In this first grade of testing no needs for any write-downs was identified.
A sensitivity analysis of up to two percentage points of the WACC value employed by the Group shows no critical points with reference to the fixed assets reported in the balance sheet as of December 31, 2010.

A second grade of testing was also conducted by comparing the total recoverable amount of all business units, where the recoverable amount is also considered to include non-allocatable costs associated with corporate functions, in addition to income statement figures not allocatable to the primary segments.
This second grade of testing did not identify the need for any further write-downs.

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. Various factors, including those associated with the future development of the current difficult market scenario, 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.

15. DEFERRED TAX ASSETS AND LIABILITIES

As of December 31, 2010 the net balance of deferred tax assets and deferred tax liabilities is positive and equal to 1,416 thousand of euro as of December 31, 2010, compared with a negative value equal to -1,225 thousand of euro as of December 31, 2009.

The related detail is given below:

(thousands of euro)

Deferred taxes	December 31, 2010	December 31, 2009	Difference
Deferred tax assets	5,562	5,227	335
Deferred tax liabilities	(4,146)	(6,452)	2,306
Totale	**1,416**	**(1,225)**	**2,641**

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, 2010	December 31, 2009	Difference
Deferred tax assets	11,657	10,362	1,295
Deferred tax liabilities	(10,241)	(11,587)	1,346
Total	**1,416**	**(1,225)**	**2,641**

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

(thousands of euro)

Deferred tax assets	December 31, 2010		December 31, 2009	
	Temporary differences	Fiscal effect	Temporary differences	Fiscal effect
Intercompany profit eliminations	3,705	1,243	6,385	1,801
Differences between accounting and fiscal principles on depreciations and write downs	11,930	3,783	12,441	3,568
Receivables write downs	314	119	388	138
Inventory write downs	3,602	1,296	2,459	696
Taxed provisions	1,659	621	765	290
Cash deductible expenses	5,925	2,016	4,788	1,520
Deferred tax assets on losses that can be carried forward	2,985	1,015	2,654	903
Other temporary differences	2,725	1,565	2,773	1,446
Total		**11,657**		**10,362**

The increase in deferred tax assets as at December 31, 2010 was mainly due to the recognition, by the American subsidiary SAES Smart Materials, Inc., of deferred tax assets on the temporary differences accrued also in the previous years. These assets had not been recognised previously in that the future taxable income was not considered sufficient to allow their recovery, but they were fully recognised as at December 31, 2010 due to their probable use in connection with the reasonable expectations of future taxable profits.

The Group had 77,562 thousand of euro in tax losses eligible to be carried forward as of December 31, 2010, most of which were attributable to the Luxembourg subsidiary, the Parent Company and some of the U.S. subsidiaries (tax losses eligible to be carried forward came to 68,395 thousand of euro in 2009). The tax losses eligible to be carried forward that were taken into account when determining deferred tax assets came to 2,985 thousand of euro.

(thousands of euro)

Deferred tax liabilities	December 31, 2010		December 31, 2009	
	Temporary differences	Fiscal effect	Temporary differences	Fiscal effect
Tax due on distribution of earnings accumulated by the subsidiaries	(22,747)	(719)	(36,106)	(2,744)
Difference between accounting and fiscal principles on depreciation	(21,975)	(8,047)	(19,575)	(7,120)
IAS 17 effect	(3,652)	(1,032)	(3,684)	(1,042)
IAS 19 effect	(1,077)	(296)	(1,236)	(339)
Other temporary differences	(507)	(148)	(1,527)	(342)
Total		**(10,241)**		**(11,587)**

The deferred tax liabilities recorded in the Consolidated Financial Statements as of December 31, 2010 include not only a provision allocated to account for taxes due in the event of the distribution of the net income and reserves of subsidiaries (excluding net income and reserves the distribution of which is not deemed likely in the foreseeable future), but also the temporary differences on the plus-values identified during the purchase price allocation for the U.S. companies acquired in the past years.

16. TAX CONSOLIDATION RECEIVABLES FROM CONTROLLING COMPANY/ TAX CONSOLIDATION PAYABLES TO CONTROLLING COMPANY

Since December 31, 2005, SAES Getters S.p.A. and SAES Advanced Technologies S.p.A. have participated in the tax consolidation program with S.G.G. Holding S.p.A., which directly controls SAES Getters S.p.A., by electing for Group taxation in accordance with article 117 of the Consolidated Income Tax Act. This option was extended for an additional three-year period by notice sent to the Italian Revenue Agency by S.G.G. Holding S.p.A. on June 12, 2008. The item "Tax consolidation receivables from Controlling Company/Tax consolidation payables to Controlling Company" includes the net balance of tax receivables/payables that the Group's Italian companies have accrued to/from the Controlling Company S.G.G. Holding S.p.A. as of December 31, 2010.

On December 31, 2009, the item "Tax consolidation receivables from Controlling Company/Tax consolidation payables to Controlling Company" classified among non-current assets, mainly included receivables due from S.G.G Holding S.p.A. as a result of tax advances paid in surplus in the previous financial years and that were deemed to be recovered in the long term. As at December 31, 2010, the decrease compared to the previous financial year was due to the partial set-off of these receivables by both companies participating in the tax consolidation program.

Since national tax consolidation results for the year 2010 show a tax loss, the Parent Company recognized as income the taxes on income (IRES) corresponding to its tax loss solely to the extent recoverable through the consolidation mechanism.

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.

17. OTHER RECEIVABLES AND LONG-TERM ASSETS

The item "other receivables and long-term assets" came to 439 thousand of euro as of December 31, 2010, compared to 370 thousand of euro as of December 31, 2009.
The item mainly includes the guarantee deposits given by the Group Companies for their operating activities.

18. INVENTORY

Inventory came to 27,748 thousand of euro as at December 31, 2010. The item was up by 7,361 thousand of euro on the previous period, in line with the recover of production activities mainly in the purifiers Business. The inventory increase is also due to a positive exchange rates effect (about +1.2 million of euro).

The following table shows the breakdown of inventory as of December 31, 2010 and December 31, 2009:

(thousands of euro)

Inventories	December 31, 2010	December 31, 2009	Difference
Raw materials, auxiliary materials and spare parts	12,547	8,069	4,478
Work in progress and semifinished goods	10,479	7,689	2,790
Finished products and goods	4,722	4,629	93
Total	**27,748**	**20,387**	**7,361**

Inventory is stated net of the inventory allowance, which showed the following changes in 2010:

(thousands of euro)

Inventory allowance	
December 31, 2009	**5,175**
Accrual	2,975
Release	(2,501)
Utilization	(1,276)
Translation differences	267
December 31, 2010	**4,640**

19. TRADE RECEIVABLES

Trade receivables, net of the bad debt provision, came to 22,931 thousand of euro as of December 31, 2010 and were up by 4,106 thousand of euro compared to the previous year.
The increase, that is influenced by a positive exchange rates effect, is also in line with the increase in revenues recorded during the year.

The following table shows the changes in the item:

(thousands of euro)

Trade receivables	December 31, 2010	December 31, 2009	Difference
Gross value	23,311	19,244	4,067
Bad debt provision	(380)	(419)	39
Net book value	**22,931**	**18,825**	**4,106**

Trade receivables do not bear interest and generally come due after 30-90 days.

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

(thousands of euro)

Bad debt provision	December 31, 2010	December 31, 2009
Opening balance	**419**	**413**
Accrual (release)	141	141
Utilization	(205)	(135)
Translation differences	25	0
Closing balance	**380**	**419**

The following table provides a breakdown of trade receivables by those not yet due and past due as of December 31, 2010, 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, 2010	23,311	14,285	2,736	2,274	1,711	306	1,619	380
December 31, 2009	19,244	12,761	3,689	809	176	852	538	419

Receivables past due and not written down are constantly monitored and have not been written down as they are believed to be recoverable.

The increase of the non-devaluated due receivables compared with December 31, 2009 is mainly due both to the exchange rate effect and to the presence of particular positions closed after December 31, 2010 which therefore do not need to be devaluated.

20. PREPAID EXPENSES, ACCRUED INCOME AND OTHER

This item, which includes current non-trade receivables from third parties, along with prepaid expenses and accrued income, showed a balance of 5,476 thousand of euro as of December 31, 2010, compared with 6,033 thousand of euro as of December 31, 2009.

A breakdown of the item is provided below:

(thousands of euro)

Prepaid expenses, accrued income and other	December 31, 2010	December 31, 2009	Difference
Income tax and other tax receivables	1,115	2,461	(1,346)
VAT receivables	1,163	1,445	(282)
Social security receivables	115	68	47
Personnel receivables	108	33	75
Receivables for public grant	1,127	810	317
Other receivables	236	295	(59)
Total other receivables	**3,864**	**5,112**	**(1,248)**
Accrued income	23	66	(43)
Prepaid expenses	1,589	855	734
Total prepaid expenses and accrued income	**1,612**	**921**	**691**
Total prepaid expense, accrued income and other	**5,476**	**6,033**	**(557)**

The change compared to December 31, 2009 of the item “Income tax and other tax receivables” is mainly due to the collection by SAES Getters Japan Co., Ltd., during the financial year, of a tax credit of 1,328 thousand of euro for which an application for a refund was submitted to local authorities after the Japanese subsidiary was put in liquidation.

It is to be noted that the item “Receivables for public grant” is mainly composed of credits matured as at December 31, 2010 by the Parent Company (equal to 851 thousand of euro) mainly as a result of contributions for in-progress research projects

The significant increase in “Prepaid expenses” is mainly due to commercial costs borne during the year, but accruing in future years.

21. DERIVATIVE FINANCIAL INSTRUMENTS EVALUATED AT FAIR VALUE

As at December 31, 2010 derivative financial instruments fair value is negative for 948 thousand of 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 transactions denominated in currencies other than the euro expected during the current year and the coming year, 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.
As regards such contracts, the requirements for accounting according to the hedge accounting method are not met therefore these are evaluated at fair value and the profits or the losses deriving from their evaluation are directly included in the income statement.

As of December 31, 2010 the Group enters into forward contracts on the Japanese yen, in order to hedge against the risk of fluctuation in exchange rates on current and future receivables denominated in such currencies. The average forward rate for contracts on the Japanese yen (which have a total notional value of JPY 420 million) is JPY 112,71 to the euro. These contracts will extend throughout 2011.
The Group, always with the purposes to hedge the exchange rate risk, subscribed during 2010 also forward contracts on US dollar. These contracts are all expired as of December 31, 2010.

The following table provides a breakdown of the forward contracts entered into and their fair value as of December 31, 2010 and December 31, 2009:

Currency	December 31, 2010		December 31, 2009	
	Notional (amount in local currency)	**Fair value** (thousand of euro)	**Notional** (amount in local currency)	**Fair value** (thousand of euro)
USD	0	0	0	0
JPY	**420,000,000**	(155)	45,000,000	11
Total		**(155)**		**11**

The Group has also entered into derivatives contracts aimed at fixing the interest rate on some loans denominated in foreign currencies. The Group had two outstanding Interest Rate Swap (IRS) contracts as of December 31, 2010.
The details of these contracts are provided below:

Interest Rate Swap (IRS)	Currency	Notional amount (US dollars)	Execution date	Maturity date	Interest rate	Period	Fair value as at December 31, 2010 (thousands of euro)	Fair value as at December 31, 2009 (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	(345)	(356)
IRS executed on loan of $30.5 million by società **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	(448)	(12)
IRS executed on loan of $3 million by **Spectra-Mat, Inc.**	USD	1,000,000	July 1, 2008	November 30, 2010	Fixed rate paid: 4.36% Variable rate received: USD Libor BBA - 6 months	Half yearly	n.a.	(26)
Total							**(793)**	**(394)**

The contract of Interest Rate Swap subscribed by the US company Spectra-Mat, Inc. expired on November 30, 2010. No more contracts have been signed during the year.

The Group enters into derivatives 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, 2010, all of 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.

22. CASH AND CASH EQUIVALENTS

The following table shows a breakdown of the item as of December 31, 2010 and December 31, 2009:

(thousands of euro)

Cash and cash equivalents	December 31, 2010	December 31, 2009	Difference
Bank accounts	20,566	22,311	(1,745)
Petty cash	11	13	(2)
Total	**20,577**	**22,324**	**(1,747)**

The item "Cash and cash equivalents" consists of short-term deposits with leading financial institutions denominated primarily in U.S. dollars, Chinese renminbi and euro.
The item includes the liquid funds mainly held from the Parent Company, the US subsidiaries and the Chinese subsidiary, in the framework of the cash flow management necessary for the operating activities.

The item "Cash and cash equivalents" doesn't include the cash of the chinese joint venture Nanjing SAES Huadong Vacuum Material Co., Ltd., equal to 1,650 thousand of euro, reclassified into the line "assets held for sale".

As of December 31, 2010, the Group had access to lines of credit of 53.8 million euro, of which 15 million euro was intended to fund possible acquisitions or restructuring.

23. ASSETS AND LIABILITIES HELD FOR SALE

The following table provides the detail of the item included in the assets and liabilities held for sale as of December 31, 2010:

(thousands of euro)	Nanjing SAES Huadong Vacuum Materials Co., Ltd.	SAES Getters America, Inc.	Total
Assets held for sale			
Tangible fixed assets	0	627	627
Cash and cash equivalents	1,650	0	1,650
Total	**1,650**	**627**	**2,277**
Liabilities held for sale			
Equity	0	0	0
Trade payables	167	0	167
Other payables and provisions	12	0	12
Write down provision - in order to align to fair value	1,471	0	1,471
Total	**1,650**	**0**	**1,650**

As at December 31, 2010 "Assets held for sale" included 627 thousand of euro related to the property, plant and equipment of the subsidiary SAES Getters America, Inc., reclassified to this item at the end of 2009.
As at December 31, 2010, only part of these assets (112 thousand of euro) was transferred for a consideration of USD 220 thousand (approximately 166 thousand of euro); the greater value (55 thousand of euro) deriving from the transfer was classified in the line "Net income (loss) from assets held for sale and discontinued operations". The remaining part of these assets, still unsold to date, was kept among assets held for sale, even if a period greater than twelve months has passed

from the initial reclassification, since the sale is still considered likely and the Group continues to be engaged in discontinued operations. The book value of these operations continues to represent their market value and, therefore, no write-down during the 2010 financial year was required.

Moreover, “Assets held for sale” included 1,650 thousand of euro of cash related to the jointly controlled company Nanjing SAES Huadong Vacuum Materials Co., Ltd. held for sale during 2011 in connection with the already mentioned agreements signed with the minority-interest shareholders of the Chinese joint venture. All the assets of the company (property, plant and equipment and current assets) were written down by 983 thousand of euro in order to align their book value to the market value.

“Liabilities held for sale” included the liabilities of the Chinese joint venture and provision of 1,471 thousand of euro, allocated always in order to align the book value of the net asset of the company to the market value.

The profit and loss impact of such write-down was recognized under “Net income (loss) on discontinued operations” (for further detail see Note no. 10).

24. GROUP SHAREHOLDERS’EQUITY

The Group shareholders' equity amounted to 108,597 thousand of euro as at December 31, 2010, up by 9,746 thousand of euro compared to December 31, 2009. A summary of changes occurred is provided in the statement of changes in shareholders’ equity.

Capital stock

As at December 31, 2010 capital stock, fully subscribed and paid-up, amounted to 12,220 thousand of euro and comprised no. 14,671,350 ordinary shares and no. 7,378,619 savings shares, for a total of no. 22,049,969 shares.
Compared with December 31, 2009 the shares number is changed following the execution, on May 26, 2010, of the extraordinary Shareholders’ meeting resolution dated April 27, 2010 that defined the cancellation of no. 600,000 ordinary shares and no. 82,000 savings shares in portfolio (as at December 31, 2009 the capital stock was formed by no. 15,271,350 ordinary shares and no. 7,460,619 savings shares for a total of no. 22,731,969 shares).
As defined by IAS 32, the shares will be cancelled without the recognition of any gain or loss in the income statement and without any effect on the net equity of the Group.
The cancellation of the treasury shares has been executed without any change in the capital stock but through an increase in the implied book value. In particular, as outcome of the cancellation of the ordinary and savings shares held in portfolio, the capital stock of SAES Getters S.p.A. remained unchanged (12,220 thousand of euro), however represented by a smaller number of outstanding shares, with an increase of the implied book value that increases from 0.537569 euro for each share as of December 31, 2009 to 0.554196 euro as of December 31, 2010.

Please refer to the Report on Corporate Governance for all of the information required by article 123-*bis* of the Consolidated Finance Act.

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 shareholders in excess of the par value of new shares of the Parent Company subscribed in capital issues.
The item is unchanged compared to December 31, 2009.

Treasury shares

The cancellation of the item "Treasury shares" is a consequence of the cancellation of no. 600,000 ordinary shares and no. 82,000 saving shares in portfolio, as described above.

The following table shows the treasury shares in portfolio as a percentage of the total shares in their respective classes and of Company's overall capital stock as of December 31, 2010 in accordance with article 2357 of the Italian Civil Code:

Treasury shares	December 31, 2010		December 31, 2009	
	Ordinary shares	Saving shares	Ordinary shares	Saving shares
n. of treasury shares	0	0	600,000	82,000
% on total shares for each category	**n.a.**	**n.a.**	**3.93%**	**1.10%**
% on capital stock	**n.a.**	**n.a.**	**2.64%**	**0.36%**

As required by International Accounting Standards, the total purchase cost of the treasury shares (10,177 thousand of euro) as of December 31, 2009 was subtracted directly from shareholders' equity.

Legal reserve

This item corresponds to the Parent Company's legal reserve of 2,444 thousand of euro as of December 31, 2010 and is unchanged compared to December 31, 2009, since the reserve had reached the legal limit.

Other reserves and retained earnings

This item includes:

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

The change in "Other reserves and retained earnings", equal to -10,177 thousand of euro, is due to the release of the reserve for treasury shares in portfolio following the cancellation of treasury shares described above.

As reported in the Report on Corporate Governance and Ownership enclosed to the Consolidated Financial Statements as of December 31, 2010, each share entitles to a proportional part of the net profits that it is decided to be distributed, 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 preference dividend of 25% on the implied book value; if, in one fiscal 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 preference dividend in the following two years.

The remaining net 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 higher than the ordinary shares dividend by 3% of the implied book value.
Always in accordance with article no. 26 of the Company By-laws, please note that, since neither in 2009 nor in 2010 any dividend deriving from yearly net income of the Parent Company SAES Getters S.p.A. was paid, and consequently there was no allocation of privileged dividend, in the first coming year when the Shareholders' Meeting will decide to distribute net profits of SAES Getters S.p.A., a share of the amount distributed will be secured to savings shares to recover the privilege not allocated in the previous two years.

Other components of equity

The item includes the exchange differences arising from the translation of financial statements in foreign currencies. The translation reserve has a positive balance of 557 thousand of euro as of December 31, 2010, compared to a negative balance of 6,054 thousand of euro reported as of December 31, 2009. The increase of 6,184 thousand of euro was due to the overall impact on 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. The additional change of +427 thousand of euro may be explained by the release to profit and loss of the translation reserve related to the subsidiaries SAES Getters Singapore PTE Ltd., SAES Getters Japan Co., Ltd. and SAES Getters (GB), Ltd., which were liquidated during the year 2010 .

The Group's share in the translation reserve of the joint venture Nanjing SAES Huadong Vacuum Material Co., Ltd., equal to 292 thousand of euro as of December 31, 2010, is highlighted in a specific line of the statement of changes in shareholders' equity, as required by IFRS 5.

We report 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 shareholders' equity of SAES Getters S.p.A. and the consolidated net income and consolidated shareholders' equity as of December 31, 2010 and December 31, 2009 is set out below:

(thousands of euro)	December 31, 2010		December 31, 2009	
	Net income (loss)	Shareholders' equity	Net income (loss)	Shareholders' equity
SAES Getters S.p.A. - Parent Company	**(3,765)**	**79,838**	**(1,383)**	**83,603**
Shareholders' equity and net results of consolidated subsidiaries, net of dividends distribution and write downs of investements in share capital	2,835	138,402	(25,702)	132,133
Book value of investments in share capital		(109,870)		(113,048)
Consolidation adjustements:				
Elimination of profit arising from intercompany transactions, net of the related tax effect	350	(2,570)	1,643	(2,920)
Accrual of deferred taxes on equity distributable of consolidated subisidiaries	2,024	(720)	528	(2,744)
Other adjustments	1,691	3,517	(1,383)	1,827
Consolidated net income (loss) and shareholders' equity	**3,135**	**108,597**	**(26,297)**	**98,851**

25. FINANCIAL DEBT

As of December 31, 2010, financial debt came to 41,654 thousand of euro and was up by 4,211 thousand of euro compared to the previous year.
The increase was mainly due to the subscription of a new loan by the Parent Company of 7 million of euro, partially offset by the repayments made during the financial year. The increase in the value of financial debts was also affected by the revaluation of the dollar against the euro since a significant portion (approximately 80%) of the Group's debt is denominated in US dollars. In particular, the effect of the fluctuation of the dollar caused an increase in the Group's debt of 2,801 thousand of euro as at December 31, 2010.

The following table shows the breakdown of debt by contractual maturity. It should be noted that debt with maturity of less than one year is included among the "Current portion of long-term debt".

(thousands of euro)

Financial debt	December 31, 2010	December 31, 2009	Difference
Less than 1 year	11,683	24,730	(13,047)
Current portion of long term debt	**11,683**	**24,730**	**(13,047)**
Between 1 and 2 years	5,478	3,602	1,876
Between 2 and 3 years	5,550	3,016	2,534
Between 3 and 4 years	5,890	2,545	3,345
Between 4 and 5 years	4,802	2,314	2,488
Over 5 years	8,252	1,236	7,016
Non current financial debt	**29,971**	**12,713**	**17,258**
Total	**41,654**	**37,443**	**4,211**

It should be noted that the financial debt of Memry Corporation, which as at December 31, 2009 had been classified as current as it had become immediately repayable as a result of breach of the covenants, was re-classified from short-term to long-term during the year 2010; on April 9, 2010, in fact, the financing institution formally consented to the Group's request to cancel the demand for repayment of the debt and to revert to the original deadlines for repayment.

The item "Financial debt" consists primarily of the loans, denominated in UD dollars, contracted by the US 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, 2010 (spread included)	Value as of December 31, 2010 (*) (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	2.46%	22,016
Tranche Bullet Loan	USD	10.3	repayements 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	Yearly	Half-yearly USD Libor (Cost of Funds if not available)	1.71%	11,242
Spectra-Mat, Inc.	USD	3	half yearly with maturity date May 31, 2013	Yearly	Half-yearly USD Libor	1.26%	1,249

(*) interests included

As stated previously, during 2010 a new loan agreement was entered into by the Parent Company of 7 million of euro, partially already repaid, with maturity on October 13, 2011, intended to support the company's financial requirements. The agreement calls for repayment in fixed quarterly principal instalments (beginning on July 16, 2010), plus interest calculated on the Euribor three months benchmark, plus 2.5 percentage points on an annual basis. The value of the actual interest rate as at December 31, 2010 came to 3.49%.

Description	Currency	Principal (millions of USD)	Timing of capital reimbursement	Timing of covenants calculation	Interest rate	Effective interest rate as of December 31, 2010 (spread included)	Value as of December 31, 2010 (*) (thousands of euro)
SAES Getters S.p.A.	EUR	7	quarterly with maturity date October 13, 2011 (beginning on July 16, 2010)	n.a.	Euribor 3 months	3.49%	5,843

(*) interests included

Lastly, the item "Financial debt" includes subsidized loans provided by the special fund for applied research (1,166 thousand of euro as of December 31, 2010) issued to the Parent Company by the Ministry of Production Activities through Banca IntesaSanpaolo S.p.A., the average interest rate on which stood at 0.82% in 2010. It has to be noted that during 2010 these loan increased by 274 thousand of euro (for further details please refer to the Notes of the Separate Financial Statements of SAES Getters S.p.A..

Covenant

It is pointed out that, as at December 31, 2009, not all the covenants related to the loan of the subsidiary Memry Corporation had been complied with and, therefore, the liability had been classified as current as the default had rendered the loan immediately repayable. During the first six months of 2010, the request to cancel the demand for repayment of the debt was accepted and, simultaneously, the values of such covenants were renegotiated with the financing institution; as a result of this agreement, the parties reverted to the original repayment plan and the covenants, calculated on consolidated data, are verified on a six-month basis, rather than on an annual basis.
As at December 31, 2010, the renegotiated covenants were complied with, as shown in the following table:

	Covenant	December 31, 2010
Net equity *	> 94.000	108,597
Net financial position / Net equity	≤ 1	0.21
Financial debt / EBITDA	≤ 2,29	1.91

* thousands of euro

For what concerns the covenants on the loan contracted by the company SAES Smart Materials, Inc., on December 31, 2010, such covenants have been complied with, as shown in the table below, also thanks to the best results achieved by the American company during the financial year:

	Covenant	December 31, 2010
Net financial position / EBITDA	≤ 6	4.36
Net financial position / Net equity	≤ 2	0.86
EBITDA / Net financial expenses	≥ 1	3.64

Lastly, it should be noted that the loan agreement denominated in US dollars executed by Spectra-Mat, Inc., contains, as covenants, the achievement of annual company sales targets of no less than 6.5 million of USD. This target has been met as of December 31, 2010.

	Covenant	December 31, 2010
Net sales*	> 6.500	7,110

* thousands of USD

26. OTHER FINANCIAL DEBT

The item "Other non-current financial debt", equal to 701 thousand of euro refers to the present value of the obligation to purchase the minority-interest stake in the subsidiary Memry GmbH. The change in the present value of the obligation compared to the previous year was recognized in the income statement under "Financial expenses".

The current portion of "Other financial debt" included as at December 31, 2009 part of the Group's financial debt under contractual agreements, entered into upon establishment of the joint venture, with the minority-interest shareholders of Nanjing SAES Huadong Vacuum Material Co., Ltd. (the remaining part was allocated among provisions for risks; for further information, refer to Note no. 28). This financial debt no longer existed as a result of the new agreements signed with the Chinese shareholders and already described previously and, therefore, the debt was released to the income statement. The economic effect deriving from this release was classified in net income (loss) from assets held for sale (for further information, refer to Note no. 10).

27. STAFF LEAVING INDEMNITIES AND OTHER EMPLOYEE BENEFITS

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

The following table shows a breakdown of the 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, 2009	**5,195**	**1,715**	**6,910**
Increase	217	367	584
Indemnities paid	(623)	(155)	(778)
Other movements	(121)	121	0
Translation differences	25	47	72
December 31, 2010	**4,693**	**2,095**	**6,788**

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

(thousands of euro)

Current service cost	476
Interest cost	270
Net actuarial gains (losses) recognized in the period	(1)
Plans reductions and terminations	(161)
Total cost	**584**

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 out 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 reconciliations of actuarial liabilities and the amounts carried on the Financial Statements as of December 31, 2010 and December 31, 2009, respectively, are shown below:

(thousands of euro)	December 31, 2010	December 31, 2009
Present value of defined benefit obligations	5,868	5,640
Fair value of plan assets	0	0
Unrecognized actuarial gains (losses)	63	303
Costs non yet recognized deriving from past obligations	0	0
Defined benefit obligations	**5,931**	**5,943**
Defined contribution obligations	**857**	967
Staff leaving indemnities and similar obligations	**6,788**	**6,910**

The following table shows the primary assumptions employed in the actuarial assessments of defined-benefit plans as of December 31, 2010 and December 31, 2009, respectively:

	Italy	
	December 31, 2010	December 31, 2009
Discount rate	4.70%	4.90%
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

Moreover, the item "Other employee benefits" included the provision for long-term incentive plans, signed during the financial year 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 during the years of 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
2011	1.57%
2012	2.59%

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

Group employees	December 31, 2010	December 31, 2009	Average 2010	Average 2009
Managers	92	107	97	111
Employees and middle management	398	405	397	436
Workers	571	509	541	545
Total	**1,061**	**1,021**	**1,035**	**1,092**

The workforce amounted to 1,061 units (out of which 638 were employed outside of Italy) as of December 31, 2010, broadly in line compared to December 31, 2009.

The following table shows a breakdown by category of the employees of Nanjing SAES Huadong Vacuum Material Co., Ltd., consolidated on a proportional basis, according to Group's percentage of ownership (51%):

Employees	December 31, 2010	December 31, 2009	Average 2010	Average 2009
Managers	4	4	4	4
Employees and middle management	11	12	12	12
Workers	22	23	22	24
Total	**37**	**39**	**38**	**40**

28. PROVISIONS

Provisions came to 5,125 thousand of euro as of December 31, 2010. The following table shows the composition of, and changes in, these provisions compared to the previous year:

(thousands of euro)

Provisions	December 31, 2009	Increase	Utilization and other movements	Release	Translation differences	December 31, 2010
Warranty provisions on product sold	141	166	(26)	0	10	291
Bonus	1,108	1,549	(1,040)	0	84	1,701
Other provisions	7,572	1,662	(3,587)	(2,563)	49	3,133
Total	**8,821**	**3,377**	**(4,653)**	**(2,563)**	**143**	**5,125**

The item "Bonus" consists primarily of the provision for the bonuses for the Group's employees accrued in 2010.

The item "Other provisions" includes the provision allocated in previous years by the Italian subsidiary SAES Advanced Technologies S.p.A. to account for a dispute with social-security agencies regarding contribution relief enjoyed (734 thousand of euro as at December 31, 2010) and the amount of the implicit obligations of Spectra-Mat, Inc. in connection with the expenses to be incurred to monitor pollution levels at the site at which it operates (471 thousand of euro). The value of this liability has been calculated on the basis of the agreements reached with the local authorities.
Moreover, this item includes 1,643 thousand of euro that correspond to the 2010 IRES taxes of SAES Getters S.p.A. calculated on the basis of new Italian tax regulations on "*Controlled Foreign Companies* (*CFC*)"[6]. The amount was allocated for prudential reasons to "Other provisions" instead of "Accrued income taxes" since SAES Getters S.p.A. requested a ruling from the Tax Authority in March 2011. The regulation establishes that the provisions on CFC can cease to apply if the residing subject demonstrates, requesting a ruling from the Tax Authority, that the foreign establishment is not an artificial construction aimed at achieving an undue tax advantage towards the National Treasury.

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

[5] Article 13 of Italian L.D. no. 78 of July 1, 2009 amended, starting from January 1, 2010, the "CFC" (Controlled Foreign Companies) regulations set forth in Article 167 of the TUIR (Income Tax Consolidation Act), establishing, under sub-paragraph 8-*bis*, that controlled foreign companies, meeting certain requirements, even if not residing in black-list countries, can fall under the application of the "CFC" regulations and, as a result, be subjected to separate IRES taxation referring to the Italian parent company.

(thousands of euro)

Provisions	Current provisions	Non current provisions	December 31, 2010	Current provisions	Non current provisions	December 31, 2009
Warranty provisions on product sold	0	291	291	0	141	141
Bonus	1,701	0	1,701	1,108	0	1,108
Other provisions	1,711	1,422	3,133	1,181	6,391	7,572
Total	**3,412**	**1,713**	**5,125**	**2,289**	**6,532**	**8,821**

As at December 31, 2009, the item "Other provisions" included the present value of the obligation (5,986 thousand of euro) under the contract for consideration entered into upon establishment with the minority-interest shareholders of the joint venture Nanjing SAES Huadong Vacuum Material Co., Ltd., which called for fixed remuneration through 2013.

On November 9, 2010, the SAES Getters Group signed a binding agreement with the minority-interest shareholders of the Chinese company that established, in addition to the transfer of its equity investment to the latter for a symbolic consideration of 2 renminbi, also the disbursement by SAES Getters of an amount totalling 30 million of renminbi, to settle the obligation mentioned above.

The provision allocated during the previous financial year was completely used (column "utilisations and other movements"); in particular, 3,423 thousand of euro (30 million of RMB) were used in connection with the financial disbursement occurred in December, whereas 2,563 thousand of euro were released to the income statement in the net income (loss) from discontinued operations balancing the economic effects deriving from the write-down of the net asset of the Chinese company, carried out following the decision to transfer the equity investment to the minority-interest shareholders at a symbolic value (for further information, refer to Note no. 10).

29. ACCOUNT PAYABLES

Trade payables stood at 11,006 thousand of euro as at December 31, 2010, up by 1,232 thousand of euro compared to the previous year, in line with the business recovery.

Trade payables do not bear interest and come 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, 2010,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, 2010	11,006	6,991	3,073	815	18	92	17
December 31, 2009	9,774	6,435	1,409	1,584	62	104	180

30. OTHER PAYABLES

The item "Other payables" includes amounts that are not strictly classified as "trade payables" and amounted to 9,674 thousand of euro as of December 31, 2010, compared to 9,990 thousand of euro as of December 31, 2009.

(thousands of euro)

Other payables	December 31, 2010	December 31, 2009	Difference
Payables to employees (vacation, wages and staff leaving etc.)	4,640	5,049	(409)
Social security payables	1,563	1,544	19
Tax payables (excluding income taxes)	925	1,462	(537)
Other	2,546	1,935	611
Total	**9,674**	**9,990**	**(316)**

The item "Payables to employees" is made up of holiday allowance accrued but not taken during the year, additional monthly salary and remuneration for the month of December 2010, in addition to severance payables.
The decrease compared to the previous financial year was due to the fact that as at December 31, 2009 this item also included payables to employees within the restructuring plan implemented by the Group during the previous year.

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 (excluding income taxes)" 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 increase in the item "Other" was primarily due to the increase in payables for commissions in line with the increase in the sales volumes. As at December 31, 2010 the item included, in addition to payables to agents, also payables for consultancies on the transfer of the Chinese jointly-controlled company Nanjing SAES Huadong Vacuum Material Co., Ltd. and the payables of the Parent Company for variable compensation owed to Directors related to the 2010 financial year.

31. ACCRUED INCOME TAXES

The item mainly consists of payables for taxes associated with the SAES Getters Group's foreign subsidiaries, inasmuch 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 from controlling company/tax consolidation payables to controlling company" (refer to Note no. 16 for further information).
The item also includes the IRAP debt of the Italian companies.

Accrued income taxes came to 390 thousand of euro as at December 31, 2010. The decrease compared to the previous financial year (1,044 thousand of euro) is mainly due to the extension of payment for IRAP purposes of which had benefited SAES Advanced Technologies S.p.A. in 2009 and to lower taxable income during the current financial year of the Korean subsidiary.

32. BANK OVERDRAFT

Bank overdrafts amounted to 1,504 thousand of euro as of December 31, 2010 and consisted primarily of short-term debt owed by the Parent Company in the form of hot money debt.

Prior year bank overdrafts (4,000 thousand of euro) also in the form of hot money debt owed by the Parent Company had been totally repaid during the year 2010.

33. ACCRUED LIABILITIES

Accrued liabilities came to 1,354 thousand of euro as of December 31, 2010. The item may be broken down as follows:

(thousands of euro)

	December 31, 2010	December 31, 2009	Difference
Accrued expenses	201	218	(17)
Deferred income	1,153	320	833
Total	**1,354**	**538**	**816**

The increase of the item "Deferred income" is mainly due to future revenues related to commercial transactions.

34. CASH FLOW STATEMENT

Cash flow provided by operating activities came to 7,455 thousand of euro, up compared to 5,556 thousand of euro generated during 2009. The self-financing generated during the current financial year was partly compensated by the absorption of liquidity due to the deterioration in net working capital (in particular, increases in trade receivables and inventories), related to the recovery of the business that has characterised the year 2010, especially in the semiconductors business.

Investing activity used net cash of 7,950 thousand of euro, to be compared to a cash generation in 2009 of 11,403 thousand of euro.
However, it should be noted that the investing activity of 2009 benefited from the collection of 18,501 thousand of euro, deriving from the sale of the polymer division of Memry Corporation and from the collection (879 thousand of euro) deriving from the transfer of the subsidiary Opto Materials S.r.l.
The 2010 financial year was penalised by the disbursement of 30 million of RMB (3,423 thousand of euro) paid to the minority-interest shareholders of the jointly controlled company Nanjing SAES Huadong Vacuum Material Co., Ltd. due to the binding agreement signed on November 9, 2010 already specified above.
Investments in property, plant and equipment and in intangible assets came to 6,003 thousand of euro (4,693 thousand of euro net of receipts for sale) compared to 8,259 thousand of euro of the previous financial year.

The balance of financing activities is negative and equal to 2,449 thousand of euro compared to the negative balance of 31,657 thousand of euro of the previous financial year.
The financial management of the previous year was characterised by the financial disbursements for the payment of dividends (not paid during 2010) and for the partial repayment of the medium-long-term debt contracted by the American subsidiary Memry Corporation.

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

(thousands of euro)

	December 31, 2010	December 31, 2009
Cash and cash equivalents	20,577	22,324
Bank overdraft	(1,504)	(4,033)
Cash and cash equivalents, net - statement of financial position	**19,073**	**18,291**
Cash equivalents held for sale	1,650	0
Short term debt	1,500	4,000
Cash and cash equivalents, net - cash flow statement	**22,223**	**22,291**

The item "Cash held for sale" consists of 1,650 thousand of euro of cash related to the joint venture Najing SAES Huadong Vacuum Materials Co., Ltd., held for sale during 2011, in connection with the agreements signed with the minority-interest shareholders of the Chinese company. As at December 31, 2010, this cash was included in cash and cash equivalents of the cash flow statement.

It should be noted that only a portion of the bank overdrafts as at December 31, 2010 were repayable on demand (4 thousand of euro). The remainder, 1,500 thousand of euro (4.000 thousand as at December 31, 2009), pertains to forms of hot money debt and is therefore not included in net cash and cash equivalents of the cash flow statement.

35. FINANCIAL RISK MANAGEMENT

The Group's primarily 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 has cash and cash equivalents and short-term deposits, as well as trade receivables originated directly in its operating activity.

The derivative instruments used by the Group as of 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 SAES Getters Group's financial structure. See Note no. 21 for further details on the agreements in place as at December 31, 2010.

With reference to the subsidized loans of the Parent Company drawn on a special fund for applied research the exposure to interest-rate risk is not significant inasmuch as this debt consists of a fixed-rate loan.

Funding for working capital is managed through short-term financing transactions and, as a consequence, the Group does not enter into any hedges against 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 on income before taxes of changes in interest rates, assuming all other variables remain unchanged,:

		(% on basis point)	(thousands of euro)
		Increase/Decrease	**Effect on income before taxes**
2010	euro	+/- 0.20	+/- 16
	other currencies	+/- 0.20	+/- 30
2009	euro	+/- 0.20	+/- 13
	other currencies	+/- 0.20	+/- 41

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

(amount in USD)

Description	**Notional** (USD)	**Mark to Market** (USD)	**Fixed rate** (%)	**3 months LIBOR BBA USD as at December 31, 2010**	**6 months LIBOR BBA USD as at December 31, 2010**	**+0,20%**	**Estimated MTM Libor +0.20%**	**-0.20%**	**Estimated MTM Libor -0.20%**
IRS with maturity date May 31, 2012 executed on Loan of $20 million by SAES Smart Materials, Inc.	10,000,000	(461,083)	3.65%		0.46%	0.66%	(432,206)	0.26%	(489,960)
IRS with maturity date December 31, 2014 executed on Loan of $30.5 million by Memry Corporation	12,000,000	(598,581)	3.03%	0.30%		0.50%	(554,684)	0.10%	(642,479)
Total	**22,000,000**	**(1,059,664)**					**(986,890)**		**(1,132,438)**

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

		(% on basis point)	(thousands of euro)
		Increase/Decrease	**Effect on income before taxes**
2010	euro	+/- 1	+/- 58
	USD/other currencies	+/- 1	+/- 224
2009	euro	+/- 1	+/- 66
	USD/other currencies	+/- 1	+/- 235

Exchange-rate risk

The Group is exposed to foreign currency exchange risk on foreign currency transactions. Such exposure is generated predominantly by sales in currencies other than the reference currency. Around 82% of Group sales and around 59% of the Group's operating costs are denominated in a currency other than the euro.

In order to manage the volatility generated by the economical impact of fluctuations in exchange rates, primarily EUR/USD and EUR/JPY, the Group enters into hedges on these currencies, the values of which 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, on occasion, the Group also hedges 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 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. 21 for further details on derivative agreements signed during 2010.

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 on the consolidated income before taxes and shareholders' equity of changes in the EUR/USD and EUR/JPY exchange rates, assuming that all other variables remain unchanged:

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

(thousands of euro)

US dollar	Increase/Decrease	Effect on income before taxes	Effect on net result
2010	+ 5%	173	127
	- 5%	(191)	(140)
2009	+ 5%	177	131
	- 5%	(196)	(145)

(thousands of euro)

Japanes YEN	Increase/Decrease	Effect on income before taxes	Effect on net result
2010	+ 5%	(4)	(3)
	- 5%	5	4
2009	+ 5%	16	12
	- 5%	(18)	(13)

It has to be pointed out that, following the sharp decline of LCD business and the consequent liquidation of the Japanese subsidiary SAES Getters Japan Co., Ltd., the value in absolute terms of financial receivables and payables denominated in Japanese Yen at the closing date was significantly decreased compared with the previous year.

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 on the Group's income before taxes and shareholders' equity of changes in exchange rates between the US dollar and euro and other currencies, assuming that all other variables remain unchanged. This analysis has been conducted with a view to the fact that subsidiaries have both cash and cash equivalents and cash-pooling receivables/payables from/to the Parent Company in euro, the conversion of which 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
2010	+ 5%	(377)	(285)
	- 5%	377	285
2009	+ 5%	(194)	(180)
	- 5%	194	180

(thousands of euro)

US dollar	Increase/Decrease	Effect on income before taxes	Effect on net result
2010	+ 5% - 5%	102 (113)	81 (89)
2009	+ 5% - 5%	12 (14)	9 (10)

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

(thousands of euro)

	Increase/Decrease	Effect on income before taxes	Effect on net result
2010	+1% - 1%	38 (39)	28 (28)
2009	+1% - 1%	3 (3)	2 (2)

It has to be noted that, with reference to net financial position, a further appreciation of the US dollar by 5% would have had a negative impact of approximately 1,144 thousand of euro on the net financial position as at December 31, 2010, whereas a depreciation of the same percentage amount would have had a positive impact of approximately 1,035 thousand of euro.

	(% on basis point)	(thousands of euro)
	Increase/Decrease	Effect on Net Financial Position
December 31, 2010	+5% - 5%	(1,144) 1,035
December 31, 2009	+5% - 5%	(1,739) 1,574

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 critical. In order to reduce exposure to the risk of price variations, it enters into specific supply agreements aimed at controlling 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 have been 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 may show itself with the incapacity to obtain the necessary financial resources to grant the continuity of the Group's operations.
In order to minimize such risk, the Administrative Finance and Control Division acts as follows:

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

For further information about the Group's financial debts as of December 31, 2010 and about the maturity date of these debts please refer to Note no.25.

Due to the foregoing, as of December 31, 2010 the Group was not significantly exposed to liquidity risk, also considering the unused lines of credit 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 value for shareholders.
No changes were made to equity management objectives or policies during 2010.
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 Group's agreements with its lenders.

36. POTENTIAL LIABILITIES AND COMMITMENTS

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

(thousands of euro)

Guarantees	December 31, 2010	December 31, 2009	Difference
Guarantees in favour of third parties	51,485	61,331	(9,846)
Total	**51,485**	**61,331**	**(9,846)**

The decrease compared to the previous year is primarily explained by the expiration of guarantees provided by the Parent Company to secure financing transactions undertaken by some foreign subsidiaries.

The maturities for operating lease obligations outstanding as of December 31, 2010 are shown below:

(thousands of euro)

	Less than 1 year	1-5 years	Over 5 years	Total
Operating lease obligations	1,696	2,247	279	4,222

37. RELATED PARTY TRANSACTIONS

IAS 24 is followed in identifying Related Parties.

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 election by the Group's Italian companies to participate in the national tax consolidation program. Also to be noted that S.G.G. Holding S.p.A. receives dividends from SAES Getters S.p.A..
- **KStudio Associato**: a tax, legal and financial consultancy firm whose founding member is Vicenzo Donnamaria, Chairman of the Board of Statutory Auditors of SAES Getters S.p.A. It provides tax, legal and financial consultancy services.
- **Managers with Strategic Responsibilities**: these are considered only the members of Board of Directors, including non-executive members
- [6]. Are considered related parties also their close relatives.
- **The Board of Statutory Auditors** and their close relatives.

The following table shows the total values of the related party transactions undertaken in 2010 and 2009.

(thousands of euro)

Related parties	Costs		Revenues		Payables		Receivables	
	2010	2009	2010	2009	2010	2009	2010	2009
S.G.G. Holding S.p.A.					3,111	3,384	3,417	4,690
KStudio Associato	12	23						
Total	**12**	**23**	**0**	**0**	**3,111**	**3,384**	**3,417**	**4,690**

The following table shows the compensation provided to key management personnel as identified above[7]:

(thousands of euro)

Total compensation to key management	2010	2009
Short term employee benefits	1,763	3,129
Post employment benefits	0	0
Other long term benefits	0	0
Termination benefits	72	305
Stock grant*	0	863
Other benefits **	0	584
Total	**1,835**	**4,881**

* On April 21, 2009 the Shareholders' Meeting approved the free assignment of no. 100,000 ordinary shares of SAES Getters S.p.A., held in portfolio of the Company, to the founder Dr Ing. Paolo della Porta as an acknowledgment to his career, in addition to a cash amount that could enable Dr Ing. Paolo della Porta to pay the related taxes.

** The item "Other benefits" includes the cost of the taxes mentioned in the above note.

Pursuant to Consob communications of February 20, 1997 and February 28, 1998, as well as to IAS 24, we report that also in 2010 all related-party transactions fall within ordinary operations and were settled at economic and financial market conditions.

[6] It should be noted that following the simplification of the organisational structure of the Group carried out with the implementation of the rationalisation plan worked on during the 2009 financial year, as from 2010 only the members of the Board of Directors are considered executives with strategic responsibilities in that they are the only ones who have the power and responsibility to, directly or indirectly, plan, manage and control the activities of the company.

[7] In 2009, in addition to the member of Board of Directors were considered Managers with strategic responsibilities also the Group Human Resources Manager, the Corporate Strategic Marketing Manager, the Corporate Operations Manager, the SMA Medical Business Unit Manager, the Group Legal General Counsel and the Group Business Development Manager.

38. 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 in a foreign currency:

expressed in foreign currency (per 1 euro)

Currency	December 31, 2010		December 31, 2009	
	Average rate	Final rate	Average rate	Final rate
US dollar	1.3257	1.3362	1.3948	1.4406
Japanes yen	116.2390	108.6500	130.3370	133.1600
South Korean won	1,531.8200	1,499.0600	1,772.9000	1,666.9700
Renminbi (P.R. of China)	8.9712	8.8220	9.5277	9.8350
GB pound	0.8578	0.8608	0.8909	0.8881

39. AUDITOR FEES AND ITS NETWORK ENTITIES FEES

Pursuant to article 149-*duodecies* of the Issuer Regulations ("Disclosure of Compensation"), which was introduced by Consob resolution no. 15915 of May 3, 2007, the following table shows the compensation collected by the independent auditors and 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.	83
Tax and legal advices	Parent Company auditor	SAES Getters S.p.A.	0
Other (*)	Parent Company auditor	SAES Getters S.p.A.	3
Audit	Parent Company auditor	Subsidiaries	199
Tax and legal advices	Parent Company auditor	Subsidiaries	0
Other (**)	Parent Company auditor	Subsidiaries	0
Audit	Network of Parent Company auditor	Subsidiaries	292
Tax and legal advices	Network of Parent Company auditor	Subsidiaries	12
Other	Network of Parent Company auditor	Subsidiaries	0
		Total	**588**

(*)R&D receivables'attestation pursuant to article no. 1, paragraph 280-284 of Law. no. 296 issued on December 27, 2006.
(**) out of which 3 thousand of euro for auditing services of the subsidiary Nanjing SAES Huadong Vacuum Material Co., Ltd. included in the line "Net income (loss) from discontinued operations".

Lainate (MI), March 14, 2011

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

ANNEX 1

2009 Consolidated income statement prepared pursuant to CONSOB resolution no. 15519 of July 27, 2006
and Communication no. DEM/6064293 of July 27, 2006

(thousands of euro)	2009	of which: non recurring costs	2009 net of non recurring costs
Net sales	**127,353**	**0**	**127,353**
Cost of sales	(76,113)	(7,775)	(68,338)
Gross profit (loss)	**51,240**	**(7,775)**	**59,015**
Research and development expenses	(15,642)	(1,837)	(13,805)
Selling expenses	(16,538)	(2,729)	(13,809)
General and administrative expenses	(31,862)	(5,254)	(26,608)
Total operating expenses	**(64,042)**	**(9,820)**	**(54,222)**
Other income (expenses), net	954	721	233
Operating income (loss)	**(11,848)**	**(16,874)**	**5,026**
Financial income	389	0	389
Financial expenses	(1,797)	0	(1,797)
Exchange gains (losses), net	(1,217)	0	(1,217)
Income (loss) before taxes	**(14,473)**	**(16,874)**	**2,401**

ANNEX 2

Non recurring income and expenses - 12 months ended Dec 31, 2009

(thousands of euro)	Income	Expenses	Total
Cost of sales			
Amortization, depreciation and write - down	0	(7,259)	(7,259)
Severance and other personnel indemnities	668	(1,119)	(451)
Other expenses	0	(65)	(65)
Total cost of sales	**668**	**(8,443)**	**(7,775)**
Operating expenses			
Amortization, depreciation and write - down	0	(3,058)	(3,058)
Severance and other personnel indemnities	357	(5,615)	(5,258)
Stock and cash grant	0	(1,447)	(1,447)
Other expenses	0	(57)	(57)
Total operating expenses	**357**	**(10,177)**	**(9,820)**
Other income (expenses), net			
Other income and expenses	1,075	(354)	721
Total other income (expenses), net	**1,075**	**(354)**	**721**
Total effect on pre-tax income	**2,100**	**(18,974)**	**(16,874)**

Certification of the Consolidated Financial Statements

CERTIFICATION OF THE CONSOLIDATED FINANCIAL STATEMENTS
pursuant to article 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 Consolidated Financial Statements during the period from January 1 to December 31, 2010.

2. The following remarks apply to this situation:

2.1 The Administrative and Accounting Control Model of the SAES Group

- On May 14, 2007, the Board of Directors of SAES Getters S.p.A. approved the Administrative and Accounting Control Model, 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;
  - 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 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, the reader is referred 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 connection in relation to the consolidation process.

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

- Given the limited extent of control structures within most of the subsidiaries, it was decided not to issue specific procedures for processes that influence the input of data into the accounting systems of these companies.

  Following the administrative and accounting risk assessment conducted on the basis of the figures from the 2006 Consolidated Financial Statements, the results of which were confirmed by the update based on the figures from the 2009 Consolidated Financial Statements, the most significant line items were selected on the basis of their materiality. For these items, which pertained to nine Group companies, the Officer Responsible and the Internal Audit Department prepared a list of control activities for the related processes. These lists, after being revised by the Financial Controllers of the individual companies, were summarized in the "Activity Control Matrices" (hereinafter "ACMs") and the final version was transmitted to the affected companies.

  It has to be noted that, following the above mentioned risk assessment process, in 2010 SAES Getters America, Inc has been excluded from the certification process.
- In order to certify the Consolidated Financial Statements, the Officer Responsible requested the following of each of the companies subject to controls and affected by significant processes:
  a. 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 and stating that, to the best of the knowledge of the authors of the letter, the internal control system implemented has protected the company against the risks of fraudulent practices;
  b. The dispatch of the ACMs pertaining to significant processes for each company, signed by the Financial Controller, certifying that the controls were conducted or reporting any inadequacies or shortcomings and indicating corrective action to be taken, where possible.
- As an exception of the foregoing, SAES Advanced Technologies S.p.A. has decided to implement its own internal administrative and accounting control system, which refers directly to the Administrative and Accounting Control Model adopted by the SAES Group.
- On July 12, 2007 the associated Integrated Process was approved by the Chief Financial Officer of the SAES Group and the Chief Executive Officer of SAES Advanced Technologies S.p.A. and included in the Quality Assurance Manual of the latter company.
- On the same date of July 12, 2007, the Head of Administration of SAES Advanced Technologies S.p.A. issued thirteen Work Instructions (expanded to include an additional two Work Instructions in October 2007) pertaining to the main processes that generate the company's accounting information, in addition to a specific Work Instruction pertaining to the preparation of the financial statements.

  It should be noted that, during 2010, with the collaboration of the Internal Audit Department, the Chief Financial Officer of SAES Advanced Technologies S.p.A. started the updating process of the control matrixes by applying the new risk-based approach suggested by the Officer Responsible (see paragraph 2.3 of the certification of the separate financial statements of SAES Getters S.p.A.). The process will be finalised in the first half of 2011.
- As a consequence, SAES Advanced Technologies S.p.A. implemented an internal certification process similar to that described above for SAES Getters S.p.A., in which the company only sends the Officer Responsible the representation letter, which is issued on the basis of the results of internal reviews of control matrices pertaining to each of the Work Instructions.

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

- As of today's date, the Officer Responsible has received all nine representation letters requested, signed by the General Managers / Financial Controllers of the subsidiaries affected by the processes deemed relevant after a risk assessment. In addition, all of the ACMs, completed in full, were also dispatched.

- 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, 2010:

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 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 14, 2011

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

BOARD OF STATUTORY AUDITORS' REPORT TO THE SHAREHOLDERS' MEETING

PURSUANT TO ARTICLE NO. 153 OF LEGISLATIVE DECREE 58/1998 AND ARTICLE NO. 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, 2010, our supervisory activity was conducted in accordance with the Consolidated Financial Intermediation Act enacted by Legislative Decree 58/1998 and, for the applicable provisions, with the Italian Civil Code. We also referred to the Principles of Conduct recommended by the Italian National Councils of Accountants and Auditors, as well as Consob communications pertaining to corporate controls and the activities of the Board of Statutory Auditors, particularly notice DEM/1025564 of April 6, 2001, as amended.

Pursuant to Article 19 of Italian Legislative Decree no. 39/2010, the Board of Statutory Auditors has assumed the function of Internal Audit Committee, called upon to supervise: i) the financial reporting process; ii) the effectiveness of the internal auditing system and risk management; iii) annual auditing of the accounts and consolidated accounts, iv) the independence of the legal auditor or auditing firm, in particular as regards the provision of non-auditing services to the entity submitted to the statutory audit.

Having acknowledged the foregoing, we report on our supervisory activity provided by the law during financial year ended December 31, 2010 and, in detail:

- we certify that we have verified compliance with the law and with the Company By-laws and observance of the principles of proper administration. During the year, the Board of Statutory Auditors held six meetings, as well as additional informal sessions;
- at meetings of the Board of Statutory Auditors and the Board of Directors, and at least once per quarter, we obtained information from the Directors concerning general business performance, the Company's business outlook, and the most significant transactions in terms of size and characteristics undertaken by the Company, including with respect to its subsidiaries;
- in calendar year 2010, we took part in one Shareholders' Meeting and seven meetings of the Board of Directors, which were held in accordance with the Company By-laws and the legislative provisions that govern the functions of such meetings. We can state with a reasonable degree of certainty that the actions decided upon at such meetings were compliant with the law and the Company By-laws, were always taken in the company's best interests, including infra-group interests, were not manifestly imprudent, hazardous, atypical or unusual, and did not represent potential conflicts of interest with the capacity to compromise the integrity of the Company's assets. At these meetings, all participants were free to express comments, opinions and views;
- we assessed and verified the adequacy of the organisational, administrative and accounting system and the reliability of said system in correctly representing operating circumstances by obtaining information from the respective department managers and examining Company 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 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 Italian Legislative Decree no. 39/2010, the financial reporting process; the effectiveness of the internal auditing system and risk management; the statutory audit of the annual accounts and

consolidated accounts; the independence of the legal auditing 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 Legislative Decree 58/1998;
- we read and obtained information on organisational and procedural activities carried out pursuant to Italian Legislative Decree 231/2001 and subsequent additions, on the administrative responsibility of the entities for the crimes established by this regulation. The report of the Oversight Committee on the activities carried out during 2010 and the meetings of the Committee with the Board of Statutory Auditors did not point out any significant critical state such as to be reported herein.

With reference to the provisions set forth in Article 36 of the Market Regulation, issued by Consob, concerning significant controlled companies, setup and governed by the law of non-EU Countries, the companies to which such provisions refer were identified and the related administrative and accounting system appears fit for submitting on a regular basis to the Company and to the auditing firm economic and financial data required for preparing the Consolidated Financial Statements.
Having acknowledged the foregoing, we would like to draw the attention of the Shareholders' Meeting to the following.

Performance for the period

As appropriately illustrated by the Directors in the 2010 Financial Statements, the results for the year point out how the Group has managed to overcome the difficulties caused by the crisis of the markets, especially with regard to the business of Information Displays, has characterised the trend of the previous year. The strategies of business innovation and diversification were decisive in this sense, also through the acquisitions closed in 2008. In particular, the structural decline in sales in the LCD business was completely offset by the increase recorded in all the other business segments in which the Company works thanks to the development and introduction of new products. In this regard, during 2010 an important partnership agreement was signed with Cambridge Mechatronics Ltd. for the integration of shape memory wires in the autofocus devices for the cameras on the new generation mobile phones. This agreement is a first important step for the diffusion of the SMA technology within industrial sectors of consumer electronics, potentially characterised by very high volumes. The increase in net sales, together with the policy of cost containment, has allowed the Group returning to profitability.

Most significant transactions undertaken during the year

On April 27, 2010, the Shareholders' Extraordinary Meeting of SAES Getters S.p.A. decided to cancel the treasury shares in portfolio and, particularly, 600,000 ordinary shares and 82,000 savings shares. The cancellation operation, which took place on May 26, 2010, was carried out without any change in share capital, but with an increase of the "implied book value". As a result of the cancellation of the treasury shares, the capital stock remains unchanged and equal to 12,220,000 euro, however represented by a lower number of outstanding shares, namely 22,049,969 shares, of which 14,671,350 ordinary and 7,378,619 savings, without par value, but with an implied book value of 0.554196 euro per share. Moreover, in pursuance of the provisions of Article 26 of the Company By-laws, the quantification of the privileges of residual savings shares increased correspondingly and, in particular, the privileged dividend passed from 0.134 euro to 0.139 euro, whereas the increase from 0.016 euro to 0.017 euro. As part of the investments in the research and

innovation segment, considered essential for the growth of the Group, on February 12, 2010, E.T.C. S.r.l., a subsidiary 85% owned by SAES Getters S.p.A., was incorporated on February 12, 2010, as a spin-off supported by National Research Council (CNR). The company is based in Bologna and its object is the development of materials to be used in organic electronics and organic photonic applications, as well as integrated organic photonic devices for niche applications (OLET technology).
Within the rationalisation plan of non-strategic equity investments, on November 9, 2010, SAES Getters, through its subsidiary SAES Getters International Luxembourg S.A., signed a binding agreement for the transfer of the equity investment, equal to 51%, in the Chinese joint venture Nanjing SAES Huadong Vacuum Material Co., Ltd. to the Chinese minority-interest shareholders. The agreement contemplates, in addition to the transfer of the equity investment at a symbolic price of 2 Chinese renminbi, the payment, by SAES Getters International Luxembourg S.A., of an amount of 30 million of Chinese renminbi as a settlement of the obligations undertaken at the moment of acquisition with the third-party shareholders of the joint venture. The overall charge of the operation was in line with what was expected and accrued during 2009. The payment of 30 million of Chinese renminbi occurred on December 1, 2010. However, pending the required authorisations and registrations by the local administrative authorities, the transfer of the equity investment is expected to occur in the first half of 2011 indicatively. The SAES Getters Group will continue to operate in China through its subsidiary SAES Getters (Nanjing) Co., Ltd.
As part of the Group's restructuring plan carried out in 2009, it has to be pointed out that the liquidation process of the following companies has been concluded during 2010: i) SAES Getters Singapore PTE, Ltd.; ii) SAES Opto S.r.l.; iii) SAES Getters Japan Co., Ltd.; iv) SAES Getters (GB), Ltd.; v) SAES Getters (Deutschland) GmbH.
As for the subsequent events after the end of the year, on February 17, 2011, in order to give the subsidiary E.T.C. S.r.l. greater financial resources, the Company decided a capital contribution of 1,605 thousand of euro (equal to the loss of E.T.C. S.r.l. in 2010). This increase was carried out by waiving a financial credit of 1,259 thousand of euro, by waiving a trade receivable of 194 thousand of euro and the remaining part, of 152 thousand of euro, by paying in cash.
The Board of Statutory Auditors, after being duly and punctually 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, in conflict with 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 were no atypical or unusual transactions to report; transactions with Group companies were part of the Company's ordinary operations.
Related-party transactions consist essentially of intra-group transactions with subsidiaries, predominantly 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. Interest-bearing cash-pooling agreements are in force with several Group companies. Agreements for the provision of commercial, technical, information technology, legal, and financial services for the study of specific projects are also in force with some subsidiaries. All agreements entered into were at arm's length conditions.
With reference to the transactions with Related Parties other than subsidiaries, associates and joint ventures, the Directors indicated in their Report:

- the relations with S.G.G. Holding S.p.A., parent company, substantially controlled by the former parties to the SAES Getters Shareholders' Agreement, which holds 7,958,920 ordinary shares, representing 54.25% of ordinary capital with voting rights. An agreement concerning the participation in Italy's national tax consolidation program has been in force with said company since May 12, 2005, and was renewed on June 12, 2008 for a further three years. By virtue of said Agreement, as at December 31, 2010, SAES Getters S.p.A. claimed a total of 3,417 thousand of euro in receivables from S.G.G. Holding S.p.A.;
- dealings with KStudio Associato, the founding partners of which include Vincenzo Donnamaria, President of the Board of Statutory Auditors of SAES Getters S.p.A., pertaining to legal and tax consulting services provided during the year for a consideration of 12 thousand of euro.

The Directors also identified the following additional related parties:

- the members of the Board of Directors, including non-executive directors and close family members;
- the members of the Board of Statutory Auditors and close family members.

The above remarks on transactions with related parties comply with the provisions of article 2391-*bis* of the Italian Civil Code and with the Consob Notices of February 20, 1997 and February 28, 1998, as well as IAS 24. In addition, as required by Consob resolution 15519 of July 27, 2006, the Explanatory notes to the Financial Statements contain an account of the amounts of positions or transactions with related parties shown separately from the applicable items.

The information disclosed by the Directors in their Report on operations in the Financial Statements for the year ended on December 31, 2010 is complete and adequate with respect to transactions undertaken with all Group entities and related parties.

Finally, the Board of Statutory Auditors acknowledges formally that the Board of Directors of November 11, 2010, after hearing the favourable opinion of the Committee of Independent Directors, approved the procedures on related party transactions, pursuant to Article 2391-*bis* Italian Civil Code, as implemented by Consob Regulation no. 17221 of March 12, 2010, which identifies and governs the rules to be followed for the approval and the carrying-out of related party transactions, in accordance with IAS 24, in order to ensure the transparency and the substantial and procedural correctness of the transactions. This procedure is applicable from January 1, 2011 and, therefore, as from that date, any other procedure, including those provided for in Article 13 of the Corporate Governance, adopted by the Board of Directors of the Company on December 21, 2006, is repealed.

Audit firm

Reconta Ernst & Young S.p.A., engaged to audit the Financial Statements, issued audit reports on March 25, 2011, in which they expressed a judgment containing no remarks on either the Consolidated or Parent Company accounts for 2010.

We also held meetings, including informal sessions, with representatives of Reconta Ernst & Young S.p.A., the auditing firm engaged to review the Consolidated and SAES Getters S.p.A. Financial Statements and provide statutory audit pursuant to article 150, paragraph 3, of Italian Legislative Decree 58/1998. No data or information that should be detailed in this Report came to light at such meetings.

The Board of Statutory Auditors acknowledges formally that it has received, pursuant to Article 19, paragraph 3, of Italian Lgs. D. no. 39/2010, the report of the legal auditing firm explaining the basic issues emerged during the legal audit and any significant failure recorded in the internal audit system in relation to the process of financial statements, on

which no specific failure was recognised.
The Board of Statutory Auditors also acknowledges formally that it has received from the auditing firm, pursuant to Article 17, paragraph 9 letter a), of Italian Lgs. D. no. 39/2010, the confirmation of its independence, that also entities belonging to its own network have indicated the services other than the statutory audit provided to the Company and that it has finally discussed, pursuant to the mentioned Article 17, paragraph 9, letter b), with the legal auditing firm the risks related to its independence as well as the measures taken to limit such risks.

Indication of the conferral of additional engagements to the auditing firm and/or parties in long-term relationships therewith

For information on additional engagements conferred on the auditing firm and/or parties in long-term relationships therewith, the reader is referred to the information provided by the Company in the Notes to the Consolidated Financial Statements, pursuant to article 149-*duodecies* of the Issuer Regulations, which governs the disclosure of consideration.

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

In 2010, the Board of Statutory Auditors was not called upon to issue any opinion in accordance with the law.

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

The Board of Statutory Auditors did not receive complaints ex article 2408 of the Italian Civil Code and statements of any kind.

Proper administration - Organisational structure

The Company is competently administered in accordance with the law and the Company By-laws. We participated in Shareholders' Meetings and meetings of the Board of Directors as well as those meetings of other Committees at which our presence is required. These meetings were held in accordance with the Company By-laws and provisions of law that govern the functioning of such meetings.
The delegations and powers conferred were appropriate to the Company's needs and adequate for the evolution of Company operations.
The Board of Statutory Auditors believes that the Company's overall organisational structure is appropriate to the Group's size.
Lastly, the Statutory Auditors, in the course of the periodic reviews conducted during the year, were able to observe the accuracy and promptness with which all obligations were fulfilled and communications dispatched in connection with the listing of the Parent Company on the STAR segment of the Mercato Telematico Azionario under the supervision of Borsa Italiana and Consob.

Internal control - Administrative and accounting system

Internal control activity, the purpose of which is to manage Company risks, is entrusted to the Board of Directors and is conducted with the assistance of the Audit Committee, the Officer Responsible for the preparation of the corporate financial reports, and the Internal Audit Department.

During the year, the Officer Responsible for the preparation of the corporate financial reports did not report to us any particular critical issues or anomalies requiring mention in this Report.
We inquired into and supervised the adequacy of both the Company's organisational structure and administrative and accounting system, as well as the reliability of said system to accurately represent operating events, by obtaining information from the heads of the respective offices, reviewing Company documents directly, and exchanging information with the auditing firm Reconta Ernst & Young S.p.A., in accordance with Article 150 of Italian Legislative Decree 58/1998. We have no particular remarks to report in this regard.
The Company has adopted appropriate procedures for governing and monitoring disclosure to the market of data and transactions pertaining to Group companies. In this regard, it should be recalled that the Company has a complex Administrative and Accounting Control Model, approved by the Board of Directors on May 14, 2007. This Model was adopted in part to reflect obligations concerning the drafting of corporate accounting documents and all documents and communications of a financial nature intended for the market. This Model formally establishes a system of company rules and procedures adopted by the Group 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.

<u>Subsidiaries</u>

As required by the Internal Control Model adopted by the Company, the Officer Responsible for the preparation of the corporate financial reports ensures that the rules for the control of subsidiaries are updated and in line with the Group's principles. On this issue, the Board of Statutory Auditors refers to the detailed description provided to the specific paragraph of the Corporate Governance and Ownership Report, approved by the Board of Directors on March 14, 2011 and made available on the Company's website.

<u>Corporate Governance Code for Listed Companies</u>

The Company has passed all of the resolutions required for compliance with the March 2006 version of the "Corporate Governance Code for Listed Companies", and the Board of Directors has approved the 2010 Annual Corporate Governance Report. The full text of this Report, to which the reader is referred for further information, is available to the public according to the methods required by applicable laws and regulations.
In this regard, the Board of Statutory Auditors attests that it has verified the propriety of the criteria adopted by the Board of Directors for assessing the independence of its members and has acknowledged the statements issued by individual Directors.
The Board of Statutory Auditors also oversees the conditions for the independence and autonomy of its own members and informs the Board of Directors thereof in a timely manner with respect to the drafting of the Corporate Governance Report. During the year, the Board of Statutory Auditors verified the continuing satisfaction of independence requirements on February 17, 2011.
Finally, each member of the Board of Statutory Auditors fulfilled the requirements to notify Consob, ex Article 144 *quaterdecies,* of the Issuer Regulations, with regard to the regulation that governs the plurality of offices.

<u>CONSOLIDATED AND SAES GETTERS S.P.A FINANCIAL STATEMENTS for the year ended on December 31, 2010</u>

As we are not responsible for an analytical review of the contents of the Financial Statements, we certify that we have verified the general layout of both the Consolidated and SAES Getters S.p.A. Financial Statements and the general compliance thereof with the law in terms of formation 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 EC Regulation no. 1606/2002, and the Financial Statements of the Parent Company, were drafted in accordance with IAS/IFRS, which have been applied since January 1, 2005.
The Financial Statements of the Parent Company and the Consolidated Financial Statements consist of the statement of financial position, income statement, statement of comprehensive income, cash flow statement, statement of changes in shareholders' equity and the explanatory notes. The presentation adopted is compliant with the provisions of IAS 1-revised.
Financial position was prepared by distinguishing between current and non-current assets and liabilities according to whether the assets are likely to be realised and the liabilities discharged 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 IFRS 5.
In the income statement, operating costs are disclosed on the basis of their allocation.
The Cash Flows Statement has been prepared according to the indirect method, as allowed under IAS 7.
In addition, as required by Consob resolution 15519 of July 27, 2006, in the income statement by allocation, revenue and income derived from non-recurring transactions or events that do not occur frequently in the habitual course of business have been specifically identified.
In accordance with this resolution, the amounts of positions or transactions with related parties have also been presented separately from the applicable items in the Notes.
We provide the following financial highlights from the Financial Statements submitted for your consideration:

(amounts in thousands of euro)

Income Statement

	Separate Financial Statements	Consolidated Financial Statements
Net revenues	8,133	140,574
Operating income (loss)	(17,641)	10,922
Other income and expenses	13,191	(4,559)
Income (loss) before taxes	(4,450)	6,363
Net income (loss)	(3,765)	3,135
	=======	=======

Statement of financial position

Non-current assets	90,923	114,302
Current assets	19,813	79,238
Total assets	110,736	193,540
Non-current liabilities	3,960	43,319

Current liabilities	26,938	41,621
Shareholders' equity	79,838	108,600
Total liabilities	110,736	193,540
	=======	=======

As of December 31, 2010, the Parent Company's cash flow statement showed net cash and cash equivalents of 1,923 thousand of euro. As of the same date, the Consolidated Cash Flow Statement showed net cash and cash equivalents of 22,223 thousand of euro.

Intangible assets have been reported under assets in accordance with IAS 38 as it is likely that future economic benefits will flow from their use. They are amortised on the basis of their estimated useful lives. Goodwill is not amortised, but rather tested for impairment at least annually.

Long-term equity investments came to 72,861 thousand of euro at year-end. They are measured at cost and adjusted as necessary to account for impairment on the Parent Company's financial statements. In the consolidated financial statements, investee companies have been included in the scope of consolidation according to the line-by-line method, with the exception of joint ventures, to which the proportional method has been applied.

The dividends collected by the Parent Company in 2010 totalled 15,420 thousand of euro, compared to 31,215 thousand of euro in 2009.

Financial debt came to 16,392 thousand of euro on the Parent Company's Financial Statements as of December 31, 2010, marking an decrease of 2,512 thousand of euro compared to December 31, 2009.

Capital stock

As of December 31, 2010, capital stock, fully subscribed and paid-up, amounted to 12,220 thousand of euro and consisted of 14,671,350 ordinary shares and 7,378,619 savings shares, for a total of 22,049,969 shares.

Compared to December 31, 2009, the number of shares changed as a result of the implementation, on May 26, 2010, of the resolution of the Extraordinary Shareholders' meeting of April 27, 2010 that ordered the cancellation of 600,000 ordinary shares and 82,000 savings shares held in portfolio.

Treasury shares

Following the resolution of the Extraordinary Shareholders' meeting of April 27, 2010, which ordered the cancellation of 600,000 ordinary shares and 82,000 savings shares held in portfolio, the Company has no ordinary shares as at December 31, 2010. In accordance with IAS 32, the cancellation of the treasury shares has not generated any profit/loss in the consolidated income statement and did not have any impact on the Group shareholders' equity.

The shareholders' equity of the Parent Company totalled 79,838 thousand of euro and included, inter alia, the reserve of positive currency revaluation balances ensuing from the application of Laws 72/1993 and no. 342/2000 (1,727 thousand of euro), the retained earnings reserve (21,543 thousand of euro), the IAS conversion reserve (2,712 thousand of euro), the reserve for capital gains on the sale of treasury shares in portfolio (a negative

589 thousand of euro), and the reserve representing the capital gain on the sale of the three branches of business to SAES Advanced Technologies S.p.A. (2,426 thousand of euro).

Research, development and innovation costs were 7,826 thousand of euro in the Parent Company's Financial Statements and 13,892 thousand of euro in the Consolidated Financial Statements. These costs were charged to income because they did not meet the requirements laid down in IAS 38 for compulsory capitalisation.

Current and deferred income taxes were recognised with a positive balance of 685 thousand of euro for the Parent Company, consisting of 956 thousand of euro in current taxes and a negative 271 thousand of euro in deferred taxes. The positive balance of current taxes was primarily due to the 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 tax loss for the period transferred to the tax consolidation program. This item also includes a negative 1,643 thousand of euro for the IRES tax expense that would result from the non-acceptance, by the Tax Authority, of the request for ruling due to the non-application of the so-called CFC regulation, set forth in Article 167, paragraphs 8-*bis* and 8-*ter*, of Italian PD no. 917/1986, with regard to the foreign subsidiary company SAES Getters Export Corp. In particular, as appropriately illustrated by the Directors in the Financial Statements, in March 2011, the Company submitted to the tax Authority a request for a ruling for the non-application of the regulation set forth in Article 167, paragraph 8-*bis*, of the Consolidated Income Tax Act, in order to show that the so-called CFC regulation is not applicable to the income produced by the American subsidiary SAES Getters Export, Corp.
Current and deferred income taxes came to 3,291 thousand of euro on the Consolidated Financial Statements. For information concerning the recognition of deferred tax assets and liabilities, the reader is referred to the remarks made by the Directors in the explanatory notes and the statements of temporary differences and associated tax effects.
For information on the performance of subsidiaries, research, development and innovation activities, significant events occurring after the end of the financial year and business outlook, the reader is referred to the Report on operations of the SAES Getters Group.
The Board of Statutory Auditors takes note of the proposal of the Board of Directors to cover the loss for the year of 3,765,388.98 euro through the use of part of the "retained earnings", which will stand at 17,777,545.86 euro following said use, and also of the proposal to distribute part of the available reserve "retained earnings" totalling 4,409,993.80 euro, pertaining in equal parts to ordinary and savings shares pursuant to Article 26 of the Company By-laws and, in particular, 0.20 euro for each of the 7,378,619 savings shares and 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 Financial Statements of the Parent Company and the Consolidated Financial Statements for the year ended December 31, 2010, as prepared by the Directors.

March 28, 2011

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 January 27, 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 and for the year ended December 31, 2010, 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 management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. Our audit was performed 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 and correct application of the accounting principles and the reasonableness of the estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

   For the opinion on the consolidated financial statements of the prior year, which are presented for comparative purposes, reference should be made to our report dated April 6, 2010.

3. In our opinion, the consolidated financial statements of the SAES Group at December 31, 2010 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.

4. The management of Saes Getters S.p.A. is responsible for the preparation of the Report on Operations and the Report on Corporate Governance and the Company's Ownership 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 the information included therein 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) presented in the Report on Corporate Governance and the Company's Ownership, 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 reported therein 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) presented in the Report on Corporate Governance and the Company's Ownership , are consistent with the consolidated financial statements of the SAES Group as of December 31, 2010.

Milan, March 25, 2011

Reconta Ernst & Young S.p.A.

Signed by: Gabriele Grignaffini, Partner

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SAES Getters S.p.A. financial highlights

FINANCIAL HIGHLIGHTS OF SAES GETTERS S.p.A.

(thousands of euro)

Income statement data	Year 2010	Year 2009	Difference	Difference %
NET SALES				
- Information Displays	3.089	9.995	(6.906)	-69,1%
- Industrial Applications	4.257	5.343	(1.086)	-20,3%
- Shape Memory Alloys	292	768	(476)	-62,0%
- Advanced Materials & Corporate Costs	495	288	207	71,9%
Total	**8.133**	**16.394**	**(8.261)**	**-50,4%**
GROSS PROFIT				
- Information Displays	(243)	(463)	220	47,5%
- Industrial Applications	445	2.393	(1.948)	-81,4%
- Shape Memory Alloys	77	60	17	28,3%
- Advanced Materials & Corporate Costs (1)	(481)	(709)	228	32,2%
Total	**(202)**	**1.281**	**(1.483)**	**-115,8%**
% on sales	-2,5%	7,8%		
EBITDA (2)	**(14.604)**	**(24.303)**	**9.699**	**39,9%**
% on sales	-179,6%	-148,2%		
EBITDA adjusted (2)	**(14.604)**	**(17.062)**	**2.458**	**14,4%**
% on sales	-179,6%	-104,1%		
OPERATING INCOME (LOSS)	**(17.641)**	**(27.391)**	**9.750**	**35,6%**
% on sales	-216,9%	-167,1%		
OPERATING INCOME (LOSS) adjusted (3)	**(17.641)**	**(20.572)**	**2.931**	**14,2%**
% on sales	-216,9%	-125,5%		
NET INCOME	**(3.765)**	**(1.383)**	**(2.382)**	**-172,2%**
% on sales	-46,3%	-8,4%		

Balance Sheet and Financial data	December 31, 2010	December 31 2009	Difference	Difference %
Property, plant and equipment, net	14.882	15.577	(695)	-4,5%
Shareholders'equity	79.838	83.603	(3.765)	-4,5%
Net financial position	(10.186)	(9.031)	(1.155)	-12,8%

Other information	December 31, 2010	December 31, 2009	Difference	Difference %
Cash flow from operating activities	(15.465)	(23.999)	8.534	35,6%
Research & development expenses (4)	7.826	11.678	(3.852)	-33,0%
Number of employees as at 31 December**	200	214	(14)	-6,5%
Personnel cost (5)	14.400	17.015	(2.615)	-15,4%
Purchase of property, plant and equipment	1.949	1.303	646	49,6%

1) 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.

2) 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".
For Adjusted EBITDA we intend EBITDA rectified in order not to include non recurring items and in any case items considered by the management as not meaningful with reference to the current operating performance. Please refer for the calculation on December 31, 2009 to the table "Non-recurring income and expenses", shown in Annexe no. 2.

3) Net of non-recurring costs and other costs considered by the management as not meaningful with reference to the current operating performance. Please refer for the calculation on December 31, 2009 to the breakdown "Non-recurring income and expenses", shown in Annexe no. 2. The 2010 financial year was not penalised by non-recurring costs related to restructuring processes.

4) Research & development expenses included in 2009 non-recurring costs equal to 1,906 thousand of euro, including 1,457 thousand of euro due to reduction in personnel, partially offset by redundancy fund savings of 156 thousand of euro, and 605 thousand of euro for other one-off costs: in 2010, the item includes only 56 thousand of euro of benefit on the personnel cost following the use of the redundancy fund.

** 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 2009, the personnel cost included non-recurring expenses (severance costs net of C.I.G. - redundancy fund - savings) equal to
3,033 thousand of euro; in 2010, costs due to reduction in personnel were equal to 861 thousand of euro, whereas the use of the redundancy fund lead to a benefit on the personnel costs of 362 thousand of euro.

Report on operations of the SAES Getters S.p.A.

REPORT ON OPERATIONS

The organisational structure of SAES Getters S.p.A., as the Parent Company (also referred to hereinafter as the "Company"), consists of three Business Units, Industrial Applications, Shape Memory Alloys and Information Displays, and one Business Development Unit, Advanced Materials. Corporate costs, i.e. those costs that cannot be directly attributed or reasonably allocated to any business sector, but which relate to the Company as a whole, and the costs related to research and development projects, directed towards diversification within advanced materials (Business Development Unit Advanced Materials) are shown separately compared to the three Business Units.

The following table illustrates the Group's organizational structure:

Industrial Applications Business Unit	
Lamps	Getters and metal dispensers used in discharge lamps and fluorescent lamps
Electronic Devices	Getters and metal dispensers for electron vacuum devices and getters for microelectronic and micromechanical systems (MEMS)
Vacuum Systems and Thermal Insulation	Pumps for vacuum systems, getters for solar collectors and products for thermal insulation
Semiconductors	Gas purifier systems for semiconductor industry and other industries
Shape Memory Alloys Business Unit	
Shape Memory Alloys (SMA)	Shape memory alloys
Information Displays Business Unit	
Liquid Crystal Displays	Getters and metal dispensers for liquid crystal displays
Cathode Ray Tubes	Barium getters for cathode ray tubes
Advanced Materials Business Development Unit	
Advanced Materials	Dryers and highly sophisticated getters for OLED, sealants for solar panels and energy storage getter devices

Net sales were 8,133 thousand of euro in 2010, down 50.4% from the 16,394 thousand of euro reported in 2009. The decrease was primarily due to the lesser sales of mercury dispensers used in cold cathode fluorescent lamps for the backlighting of liquid crystal displays (Liquid Crystal Displays Business) due to the market's high degree of maturity.

EBITDA for the year came to a negative 14,604 thousand of euro, compared to a negative 24,303 thousand of euro in 2009: net of the non-recurring costs, the 2009 adjusted EBITDA came to -17,062 thousand of euro.

The operating loss came to 17,641 thousand of euro in 2010, compared to 27,391 thousand of euro in 2009. It should be recalled that in 2009 the operating loss included non-recurring costs of 6,819 thousand of euro, including 5,732 thousand of euro in write-downs and staff restructuring expenses and 1,447 thousand of euro in the career bonus for Paolo della Porta.

Please refer to Annexes no. 1 and no. 2 for the breakdown of non-recurring expenses and income as at December 31, 2009.

Dividends, net financial income, net exchange gains and write-downs of equity investments in subsidiaries came to 13,190 thousand of euro in 2010, down from 25,932 thousand of euro in the previous year, primarily owing to the lesser dividends collected from subsidiaries (which amounted to 15,420 thousand of euro in 2010 compared to 31,215 thousand of euro in 2009).

The net loss for 2010 was 3,765 thousand of euro, compared to a net loss of 1,383 thousand of euro in 2009.

Financial position as at December 31, 2010 stood at net debt of 10,186 thousand of euro compared to net debt of 9,031 thousand of euro as at December 31, 2009.

Research, Development and Innovation Activities – Parent Company

During 2010, research activity focused primarily on large diversification projects in the area of organic chemistry. The development of new organic getters for OLED was accompanied by an important project, carried out within E.T.C. S.r.l., , in the OLET sector, i.e. organic transistors that are characterized by being able to work both as light emitters and as sensors. The two activities are also synergic from the technical point of view and this allowed a further acceleration in the development of several families of getters for OLED. Our new products AqvaDry® and DryPaste® are being tested by important Asiatic customers and a commercial outlet is expected in the short term. OLED technology is highly important to SAES Getters because in the coming years it will take up a position alongside LCD technology on the display market and will also be used in lamps for domestic lighting. The first devices with OLED active matrix and color display are already on the market; these are small displays using simple physical getters, but larger displays that could use our products should enter the market in 2011.
Organic chemistry knowledge, combined with those related to nano-structured getters, will allow SAES to enter into new fields of application such as third-generation solar cells or other applications of organic electronics.

During 2010, the effort of innovation to develop new products or applications in Industrial Applications also continued. The research focused mainly on the development of new families of mercury dispensers both for compact fluorescent lamps, which are replacing incandescent lamps, and for traditional fluorescent lamps. The former will allow the entry of SAES in a growing segment, until now dominated by other operators; the latter will allow the Group to strengthen its competitive position in a market in which we have been leaders for years.

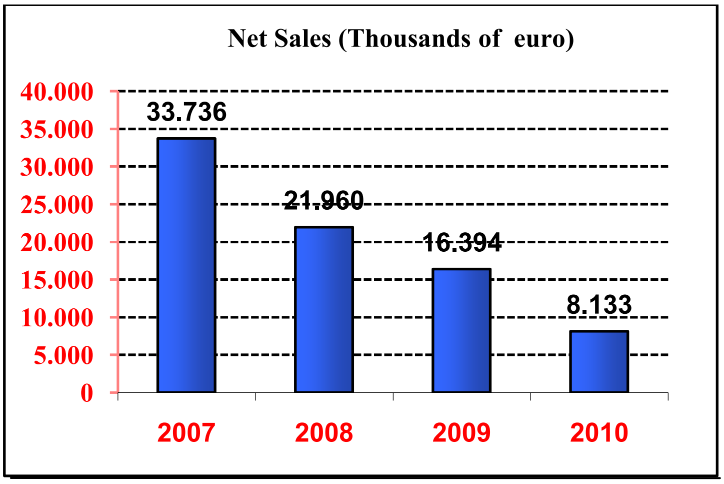
Another important activity area was that of tungsten and copper wafers, products developed together with the subsidiary Spectra-Mat, Inc., which will be used as heat dissipaters in LED lamps for household use. Over the next few years, LED lamps will progressively enter the market alongside compact fluorescent lamps and it is primarily important for SAES to serve this market. The new products are being tested and the launch on the market should start in 2011.

In the field of renewable energy, the development of the B-Dry® getters was completed and their marketing is expected during 2011. The Group continued to develop getters for lithium batteries and super-condensers.

In the field of SMA, research activities focused primarily on industrial applications: during the year, SAES has completed successfully, along with its partner Cambridge Mechatronics Ltd., the development of an auto-focus system for miniature cameras in mobile phones where the motion of the lens is ensured by a shape memory wire. This application, along with the other applications developed during the year, placed SAES in a pioneering position in this sector. At the same time, the basic research activity for the finalization of new high-performance alloys continued, both at a higher transition temperature and a lower content of impurities.

Sales and net income for the year ended December 31, 2010

Net sales were 8,133 thousand of euro in 2010, down 50.4% from the 16,394 thousand of euro reported in 2009.

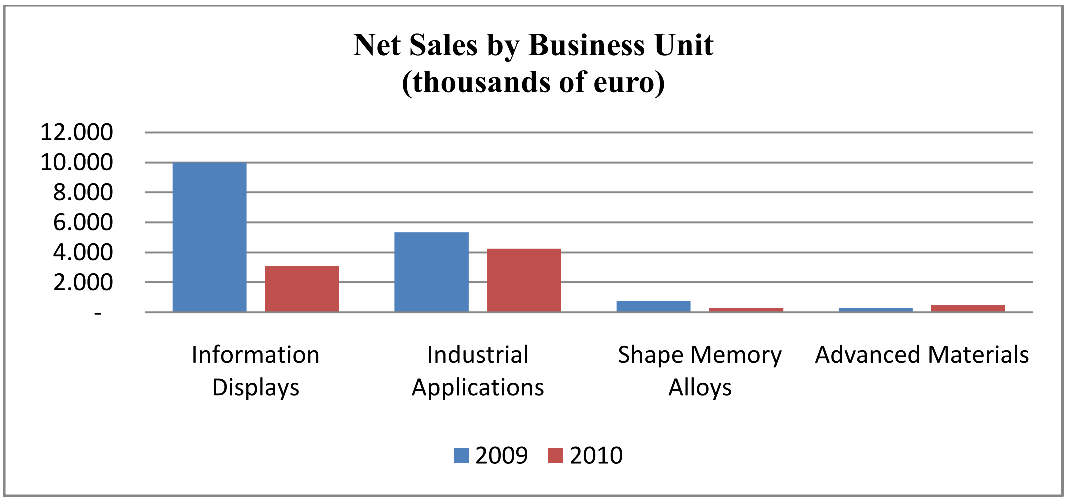


The Information Displays Business Unit reported a decrease, primarily due to the contraction of the LCD market. The Industrial Applications Business Unit also reported a decline due to the transfer of some production lines to the subsidiary SAES Advanced Technologies S.p.A.

The following table contains a breakdown of net sales in 2010 and 2009 by business segment:

(thousands of euro)

Business	Year 2010	Year 2009	Difference	Difference %	Price quantity/ effect %	Exchange rate effect %
Liquid Crystal Displays	3.086	9.964	(6.878)	-69,0%	-70,5%	1,5%
Cathode Ray Tubes	3	31	(28)	-90,3%	-90,8%	0,5%
Subtotal Information Displays	**3.089**	**9.995**	**(6.906)**	**-69,1%**	**-70,6%**	**1,5%**
Lamps	35	488	(453)	-92,8%	-92,8%	0,0%
Electronic Devices	2.685	3.885	(1.200)	-30,9%	-31,5%	0,6%
Vacuum Systems and Thermal Insulation	1.537	970	567	58,5%	52,4%	6,1%
Semiconductors	-	-	-	0,0%	0,0%	0,0%
Subtotal Industrial Applications	**4.257**	**5.343**	**(1.086)**	**-20,3%**	**-22,1%**	**1,8%**
Subtotal Shape Memory Alloys	**292**	**768**	**(476)**	**-62,0%**	**-63,3%**	**1,3%**
Subtotal Advanced Materials	**495**	**288**	**207**	**71,9%**	**70,6%**	**1,3%**
Total Net Sales	**8.133**	**16.394**	**(8.261)**	**-50,4%**	**-52,1%**	**1,7%**



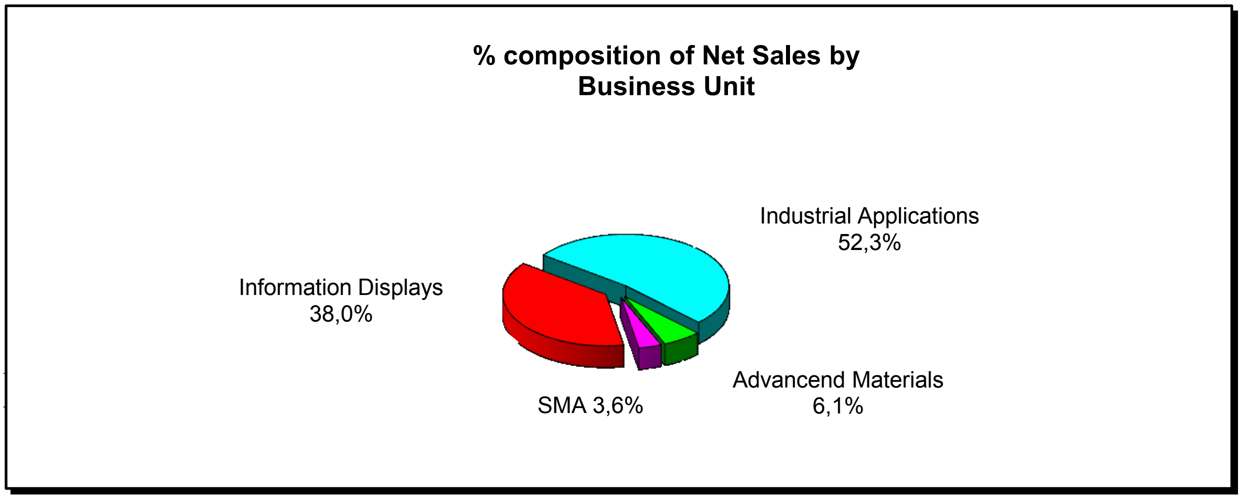
Net sales in the **Information Displays Business Unit** totalled 3,089 thousand of euro, a decrease of 6,906 thousand of euro compared to 2009. Currency trends produced a positive exchange rate effect of 1.5%. The Business Unit reported an overall decline of 69.1% compared to the previous year due to the contraction of the Liquid Crystal Displays market.

Net sales in the **Industrial Applications Business Unit** totalled 4,257 thousand of euro, down by 20.3% on last year's figure. Currency trends produced a positive exchange rate effect of 1.8%. The decline was concentrated in the Electronic Devices and Lamps Business, mainly due to the transfer of some production lines to the subsidiary SAES Advanced Technologies S.p.A. partially offset by the increase in Business Vacuum Systems & Thermal Insulation and by the increase in sales of getters for MEMS.

Net sales in the **Shape Memory Alloys Business Unit** were 292 thousand of euro, down on the 476 thousand of euro reported last year. We report that the intermediation activity of raw materials in favour of SAES Smart Materials, Inc. that in 2009 was equal to 605 thousand of euro ended in 2010 whereas direct sales for industrial applications increased by 115 thousand of euro (+39.4% compared to 2009).

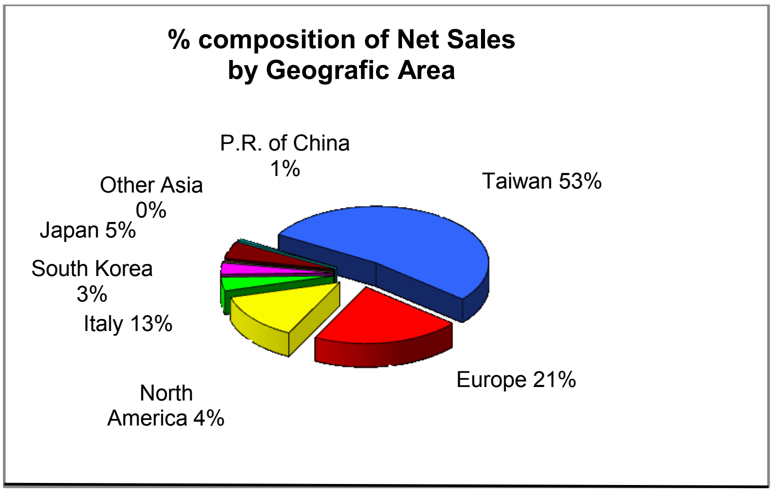
The net sales of the **Advanced Materials Business Development Unit** came to 495 thousand of euro, marking an increase of 71.9% compared to the previous year, primarily owing to sales in the Other Flat Panels Business.

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



(thousands of euro)

Geographic Area	Year 2010	%	Year 2009	%	Difference	Difference %
Italy	1.085	13,3%	1.042	6,4%	43	4,1%
Other UE and Europe	1.731	21,3%	2.919	17,8%	(1.188)	-40,7%
North America	318	3,9%	1.587	9,7%	(1.269)	-80,0%
Japan	397	4,9%	423	2,6%	(26)	-6,1%
P.R. of China	31	0,4%	131	0,8%	(100)	-76,3%
South Korea	264	3,2%	119	0,7%	145	121,8%
Taiwan	4.285	52,7%	10.003	61,0%	(5.718)	-57,2%
Other Asia	22	0,3%	170	1,0%	(148)	-87,1%
Total Net Sales	**8.133**	**100,0%**	**16.394**	**100,0%**	**(8.261)**	**-50,4%**



The following table breaks down gross profit for 2010 and 2009 by Business Unit:

(thousands of euro)

	Year 2010	Year 2009	Difference 2010/2009	Difference %
Information Displays	(243)	(463)	220	47,5%
Industrial Applications	445	2.393	(1.948)	-81,4%
Shape Memory Alloys	77	60	17	28,3%
Advanced Materials & Corporate Costs	(481)	(709)	228	32,2%
Gross profit	**(202)**	**1.281**	**(1.483)**	**-115,8%**

Gross profit was -202 thousand of euro in 2010 compared to 1,281 thousand of euro in 2009. Gross profit, as a percentage of net sales, is negative as is typical for pilot production lines. (See Note 1)

The following table shows the operating income by Business Unit in 2010 and 2009.

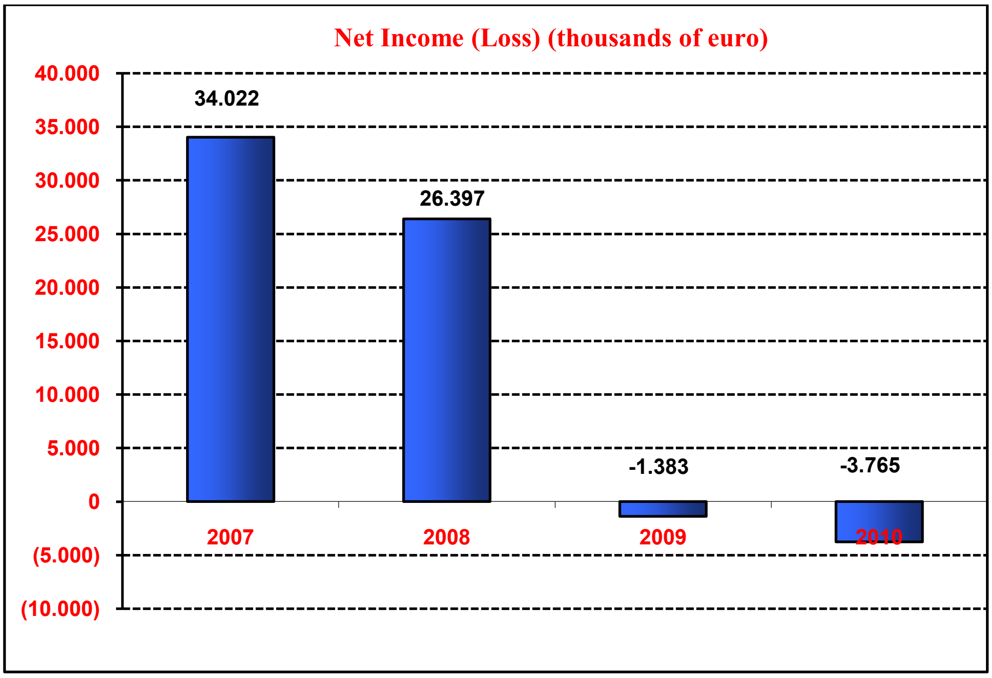
(thousands of euro)

	Year 2010	Year 2009	Difference 2010/2009	Difference %
Information Displays	(2.741)	(2.216)	(525)	-23,7%
Industrial Applications	(1.127)	(1.023)	(104)	-10,2%
Shape Memory Alloys	(1.436)	(1.732)	296	17,1%
Advanced Materials & Corporate Costs	(12.337)	(22.420)	10.083	45,0%
Operating Income (Loss)	**(17.641)**	**(27.391)**	**9.750**	**35,6%**

The **operating loss** came to 17,641 thousand of euro in 2010, compared to 27,391 thousand of euro in 2009 which includes 7,241 thousand of euro of non-recurring expenses (as per breakdown shown in Annexe no. 1 and no. 2). The improvement of the result net of these expenses is due to the impact of cost containment policies started in the previous year, in addition to the increase in revenues for royalties and an extraordinary gain on the sale of assets (see Note no. 7).

Research and development expenses came to 7,826 thousand of euro, compared to 11,678 thousand of euro in 2009. As a percentage of net sales, they amounted to 96.2% in 2010 compared to 71.2% in the previous year.

Net income or loss is shown in the following chart:



The net loss for 2010 was 3,765 thousand of euro, compared to a net loss of 1,383 thousand of euro in 2009.

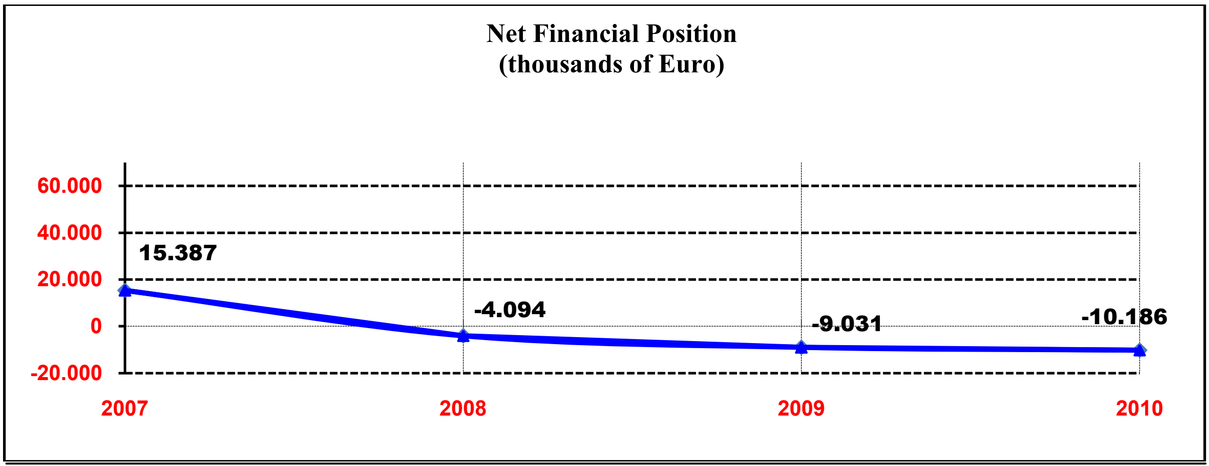
Financial position – Investments – Other information

The following table provides a breakdown of the items comprising net financial position:

(thousands of euro)

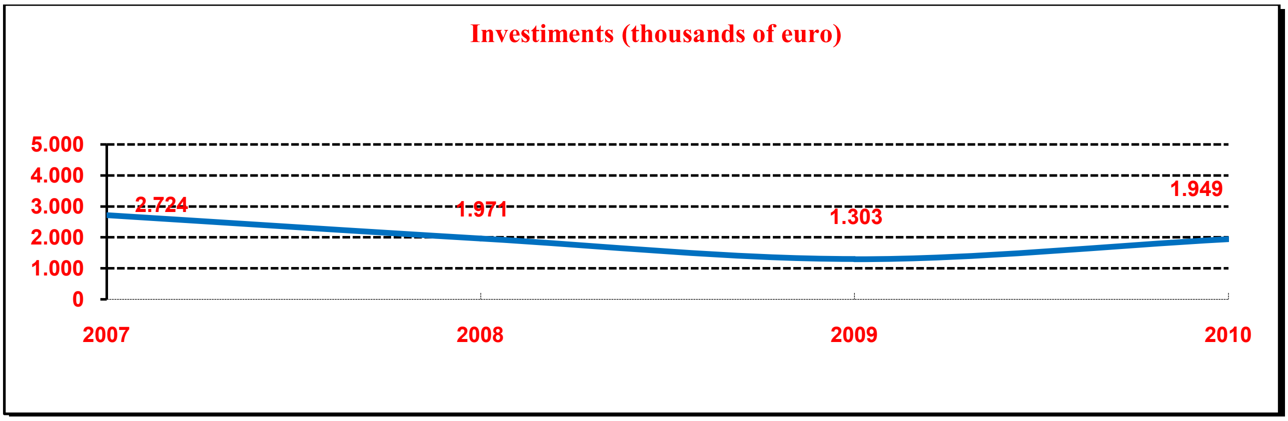
	December 31, 2010	December 31, 2009	Difference
Cash on hand	4	3	1
Cash equivalents	1.919	3.656	(1.737)
Total cash and cash equivalents	**1.923**	**3.659**	**(1.736)**
Current financial assets*	**5.784**	**10.655**	**(4.871)**
Bank overdraft	(1.501)	(4.002)	2.501
Current portion of long term debt	(6.772)	(816)	(5.956)
Other current financial liabilities*	(9.381)	(17.498)	8.117
Total current liabilities	**(17.654)**	**(22.316)**	**4.662**
Current net financial positions	**(9.947)**	**(8.002)**	(1.945)
Long term debt, net of current portion	(239)	(1.029)	790
Total non current liabilities	**(239)**	**(1.029)**	**790**
Net financial position	**(10.186)**	**(9.031)**	**(1.155)**

*current financial payables to and receivables from Group companies.



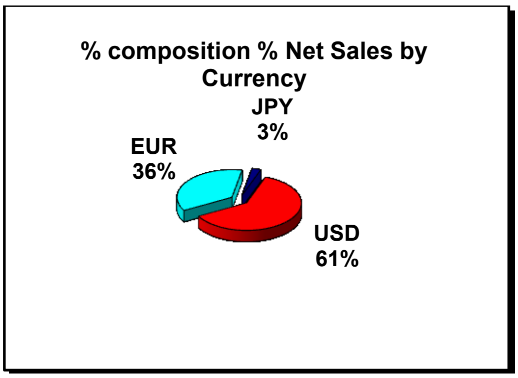
Financial position showed a negative amount of 10,186 thousand of euro as at December 31, 2010, the result of cash and cash equivalents of 1,923 thousand of euro and financial liabilities of 12,109 thousand of euro, compared to net debt of 9,031 thousand of euro as at December 31, 2009.

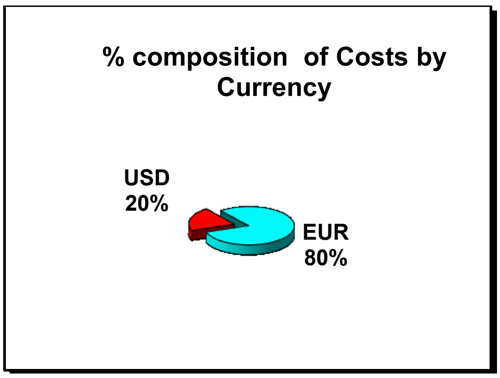
As at December 31, 2010, bank overdrafts came to 1,501 thousand of euro inasmuch as the Company drew upon this form of hot money debt.



Di seguito si riporta la composizione del fatturato e dei costi operativi per valuta:
In 2010, investments in property, plant and equipment came to 1,949 thousand of euro (1,303 thousand of euro in 2009). The increase is primarily motivated by investments in assets for research and development, including 326 thousand of euro for investment-related activities through its subsidiary E.T.C S.r.l. (see next paragraph).

The breakdown of turnover and costs (cost of sales and operating costs) by currency:





Transactions with Group Companies

Transactions with Group companies are identified on the basis of IAS 24 and article 2359 of the Italian Civil Code. Transactions with subsidiaries continued in 2010. 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 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; the purchase of mercury dispensers used in liquid crystal displays; and 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. In addition, an interest-bearing cash-pooling agreement is in effect.

SAES GETTERS AMERICA, INC. – Cleveland, OH (USA)
Getter purchases and sales; revenue on the use of the SAES brand; the charge-back of centrally managed insurance costs; and revenue on the charge-back of centralised group services. In 2010, the Company has also signed an agreement with the subsidiary for the licensing of the PageLid® technology, as a result of the preference expressed by USA customers to purchase products made directly on the US territory.

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.

SAES GETTERS KOREA CORPORATION – Seoul (South Korea)
Getter sales; revenue on the use of the "SAES" brand; charge-backs relating to the use of centrally acquired software licenses; charge-backs of centrally managed insurance costs; revenue on charge-backs of centralised group services; and commission expenses related to commercial transactions. In addition, an interest-bearing cash-pooling agreement is in effect.

SAES GETTERS INTERNATIONAL LUXEMBOURG S.A. – Luxembourg (Luxembourg)
No transactions

SAES GETTERS (NANJING) CO., LTD. – Nanjing (P.R. of China)
Revenue on the charge-back of centralised group services; commission expenses relating to commercial transactions; charge-backs relating to the use of centrally acquired software licenses; and charge-backs of centrally managed insurance costs.

NANJING SAES HUADONG VACUUM MATERIAL CO., LTD. - Nanjing (P.R. of China)
No transactions.

SAES OPTO S.r.l. – Lainate, MI (Italy)
As a result of the Group's decision to exit the optoelectronics business, viewed as non-strategic, SAES Opto S.r.l. ended the liquidation process in 2010.

MEMRY GmbH – Weil am Rhein (Germany) (formerly Dr.-Ing Mertmann Memory-Metalle GmbH)
Purchases of NiTiNOL; charge-back of centralised group services. In addition, an interest-bearing loan agreement is in effect.

MEMRY CORPORATION – Bethel, CT (USA)
Purchases of NiTiNOL; revenue on the charge-back of centralised group services; the charge-back of centrally managed insurance costs.

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

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 granted the subsidiary on free loan the use of specific equipment for research and development projects.

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 products with the following subsidiaries (SAES Advanced Technologies S.p.A., SAES Getters USA, Inc., SAES Getters America, Inc., SAES Pure Gas, Inc., SAES Getters Korea Corporation, SAES Getters (Nanjing) Co., Ltd., Spectra-Mat, Inc., SAES Smart Materials, Inc., Memry Corporation) .

The Company manages and coordinates SAES Advanced Technologies S.p.A., based in Avezzano, Italy, and E.T.C. 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 2010 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 summarised below:

(thousands of euro)

Company	Receivables as of 31.12.10	Payables as of 31.12.10	Revenues Year 2010	Expenses Year 2010	Memorandum Accounts as of 31.12.10 *
SAES Advanced Technologies S.p.A.	8.271	379	4.373	3.766	0
SAES Getters USA, Inc.	194	1.863	320	59	4.000
SAES Getters America, Inc.	120	0	404	6	0
SAES Pure Gas, Inc.	482	0	544	0	0
SAES Smart Materials, Inc.	33	0	36	2	0
Spectra-Mat, Inc.	107	0	111	0	0
Memry Corporation	91	12	106	48	0
SAES Getters Korea Corporation	178	7.518	424	28	0
SAES Getters Japan Co.Ltd.	0	0	0	0	0
SAES Getters Singapore Pte Ltd.	0	0	0	0	0
SAES Getters Deutschland GmbH	0	0	0	0	0
SAES Getters GB Ltd.	0	0	0	0	0
SAES Getters (Nanjing) Co.Ltd.	97	1	99	22	0
Memry GmbH	295	1	26	5	0
Opto Materials S.r.l.	0	0	0	0	0
SAES Opto S.r.l.	0	0	0	2	0
E.T.C. S.r.l.	1.453	0	186	0	0
Total	**11.321**	**9.774**	**6.629**	**3.938**	**4.000**

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

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 following three years on June 12, 2008, 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 2010 the Company claimed a total of 3,417 thousand of 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 2010, no transactions were undertaken involving the purchase or sale of shares of the controlling company.

- **KStudio Associato**, a tax, legal and financial consultancy firm whose founding member is Vincenzo Donnamaria, Chairman of the Board of Statutory Auditors of SAES Getters S.p.A. The firm provided tax, legal and financial consultancy services for a total annual amount of 12 thousand of euro.

- **Managers with strategic responsibilities:** these include only the members of the Board of Directors, including non-executive directors[1]. Their close relatives are also considered Related Parties.
- The members of the **Board of Statutory Auditors** and their close relatives.

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

Company	Receivables as of 31.12.2010	Payables as of 31.12.2010	Revenues Year 2010	Expenses Year 2010
S.G.G. Holding S.p.A.	3.417	0	0	0
KStudio Associato	0	0	0	12
Total	**3.417**	**0**	**0**	**12**

In accordance with the Consob notices of February 20, 1997 and February 28, 1998 and IAS 24, we report that in 2010 all related party transactions were undertaken at arm's-length conditions and within the Company's ordinary operations.

Information on the compensation and equity investments held by members of the Board of Directors, the Board of Statutory Auditors and Managers with strategic responsabilities

The following table shows compensation paid to managers with strategic responsibilities:

(thousands of euro)	Year 2010	Year 2009 ***
Short-term employees benefits	1.763	3.129
Post-employment benefits	0	0
Other long-term benefits	0	0
Termination benefits	72	305
Share-based payments *	0	863
Other benefits **	0	584
Total compensations to key management personnel	**1.835**	**4.881**

* On April 21, 2009 the Shareholders' Meeting approved the free assignment of no. 100,000 ordinary shares of SAES Getters S.p.A., held in portfolio of the Company, to the founder Dr Ing. Paolo della Porta as an acknowledgment to his career, in addition to a cash amount that could enable Dr Ing. Paolo della Porta to pay the related taxes.

** The item "Other benefits" includes the cost of the taxes mentioned in the above note.

*** Following the change in the organisational structure of the Group starting from 2010 only the member of the Board of Directors are considered as Managers with strategic responsabilities as they are the only having the power and responsabilities, directly or by mean of their organisation, of planning, managing and controlling Company business.

For details of the compensation paid to Directors, the reader is referred to Note 7, which contains the information required by Consob Regulation – Annexe 3C.

[1] It should be noted that following the simplification of the organisational structure of the Group carried out with the implementation of the rationalisation plan worked on during the 2009 financial year, as from 2010 only the members of the Board of Directors are considered executives with strategic responsibilities in that they are the only ones who have the power and responsibility to, directly or indirectly, plan, manage and control the activities of the company.

Investments held by Directors, Statutory Auditors and Executives with strategic responsibilities

(pursuant to Artiche 79 of Consob resolution no. 11971 of May 14, 1999)

Surname and first name	Company	Number of shares held at the end of last year	Number of shares bought in the current year	Number of shares sold in the current year	Number of shares held at the end of the current year	Notes (*)
Baldi Stefano	SAES Getters S.p.A.	13.411	-	-	13.411	Ordinary shares (1)
		6.008	-	-	6.008	Savings shares
della Porta Giuseppe	SAES Getters S.p.A.	10.000	-	-	10.000	Ordinary shares
		-	-	-	-	Savings shares
della Porta Massimo	SAES Getters S.p.A.	5.000	33.965	38.965	-	Ordinary shares
		-	-	-	-	Savings shares
Dogliotti Andrea	SAES Getters S.p.A.	99.141	-	-	99.141	Ordinary shares (2)
		-	-	-	-	Savings shares
Gilardoni Andrea	SAES Getters S.p.A.	8.755	77.982	-	86.737	Ordinary shares
		10.200	35.084	-	45.284	Savings shares

(*) unless specifically mentioned, the shares held are understood to be fully owned
(1) of which no. 790 registered to a spouse who is not legally separated
(2) of which no. 95,641 charged with usufruct

Additional information about the Company

For information concerning:
- the performance of subsidiaries;
- significant events that occurred after the end of the year;
- the business outlook;

refer to the Consolidated Financial Statements, in which information about SAES Getters S.p.A is also provided.

Pursuant to sub-paragraph 26 of Annexe B) to Italian Legislative Decree No. 196 of June 30, 2003 (the “Personal Data Protection Code”), the Company declares that it has updated the Security Policy Document in light of the technical specifications for minimum security measures that form Annexe B of the aforementioned Legislative Decree. The 2010 Security Policy Document was approved on February 17, 2011.

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.saesgetters.com.

Subsequent events

On February 17, 2011, in order to provide the subsidiary E.T.C. S.r.l. with more financial means for an adequate capitalisation, the Company has approved a capital contribution of 1,605 thousand of euro (equal to the loss of E.T.C. S.r.l. during the 2010 financial year), including 1,259 thousand of euro through the waiver of a borrowing and 194 thousand of euro through the waiver of a trade receivable, both claimed from E.T.C. S.r.l., and the remaining part of 152 thousand of euro cash. The ownership percentage of the subsidiary is unchanged compared to December 31, 2010 (equal to 85% of the share capital).

Article 13 of Italian L.D. no. 78 of July 1, 2009 amended, starting from January 1, 2010, the "CFC" (Controlled Foreign Companies) regulations set forth in Article 167 of the (Testo Unico Imposte sui Redditi, Income Tax Consolidation Act), establishing, under sub-paragraph 8-bis, that controlled foreign companies, meeting certain requirements, even if not residing in black-list countries, can fall under the application of the "CFC" regulations and, as a result, be subjected to separate Ires taxation referring to the Italian parent company. The following paragraph 8-ter establishes that such provisions can cease to apply if the residing subject demonstrates, requesting a ruling from the Tax Authority, that the foreign establishment is not an artificial construction aimed at achieving an undue tax advantage to the detriment of the Inland Revenue.
In March 2011, SAES Getters S.p.A. requested a ruling to demonstrate that the "CFC" regulation is not applicable to the American subsidiary SAES Getters Export, Corp. The response of the Tax Office is expected within 120 days from the submission of the request.

Project of approval of Financial Statements, coverage of loss and distribution of dividends

Shareholders,

We hereby submit for your approval the proposal that the net loss for the year of 3,765,388.98 euro be covered through the partial use of "Retained earnings reserve".
Following this use, the reserve in question will present a residual balance of 17,777,545.86 euro.

Moreover, we hereby submit for your approval the proposal that part of the available "Retained earnings reserve" of 4,409,993.80 euro be distributed in equal measure to the ordinary and savings shares pursuant to Article 26 of the Articles of Association according to the following table.

To the shareholders a dividend amounting to:			euro
- euro	0,20	for each out of	
n.	7.378.619	saving shares	1.475.723,80
- euro	0,20	for each out of	
n.	14.671.350	ordinary shares	2.934.270,00
- for a maximum total equal to:			4.409.993,80

The dividend will be paid, as determined above, to the eligible outstanding ordinary and savings shares, as from April 29, 2011 (against coupon no. 27); shares will be traded ex dividend as from April 26, 2011.

We also propose that any rounding performed during payment be charged to the "retained earnings reserve".

Lainate (MI) Italy, March 14, 2011

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, 2010

Income Statement

(euro)	Notes	Year 2010	Year 2009
Third party net sales		7.463.840	14.064.075
Intercompany net sales		669.277	2.330.045
Total net sales	4	**8.133.117**	**16.394.120**
Third party cost of sales		(4.668.983)	(6.170.980)
Intercompany cost of sales		(3.666.570)	(8.942.124)
Total cost of sales	5	(8.335.553)	(15.113.104)
Gross profit		**(202.436)**	**1.281.016**
Research & development expenses	6	(7.825.600)	(11.678.015)
Selling expenses	6	(4.957.703)	(4.350.704)
General & administrative expenses	6	(13.313.765)	(18.427.905)
Total operating expenses		**(26.097.068)**	**(34.456.624)**
Other third party income (expenses), net		3.083.998	485.580
Other intercompany income (expenses), net		5.574.888	5.298.771
Total other income (expenses), net	7	8.658.886	5.784.351
Operating income (loss)		**(17.640.618)**	**(27.391.257)**
Dividends	8	**15.419.876**	**31.215.138**
Third party financial income		9.300	39.742
Intercompany financial income		296.518	331.233
Total financial income	8	**305.818**	**370.975**
Third party financial expenses		(641.101)	(254.010)
Intercompany financial expenses		(287.118)	(448.707)
Total financial expenses	8	**(928.219)**	**(702.717)**
Foreign exchange gains (losses), net	9	**(2.043)**	**(131.696)**
Write down of intercompany investments	10	**(1.605.121)**	**(4.820.000)**
Income before taxes		**(4.450.306)**	**(1.459.557)**
Income taxes	11	684.917	3.389.704
Net income (loss) from continuing operations		**(3.765.389)**	**1.930.147**
Net income (loss) from discontinuing operations	12	0	(3.313.142)
Net income (loss)		**(3.765.389)**	**(1.382.995)**

Statement of comprehensive income

(euro)	Note	Year 2010	Year 2009
Net income (loss) for the period		**(3.765.389)**	**(1.382.995)**
Other total Income (Loss)		**0**	**0**
Total income (loss), net of income taxes		**(3.765.389)**	**(1.382.995)**

Statement of financial position

	Notes	December 31 2010	December 31 2009
ASSETS			
Non Current Assets			
Property, plant and equipment, net	13	14.882.988	15.577.300
Intangible assets, net	14	2.068.251	2.401.126
Investments and other financial activities	15	72.860.692	73.320.312
Intercompany financial credits	17	0	0
Non current tax consolidation receivables	21	76.563	1.282.560
Deferred tax assets	16	986.762	1.253.595
Other long term assets		47.281	59.599
Total Non Current Assets		**90.922.537**	**93.894.492**
Current Assets			
Inventory	18	185.231	588.430
Third party trade receivables		1.652.566	2.342.931
Intercompany trade receivables		4.083.433	3.612.946
Trade receivables	19	5.735.999	5.955.877
Intercompany financial credits	17	5.784.351	10.655.313
Tax consolidation receivables	21	3.339.972	3.385.218
Prepaid expenses, accrued income and orther	22	2.844.603	2.123.700
Cash and cash equivalents	23	1.922.927	3.659.440
Discontinuing operations activities	12	0	436.948
Total Current Assets		**19.813.084**	**26.804.926**
Total Assets		**110.735.621**	**120.699.418**

(euro)	Notes	December 31 2010	December 31 2009
SHAREHOLDERS' EQUITY AND LIABILITIES			
Capital stock		12.220.000	12.220.000
Share issue premium		41.119.940	41.119.940
Tresury shares		0	(10.177.141)
Legal reserve		2.444.000	2.444.000
Sundry reserves and retained earnings		27.819.223	39.379.359
Net income (loss) for the period		(3.765.389)	(1.382.995)
Shareholders' Equity	24	**79.837.774**	**83.603.163**
Non Current Liabilities			
Non current financial liabilities	25	239.108	1.028.717
Deferred tax assets	16	3.097	0
Staff leaving indemnity and other employee benefits	26	3.718.074	3.714.711
Non current provisions		0	0
Other non current payables		0	0
Total Non Current Liabilities		**3.960.279**	**4.743.428**
Current Liabilities			
Third party trade payables		3.003.278	3.420.603
Intercompany trade payables		393.673	1.889.086
Trade payables	28	3.396.950	5.309.689
Intercompany financial payables	29	9.381.051	17.059.656
Other payables	30	3.820.065	4.597.210
Income taxes payables		79.322	11.439
Current provisions	27	1.987.842	0
Derivative instruments evalutated at fair value	20	0	0
Bank overdraft	32	1.500.794	4.001.808
Current portion of long term debt	25	6.771.544	815.602
Accrued liabilities	31	0	118.584
Discontinuing operations liabilities	12	0	438.839
Total Current Liabilities		**26.937.568**	**32.352.827**
Total Liabilities and Shareholders' Equity		**110.735.621**	**120.699.418**

Cash Flow Statement

(euro)		Year 2010		Year 2009
Cash flows provided from operating activities				
Net income from continuing operations		(3.765.389)		1.930.147
Net income from discontinuing operations		0		(3.313.142)
Current income taxes		(955.848)		(3.022.516)
Change in deferred income taxes		270.931		(367.188)
Depreciation of property, plant and equipment		2.623.773		2.819.307
Amortization of intangible assets		374.230		382.250
Capital gains (losses) on sales of intangible assets		(1.227.419)		(63.149)
Write down of assets		4.656		3.123.871
Dividends in Income Statement		(15.419.876)		(31.215.137)
Financial revenues (expenses), net		624.444		1.345.299
Accrual for termination indemnities		446.577		367.480
Accrual (utilization) for risk and contingencies, net		1.987.842		(1.481.306)
Career bonus expenses		0		1.446.491
Cash expenses career bonus		0		(583.491)
		(15.036.079)		**(28.631.084)**
Change in operating assets and liabilities				
Cash increase (decrease) in :				
Account receivables and other receivables	(433.211)		1.753.635	
Inventory	403.199		476.321	
Trade account payables	(1.912.739)		(391.610)	
Other current payables	(747.633)		(1.192.948)	
		(2.690.384)		**645.399**
Payments of termination indemnities		(591.310)		(952.470)
Payments of debit interest and other financial expenses		(837.217)		(1.691.843)
Interest and other financial receipts		393.160		347.500
Income taxes paid (receipt)		3.296.544		6.283.922
Cash flows from operating activities		**(15.465.286)**		**(23.998.576)**
Cash flows used by investing activities				
Purchase of property, plant and equipment		(1.949.124)		(1.303.100)
Proceeds from sales of property, plant and equipment		1.227.419		458.400
Dividends receipt		15.419.876		31.215.137
Purchase of intangible assets		(38.258)		(942.140)
Decrease (increase) of non current financial assets		33.099		5.222.002
Decrease (increase) of discontinuing operations		436.948		0
Cash flows from investing activities		**15.129.959**		**34.650.299**
Cash flows used by financing activities				
Short term financial debts		1.500.794		4.001.808
Long term financial debts		7.445.648		1.980
Intercompany financial debts		(4.066.522)		(6.052.104)
Dividends paid		0		(17.678.033)
Purchase of treasury shares		0		0
Repayments of financial debts		(6.281.106)		(1.017.751)
Cash flows from financing activities		**(1.401.186)**		**(20.744.100)**
Exchange gains (losses) from balances conversion into foreign currencies		0		0
Increase (decrease) in cash equivalents, net		**(1.736.513)**		**(10.092.377)**
Cash and equivalents at the beginning of the period		**3.659.440**		**13.751.817**
Cash and cash equivalents, net, at the end of the period		**1.922.927**		**3.659.440**

Statement of changes in equity as at December 31, 2010

(thousands of euro)

	Capital stock	Share premium reserve	Treasury shares on hand	Legal reserve	Sundry reserves and retained earnings						Net income (loss) for the period	Total shareholders' equit
					Reserve for treasury shares	Cash flow hedge reserve	Revaluation reserve	Purchase of treasury shares reserve	Other	Total		
Balance at December 31, 2009	**12.220**	**41.120**	**(10.177)**	**2.444**	**10.177**	**0**	**1.727**	**(598)**	**28.073**	**39.379**	**(1.383)**	**83.603**
Appropriation of 2009 income									(1.383)	(1.383)	1.383	0
Dividends paid										0		0
Treasury shares cancellation			10.177		(10.177)					(10.177)		0
Proceeds from intercompany operations										0		0
Net income for the period										0	(3.765)	(3.765)
Other net income (loss)										0		0
Balance at December 31, 2010	**12.220**	**41.120**	**0**	**2.444**	**0**	**0**	**1.727**	**(598)**	**26.690**	**27.819**	**(3.765)**	**79.838**

Statement of changes in equity as at December 31, 2009

(thousands of euro)

	Capital stock	Share premium reserve	Treasury shares on hand	Legal reserve	Sundry reserves and retained earnings						Net income (loss) for the period	Total shareholders' equit
					Reserve for treasury shares	Cash flow hedge reserve	Revaluation reserve	Purchase of treasury shares reserve	Other	Total		
Balance at December 31, 2008	**12.220**	**39.659**	**(11.638)**	**2.444**	**11.638**	**0**	**1.727**	**0**	**16.927**	**30.292**	**26.398**	**99.375**
Appropriation of 2008 income									26.398	26.398	(26.398)	0
Dividends paid									(17.678)	(17.678)		(17.678)
Treasury shares		1461	1461		(1461)			(598)		(2.059)		863
Proceeds from intercompany operations									2.426	2.426		2.426
Net income for the period										0	(1383)	(1383)
Other net income (loss)										0		0
Balance at December 31, 2009	**12.220**	**41.120**	**(10.177)**	**2.444**	**10.177**	**0**	**1.727**	**(598)**	**28.073**	**39.379**	**(1.383)**	**83.603**

Summary of main data of subsidiaries' Financial Statements as of December 31, 2010

Statement of financial position 2010	Subsidiaries												
	SAES Advanced Technologies S.p.A.	SAES Getters USA, Inc.	SAES Getters Korea Corporation	SAES Getters Japan Co., Ltd.	SAES Getters Singapore PTE, Ltd.	SAES Getters (Deutschland) GmbH	SAES Getters (GB), Ltd.	SAES Getters International Luxembourg S.A.	SAES Getters (Nanjing) Co., Ltd.	SAES Opto S.r.l.	SAES Getters Export, Corp.	Memry GmbH	E.T.C. S.r.l.
	(thousands of euro)	*(US dollars)*	*(thousands of Won)*	*(thousands of Yen)*	*(US dollars)*	*(thousands of euro)*	*(GB pounds)*	*(thousands of euro)*	*(Chinese Renminbi)*	*(thousands of euro)*	*(US dollars)*	*(thousands of euro)*	*(thousands of euro)*
Property, plant and equipment, net	25,874	1,444,210	1,934,783	0	0	0	0	0	18,931,070	0	0	395	0
Intangible assets, net	2,907	51,027	0	0	0	0	0	0	4,948,214	0	0	9	0
Other non current assets	20	33,578,999	203,444	0	0	0	0	32,627	32,621,449	0	0	3	0
Current assets	13,418	13,421,668	14,773,141	0	0	0	0	1,319	73,213,653	0	19,349,672	746	279
Total assets	**42,219**	**48,495,904**	**16,911,368**	**0**	**0**	**0**	**0**	**33,946**	**129,714,386**	**0**	**19,349,672**	**1,153**	**279**
Shareholders' equity	22,074	22,456,712	15,672,361	0	0	0	0	33,689	119,126,044	0	7,945,714	455	(1,585)
Non current liabilities	3,229	1,565,714	0	0	0	0	0	0	0	0	0	107	0
Current liabilities	16,916	24,473,479	1,239,007	0	0	0	0	257	10,588,342	0	11,403,958	591	1,864
Total liabilities and shareholders' equity	**42,219**	**48,495,904**	**16,911,368**	**0**	**0**	**0**	**0**	**33,946**	**129,714,386**	**0**	**19,349,672**	**1,153**	**279**

Income statement 2010	Subsidiaries												
	SAES Advanced Technologies S.p.A.	SAES Getters USA, Inc.	SAES Getters Korea Corporation	SAES Getters Japan Co., Ltd.	SAES Getters Singapore PTE, Ltd.	SAES Getters (Deutschland) GmbH	SAES Getters (GB), Ltd.	SAES Getters International Luxembourg S.A.	SAES Getters (Nanjing) Co., Ltd.	SAES Opto S.r.l.	SAES Getters Export, Corp.	Memry GmbH	E.T.C. S.r.l.
	(thousands of euro)	*(US dollars)*	*(thousands of Won)*	*(thousands of Yen)*	*(US dollars)*	*(thousands of euro)*	*(GB pounds)*	*(thousands of euro)*	*(Chinese Renminbi)*	*(thousands of euro)*	*(US dollars)*	*(thousands of euro)*	*(thousands of euro)*
Total net sales	**42,828**	**12,204,597**	**9,226,566**	**0**	**0**	**0**	**0**	**0**	**46,540,122**	**0**	**0**	**2,439**	**0**
Cost of sales	(21,298)	(3,385,651)	(11,263,050)	0	0	0	0	1	(30,551,668)	0	0	(1,621)	0
Gross profit	**21,530**	**8,818,946**	**(2,036,484)**	**0**	**0**	**0**	**0**	**1**	**15,988,454**	**0**	**0**	**818**	**0**
Research & development expenses	(783)	(85,699)	0	0	0	0	0	0	0	0	0	(136)	(1,418)
Selling expenses	(1,231)	(1,789,860)	(270,554)	0	0	(40)	0	0	(5,463,104)	0	6,064,600	(214)	0
General & administrative expenses	(3,303)	(502,582)	(848,098)	(3,723)	0	0	0	(479)	(7,598,781)	(9)	0	(358)	(5)
Total operating expenses	(5,317)	(2,378,141)	(1,118,652)	(3,723)	0	(40)	0	(479)	(13,061,885)	(9)	6,064,600	(708)	(1,423)
Other income (expenses), net	(3,765)	(480,126)	(211,267)	1,477	0	0	(48)	26	(1,173,831)	0	1,895,526	21	(162)
Operating income (loss)	**12,448**	**5,960,678**	**(3,366,403)**	**(2,246)**	**0**	**(40)**	**(48)**	**(452)**	**1,752,738**	**(9)**	**7,960,126**	**131**	**(1,585)**
Interest and other financial income (expenses), net	(294)	5,637,870	94,976	(595)	0	38	405,986	(4,043)	332,459	0	(40,011)	(12)	(24)
Foreign exchange gains (losses), net	(146)	(1,273,078)	(1,656,834)	25,462	0	0	0	(2)	(589,398)	0	0	(4)	4
Income (loss) before taxes	**12,008**	**10,325,471**	**(4,928,261)**	**22,621**	**0**	**(2)**	**405,938**	**(4,497)**	**1,495,799**	**(9)**	**7,920,115**	**115**	**(1,605)**
Income taxes	(4,199)	(3,118,000)	(264,440)	(11,333)	0	13	0	(195)	30,254	36	0	0	0
Net income (loss) from continuing operations	**7,809**	**7,207,471**	**(5,192,701)**	**11,288**	**0**	**11**	**405,938**	**(4,692)**	**1,526,053**	**27**	**7,920,115**	**115**	**(1,605)**
Net income (loss) from discontinuing operations	0	0	0	0	0	0	0	(15)	0	0	0	0	0
Net income (loss)	**7,809**	**7,207,471**	**(5,192,701)**	**11,288**	**0**	**11**	**405,938**	**(4,707)**	**1,526,053**	**27**	**7,920,115**	**115**	**(1,605)**

Certification of the Financial Statements of the Parent Company

CERTIFICATION OF THE CONSOLIDATED FINANCIAL STATEMENTS
pursuant to article 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 Consolidated Financial Statements during the period from January 1 to December 31, 2010.

2. The following remarks apply to this situation:

2.1 The Administrative and Accounting Control Model of the SAES Group

- On May 14, 2007, the Board of Directors of SAES Getters S.p.A. approved the Administrative and Accounting Control Model, 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;
    - 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 Administrative and accounting procedures and control matrices of SAES Getters S.p.A.

- On June 21, 2007, the Officer Responsible issued thirteen Administrative and Accounting Procedures pertaining to the most significant processes within SAES Getters S.p.A., which were selected following the risk assessment conducted on the basis of the 2006 Financial Statements.

- As required by the Administrative and Accounting Control Model, the Officer Responsible, with the support of the Internal Audit Department, conducted an updated risk assessment on the basis of

the Parent Company's 2009 Financial Statements, which confirmed the selection of significant processes to be
governed by specific administrative and accounting procedures.

- The Officer Responsible, supported by the Internal Audit Department, identified the main control activities to be used to verify the application of each procedure

- These activities were then divided according to who, on the basis of the current organizational structure, is responsible for control (known as the "control owner"), and the Officer Responsible sent to the control owners their own "control matrices", asking them to review effective application and confirm
adequacy and efficacy, or report controls that had become inoperative, inadequate, or obsolete due to internal organizational developments.

2.3. Results of the internal certification process of SAES Getters S.p.A.

- The control owners signed and sent the Officer Responsible "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.
- The control owners also enclosed a signed copy of their "control matrices" with their internal certification letters, reporting any anomalies detected and indicating any corrective action taken or to be taken, where possible.
- As of today's date, the Officer Responsible has received all eleven internal certification letters requested from the control owners of SAES Getters S.p.A. along with the duly completed matrices.
- The results of the process, which also took into account the reports received during the previous certification
process by updating the associated procedures as necessary, were positive.

- The reports received by the control owners regarding controls that had become no more applicable, were forwarded to the Internal Audit Department and will be contemplated in the process of revising administrative and accounting procedures conducted in 2010, that is planned to be completed during the first semester 2011, also following the implementation of a new information technology system (ERP) and the related organizational changes of the Company.

- With reference to the revision process of the administrative and accounting procedures, together with the Internal Audit Department, the Officer Responsible evaluated a different approach to define administrative and accounting procedures, and in particular of the related controls, evolving from a "process-based approach" (based on description of the existing processes and of the activities presiding over their correct execution) to a "risk-based approach", starting from the identification of the potential risks that can affect each single administrative and accounting process, then identifying the controls to be implemented.

- A new control matrix has been defined with regards to the revenue cycle (and already adopted where applicable, to support internal certifications): the updating and formalization activity of expense cycle is still in process, 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 both for verification of the correspondence of condensed reporting with Company records and accounting entries (see paragraph 3 of this Certification) and further verification of part of the controls included in administrative and accounting procedures by a department independent from the offices responsible for the controls.
- The first verification, which is conducted on a quarterly basis, concerned the correspondence of the general accounting ledger with the condensed reports generated by the financial data consolidation system (these reports were the basis for the official Statement of Financial Position and Income Statement) and all other quantitative indications provided in corporate accounting documents. The results of the reviews at the end of each quarter in 2010 were fully positive.
- With reference to the second review, the Internal Audit Department, through its judgment on criticality, selected, for each for the administrative-accounting procedures, some controls deemed keys in order to test the reliability and the completeness of the accounting and financial data; moreover, he verified
  the effective implementation of these controls with the Functions involved, collecting when necessary the documentation supporting the exit of the control. This activity also showed largely positive results, as reported by the Head of the Internal Audit Department.

3. Furthermore, we certify that:

3.1. the Financial Statements of the Parent Company for the year ended December 31, 2010:

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 14, 2011

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

Directors’ Report to Ordinary Shareholders’ Meeting

The present is the English translation of the Italian official report approved by the Board of Directors on March 14, 2011. For any difference between the two texts, the Italian text shall prevail.

SAES GETTERS S.p.A.

Ordinary Shareholders' Meeting of April 20, 2011 – April 21, 2011

Directors' Report on the agenda pursuant to article 125-*ter*, sub-paragraph 1, of Legislative decree no. 58/1998

Shareholders,

the Board of Directors invited you to attend the Ordinary and Extraordinary Shareholders' Meeting that will take place in Lainate, Viale Italia 77, on April 21, 2011 at 10.30 a.m., at first call, and if necessary on April 22, 2011, at second call, at the same time and place, in order to discuss and vote upon the following

Agenda:

Ordinary part

1. Reports of the Board of Directors on the year ended 31 December 2010; Financial Statement for the year ended 31 December 2010; related resolutions; presentation of the Consolidated Financial Statement for the year ended 31 December 2010; partial distribution of the reserve to retained earnings.
2. Resolutions according to articles 2357 and further of the (Italian) Civil Code and article 132 of Legislative Decree Nr. 58/1998 (TUF);

Extraordinary part

1. Amendment of articles 8, 9, 10, 19, 22, 25 and addition of a new article 31 of the By-laws; inherent and consequent resolutions.

Article 125-*ter*, sub-paragraph 1, of Legislative decree no. 58/1998 set forth that: "*Unless required under the terms of other legal provisions, by the date of publication of the notice of call to the shareholders' meeting, the board of directors shall make a report on items of the agenda available to the public at the company's registered office, on the company web site and by other means envisaged by Consob regulation*.".

All the items of the agenda are covered by separate Reports according to the instructions contained in specific regulations, and in particular:

- on the first item of the agenda – Ordinary part – reference can be made to the separate Directors' Report on the year ended 31 December 2010;

- on the second item of the agenda – Ordinary part – reference can be made to the separate Directors' Report issued pursuant to article 73 of Consob Regulation no. 11971 of 14/05/1999;

- on the first and sole item of the Extraordinary part of the agenda – reference can be made to the separate Directors' Report issued pursuant to article 72 of Consob Regulation no. 11971 of 14/05/1999.

Proposal of resolution

With reference to the report above indicated the following resolutions are proposed to the Shareholders:

"The Shareholders' meeting,

- taking into account the Directors report;

resolved

1. *To approve the Financial Statements as at 31 December 2010;*
2. *To approve the proposal to cover the loss of EUR 3.765.388,98 using the "previous year's earnings brought forward". After such use this reserve will make a residual amount of EUR 17.777.545,86;*
3. *To approve the proposal to distribute part of the available reserve of retained earnings for a total of EUR 4.409.993,80, owed equally to ordinary and savings shares pursuant the provision of article 26 of By-laws;*
4. *To authorize the distribution of a dividend amounting to EUR 0,20 for each of no. 7.378.619 savings shares and EUR 0,20 for each of no. 14.671.350 ordinary shares;*
5. *The dividend will be paid as April 29, 2011 (detachment of coupon no.27). The shares will trade ex-dividend as from April 26, 2011;*
6. *The President and the Vice-President and Managing Director, jointly and severally, has any necessary power for the execution of this resolution*

Lainate, March 14, 2011

For the Board of Directors

Dr Ing. Massimo della Porta
Chairman

The present is the English translation of the Italian official report approved by the Board of Directors on March 14, 2011. For any difference between the two texts, the Italian text shall prevail.

SAES GETTERS S.p.A.

Ordinary Shareholders' Meeting of April 20, 2011 – April 21, 2011

Directors' report on the proposal for purchase and disposal of treasury shares

Issued pursuant to Article 73 of Consob Regulation no. 11971 of 14/05/1999 and Ministerial Decree no. 437/1998

Shareholders,

the Board of Directors has convened this Ordinary Shareholders' Meeting to resolve also this year on the proposal for purchase and disposal treasury shares.

1) Grounds for requesting authorization for purchase and disposal of treasury shares.

We wish to remind you that the Shareholders' Meeting held on April 27, 2010 authorized the purchase of SAES Getters S.p.A. shares up to a maximum of 2,000,000 shares for a period of 18 months from the date of authorization.

During 2010 the Board has not availed itself of the authorization granted by the Shareholders' Meeting of April 27, 2010 and has not used, in the months prior to the Shareholders' Meeting, the previous authorization granted by the Shareholders' Meeting of April 21, 2009.
This notwithstanding, future intervention cannot be excluded in circumstances where the Company considers it appropriate, therefore it is deemed advisable for the Board to continue to avail itself of the authorization for purchase and disposal of treasury shares as given by the Shareholders' Meeting. It is opinion of the Board that the purchase and disposal of treasury shares provides a flexible managerial and strategical tool. In this view, the application for authorization is based on having the opportunity to intervene in Company stocks depending upon contingent market situations, favoring liquidity and the regular course of trading, or to meet investment requirements or for an efficient use of Company liquidity. The authorization is required as well to meet further targets, such as the opportunity to use treasury shares as mean for payment in extraordinary transactions or to get financing needed to implement specific projects and/or carrying out business purposes and also to carry our possible incentive plan based on shares or stock options in favor of directors and/or employees and/or collaborators of the Company.

2) Maximum number, category, and value of shares covered by the authorization.

We propose to grant the authorization to purchase, pursuant to article 2357 second paragraph of the (Italian) Civil Code, on one or more occasions, up to a maximum of no. 2,000,000 ordinary and/or savings shares and in all cases within the law thresholds.

3) Compliance with the provisions of the third paragraph of article 2357 of the (Italian) Civil Code.

As of today, neither the Company nor its subsidiaries hold any ordinary shares or savings shares. Should this situation change, subsidiaries will be given specific instructions for prompt reporting of the relevant holdings.

In no case, pursuant to articles 2346, third paragraph, and 2357, third paragraph, of the (Italian) Civil Code, the quantity of purchased shares, in addition to those already held, and taking account of any shares owned by subsidiaries, exceeds or will exceed one tenth of the overall number of shares issued by the Company.

Purchase of shares shall take place within the limit of distributable profits and of disposable reserve as resulting from last Financial Statements regularly approved.
In the event and subject to the completion of the prospect purchases pursuant to article 2357-*ter* of the (Italian) Civil Code, the appropriate book entries will be made, pursuant to law provisions and applicable accounting principles. Likewise, any disposition of treasury shares shall be subject to book entries pursuant to law provisions and applicable accounting principles.

4) Duration of the authorization.

The authorization to purchase is requested for a period of 18 months from the date on which the Shareholders take the relevant resolution. The authorization to dispose of any treasury shares purchased, if any, and of those already held in portfolio, is requested for an indefinite period.

5) Minimum and maximum fees and market valuations on the basis of which the limits have been determined.

5.1 Minimum and maximum purchase fees.

The purchase price including ancillary charges shall be in the range of +/- 5% of the official share price registered before each single operation: these parameters are deemed adequate to identify the range of values within which the purchase can be of interest for the Company.

5.2 Disposal fee.

Disposal of treasury shares may take place for a minimum fee equal to the weighted average of official share prices for the relevant category in the twenty stock exchange trading days preceding the sale.

Said limit shall not apply in the event of any exchanges or assignments of treasury shares made in the framework of the purchase of shareholdings, or in the case of extraordinary finance operations that entail the availability of treasury shares. In the latter case suitable reference averages may be used, in line with international best practice.

The disposal operations subject to stock options plans – if any - will be executed to the conditions established by the stock options plan itself as it should be approved by the Shareholders' Meeting pursuant to article 114-*bis* of the Legislative Decree no. 58 dated February 24, 1998 (hereinafter the "Consolidated Finance Act") and according to the applicable regulations.

6) Methods for processing purchases and disposals.

Purchase operations shall be executed on the market, on one or more occasions, according to the methods agreed with the regulatory body that manages the Italian regulatory financial markets, in such a manner as to ensure equal treatment of Shareholders, pursuant to article 132 of the Consolidated Finance Act and however according to any other technicality allowed by the then enforceable regulation.

Moreover, being the Company a “STAR” (High Requirement Securities Segment) company, in compliance with the contractual terms existing with the Market Specialist, the latter must be provided with prior notice of purchases or sales of ordinary shares, consent for which the Market Specialist cannot unreasonably deny.

Purchase of shares shall be executed pursuant to article 144-*bis* letters a) and b) of Issuers Regulation:

a) by mean of public offerings of purchase or exchange;
b) on the market, according to the methods agreed with the regulatory body that manages the Italian regulatory financial markets, that do not allow the direct coupling of purchasing negotiation proposals with disposing negotiation proposals.

Among the methods allowed by the Issuers Regulation we deem preferable to perform the purchase operations on the market for the purposes aforementioned, especially to the extent of supporting the price of the shares, since such targets are more efficiently met through a simple, flexible and not rigid mechanism such as the direct purchase on the market, promptly effected as soon as we deem opportune to intervene. The recourse to public offering or exchange cannot be excluded, albeit it will have to be authorized by the Board of Directors with adequate supporting motives.

Pursuant to third, fourth, fifth paragraphs of article 144-*bis* of Issuers Regulation Shareholders and market will be promptly informed.

The shares already owned or the shares subsequently purchased, can be disposed, in whole or in part, on one or more occasions, even before purchases have been completed, according to the methods deemed the most opportune for the Company interest: i) by transfer, disposal of shares ownership, or assignment of any shares property and/or personal rights (by way of example but not limited to securities loan), ii) by stock market transactions or at block trades, even following private negotiations, by mean of sale or exchange, even through public offers, iii) by sale or assignment to directors and/or employees and/or collaborators of the Company, within incentive or stock options plans, iv) as payment for the purchase of shareholdings or companies and/or property and/or assets, v) in the event of extraordinary finance transactions that entail the availability of treasury shares for assignment (by way of example but not limited to mergers, de-mergers, issues of convertible bonds or warrants etc.), vi) by pledging them, to the extent permitted by law, in order to get financing for the Company or other Group companies, required to implement projects or to fulfill the business purposes, and/or vii) according to any other disposal way permitted by law.

The treasury shares disposal/assignment operations that are subject to stock incentive plans – if any – will be executed to the conditions established by the plans as may be approved by the Shareholders’ Meeting pursuant to article 114-*bis* of the Consolidated Finance Act and according to the applicable regulations.

Proposal of resolution

With reference to the report above indicated the following resolutions are proposed to the Shareholders:

"The Shareholders' meeting,

- taking into account the Directors report;
- taking also into account the dispositions set forth in articles 2357 and 2357-*ter* of the (Italian) Civil Code, as well as of the article 132 of the Legislative Decree no. 58 dated February 24, 1998;

resolved

1) that, as of today, the resolution of buyback of shares adopted by the Shareholders' meeting on April 27, 2010 is hereby revoked;

2) that according to article 2357 Italian civil code it is allowed to purchase in on one or more occasions, within 18 months from the date hereof, up to a maximum of no. 2,000,000 ordinary and/or savings shares, and in all cases within the law thresholds; purchase operations shall be executed on the market, according to the methods agreed with the regulatory body that manages the Italian regulatory financial markets, in such a manner as to ensure equal treatment of Shareholders, pursuant to article 132 of the Consolidated Finance Act and however according to any other technicality allowed by the then enforceable regulation; the purchase price including ancillary charges shall be in the range of +/- 5% of the official share price registered before each single operation;

3) that the Board of Directors, including the President and the Vice-President and Managing Director, jointly and severally, has the power to purchase the shares at the terms and condition above indicated, according to the modalities set forth by article 144-bis letters a) and b) of Consob Regulation no. 11971 of 14/05/1999, as they will consider as appropriate in the interest of the Company, provided that they respect the terms of the contract with the Market Specialist regarding ordinary shares;

4) that the Board of Directors, including the President and the Vice-President and Managing Director, jointly and severally, has the power, according to article 2357-ter of Italian civil code, to dispose the shares already owned or the shares subsequently purchased, for a period of 18 months of the date hereof, in whole or in part, on one or more occasions, even before purchases have been completed, according to the methods deemed the most opportune for the Company interest: i) by transfer, disposal of shares ownership, or assignment of any shares property and/or personal rights (by way of example but not limited to securities loan), ii) by stock market transactions or at block trades, even following private negotiations, by mean of sale or exchange, even through public offers, iii) by sale or assignment to directors and/or employees and/or collaborators of the Company, within incentive or stock options plans, iv) as payment for the purchase of shareholdings or companies and/or property and/or assets, v) in the event of extraordinary finance transactions that entail the availability of treasury shares for assignment (by way of example but not limited to mergers, de-mergers, issues of convertible bonds or warrants etc.), vi) by pledging them, to the extent permitted by law, in order to get financing for the Company or other Group companies, required to implement projects or to fulfill the business purposes, and/or vii) according to any other disposal way permitted by law.
Said Directors will also have the power to establish, time by time within the respect of the laws and rules in force, terms, modalities and conditions they will deem as opportune, provided that disposal of treasury shares may take place for a minimum fee equal to the weighted average of official share prices for the relevant category in the twenty stock exchange trading days preceding the sale.

Such limitation will not apply to any exchange or disposal of treasury carried out within the framework of corporate acquisitions and/or assets acquisitions, in case of extraordinary transactions;

5) that purchase of shares shall take place within the limit of distributable profits and of disposable reserve as resulting from last Financial Statements regularly approved.
In the event and subject to the completion of the prospect purchases, the appropriate book entries named "Treasury share reserve" will be made. Such reserve will be equal to the treasury shares purchased and will be formed taking related funds from the distributable profits and of disposable reserve; and that upon disposal of treasury shares, both ordinary and/or savings shares, the Treasury share reserve" shall be time by time utilized accordingly;

6) that the Board of Directors, including the President and the Vice-President and Managing Director, jointly and severally, has any necessary power for the execution of this resolution and for the related accounting registrations in the balance sheet as well as to execute such purchased and disposals by means of authorized intermediaries upon signature of the related agreements, according to the laws in force.".

Lainate, March 14, 2011

For the Board of Directors
Dr Ing. Massimo della Porta
Chairman

Directors’ Report to Extraordinary Shareholders’ Meeting

SAES GETTERS S.p.A.

Shareholders Meeting of April 20, 2011 – April 21, 2011 Extraordinary Part

Directors' Report on the proposed amendment to articles 8, 9, 10,19, 22, 25 and introduction of new article 31 of the By-laws

Issued pursuant to Article 72 of Consob Regulation no. 11971 of 14/05/1999 and Article 125-*ter* of the Legislative Decree no. 58/1998 (TUF);

Dear Shareholders,

you have been convened also in Extraordinary Meeting to be submitted a proposal of change of current articles 8, 9, 10,19, 22, 25 and introduction of new article 31of the By-laws.

The present Report has been drawn by the Board of Directors of your Company, pursuant to article 72, paragraph 1, of the Regulation approved by Consob with the resolution no. 11971 of 14/05/1999 and subsequent changes (hereinafter also the "Issuers Regulation") to present and explain the proposal contained in the sole issue indicated in the meeting agenda for the Extraordinary Part.

The proposed amendments (some merely formal) are directed to adapt the By-laws to the new dispositions set forth in the Legislative decree no. 27/2010, implementing in the Italian system of law the Shareholders' right directive as well as the dispositions on related parties, pursuant to article 2391-*bis* of the Consob Regulation on related parties no. 17221 of March 12, 2010 (Regulation on Related Parties).

- **Article 8°)**

Article 1 of the Legislative decree no. 27/2010 provides that "(…) *the By-laws of the company listed in the stock exchange market may exclude summons subsequent to the first one, provided that at the sole meeting the majorities set forth in subparagraph 1 and by article 2368, subparagraph 3 and 4 and, for the extraordinary meeting, the majorities set forth in subparagraph 7 of this article, will apply".*

Therefore, it is proposed to introduce in the By-laws a provision directed to exclude, for instance by mention it in the notice of the relevant meeting, the possibility to have calls for meeting subsequent to the first one, avoiding in this way uncertainties on the date of the meeting and useless costs deriving, if not expressly excluded, by a pluralities of notices.

Therefore, it is propose to introduce a disposition that allow the Board of Directors to establish that the notice of a meeting may exclude calls for meeting subsequent to the first one. In such a case, the majorities set forth in subparagraph 1 and by article 2368, subparagraph 3 and 4 and, for the extraordinary meeting, the majorities set forth in subparagraph 7 of this article, will apply.

This amendment does not trigger the right of withdrawal of the Shareholders.

Please find below a comparison between current text and proposed change of article 8 of the By-laws. For convenience, the proposed deletion is strikethrough.

CURRENT TEXT	PROPOSED NEW TEXT
Article 8°) The Shareholders' Meeting will be	**Article 8°)** The Shareholders' Meeting will be

called by means of the publication of a notice of calling according to the modalities and within the terms set out by the applicable laws, posted onto the Company's web site, and in compliance with the other requirements provided by the laws. The notice of calling may also contain the date for a possible second call and, in the cases provided by the Law; a third call may also be fixed. If the day of the second or third call is not indicated in the notice, the second or third call of the Shareholders' Meeting may be convened within thirty days, of the first or second call respectively. In such a case, the Shareholders' Meeting is called within the 10th day prior to the date of the Shareholders' Meeting, providing that the agenda of the meeting is not modified. The notice of the Shareholders Meeting called to resolve upon the appointment of the Board of Directors and/or of Statutory Auditors details the minimum shareholding requested to present a list of candidates, as determined by Consob, pursuant to laws and regulations then in force.	called by means of the publication of a notice of calling according to the modalities and within the terms set out by the applicable laws, posted onto the Company's web site, and in compliance with the other requirements provided by the laws. The notice of calling may also contain the date for a possible second call and, in the cases provided by the Law; a third call may also be fixed. If the day of the second or third call is not indicated in the notice, the second or third call of the Shareholders' Meeting may be convened within thirty days, of the first or second call respectively. In such a case, the Shareholders' Meeting is called within the 10th day prior to the date of the Shareholders' Meeting, providing that the agenda of the meeting is not modified. **Therefore, the notice of a meeting may exclude calls for meeting subsequent to the first one, provided that at the sole meting the majorities set forth by law for the second call and, for the extraordinary meeting, the majorities set forth by law for the calls for meeting subsequent the second one will apply.** The notice of the Shareholders Meeting called to resolve upon the appointment of the Board of Directors and/or of Statutory Auditors details the minimum shareholding requested to present a list of candidates, as determined by Consob, pursuant to laws and regulations then in force.

- **<u>Article 9°)</u>**

New article 154-*ter*, sub-paragraph 1, TUF sets forth that "*Without prejudice to the provisions of article 2364 subsection 2 and article 2364-bis subsection 2 of the Italian Civil Code, within one hundred and twenty days of the end of the financial year, listed issuers with Italy as their home member country shall make the annual report, containing the draft separate and consolidated financial statements, where appropriate, the directors' report and the statement pursuant to Article 154-bis, subsection 5 available to the public at their registered office, on their web site and by other means envisaged by Consob regulation*. (…)".

Subsequent sub-paragraph 1-bis of said article 154-*ter* provides that:

"*There shall be at least twenty-one days between the publication pursuant to subsection 1 and the date of the shareholders' meeting*".

Therefore, in order to fully exploit the possibility granted by the law to make available to the public the annual report within 120 days after the closing of the financial year, it is necessary to introduce in the By-laws a provision (in compliance with article 2364, sub 2) affirming the possibility to held a general meeting for the approval of the annual report after the 120th day of the closing of the financial year, indicating the related reasons.

It is proposed to introduce in the By-laws a disposition that allows to held a general meeting for the approval of the annual report after the 120th day of the closing of the financial year, without prejudice to the other disposition of laws and regulation concerning the deposit and publication of the financial documents in force.

This amendment does not trigger the right of withdrawal of the Shareholders.

Please find below a comparison between current text and proposed change of article 9 of the By-laws. For convenience, the proposed deletion is strikethrough.

CURRENT TEXT	PROPOSED NEW TEXT
Article 9) – The Shareholders' meeting is called by the Board of Directors, by the person designated by the Board, or by a person allowed under the Law, at the registered office of the Company or in another place in Italy or abroad, as long as within the European Union, every year within one hundred and twenty days of the closure of the business year. An ordinary or extraordinary meeting will also be called anytime the Board considers appropriate, as well as in every circumstance provided by Law by the technicalities and under the terms from time to time provided.	**Article 9)** – The Shareholders' meeting is called by the Board of Directors, by the person designated by the Board, or by a person allowed under the Law, at the registered office of the Company or in another place in Italy or abroad, as long as within the European Union, every year within one hundred and twenty days of the closure of the business year. **In the event of particular Company requirements, within the terms of article 25, the Meeting may be called within one hundred and eighty days of the closure of the business year. Directors shall indicate the reasons for the delay in the report provided for in Article 2428 of the Civil Code.** An ordinary or extraordinary meeting will also be called anytime the Board considers appropriate, as well as in every circumstance provided by Law by the technicalities and under the terms from time to time provided.

- **<u>Article 10°)</u>**

New article 135-*undecies*, sub-paragraph 1, TUF provides that *"Unless otherwise stated in the Articles of Association, for each shareholders' meeting listed companies shall appoint a person upon whom shareholders may confer proxy, with voting instructions on all or a number of items on the agenda, by the second trading day prior to the date established on first or single call of the shareholders' meeting. (…).".*

Therefore, it is proposed to introduce in the By-laws a provision that allows to decide upon every meeting whether or not to designate a person upon whom shareholders may confer proxy.

This amendment does not trigger the right of withdrawal of the Shareholders.

Please find below a comparison between current text and proposed change of article 10 of the By-laws. For convenience, the proposed deletion is strikethrough.

CURRENT TEXT	PROPOSED NEW TEXT
Article 10°) – Attendance and representation at the Shareholders' Meeting are governed by the Law. Voting rights holders will have the right to attend the Meetings providing that their capacity to attend the meeting is certified according to the modalities and within the terms provided by the regulations and laws in force. . The electronic notice of the delegation to attend the Meetings may be pursued by means of related link on the Company web site, according to the modalities set forth by the notice of calling, or, alternatively, by means of certified email sent to the	**Article 10°)** – Attendance and representation at the Shareholders' Meeting are governed by the Law. Voting rights holders will have the right to attend the Meetings providing that their capacity to attend the meeting is certified according to the modalities and within the terms provided by the regulations and laws in force. . The electronic notice of the delegation to attend the Meetings may be pursued by means of related link on the Company web site, according to the modalities set forth by the notice of calling, or, alternatively, by means of certified email sent to the

email address indicated in the notice of calling. The Chairman of the Meeting, also through appointees, shall be responsible for verifying the validity of the meeting's establishment, the identity and legitimacy of those present, and for regulating the meeting's progress, establishing the methods of discussion and voting (which shall in all cases be transparent), and announcing the results of votes.	email address indicated in the notice of calling. **The Company shall appoint a person upon whom shareholders may confer proxy, with voting instructions on all or a number of items on the agenda for each Meeting, this possibility must be indicated into the notice of the Meeting.** The Chairman of the Meeting, also through appointees, shall be responsible for verifying the validity of the meeting's establishment, the identity and legitimacy of those present, and for regulating the meeting's progress, establishing the methods of discussion and voting (which shall in all cases be transparent), and announcing the results of votes.

- **Article 19°)**

According to Consob Regulation no. 17221 of March del 12, 2010 on transactions with related parties it seems necessary to introduce in the By-laws some provisions to coordinate it with the Procedures on transactions with related parties approved by the Board of Directors on November 11, 2010 and therefore amend article 19 where it provides that the Board of Directors may delegate some of its reserved matters to one of more of its Directors, but only when this possibility if provided by the law and not by regulation.

Therefore in order to better specify the framework of the delegation of the Board of Directors, taking also into account Consob regulations, it is proposed to introduce a specific provision in the By-laws.

This amendment does not trigger the right of withdrawal of the Shareholders.

Please find below a comparison between current text and proposed change of article 19 of the By-laws. For convenience, the proposed deletion is strikethrough.

CURRENT TEXT	PROPOSED NEW TEXT
Article 19°) The Board is invested with the broadest powers for ordinary and extraordinary management of the Company, including any other powers reserved to the Board by law or by the Articles of Association. It therefore has the authority to perform all acts, including of a regulatory nature that it considers necessary or advisable for the implementation and achievement of the business purpose excluding only those acts that the Law expressly reserves to the Shareholders' Meeting. The following powers are granted to the Board, subject to the limits of the law: - merger resolutions in cases pursuant to Articles 2505 and 2505-bis of the Civil Code, as referred to as to de-merger pursuant to Article 2506-ter, final paragraph of the Civil Code, where the said regulations are applicable; - the establishment or closure of secondary	Article 19°) The Board is invested with the broadest powers for ordinary and extraordinary management of the Company, including any other powers reserved to the Board by law or by the Articles of Association. It therefore has the authority to perform all acts, including of a regulatory nature that it considers necessary or advisable for the implementation and achievement of the business purpose excluding only those acts that the Law expressly reserves to the Shareholders' Meeting. The following powers are granted to the Board, subject to the limits of the law: - merger resolutions in cases pursuant to Articles 2505 and 2505-bis of the Civil Code, as referred to as to de-merger pursuant to Article 2506-ter, final paragraph of the Civil Code, where the said regulations are applicable; - the establishment or closure of secondary

offices, branches; - award of powers of representation to Directors; - any reduction in capital in the event of withdrawal of a shareholder; - amendment of the Articles of Association to make it compliant to law provisions; - transfer of the registered offices within national territory. The Board of Directors may delegate some of its powers to one or more of its members within the limits ~~of the law~~. The Board of Directors may always issue directives to delegated bodies and take control of transactions entrusted with delegated bodies. During meetings and in all cases, at least once a quarter, the Board of Directors and the Board of Statutory Auditors shall be informed, including by delegated parties, and in relation to subsidiaries, of the activities undertaken, the general trends, their foreseeable development, and the most significant economic, financial and asset transactions in terms of size or characteristics, including, where relevant, transactions in which Board members have a direct or third party interest. Such report is made during meetings of the Board of Directors or of the Executive Committee; when particular circumstances so require, reports can be made in writing to the Chairman of the Board of Statutory Auditors with an obligation to refer the matter to the first meeting of the Board.	offices, branches; - award of powers of representation to Directors; - any reduction in capital in the event of withdrawal of a shareholder; - amendment of the Articles of Association to make it compliant to law provisions; - transfer of the registered offices within national territory. The Board of Directors may delegate some of its powers to one or more of its members within the limits **of the law and regulations.** The Board of Directors may always issue directives to delegated bodies and take control of transactions entrusted with delegated bodies. During meetings and in all cases, at least once a quarter, the Board of Directors and the Board of Statutory Auditors shall be informed, including by delegated parties, and in relation to subsidiaries, of the activities undertaken, the general trends, their foreseeable development, and the most significant economic, financial and asset transactions in terms of size or characteristics, including, where relevant, transactions in which Board members have a direct or third party interest. Such report is made during meetings of the Board of Directors or of the Executive Committee; when particular circumstances so require, reports can be made in writing to the Chairman of the Board of Statutory Auditors with an obligation to refer the matter to the first meeting of the Board.

- **Article 22°)**

New article 144-sexies, of Consob Regulation on Issuers provides that "*If, as at the expiry date of the time limit specified in subsection 4, only one list has been submitted, or lists have only been submitted by shareholders who, in accordance with the provisions of subsection 4, are affiliated to each other pursuant to Article 144-quinquies, further lists may be submitted up to the fifth working day after said date. In such event the thresholds established in the articles of association pursuant to subsection 2 shall be halved.*".

The provision contained in the current By-laws sets forth, in accordance with the former discipline, that in case only one list has been submitted, or lists have only been submitted by shareholders who are affiliated to each other, further lists may be submitted up to the third working day after relevant date.

Taking into consideration the new discipline introduced by Consob Regulation on Issuers it is necessary to adopt the By-laws accordingly.

This amendment does not trigger the right of withdrawal of the Shareholders.

Please find below a comparison between current text and proposed change of article 22 of the By-laws. For convenience, the proposed deletion is strikethrough.

CURRENT TEXT	PROPOSED NEW TEXT
Article 22°) – The Board of Statutory Auditors consists in of three effective members and two alternate members, who may be re-elected. The Board operates according to the Law. The Board of Statutory Auditors will remain in office for three business years, their office expire upon the Shareholders Meeting called to approve the financial statements of the last year of their mandate. The attributes (including the power to convene the Shareholders Meeting, the Board of Directors and the Executive Committee), duties and duration of the Board are established by the Law. The Auditors shall satisfy the requirements set forth by law or other applicable provisions. As far as professionalism requirements, activities related to the Company shall be deemed all the activities relating back to the business objectives set forth in article 7 of the present Bylaws and the activities related to engineering sector, production and commercialization of equipment, products and materials mentioned in previous article 7, and of scientific and industrial research. Matters related to commercial law and fiscal laws, economics and finance, are deemed to be associated activities as well. Any individuals who met incompatibility causes established by the Law and other applicable provisions and any individual already holding positions in administration and control in excess of the limits laid down by Consob regulation may not be elected as Statutory Auditors and, if elected, shall forfeit the office. At the time of their election, the Shareholders' Meeting will establish the Statutory Auditors' annual remuneration for the whole term of office. Statutory Auditors are also entitled to reimbursement of any expenses incurred in carrying out their duties. The Board of Statutory Auditors are elected by the Shareholders Meeting on the basis of lists presented by shareholders according to procedures stipulated hereunder, without prejudice to the application of different and further provisions under mandatory legal or regulatory rules. Minority shareholders – that are not party of a relevant connection, even indirectly, as per article 148 second paragraph of Law no 58/98 and related regulatory rules - are entitled to the appointment of one effective Member, who is the Chairman of the Board, and of one Alternate Member. The election of the Auditors by minority shareholders and the election of the other members of the Board of Statutory Auditors take place at once, save for replacement cases, which takes place according to what hereinafter set forth.	**Article 22°)** – The Board of Statutory Auditors consists in of three effective members and two alternate members, who may be re-elected. The Board operates according to the Law. The Board of Statutory Auditors will remain in office for three business years, their office expire upon the Shareholders Meeting called to approve the financial statements of the last year of their mandate. The attributes (including the power to convene the Shareholders Meeting, the Board of Directors and the Executive Committee), duties and duration of the Board are established by the Law. The Auditors shall satisfy the requirements set forth by law or other applicable provisions. As far as professionalism requirements, activities related to the Company shall be deemed all the activities relating back to the business objectives set forth in article 7 of the present Bylaws and the activities related to engineering sector, production and commercialization of equipment, products and materials mentioned in previous article 7, and of scientific and industrial research. Matters related to commercial law and fiscal laws, economics and finance, are deemed to be associated activities as well. Any individuals who met incompatibility causes established by the Law and other applicable provisions and any individual already holding positions in administration and control in excess of the limits laid down by Consob regulation may not be elected as Statutory Auditors and, if elected, shall forfeit the office. At the time of their election, the Shareholders' Meeting will establish the Statutory Auditors' annual remuneration for the whole term of office. Statutory Auditors are also entitled to reimbursement of any expenses incurred in carrying out their duties. The Board of Statutory Auditors are elected by the Shareholders Meeting on the basis of lists presented by shareholders according to procedures stipulated hereunder, without prejudice to the application of different and further provisions under mandatory legal or regulatory rules. Minority shareholders – that are not party of a relevant connection, even indirectly, as per article 148 second paragraph of Law no 58/98 and related regulatory rules - are entitled to the appointment of one effective Member, who is the Chairman of the Board, and of one Alternate Member. The election of the Auditors by minority shareholders and the election of the other members of the Board of Statutory Auditors take place at once, save for replacement cases, which takes place according to what hereinafter set forth.

Only those shareholders who, with reference to the shares registered in their account on the day of deposit of the list at the Company offices alone or together with other shareholders, own voting shares representing at least the percentage in the voting capital equal to the one determined by Consob pursuant to article 147ter, paragraph 1, of Legislative Decree 58/98 and to Issuers Regulation are entitled to present lists for statutory auditors appointment. All the Shareholders entitled to vote may vote for only one list, even through intermediaries or trust companies. Shareholders which are part of the same group and shareholders who entered a shareholders agreement as to shares of the Company cannot vote for more than one list, even through intermediaries or trust companies. Each candidate may enroll in only one list; failure shall result in disqualification. Lists, to be underwritten by all those that supported them, must be lodged at the head offices of the Company within twenty-five prior to the Meeting convened to resolve upon the appointment of the Statutory Auditors. The Company makes the lists available to the public at the company offices, at the management company of regulated market and on its website, within the terms and in the ways established by relevant regulation. Lists must contain the names of one or more candidates to the post of effective Auditor and of the candidate to the post of Alternate. The names are marked with a progressive number under each section of the list (Effective Auditor section, Alternate Auditors section), up to the number of Auditors to be appointed. The following shall be enclosed to the lists: a. information the identity of the shareholders submitting the list and the percentage of total voting rights owned; such indication shall be proved by a certification issued by the authorized brokers which should give evidence of the ownership of that shareholding, to be presented also after the deposit of the list, but in any case before the term for the publication of the list that the Company must respect; b. a declaration of the shareholders that are not the ones that hold, even together, a control or majority shareholding, stating that there are none of the connection relationships with the latter as set forth in article 144quinquies of the Issuers Regulation; c. comprehensive information on professional and personal characteristics of the candidates, together with the lists of posts as to administration and control held in other companies; d. statements by the candidates that there are no causes of ineligibility or incompatibility and that they possess the requisites for holding the post prescribed by the then applicable law and regulation, and their acceptance of the office; e. any other further declaration, information and/or document requested by applicable law and	Only those shareholders who, with reference to the shares registered in their account on the day of deposit of the list at the Company offices alone or together with other shareholders, own voting shares representing at least the percentage in the voting capital equal to the one determined by Consob pursuant to article 147ter, paragraph 1, of Legislative Decree 58/98 and to Issuers Regulation are entitled to present lists for statutory auditors appointment. All the Shareholders entitled to vote may vote for only one list, even through intermediaries or trust companies. Shareholders which are part of the same group and shareholders who entered a shareholders agreement as to shares of the Company cannot vote for more than one list, even through intermediaries or trust companies. Each candidate may enroll in only one list; failure shall result in disqualification. Lists, to be underwritten by all those that supported them, must be lodged at the head offices of the Company within twenty-five prior to the Meeting convened to resolve upon the appointment of the Statutory Auditors. The Company makes the lists available to the public at the company offices, at the management company of regulated market and on its website, within the terms and in the ways established by relevant regulation. Lists must contain the names of one or more candidates to the post of effective Auditor and of the candidate to the post of Alternate. The names are marked with a progressive number under each section of the list (Effective Auditor section, Alternate Auditors section), up to the number of Auditors to be appointed. The following shall be enclosed to the lists: a. information the identity of the shareholders submitting the list and the percentage of total voting rights owned; such indication shall be proved by a certification issued by the authorized brokers which should give evidence of the ownership of that shareholding, to be presented also after the deposit of the list, but in any case before the term for the publication of the list that the Company must respect; b. a declaration of the shareholders that are not the ones that hold, even together, a control or majority shareholding, stating that there are none of the connection relationships with the latter as set forth in article 144quinquies of the Issuers Regulation; c. comprehensive information on professional and personal characteristics of the candidates, together with the lists of posts as to administration and control held in other companies; d. statements by the candidates that there are no causes of ineligibility or incompatibility and that they possess the requisites for holding the post prescribed by the then applicable law and regulation, and their acceptance of the office; e. any other further declaration, information and/or document requested by applicable law and

regulation. If upon expiry of the deadline for the presentation of the list, only one list has been deposited or only lists presented by inter-connected shareholders pursuant to relevant rules, the deadline for the presentation of lists is extended of ~~five~~ more days. In this case, the minimum shareholding above required for submitting the lists are reduced by half. The absence of minority lists and the extension of the deadline for submitting the same are disclosed by the Company to the market in the ways and in the terms established by relevant regulation. The appointment of the Statutory Auditors takes place as follows: i) from the list that received the greatest number votes (hereinafter "Majority List"), two effective Auditors and one Alternate are selected, on the basis of their order of priority on the list; ii) from the list that ranked second for number of votes, and that it is not connected even indirectly with the Shareholders that presented or voted the Majority List according to applicable regulations (hereinafter "Minority List"), an effective Auditor ("Minority Effective Auditor") and one Alternate ("Minority Alternate") are selected, on the basis of their order of priority on the list, on the Minority List; the Minority Effective Auditor shall become the Chairman of the Board of Statutory Auditors. If more lists receive the same number of votes, the one presented by shareholders owning the highest shareholding upon their presentation or, secondly, the one presented by the highest number of Shareholders, shall prevail. If one only list is presented, the Shareholders Meeting votes the same and if it gets the majority of the voting shareholders, without taking into account shareholders who refrain from voting, all the candidates indicated on list shall be appointed Effective Auditors and Alternates. In this case, the first candidate on the list to the post of Effective Auditor shall be appointed as Chairman of the Board. If no list is presented, then the Board of Statutory Auditors and its Chairman are appointed by the Shareholders Meeting with the ordinary majority requested by law. If, for any reason, a Majority Effective Auditor ceases, he/she is replaced by the Alternate taken from the Majority List. If, for any reason, a Minority Effective Auditor ceases, he/she is replaced by the Minority Alternate. The Shareholders Meeting foreseen in article 2401 paragraph 1 of Italian Civil Code, proceed with the appointment or replacement, in compliance with the minority representation principle. Meetings of the Board of Statutory Auditors may be held by audio or video conference or by equivalent means of telecommunication in accordance with the methods set out in the last	regulation. If upon expiry of the deadline for the presentation of the list, only one list has been deposited or only lists presented by inter-connected shareholders pursuant to relevant rules, the deadline for the presentation of lists is extended of **three** more days. In this case, the minimum shareholding above required for submitting the lists are reduced by half. The absence of minority lists and the extension of the deadline for submitting the same are disclosed by the Company to the market in the ways and in the terms established by relevant regulation. The appointment of the Statutory Auditors takes place as follows: i) from the list that received the greatest number votes (hereinafter "Majority List"), two effective Auditors and one Alternate are selected, on the basis of their order of priority on the list; ii) from the list that ranked second for number of votes, and that it is not connected even indirectly with the Shareholders that presented or voted the Majority List according to applicable regulations (hereinafter "Minority List"), an effective Auditor ("Minority Effective Auditor") and one Alternate ("Minority Alternate") are selected, on the basis of their order of priority on the list, on the Minority List; the Minority Effective Auditor shall become the Chairman of the Board of Statutory Auditors. If more lists receive the same number of votes, the one presented by shareholders owning the highest shareholding upon their presentation or, secondly, the one presented by the highest number of Shareholders, shall prevail. If one only list is presented, the Shareholders Meeting votes the same and if it gets the majority of the voting shareholders, without taking into account shareholders who refrain from voting, all the candidates indicated on list shall be appointed Effective Auditors and Alternates. In this case, the first candidate on the list to the post of Effective Auditor shall be appointed as Chairman of the Board. If no list is presented, then the Board of Statutory Auditors and its Chairman are appointed by the Shareholders Meeting with the ordinary majority requested by law. If, for any reason, a Majority Effective Auditor ceases, he/she is replaced by the Alternate taken from the Majority List. If, for any reason, a Minority Effective Auditor ceases, he/she is replaced by the Minority Alternate. The Shareholders Meeting foreseen in article 2401 paragraph 1 of Italian Civil Code, proceed with the appointment or replacement, in compliance with the minority representation principle. Meetings of the Board of Statutory Auditors may be held by audio or video conference or by equivalent means of telecommunication in accordance with the methods set out in the last

paragraph of Article 16 of these Articles of Association.	paragraph of Article 16 of these Articles of Association.

- **Article 25°)**

The proposal to amend article 9 that provides the possibility to held the general meeting for the approval of the annual report after the 120th day of the end of the financial year renders necessary to specify that the legal terms for the deposit and publication of the financial documents continues to be applicable.

It is proposed to introduce a specific provision in the By-laws that recalls the respect of article 154-*ter*, sub-paragraph 1 of TUF.

This amendment does not trigger the right of withdrawal of the Shareholders.

Please find below a comparison between current text and proposed change of article 25 of the By-laws. For convenience, the proposed deletion is strikethrough.

CURRENT TEXT	PROPOSED NEW TEXT
Article 25°) - The corporate year will close on 31st (thirty-first) December of each year.	**Article 25°)** - The corporate year will close on 31st (thirty-first) December of each year. **According to the Consob Regulation the Company made available to the public on the corporate website, at the Company's registered office the Annual Report, together with the reports of the Board of Statutory Auditors and the Independent Auditors', the Report on the corporate governance and ownership and the statement according to article 154-bis, paragraph 5, TUF, within one hundred and twenty days before the closing of the corporate year**

- **Article 31°)**

The Procedure on transactions with related parties approved by the Board of Directors on November 11, 2010 provides for the exclusion, under certain conditions, of the urgent transactions.

Such exclusion is effective only upon express disposition contained in the By-laws.

It is proposed to amend the By-laws accordingly.

This amendment does not trigger the right of withdrawal of the Shareholders.

Here below the new article 31°) of the By-laws.

PROPOSED NEW TEXT
Article 31°) Transaction with related parties **The Company approves the transaction with related parties pursuant to law provision and regulation in force, as well as its statutory provisions and the procedures adopted by the**

Company itself. **Such procedure may provide for the exclusion from the scope of the urgent transactions, if these transactions must not be approved in advance by the Shareholders' Meeting, to the extent permitted by applicable laws and regulations.**

It is proposed to re-numerate articles 31°) and 32°) in 32°) and 33°) following the introduction of new article 31°).

A copy of new By-laws acknowledging all the changes as above proposed is attached to this Report.

Proposal of resolution

With reference to the report above indicated the following resolutions are proposed to the Shareholders:

"The Extraordinary Shareholders' meeting,

- taking into account the Directors report

resolved

a) to amend articles 8, 9, 10, 19, 22, 25 of By-laws as drawn by the Board of Directors in the present Report with the wording contained in the "Proposed new text" column and to add a new article 31 with the wording contained in the same Report and to re-numerate following articles as consequence.

b) that the President and the Vice-President and Managing Director, jointly and severally, has any necessary power for the execution of this resolution and to provide to the publications requested by law, with the right to introduce those changes, not substantive, that might be required for the Register of Companies.

Lainate, March 14, 2011

for the Board of Directors

Dr Ing. Massimo della Porta
Chairman

Directors’ Report to Special Meeting of Holders of Savings Shares

The present is the English translation of the Italian official report approved by the Board of Directors on March 14, 2011. For any difference between the two texts, the Italian text shall prevail.

SAES GETTERS S.p.A.

Special Meeting of the Holders of SAES Getters S.p.A. Savings Shares on April 18 -19-20, 2011

Directors' illustrative report on the proposal for the common representative's appointment

Issued pursuant to Consob Regulation no. 11971/1999 and D.M. No 437/1998

Dear Holders of Savings Shares,

The Board of Directors has convened you to resolve on the appointment of the common representative of the holders of SAES Getters S.p.A. Savings shares.

The mandate of the current common representative, Dr. Massimiliano Perletti, born in Milan the 20th of July 1964, Lawyer and charter member of the legal firm Roedl&Partner, appointed by the Special Meeting of the holders of SAES Getters S.p.A. saving shares on April 23, 2008, will expire upon the approval of the SAES Getters S.p.A. financial statements for the year ended at December 31, 2010.

You are therefore invited to appoint a new common representative pursuant to Article 146 of Legislative Decree no. 58 dated February 24, 1998 for the three fiscal years 2011, 2012 and 2013 and to resolve upon the related annual remuneration which is currently established in the amount of EUR 1,100.00 (one thousand and one hundred).

Mr. Perletti has informed the Company about his intention to attend this office for the three year period 2011-2013.

Proposal of resolution

With reference to the report above indicated the following resolutions are proposed to the Shareholders:

"The Special Meeting of the Holders of SAES Getters S.p.A. savings shares,

- taking into account the Directors report

resolved

- to confirm common representative, Dr. Massimiliano Perletti, born in Milan the 20th of July 1964, Lawyer and charter member of the legal firm Roedl&Partner for the three year period 2011-2013

- to resolve on an annual remuneration of EUR 1,100.00

Lainate, March 14, 2011

For the Board of Directors
Dr Ing. Massimo della Porta
Chairman

The present is the English translation of the Italian official report approved by the Board of Directors on March 14, 2011. The present does not include any of the five attachments that are enclosed in the Italian version of the Report. For any difference between the two texts, the Italian text shall prevail.

REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP

Drawn up in accordance with article 123-*bis* of the Consolidated Finance Act and article 89-*bis* of Consob Issuers Regulation

Issued by: SAES® Getters S.p.A. – Viale Italia 77 – 20020 Lainate (Milan)

Website: www.saesgetters.com

Financial year to which the Report relates: 2010

Date of approval of the Report: March 14, 2011

The present is the English translation of the Italian official report approved by the Board of Directors on March 14, 2011. The present does not include any of the five attachments that are enclosed in the Italian version of the Report. For any difference between the two texts, the Italian text shall prevail.

The present is the English translation of the Italian official report approved by the Board of Directors on March 14, 2011. The present does not include any of the five attachments that are enclosed in the Italian version of the Report. For any difference between the two texts, the Italian text shall prevail.

CONTENTS

The present is the English translation of the Italian official report approved by the Board of Directors on March 14, 2011. The present does not include any of the five attachments that are enclosed in the Italian version of the Report. For any difference between the two texts, the Italian text shall prevail.

Appendixes

Appendixes 3, 4 and 5 enclosed to the original Italian version have not been translated.

The present is the English translation of the Italian official report approved by the Board of Directors on March 14, 2011. The present does not include any of the five attachments that are enclosed in the Italian version of the Report. For any difference between the two texts, the Italian text shall prevail.

GLOSSARY

2006 Code: the Corporate Governance Code for Listed Companies approved in March 2006 by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A., as subsequently amended.

231 Model: the organisational, management and control model adopted by the Board on December 22, 2004 and as subsequently amended, in accordance with Legislative Decree no. 231 of June 8, 2001.

Board: the Board of Directors of the Company.

By-laws: the Company By-laws as currently into force (last amendment made by the Board of Director on November 11, 2010).

Company: SAES Getters S.p.A.

Consolidated Finance Act: Legislative Decree no. 58 of February 24, 1998.

Control Model: the administrative and accounting control model adopted by SAES Getters S.p.A. on May 14, 2007 also in light of Savings Law (as below defined).

Financial Year: Financial year started January 1, 2010 and ended December 31, 2010.

Issuers Regulation: the Regulations concerning issuers published by Consob in resolution no. 11971 of May 14, 1999 (as subsequently amended and supplemented).

SAES Getters Corporate Governance Code: the Corporate Governance Code adopted by SAES Getters S.p.A. Board of Directors on September 21, 2006.

Savings Law: Savings Protection Act no. 262 of December 28, 2005.

Regulations for Markets: the Regulations concerning markets published by Consob in resolution no. 16191 of October 29, 2007 (as subsequently amended and supplemented).

Report: the Report on Corporate Governance and Ownership which companies are required to prepare in accordance with articles 123-*bis* of the Consolidated Finance Act, article 89-*bis* of the Consob Regulation for Issuers.

The present is the English translation of the Italian official report approved by the Board of Directors on March 14, 2011. The present does not include any of the five attachments that are enclosed in the Italian version of the Report. For any difference between the two texts, the Italian text shall prevail.

INTRODUCTION/COMPLIANCE

The essential features of SAES Getters S.p.A.'s Corporate Governance system are based on the principles and recommendations contained in the Corporate Governance Code for Listed Companies published by Borsa Italiana S.p.A. in October 1999, as reviewed in July 2002, and in the version published in March 2006 (hereinafter also the "**2006 Code**"), as available on the Borsa Italiana S.p.A. website (www.borsaitaliana.it). The Company did not adopt or adhere to code of conducts other than the one promoted by Borsa Italiana S.p.A.

The SAES Getters S.p.A.'s Corporate Governance system is substantially in line with the recommendations contained in the 2006 Code with which the Board of Directors decided to comply on December 21, 2006, in the belief that the principles and provisions contained therein make an important contribution towards the achievement of correct business and corporate governance and towards the creation of value for Shareholders, thereby increasing the level of confidence and interest among national and international investors.

To this end, the Board on December 21, 2006 adopted its own Corporate Governance Code (hereinafter also "**SAES Getters Corporate Governance Code**"), with the aim of clearly formalising the rules of conduct applicable to its internal organisation structure, identifying roles and responsibilities and drawing more attention to the recommendations of the 2006 Code effectively applied and the respective procedures.

The following Report provides the information about the Corporate Governance of SAES Getters S.p.A. and about its degree of compliance with the 2006 Code.

To compile the Report, the Company has largely used the experimental format circulated by Borsa Italiana S.p.A. on February 8, 2010, although not mandatory and although not following the same expositive index; the Company chose to follow a "comply how/non-comply why" approach, giving reasons for any decision not to adopt one or more provisions, together with corporate governance practices actually applied by the Company over and above any legal or regulatory obligations, pursuant to article 123-*bis* of Legislative Decree no. 58 of February 24, 1998 (hereinafter also the "**Consolidated Finance Act**") and article 89-*bis* of Regulations Concerning Issuers published by Consob in resolution no. 11971 of May 14, 1999 as subsequently amended and supplemented (hereinafter also "**Issuers Regulation**").

Pursuant to article 123-*bis*, paragraph 1 of the Consolidated Financial Act, we inform that:

- Information contained in subsection a) (the capital structure, the different classes of shares and, for each class of shares, the related rights and obligations, and the percentage of total share capital represented) are provided into paragraph 2.1.;
- Information contained in subsection b) (restriction on the transfer of securities) are provided into paragraphs 2.1. and 2.8.;
- Information contained in subsection c) (significant shareholdings), that pursuant to article 156 paragraph 4-*bis,* subsection d) of the Consolidated Financial Act will be subject to the audit firm opinion, are provided into paragraph 2.2.;

- Information contained in subsection d) (special control rights), that pursuant to article 156 paragraph 4-*bis,* subsection d) of the Consolidated Financial Act will be subject to the auditing firm opinion, are provided into paragraph 2.2.;
- Information contained in subsection e) (voting rights in any employee share scheme) are provided into paragraph 2.1.;
- Information contained in subsection f) (any restriction on voting rights), that pursuant to article 156 paragraph 4-*bis,* subsection d) of the Consolidated Financial Act will be subject to the auditing firm opinion, are provided into paragraphs 2.1. and 2.5.;
- Information contained in subsection g) (agreement known to the Company pursuant to article 122 of the Consolidated Financial Act) are provided into paragraph 2.3.;
- Information contained in subsection h) (any significant agreements to which the Company or its subsidiaries are parties and which take effect, alter or terminate upon a change of control of the Company, and their effects) are provided into paragraph 2.6.;
- Information contained in subsection i) (agreements between companies and directors which envisage severance in the event of resignation or dismissal without just cause, or if their employment contract should terminate as the result of a takeover bid) are provided into paragraph 2.7.;
- Information contained in subsection l) (rules applying to the appointment and replacement of directors), that pursuant to article 156 paragraph 4-*bis,* subsection d) of the Consolidated Financial Act will be subject to the audit firm opinion, are provided into paragraph 4.2.;
- Information contained in subsection m) (the existence of delegated powers regarding share capital increases pursuant to article 2443 of the Italian Civil Code or powers of the directors to issue security-related financial instruments or to authorise the purchase of treasury shares), that pursuant to article 156 paragraph 4-*bis,* subsection d) of the Consolidated Financial Act will be subject to the auditing firm opinion, are provided into paragraph 2.4. and 2.5.

Pursuant to article 123-*bis*, paragraph 2 of the Consolidated Financial Act, we inform that:

- Information contained in subsection a) (adoption of a corporate governance code of conduct) are provided in the present paragraph "Introduction/Compliance" and into paragraph 10;
- Information contained in subsection b) (the main characteristics of existing risk management and internal audit systems used in relation to the financial reporting process, including consolidated reports), that pursuant to article 156 paragraph 4-*bis,* subsection d) of the Consolidated Financial Act will be subject to the audit firm opinion, are provided into paragraph 6;
- Information contained in subsection c) (the operating mechanism of the Shareholders' Meeting, its main power, Shareholders rights and their term of exercise, if different from those envisaged by legal and regulatory provisions applicable as supplementary measures) are provided into paragraphs 2.1., 8 and 9;
- Information contained in subsection d) (the composition and duties of the administrative and control bodies and their Committees) are provided into paragraphs 4, 6 and 7.

Neither the Company nor its subsidiaries are subject to foreign laws which affect the Corporate Governance structure of SAES Getters S.p.A.

The present is the English translation of the Italian official report approved by the Board of Directors on March 14, 2011. The present does not include any of the five attachments that are enclosed in the Italian version of the Report. For any difference between the two texts, the Italian text shall prevail.

1. PROFILE

Pioneering 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 70 years of operation, its getter solutions have been supporting innovation in the information display and lamp industries, in technologies spanning from large vacuum power tubes to miniaturised silicon-based micromechanical devices, as well as in sophisticated high vacuum systems and in vacuum thermal insulation. Group also holds a leading position in ultra pure gas handling for the semiconductor and other hi-tech markets. Starting in 2004, by leveraging the core competencies in special metallurgy and materials science, the SAES Getters Group has expanded its business into advanced materials markets, in particular the shape memory alloy product, a family of materials characterized by super elasticity and the properties of assuming predefined forms when subjected to heat treatment. These special alloy have their application mainly in biomedical field and, more in general, in niche industrial fields. A total production capacity distributed over 11 manufacturing plants across 3 continents, a worldwide-based sales & service network, more than 1.100 employees allow the Group to combine multicultural skills and expertise to form a truly global enterprise. SAES Getters S.p.A. is headquartered in the Milan area. SAES Getters has been listed on the Italian Stock Exchange Market, STAR segment, since 1986.

In accordance with the By-laws, the management and control **model** adopted by the Company is a **traditional** model based on a Board of Directors and a Board of Auditors. Specifically, in this model, the Governance of the Company is characterised by the presence of:

- a Board of Directors responsible for the management of the Company, which acts in compliance of principle 1.P.1. of the 2006 Code;
- a Board of Auditors / Internal and Account Audit Committee appointed to monitor, among other subjects provided for by the law, i) compliance with the law and with the by-laws, ii) financial information processes, iii) efficacy of the internal control, internal audit and management risk control systems, iii) individual and consolidated annual accounts legal audit, audit firm independence, with particular focus on non audit services rendered to the Company.
- a Shareholders' Meeting, with powers to resolve according to legal provisions and to the Company By-laws in ordinary or extraordinary session.

Accounting auditing is entrusted to an independent audit firm enrolled in the Special Register, according to article 2, paragraph 1 of the Legislative Decree no. 39/2010.

2. INFORMATION on OWNERSHIP

The information given below, unless otherwise specified, is valid on the date of approval of this Report (March 14, 2011).

2.1. SHARE CAPITAL STRUCTURE

The fully paid-up share capital of SAES Getters S.p.A. is EUR 12,220,000.00 and is divided into 22,049,969 shares, broken down as follows:

- no. 14,671,350 ordinary shares (66.54% of the share capital);
- no. 7,378,619 non-convertible savings shares (33.46% of the share capital).

Both the ordinary shares and the savings shares are listed on the Italian *Mercato Telematico Azionario* managed by Borsa Italiana S.p.A.

All shares are no-par-value shares and currently have an implied book value (meaning the ratio between the total amount of share capital and the total number of shares issued) of EUR 0.554196.

An unrestricted voting right is granted to the owner of each ordinary share. The rights attached to the ordinary shares are all the administrative and economic rights according to legal provisions and to the Company By-laws. Owners of savings shares are not entitled to any voting right in ordinary or extraordinary Shareholders' Meeting.

The rights attached to the various categories of shares are specified in the By-laws, notably in articles 5, 6, 11, 26, 29 and 30. The Company By-laws is published on the Company's website www.saesgetters.com (section Investor Relations/Corporate Governance/Company By-laws).

Ordinary shares are available in registered form, savings shares are available in bearer or registered form at the shareholder's choice or as required by law. All shares are issued in dematerialised form.

Each share gives entitlement to a proportional part of the profits that it is decided to distribute and of the net worth resulting from liquidation, subject to the rights attached to savings shares, as described in articles 26 and 30 of the By-laws.

More specifically, the net profits for each year are distributed as follows:

- 5% to the legal reserve, until one fifth of the share capital has been reached;

- the remainder is distributed as follows:

  - savings shares are entitled to a preference dividend of 25% of the 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 preference 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 as to ensure that savings shares are entitled to a total dividend that is higher than that of ordinary shares by 3% of the implied book value (whose amount is EUR 0,017).

If reserves are distributed, shares have the same rights irrespective of the category to which they belong.

In the event of liquidation, savings shares have priority in the reimbursement of capital for their implied book value.

Following the execution made on May 26, 2010 of the shareholders' resolution dated April 27, 2010 that has resolved the annulment of 600.000 ordinary shares and of 82.000 savings shares, as of today the Company does not hold any treasury shares.

The share capital may also be increased by issuing shares which have different rights from those of shares already issued. If the share capital is increased, holders of each category of shares are proportionally entitled to receive rights over newly issued shares of the same category and, failing this or for the difference, shares of another category (or other categories).

Resolutions to issue new shares which have the same characteristics as those already in issue do not require further approval from special meetings.

If ordinary or savings shares are excluded from trading, savings shares will be recognised the same rights to which they were previously entitled.

The Company does not have any share-based incentive schemes (stock options, stock grants, etc.) in place.

No shares have been issued which grant special control rights; nor are there any restrictions on voting rights[1] .

No restrictions on the transfer of shares are in place except for the provisions contained into the following article 2.8. and some restrictions applicable to the Significant Persons for limited period of time (*black out periods*) on the basis of the Internal Dealing Code (see paragraph 5).

2.2. MAJOR SHAREHOLDINGS

S.G.G. Holding S.p.A. is the Company's majority Shareholder presently holding 7,958,920 SAES Getters ordinary shares representing 54.25% of the ordinary shares, to the knowledge of the Company based on the filings received in accordance with article 120 of the Consolidated Finance Act and with articles 152-*sexies* and 152-*octies* of Issuers Regulation.

In addition to S.G.G. Holding S.p.A., there are other entities which hold voting rights accounting for more than 2% of the subscribed capital, represented by voting shares, according to the entries in the share register updated on 28/02/2011, and based on filings received by the Company and other information. These entities are:

Declarant	**Direct shareholder**	**% share of the ordinary capital (on a total of 14,671,350 ordinary shares)**
Giovanni Cagnoli	Carisma S.p.A.	5.57%
The Tommaso Berger	Berger Trust S.p.A.	2.86%

[1] Except for the restriction pursuant to article 2357-*ter* of the Italian Civil Code which states that a Company does not have voting rights on the ordinary treasury shares held in its portfolio, for which the voting rights is frozen.

Trust		

2.3. SHAREHOLDERS' AGREEMENTS

The Company is not aware of the existence of any Shareholders' agreements governed by article 122 of the Consolidated Finance Act.

2.4. POWERS TO INCREASE THE SHARE CAPITAL

The Extraordinary Shareholders' Meeting of April 23, 2008 authorised the Board, pursuant to Article 2443 of the (Italian) Civil Code, 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, net of the distribution approved by the shareholders' meeting on April 23, 2008 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.

2.5. TREASURY SHARES

The Shareholders' Meeting of April 27, 2010 authorised the purchase of the Company's own shares up to a maximum of no. 2,000,000 ordinary and/or savings shares over a period of 18 months from the date of authorisation, taking due account of the shares already held in the portfolio by the Company, and subject in any event to statutory limits, for a price, including incidental purchase expenses, of no more than 5% and no less than 5% of the official share price in the trading session prior to each individual transaction.

During the Financial Year the Board did not implement any purchase of treasury shares plan and has not availed itself of the authorization granted by the Shareholders' meeting of April 27, 2010 (also in the preceding months did not use the previously authorisation previously granted by the Shareholders' Meeting of April 21, 2009).

As evidenced above, upon execution on May 26, 2010 of the shareholders' resolution dated April 27, 2010 that has resolved the annulment of 600.000 ordinary shares and of 82.000 savings shares, as of today the Company does not hold any treasury shares.

The revoking of the resolution concerning the purchase and use of own shares taken by the Shareholders' Meeting on April 27, 2010, for the part not enjoyed, and the proposal to adopt a similar decision have been included on the agenda for the forthcoming Shareholders' Meeting (ordinary session) scheduled for April 20 and 21, 2011 (at first and second call respectively).

Please refer to the special report to the Shareholders' Meeting prepared by the Directors on this subject, pursuant to article 73 of Issuers Regulation, which will be deposited at the registered offices, with Borsa Italiana S.p.A. and published on the Company's website www.saesgetters.com (section Investor Relations/Shareholders' Meeting), within the time period required under existing law (i.e. at least 15 days before the date of the Shareholders' Meeting).

2.6. CHANGE OF CONTROL CLAUSES

Group companies, as part of their normal activities, are parties to supply contracts or cooperation agreements with customers, suppliers and industrial or financial partners which, as is commonplace in international agreements, contain clauses which grant the counterparty or each of the parties the right to terminate these agreements in the event of a change of control affecting the parent company SAES Getters S.p.A. or, more generally, one of the parties. None of these agreements is material in nature.

Some Group companies are part of loan agreements and bank lending commitments. In the case of change of control of the financed company and/or the parent company (SAES Getters S.p.A.), these agreements with banks require, as usual for this kind of contracts, the banks' rights to forthwith terminate the loan agreements and provide for repayment. The indebtedness subject to the change of control clauses is of about EUR 40,4 million.

2.7. DIRECTORS SEVERANCE

The agreements in place between the Company and the Executive Directors Massimo della Porta and Giulio Canale, in the event of dismissal by the Shareholders' Meeting or revoking of delegated powers by the Board, without cause, make provision for compensation to be paid in an amount equal to the annual base fee determined by the Board on April 21, 2009[2] until the end of their office, with a cap of two years and half.

Further, in case of non renewal of the Executive Directors, they will be entitled to earn a fee equal to one annual base salary.

In the case of resignations from his office, no compensation is payable to the Executive Director, who is obliged to give three months' prior notice.

For the non-competition agreement signed by the Executive Directors, they are entitled to earn a fee equal to the 20% of the base salary earned in the last three years in charge or, in case of termination before the end of the three years, such fee will be pro rata to the effective period they have been in charge.

In case of illness or accident that could prevent from performing the duties of Executive Director, it is provided a fee for a period not higher that 12 consecutive months equal to a

[2] The Board of Directors on April 21, 2009, on Compensation Committee proposal, fixed an annual base salary for the Executive Directors equal to EUR 780.000 for Dr Ing. Massimo della Porta and EUR 680.000 for Dr Giulio Canale.

annual base salary. After such a period, the Company may withdraw from the contract, with 3 months prior notice, paying a fee equal to EUR 1.500.000.

It is to be noted, finally, that, in accordance with the Shareholders' resolution of April 27, 2006, a percentage (18%) of the fixed and variable compensation is set aside by the Company by way of Directors’ Termination Indemnity (“*Trattamento di Fine Mandato*”), pursuant to articles 17, 50, 105 and 109 of Presidential Decree 917/86, with the aim of creating a final total retirement benefit in line with that of other managers who work for the Company. The sums set aside will be used to take out a suitable Directors’ Termination Indemnity insurance policy in line with legal requirements, aimed at guaranteeing the disbursement of the final benefit.

In consideration of the economical crisis environment, the Executive Directors Massimo della Porta and Giulio Canale renounced to the accrual for the Directors’ Termination Indemnity on the fixed and variable compensation (if any) for 3 consecutive years (i.e. from 21 April 2009 up to the date of approval of 2011 financial statement). With reference to 2011, the Executive Directors also renounced to 10% of their annual base salary.

For other information on the fees received by the Directors during the Financial Year, please refer to the special report included in the Notes to the Financial Statements.

Please refer to paragraph 4.8 for further information on the remuneration of the Directors.

3. MANAGEMENT AND COORDINATION ACTIVITY

The Company is not subject to management and coordination within the meaning of article 2497 et seq of the (Italian) Civil Code.

For the purposes of article 37, paragraph 2, of Consob Resolution no. 16191 of October 29, 2007 as subsequently amended ("**Regulations for Markets**"), it is specified that, following assessment by the Board confirmed today, the presumption set in article 2497 of the (Italian) Civil Code is considered overcome, as S.G.G. Holding S.p.A. results not to manage and/or coordinate SAES Getters S.p.A. in relation to the majority interest held by the former. This is based on the fact that S.G.G. Holding S.p.A., under the managerial, operational and industrial profiles, does not play any role in the definition of the long-term strategic plans and annual budget and in investment choices, does not approve specific and/or significant operations of the Company and of its subsidiaries (acquisitions, sales, investments, etc.) and does not coordinate business initiatives and actions in the sectors in which the latter and its subsidiaries operate. S.G.G. Holding S.p.A. does not give instruction nor carry out service activities or technical, administrative, financial coordination in the interest of the Company and its subsidiaries.

The Company has its own organisational and decision-making independence as well as independent negotiation capacity in relations with customers and suppliers.

4. BOARD OF DIRECTORS

4.1. COMPOSITION

The current By-laws stipulate that the Shareholders' Meeting can determine the number of Directors which can be a minimum of three (3) and a maximum of fifteen (15). The high number of Directors set as upper limit reflects the need to structure the Board in the manner most appropriate to the Company's needs, also taking into consideration the number of companies controlled and to the several business areas where the Group operates. It also enables the Company to bring in professionals from different backgrounds and to integrate different skills and experiences in order to respond more effectively to current and future requirements, thereby maximising value for Shareholders. The complexity and worldwide nature of Company and Group interests entail an ever growing need for different professional abilities, experiences and skills within the management body. With a larger composition, the Board is able to provide better internal dialectics and carry out its duties effectively, with the necessary competence and authority, responding in a timely manner to the increasingly complex subjects with which the Company is called to cope with.

4.2. APPOINTMENT AND REPLACEMENT OF DIRECTORS

Directors are appointed by the Shareholders' Meeting on the basis of lists submitted by Shareholders, according to the procedure set out in article 14 of the By-laws, unless different or supplementary provisions are laid down in mandatory laws or regulations or depending on the Company's voluntary or mandatory compliance with codes of conduct drawn up by the management companies of regulated markets or by trade associations.

The Board believes that the Directors appointment takes place pursuant to a clear procedure, as below described, pursuant to principle 6.P.1. of the 2006 Code.

Lists for the appointment of Directors may be submitted by Shareholder who, with reference to the shares registered in its name as of the date in which the lists are deposited at the Company, owns, individually or together with other Shareholders submitting lists, a percentage of the voting capital at least equal to the percentage determined by Consob under article 144-*quater* of the of the Issuers Regulation. On the date hereof, the required percentage is equal to 2,5% of the voting capital.

The lists, signed by those submitting them, are deposited by Shareholders at the registered offices at least within the twentieth day before the scheduled date of the Meeting called to resolve on the appointment of Directors. These lists are made available for consultation by the public at the registered offices as well as at the market management company and on its website, under the terms and conditions laid down by the applicable regulations.

The lists specify no more than fifteen candidates, each allocated with a progressive number. Each list must contain and expressly indicate at least one Independent Director[3], with a progressive number no greater than seven.

[3] Meaning a Director meeting the independence requirements stipulated therein as well as additional requirements laid down in the codes of conduct drawn up by the management companies of regulated markets or by trade associations with which the Company voluntarily or mandatorily complies.

A Shareholder cannot submit or vote for more than one list, including through an intermediary or through trust companies. A candidate may only be present in one list, failing which he will be ineligible.

At the end of the voting, the candidates of the two lists which have obtained the highest number of votes will be elected, subject to the following criteria: (i) from the list which obtained the highest number of votes ("**Majority List**"), all but one of the total number of Board members, as previously established by the Shareholders' Meeting, will be elected in the numerical order indicated in the list; (ii) from the second list which obtained the highest number of votes and which has no connection, not even indirectly, with the Shareholders who submitted or voted for the Majority List pursuant to the applicable provisions ("**Minority List**"), one Director will be elected, namely the candidate indicated with the first number on that list. However, if no Independent Director is elected from the Majority List, in the case of a Board of no more than seven members, or if only one Independent Director is elected, in the case of a Board of more than seven members, the first Independent Director indicated on the Minority List will be elected instead of the person at the top of the Minority List.

However, lists which have not achieved a percentage of votes equal to half that required for the submission of lists will not be taken into account.

If one or more lists receive the same number of votes, the one presented by Shareholders owning the highest shareholding upon their presentation or, secondly, the one presented by the highest number of Shareholders, shall prevail.

If one only list is presented, the Shareholders' Meeting votes the same and if it gets the majority of the voting Shareholders, without taking into account Shareholders who refrain from voting, the Directors on their order of priority in said list are elected, until fulfillment of the number of Board members established by the Shareholders' Meeting, saved for the fact that, however, if the Board is made up by more than seven members, also the second Independent Director is elected, in addition to the Independent Director necessarily listed among the first seven candidates.

In the absence of lists or if the number of Directors elected on the basis of lists submitted is less than the number determined by the Shareholders' Meeting, the members of the Board of Directors are appointed by the same Shareholders' Meeting according to statutory majorities, without prejudice to the obligation for the Shareholders' Meeting to appoint the necessary minimum number of Independent Directors.

Upon the approval of the Financial Statements for the year ended December 31, 2008, during the Financial Year, the three-year mandate of the Board of Directors appointed by the Shareholders' Meeting on April 27, 2006 expired.

The Shareholders' Meeting of April 21, 2009 resolved to fix in 11 (eleven) the number of members of the Board of Directors. The appointed Directors, which are still in charge are the following: Stefano Baldi, Giulio Canale, , Adriano De Maio, Giuseppe della Porta, Massimo della Porta, Andrea Dogliotti, Andrea Gilardoni, Pietro Alberico Mazzola, Roberto Orecchia, Andrea Sironi and Gianluca Spinola.

The current Board was elected, for the first time, through the list vote mechanism, (introduced by resolution of the Extraordinary Shareholders' Meeting of June 29, 2007, in order to accommodate the changes and additions to election procedures introduced in the meantime into legislation about the procedure to appoint Directors) on the basis of the only one list presented and published by the major shareholder S.G.G. Holding S.p.A. according to the procedure and terms set out in the By-laws, mandatory regulations and the Company's Code of Conduct. The list and its enclosures were opportunely made available for consultation by the public on the Company's website.

The appointed Board of Directors term of office will expire with the approval of the 2011 Financial Statements.

The Board as at December 31, 2010 is made up of eleven Directors as shown in Appendix 1.

The following table shows the attendance of each Director to the Board meetings during the Financial Year:

Meeting of Board of Directors during the Financial Year	**18-Feb**	**15-Mar**	**15-Mar**	**27-Apr**	**13-May**	**27-Aug**	**11-Nov**	Overall attendance of each director	%
Baldi Stefano	1	1	1	1	1	1	1	7/7	100
Canale Giulio	1	1	1	1	1	1	1	7/7	100
De Maio Adriano	1	1	1	1	1	1	1	7/7	100
della Porta Giuseppe	1	0	1	1	1	1	1	6/7	85,7
della Porta Massimo	1	1	1	1	1	1	1	7/7	100
Dogliotti Andrea	1	1	1	1	1	1	1	7/7	100
Gilardoni Andrea	0	1	1	1	1	1	1	6/7	85,7
Mazzola Pietro	1	1	1	1	1	1	0	6/7	85,7
Orecchia Roberto	0	1	1	1	1	1	1	6/7	85,7
Sironi Andrea	1	1	1	0	0	0	1	4/7	57,1
Spinola Gianluca	1	1	1	1	1	1	0	6/7	85,7
NON EXECUTIVES	**7/9**	**8/9**	**9/9**	**8/9**	**8/9**	**8/9**	**7/9**		**87,3%**
EXECUTIVES	**2/2**	**2/2**	**2/2**	**2/2**	**2/2**	**2/2**	**2/2**		**100%**
INDEPENDENT	**2/3**	**3/3**	**3/3**	**2/3**	**2/3**	**2/3**	**3/3**		**81%**

The average age of Director is about 60 years old.

Appendix 3 to this Report contains information on the personal and professional characteristics of Directors as required by article 144-*decies* of the Issuers Regulation.

4.3. MAXIMUM LIMIT ON POSITIONS CUMULATIVELY HELD IN OTHER COMPANIES

Pursuant to principle 1.P.2. of the 2006 Code, the Company's Directors act and make resolutions independently and with full knowledge of the facts, with the aim of creating value for Shareholders. In line with application criterion 1.C.2. of the 2006 Code, Directors accept the office when they believe that they can dedicate the necessary time to the diligent performance of their duties, taking into account the number of director or auditor posts that they hold in other companies listed on regulated markets, including foreign markets, in financial companies, banks, insurance companies or large-sized companies.

The Board annually records and reports, in the Corporate Governance Report, on the director or auditor posts held by the Directors in listed companies and in the other companies indicated above. Appendix 2 lists the director or auditor posts held by each Director in other companies listed on regulated markets, including foreign markets, in financial companies, banks, insurance companies or large-sized companies, as at December 31, 2010, as recorded in the Board meeting of February 17, 2011.

The Board believes that if a Director cumulatively holds an excessive number of posts in the Boards of Directors or in the Boards of Auditors of listed or unlisted companies, this may compromise or jeopardise the effective performance of his post within the Company.

In line with application criterion 1.C.3. of the 2006 Code, the Board has defined general criteria governing the maximum number of director or auditor posts in other companies which may be considered compatible with an effective performance of the role of Director in the Company.

These general criteria are identified in the SAES Getters Corporate Governance Code approved by Board resolution on December 21, 2006.

Indeed, the Board has considered it appropriate to award a score to each post held outside of the Company's Board of Directors. This score differs according to the commitment entailed by the type of post (Executive/non-executive Director) and the nature and size of the companies in which the post is held. There is a maximum score above which it is presumed that the post of Director in the Company cannot reasonably be performed effectively. If the maximum threshold is exceeded, this constitutes a valid reason to dismiss the Director from office.

The Company's Board reserves the right to amend and supplement the general criteria specified above, taking into account changes in legislation, experience of application and the best practice that will develop in this area.

The current composition of the Board respects the above general criteria.

Pursuant to application criterion 2.C.2. of 2006 Code, Directors are required to be familiar with the duties and responsibilities inherent in their post. The Chairman of the Board ensures that Directors participate in initiatives aimed at increasing their knowledge of corporate events and trends, also with regard to the legislative framework, so that they can perform their role effectively. During the Financial Year the above mentioned initiatives did not take place except for technical presentations about the main research and development projects running in the Company's laboratories, and a set of the main corporate documents, in addition to brochures of the core product families of the Companies.

In particular, within the framework of the presentation of the Strategic Plan of SAES Group made between 2010 and 2011, the Board has had the possibility to deeply examine, with accurate details, and be updated, among the others, on the following matters: i) SAES business model, highly characterized by peculiarities, operating model, targets and strategic choices appropriate for a "high tech B2B company" ii) SAES technological product road map - since 2003 up to date – with particular focus on the evolution and renewal aspects of the technological core competences developed by the Company that has allowed the increasing exploit of the synergies – both technical and commercial – between the productive lines and the constantly diversified market offer; iii) SAES vision, being to become a multi-business Group maintaining e replicating the technological and commercial leadership in the market; iv) SAES mission, orientated to consolidate the global leadership in the Getter & Dispenser and in the Advanced Materials, with particular focus on the Innovation & Business Development.

The Chairman and the Managing Director make every effort to ensure that the Board is informed about the main legislative and regulatory developments that concern the Company and the corporate bodies.

If the Directors require clarifications and information from the Company's management, they may forward a request to the Chairman, who will take the appropriate action either by collecting the necessary information or by putting the Directors in touch with the management concerned. The Directors can ask the Chairman and/or the Managing Director to have managers of the Company or of the Group attend the Board meetings to provide detailed information about the items on the agenda.

4.4. ROLE OF THE BOARD OF DIRECTORS

The Board meets at regular intervals to examine operational performance, Company results and all significant operations. The By-laws provide that the Board must meet at least once every quarter. During the Financial Year, the Board met 7 times, with the average attendance of Directors being about 89,6% higher than 2009 average attendance (of about 88%). The average attendance of Executive Directors was of 100% (vs. 93,3% of 2009), the average attendance of non-executive Directors was 87.3% (to be compared with 86.8% of year 2009) and the average attendance of Independent Directors was 81%, (in 2009 equal to 93,3%).

The average duration of Board meetings is slightly higher than 2 hours.

For the 2011 financial year, it is currently anticipated that the Board will meet at least nine times, of which four meetings will be to approve the interim results, the dates for which were already notified in November 2010 to Borsa Italiana S.p.A. for inclusion on the calendar of Company events, also published on the Company's website. In 2011, as of the date hereof, the Board has already taken place 3 times, on January 18, February 17 and on March 14.

The Chairman makes every effort to ensure, that, for the purposes of Board meetings, the necessary documentation and information to enable the Board to discuss in an informed manner the matters referred for its examination are forwarded to Directors reasonably in advance, where possible together with the notice of call (that is usually sent at least two weeks before the date of the meeting); as far as the financial reports, these are forwarded with at least two working days notice, according to a schedule consistent with the time needed for the preparation of such documents. Exceptionally, with the blessing of Directors, some documentation (as strategic business plans) might not be sent in advance to them or, as it happened during 2010 with reference to highly sensitive information, the documentation is made available in data room.

Each Board Member has the right to propose subjects for discussion at subsequent Board meetings.

The Chairman, with the approval of those present, may invite persons outside the Board to attend meetings in order to listen in or to provide support duties. The Officer Responsible for the Preparation of corporate financial reports pursuant to article 154-*bis* of the Consolidated Financial Act is invited to attend all the meetings of the Board of Directors that have on the agenda the approval of quarterly Financial Statements, of the half year report, of the yearly financials statements, the consolidated Financial Statements, and any time the Board is called to take resolution for which a statement of the Accounting Officer or any time the Chairman of the Board, even on proposal of the Managing Director, being on the agenda issues that may affect the accounting reports of the Company or of the Group.

The Group General Counsel attends each Board meeting, acting as Secretary of the Board of Directors.

Tentatively, during each meeting, and in any event at least every quarter, in accordance with article 19 of the By-laws, the Board of Directors and the Board of Auditors are informed, by the Chairman and the Managing Director, about the activities performed (by the Company and by its subsidiaries), about its general performance and foreseeable development, about the most important economic and financial transactions in terms of size or characteristics and, where necessary, about transactions in which the Directors have a personal or third party interest.

The Board reviews the information received from the Executive Directors and also ensure to ask the latter for any clarification or further or supplementary details which are deemed necessary or expedient for a complete and correct appraisal of the facts brought to the Board for examination.

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The Board plays a central role in the Company's Corporate Governance system, being vested with extensive powers for the ordinary and extraordinary management of the Company and having the right to carry out all acts considered appropriate for the implementation and achievement of the Company's objects, excluding those that the law strictly reserves for the Shareholders' Meeting.

Without prejudice to the exclusive competences over matters as laid down in article 2381 of the (Italian) Civil Code and in the By-laws, the Board exclusively and in compliance the application criterion 1.C.1 of 2006 Code:

a) defines, applies and updates the Company's Corporate Governance rules, in conscious compliance with existing laws; defines the Corporate Governance guidelines for the Company and for the Group that it heads;

b) examines and approves the strategic, industrial and financial plans for the Company and for the Group that it heads; in the Financial Year the Board performed its evaluations as to the strategic plans during the meetings of August 27;

c) assesses and approves the annual budget and the investment plan for the Company and for the Group that it heads;

d) assesses and approves the periodic financial reporting documentation required under existing law (in the Financial Year the Board, to this extent, met on March 15, May 13, August 27 and November 11, in 2011, on March 14);

e) grants and revokes powers within the Board (and the Executive Committee, where appointed) and defines the limits, operating procedures and frequency, generally at least every quarter, with which the authorised bodies must report to the Board about the activity performed in accordance with the powers granted to them; please refer to paragraph 4.5.1. for further details;

f) determines, after examining the proposals of the Compensation Committee and after consulting with the Board of Auditors, the remuneration payable to Executive Directors and other Directors who are appointed to certain positions and, if the Shareholders' Meeting has not already done so, determines the share of the total remuneration to which individual members of the Board are entitled;

g) monitors and assesses the general operational performance, including any conflict of interest situations, taking into consideration, in particular, information received from the Executive Directors, from the Compensation Committee and from the Audit Committee, and periodically comparing the results achieved with those anticipated;

h) examines and approves significant transactions and related party transactions; please refer to paragraph 4.4.1. for further details;

i) assesses the adequacy of the organisational, administrative and general accounting structures, and of the Company and Group structure, based on documents prepared by the Managing Director, particularly with regard to the Internal Control System and the handling of conflicts of interest. Please refer to paragraph 6.4. for further details;

j) evaluates, at least once a year, the size, composition and functioning of the Board and of its Committees, where applicable expressing opinions on the professionals whose presence in the Board is deemed appropriate;

k) reports to the Shareholders' Meeting; provides information, in the Corporate Governance report, on the implementation of the SAES Getters Corporate Governance Code and, in particular, on the number of meetings of the Board, that have been held during the year and on the respective percentage attendance of each Director;

l) at the end of each year, prepares a calendar of Company events for the following year, which will be followed as far as possible; during the Financial Year, the 2011 corporate events calendar was disclosed to the market on November 17, 2009;

m) has ultimate responsibility for the functioning and effectiveness of the organisational, management and control model pursuant to Legislative Decree 231/2001.

With regards to letter g) above, the Board, also on input of the Chairman and the Managing Director, on occasion of almost every meeting in the Financial Year evaluated the overall operational performance.

With regards to letter i) above, the Board made the assessment of the adequacy of the organisational, administrative and general accounting structures, both of the Company and Group structure, on March 14, 2011.

With regards to letter j) above, in line with the international best practices, as set by SAES Getters Corporate Code, the Board for the second consecutive year, performed a self assessment of the Board composition, its working and Committees.

In October 2010 Directors provided their feedback to a survey circulated by the Corporate Secretary aiming at a self assessment of the Board; following aggregate and anonymous processing of the feedback, the Board successfully carried out this evaluation in the meeting of November 11, 2010. Among the strengths the Board review unanimously highlights are: i) the favorable climate established within the Board which allows an open and fruitful discussion amongst its members and taking decisions with a large consensus; ii) the satisfying standing of the quantity and quality of information received; iii) the accuracy of the minutes of the Board debate and of the resolutions.

The Board size and competences available therein are deemed to be adequate, as well as the number and frequency of the meetings. As far as the Committees established within the Board, their composition, role and efficiency of performance have been confirmed.

Among the issue to be improved, some Directors evidenced the following: i) scheduling periodical thematic meetings, with particular reference to research, business development, financial planning and budget; ii) increase access to the management and to its recruiting iii) increase the flow of information between the Committees and the Surveillance

Committee towards the Board; iv) receiving more in advance the documentation of the Board.

The By-laws grant the Board, without prejudice to the statutory limits, the power to resolve on proposals concerning:

1. mergers in the cases set out in articles 2505 and 2505-*bis* of the (Italian) Civil Code, including with regard to demergers as governed by article 2506-*ter*, final paragraph, of the Italian Civil Code, in the cases where these rules are applicable;
2. the creation and closure of secondary offices and branches;
3. indication of which Directors have the power to represent the Company;
4. any capital reduction in the event of withdrawal of Shareholders;
5. the alignment of the Company's By-laws with legislative provisions;
6. transfer of the registered offices within the country.

With reference to point 5 above, according to article 19 of the By-laws, the Board modified some provision of the same (article 8, 10, 14, 22 and 23 of the By-laws) in order to adapt it to the new dispositions contained in the Legislative Decree no. 27/2010 and to the EC Directive 2007/26 (i.e. Shareholders' Directive) and to the Legislative Decree no.39/2010 that has reformed the accounting audit discipline, providing a coordinate regulation of the legal audit of the annual individual and consolidated accounts.

4.4.1. Principles of conduct - Significant or Related Party Transactions

On December 21, 2010, the Board of Directors, upon positive opinion of the Independent Directors, approved the Procedure for Related Parties' Transactions (the "Procedure") according Consob Regulation no. 17221/2010 (the "Regulation") and to the Consob Circular of September 24, 2010 (the "Circular") in order to assure substantial and formal transparency and correctness when performing transactions with related parties, as defined in the IAS 24 accounting principle.

The Procedure define the "material" transactions that shall be approved in advance by the Board, after receiving positive and binding opinion of the Independent Directors Committee.

The other transactions, as long as they are different to the "minor" transaction whose amount is lower than EUR 250.000, are defined \"non material" transactions and may be performed after receiving non binding opinion by the Independent Directors Committee.

The Procedure set forth the cases that exclude its applicability such as market and standard transactions, transactions with controlled or affiliate companies, provided that there are no other significant interests of other related parties, and minor transactions.

The Procedure came into force on January 1, 2011 and are available on www.saesgetters.com.

4.5. MANAGING BODIES

4.5.1. Executive Directors

In compliance of application criterion 2.C.1. of 2006 Code, the Company's Executive Directors are:

- the Managing Directors of the Company or of a subsidiary company having strategic importance[4], including the relevant Chairmen when they are granted individual management powers or when they play a specific role in the definition of business strategies;

- the Directors vested with management duties in the Company or in a subsidiary company having strategic importance, or in the holding company when the mandate also concerns the Company;

- the Directors who are part of the Company's Executive Committee, where appointed, when there is no Managing Director appointed or when participation in the Executive Committee, taking into account the frequency of meetings and the nature of its decisions, entails the systematic involvement of its members in the day-to-day management of the Company.

The granting of powers for urgent cases only to Directors not vested with management powers is not *per se*, to cause them to be identified as Executive Directors, unless such powers are actually exercised with considerable frequency.

Of the Directors in office, two are Executive. The Board appointed by the Shareholders' Meeting of April 21, 2009 met at the end of the Meeting to allocate positions within the Company, to grant powers and to appoint Committees. As in the past, the Board adopted a delegation model in which the Chairman and the Managing Director are granted extensive operational powers. Consequently, the Chairman (Massimo della Porta) and the Managing Director and Group Chief Financial Officer (Giulio Canale), were granted separate powers of ordinary and extraordinary administration, excluding those strictly reserved for the Board and those reserved by law for the Shareholders' Meeting. Likewise removed from the powers granted to the Executive Directors are decisions concerning significant transactions (as defined in paragraph 4.4. above) and certain related party transactions.

The powers granted to the Chairman and the Managing Director are identical and do not differ in terms of value or competence.

In particular, Massimo della Porta and Giulio Canale, jointly and severally, are entrusted with the following powers have been granted (by way of example without being limited to):

a) to appoint proxies for single transaction or categories of transactions, setting forth the powers and compensations, including the power to revoke them;

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[4] Meaning a significant company from the accounting point of view (having the net assets higher than 2% of consolidated net assets or sales higher than 5% of consolidated sales) or, more in general, from the market and business point of view (as a consequence, also a a newly-created company could be eligible for being considered "significant"). On the basis of an evaluation made in 2010, taking into account the thresholds above and some business considerations, the following 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. On the contrary, despite meeting the thresholds above, following business consideration, SAES Getters International Luxembourg S.A., SAES Getters America Inc. and SAES Getters Export, Corp. are not considered significant.

b) to stand on behalf of the Company in any relationship with third parties, public administrations, public entities, companies of the Group, and to sign the associated acts and contracts, to undertake obligations of any kind and nature;

c) to purchase, exchange, sell assets within the performance of the corporate activities; to enter, after negotiating the appropriate clauses, agreements, to amend and/or terminate agreements and contracts of any kind and value; to authorize the purchase of raw materials, semi-finished products, finished products and consumables; to authorize quotations also different from the standard usual ones;

d) to request the exact performance of third parties obligations or from third parties;

e) to open banking/postal accounts; to pay, even through bank wire or checks, to conduct operations both on debt and credit on current accounts of the Company held at banks or post offices, even using overdraft, always in the interest of the Company, and to issue and request the issuance of checks and bank drafts;

f) to negotiate and execute any document to support a line of credit or financing of any kind granted to the Company, negotiating terms and conditions therein contained; to enter credit factoring agreements;

g) to perform transactions against railway and custom authorities, re: shipment and/or delivery of goods of any kind;

h) to issue certificates and declarations that might be required for fiscal reasons, extracts of personnel files for retirement and/or insurance and/or health reasons, and sign any document required by fiscal laws;

i) to hire and terminate personnel of any qualification, including managers; to sign any associated contracts and establish hiring conditions as any following treatment;

j) to stand on behalf of the Company in front of any Italian or foreign authorities; to stand on behalf of the Company, either as plaintiff or defendant, in any civil, criminal or administrative court, in any kind of proceedings; to appoint and revoke attorneys, technical consultants and to confer them any power;

k) to stand on behalf of the Company in front of the Banca d'Italia, Consob or Borsa Italiana S.p.A., with the authority to settle any matter;

l) to settle any claim or litigation with third parties, to appoint arbitrators or similar and to enter the arbitral award and/or settlement agreement;

m) to stand on behalf of the Company in any liquidation or dissolution or judicial management established on/entered by third parties.

The Board decided not to set any limit on powers deeming it sufficient to refer significant transactions to the Board and observing that, historically, as was also the case during the Financial Year, the mandated Directors exercised the powers granted to them prudently and exclusively for the ordinary management of Company activities, on which the Board was kept informed in a regular and timely manner.

Executive Directors are required to report systematically to the Board of Directors and to the Board of Auditors on the exercise of their powers, by providing adequate information on actions performed and, in particular, on any uncommon, atypical or unusual transactions performed in the exercise of their powers. During the Financial Year, the authorised bodies regularly reported to the Board, in the first practical meeting, on the activity performed in the exercise of the powers granted to them.

4.5.2. Chairman

The Chairman, Massimo della Porta, coordinates and organises the Board's activities, is responsible for its orderly functioning, acts as liaison between Executive and non-executive Directors, sets the agenda, chairs Board meetings and makes every effort to ensure that Board members receive, reasonably in advance of the date of the meeting (except for cases of necessity and urgency), the necessary documentation and information to enable the Board to discuss in an informed manner the matters referred for its examination and approval.

The Chairman of the Board is also Chief Executive Officer, but he is not the only responsible for the management of the Company, since it shares this task with the Managing Director Giulio Canale. Both of them have been candidate to the directorship in a list submitted by the majority shareholder (S.G.G. Holding S.p.A.).

In accordance with principle 2.P.5. of the 2006 Code, it is acknowledged that the Board has decided to delegate to the Chairman the same powers entrusted to the Managing Director so to enable Massimo della Porta, who had been Managing Director in the term 2006-2008, to continue to contribute actively to the management of the Company and to give strategic guidance as always done as Managing Director in the previous Board appointments (starting from April 29, 1997). The powers given and the coincidence of offices in Massimo della Porta is deemed coherent with the organisational structure of the Company.

SAES Getters Corporate Governance Code stipulates that, if the Chairman of the Board also has operational powers, the Board must consider whether to appoint an Independent Director as "lead independent director" in order to reinforce the characteristics of impartiality and balance that are required from the Chairman of the Board.

To this end, the Board on April 21, 2009, deemed opportune to appoint Adriano De Maio as "lead independent director" and in the same date informed the market of such appointment according to the conditions set out in article 66 of the Issuers Regulation.

4.6. INDEPENDENT DIRECTORS

4.6.1. Non-Executive and Independent Directors

The current Board (as appointed by the Shareholders on April 21, 2009) is made up of eleven (11) members, of which two (2) Executives and nine (9) non executive, three (3) of which qualify as Independent Directors, in other words they do not hold nor have they recently held, not even indirectly, relations with the Company or with entities connected to the Company, which might compromise their independence of judgment.

Concerning principle 3.P.1. and application criterion 3.C.3. of 2006 Code, the Company believes that three (3) is the correct number of Independent non-executive Directors to have on the Board.

It also considers that with this composition, the number, expertise, time availability and authority of the non-executive directors is such that it enriches Board discussion and guarantees that their judgment can have a significant weight in the making of considered and informed Board decisions.

Non-executive Directors bring their specific expertise to Board discussions, contributing to the taking of balanced decisions, meeting the Company's interests and paying particular attention to areas where conflicts of interests may exist.

Pursuant to application criterion 3.C.1. of 2006 Code, the Board assesses the independence of its non-executive members more on the basis of substance than form. Moreover, in principle, as part of this assessment, the Board will tend to consider that a Director is not Independent, generally speaking, in the following non-absolute situations:

a) if he/she holds, directly or indirectly, including through controlled companies, trusts or intermediaries, shareholdings to such an extent that the Director is able to exercise control or significant influence over the Company, or if he participates in Shareholders' agreements through which one or more individuals can exercise control or significant influence over the Company;

b) if he/she is, or has been in the past three years, a relevant representative[5] of the Company, of a subsidiary having strategic importance or of a company under joint control with the Company, or of a company or entity which, together with others through a Shareholders' agreement, controls the Company or is able to exercise a significant influence over the latter;

c) if he/she has, or had in the preceding fiscal year, directly or indirectly (e.g. through controlled companies or companies of which he/she is a relevant representative, or in the capacity as partner of a professional firm or of a consulting company) a significant commercial, financial or professional relationship[6]:

- with the Company, a subsidiary thereof, the controlling company, or with any of their important representatives;

- with an individual or entity which, together with others through a Shareholders' agreement, controls the Company or with their important representatives;

or if he/she is, or has been in the past three years, an employee of one of the aforementioned entities;

d) if he/she receives, or has received in the preceding three fiscal years, from the Company of from a subsidiary or controlling company, a significant additional remuneration compared with the "fixed" emolument for a non-executive Director of the Company, including through participation in company *performance*-related incentive schemes, including share-based schemes;

e) if he/she has been a Director of the Company for more than nine years in the last twelve years;

f) if he/she holds the post of Executive Director in another company in which an Executive Director of the Company holds a post of Director;

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[5] In compliance with application criterion 3.C.2. of 2006 Code, the legal representative, the Chairman of the Board of Directors and the executive Directors must be considered as “relevant representatives” of the Company.

[6] The relationships above are considered to be important if they satisfy the conditions set out in the Borsa Italiana S.p.A. Market Instructions on 1 December 2006, in other words if: “(i) the commercial or financial relations exceed 5% of the turnover of the supplier firm or beneficiary firm; or (ii) the professional services exceed 5% of the income of the Director or EUR 100,000-.

g) if he/she is a shareholder or Director of a company or entity belonging to the network of the company responsible for the financial auditing of the Company;

h) if he/she is a close relative of a person who is in one of the situations described in the previous points and, in particular, where he/she is the non-legally separated spouse, cohabitant *more uxorio*, relative or in-law, within the fourth degree, of a Director of the Company, of the subsidiary companies or controlling company, or companies subject to joint control, or of individuals who are in the situations indicated in the previous points.

The examples listed above are not restricted. The Board must, in its assessment, take into consideration all circumstances which might appear likely to compromise the independence of the Director.

Assessment. Independent Directors agree to promptly notify the Board if an event occurs which may affect their "Independent" status.

The independence of Directors and the relations which could or appear to compromise the independence of judgment of that Director are assessed annually by the Board, on the basis of the information supplied by each of the individuals concerned or otherwise available to the Company. The outcome of the Board's assessments is disclosed to the market in a timely manner at the time of appointment and in the Corporate Governance report.

Where the Board deems that the independence requirement concretely exists, even in the presence of abstractly non-independent situations, the Board will provide appropriate information to the market on the outcome of the assessment, without prejudice to the Board of Auditors' check on the adequacy of the respective reasons.

This does not affect the predominance of more restrictive legislative or by laws provisions which stipulate that the Director must step down if he no longer satisfies certain independence requirements.

Pursuant to principle 3.P.2. and to application criterion 3.C.4. of 2006 Code, in the meeting of February 17, 2011, as every year, the Board assessed the degree of independence of its Directors in the light of article 3 of the SAES Getters Corporate Governance Code and in accordance with existing legislation (article 147-*ter* of the Consolidated Finance Act) and, on the basis of the requirements set by article 148, third paragraph, of Consolidated Financial Act (as recalled in article 147-*ter* paragraph 4of the Consolidated Finance Act) confirmed that the Directors Adriano De Maio, Roberto Orecchia and Andrea Sironi were "Independent".

The Board did not need to use additional or different criteria, since there were not situations falling, even also theoretically, in the cases listed by the Code as symptoms of independence failure. The three Directors filed specific declarations to this extent ahead of the Shareholders Meeting. The Board of Directors as soon as possible after the Shareholders Meeting confirmed the qualification of the three Directors as Independent and let the market know accordingly on the same day (April 21, 2009).

Also to the extent of application criterion 3.C.5. of 2006 Code, the Board of Auditors verified the correct application of the criteria adopted by the Board of Directors to assess the independence of its members, taking note of the declarations made by the individuals concerned.

The Board of Directors and the Statutory Board on May 21, 2010 issues their declaration pursuant to article 2.2.3, paragraph 3. Letter k) of the Market Regulation attesting the assessment of the independence rate and correct implementation of the evaluation criteria).

Meetings. Following application criterion 3.C.6. of 2006 Code, the Independent Directors generally meet once a year without the presence of the other Directors, where they deem it appropriate (including in the light of the number attending meetings of the Board and of the various Committees). The meeting can take place informally and even by means of audio or video conference.

During the Financial Year, the Independent Directors met without the presence of the other Directors on November 3, 2010, in order to discuss on the draft of Procedure for Related Parties' Transactions to submit to the Board.

Number. Where the Shareholders' Meeting decides to change the number of Board members, it is advisable that the following proportions be maintained:

- Board comprising up to eight (8) members: at least two (2) Independent Directors;
- Board comprising nine (9) to fourteen (14) members: at least three (3) Independent Directors;
- Board comprising more than fourteen (14) members: at least four (4) Independent Directors.

4.6.2. Lead Independent Director

As explained in paragraph 4.5. above, given the fact that the Chairman of the Board is entrusted with delegated powers, although not being the sole or main person responsible for the management of the Company, but being the Chief Executive Officer, the Board, in view of application criterion 2.C.3. of 2006 Code, on April 21, 2009, deemed appropriate to appoint the Independent Director Adriano De Maio as "lead independent director". The lead independent director represents a reference and coordination point for the requests and contributions of non-executive Directors (and in particular of the Independent Directors), for a better contribution to the activity and operation of the Board. The lead independent director works (as he has worked in the Financial Year) with the Chairman in order to guarantee that the information flows to the Directors are complete and timely. The lead independent director is granted, *inter alia*, the power to convene, at his own initiative or at the request of other Directors, special meetings involving only Independent Directors to discuss subjects deemed to be of interest regarding the functioning of the Board of Directors or the Company's operations.

Adriano De Maio is Chairman of both the Committees established within the Board (Audit Committee and Compensation Committees).

4.7. BOARD'S INTERNAL COMMITTEES

For a more effective performance of its duties, the Board has established - by resolution - an internal Audit Committee and Compensation Committee, with the functions described below.

The eldest Board member of each Committee reports periodically to the Board on the work of that Committee.

Both Committees exclusively comprise non-executive Directors, the majority of whom are Independent.

The following table shows the composition of Committees established within the Board (taking into account that the Company has neither Executive Committee nor the Appointment Committee).

Name	**Title**	**Compensa-tion Committee**[7]	**% attendance**	**Audit Committee**[8]	**% attendance**
Massimo della Porta	Chairman				
Giulio Canale	Managing Director & Chief Financial Officer				
Stefano Baldi	Non executive director	M	100		
Adriano De Maio	Independent director	C	100	C	100
Giuseppe della Porta	Non executive director				
Andrea Dogliotti	Non executive director			M	100
Andrea Gilardoni	Non executive director				
Pietro Mazzola	Non executive director				
Roberto Orecchia	Independent director				
Andrea Sironi	Independent director	M	0	M	67
Gianluca Spinola	Non executive director				

The Board makes every effort to ensure that there is appropriate rotation within the Committees, unless for any reason it is deemed appropriate to confirm one of more Directors beyond the prescribed terms of office.

This does not affect the Board's right to establish one or more additional internal Committees with propository and consultative functions which will be specifically defined in the Board resolution that establishes such Committees.

The Company reports that, in the Financial Year, the Compensation Committee met twice (with a 67% attendance of its members), while the Audit Committee met 6 times (with a 89% attendance of its members).

The Directors who are part of the Compensation Committee receive additional compensation set by the Shareholders' Meeting for that role. The Shareholders for the first time on April 21, 2009 established a compensation for this Committee (i.e. an individual remuneration equal to EUR 4,000.00 for each member, EUR 7,000.00 for the Chairman); prior to April 21, 2009 no compensation was set for the members of such Committee.

[7] C/M if Chairman or Member.

[8] C/M if Chairman or Member.

With reference to application criterion 5.C.1. lett. d) of 2006 Code, it's worth clarifying that the existing Committees (Compensation Committee and Audit Committee) are endowed with a predefined budget for their activities.

4.7.1. Audit Committee

Please refer to paragraph 6.5. (Internal Control System).

4.7.2. Appointment Committee

Referring to principle 6.P.2. of 2006 Code, the Board did not consider it necessary, given the composition of the Company's Shareholders and not having experienced difficulties in gathering proposed appointments from Shareholders, to establish an internal Committee to propose appointments for the position of Director.

4.7.3. Executive Committee

As anticipated in paragraph 4.4., the Board has not appointed an Executive Committee.

4.7.4.Compensation Committee

Pursuant to principle 7.P.3. of the 2006 Code, the Board has established an internal Committee to determine remuneration and any stock option or share allocation plans (Compensation Committee).

This Committee comprises three (3) non-executive Directors, Stefano Baldi, Andrea Sironi and Adriano De Maio, the majority of whom are Independent. For details, refer to the table above and to the one enclosed as Appendix 1.

In the Financial Year, the Committee met twice (with an average meeting duration of 45 minutes) to discuss, among other things; the retention or long term incentive plan proposed by the Executive Directors in order to retain and motivate the key people; ii) the Executive Directors' renounce to the accrual for the Directors' Termination Indemnity (equal to 18%) on the fixed and variable compensation and to 10% of their annual base salary, in consideration of the economical crisis environment.

The Compensation Committee, which works in substantial compliance of the application criteria 5.C.1. and 7.C.3. of 2006 Code:

- submits proposals to the Board concerning the remuneration of the Chairman and of the Managing Director and of those of Directors who hold particular posts, monitoring the application of the decisions taken by the Board;

- evaluates the criteria adopted for the remuneration of executives having strategic responsibilities, monitors their application on the basis of the information provided by the Executive Directors and makes general recommendations on the matter to the Board.

It is the responsibility of the Executive Directors to define the policies and levels of remuneration for the managers with strategic responsibility and to establish their targets which, if reached, is among the conditions that allow them to benefit from the incentive system. The Compensation Committee has also the duty of proposing the introduction of incentive schemes to the Board and to verify its implementation.

In the performance of its duties, the Compensation Committee has the right to access Company information and access the units necessary to perform the duties allocated and to make use of external advisors at the Company's expenses. The Compensation Committee did not deem necessary to avail itself of these opportunities during the Financial Year.

The Compensation Committee is chaired and meets at the initiative of the eldest member, who calls Committee meetings without any formality (even orally) and without the need for prior notice. Individuals who are not members of the Committee may be invited to attend meetings, in relation to individual items on the agenda. No Director may take part in Compensation Committee meetings in which proposals are discussed regarding the remuneration of the Board.

The proceedings of Committee meetings are recorded in minutes, which are stored at the Company’s. The eldest member of the Compensation Committee reports periodically to the Board on the Committee's work.

As of the date hereof, the Committee held a meeting on January 18, 2011.

4.8. REMUNERATION OF DIRECTORS

The Shareholders' Meeting of April 21, 2009 resolved, pursuant to article 18 of the By-laws, to set the total compensation for the Board for the Financial Year and for subsequent years, until otherwise decided, in the annual overall amount of EUR 120,000.00. In the first meeting held after the Shareholders' Meeting, the Board resolved upon the split of the total consideration to which each member of the Board is entitled.

The remuneration of the Executive Directors and those vested with particular duties is set by the Board, in the absence of those directly concerned (following application criterion 7.C.4. of 2006 Code), upon proposal of the Compensation Committee, having consulted with the Board of Auditors.

On April 21, 2009, in the first meeting held after the Shareholders' Meeting, the Board resolved upon the compensation of the Chairman and the Managing Director, taking into account the proposal made by the Compensation Committee and after consulting the Board of Auditors. The fixed remuneration of the Chairman and the Managing Director is set in proportion of the powers entrusted to them.

For the information on the compensation received by Directors please refer to the specific information included in the included in the Notes to the 2010 Financial Statements. Please refer to paragraph 2.7. for the information about the severance due to the Executive Directors in case of termination of the relationship, as required by Consob with Circular no. DEM/11012984 of February 24, 2011.

The remuneration of the Executive Directors and top managers (including executives with strategic responsibilities) is made of a fixed portion and a variable one, substantially linked to the corporate results achieved and to the achievement of individual targets.

The Company has not adopted stock option plans[9].

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[9] For clarity’s sake, it is worth reminding that, on April 21, 2009, the Shareholders approved the proposal of ordinary shares free assignment to the founder Paolo della Porta, in addition to a cash amount that can enable Paolo della Porta to pay the related taxes, as special career acknowledgement.

By the time of the assignment Paolo della Porta was no longer director of the Company or of its controlled companies, or employee or manager of the Company. For further details please refer to the separate Directors’ Report issued on March 17, 2009, or to the information document prepared pursuant to article 84-

As per principles 7.P.1. and 7.P.2. of the 2006 Code, the remuneration of Directors is established in a sufficient amount to attract, retain and motivate Directors endowed with the professional qualities necessary for managing the Company successfully.

The remuneration of Executive Directors is structured in such a way as to align their interests with the priority objective of creating value for Shareholders over the medium to long term.

As a rule, the Board, in determining the total compensation for Executive Directors, stipulates that, complying with application criterion 7.C.1. of 2006 Code, part of the latter is linked to the economic results achieved by the Company and, where applicable, to the achievement of specific targets previously identified by the Board.

It is the Board's duty, upon proposal of the Compensation Committee, to establish whether to make extensive use of such remuneration systems and to define the targets for Executive Directors.

Pursuant to application criterion 7.C.2. of 2006 Code, the remuneration of non-executive Directors is proportional to the commitment assumed by each of these, taking into consideration any participation in one or more Committees, and is not linked to the economic results achieved by the Company. Non-executive Directors are not involved in any share-based incentive schemes.

4.9. HONORARY CHAIRMAN

According to the Articles of Association, the Board of Directors may appoint, in addition to its members, an Honorary Chairman, who, if appointed, shall last for the duration of the Board of Directors and may be re-elected.
The Honorary Chairman is invited to attend either the Board of Directors' meetings and the Shareholders' Meetings. No power can be delegated to the Honorary Chairman by the Board.
On April 21, 2009 the Board appointed the founder and former Chairman of the Board Paolo della Porta as Honorary Chairman. No compensation is due to the Honorary Chairman for the office.

5. HANDLING OF COMPANY INFORMATION

On March 24, 2006, the Board took measures to conform to the new provisions of the Consolidated Finance Act, the Issuers Regulation, as supplemented by Consob resolution no. 15232 of November 29, 2005, and the Regulations for Markets Organised and Managed by Borsa Italiana S.p.A. and the respective Instructions, as amended following the Savings Law, to incorporate the EU directive on market abuse, by introducing ad hoc internal procedures or by modifying and updating existing procedures.

More specifically, the Board adopted:

- the *Procedure for the Handling of Inside Information:* even to the extent of application criterion 4.C.1. of 2006 Code, defines the conduct that Directors, Auditors, employees and

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bis of Issuers Regulation, both available on the website www.saesgetters.com (section Investor Relations/Shareholders' Meeting).

managers must adopt in relation to the internal handling and market disclosure of inside information, in other words information of a precise nature which has not been made public, relating, directly or indirectly, to one or more issuers of financial instruments or to one or more financial instruments, which, if it was made public, would be likely to have a significant effect on the prices of those financial instruments.

The above procedure, available on the Company's website www.saesgetters.com (section Investor Relations /Corporate Governance/Inside Information), is drawn up in order to ensure that information about the Company is disclosed with full and complete respect for the principles of correctness, clarity, transparency, timeliness, widespread and consistent dissemination to guarantee equality of treatment, completeness, intelligibility and continuity of information, in a complete and adequate form and through institutional channels and in compliance with the procedures established by the Company, and in order to guarantee that the internal handling of information is done, in particular, with respect for the duties of confidentiality and lawfulness;

- the *Insiders Register*: created with effect from April 1, 2006, identifies individuals who, by virtue of their working or professional activities or by virtue of the duties performed, have access to the information indicated in article 114, paragraph 1, of the Consolidated Finance Act, in accordance with article 115-*bis* of the Consolidated Finance Act and articles 152-*bis*, 152-*ter*, 152-*quater*, 152-*quinquies* of the Issuers Regulation.

The Board has moreover approved a *Code of Conduct for Internal Dealing* which sets out the disclosure obligations that Significant Persons and/or Persons Closely Associated with Significant Persons, as identified in the Code, are required to observe, in relation to transactions that they carry out involving the Company's financial instruments or other associated financial instruments. The Internal Dealing Code also sets out the obligations that the Company is required to satisfy in relation to the market with regard to transactions involving financial instruments carried out by Significant Persons and by Persons Closely Associated with Significant Persons. The Internal Dealing Code makes provision for "black-out periods", i.e. predetermined periods (the 15 calendar days before Board meetings called to approve the period accounts) during which the persons subject to the Code's provisions are not permitted to perform transactions involving SAES Getters financial instruments or associated financial instruments.

The Board of Directors on August 28, 2008, agreeing with a proposal of the Managing Directors (at the time Massimo della Porta and Giulio Canale), with reference to the meetings of the Board called to approve quarterly reports, half year report and yearly Financial Statements, decided to extend the black out period set for in section 8.1. of the Internal Dealing Code until the 24 hours following the issuance of the press release, amending accordingly the Internal Dealing Code.

The Board reserves the right to make, upon proposal of the Executive Directors, including by granting special powers, all the changes or amendments to procedures deemed necessary as a result of legislative or regulatory changes or which are simply appropriate.

During the Financial Year, the transactions carried out by Significant Persons were disclosed to the market and to the competent authorities. The related filing models and the Code of Conduct for Internal Dealing are available on the Company's website www.saesgetters.com (section Investor Relations/Corporate Governance/Internal Dealing).

Also in compliance with principle 4.P.1. of 2006 Code, Directors and Auditors are required to keep confidential the documents and information acquired in the performance of their duties and to follow the procedures adopted for the internal handling and external disclosure of such documents and information.

Information externally disclosed must be uniform and transparent. The Company must portray itself accurately and coherently in its communication with the mass media. Dealings with the mass media are reserved exclusively for the Chairman and for the Managing Director, or for the delegated Company units.

6. INTERNAL CONTROL SYSTEM

Pursuant to principles 8.P.1. and 8.P.2. of 2006 Code, the Internal Control System is defined as the set of rules, procedures and organisational structures through which the Company is managed soundly and correctly and consistently with the established goals, through an adequate identification, measurement, management and monitoring of the main risks.

An effective Internal Control System helps to guarantee the safeguarding of the Company's assets, the efficiency and effectiveness of business transactions, the reliability of financial information and compliance with laws and regulations.

The Internal Control System is maintained by the following players, which are involved at different stage or for different reason in the governance and control system. Each player has a specific task as defined in the SAES Getters Corporate Governance Code and below described:

- the Board of Directors;
- the Managing Director;
- the Board of Auditors;
- Surveillance Committee;
- Audit Committee;
- Internal Control Officer;
- Internal Audit.

Moreover, other players are involved for various reasons and with different accountability level in managing the Internal Control System, like:

- the Officer Responsible for the preparation of corporate financial reports pursuant to Decree no. 262/05;
- the audit firm;
- other functions involved with the Internal Control (quality, safety, etc…);
- other bodies required by different laws (like ISO certification bodies).

The Board deems that the current framework of the subjects involved within the governance and control system and the interactions amongst them are able to ensure a high level of trust on the ability of the implemented Internal Control System to meet its goals. Such evaluation, being referred to the overall Internal Control System is limited by the inner nature of the System. Even if well designed and thought, in fact, the Internal Control System can only ensure meeting the corporate targets with reasonable likelihood.

We report hereinafter some information associated with the main features of the risk management and Internal Control Systems in force with reference to the process for administrative and accounting information, also consolidated.

6.1. THE ADMINISTRATIVE AND ACCOUNTING CONTROL SYSTEM, WITH REFERENCE TO ADMINISTRATIVE AND ACCOUNTING INFORMATION

Premises

The law evolution of the last few years came to rule upon different aspects of the Internal Control System and the associated proliferating of control models and of bodies called to provide for the reliability of such models.

In this framework, the Administrative and Accounting Control Model (hereinafter also "**Control Model**") has to be considered, as a document describing the Internal Control System with specific reference to the financial information flow.

The Internal Control System with specific reference to the financial information flow interacts with the more general risk management and control system: both are pillars of the SAES Getters Group Internal Control System and contribute to the achievement of the goals above described.

Specifically, as to the financial information flow, the System aims at ensuring:

- the reliability of the information, its correctness and compliance with the accounting principles and the law requirements;

- the accuracy of the information, its being neutral and precise;

- the trustworthiness of the information, which needs to be clear and complete so to allow investors informed investment decision;

- prompt availability of the information, meaning its being available for the disclosure deadlines set forth by relevant laws and regulations.

The task of monitoring the level of implementation of the above mentioned Control Model is entrusted by the Board of Directors to the Officer Responsible for the preparation of corporate financial reports (hereinafter also the "**Accounting Officer**") and to the Managing Director.

The guidelines taken as reference in designing, implementing, monitoring and updating the Control Model, even if not expressly indicated, are the guidelines established in the CoSo Report[10]. Please make reference to following paragraphs 6.2. and 6.9. for the specific features of the Control Model and the tasks entrusted to the Accounting Officer.

Also to the extent to ensure the integration of the Internal Control System for the financial information flow with the more general corporate risks Internal Control System, the Accounting Officer has to work closely with the Internal Audit Department; from time to time the Accounting Officer requires the Internal Audit to perform regular independent tests to assess the compliance with the accounting administrative procedures.

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[10] Report made by the Treadway Commission of the Committee of Sponsoring Organisations (CoSo) of 1992, which is considered as best practice benchmark for designing the Internal Control Systems and of the Enterprise Risk Management Framework published in September 2004.

These tests, by selecting specific processes amongst the ones deemed relevant pursuant to the risk assessment procedure described below, are always included in the more general testing performed by the Internal Audit Department while auditing the SAES Getters Group subsidiaries.

6.2. THE ADMINISTRATIVE AND ACCOUNTING CONTROL MODEL

On May 14, 2007, the Board of Directors of the Company approved the Administrative and Accounting Control Model, the adoption of which is aimed at ensuring compliance with the provisions of Law No. 262 of December 28, 2005 (hereinafter also the "**Savings Law**"), defining specifically obligations pertaining to the preparation of corporate accounting documents and all documents and communications of a financial nature disclosed to the market.

The Control Model provides a set of rules and Company procedures in order to ensure that, through proper identification and management of the major risks associated with the preparation and disclosure of financial information, the corporate objectives of truthfulness and correctness of the financial information are met.

6.2.1. Control Model Elements

The Control Model's main features are:

- general control environment;
- administrative-accounting risk assessment;
- administrative-accounting manuals and procedures,

strictly interrelated and subject to a continuous update and periodic evaluation.

The general control environment is the foundation of any efficient Internal Control System. The documents that describe its main features are: the Code of Ethics and Business Conduct, SAES Getters Corporate Governance Code, the organisational chart, the organisational communications, powers and proxies system.

The administrative-accounting risk assessment is the process aiming to the identification and evaluation of the risks associated with the accounting and financial information, either with regard to unintentional mistakes and possible fraud risks. The risk assessment is carried out at each subsidiary level and at each relevant process level. Criteria established by Legislative Decree no. 61/2001 are followed to determine the materiality sensitivity.

The assessment is repeated and updated, yearly, by the Accounting Officer, supported by Internal Audit Department, subsequently shared with the Managing Director; it encompasses:

- identification, through quantity (dimensions) and quality (relevance) criteria, of the Financial Statements item/financial information that may have high volatility or error risks, with reference to the Financial Statements of the Company, the consolidated Financial Statements, the Financial Statements of the subsidiaries;
- identification, for each relevant Financial Statements item/financial information, of the underlying process/accounting flow and of the associated controls;

- communication to the involved departments of intervention areas whose controls efficiency and effectiveness need to be monitored.

If, in any selected risk area, further to the periodical risk assessment, the control activities resulted to be not properly documented or formalized, the head of the department in charge of the process or of the accounting flow, would be in charge, with the assistance of the Accounting Officer and, if needed, of the Internal Audit, to provide and file adequate documents in order to ensure the evaluation of the controls existing within the area inquired.

The body of SAES Getters manuals and of the administrative-accounting procedures is given essentially by the following:

- *Group Accounting Principles*: document which aims at promoting the development and application of uniform criteria within SAES Getters Group as to tracing, classification and measurement of business facts;
- *IAS (International Accounting Standard) Operational Instructions* enclosed to Group Accounting Principles, ruling most relevant issues concerning the international accounting principles application into SAES Getters Group;
- *Administration and Accounting Procedures:* procedures that define responsibilities and control rules to follow in handling administrative-accounting issues, with specific reference to periodic accounting closures;
- *Administrative and Accounting Control Matrixes*: they describe control activities to be carried out for each administrative and accounting process to meet the Financial Statements assumptions; the controls therein described represent the operation of the control principles (for single process) set forth within the Administration and Accounting Procedures;
- *Accounting and financial closing timetable*: it is a document which is monthly updated and circulated and is used to define the schedule for the accounting closure process, Financial Statements, Reporting Package and consolidated Financial Statements;
- *SAES Getters operational instructions*: they define the responsibilities, the activities and technicalities, in terms of authorization, execution, control, formalization and data entry, with regards to areas that are deemed relevant.

6.2.2. Evaluations about the adequacy and functionality of the Control Model

The head of the departments and of the subsidiaries which are involved in the accounting financial information definition and management, are accountable for the proper working and the update of the administrative and accounting Internal Control System as to all the processes and the flows up to them, and they have to keep verifying the correct operation of the administrative and accounting procedures, their adequacy and the update of the control matrixes.

Moreover, the administrative and accounting Internal Control System is subject to independent testing performed by Internal Audit Department to assess the adequacy of the framework and efficiency of the controls into being. The testing activity must be carried out on the basis of the general Audit plan, as checked by the Internal Control Officer and approved by the Audit Committee.

The Accounting Officer is also in charge of regularly monitoring the adequacy and functioning of the administrative and accounting Internal Control System, on the basis of the reports received from the head of each functions and of the subsidiaries, together with the Internal Audit reports.

The Accounting Officer also has the duty to inform the Managing Director, the Board of Directors and the other control bodies, in addition to the audit firm, about the outcome of the assessment made and about the monitoring on the implementation of the Internal Control System. To this extent, he has to point out to the Managing Director any anomaly that can negatively affect their joint representation on the financial information.

The Accounting Officer provides the Board of Directors with regular reports on the controls performed and their outcome, on the evolution of the Control Model: these reports are used as reference for the qualitative description enclosed to the official representations to the half year consolidated Financial Statements, of the annual consolidated Financial Statements and the annual report.

All the documents related to the control activities performed and their outcome are made available to the audit firm for its own use.

6.3. ADMINISTRATIVE AND ACCOUNTING CONTROL SYSTEM OF SUBSIDIARIES

The individuals in charge of the definition and management of the accounting financial information for the subsidiaries i.e. the local administration officers and/or financial controllers, together with their General Manager, are in charge of:

- ensuring that the activities and the existing controls within the financial information feeding process are in line with principles and objectives that are set at Group level;
- keep on monitoring the controls so identified, to make sure they are efficiently operating;
- evaluate on semester basis, the status of the administrative and accounting Internal Control System, also through:
  - financial audit report released by Internal Audit Department,
  - internal representation made by any department;
- promptly inform, and however on regular basis, the Managing Director or the Accounting Officer about:
  - relevant changes within the Internal Control System in order to plan specific control activities to be implemented,
  - any inconsistency or other recognition that may cause significant errors in the accounting information.

Given the limited size of the control structure of most of the subsidiaries, the Company decided not to issue specific procedures to cover the processes that affect the accounting information feeding for such companies and provided, according to selected processes evidenced after proper risk assessment tests, detailed control matrixes, whose testing is entrusted to the administration officers/financial controllers of each controlled company.

The Accounting Officer, supported by the Internal Audit, on the basis of the remarks made by the administration officers/financial controllers of the subsidiaries, makes sure that the matrixes are regularly updated, so to have a reliable basis for testing the adequacy and efficiency of the administrative and accounting Internal Control System at subsidiary level.

The subsidiaries' filling out the matrixes is preparatory for the release of an internal "representation letter" that each general manager, together with the administration officer/financial controller has to send to the Accounting Officer on semester basis.

6.4. BOARD OF DIRECTORS

Following principle 8.P.3. of 2006 Code, the Board of Directors evaluates the adequacy of the Internal Control System with reference to the characteristics of the Company.

The Board of Directors, with the assistance of the Audit Committee:

a) defines the guidelines of the Internal Control System, so that the main risks concerning the Company and its subsidiaries are correctly identified, adequately measured, managed and monitored; it also determines the criteria to establish whether such risks are compatible with a sound and correct management of the Company;

b) identifies the Managing Director as the Director responsible for supervising the functionality of the Internal Control System; on April 21, 2009, the Board decided to identify Giulio Canale as Director responsible for supervising the functionality of the Internal Control System with the duties described under article 8.3. of the SAES Getters Corporate Governance Code;

c) evaluates, at least on an annual basis, the adequacy, efficiency and effectiveness of the Internal Control System;

d) describes, in the Corporate Governance Report, the essential elements of the Internal Control System, expressing its evaluation on the overall adequacy of the same.

Pursuant to principle 8.P.3. of 2006 Code, the Board of Directors ensures that its evaluations and decisions relating to the Internal Control System, the approval of the annual Financial Statements and the half yearly reports and the relations between the Company and the audit firm are supported by adequate investigative work.

Moreover, the Board, upon proposal of the Managing Director, in his capacity as Director responsible for supervising the functionality of the Internal Control System and after consulting with the Audit Committee, appoints and dismisses one or more Internal Control officers and defines their remuneration in line with Company policies.

The Board of Directors exercises its duties in relation to the Internal Control System taking into due consideration the reference models and best practices existing both nationally and internationally. Particular attention is paid to the Organisation and Management Model adopted pursuant to Legislative Decree no. 231 of June 8, 2001 (as defined in paragraph 6.10. below).

6.5. MANAGING DIRECTOR

On April 21, 2009, the Board identified the Managing Director Giulio Canale as the Director responsible for supervising the functionality of the Internal Control System and, in particular, with reference to application criterion 8.C.5. of 2006 Code, he:

a) identifies the main business risks, taking into account the characteristics of the activities carried out by the Company and its subsidiaries, and submits them periodically to the review of the Board;

b) implements the guidelines defined by the Board of Directors, by designing, establishing and managing the Internal Control System and by constantly monitoring its overall adequacy, efficiency and effectiveness; moreover, he brings the system into line with changes taking place in operating conditions and in the legislative and regulatory framework;

c) makes proposals to the Board regarding the appointment, dismissal and remuneration of one or more Internal Control Officers.

The Managing Director, with the assistance of the Internal Audit Department, regularly checks upon the ongoing effective Internal Control System in the Financial Year.

With reference to application criterion 8.C.5. of 2006 Code and the restructuring process that was launched during the Financial Year, on March 2011, the Managing Director, in his capacity as the Director responsible for supervising the functionality of the Internal Control System, submitted to the Board of Directors the assessment of the overall adequacy, efficiency and functionality of the Internal Control System. The outcome was positive.

The identification of the main corporate risks is disclosed in the annual report included in the 2010 Financial Statements.

6.6. INTERNAL CONTROL OFFICER

The Internal Control Officer is appointed by the Board, upon proposal of the Managing Director (in his capacity as Director responsible for supervising the functionality of the Internal Control System) and after consulting with the Audit Committee.

The Board, in its meeting of April 21, 2009, upon proposal of Giulio Canale, having obtained the favorable opinion of the Audit Committee, taking into account the application criterion 8.C.7. of 2006 Code, appointed Claudio Vitacca, who is the Head of the Internal Audit Department, in the position of Internal Control Officer.

With reference to application criterion 8.C.1. of 2006 Code, the Board of Directors did not deem necessary to define an additional compensation for Claudio Vitacca for this particular office, on the top of the compensation he already receives as employee and Head of the Internal Audit Department. This compensation is in line with the corporate HR policies normally applied.

The Internal Control Officer is not responsible for any operational division and does not report hierarchically to any head of operational divisions (including the administration and finance division).

The Officer acts in substantial compliance of application criterion 8.C.6. of 2006 Code. He is responsible for ensuring that the Internal Control System is always adequate, fully operating and effective.

The Officer has direct access (and had access during the Financial Year) to all relevant information for the performance of his duties and has adequate means at his disposal to carry out the duties assigned to him.

The Officer reports on his work to the Managing Director responsible for supervising the functionality of the Internal Control System as well as to the Audit Committee and to the Board of Auditors.

In particular, the Officer reports (as he did in the Financial Year) about the procedures according to which risk management is performed, as well as about compliance with the plans defined to minimise risks and express his opinion on the suitability of the Internal Control System in achieving an acceptable overall risk profile.

Individuals from outside the Company can be appointed to the role of Internal Control Officer, provided, however, that they adequately meet the requirements of professionalism and independence. In this case, the adoption of such an organisational choice, with a satisfactory explanation of the relevant reasons, is disclosed to the Shareholders and to the market in the Corporate Governance Report.

During the Financial Year, the Internal Control Officer, as head of the Internal Audit Department, implemented the audit plan as approved by the Audit Committee, performing, among other things, general audit review activities at the US companies of the Group, at some departments of the Company and of SAES Advanced Technologies S.p.A. Moreover, he monitored the implementation level of the recommendations contained in any previous audit report aiming at reinforcing the Internal Control System. The Officer also periodically reported to the Audit Committee, to the Managing Director on the capability of the Internal Control System of meeting an acceptable risk profile.

The annual budget allocated for the Internal Control Officer is of about EUR 10,000.00. This budget can be increased upon recurring specific needs.

6.7. INTERNAL AUDIT

Also pursuant to application criterion 8.C.7. of 2006 Code, an independent Internal Audit Department is operating as part of the Company's Internal Control System. This unit is structured to:

- assess the adequacy of operational and administrative internal procedures, in terms of effectiveness, efficiency and cost-effectiveness, to check if those procedures are actually observed; and

- provide assistance and consultancy to the Board, to the Managing Director for the purposes of identifying, preventing and managing financial and operational risks as means of safeguarding the Company's assets.

In general, Internal Audit supports the Board, the Managing Director (in his capacity as Director responsible for supervising the functionality of the Internal Control System), the Audit Committee, the Surveillance Committee, the Accounting Officer in the performance of their duties and carries out any checks requested by the Board of Auditors.

Following application criterion 8.C.8. of the 2006 Code, the Internal Audit function may be entrusted, as a whole or in part, to persons outside the Company, provided, however, that they adequately meet the requirements of professionalism and independence. The adoption of such an organisational choice, with a satisfactory explanation of the relevant reasons, should be disclosed to the Shareholders and the market in the Corporate Governance Report.

Nonetheless, the Internal Audit Department is currently carried out by internal resources (and namely Mr Claudio Vitacca, who has been appointed as Internal Control Officer too, as above specified).

6.8. AUDIT COMMITTEE

Composition and Functioning. In light of principle 8.P.4. of 2006 Code, the Board has established an Internal Control Committee (Audit Committee) comprising three (3) non-executive Directors, the majority of whom are Independent. On April 21, 2009, the Board appointed Adriano De Maio, Andrea Sironi and Andrea Dogliotti as members of the Audit Committee. For details, please refer to the table in opening of paragraph 4.7. above and to the one enclosed under Appendix 1.

At least one member of the Committee has adequate experience in accounting and financial matters. This member is Andrea Sironi, namely.

The Audit Committee is chaired and meets at the initiative of the eldest member, who calls Committee meetings without any formality (even orally) and without the need for prior notice. The proceedings of Committee meetings are recorded in minutes. The Chairman of the Board of Auditors or another auditor designated by the Chairman of that Board takes part in the Committee's work. At the invitation of the Committee, the head of the Internal Audit Department attends all the Committee meetings.

The Committee carries out its duties, listed below, in coordination with the Board of Auditors, with the Company's Internal Audit Department, with the Internal Control Officer and the Managing Director (in his capacity as Director responsible for supervising the functionality of the Internal Control System).

In the performance of its duties, the Audit Committee has the right to access Company information and access the units necessary to perform the duties allocated and can make use of external advisors at the Company's expense. During the Financial Year the Audit Committee accessed to the information and contacted the corporate functions of SAES Advanced Technology S.p.A. whilst it deemed as not necessary to use external advisors.

Individuals who are not members of the Committee may be invited to attend meetings, in relation to individual items on the agenda. The eldest member of the Audit Committee reports periodically to the Board on the Committee's work.

Duties of the Audit Committee. The Audit Committee, which acts in substantial compliance with application criteria 5.C.1. and 8.C.1. of the 2006 Code:

a) assists the Board in defining the guidelines for Internal Control System and in carrying out the periodical assessment of its adequacy and effectiveness;

b) at the request of the Managing Director (in his capacity as Director responsible for supervising the functionality of the Internal Control System), expresses opinions on specific aspects of the identification of the principal business risks as well as on the design, implementation and management of the Internal Control System;

c) reviews the work plan prepared by the Internal Audit Department, as endorsed by the Internal Control Officer and their periodic reports;

d) evaluates, together with the Accounting Officer and with the audit firm, whether accounting principles are being used correctly and consistently for the purposes of preparing the consolidated Financial Statements;

e) evaluates any comments arising from the periodic reports submitted by the Internal Control Officer and from the notifications of the Board of Auditors and of its individual members;

f) reports to the Board, on the activity carried out and the adequacy of the Internal Control System, at least once every six months, at the time of approving the annual accounts and half-yearly report;

g) expresses opinions on certain related party transactions (as better explained in paragraph 4.4.1.);

h) performs any additional duties that might be assigned to it by the Board.

Following the coming into force of Legislative Decree no. 39/2010, the Audit 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 system issues.

During the Financial Year, the Audit Committee met six times, every two months. The average duration of each meeting is of about one hour with an average attendance of 89%. The Internal Control Officer attended all the meetings. For financial year 2011 five meetings are scheduled. One meeting took already place on February 18, 2011.

During the Financial Year, the Audit Committee:

- assisted the Board in determining the guidelines for the Internal Control System, in the periodic assessment of its adequacy and effective functioning;

- monitored the advancing of the audit plan as prepared by the Internal Audit Department and the implementation of the recommendations issued from time to time;

- evaluated together with the Accounting Officer 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 February 18, 2010 and August 27, 2010) on the activities performed and the adequacy of the Internal Control System.

The Audit Committee carried out its own activities also through contacts with the audit firm, the Chairman of the Board of Auditors, Internal Control Officer and the Head of the Internal Audit Department.

6.9. OFFICER RESPONSIBLE FOR THE PREPARATION OF CORPORATE FINANCIAL REPORTS

On April 21, 2009, the Board appointed and confirmed Michele Di Marco, Administration, Finance & Control Manager, as Officer Responsible for the preparation of corporate financial reports, after obtaining the opinion of the Board of Auditors, in accordance with new article 154-*bis* of the Consolidated Finance Act, introduced by the Savings Law.

Pursuant to article 24 of the By-laws, introduced by resolution of the Extraordinary Shareholders' Meeting of June 29, 2007, the Accounting Officer must meet the requirements of professionalism characterised by qualified experience of at least three years in the performance of administrative, accounting and/or auditing activities, or in the performance of management or consultancy duties on financial, administrative, accounting and/or auditing matters, in listed companies and/or related groups of enterprises, or companies, entities and enterprises of substantial size and importance, also with regard to the function of preparing and auditing accounting records and corporate documents.

The term of office of the Accounting Officer expires at the end of the term of office of the Board which appointed him (approval of the 2011 Financial Statements). He is eligible for re-election. Mr. Di Marco was appointed Accounting Officer on June 29, 2007.

The Accounting Officer is vested with independent powers of expenditure and signature. The Board ensures that Mr. Di Marco has adequate powers and resources to carry out the duties allocated to him under the same article 154-*bis* of the Consolidated Finance Act, those allocated by the Board at the time of appointment and that administrative and accounting procedures are being properly followed.

On May 14, 2007, the Board approved a document describing the Control Model adopted by the Company, as described in paragraph 6.2., in order to better guarantee reliability of the financial information disclosed to the market and the activities of the Accounting Officer. In particular, the document:

- describes the components of the Control Model;
- sets out responsibilities, resources and powers of the Accounting Officer;
- sets out rules of conduct, roles and responsibilities of the Company's organisational structures involved in any way;
- defines the process of certifying financial information (formally and internally).

6.10. ORGANISATIONAL MODEL PURSUANT TO LEGISLATIVE DECREE 231/2001

The Legislative Decree no. 231 of June 8, 2001, on "*Regulations governing the administrative responsibility of legal persons, companies and associations and of bodies without legal personality*" introduced into the Italian legal order a system of administrative responsibility applicable to companies in relation to specifically established crimes committed in their interest or to their advantage by Directors, managers, employees.

In its resolution of December 22, 2004, the Board approved and adopted its "organisational, management and control model" within the meaning of and in accordance with Legislative Decree no. 231/2001 (hereinafter also the "**231 Model**") and, at the same time, "the Code of Ethics and Business Conduct" which forms an integral part thereof. The General Part of the 231 Model and the Code of Ethics and Business Conduct are available on Company website, www.saesgetters.com (Section Investor Relations/Corporate Governance).

In its resolution of February 13, 2007, the Board updated the 231 Model in the light of the entry into force of the implementing provisions for the EU rules governing the prevention of market abuse, and as part of the periodic check pursuant to article 7, paragraph 4, letter a) of Legislative Decree no. 231/2001.

The Board with the resolutions dated March 18, 2008 and April 23, 2008 updated the 231 Model also in order to bring this into line with the statutory amendments introduced in 2007 aimed at extending the range of crimes covered by Legislative Decree no. 231/2001. In particular, the following crimes have been introduced:

- crimes of receiving, laundering and using money, goods or assets of illegal origin (article 25-*octies* Legislative Decree no. 231/2001) introduced by Legislative Decree of November 16, 2007 implementing the III anti-money-laundering Directive 2005/60/EC.
- article 9 of Law no. 123 of August 3, 2007 inserted article 25-*septies* into Legislative Decree no. 231/2001, concerning crimes associated with the violation of safety and accident prevention rules. Reference is made to hypotheses of culpable crime of homicide and serious or very serious personal injuries committed as a result of the infringement of rules governing accident prevention and the protection of health and safety at work.

On May 8, 2008 the Board updated the Code of Ethics and Business Conduct of the Company.

The Company in the last three months of 2009 started a project to review and update the 231 Model, to be compliant to Legislative Decree no. 231/2001 after the broadening of the range of crimes therein relevant. In particular, the following crimes have been introduced:

- article 24-*ter* organized crime – Law July 15, 2009, no. 94;
- article 25-*bis* crimes against industry and commerce- Law July 23, 2009, no. 99;
- article 25-*novies* crimes related to the copyright infringement – Law 23 July 2009, no. 99,

and also the crime of induction not to make declarations or to render false declarations to the public authority – Law August 3, 2009 no. 116.

For this purpose, all the activities related to each corporate department has been re-examined to verify, in particular, whether there are activities that might be relevant according to Legislative Decree no. 231/2001, as updated, and assess whether the control measures in place to prevent crimes are adequate.

The Board of Directors approved the lastly updated 231 Model on April 27, 2010.

Furthermore, a new “Procedure for the management of the corporate IP assets” has been adopted.

Such a Procedure sets forth the operative modalities that SAES shall follow in the relationships with the Patent offices and firms, Court offices and other authorities with respect to the legal requirements provided for the protection of the intellectual property.

The Procedure has been drafted in compliance with the 231 Model principles with particular reference to the Section A – Crimes against Public Administration and Section F – Copyrights crimes.

On February 2011, this Procedure has been approved by the Board and divulged within the Company.

The adoption of the 231 Model, has been undertaken by the Board, in the belief that the creation of an "organisational, management and control model" may represent not only an effective way of raising the awareness of all those who work on behalf of the Company with regard to the correct and consistent behaviors that they must adopt in the performance of their duties but also a necessary mean for preventing the risk of commission of the crimes specified in that Decree. With the adoption and implementation of the 231 Model, the Company reasonably trusts it will get the exemption from penalties in case of criminal proceeding relevant under the Legislative Decree no. 231/2001.

The document describing the 231 Model, is divided in a “*General Part*” in which, after a brief description of the essential contents of the Decree no. 231/2001, is explained the activity executed for the definition of the 231 Model and the main elements are illustrated, and in *“Special Parts”* written for the different type of crimes defined by the Decree which might be in theory relevant to the Company.

The Board also deemed it important to adopt the Code of Ethics and Business Conduct in order to clearly define all of the values that SAES Getters Group recognises, accepts and shares and all of the rules of conduct and principles of legality, transparency and correctness to be followed in the performance of its activities and in its various transactions with third parties.

6.11. SURVEILLANCE COMMITTEE

A supervisory board is operational within the Company and has the duties identified in Legislative Decree no. 231/2001 as specified in the 231 Model drawn up by the Company, such as the duties to ensure the functioning, effectiveness, observance and updating of the Model and to ensure the preparation of suitable operating procedures to guarantee its optimum functioning.

On April 21, 2009, following the Shareholders' Meeting in which the Board of Directors was appointed, the latter appointed the following individuals as members of the Surveillance Committee:

- Vincenzo Donnamaria (as member of the Board of Auditors);
- Claudio Vitacca (as Internal Control Officer);
- Roberto Orecchia (as Independent Director).

The Board established also to set an annual compensation of EUR 16,000 for each member of the Committee.

The Surveillance Committee has its own charter and has also elected a Chairman (Vincenzo Donnamaria).

The Committee will remain in office until the approval of the 2011 Financial Statements.

The Committee met four times during the Financial Year (with 83% attendance rate to all meeting for all the members).

The Surveillance Committee, on May 21, 2010, issued the statement required under article I.A.2.10.2 of the Instructions of the Regulations of Borsa Italiana S.p.A.(compliance and observance of the 231 Model and composition of the Surveillance Committee).

The Board of Directors, considering the activity of the Surveillance Committee, assign to it an annual budget for the execution of the activity, in full economic and managerial autonomy. The budget is updated from time to time depending on the specific needs expressed by the Surveillance Committee. If the budget needed to be increased due to specific needs, the Surveillance Committee would inform the Board of Directors.

6.12. AUDIT FIRM

Accounting auditing is carried out by an independent audit firm appointed and operating according to law. On May 9, 2007, the Shareholders' Meeting - taking into due account the proposal by the firm Reconta Ernst & Young S.p.A. of December 19, 2006, the Directors' report and the proposal of the Board of Auditors - decided to grant to Reconta Ernst & Young S.p.A. the following tasks, thereby extending its mandate:

- the task set out in article 159 of the Consolidated Finance Act to audit the Company's Financial Statements and the consolidated Financial Statements of the SAES Getters Group,

- the task of checking that books are being kept properly and operational events are being correctly recorded in the accounting records as required by article 155, paragraph 1, of the Consolidated Finance Act,

- the task of carrying out a limited audit of the Company's half-yearly report, including at consolidated level,

for the years 2007-2012, pursuant to and in accordance with article 159 of the Consolidated Finance Act.

The Shareholders' Meeting approved the fees payable to Reconta Ernst & Young S.p.A. for carrying out the activities described above, for each of the above years, which amount in total to EUR 77,000 plus expenses, to be updated according to the variations in the ISTAT indices, based on the conditions contained in the proposal made by the audit firm attached to the minutes of the meeting (available on the Company's website, www.saesgetters.com, section Investor Relations/Shareholders’ Meeting).

Within the audit tasks as to the consolidated Financial Statements, the audit firm set forth an audit plan for SAES Getters subsidiaries, both in Italy and abroad, outsourcing the audit to audit firms belonging to the Reconta Ernst & Young network.

7. BOARD OF AUDITORS

The appointment of the Board of Auditors is expressly governed by the Company's By-laws, which make provision for an appointment procedure by means of list voting, unless different or supplementary provisions laid down in mandatory laws or regulations prevail.

The Board believes that the Auditors’ appointment, like the Directors’ one, takes place pursuant to a clear procedure, as below described, pursuant to principle 6.P.1. of the 2006 Code.

Article 22 of the Company's By-laws, which previously made provision for the Board of Auditors to be elected by the submission of lists, was amended by resolution of the Extraordinary Shareholders' Meeting of June 29, 2007 in order to accommodate the changes and additions to election procedures introduced in the meantime into legislation.

In particular, the changes were introduced in accordance with the provisions of article 148, paragraphs 2 and 2-*bis* and of article 148-*bis* of the Consolidated Finance Act, as amended by Legislative Decree no. 303 of December 29, 2006, and of article 144-*sexies* of the Issuers Regulation as amended by Consob resolution no. 15915 of May 3, 2007, which stipulates that a statutory member of the Board of Auditors must be elected by the minority Shareholders who have no connection, not even indirectly, with the Shareholders who submitted or voted for the list that received the highest number of votes, based on the definition of connection between majority Shareholders and minority Shareholders contained in the Issuers Regulation; that the Chairman of the Board of Auditors must be appointed by the Shareholders' Meeting from among the Auditors elected by the minority; that the By-laws may require the Shareholder or Shareholders submitting the list to hold, at the time of submission, a percentage of the share capital no greater than the percentage determined under article 147-*ter*, paragraph 1, of the Consolidated Finance Act; that the lists must be deposited at the registered offices, accompanied by a series of documents specified by regulations, at least 15 days before the scheduled date of the Shareholders' Meeting called to resolve on the appointment of Auditors and these lists must be available for consultation by the public at the registered offices, the market management company and on their website under the terms and conditions laid down by regulations; that the By-laws may establish the criteria for identifying the candidate to be elected in the case of a tied vote between lists.

Current article 22 of the By-laws stipulates that the minority - who are not party to significant connections, not even indirectly, within the meaning of article 148, paragraph 2, of Consolidated Financial Act and related regulations - are reserved the choice of one Statutory Auditor, who will chair the Board, and one Alternate Auditor.

The election of minority Auditors takes place at the same time as the election of the other members of the control body (except in case of substitution).

A list for the appointment of members of the Board of Auditors may be submitted by Shareholders who, with reference to the shares registered in its name as of the date in which the lists are deposited at the Company, own, individually or together with other Shareholders submitting the lists, a percentage of the voting capital at least equal to the percentage determined by Consob under article 148, paragraph 2, of Consolidated Financial Act and in accordance with the provisions of the Issuers Regulation. For information (considering that the appointment of the corporate bodies, occurred during the Financial Year, is not included in the agenda of the Shareholders Meeting which is about to be convened) on January 27, 2010, Consob published resolution no. 17148, specifying the percentage required for submitting lists of candidates for the election of the management and control bodies of companies that closed their financial year on December 31, 2009. On the date hereof, the required percentage is equal to 2,5% of the voting capital.

A Shareholder cannot submit or vote for more than one list, including through an intermediary or through trust companies.

Shareholders belonging to the same group and Shareholders who join a Shareholders' agreement in relation to the Company's shares cannot submit or vote for more than one list, including through an intermediary or through trust companies. A candidate may only be present in one list failing which he will be ineligible.

Also to the extent of application criterion 10.C.1. of 2006 Code, lists, signed by those submitting them, are deposited at the registered offices at least fifteen days before the scheduled date of the Meeting called to resolve on the appointment of Auditors. These lists are made available for consultation by the public at the registered offices as well as at the market management company and on its own website, under the terms and conditions laid down by the applicable regulations.

Lists must contain the names of one or more candidates for the position of Statutory Auditor and one or more candidates for the position of Alternate Auditor. The names of the candidates are marked in each section (statutory auditors section, alternate auditors section) by a progressive number and limited to a number no greater than the members to be elected.

Lists also contain, even as an appendix:

a) information on the identity of the Shareholders who submitted them, with an indication of the overall percentage shareholding held; evidence of the possession of the shareholding shall be provided by means of a certificate issued by the authorized intermediary to be presented before the term provided for the publishing of the lists by the Company;

b) a declaration from Shareholders other than those who hold, individually or jointly, a controlling or majority interest, certifying the absence of any connections within the meaning of article 144-*quinquies* of the Issuers Regulation with the latter;

c) a complete report on the personal and professional characteristics of the candidates accompanied by a list of the management and control positions held by the latter among other companies;

d) a declaration by candidates certifying that there are no grounds for ineligibility and incompatibility, and that they possess the requirements laid down by law and by regulations from time to time in force, and that they accept the candidacy;

e) any other additional or different declaration, report and/or document required by law and by applicable regulations.

If on the deadline for the submission of lists, only one list has been submitted or only lists submitted by connected Shareholders within the meaning of the applicable provisions, lists may be submitted up until the fifth day following that date. In this case, the thresholds specified above for the submission of lists are halved. Notice of the failure to submit minority lists, of the extended deadline for the submission of lists and of the reduction of the thresholds is given in the time and manner specified by applicable legislation.

For the election of the Auditors, the procedure is as follows: (i) from the list which obtained the highest number of votes ("**Majority List**"), two Statutory Auditors and one Alternate Auditor are elected, based on the progressive order with which they are listed in the list; (ii) from the second list which obtained the highest number of votes and which has no connection, not even indirectly, with the Shareholders who submitted or voted for the Majority List pursuant to the applicable provisions ("**Minority List**"), one Statutory Auditor, who will chair the Board of Auditors ("**Minority Auditor**") and one Alternate Auditor ("**Minority Alternate Auditor**") are elected, based on the progressive order with which they are listed in the list.

In the event of a tied vote between lists, the list submitted by Shareholders owning the largest shareholding at the time of submitting the list or, alternatively, by the largest number of Shareholders will prevail.

If just one list has been submitted, the Shareholders' Meeting casts its vote on that list and if that list obtains the relative majority of voters, without counting abstentions, all candidates indicated on that list will be elected as Statutory and Alternate Auditors. The Chairman of the Board of Auditors is, in this case, the first Statutory Auditor candidate.

In the absence of lists, the Board of Auditors and the Chairman are appointed by the Shareholders' Meeting according to the ordinary statutory majorities.

If, for any reason, the Majority Auditor is not present, he is replaced by the Alternate Auditor taken from the Majority List.

If, for any reason, the Minority Auditor is not present, he is replaced by the Minority Alternate Auditor.

The Shareholders' Meeting ,in accordance with article 2401, paragraph 1, of the (Italian) Civil Code makes appointments or replacements in observance of the principle of the necessary representation of minorities.

The current Board of Auditors was appointed by the Shareholders' Meeting of April 21, 2009 and its term of office will expire with the approval of the 2011 Financial Statements. As better detailed in the following table, the Board comprises Vincenzo Donnamaria, Chairman of the Board of Auditors, Maurizio Civardi and Alessandro Martinelli, Statutory Auditors. The appointment of the current Board of Auditors was made on the basis of a single list received by the Company, submitted by the majority Shareholder, S.G.G. Holding S.p.A.

For details, please refer to the apposite report to the Shareholders' Meeting prepared by the Directors on this subject, dated March 17, 2009, which was deposited at the registered offices, with Borsa Italiana S.p.A. and published on the Company's website www.saesgetters.com (section Investor Relations/Corporate Documents).

Name	Position	In office since	In office until	List M/m[11]	Indep. acc. to Code[12]	% attendance of BoA meetings	% attendance of BoD meetings	Other positions [13]
Vincenzo Donnamaria	Chairman	21/04/09	Shareholders Meeting approving Annual Report 2011	M	no	100	90	28
Maurizio Civardi	Statutory Auditor	21/04/09	Shareholders Meeting approving Annual Report 2011	M	no	100	100	45
Alessandro Martinelli	Statutory Auditor	21/04/09	Shareholders Meeting approving Annual Report 2011	M	no	100	100	21
Piero Angelo Bottino	Alternate Auditor	21/04/09	Shareholders Meeting approving Financial Statements 2011	M	no	n.a.	n.a.	n.a.
Fabio Egidi	Alternate Auditor	21/04/09	Shareholders Meeting approving Annual Report 2011	M	no	n.a.	n.a.	n.a.
No Statutory Auditor ceased during the Financial Year: all the Auditors, whose term expired with the Shareholders Meeting approving the 2008 Financial Statements, were reappointed on the Shareholders Meeting dated April 21, 2009.								
Quorum requested to submit lists during last appointment (April 21, 2009)						2.5% of share capital		
Number of meetings during the Financial Year							6	

Appendix 4 to this Report contains information on the personal and professional characteristics of the Auditors as required by article 144-*decies* of the Issuers Regulation.

The Board checks on an annual basis that the Auditors continue to satisfy the requirements of professionalism and integrity that they are required to possess in accordance with Ministry of Grace and Justice Decree no. 162 of March 30, 2000. In the Financial Year, as

[11] Majority list, minority list.

[12] By way of derogation from application criterion 10.C.2. of the 2006 Code, the Board did not consider it necessary to stipulate expressly that the Auditors must be chosen from and among individuals who are qualified as independent on the basis of the criteria indicated with reference to the Directors. See explanation in the body of the Report.

[13] "Other positions" means the total number of positions (as Director, Liquidator, Statutory Auditor) held within companies as laid down in Book V, Title V, Chapters V, VI and VII of the (Italian) Civil Code, as notified by each single Auditor to Consob, pursuant to article 144-*quaterdecies* of the Issuers Regulation. Pursuant to article 144-*quaterdecies* of the Issuers Regulation, the list of the assignment completed and updated is attached to the Report of the Auditors related to the overseeing activity pursuant to the article 153 of the Consolidated Finance Act.

to 2009 this check was carried out on February 18, 2010. With reference to the Financial Year, the check was performed on February 17, 2011.

In addition to the requirements laid down under applicable legislation, the Company's Auditors must have also proven skills and expertise on tax, legal, organisational and accounting matters, in order to ensure the Company the maximum efficiency in the controls and the diligent performance of their duties.

By way of derogation from application criterion 10.C.2. of the 2006 Code, the Board did not consider it necessary to stipulate expressly that the Auditors must be chosen from and among individuals who are qualified as independent on the basis of the criteria indicated with reference to the Directors, deeming the legislative provisions to be sufficient. At the present time, the SAES Getters Corporate Governance Code stipulates that Shareholders who submit lists for the appointment of the Board must indicate the suitability, if applicable, of the candidates to be qualified as independent, leaving the Shareholders' Meeting during appointment to assess the weight of that qualification.

Also following application criterion 10.C.3. of 2006 Code, Auditors accept the appointment where they believe that they can devote the necessary time to the diligent performance of their duties.

Each Statutory Auditor notified to Consob the other management and control posts held within companies as laid down in Book V, Title V, Chapters V, VI and VII of the (Italian) Civil Code, pursuant to article 144-*quaterdecies* of the Issuers Regulation.

Also pursuant to principle 10.P.2. of 2006 Code, Auditors shall act with autonomy and independence even with regard to the Shareholders who elected them.

An Auditor who has an interest, either directly or on behalf of third parties, in a certain transaction of the Company shall inform the other Auditors and the Chairman of the Board of Directors in a timely and thorough manner about the nature, terms, origin and extent of his/her interest, also to the extent of application criterion 10.C.4. of 2006 Code.

The Board of Auditors, within the scope of the duties assigned to it by law, oversees the concrete implementation of the Corporate Governance rules set forth in the SAES Getters Corporate Governance Code and ascertains (as it positively verified during the Financial Year) the correct implementation of the assessment criteria and procedures adopted by the Board of Directors for evaluating the independence of its members. The outcome of these checks is disclosed to the market in the present Report or in the Auditors' report to the Shareholders' Meeting.

The Board of Auditors also monitors (as monitored during the Financial Year) the independence and autonomy requirements of its own members, disclosing the results to the Board of Directors in time for compiling the present Report. The Board of Auditors, monitored, in the first meeting after their appointment (which took place on April 21, 2009) and during the Financial Year, that each of the members maintain its requirements of independence. For the above mentioned evaluations, the Board did not apply the others criteria set for the independence of the Directors, but only the criteria defined by the law and regulations, because the SAES Getters Code of Corporate Governance did not require those criteria, as set forth below.

It is the duty of the Board of Auditors to evaluate the proposals submitted by the independent audit firms for obtaining the relevant appointment, as well as the work plan prepared for the audit and the results described in the report and in any letter of suggestions. The Board of Auditors, in compliance with application criterion 10.C.5. of the

2006 Code, also monitors the effectiveness of the auditing process and the independence of the audit firm, checking both compliance with legislative provisions and the nature and extent of services other than financial auditing provided to the Company and its subsidiaries by the same audit firm and by the entities belonging to its network.

During the Financial Year, the Board of Auditors checked the independence of the audit firm, verifying both compliance with legislative provisions and the nature and extent of services other than financial auditing provided to SAES Getters S.p.A. and its subsidiaries by Reconta Ernst & Young S.p.A. and the entities belonging to its network.

Furthermore, according to Legislative Decree no. 39/2010, the Board of Auditors has also the function of Internal and Account Audit Committee appointed to monitor, among other subjects provided for by the law, i) compliance with the law and with the by-laws, ii) financial information processes, iii) efficacy of the internal control, internal audit and management risk control systems, iii) individual and consolidated annual accounts legal audit, audit firm independence, with particular focus on non audit services rendered to the Company.

For other detailed information, please see paragraph 10 of this Report.

As part of its activities, the Board of Auditors may ask the Internal Audit Department to carry out checks on specific areas of operation or transactions of the Company, as recommended in application criterion 10.C.6. of 2006 Code.

Following application criterion 10.C.7. of 2006 Code, the Board of Auditors and the Audit Committee from time to time exchange relevant information required for the performance of their respective duties, for example during the meeting of the Board of Directors or of the Audit Committee (whose meeting the Chairman of the Board of Auditors or another Auditor attends).

During the Financial Year, the Board of Auditors met 6 times, with the constant participation of all the members. Each meeting of the Board of Auditors took an average of three hours. For 2011, five meetings are already scheduled; one meeting was already held on February 3, 2011.

With reference to principle 10.P.3. of 2006 Code, the Company believes to have taken all sufficient measures to ensure the Board of Auditors can efficiently perform its duties.

8. RELATIONS WITH SHAREHOLDERS

8.1. RELATIONS WITH INVESTORS

The Chairman and the Managing Director, while complying with the procedure for the handling of inside information, try hard to develop a constant dialogue with Shareholders, with institutional investors, and with the market in general, in such a way as to guarantee the systematic disclosure of thorough and timely information about the Company's activities. The disclosure of information to investors, to the market and to the press is achieved through press releases and through regular meetings with institutional investors and with the financial community.

Even pursuant to application criterion 11.C.2. of the 2006 Code, the dialogue with institutional investors, the majority of Shareholders and analysts is entrusted to a dedicated unit called Investor Relations, in order to establish an ongoing professional relationship and a correct, continual and thorough flow of information.

At the present time, relations with Shareholders are managed by Emanuela Foglia, Investors Relations Manager, under the supervision of Giulio Canale, Chief Financial Officer and Managing Director.

During the Financial Year, meetings and conference calls were organised for the purposes of the regular accounting/financial reporting activities. During the Financial Year, in particular, the Company participated in the STAR Conference in Milan organised by Borsa Italiana S.p.A., on March 17, 2010 and in London on October 6, 2010.

The presentations showed during the meetings with the financial community are posted on the Company website www.saesgetters.com (section Investor Relations/Presentations), and sent in advance to Consob and Borsa Italiana S.p.A.

An email address is available (investor_relations@saes-group.com) to which requests for information can be sent and from which clarifications and explanations to Shareholders can be sought on transactions carried out by the Company.

8.2. WEBSITE

An important role is played by the Company's website (www.saesgetters.com), where it is possible to find economic/financial information (such as Financial Statements, half-yearly and quarterly reports) as well as information and documents of interest to the Shareholders as a whole (press releases, presentations to the financial community, calendar of Company events) in both Italian and English language.

Even pursuant to application criterion 11.C.1. of the 2006 Code, in the Investor Relations section of its website, the Company posts important or mandatory information which enables Shareholders to exercise their rights in full knowledge of the facts, including information on participation and exercise of voting rights in Shareholders' Meetings, as well as documentation concerning items on the agenda of Shareholders' Meetings, including the lists of candidates for the positions of Director and Auditor with an indication of their personal characteristics and professional qualifications.

The Company's inclusion and continued presence on the STAR (Securities with High Requirements Segment) segment of Borsa Italiana S.p.A. is also an indicator of its ability to satisfy the strict reporting standards which constitute an essential requirement for such inclusion.

9. SHAREHOLDERS' MEETINGS

The Shareholders’ Meeting, regularly constituted, represent all the Shareholders and its resolutions, taken according to the law, are binding for them, even if not attending or dissenting. Ordinary and Shareholders’ Meetings are convened in the cases and the ways established by law, at the registered offices of the Company or even abroad, provided within the European Union.

The Shareholders Meeting is governed by the articles 8, 9, 10, 11, 12 and 13 of the By-laws, available on Company website, www.saesgetters.com (section Investor Relations/Corporate Governance/Company By-laws).

Sharing principles 11.P.1. and 11.P.2., and application criteria 11.C.3. and 11.C.4. of 2006 Code, the Chairman and Managing Director encourage and work hard to promote the widest possible participation of Shareholders in Shareholders' Meetings, as an effective opportunity for dialogue and interaction between the Company and investors. As a general rule, all Directors attend Shareholders' Meetings. No claim on this matter form the Shareholders ever came to the attention of the Company.

The Board of Directors tries to limit the restrictions and formalities that might make it difficult or burdensome for the Shareholders to participate in the Shareholders' Meeting and to exercise their voting right.

Shareholders' Meetings are also an opportunity to provide Shareholders with information on the Company, while complying with the rules governing inside information.

In particular, the Board reports to the Shareholders' Meeting on activities carried out and planned and tries to ensure that the Shareholders receive adequate information so that they can take the decisions for which they are responsible with full knowledge of the facts.

During the Financial Year, the Shareholders met on April 27, 2010:

a) in ordinary session with the following agenda:

- Report of the Board of Directors on the year ended 31 December 2009; Financial Statements for the year ended 31 December 2008; resolutions on losses coverage by means of use of reserves; inherent and consequent resolutions;
- Resolutions according to articles 2357 and 2357-ter of the (Italian) Civil Code;

b) In extraordinary session, with the proposal annulment of treasury shares, without reducing the share capital; consequent amendment of article 4 of the by-laws; inherent and consequent resolutions;

For the purposes of attending Shareholders' Meetings, the Company requires prior notification pursuant to article 2370, paragraph 2, of the (Italian) Civil Code, which must arrive at least two working days before the Meeting. Indeed, article 10 of the By-laws reads:

"Attendance and representation at Shareholders' Meeting are governed by statutory provisions.

Voting rights holders will have the right to attend the Meetings providing that their capacity to attend the meeting is certified according to the modalities and within the terms provided by the regulations and laws in force. .

The electronic notice of the delegation to attend the Meetings may be pursued by means of related link on the Company web site, according to the modalities set forth by the notice of calling, or, alternatively, by means of certified email sent to the email address indicated in the notice of calling.

The Chairman of the Meeting, also through appointees, shall be responsible for verifying the validity of the meeting's establishment, the identity and legitimacy of those present, and *for regulating the meeting's progress, establishing the methods of discussion and voting (which shall in all cases be transparent), and announcing the results of votes.*".

9.1. Regulation of Shareholders' Meetings

The experience gained with regard to the orderly and functional nature of Shareholders' Meeting has led to the conclusion that there is no current need to prepare specific regulations for regulating the meetings. The orderly execution of the works has been granted up to today by the By-laws provisions that assign the Chairman the task of verifying the identity and legitimation of each attendant, the quorum necessary to deliberate, the orderly conduct and to define the way of voting.

Shareholders' Meetings have always been held with the utmost regularity, allowing all Shareholders involved to intervene in order to formulate requests for clarification and to express their observations thoroughly. A response has always been given to the queries raised by Shareholders and the drafting of the minutes of the Meetings, including in ordinary session, is entrusted to a Notary.

Therefore, the Board of Directors, taking into consideration the orderly and functional conduct of the Company's Ordinary and Extraordinary Shareholders' Meetings to date, and the lack of need to restrain the intervention of Shareholders during the Meeting in view of the limited free float, and wishing instead to encourage the broadest possible participation of Shareholders in Meetings, does not deem it necessary for the time being to draw up any procedure governing the participation of Shareholders, differently from the application criterion 11.C.5. of 2006 Code. However, the Company reserves the right to draw up such regulations should it observe a lack of fair debate during meetings.

In any case, in order to facilitate the participation of the Shareholders to the General Meeting, they are entitled to propose questions on the items in agenda, even before the Meeting, by sending a request by means of registered letter to the registered offices of the Company or by certified mail to saes-ul@pec.it address. Answers to applications received before the Meeting will be provided by posting them on the Company's website or, at the latest, during the same Shareholders' Meeting, with the right of the Company to provide joint answers to questions with the same content.

9.2. Special Meeting of holders of savings shares

The Special Meeting of holders of savings shares is convened in the way defined by law, at the Company registered offices or elsewhere, also abroad, but within the European Union.

Last meeting of holders of savings shares was held on April 23, 2009 to appoint their common representative, because his mandate expired. The holders of savings shares confirmed, for the fiscal years 2008-2010, Mr. Massimiliano Perletti, as their common representative, and to resolve upon on the related annual remuneration which is established in the amount of EUR 1,100.00 (one thousand and one hundred).
Being expired also the mandate granted by the meeting of holders of savings shares on April 23, 2009 (respectively, in first, second and third call), the Company has convened another meeting on April 18, 19 and 20, 2011 in order to appoint their common representative and decide upon the relatd compensation.

9.3 Significant Changes in the Market Capitalisation of Shares

In the Financial Year ordinary and savings shares listed on STAR on the Italian *Mercato Telematico Azionario* managed by Borsa Italiana S.p.A., recorded an increase in value equal to 14% and a decrease in value equal to -7% respectively, to be compared with a decrease of 14% recorded by FTSE MIB and an increase of 2% recorded by FTSE Italia Star Indexes.

9.4. Significant Changes in the Shareholdings

No sensitive changes has been reported during the Financial Year.

10. OTHER CORPORATE GOVERNANCE PRACTICES

With reference to the new rules set forth by Legislative decree no. 39/2010, in order to facilitate a constant flow of information among the different corporate bodies that shall permit to the Internal and Account Audit Committee the adequate surveillance provided for by the law, among the other activities, periodical meetings have been scheduled with the participation of the member of the Committee itself, the Audit Committee, the Audit Firm, the Internal Control Officer, the Officer Responsible for the preparation of corporate financial reports pursuant to Decree no. 262/05 and the Group General Counsel. Such meetings are focused on the analysis and discussion of the financial information processes, efficacy of internal control, internal audit and management risk control systems, individual and consolidated annual accounts legal audit, audit firm independence, with particular focus on non audit services rendered to the Company.

11. CONCLUSIONS

SAES Getters Corporate Governance system is substantially in line with the recommendations contained in the 2006 Code with which the Board of Directors decided to comply on December 21, 2006, with the following exceptions:

- With reference to application criterion 3.C.6., during 2008, the Independent Directors did not deem it necessary to meet without the presence of the other Directors;
- With reference to application criterion 5.C.1. lett. d), it is worth clarifying that the existing Committees (Compensation Committee and Audit Committee) are not endowed with a predefined budget but have unlimited disbursement powers, with a duty to report to the Board;
- Referring to principle 6.P.2., the Board did not consider necessary to establish an internal Committee to propose appointments for the position of Director, given the composition of the Company's Shareholders and not having experienced difficulties in gathering proposed appointments from Shareholders, so that Board composition is in line with SAES Getters Corporate Governance Code;

- By way of derogation from application criterion 10.C.2, the Board did not consider it necessary to stipulate expressly that the Auditors must be chosen from among individuals who are qualified as independent on the basis of the criteria indicated with reference to the Directors, deeming the legislative provisions to be sufficient. At the present time, the SAES Getters Corporate Governance Code stipulates that Shareholders who submit lists for the appointment of the Board shall indicate the suitability, if applicable, of the candidates to be qualified as independent, leaving the Shareholders' Meeting during appointment to assess the weight of that qualification;
- referring to the application criterion 11.C.5., the Board of Directors, taking into consideration the orderly and functional conduct of the Company's Ordinary and Extraordinary Shareholders' Meetings to date, and the lack of need to restrain the intervention of Shareholders during the Meeting in view of the limited free float, and wishing instead to encourage the broadest possible participation of Shareholders in Meetings, does not deem it necessary for the time being to draw up any procedure governing the participation of Shareholders;
- With reference to application criterion 11.C.6. of 2006 Code, The Board did not opportune to propose Shareholders amendments to the By-laws as to percentages required to trigger actions and minority perquisites.

12. CHANGES AFTER THE END OF THE FINANCIAL YEAR

On January 1, 2011, the Procedure on Related Parties’ Transactions approved by the Company on November 11, 2010 and subsequently by the Group subsidiaries, has come into force within SAES Group.

Lainate, March 14, 2011

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 14, 2011. The present does not include any of the five attachments that are enclosed in the Italian version of the Report. For any difference between the two texts, the Italian text shall prevail.

APPENDIX 1 - COMPOSITION OF THE BOARD OF DIRECTORS AND THE COMMITTEES

BOARD OF DIRECTORS										Audit Cttee	Compen-sation Cttee
Name	**Position**	**In office since**	**In office until**	**List (M/m)**	**Executive**	**Non-executive**	**Independent acc. to Code**	**Independent acc. to Consolidated Financial Act**	**Number other positions**		
Massimo della Porta	Chairman	21.04.09	Shareholders' Meeting approving Annual Report 2011	M	X				3		
Giulio Canale	Vice Chairman, Managing Director and Chief Financial Officer	21.04.09	Shareholders' Meeting approving Annual Report 2011	M	X				2		
Stefano Baldi	Director	21.04.09	Shareholders' Meeting approving Annual Report 2011	M		X			1		X
Adriano De Maio	Director and Lead Independent Director	21.04.09	Shareholders' Meeting approving Annual Report 2011	M		X	X	X	3	X	X
Giuseppe della Porta	Director	21.04.09	Shareholders' Meeting approving Annual Report 2011	M		X			-		
Andrea Dogliotti	Director	21.04.09	Shareholders' Meeting approving Annual Report 2011	M		X			-	X	
Andrea Gilardoni	Director	21.04.09	Shareholders' Meeting approving Annual Report 2011	M		X			3		
Pietro Mazzola	Director	21.04.09	Shareholders' Meeting approving Annual Report 2011	M		X			8		

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BOARD OF DIRECTORS										**Audit Cttee**	**Compen-sation Cttee**
Name	**Position**	**In office since**	**In office until**	**List (M/m)**	**Executive**	**Non-executive**	**Independent acc. to Code**	**Independent acc. to Consolidated Financial Act**	**Number other positions**		
Roberto Orecchia	Director	21.04.09	Shareholders' Meeting approving Annual Report 2011	M		X	X	X	-		
Andrea Sironi	Director	21.04.09	Shareholders' Meeting approving Annual Report 2011	M		X	X	X	2	X	X
Gianluca Spinola	Director	21.04.09	Shareholders' Meeting approving Annual Report 2011	M		X			1		
Directors ceased during the Financial Year											
No Directors ceased during the Financial Year											
Quorum requested to submit lists during last appointment (April 21, 2009)							2.5%				
Number of meeting during the Financial Year				**Board of Directors**			**Audit Cttee**			**Compensation Cttee**	
				7			6			2	

APPENDIX 2 - DIRECTOR OR AUDITOR POSTS HELD BY THE DIRECTORS IN OTHER COMPANIES LISTED ON REGULATED MARKETS, INCLUDING FOREIGN MARKETS, IN FINANCIAL COMPANIES, BANKS, INSURANCE COMPANIES OR LARGE-SIZED COMPANIES

NAME	POST	
	COMPANY	***OFFICE***
Stefano Baldi	S.G.G. Holding S.p.A.	Non executive Director
Giulio Canale	S.G.G. Holding S.p.A. Telima Italia S.r.l.	Director, Vice President and Managing Director Non executive Director
Adriano De Maio	Telecom Italia Media S.p.A. TxT e-solutions S.p.A. EEMS S.p.A.	Member of the Compensation Committee Non executive Director e and member of both the Audit Committee and the Compensation Committee Non executive Director
Giuseppe della Porta	-	-
Massimo della Porta	S.G.G. Holding S.p.A. Alto Partners SGR S.p.A. MGM S.r.l.	Director, Vice President and Managing Director Non executive Director Executive Director
Andrea Dogliotti	-	-
Andrea Gilardoni	Società Gasdotti Italia S.p.A. AGICI – Finanza d'Imprese S.r.l. Kinexia S.p.A.	Non executive Director Executive Director Non executive Director
Pietro Mazzola	Euraleo S.r.l. IW Bank S.p.A. Banca Leonardo S.p.A. Berger Trust S.p.A. Felofin S.p.A.	Chairman Statutory Auditor Non executive Director Statutory Auditor Non executive Director, Chairman of Board of Directors Non executive Director

	Fratelli Testori S.p.A. Partners S.p.A. ARCA Impresa Gestione SGR S.p.A.	Chairman Statutory Auditor Executive Director Non executive Director
Roberto Orecchia	-	-
Andrea Sironi	Banco Popolare società cooperativa Banca Aletti S.p.A.	Non executive Director Non executive Director
Gianluca Spinola	Diadora Group Holding S.p.A.	Chairman

Please be advised that, among the companies referred above, only S.G.G. Holding S.p.A. is part of the SAES Getters Group, as ultimate parent company.