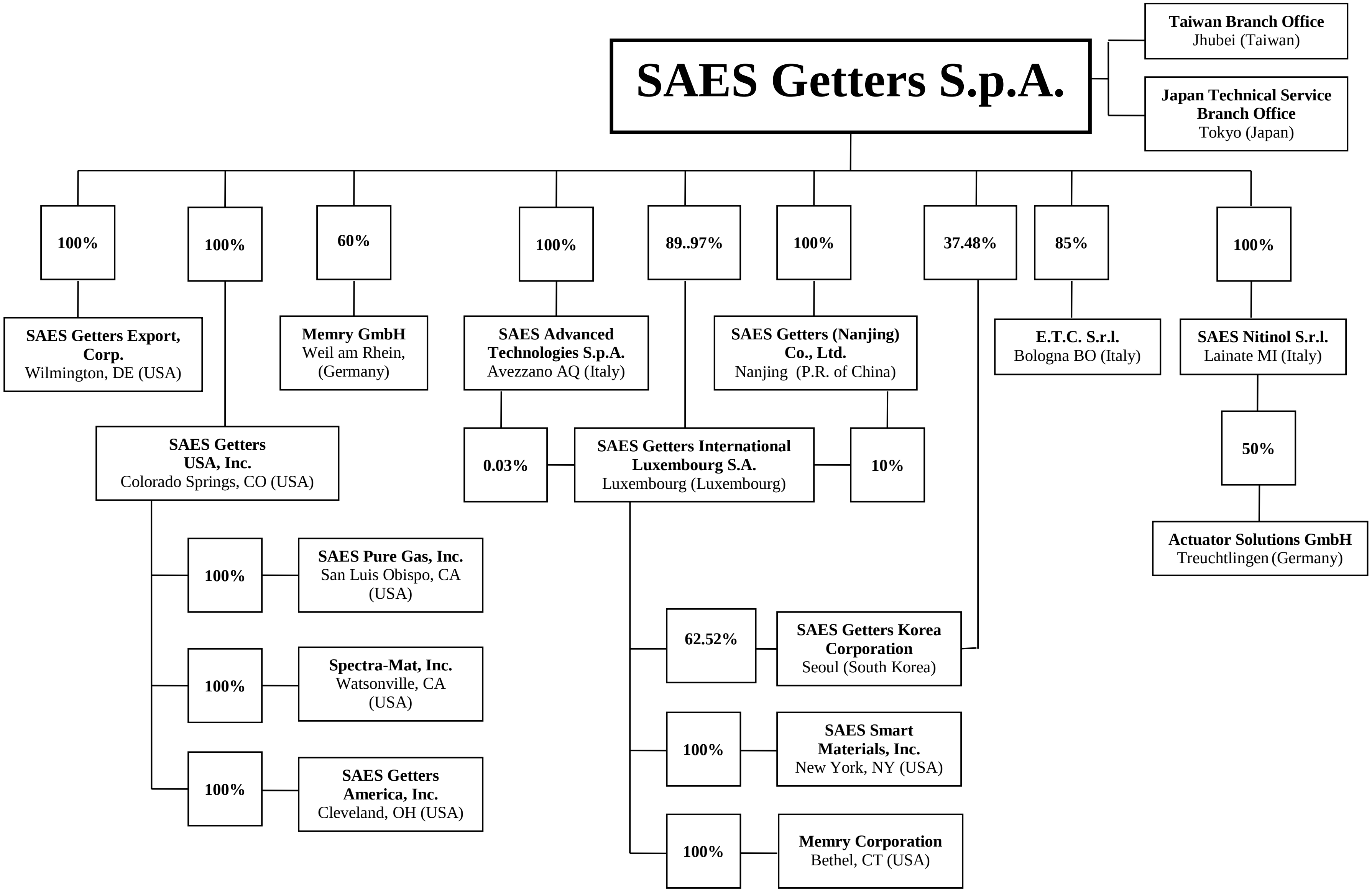
Consolidated Financial Statements 2011

saes getters

2011


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)
100%
SAES Getters America, Inc.
Cleveland, OH (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%
62.52%
SAES Getters Korea Corporation
Seoul (South Korea)
100%
SAES Smart Materials, Inc.
New York, NY (USA)
100%
Memry Corporation
Bethel, CT (USA)
100%
SAES Getters (Nanjing) Co., Ltd.
Nanjing (P.R. of China)
37.48%
85%
E.T.C. S.r.l.
Bologna BO (Italy)
100%
SAES Nitinol S.r.l.
Lainate MI (Italy)
50%
Actuator Solutions GmbH
Treuchtlingen (Germany)

Consolidated Financial Statements 2011

SAES Getters S.p.A.

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

Corporate Headquarters:
Viale Italia, 77 – 20020 Lainate (Milan), ITALY

Registered with the Milan Court
Companies Register no. 00774910152

Board of Directors

President	Massimo della Porta
Vice President and Managing Director	Giulio Canale
Directors	Stefano Baldi (1) (2) Giuseppe della Porta (2) Adriano De Maio (1) (2) (3) (4) (5) (6) Andrea Dogliotti (2) (3) Andrea Gilardoni (2) Pietro Alberico Mazzola (2) Roberto Orecchia (2) (4) (6) (7) Andrea Sironi (1) (2) (3) (4) (6) Gianluca Spinola (2)

Board of Statutory Auditors

President	Vincenzo Donnamaria (7)
Statutory Auditors	Maurizio Civardi Alessandro Martinelli
Alternate Statutory Auditors	Fabio Egidi Piero Angelo Bottino

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

(1) Members of the Compensation Committee
(2) Non-executive directors
(3) Members of the Audit Committee
(4) Independent directors
(5) Lead Independent Director
(6) Members of the Related Parties Committee
(7) Members of the Supervisory Body

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 By-laws, 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.

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LETTER TO SHAREHOLDERS

Dear Shareholders,

The year 2011 was a year of great satisfaction and of considerable importance for the future of our Group.

The revenues of the Group have significantly grown, despite the deep international crisis, thanks to the substantial stability of all the business areas and the excellent performance of the Semiconductors business, which recorded its best sales ever in the history of this sector, achieved also thanks to the diversification strategy undertaken in recent years.

The strong action undertaken to contain costs, which started a few years ago, has allowed to improve the operating result, despite a slight decline in the gross margin. The expectation of recovery of the previous tax losses of the major Italian companies, made possible by the excellent future business prospects, has led to close the income statement with a high net income. To complete this really positive picture there is a significant improvement in the net financial position.

The fiscal year 2011, as well as giving us satisfaction for the results achieved, was definitely a year of great importance for the future of the SAES Group.

The new products, developed by the research department over the last few years, recorded their first sales even in sectors where the Group was not present and will contribute to the revenues' growth. Other new products will start giving revenues in 2012, a success for research and innovation activities always committed to support sales growth.

In the field of shape memory alloys, which for years was one of the pillars of the Group, we launched a new important business initiative, the joint venture Actuator Solutions GmbH, for the development and production of devices using SMA wires or springs as a functional element. This is a new positioning in the value chain, which will significantly contribute to the value growth of SAES, both as a shareholder in and as a supplier of strategic materials for the new joint venture.

These results are the outcome of the continuous commitment of the human resources who work in our Group and who are the real asset of SAES and that we have defended even during the difficult crisis of the recent years. For them, sincere thanks.

Many thanks also to you shareholders, especially the historical ones, that even in moments of difficulty believed in our ability to innovate and supported us.

Dr Ing. Massimo della Porta
President

Group financial highlights

GROUP FINANCIAL HIGHLIGHTS

(thousands of euro)

Income statement data	**2011**	**2010**	**Difference**	**Difference %**
NET SALES				
- Industrial Applications	105,566	88,430	17,136	19.4%
- Shape Memory Alloys	38,622	39,218	(596)	-1.5%
- Information Displays	3,620	12,356	(8,736)	-70.7%
- Advanced Materials	836	570	266	46.7%
Total	**148,644**	**140,574**	**8,070**	**5.7%**
GROSS PROFIT				
- Industrial Applications	49,588	44,074	5,514	12.5%
- Shape Memory Alloys	11,519	11,879	(360)	-3.0%
- Information Displays	(752)	5,171	(5,923)	-114.5%
- Advanced Materials & Corporate Costs (1)	(441)	(396)	(45)	-11.4%
Total	**59,914**	**60,728**	**(814)**	**-1.3%**
% on sales	40.3%	43.2%		
EBITDA (2)	**25,212**	**23,507**	**1,705**	**7.3%**
% on sales	*17.0%*	*16.7%*		
OPERATING INCOME (LOSS)	**12,809**	**10,922**	**1,887**	**17.3%**
% on sales	*8.6%*	*7.8%*		
NET INCOME (LOSS) (3)	**15,584**	**3,135**	**12,449**	**397.1%**
% on sales	*10.5%*	*2.2%*		

Balance sheet and financial data	**December 31, 2011**	**December 31, 2010**	**Difference**	**Difference %**
Property, plant and equipment, net	59,263	63,813	(4,550)	-7.1%
Group shareholders' equity	123,028	108,597	14,431	13.3%
Net financial position (4)	(15,534)	(22,580)	7,046	31.2%

Other information	**2011**	**2010**	**Difference**	**Difference %**
Cash flow from operating activities	18,842	7,455	11,387	152.7%
Research and development expenses	13,881	13,892	(11)	-0.1%
Number of employees as at December 31 (5)	1,038	1,102	(64)	-5.8%
Personnel cost (6)	53,759	54,748	(989)	-1.8%
Disbursements for acquisition of tangible assets	6,069	5,850	219	3.7%

(1) 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.

(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 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".

(3) It includes the net loss from assets held for sales and discontinued operations (equal to +292 thousand of euro in 2011 and +63 thousand of euro in the fiscal year 2010).

(4) The item as at December 31, 2010 includes the 51% of the net cash of the Chinese joint venture Nanjing SAES Huadong Vacuum Material Co., Ltd. (equal to 1,650 thousand of euro) whose shareholding has been sold in April 2011. Excluding the Group's share into the cash of the Chinese joint venture, the net financial position would have been equal to -24.2 million of euro.

(5) As of December 31, 2011 this item includes:
- employees for 1,011 units;
- personnel employed with contract types other than salaried employment agreements, equal to 27 units.
As at December 31, 2010 this figure included the employees (equal to 37 units, based on the Group's percentage of ownership) of the joint venture Nanjing SAES Huadong Vacuum Material Co., Ltd., whose transfer had been closed in April 2011.

(6) As of December 31, 2011 the severance costs, included in the personnel cost, are equal to 508 thousand of euro; instead, the use of C.I.G. (ordinary redundancy fund) has determined a reduction in the personnel cost equal to 942 thousand of euro.
In 2010 the severance costs were equal to 1,657 thousand of euro, while the use of C.I.G. had determined 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 more than 70 years of activity, the Group's getter solutions have been supporting 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.These special alloys, which today are mainly applied in the biomedical sector, are perfectly suited to the realization of actuators for the industrial sector (domotics, white goods industry, consumer electronics and automotive).

Recently, SAES has expanded its business by developing components whose getter functions are instead generated by chemical processes while traditionally they were obtained from the exploitation of the special features of some metals. These new products are used in the OLED promising sector (Organic Light Emitting Diode, both for displays and lighting) and in the photovoltaic one.
Thanks to these new developments, SAES is evolving, coupling its expertise in the field of special metallurgy with those of advanced chemicals.

With an overall production capacity spread out over ten facilities on three continents, a commercial and technical support network with worldwide coverage and more than 1,000 employees, the Group brings together multicultural skills and experiences, 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 and 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 both for medical and for industrial applications
Information Displays Business Unit	
Liquid Crystal Displays (LCD)	Getters and metal dispensers for liquid crystal displays
Cathode Ray Tubes (CRT)	Barium getters for cathode ray tubes
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 (NEG) and a proprietary technology for vacuum thermal insulation. NEG pumps are used in both industrial and scientific applications including analytical instruments, vacuum systems and particle accelerators.
SAES Getters solutions for vacuum thermal insulation include NEG products for cryogenic applications and thermos.
At the end of the previous year a new family of high vacuum pumps (NEXTorr®) was lunched on the market, that concentrate both the getter and the ionic technology in a single highly miniaturized and compact device. These features make this product particularly innovative and have allowed the Group to expand its markets of reference.
This new pumps family has encountered a considerable market success and, in particular, the pump NEXTorr D100 won the important recognition called "2011 R&D 100 Award".

Finally, 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 other industries which use pure gases in their processes. 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 semi-finished products, components and devices, 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, which today are mainly applied in the biomedical sector, are also perfectly suited to the production of actuators for the industrial sector (domotics, white goods industry, consumer electronics and automotive).

Information Displays Business Unit

Liquid Crystal Displays Business
For the television set, monitor and liquid crystal display industry, SAES Getters provides technologies for maintaining the vacuum and for absorbing harmful gases in the cold cathode fluorescent lamps (CCFL) 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 or qualification by the customer.

Organic Electronics
Organic semiconductors have opened a new frontier in both displays and solid-state lighting: SAES Getters, that already supplies dryers and highly sophisticated getters for displays and lamps based on OLED (Organic Light Emitting Diodes) technology, has also successfully completed the development of a new generation of getters, based on organic matrix, for the next-generation of ultra-flat large-screen TVs.

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 increase the reliability and to extend the lifespan of thin-film photovoltaic panels by supplying a sealant strip that, if applied to the edge of a panel, ensures that the two 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 the sector of next-generation electrochemical energy storage devices, such as super-condensers and lithium batteries. In particular, the Group is developing systems for checking the gas generation inside these devices, whose main application is in hybrid automobiles.

Main events for the year ended December 31, 2011

The fiscal year 2011 ended with a growth in sales equal to 5.7% compared to 2010, rising to 9.6% without the penalizing exchange rate effect.
This growth was mainly driven by the gas purification sector, whose positive trend, started in the previous year, has been further supported both by new investments in semiconductor factories and by the growth of the LED and OLED businesses.

Consolidated revenues of the Industrial Applications Business Unit registered an overall growth equal to 19.4% which increases to 23.4%, excluding the penalizing exchange rate effect.
The business of gas purification grew by 63.6% (+71.8% excluding the currency effect equal to -8.2%). This increase has allowed to offset the decline in sales of the Vacuum Systems Business (-19.6%) and of the Electronic Devices one (-6.4%). The Lamps Business was substantially stable (-1.9% net of the exchange rate effect).
Revenues of getters for vacuum electronic devices have been affected by the slowdown in public investments in the research and in the military sectors (mainly in the U.S. market). The decrease in the Vacuum Systems Business is due to lower number of special projects undertaken in the field of getter pumps for particle accelerators, as well as to the current situation of the Japanese market.

The SMA Business remained substantially stable and was only penalized by the exchange rate effect (-4.6%). The decrease in sales, amounting to -1.5%, becomes a growth of 3.1% excluding the penalizing effect of the exchange rate between euro and U.S. dollar.
Please note the positive contribution from the industrial SMA segment, representing a significant opportunity for the future development of SAES Getters.
In this framework, we can place in the second half of 2011 the establishment of the joint venture Actuator Solutions GmbH, focused on the development, manufacturing and marketing of actuators based on the SMA technology. This joint venture, based in Treuchtlingen (Bavaria, Germany) is 50% jointly owned by SAES Getters and Alfmeier Präzision, a German group working in the fields of electronics and advanced plastic materials.
The mission of Actuator Solutions GmbH is to become a world leader in the field of actuators using shape memory alloys. The company holds a license to use the technology developed by Cambridge Mechatronics Limited (CML) for the production and marketing of autofocus and image stabilization systems, based on SMA components, to be applied in cameras, mobile phones and smart phones.
The new company, born from the idea of the top management of the two founding companies, wants to combine the strong competencies of the two groups that originated it (the molding of plastic components of Alfmeier Präzision AG on one side and the SMA technology of SAES on the other side) to develop, manufacture and market highly innovative devices that use SMA wires or springs as functional elements. The new company, while supporting the adoption of the SMA technology in various industrial sectors, with obvious benefit on sales volumes of the SMA active component, will also allow SAES Getters to generate results significantly higher than those that would be generated by the marketing of the active components only, and, in the long run, to better defend itself from competition.

In the Information Displays sector, sales of barium getter for CRTs and mercury dispenser for LCDs are now immaterial compared to the total Group turnover (only 3.6 million of euro, equal to 2.4% of the total sales). However, in this segment a future growth is expected thanks to the sale of innovative getter solutions for OLEDs, which represent, together with the already mentioned SMAs for industrial application, the most important future opportunity and on which there have been positive feedbacks from the market.
The revenues of OLED components are currently included in the Advanced Materials Business Development Unit and have driven the growth in sales of this segment (+46.7%, that increases to 48% net of the exchange rate effect).

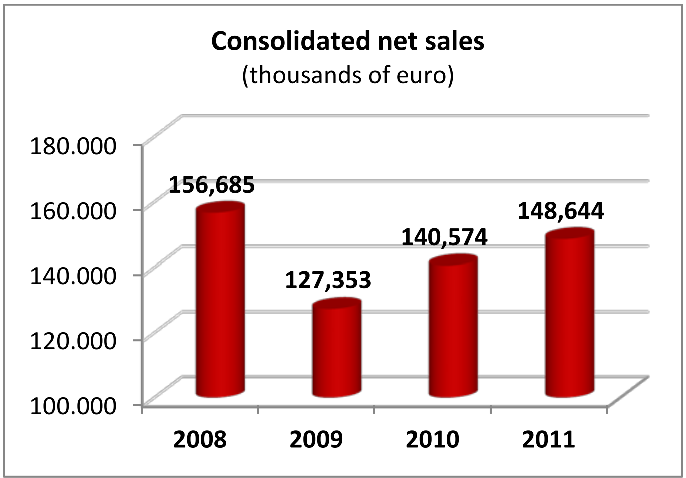
The current composition of the product mix has a slightly different profitability than the offer structure in 2010, when the LCD sector still accounted for a significant share of it. In particular, there is a higher

incidence of industrial costs that reduces the consolidated gross margin (from 43.2% in 2010 to 40.3% in 2011).
The increase in cost of sales was accompanied by a reduction of operating expenses that, together with the increase of turnover, has allowed to close the year 2011 with an operating margin slightly improved from the previous year (8.6% compared 7.8%).

In April 2011 the Group, through its subsidiary SAES Getters International Luxembourg S.A., after having obtained the approval from the Chinese Administrative Authorities, has finalized the transfer of its shareholding (51% of the total shares) in the Chinese joint venture Nanjing SAES Huadong Vacuum Material Co., Ltd. to the third party Chinese shareholders Nanjing Huadong Electronics Information Technology Co., Ltd. ("Huadong") and Nanjing DingJiu Electronics Co., Ltd. ("DingJiu").
The agreement, in addition to the sale of the stake for a symbolic transfer price equal to 2 Chinese renminbis, included also the payment by SAES Getters International Luxembourg S.A. of a sum equal to RMB 30 million (3,4 million of thousand), to be distributed to the minority shareholders in proportion to their shareholdings, to honor the contractual obligation already accrued in the 2009 financial statements. This disbursement, as specified in the 2010 financial statements, was already paid in cash on December 1, 2010.
The Chinese joint venture, established in August 2006, worked in the production and distribution of components for LCD displays and for 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. SAES Getters Group continues to operate in China through its subsidiary SAES Getters (Nanjing) Co., Ltd.

During the first months of 2011 it was completed the shut-down of the factory dedicated to the LCD production of the subsidiary SAES Getters Korea Corporation, which continues to operate as a distributor of products made by other Group companies in South Korea. The building and part of its production facilities were sold to local third parties. The net economic impact associated with this operation was essentially irrelevant (+97 thousand of euro[1]).

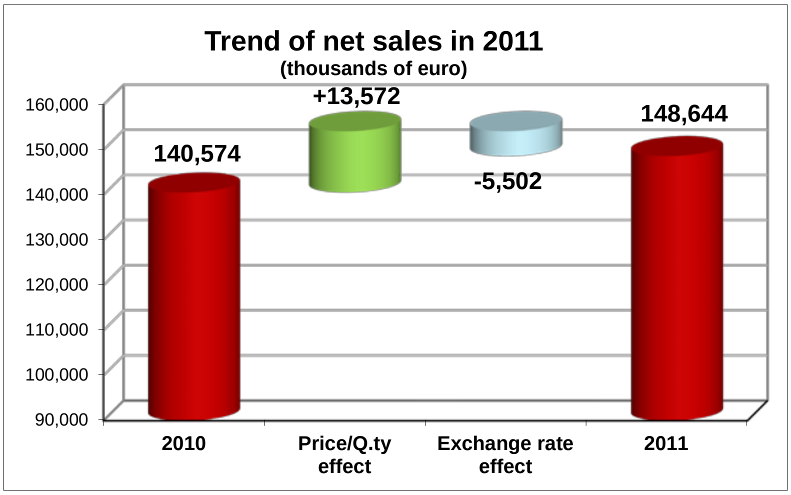
Sales and economical results for the fiscal year 2011



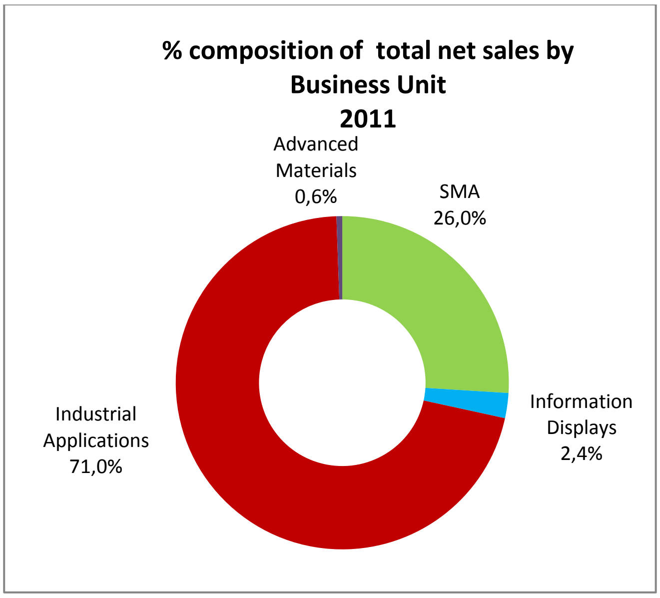
In 2011, **consolidated net turnover** was equal to 148,644 thousand of euro, increasing by 5.7% compared to 140,574 thousand of euro achieved in 2010, despite the penalizing **exchange rate effect** (-3.9%), mainly due to the weakening of the U.S. dollar occurred during the central part of the year.
At comparable exchange rates, consolidated revenues would have increased by 9.6%.
With reference to revenues, the **scope of consolidation** was unchanged compared to the previous year.

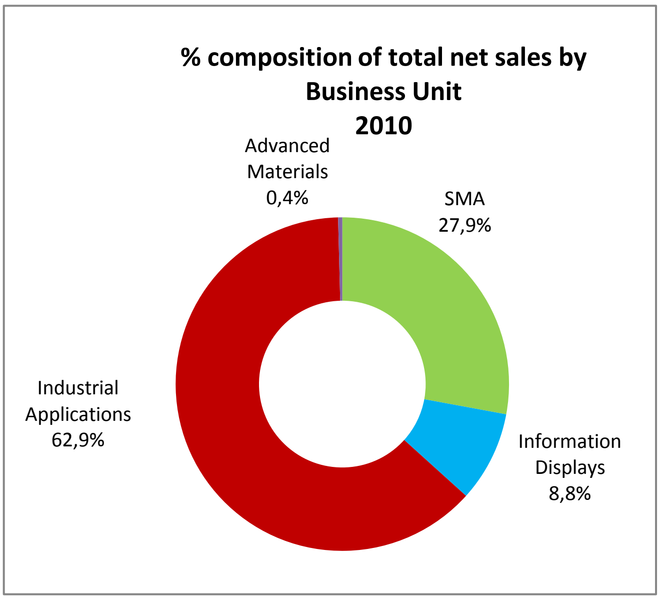
[1] Equal to the difference between the capital gain realized from the sale of the building and the production plants (+496 thousand of euro) and the severance costs (-374 thousand of euro) and other costs (-25 thousand of euro).

The following chart shows the trend of the consolidated net sales during the year 2011:



The turnover of the year 2011 confirms the upward trend already occurred during the previous year. Excluding the penalizing effect of the exchange rates, both the industrial applications sector and the shape memory alloys one closed the year with a turnover higher than the one of the year 2010 and this growth has allowed to completely offset the decline in the Information Displays segment, which recorded almost irrelevant volumes (the turnover of the display sector represents today only 2.4% of consolidated revenues, while at the end of 2010 it was still 8.8% of total consolidated sales).





The following table contains a breakdown of net sales in 2011 and 2010 by business segment, along with the percent change at current and comparable exchange rates:

(thousands of euro)

Business	2011	2010	Difference	Difference %	Exchange rate effect %	Price/Q.ty effect %
Electronic Devices	23,475	25,074	(1,599)	-6.4%	-2.5%	-3.9%
Lamps	12,442	12,742	(300)	-2.4%	-0.5%	-1.9%
Vacuum Systems and Thermal Insulation	12,693	15,794	(3,101)	-19.6%	-0.2%	-19.4%
Semiconductors	56,956	34,820	22,136	63.6%	-8.2%	71.8%
Industrial Applications	**105,566**	**88,430**	**17,136**	**19.4%**	**-4.0%**	**23.4%**
Shape Memory Alloys	**38,622**	**39,218**	**(596)**	**-1.5%**	**-4.6%**	**3.1%**
Liquid Crystal Displays	1,743	8,766	(7,023)	-80.1%	-0.5%	-79.6%
Cathode Ray Tubes	1,877	3,590	(1,713)	-47.7%	-2.2%	-45.5%
Information Displays	**3,620**	**12,356**	**(8,736)**	**-70.7%**	**-1.0%**	**-69.7%**
Advanced Materials	**836**	**570**	**266**	**46.7%**	**-1.3%**	**48.0%**
Total net sales	**148,644**	**140,574**	**8,070**	**5.7%**	**-3.9%**	**9.6%**

Consolidated revenues of the **Industrial Applications Business Unit** were equal to 105,566 thousand of euro, showing a strong increase (+19.4%) compared to 88,430 thousand of euro in the previous year. The trend of the euro against the main foreign currencies led to a negative exchange rate effect equal to -4%, while the organic growth was equal to 23.4%.
Compared to the previous year, please note the strong growth in the field of gas purification (Semiconductors Business), whose revenues have nearly doubled (its organic growth was +71.8%, net of the exchange rate effect). This increase has allowed to offset the decline in sales of the other business segments related to the deterioration of the macroeconomic situation and to a slowdown in public investments, as well as to the penalizing currency impact.

The turnover of the *Electronic Devices Business* was equal to 23,475 thousand of euro in 2011, compared to 25,074 thousand of euro in 2010 (-6.4%). Net of the negative exchange rate effect (-2.5%), the overall organic decline was equal to 3.9%. This decrease was mainly due to lower sales of getters for infrared detectors that have been affected, especially during the second half of the year, by the slowdown of the U.S. public investments in the military sector. On the contrary, all the other segments recorded revenues in line or even higher than those of the previous year; in particular, sales of both getter solutions for MEMS devices for the consumer electronics market, produced directly by the Group, and those of traditional getters for medical diagnostic tools went on growing.

The turnover of the *Lamps Business* was equal to 12,442 thousand of euro, down by -2.4% compared to 12,742 thousand of euro in 2010. Excluding the negative exchange rate effect (-0.5%), the lamps business was substantially stable compared to the previous year (the overall organic decrease was equal to -1.9%). The reduction in the consumption of lamps in the Japanese market after the earthquake of March 2011 and the weakening of demand in the second half of the year caused by the difficult economic situation, were offset by the commercial expansion of both traditional getters for discharge lamps and of mercury dispensers for fluorescent lamps in the Asian emerging markets.

Sales of the *Vacuum Systems and Thermal Insulations Business* were equal to 12,693 thousand of euro in 2011, down by 19.6% when compared to 15,794 thousand of euro in 2010. The exchange rate effect was negative and equal to -0.2%. In 2011, the revenues of this business have been affected by the lower number of special projects undertaken in the field of getter pumps for particle accelerators, by the current situation of the Japanese market and by the weakening of the solar thermodynamic business (due to the slowdown in public investments, especially in Spain and in the United States). However, please note the success of the new pump NEXTorr®, launched late last year, and the commercial success of getter pumps for sophisticated analytical instruments (electronic microscopy).

The turnover in the purification segment (*Semiconductors Business*) was equal to 56,956 thousand of euro in 2011, showing a sharp increase (+63.6%) compared to 34,820 thousand of euro in 2010. The currency trend resulted in a negative exchange rate effect equal to -8.2%, net of which sales increased by 71.8%, driven both by investments in new factories, including those for the production of LED lamps for the backlighting of displays, and by the effort made by the Group to diversify the markets and sectors of reference for the products of this business.

In 2011, consolidated revenues of the **Shape Memory Alloys Business Unit** amounted to 38,622 thousand of euro, compared to 39,218 thousand of euro in 2010. The slowdown (-1.5%) is due to the negative effect of the exchange rates (-4.6%); in fact, excluding the penalizing effect of currencies, the organic growth was equal to 3.1%.
In the segment of the medical SMAs, after an initial slowdown due to both the economic recession and the gradual replacement of the production of some already mature medical components with others more innovative and with a higher profitability, sales have stabilized in the second half of the year.
The contribution of the industrial SMA sector was also positive and it represents a significant opportunity for the future development of SAES Getters.

Consolidated revenues of the **Information Displays Business Unit** were equal to 3,620 thousand of euro in 2011, down by 8,736 thousand of euro (-70.7%) compared to 12,356 thousand of euro in 2010. The currency trend led to a negative exchange rate effect equal to -1%.
This decrease (-69.7%, net of the exchange rate effect) was due to the structural and irreversible decline both in the business of fluorescent lamps for the backlighting of LCD displays and in that of cathode ray tubes (CRT).
However, in this field, the Group foresees a future growth thanks to the sale of innovative getter solutions for OLED[2], which represent, together with the above mentioned SMA for industrial applications, the most important areas of future growth and which have already triggered some positive signs of interest from the market.

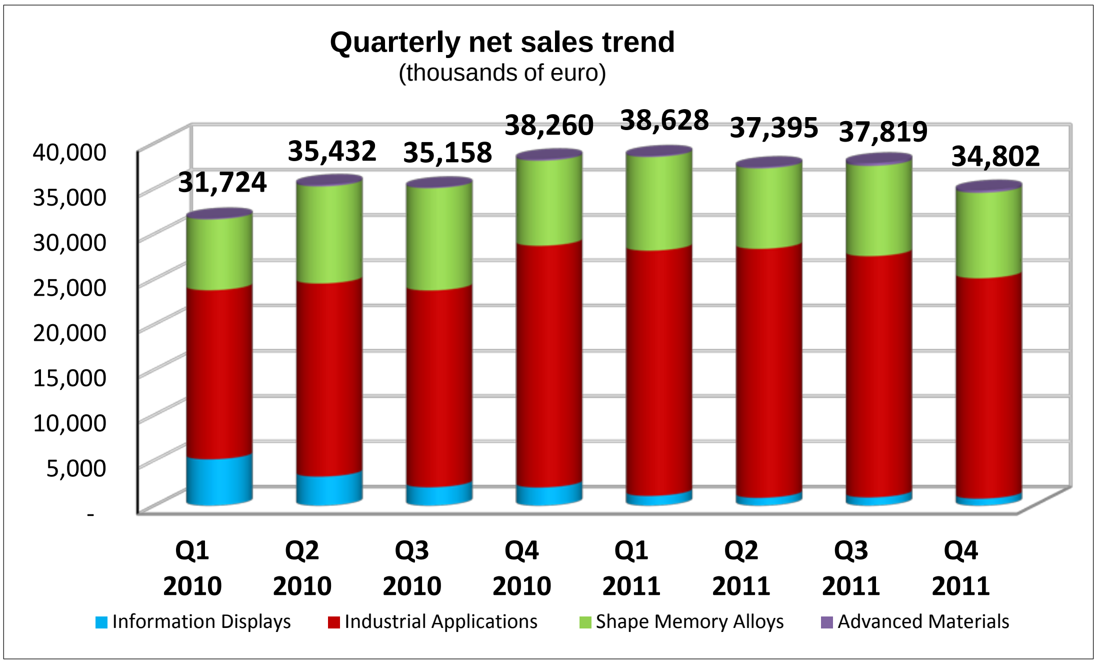
Turnover of the *Liquid Crystal Displays Business* amounted to 1,743 thousand of euro, compared to 8,766 thousand of euro in 2010 (-80.1%); the currency trend led to a negative exchange rate effect equal to -0.5%.

The *Cathode Ray Tubes Business* recorded revenues equal to 1,877 thousand of euro in 2011, down by 47.7% compared to 3,590 thousand of euro in 2010; the exchange rate effect was negative and equal to -2.2%.

In 2011, consolidated revenues of the **Advanced Materials Business Development Unit** were equal to 836 thousand of euro (compared to 570 thousand of euro in 2010) and were primarily represented by sales of highly innovative getter solutions for OLED screens. The exchange rate effect was negative and equal to -1.3%.

[2] Please note that revenues and costs related to dryers for OLEDs are currently included in the Advanced Materials Business Development Unit.

The following chart shows the quarterly trend of revenues in 2011 and 2010, with evidence of the breakdown by Business Unit:

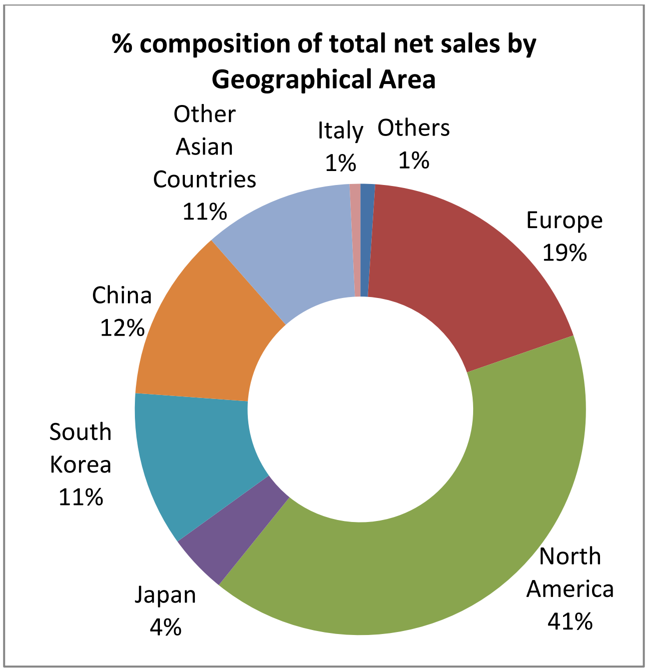


In the Industrial Applications Business Unit, the progressive decline in the lamps sector (due both to the difficulty in the world economy and to the energy shortage of the Japanese market after the earthquake of early 2011) and in the military and solar thermodynamic ones (caused by the reduction in public spending), was partially offset by the gradual increase in the volumes of the vacuum pumps business. After the excellent results of the first nine months 2011, the purification segment has slowed slightly in the last quarter, in line with the cyclical nature of this industry.
In the SMA Business Unit, after an initial decline in volumes due to the gradual replacement of the production of some already mature medical components with others more innovative and with a higher profitability, sales have stabilized in the second half of the year.

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

(thousands of euro)

Geographical area	2011	%	2010	%	Difference	Difference %
Italy	1,558	1.0%	2,063	1.5%	(505)	-24.5%
Europe	27,695	18.6%	26,962	19.2%	733	2.7%
North America	61,124	41.1%	62,904	44.7%	(1,780)	-2.8%
Japan	6,316	4.2%	7,333	5.2%	(1,017)	-13.9%
South Korea	16,504	11.1%	10,644	7.6%	5,860	55.1%
China	18,366	12.4%	12,359	8.8%	6,007	48.6%
Other Asian countries	15,943	10.7%	17,804	12.7%	(1,861)	-10.5%
Others	1,138	0.8%	505	0.4%	633	125.3%
Total net sales	**148,644**	**100%**	**140,574**	**100%**	**8,070**	**5.7%**

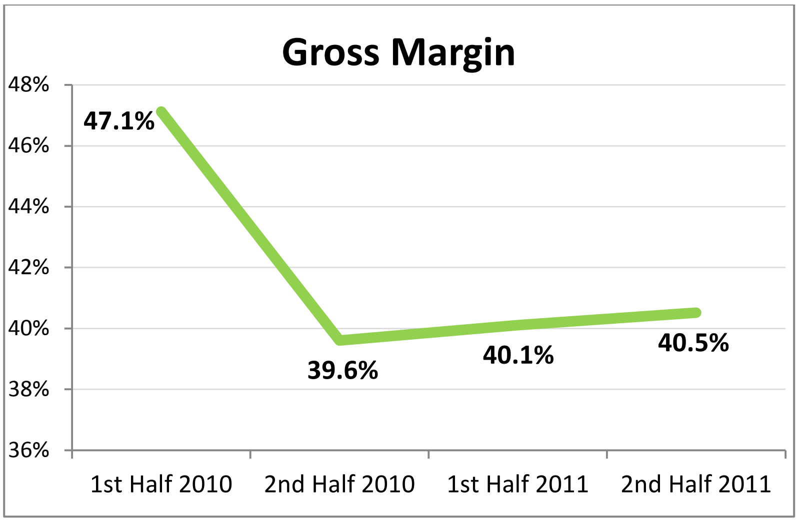


The significant increase of sales in the Far East (in particular, China and South Korea) is due to the above mentioned sales growth in the purification business, which completely offset the well-known crisis in the LCD segment.

In North America the decline of revenues in the military sector, in the solar thermodynamic business and in the shape memory alloys for medical applications is only partially offset by the growth of the semiconductor business. The reduction of the sales in Japan is mainly due to the contraction of the LCD business, as well as the effect of the earthquake of March 2011; the aforementioned decline in the sales of lamps is offset by the growth in the field of vacuum pumps.

Consolidated gross profit was equal to 59,914 thousand of euro in 2011 (40.3% of consolidated revenues), slightly down when compared to 60,728 thousand of euro in 2010 (43.2% of consolidated revenues). This reduction, despite the increase in revenues, is due to the different sales mix and to the sharp decline in LCD volumes that makes the gross margin of the Information Displays Business Unit negative and that penalizes the gross profitability of the entire Group.

However, if we analyze the trend of the half-year gross margin starting from the second half of the year 2010, characterized by a product mix comparable with that of 2011, the margin appears to be growing, as shown by the graph below:



The following table shows the gross profit by Business Units in 2011 and 2010:

(thousands of euro)

Business Unit	2011	2010	Difference	Difference %
Industrial Applications	49,588	44,074	5,514	12.5%
% on Business Unit net sales	*47.0%*	*49.8%*		
Shape Memory Alloys	11,519	11,879	(360)	-3.0%
% on Business Unit net sales	*29.8%*	*30.3%*		
Information Displays	(752)	5,171	(5,923)	-114.5%
% on Business Unit net sales	*-20.8%*	*41.9%*		
Advanced Materials & Corporate Costs	(441)	(396)	(45)	-11.4%
% on Business Unit net sales	*-52.8%*	*-69.5%*		
Gross profit	**59,914**	**60,728**	**(814)**	**-1.3%**

Consolidated gross profit of the **Industrial Applications Business Unit** was equal to 49,588 thousand of euro in 2011, compared to 44,074 thousand of euro in 2010. As a percentage of revenues, the gross margin was 47%, slightly down compared to 49.8% in the previous year, mainly due to both the shift in the sales mix towards products with a greater consumption of raw materials (Semiconductors Business) and to the increasing price pressure (mainly in the Lamps Business).

Consolidated gross profit of the **Shape Memory Alloys Business Unit** was 11,519 thousand of euro in 2011 (29.8% of consolidated revenues), broadly in line with that of 2010 (11,879 thousand of euro in absolute terms, equal to 30.3% as a percentage of revenues). Please note that the SMA gross profit in 2011 was negatively affected by write-downs of tangible fixed assets equal to 772 thousand of euro (related both to the replacement of some plants and machinery for the production of some mature medical components with more innovative ones and to the optimization of the production structure of the U.S. subsidiary Memry Corporation). Excluding these write-downs, the gross margin would have been equal to 31.8%, slightly higher than that of the corresponding period of the previous year.

The **Information Displays Business Unit** ended the year 2011 with a negative gross profit of 752 thousand of euro (-20.8% of consolidated revenues), compared to a positive gross profit equal to 5,171 thousand of euro in 2010 (41.9% of revenues).
The gross margin, strongly negative in the first half of the year (-40.7%), returned slightly positive in the second half of the year (+2.2%), following the rationalization of the production structure that was completed in the first half of 2011 with the shutdown of the LCD factory based in South Korea.

Consolidated gross loss of the **Advanced Materials Business Development Unit & Corporate Costs** amounted to 441 thousand of euro, substantially aligned to that of the previous year (- 396 thousand od euro).

In 2011 the **consolidated operating income** was equal to 12,809 thousand of euro, increased when compared to 10,922 thousand of euro in 2010. In percentage terms, the operating margin rose from 7.8% to 8.6%.
The increase in operating income (+17.3%), despite the slight decline in gross profit, is due to the containment of operating expenses, particularly general and administrative expenses, whose decrease is primarily related to a reduction in consultant fees, to a lower amortization of intangible assets that have reached the end of their useful life during the year and to lower costs related to the rental of hardware equipment.
Essentially unchanged in absolute terms were both the selling expenses and the research and development expenses.

The following table shows the operating income by Business Units in 2011 and 2010:

(thousands of euro)

Business Unit	2011	2010	Difference	Difference %
Industrial Applications	33,272	29,109	4,163	14.3%
Shape Memory Alloys	2,245	1,125	1,120	99.6%
Information Displays	(2,462)	22	(2,484)	n.s.
Advanced Materials & Corporate Costs	(20,246)	(19,334)	(912)	-4.7%
Operating income (loss)	**12,809**	**10,922**	**1,887**	**17.3%**

Consolidated operating income of the **Industrial Applications Business Unit** was equal to 33,272 thousand of euro in 2011, up by 14.3% compared to 29,109 thousand of euro in 2010. The growth was mainly due to an increase of sales, which allowed the increase in gross profit, that was partially offset by the increase of selling expenses (in particular, higher labor costs and higher commissions, related to the growth of sales).
As a percentage of revenues, the operating margin went from 32.9% to 31.5%.

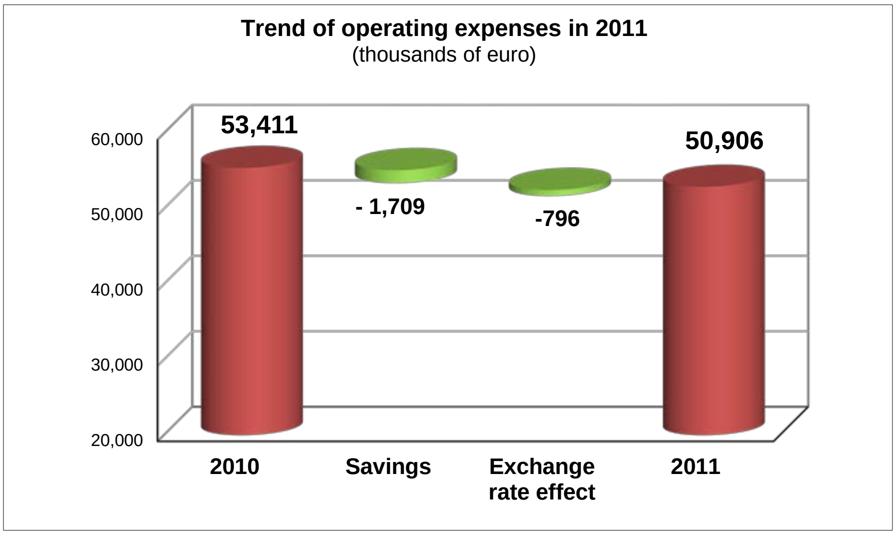
Consolidated operating income of **Shape Memory Alloys Business Unit** was 2,245 thousand of euro, nearly doubled (+99.6%) compared to 1,125 thousand of euro in 2010.
Despite the slight decline in revenues and in the gross profit, the decrease in operating expenses (in particular general and administrative expenses), due also to a lower amortization as a result of the end of the useful life of some intangible assets of the U.S. subsidiaries identified at the moment of the acquisition, has allowed to close the year with an increased operating income.
As a percentage of revenues, the operating margin rose from 2.9% to 5.8%.

The **Information Displays Business Unit** ended the year 2011 with a consolidated operating loss of 2,462 thousand of euro (in 2010 the operating result was substantially at break-even). Despite the operating expenses containment (-3,085 thousand of euro), these business volumes were not sufficient to guarantee a positive result.

The operating loss of the **Advanced Materials Business Development Unit & Corporate Costs**, equal to 20,246 thousand of euro, 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 sector but that refer to the Group as a whole. The 2011 operating loss has to be compared with a negative 2010 operating result equal to -19,334 thousand of euro. This decline compared to 2010 was mainly due to the fact that the Parent Company had realized a capital gain (1,182 thousand of euro) on the sale of some disused assets in the previous year.

Total **consolidated operating expenses** amounted to 50,906 thousand of euro in 2011, down when compared to 53,411 thousand of euro in 2010 (-4.7%), proving the continued commitment of the Group in costs control. Excluding the exchange rate effect (-796 thousand of euro), the consolidated operating expenses decreased by 1,709 thousand of euro. The decrease primarily concerned general and administrative expenses (in particular, lower legal and consulting costs, lower amortization as a result of the end of the useful life of some intangible assets, lower costs related to the rental of hardware equipment and lower costs of maintenance following the renegotiation of the supply contracts).
Essentially unchanged in absolute terms were both the selling expenses, despite the significant increase in revenues, and the research and development expenses (9.3% of total consolidated revenues).
The decrease in operating expenses realized during the current period is to be added to the savings already achieved in the previous two years.

In the following graph the trend of operating expenses in the fiscal year 2011:



On the whole, the item **personnel cost** came to 53,759 thousand of euro in 2011 compared with 54,748 thousand of euro in 2010. Excluding, both in 2011 and in 2010, the severance costs[3] and the savings resulting from the adoption of C.I.G.[4] at the Parent Company and at the Italian subsidiary SAES Advanced Technologies S.p.A., personnel cost increased by 620 thousand of euro, mainly because of the increase in the average number[5] of the Group's employees following the strong growth of the business of purification, only partially offset by the rationalization of the LCD production structure ended in the first half of 2011 with the closure of the plant located in Korea.

The net result of the year includes **depreciation** and **amortization** equal to 10,912 thousand of euro (11,904 thousand of euro in 2010). The reduction of amortization and depreciation, equal to 992 thousand of euro, is due to the fact that some assets, both tangible and intangible, reached the end of their useful life during the year 2011.

Consolidated EBITDA was equal to 25,212 thousand of euro in 2011, increased when compared to 23,507 thousand of euro in 2010. As a percentage of revenues EBITDA was equal to 17 % in 2011, showing a slight improvement when compared to that of the previous year amounting to 16.7%.

The balance of other net income (expenses) was positive and equal to 3,801 thousand of euro (to be compared with a balance always positive and equal to 3,605 thousand of euro in 2010) and it is mainly represented by the royalties in U.S. dollars accrued on the licensing of the thin film getter technology for MEMS of new generation to ST (2.3 million of euro), by the capital gain realized by the Korean subsidiary from the sale of its factory located in Jincheon (0.5 million of euro), by public grants accrued by the Parent Company for ongoing research projects (0.3 million of euro), and by the indemnity received by the Parent Company following the expropriation of part of the land owned (0.3 million of euro). This item includes also the recharges of service fees carried out for the benefit of the new joint venture Actuator Solutions GmbH (0.2 million of euro).
Compared to the previous year, the capital gain realized by the Parent Company in 2010 for the sale of some assets (1.2 million of euro) was completely offset by the increased revenues from ST and by the capital gain realized by SAES Getters Korea Corporation.

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[3] Severance costs are equal to 508 thousand of euro in 2011 (of which 374 thousand of euro related to the shut-down of the Korean manufacturing site) and 1,657 thousand of euro in 2010.

[4] Saving resulting from the adoption of C.I.G. is equal to 942 thousand of euro as at December 31, 2011 and 482 thousand of euro as at December 31, 2010.

[5] Data calculated excluding the employees of the Chinese joint venture Nanjing SAES Huadong Vacuum Material Co., Ltd., transferred in April 2011.

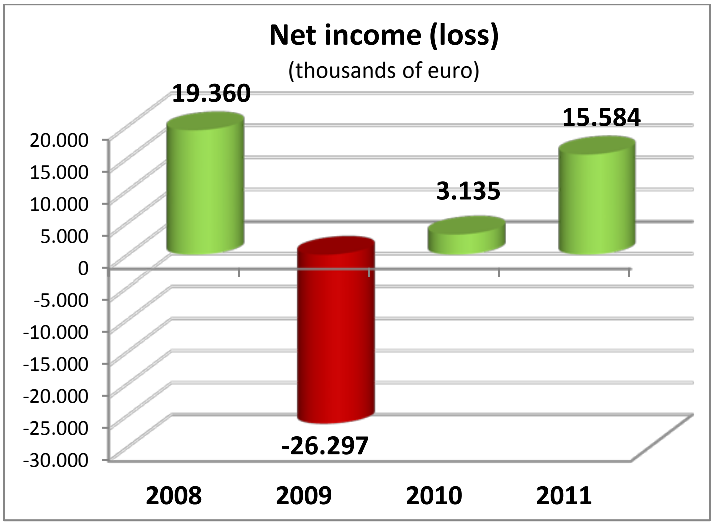
The net balance of financial income and expenses was negative and amounted to -1,750 thousand of euro[6] (compared to a negative balance of -2,146 thousand of euro in 2010) and it mainly includes interest expenses on loans held by the Parent Company and by the U.S. subsidiaries and the effect on the income statement of the evaluation of the Interest Rate Swap (IRS) contracts signed by the same U.S. companies.
The improvement compared to 2010 (+396 thousand of euro) was mainly due to the evaluation at fair value of the above mentioned Interest Rate Swaps (IRS) and to lower bank fees related to credit lines not used by the Parent Company; these items were partially adjusted by the evaluation with the equity method of the new joint venture Actuator Solutions GmbH (-264 thousand of euro).

In 2011, the sum of the exchange rate differences recorded a balance substantially at break-even (-58 thousand of euro), compared with a negative balance of -2,413 thousand of euro in 2010.
In the previous year, the exchange rate losses mainly occurred in the first half of the year and were derived 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. Starting from the second half of 2010, the Group has reduced the exposure of the Parent Company to its foreign affiliates and it has also integrated its hedging policy by subscribing forward sale contracts in euro with the aim of limiting unrealized exchange rate losses; the same hedging policy, maintained during the year 2011, has allowed to end the current financial year with a result related to the exchange rates close to zero.

In 2011 **consolidated net income before taxes** was equal to 11,001 thousand of euro, nearly doubled (+72.9%) compared to a net income before taxes equal to 6,363 thousand of euro in 2010.

Income taxes were positive and equal to 4,291 thousand of euro, compared to a negative balance of 3,291 thousand of euro in 2010. The presence of tax revenues, notwithstanding a positive income before taxes, is mainly due to the recognition, within the Italian perimeter, of deferred tax assets on tax losses, as a result of the changes in the Italian tax legislation that allow to carry forward past tax losses for an unlimited period of time (the previous law provided for the time limit of five years), and supported also by a better medium-term visibility on the future performance of some businesses and by the strategic choices taken with respect to the localization of some productions.
To these tax revenues also contributed the reversal of the fiscal provision (1,6 million of euro), accrued by the Parent Company in 2010 and released in 2011 after obtaining a positive response from the Italian Tax Authority regarding the tax ruling presented in March 2011 related to the request for not enforcing the "CFC" (Controlled Foreign Companies[7]) legislation on the income generated by SAES Getters Export, Corp., a U.S. subsidiary of SAES Getters S.p.A.

[6] This item includes the loss arising from the evaluation with the equity method of the new joint venture Actuator Solutions GmbH, equal to -264 thousand of euro.
[7] According to article 167, paragraph 8-*bis*,of the Italian Income Tax Code (TUIR), the income generated by foreign subsidiaries that meet certain requirements may be subject to a separate IRES taxation at the Italian parent company level. The next paragraph 8-*ter* provides that this requirement may be disapplied if the company domiciled in Italy demonstrates that the foreign establishment is not an artificial construction aimed to achieve an undue tax advantage to the detriment of the National Treasury.



The **Group's consolidated net income** amounted to 15,584 thousand of euro in 2011, showing a strong growth when compared to a net income of 3,135 thousand of euro in the previous year.

Please note that the net income includes an **income from discontinued operations and assets held for sale** equal to 292 thousand of euro (for further details please refer to the Note no. 11). The income from discontinued operations was equal to 63 thousand of euro in 2010.

Net financial position – Investments – Other information

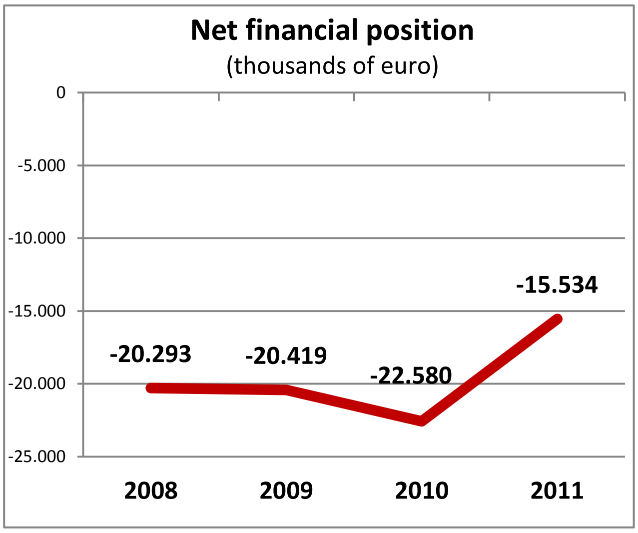
A breakdown of the items making up the consolidated net financial position is provided below:

(thousands of euro)

	December 31, 2011	June 30, 2011	December 31, 2010
Cash on hand	16	14	11
Cash equivalents	20.276	15.346	20.566
Cash and cash equivalents	**20.292**	**15.360**	**20.577**
Current financial assets	**0**	**103**	**0**
Bank overdraft	(1)	(3)	(1.504)
Current portion of long term debt	(26.156)	(9.942)	(11.683)
Other current financial liabilities	(1.335)	(1.583)	(948)
Current financial liabilities	**(27.492)**	**(11.528)**	**(14.135)**
Current net financial position	**(7.200)**	**3.935**	**6.442**
Long term debt, net of current portion	(7.621)	(24.856)	(29.971)
Other non current financial debt	(713)	(338)	(701)
Non current financial liabilities	**(8.334)**	**(25.194)**	**(30.672)**
Net financial position	**(15.534)**	**(21.259)**	**(24.230)**
Cash and cash equivalents held for sale	0	0	1.650
Total net financial position	**(15.534)**	**(21.259)**	**(22.580)**

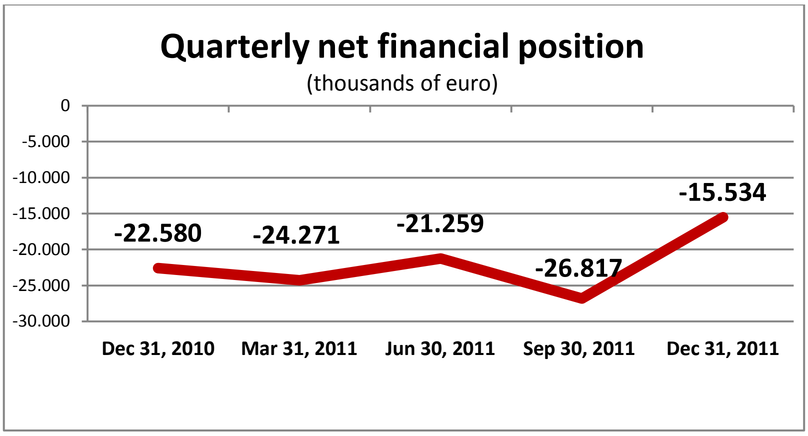
The **consolidated net financial position** as at December 31, 2011 was negative and equal to 15,534 thousand of euro (cash equal to +20,292 thousand of euro and net financial liabilities of -35,826 thousand of euro), compared with a negative net financial position of 22,580 thousand of euro as at December 31, 2010.

Please note that as at December 31, 2010, the net financial position included also the net cash of the Chinese joint venture Nanjing SAES Huadong Vacuum Material Co., Ltd., equal to 1,650 thousand of euro, that was sold to the minority shareholders in April 2011 following the execution of the transfer of the SAES Group's participation (for further details please refer to paragraph "Main events for year ended December 31, 2011") , net of which the net financial position would have been negative and equal to -24,230 thousand of euro.

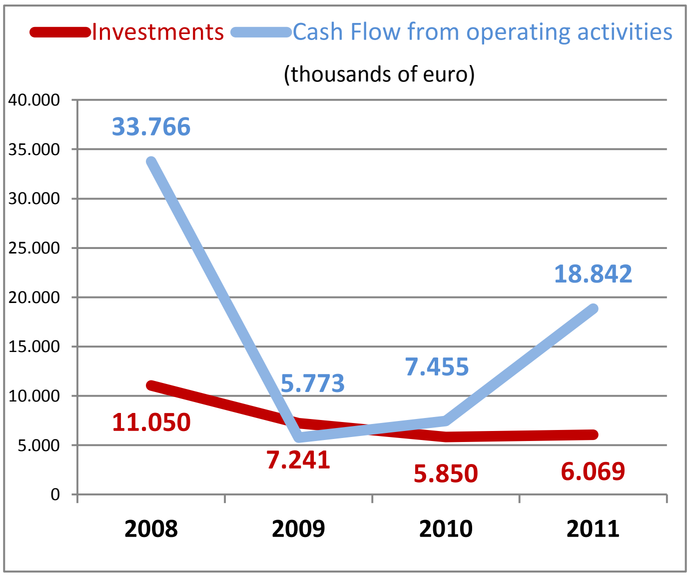


The significant improvement of the net financial position compared to December 31, 2010 (+7,046 thousand of euro) is due to the resources generated by operating activities (positively influenced by a lower absorption of working capital related to the growth of sales), which more than offset the investing activities (-6,311 thousand of euro) and the disbursement for the payment of dividends (-4,410 thousand of euro).
The exchange rate effect was slightly negative (approximately -0.4 million of euro): 88% of the Group's financial debts is in fact represented by loan 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.

The chart below shows the quarterly value of the net financial position during the fiscal year 2011:



Please note the significant improvement in the net financial position during the last quarter of 2011 (+11,283 thousand of euro), completely due to the cash flows generated by the operating activities: the self-financing generated by the Group during the last quarter has to be added to the improvement of the net working capital (in particular, decrease in trade receivables as a result of the receipts of this period).

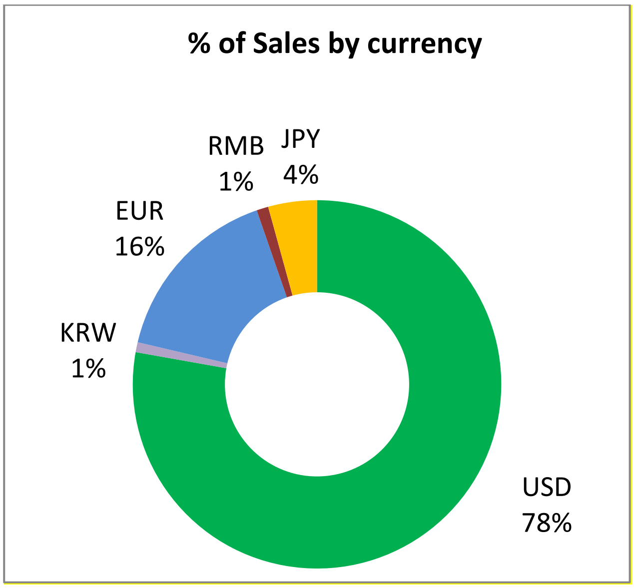


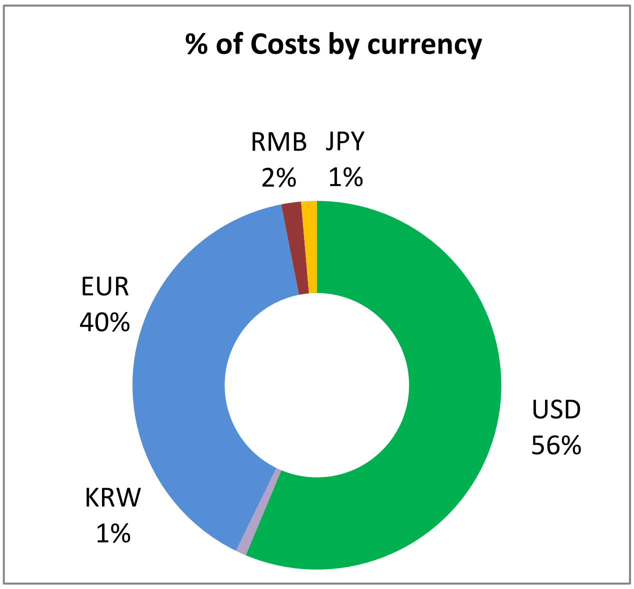
The financial resources generated by the operating activities in 2011 were positive and amounted to 18,842 thousand of euro (12.7% of consolidated revenues). In 2010 the cash flow from operating activities was equal to 7,455 thousand of euro (or 5.3% of revenues). This increase was mainly due to the growth of the self-financing (resulting both from the increase in revenues and the reduction of operating expenses), coming along with an improvement in the net working capital.

In 2011 the cash out for investments in tangible assets was equal to 6,069 thousand of euro, substantially in line with the previous year (5,850 thousand of euro) and it was partially offset by proceeds from the sale of certain assets equal to 1,869 thousand of euro (in particular, the plant and the production machinery of the subsidiary SAES Getters Korea Corporation). Investments in intangible assets were not significant (38 thousand of euro). For further details please refer to the Note no. 14.

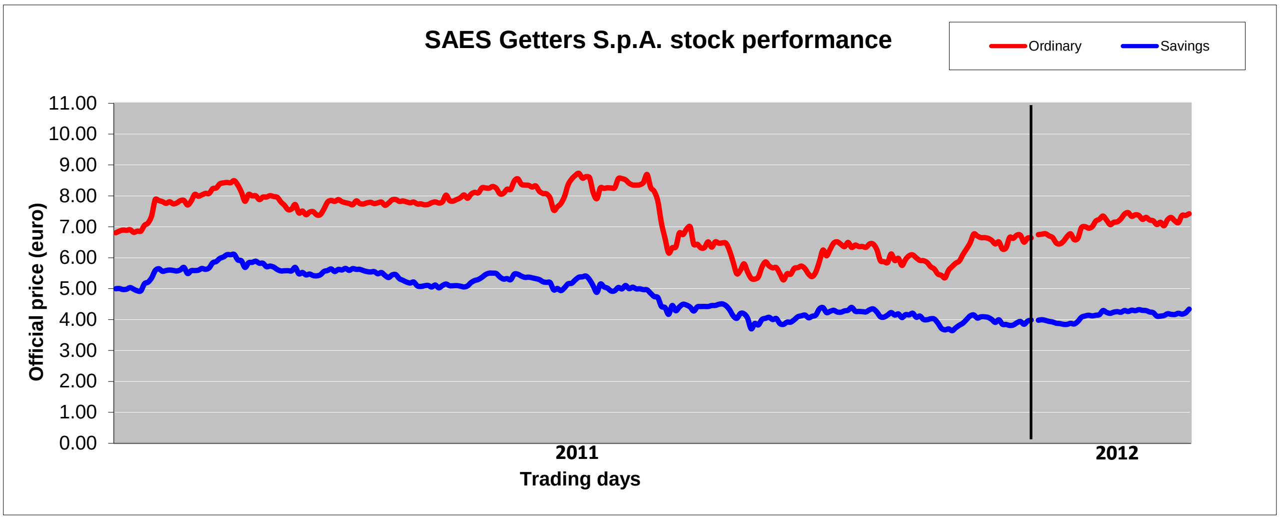
As at December 31, 2011, following the failure to comply with one of the three covenants existing on the loan held by the U.S. subsidiary Memry Corporation, the financial debt has been reclassified as current (for further details see Note no. 27). However, it should be noted that during the year 2012 the value of such covenant has been renegotiated with the financing institution in order to avoid the recall of the debt. The formalization of the new covenants to be applied starting from 2012 is currently underway and it is expected to be completed in a reasonably short time. In addition, please note that the Group has enough cash and cash equivalents and credit lines to cope with a possible repayment request.

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 the year 2011 is given below:



Ordinary and savings shares listed on the STAR segment of Mercato Telematico Azionario of Borsa Italiana in 2011 respectively decreased their values by -4% and -21%, compared with -26% and -19% recorded respectively on FTSE MIB and FTSE Italia Star indices.

The following table shows the main ratios:

Ratios		**2011**	**2010**	**2009**	**2009 *adjusted* (*)**
Operating income (loss)/Total net sales	%	8.6	7.8	-9.3	3.9
Income (loss) before taxes/Total net sales	%	7.4	4.5	-11.4	1.9
Net income (loss) from continuing operations/Total net sales	%	10.3	2.2	-13.6	-1.6
Net income (loss) from continuing operations/Average shareholders' equity (ROAE)	%	14.1	3.0	-15.5	-1.7
Research expenses/Total net sales	%	9.3	9.9	12.3	10.8
Depreciation (tangible assets)/Total net sales	%	6.0	6.4	8.6	8.1
Cash flow from operating activities/Total net sales	%	12.7	5.3	4.5	4.4
Taxes/Income (loss) before taxes	%	-39.0	51.7	-19.3	n.s.
Total net sales/Average number of personnel (**) (***)	keuro	145	141	124	124
Accumulated depreciation/Tangible assets	%	68.2	66.4	67.7	67.7

(*) 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)

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

(***) 2009, 2010 and 2011 data have been calculated without considering the employees of the Chinese joint venture Nanjing SAES Huadong Vacuum Material Co., Ltd.

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

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

During the year, the company achieved a turnover of 38,657 thousand of euro, with a decrease from 42,828 thousand of euro in the previous period. The decrease in sales of mercury dispensers for LCDs (caused by the structural crisis of this business), of getter pumps for particle accelerators (due to fewer special projects undertaken by the customers in this area) and of getters for solar collectors is only partially offset by the growth of sales in all other sectors of the Industrial Applications Business Unit. The company ended the year with a net income of 5,458 thousand of euro, to be compared with 7,809 thousand of euro in the previous financial year: the decline in sales caused a reduction of the gross margin, which negatively reflected on the net result, despite the containment of operating expenses.

The use of *Cassa Integrazione Guadagni* (C.I.G. – redundancy fund) instrument during the quarter May-July 2011 generated a decrease in personnel costs equal to 672 thousand of euro (120 thousand of euro in 2010).

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

The company reported consolidated net sales of USD 95,912 thousand during the year 2011 (68,902 thousand of euro at the average exchange rate for the period), compared with USD 65,374 thousand (49,313 thousand of euro at the average exchange rate of the previous period) and a consolidated net income of USD 9,928 thousand (7,132 thousand of euro), compared to a consolidated net income of USD 7,207 thousand in 2010 (5,437 thousand of euro).

Further comments are provided below.

The U.S. parent company ***SAES Getters USA, Inc.*** (which operates primarily in the Industrial Applications Business Unit) reported sales of USD 9,734 thousand, down if compared with those of the previous fiscal year (USD 12,205 thousand). The company's turnover was affected, especially during the second half of the year, by the slowdown in the U.S. public spending in the military sector.

The company closed the period with a net income of USD 9,928 thousand, compared to a net income of USD 7,207 thousand in 2010: the increase, despite the drop in turnover, was due to greater income on the measurement of the equity investment in the subsidiary SAES Pure Gas, Inc., which closed the year 2011 with a significantly higher net income than the one of the previous year. The year 2010 was also negatively impacted by foreign exchange losses originated, especially during the first half of the year, from the translation of the cash pooling financial receivable, denominated in euro, toward the Parent Company, following the appreciation of the U.S. dollar against euro. In 2011 the financial exposure of SAES Getters S.p.A. to its U.S. subsidiary was significantly reduced and the foreign exchange result was substantially close to zero.

The subsidiary ***SAES Pure Gas, Inc.***, based in San Luis Obispo, CA (USA) (active in the Semiconductors Business) reported sales of USD 79,160 thousand (compared to USD 46,059 thousand in the previous year) and a net income equal to USD 6,876 thousand, with a strong growth (+68%) compared with the net profit of 2010 (USD 4,095 thousand). This significant increase in the net income is a consequence of sales of purifiers which have more than doubled from the past fiscal year, driven by both new investments in factories of semiconductors and new plants for the production of LEDs and OLEDs.

The subsidiary ***Spectra-Mat, Inc.***, Watsonville, CA (USA), active in the Electronic Devices Business, achieved a turnover of USD 7,018 thousand in 2011, substantially aligned with the previous year (USD 7,110 thousand), and a net loss of USD 125 thousand (USD 247 thousand was the loss as at December 31, 2010). With the same turnover and the same gross margin, the containment of operating expenses (in particular, general and administrative expenses) has allowed to halve the net loss of the period.

SAES GETTERS AMERICA, Inc., Cleveland, OH (USA)

The company, which last year had only operated as a distributor of products made by other Group's companies in the U.S. market, during 2011 has resumed its manufacturing activity, using the production facilities and the resources of the U.S. subsidiary SAES Getters USA, Inc., after having signed with the Parent Company an agreement for the licensing of the PageLid® technology.
The U.S. subsidiary has achieved during the year 2011 net sales of USD 7,480 thousand (5,374 thousand of euro), down from USD 8,249 thousand (6,222 thousand of euro): the increase in sales related to the new PageLid production has only partially offset the decline in the lamps segment (which was impacted by the difficult economic situation) and the reduction in the volumes of getter pumps for particle accelerators.
The period ended with a net income of USD 3,780 thousand (2,715 thousand of euro), compared to a net income of USD 1,518 thousand (1,145 thousand of euro) in 2010: despite the decline in sales, the marketing of products with higher profitability on one side and the recognition of deferred tax assets on previous years' tax losses on the basis of their likely future use on the other side, allowed to increase the net income.
Please note that, in December 2011, SAES Getters America, Inc. was sold by SAES Getters International Luxembourg S.A. to SAES Getters USA, Inc., both wholly owned subsidiaries of SAES Getters S.p.A., at a price equal to USD 10.6 million. This transfer, together with the subsequent merger planned for the beginning of the year 2012 (for further details please refer to the paragraph "Subsequent Events"), will allow the achievement of economies of scale and the pursuit of operational efficiency between the two U.S. companies which, as already noted above, use the same production facilities and the same resources for carrying out the manufacturing and commercial activities.
Finally, it should be noted that at the beginning of 2012 an agreement was signed for the sale of the plant site in Ohio of SAES Getters America, Inc. and of the machinery located in it (assets already classified as held for sale as at December 31, 2011). For further details, please see the section "Subsequent Events".

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

The company, which carries out manufacturing activity mainly in the CRTs business and deals with the resale in the Chinese market of products manufactured by other Group companies, ended the 2011 with net sales equal to RMB 35,977 thousand (3,999 thousand of euro), compared to a turnover of RMB 46,540 thousand (equal to 5,188 thousand of euro) in the previous year. The drop in the sales of getters for CRTs was partially offset by higher 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 in the vacuum thermal insulation business. The company ended the period with a net loss of RMB 5,235 thousand (582 thousand of euro), down from a net income of RMB 1,526 thousand (170 thousand of euro) in the previous year, mainly due to the reduction in sales volumes in the CRT business. Please also note that the 2011 income statement was affected by foreign exchange losses realized from the translation of cash and cash equivalents denominated in euro, following the appreciation of the renminbi against the euro.

MEMRY GmbH, Weil am Rhein (Germany)

The company, which manufactures and markets in the European market shape memory alloy components for both medical and industrial applications, in 2011 reported sales equal to 3,222 thousand of euro, up by 32% if compared to sales equal to 2,439 thousand of euro in the previous year, and a net income of 71 thousand of euro, compared to 115 thousand of euro in 2010.
The reduction of the net income, despite the increase in sales mainly in the medical SMA segment, is due to the increase in operating expenses (in particular, selling expenses increased, as a result of the strengthening of the company's commercial structure).
It should be noted that SAES Getters S.p.A., which currently owns 60% of the German company, on December 15, 2008, besides the purchase of an additional 10% shareholding, entered into an agreement to acquire the reminder of the company's capital stock in two installments, each equal to 20% shareholding, respectively in the first half 2012 and in the first half 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 exports of some U.S. Group's companies.
In 2011 it reported a net income of USD 14,114 thousand (10,140 thousand of euro), sharply increased from the last year (USD 7,920 thousand, equal to 5,974 thousand of euro) as a consequence of higher commission income collected from the associate SAES Pure Gas, Inc., whose exports increased significantly during the current year.

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

The company, a spin-off supported by the National Research Council (CNR), incorporated in February 2010, is located in Bologna and has as its purpose the development of functional materials for applications in the Organic Electronics and in the Organic Photonics and also the development of integrated organic photonic devices for niche applications.
The company, 85% controlled by the Parent Company and which operates exclusively as a research centre for the above mentioned developments, ended the year 2011 with a net loss equal to -1,985 thousand of euro (-1,605 thousand of euro the net loss of the period February-December 2010), which, under the signed Shareholders' Agreements, will be entirely covered by SAES Getters S.p.A. at the beginning of 2012 (for more details, please refer to the paragraph "Subsequent Events").

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

The company, 100% owned by SAES Getters S.p.A., was established on May 12, 2011, and it has as its business purpose the design, the production and the sale both of shape memory alloy instruments and actuators and of getters and any other equipment for the creation of high vacuum. The company

can also take on interests and investments in other companies useful for the achievement of the company’s purpose.
On July 5, 2011, SAES Nitinol S.r.l. incorporated the joint venture Actuator Solutions GmbH, together with the German group Alfmeier Präzision (for further details on the new joint venture, please refer to the section “Significant events in the year 2011” of this Report and to the Notes no. 8 and no.16 of the Consolidated financial statements).
The company ended the fiscal year 2011 with a loss of 13 thousand of euro, which will be covered by SAES Getters S.p.A. at the beginning of 2012 (for more details, please refer to the paragraph “Subsequent Events”).

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

The company’s main objects are the management and the acquisition of investments, the optimal cash management, the grant of intra-Group loans and the coordination of Group services.
In the year 2011, the company reported a net income equal to 6,134 thousand of euro, compared to a net loss of -4,707 thousand of euro in the previous year.
Please note that the 2011 result includes the capital gain from the disposal of the investment in SAES Getters America, Inc. to SAES Getters USA, Inc. (+6,191 thousand of euro), while in the year 2010 the result had been penalised by the adjustment of the value of some investments in subsidiaries (-5,928 thousand of euro). Excluding these figures, the net result decreases from an income of 1,221 thousand of euro to a loss of 57 thousand of euro, mainly due to lesser dividends collected from the subsidiaries.

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., whereas the remainder of the capital stock is held directly by the Parent Company SAES Getters S.p.A. It should be noted that the Korean company, which operated primarily in the production of components for liquid crystal displays, during the first half of 2011, as a consequence of the further decline in the LCD business, ceased the production and sold the industrial building to local third parties. It will continue to operate as a distributor of products made by other Group’s companies in the Korean market. The effect on the income statement of this operation was positive and equal to KRW +151 million (about 97 thousand of euro), originated from the difference between the capital gain deriving from the assets’ sale (KRW 766 million) and the severance costs and other costs related to the disposal (KRW 615 million).
In the fiscal year 2011 the company reported net sales equal to KRW 3,980 million (2,582 thousand of euro), sharply down from KRW 9,227 million (6,023 thousand of euro), due to the already mentioned structural crisis in the LCD segment, which resulted in a decline in both volumes and prices of the products sold. The period ended with a net loss equal to KRW 157 million (-102 thousand of euro), compared to a net loss of KRW 5,193 million (-3,391 thousand of euro) in 2010. The significant reduction of the loss, despite the decline in sales, is the result of the rationalization of the production structure, which concluded with the above mentioned sale of the plant to local third parties. The 2010 result was also affected by the exchange losses arising from the conversion of the liquid availability and of the cash pooling financial credit towards the Parent Company, both denominated in euro, following the revaluation of the Korean won compared with December 31, 2009; during the current year, these exchange differences have been neutralized by the subscription of specific hedging contracts.

The company ***SAES Smart Materials, Inc.***, based in New York, NY (USA), active in the development, production and sale of shape memory alloy semi-finished products, achieved during the year 2011 net sales equal to USD 14,818 thousand (10,645 thousand of euro), with a strong growth (+33.9%) compared to USD 11,065 thousand (8,346 thousand of euro) in 2010. The period ended with a net income of USD 2,884 thousand (2,072 thousand of euro), compared to a net income

of USD 2,279 thousand (1,719 thousand of euro) in 2010: the increase is mainly due to higher sales volumes, which have allowed the improvement in profitability.
Please note that the 2010 income statement had benefited from the accounting of deferred taxes (equal to approximately USD 1.5 million) on temporary differences not recognised in the past years, but recorded in 2010 due to their probable recovery for the expected future tax profits.

Memry Corporation, Bethel, CT (USA), is a technological leader in the new generation medical devices with high engineering value sector, made of NiTinol shape memory alloys.
In 2011, the company achieved sales of USD 38,353 thousand (27,553 thousand of euro), compared to sales of USD 40,532 thousand (30,574 thousand of euro) in 2010: the decrease in sales over the previous year is mainly due to the reduced sales of two components at the end of their life cycle, only partially offset by the development of new products introduced in the second half of the year.
2011 net income was equal to USD 628 thousand (451 thousand of euro), compared with a net income of USD 384 thousand (290 thousand of euro) in the fiscal year 2010: despite the decrease in revenues and a gross profit penalized by write-downs for about USD 1.1 million (related both to the replacement of some plants and machinery for the production of some mature medical components with more innovative ones and to the optimization of the production structure through the concentration of some productions in the plant located in Bethel and the shut-down of one of the two plants located in Menlo Park), the higher profitability of the new products and the decrease in operating expenses (lower bonuses and lower amortization as a result of the end of the useful life of some intangible assets identified in 2008 at the time of acquisition) allowed to close the year with a net income almost double compared with that of the previous year.
It should be noted that the 2009 income tax return of Memry Corporation is subject to audited by the U.S. Revenue Agency; at the time of writing, no objection emerged from the tax audit and, consequently, the company has not recognized any provision for risks.

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, 2011, 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 2011, as shown by the amount of the related expenditure, which came to 13,881 thousand of euro equal to 9.3% of consolidated net sales. The expenditure remained essentially unchanged, confirming the importance of research for the SAES Getters Group.

During 2011, research activity focused primarily on large diversification projects in the area of organic chemistry. E.T.C. S.r.l., spin-off supported by the National Research Council based in Bologna, developed the basic skills for the implementation of OLET, i.e. organic transistors that are characterized by being able to work both as light emitters and as sensors. The work led to the creation of the first working demonstrators and to the filing of the first patents - the starting point for the creation of value of this initiative. The 2012 activity will focus on the consolidation of the results achieved until now, but also on the identification of application niches of this new technology, with a special attention to the medical diagnostics sector.

E.T.C. S.r.l. also contributed to a strong acceleration in the development of new organic getters for OLED (AqvaDry® and DryPaste®) that during the year passed several qualification phases with important Asiatic customers, thanks to the contribution of further improvements in the absorption characteristics. The OLED technology is almost ready for use in large displays for television application; the commercial launch of the latter is expected for the second half of 2012 and, therefore, a commercial outlet is expected in the short term for our organic getters, together with the new dispensers of alkaline metals for OLED displays (AlkaMax® and ZeoGlue®).

In the first months of 2011, the organic chemistry laboratory completed successfully the due diligence of the technology developed by the American PureLightLabs, LLC (PLL), laboratory. Therefore, an agreement with a period of validity of 12 months was signed with PLL for the development and production of an organic material with a high index of refraction for CMOS, miniaturized optical sensors normally used in miniature cameras for mobile phones or personal computers. Once developed, the product will be tested by two big European users and, in case of a positive qualification, the license to produce and market this material for CMOS - whose market is expected to grow strongly in the years to come - will be purchased from PLL.

In 2011, the company completed successfully the development of new products for the renewable energy sector. During 2011, the qualification, by an important producer of CIS photovoltaic modules with thin film, of the new product B-Dry®, was completed. Its marketing started in the second part of the year, preceded by the signing of a long-term supply contract. The Group also started the development of a second generation of this type of products that aims to broaden the customer base.

Always in the field of renewable energy, the Group continued to develop getters for lithium batteries and super-condensers. In particular, in this second field of application, excellent feedbacks must be reported from customers who tested our products.

The development of the new family of high vacuum pumps NEXTorr® was very intense. The first models, presented at the end of 2010, had a market success beyond our own expectations and the range will be enriched by other new models over the next few months, contributing significantly to the increase in Business Vacuum Systems & Thermal Insulation. We report in this regard that NEXTorr® D100 won the important recognition called “2011 R&D 100 Award”. Always within this business area, we point out also the development of a new getter for vacuum insulated panel that will take up a position alongside the current ComboGetter® with performance and prices aligned to market requirements, which in Asia are increasing very quickly.

Always within the Industrial Applications Business Unit, research activities of new mercury dispensers for compact fluorescent lamps (CFL) continues; this is an activity of high strategic importance because it would allow us to enter an expanding market following the banishing of incandescent bulbs.

In the field of shape memory alloys (SMA), the development activity of the new joint venture Actuator Solutions GmbH already during 2011 was committed on several businesses (automotive, white goods and vending machines) and some devices could be marketed already during 2012. Moreover, the development of a miniaturized image stabilizer system was particularly intense (Optical Image Stabilizer - OIS), for new generation mobile phones and smartphones for which the German joint venture purchased a production license from the English company Cambridge Mechatronics Limited (CML). The OIS function, not yet present in high-end mobile phones, is highly demanded by the marketplace to offset the negative consequences of the vibration of the hand while shooting pictures on the quality of the images themselves. The SMA technology lends itself to the development of this microsystem and ensures better performance and more compact dimensions than those achievable with other handling technologies. The development will continue in 2012, classified in service contracts with potential customers and, if trade negotiations are successful, the production is expected in the first half of 2013.

Always in the SMA field, within SAES, 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.

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 markets are more sensitive to the performance of macroeconomic indicators (GDP trends, consumer confidence levels, availability of liquidity, etc.) than others. In particular, during 2011 the economic crisis had some negative effects on solar thermodynamic business and on military sector, particularly depending from public investments. The effect on the Group’s performance was a decline in demand of getters for solar collectors and military applications, with effects on revenues and margins.

Also the lamps business, mainly in the second half of the year, was impacted by the difficult economic situation;, however, the SAES Getters Group was able to partially offset the decline of volumes in the historical geographic areas, with the expansion in emerging Asian countries.

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 fixed costs structure, however maintaining those functions (engineering, applied research, etc.) necessary to ensure a rapid reaction of the production structures when the suffering areas manifest signs of recovery.

Competition
The Group is active in the upstream segment of both the value chains and the production processes in the industrial sectors in which it operates and thus it does not sell to end consumers (B2B, i.e. Business-to-Business).
This decreases the SAES 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, repositioning the offer along different stages of the value chain and trying to maximize the leverage provided by 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, also through alliances and agreements with leading specialized centers of study.
Finally, even with the establishment of new joint venture Actuator Solutions GmbH, the Group intends to pursue the goal of changing its position in the value chain, moving from the production of simple components to the production of more complex devices that can be sold directly to their end users, with the possibility, thanks to the greater closeness to the customers, to better face the competition.

Technological obsolescence of products
A typical risk of companies that operate in the consumer electronics industry is the accelerated technological obsolescence of applications and technologies 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 phenomenon of technological obsolescence.
In addition, as mentioned above, the Group seeks to reduce its dependence on a single industry/application by diversifying the markets in which it operates.

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.

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

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

Protection of intellectual property
The SAES 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, and closely monitoring the commercial initiatives of its competitors, in order to promptly identify potential prejudices to the value of these patents.

Risks related to the production capacity
The rationalization of the Group's manufacturing and marketing structures is leading to increasing polarization, with Italy, and the Avezzano facility in particular, emerging as the sole manufacturing center for getter 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.

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

In order to limit potential effects of such risk, the group tried to increase the integration between commercial facilities and the Operations function, in order to anticipate as much as possible the development of demand; in addition, the main factories have sought to maximize the flexibility of its structures, with particular regard to indirect activity centers.

Risks related to dealings with suppliers
This risk refers to the possibility that limited sources of energy and other key resources and/or difficulty in accessing such resources could jeopardize the ability to manufacture quality products at competitive prices and in a timely manner.
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 with a financial nature, and in particular:

- *Interest-rate risk*, associated with the volatility of interest rates, which may influence the cost of the use of debt financing or the return on temporary investments of cash;
- *Exchange-rate risk*, associated with the volatility of exchange rates, which may influence the related value of the Group's costs and revenues denominated in currencies different from the euro

and may thus have an impact on the Group's net income or loss; on the value of the exchange rates it also depends the amount of financial receivables/payables denominated in currencies other than the euro, with potential effect both on the net income and on the net financial position as well;

- *The risk of changes in prices of raw materials*, which may affect the Group's product margins if these changes are not charged to the price agreed upon with customers;
- *Credit risk*, associated with the solvency of customers and the ability to collect receivables claimed from them;
- *Liquidity risk*, associated with the Group's ability to procure funds to finance its operating activity.

With reference to financial risks, the Board of Directors periodically re-examines and sets risk-management policies, as described in detail in the Note no. 37, to which the reader may also refer for the associated sensitivity analyses.

Subsequent events

Following the failure to comply with a covenant existing on the loan held by the U.S. subsidiary Memry Corporation as at December 31, 2011 (for further details please refer to the Note no. 27), in the early months of 2012 the value of such covenant has been renegotiated with the financing institution. At the same time it has been defined a waiver fee (0.25% of the outstanding amount of the financing, already included in the financial expenses of the year 2011) for the waiver of the recall of the debt by the issuing bank. The formalization of these contractual changes and the redefinition of the covenants to be applied in the future years are currently underway and they are expected to be completed in a reasonably short time. In addition, please note that the Group has enough cash and cash equivalents and credit lines to cope with a possible repayment request.

On February 21, 2012 the Parent Company signed a new stand-by credit line with a leading banking institution for a total amount of 15 million of euro expiring in August 2013.
This credit line may be used to cope with temporary financial needs related to the working capital or that might arise during the completion of new acquisitions.

Subsequent to December 31, 2011 and until March 13, 2012 no further forward contracts on trade receivables in U.S. dollars and Japanese yen have been signed.

On February 15, 2012 the capital stock of the joint venture Actuator Solutions GmbH, equal to 1,012 thousand of euro, has been increased to 2,000 thousand of euro, through the payment of 494 thousand of euro by each of the two shareholders, SAES Nitinol S.r.l. (SAES Getters) and SMA Holding GmbH (Alfmeier).

On February 23, 2012 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 injection of 1,985 thousand of euro (equal to the total loss recorded by E.T.C. S.r.l. during the year 2011), of which 1,666 thousand of euro through the waiver of a financial credit, 297 thousand of euro by giving up a trade receivable, both of them due by the same E.T.C. S.r.l., and the remaining 22 thousand of euro by cash. The Parent Company's percentage of ownership remained unchanged from December 31, 2011 (equal to 85% of the share capital).

Always on February 23, 2012, SAES Getters S.p.A. has approved a capital injection of 13 thousand of euro in favour of the subsidiary SAES Nitinol S.r.l. (equal to the net loss recorded by the same subsidiary during the fiscal year 2011) to restore the capital stock dropped below one third because of the 2011 losses.

On January 1, 2012 the merger of SAES Getters America, Inc. into SAES Getters USA, Inc. (the first company 100% owned by the second company) was finalized.
This transaction will enable the achievement of economies of scale and the pursuit of operational efficiency between the two companies. In this regard SAES Getters America, Inc. already used the production structure and resources of SAES Getters USA, Inc. for the carrying out of its manufacturing operations.

On February 29, 2012 SAES Getters USA, Inc. signed an agreement for the sale of the plant and the machinery located in Ohio (previously owned by SAES Getters America, Inc.), at a selling price equal to USD 950 thousand. It should be noted that these assets were already classified as assets held for sale as at December 31, 2011.

Business outlook

In the first two months of 2012 **consolidated revenues**[8] were equal to 26,587 thousand of euro, showing an increase of 6.1% over the corresponding period of 2011 (25,049 thousand of euro). The exchange rate effect was positive and equal to 3.7%, while the organic growth was equal to 2.4%.
We report a good performance in all businesses, with the exception of the military sector and the solar thermodynamic one. Excellent recovery in the sales of pumps for particle accelerators.

Consolidated revenues of the **Industrial Applications Business Unit** amounted to 18,378 thousand of euro in the first two month of 2012, with an improvement comparing to the corresponding period of 2011 equal to 17,502 thousand of euro. The exchange rate effect was positive (+3.8% at Business Unit level).

Consolidated revenues of the **Shape Memory Alloys Business Unit** were equal to 7,655 thousand of euro in the first two months of 2012, with an increase compared with 6,732 thousand of euro of net sales in the corresponding period of 2011 (+13.7%). The exchange rate effect was positive and equal to 3.7%, while the organic growth was equal to 10%.

Consolidated net sales of the **Information Displays Business Unit** during the first two months of 2012 were equal to 554 thousand of euro, compared with 815 thousand of euro in the corresponding period of 2011. The exchange rate effect was positive and equal to 2.8%.

In 2012, the weakness of the military sector will continue and we expect the downturn of the cyclical business of semiconductors; these trends will be offset by the revenues' growth generated by the new products of the Group.

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 the Note no. 37 of the Consolidated financial statements.

[8] Please note that, as a result of their transfer to production:
- sales of highly sophisticated getter for OLED screens have been transferred from the Advanced Materials Business Development Unit to the Information Displays Business Unit;
- similarly, sales of sealing getters for solar cells were transferred from the Advanced Materials Business Development Unit to the Industrial Applications Business Unit.

2011 revenues were subject to the same reclassifications in order to enable a homogeneous comparison with 2012.

Consolidated Financial Statements
for the year ended December 31, 2011

Consolidated income statement

(thousands of euro)	Notes	2011	2010
Total net sales	3	**148,644**	**140,574**
Cost of sales	4	(88,730)	(79,846)
Gross profit		**59,914**	**60,728**
Research & development expenses	5	(13,881)	(13,892)
Selling expenses	5	(13,855)	(14,027)
General & administrative expenses	5	(23,170)	(25,492)
Total operating expenses		**(50,906)**	**(53,411)**
Other income (expenses), net	6	3,801	3,605
Operating income (loss)		**12,809**	**10,922**
Interest and other financial income	7	411	256
Interest and other financial expenses	7	(1,897)	(2,402)
Share of result of investments accounted for using the equity method	8	(264)	0
Foreign exchange gains (losses), net	9	(58)	(2,413)
Income (loss) before taxes		**11,001**	**6,363**
Income taxes	10	4,291	(3,291)
Net income (loss) from continuing operations		**15,292**	**3,072**
Net income (loss) from assets held for sale and discontinued operations	11	292	63
Net income (loss) for the period		**15,584**	**3,135**
Minority interests in consolidated subsidiaries		0	0
Group net income (loss) for the period		**15,584**	**3,135**
Net income (loss) per ordinary shares	12	0.7011	0.1366
Net income (loss) per savings shares	12	0.7179	0.1533

Consolidated statement of comprehensive income

(thousands of euro)	Notes	2011	2010
Net income (loss) for the period		**15,584**	**3,135**
Exchange differences on translation of foreign operations	26	3,549	5,983
Exchange differences on discontinued operations	26	0	201
Other comprehensive income (loss) for the period		**3,549**	**6,184**
Total comprehensive income (loss) for the period		**19,133**	**9,319**
attributable to:			
-Equity holders of the Parent Company		19,133	9,319
-Minority interests		0	0

Consolidated statement of financial position			
(thousands of euro)	Notes	December 31, 2011	December 31, 2010
ASSETS			
Non-current assets			
Property, plant and equipment, net	14	59,263	63,813
Intangible assets, net	15	44,009	44,411
Investments accounted for using the equity method	16	242	0
Deferred tax assets	17	14,778	5,562
Tax consolidation receivables from Controlling Company	18	135	77
Other long term assets	19	932	439
Total non current assets		**119,359**	**114,302**
Current assets			
Inventory	20	30,605	27,748
Trade receivables	21	21,982	22,931
Prepaid expenses, accrued income and other	22	4,614	5,230
Tax consolidation receivables from Controlling Company	18	0	229
Cash and cash equivalents	24	20,292	20,577
Assets held for sale	25	648	2,277
Total current assets		**78,141**	**78,992**
Total assets		**197,500**	**193,294**
EQUITY AND LIABILITIES			
Capital stock		12,220	12,220
Share issue premium		41,120	41,120
Treasury shares		0	0
Legal reserve		2,444	2,444
Other reserves and retained earnings		47,846	49,121
Other components of equity		3,814	557
Net income (loss) of the period		15,584	3,135
Group shareholders' equity	26	**123,028**	**108,597**
Other reserves and retained eanings of third parties		3	3
Net income (loss) of third parties		0	0
Minority interest in consolidated subsidiaries		**3**	**3**
Total equity		**123,031**	**108,600**
Non current liabilities			
Financial debt	27	7,621	29,971
Other non current financial debt	28	713	701
Deferred tax liabilities	17	5,038	4,146
Staff leaving indemnities and other employee benefits	29	7,095	6,788
Provisions	30	1,937	1,713
Other payables		0	0
Total non current liabilities		**22,404**	**43,319**
Current liabilities			
Trade payables	31	11,463	11,006
Other payables	32	9,226	9,428
Accrued income taxes	33	1,015	390
Provisions	30	2,045	3,412
Derivative financial instruments evaluated at fair value	23	826	948
Current portion of medium/long term financial debts	27	26,156	11,683
Other current financial debts	28	509	0
Bank overdraft	34	1	1,504
Accrued liabilities	35	824	1,354
Liabilities held for sale	25	0	1,650
Total current liabilities		**52,065**	**41,375**
Total equity and liabilities		**197,500**	**193,294**

Consolidated cash flow statement

(thousands of euro)	2011	2010
Cash flow from operating activities		
Net income (loss) from continuing operations	15,292	3,072
Net income (loss) from assets held for sale and discontinued operations	292	63
Current income taxes	3,831	6,002
Changes in deferred income taxes	(8,122)	(2,726)
Depreciation	8,891	9,187
Write down (revaluation) of property, plant & equipment	1,207	66
Other write-downs (revaluations) of net assets held for sale	0	2,413
Amortization	2,021	2,845
Write down (revaluation) of intangible assets	0	0
Net loss (gain) on disposal of property, plant and equipment	(569)	(1,294)
Interest and other financial income (expenses), net	1,749	2,147
Other non-monetary costs	(356)	593
Accrual for termination indeminities and similar obligations	856	584
Changes in provisions	356	(2,017)
	25,448	**20,935**
Working capital adjustments		
Cash increase (decrease) in:		
Account receivables and other receivables	329	(5,149)
Inventory	(1,889)	(6,377)
Trade account payables	(73)	2,073
Other current payables	(100)	(364)
	(1,733)	**(9,817)**
Payment of termination indemnities and similar obligations	(386)	(778)
Interests and other financial payments	(462)	(590)
Interests and other financial receipts	186	189
Taxes paid	(4,211)	(2,484)
Net cash flows from operating activities	**18,842**	**7,455**
Cash flows from investing activities		
Disbursements for acquisition of tangible assets	(6,069)	(5,850)
Proceeds from sale of tangible and intangible assets	1,869	1,310
Disbursements for acquisition of intangible assets	(38)	(153)
Investment in joint venture	(506)	0
Cash paid to joint venture minority shareholders	(1,540)	(3,423)
Decrease (increase) in assets and liabilities held for sale	(27)	166
Net cash flows from investing activities	**(6,311)**	**(7,950)**
Cash flows from financing activities		
Proceeds from long term financial liabilities, current portion included	3,630	7,305
Proceeds from short term financial liabilities	0	1,500
Dividends payment	(4,410)	0
Repayment of financial liabilities	(13,704)	(9,948)
Interest and other costs paid on financial liabilities	(1,257)	(1,309)
Changes in minority interest in consolidated subsidiaries	0	3
Net cash flows from financing activities	**(15,741)**	**(2,449)**
Net foreign exchange differences	1,278	2,876
Net (decrease) increase in cash and cash equivalents	**(1,932)**	**(68)**
Cash and cash equivalents at the beginning of the period	**22,223**	**22,291**
Cash and cash equivalents at the end of the period	**20,291**	**22,223**

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

(thousands of euro)	Capital stock	Share issue premium	Treasury shares	Legal reserve	Other components of equity		Other reserves and retained earnings	Net income (loss)	Group shareholders' equity	Minority interests	Total euiqty
					Currency conversion reserve	Currency conversion reserve from discontinued operations					
December 31, 2010	**12,220**	**41,120**	**0**	**2,444**	**265**	**292**	**49,121**	**3,135**	**108,597**	**3**	**108,600**
Appropriation of 2010 result							3,135	(3,135)	0		0
Dividends paid							(4,410)		(4,410)		(4,410)
Reversal of currency conversion reserve after the sale of subsidiaries						(292)			(292)		(292)
Net income (loss)								**15,584**	**15,584**		**15,584**
Other comprehensive income (loss)					3,549				3,549		3,549
Total comprehensive income (loss)					**3,549**			**15,584**	**19,133**		**19,133**
December 31, 2011	**12,220**	**41,120**	**0**	**2,444**	**3,814**	**0**	**47,846**	**15,584**	**123,028**	**3**	**123,031**

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		Other reserves and retained earnings	Net income (loss)	Group shareholders' equity	Minority interests	Total euiqty
					Currency conversion reserve	Currency conversion reserve from discontinued operations					
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**		**9,319**
December 31, 2010	**12,220**	**41,120**	**0**	**2,444**	**265**	**292**	**49,121**	**3,135**	**108,597**	**3**	**108,600**

1. BASES OF PREPARATION AND ACCOUNTING POLICIES

Bases of preparation

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

The Parent Company SAES Getters S.p.A., based in Lainate (Italy), is controlled by S.G.G. Holding S.p.A.[9], which does not exercise management and coordination activity.
The Board of Directors approved and authorized the publication of the 2011 Consolidated Financial Statements in a resolution passed on March 13, 2012.

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 the Note no. 2 "Main accounting principles".

The Consolidated Financial Statements for the year ended December 31, 2011 have been prepared in accordance with the IFRSs issued by the International Accounting Standards Board ("IASB") and approved by the European Union ("IFRS"), Consob resolutions no. 15519 and no. 15520 of July 27, 2006, Consob communication no. DEM/6064293 of July 28, 2006 and article 149-*duodecies* of the Issuers Regulations. The abbreviation "IFRS" includes all revised international accounting standards ("IAS") and all interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC"), included those previously issued by the Standing Interpretations Committee ("SIC").
In the interest of comparability, the comparative figures for 2010 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 provides 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 is considered more suitable to represent the Group's specific business, is compliant with internal reporting procedures, and in line with standard industry practice;
- the Consolidated cash flow statement has been prepared by stating cash flows provided by operating activities according to the "indirect method" as permitted by IAS 7.

In addition, as required by 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

[9] Based in Milan at Via Vittor Pisani 27.

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;
- income/expenses arising from reorganization processes associated with extraordinary corporate actions (mergers, de-mergers, acquisitions and other corporate actions).

On the basis of the aforementioned Consob resolution, the amounts of positions or transactions with related parties, broken down according to the line item in question, are reported in the Explanatory notes.

Segment information

The Group's financial reporting is broken down into the following business segments:
- Industrial Applications;
- Shape Memory Alloys;
- Information Displays.

Seasonality of operations

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

Scope of consolidation

The following table shows the companies included in the scope of consolidation according to the full consolidation method as at December 31, 2011:

Company	*Currency*	*Capital stock*	*% of ownership Direct*	*Indirect*
Directly-controlled subsidiaries:				
SAES Advanced Technologies S.p.A. - Avezzano, AQ (Italy)	EUR	2,600,000	100.00	-
SAES Getters USA, Inc.- Colorado Springs, CO (USA)	USD	9,250,000	100.00	-
SAES Getters (Nanjing) Co., Ltd. - Nanjing (P.R. of China)	USD	13,570,000	100.00	-
SAES Getters International Luxembourg S.A. - Luxembourg (Luxembourg)	EUR	34,791,813	89.97	10.03*
SAES Getters Export, Corp.- Wilmington, DE (USA)	USD	2,500	100.00	-
Memry GmbH - Weil am Rhein (Germany)	EUR	330,000	60.00**	-
E.T.C. S.r.l. - Bologna, BO (Italy)	EUR	20,000	85.00***	-
SAES Nitinol S.r.l. - Lainate, MI (Italy)	EUR	10,000	100.00****	-
Indirectly-controlled subsidiaries:				
Through SAES Getters USA, Inc.:				
SAES Pure Gas, Inc.- San Luis Obispo, CA (USA)	USD	7,612,661	-	100.00
Spectra-Mat, Inc.- Watsonville, CA (USA)	USD	204,308	-	100.00
SAES Getters America, Inc.- Cleveland, OH (USA)	USD	23,500,000	-	100.00*****

Through SAES Getters International Luxembourg S.A.:				
SAES Getters Korea Corporation - Seoul (South Korea)	KRW	10,497,900,000	37.48	62.52
SAES Smart Materials, Inc. - New York, NY (USA)	USD	17,500,000	-	100.00
Memry Corporation - Bethel, CT (USA)	USD	30,000,000	-	100.00

* % of indirect ownership held by SAES Advanced Technologies S.p.A. (0.03%) and by SAES Getters (Nanjing) Co., Ltd. (10.00%).
** Starting from 2008 the company is fully consolidated at 100% without attribution of minority interests since there is an obligation for SAES Getters S.p.A. to purchase the remaining shares of the company (for further details please refer to the Note no. 28).
*** 15.00% held by third parties. Moreover the company is fully consolidated at 100% without attribution of minority interests since into the shareholders' agreements SAES Getters S.p.A. has committed to cover any losses, also on behalf of the minority shareholder if the latter is unwilling or unable to proceed to cover them.
In this regard we report that, on February 17, 2011, SAES Getters S.p.A. approved a first capital contribution of 1,605,120 euro, equal to the loss recorded by E.T.C. S.r.l. during the year 2010.
In addition, on February 23, 2012 the Board of Directors of SAES Getters S.p.A has approved the waiver of the receivables versus the subsidiary E.T.C. S.r.l., equal to 1,962,959 euro and, simultaneously, the payment of an amount equal to 22,003 euro, to cover the total loss generated by the company during the year 2011 (for further details please refer to the section "Subsequent Events" in the Report on operations of SAES Getters Group).
However, the Parent Company's percentage of ownership remained unchanged and equal to 85% of the share capital.
**** On February 23, 2012, the Board of Directors of SAES Getters S.p.A. has approved a capital contribution of 13,035 euro to the subsidiary SAES Nitinol S.r.l., to cover the losses generated by the controlled company during the year 2011 (for further details please refer to the section " Subsequent Events" in the Report on operations of SAES Getters Group).
***** Please note that, on December 15, 2011 the investment in the SAES Getters America, Inc. (100% of share capital) was transferred from SAES Getters International Luxembourg S.A. to SAES Getters USA, Inc., both companies wholly owned by SAES Getters S.p.A., at a selling price equal to USD 10.6 million. This transfer, together with the subsequent merger planned for early 2012 (please see the section "Subsequent Events" in the Report on operations), will allow the achievement of economies of scale and the pursuit of operational efficiency between SAES Getters USA, Inc. and SAES Getters America Inc., which already made use of the production structure and resources of the first company for conducting its manufacturing activity.

The following table shows the companies included in the scope of consolidation according to the equity method as at December 31, 2011:

Company	*Currency*	*Capital stock*	*% of ownership Direct*	*Indirect*
Actuator Solutions GmbH - Treuchtlingen (Germany)	EUR	1,012,500**	-	50.00*

* % of indirect ownership held by SAES Nitinol S.r.l.
** Actuator Solutions' capital stock, initially amounting to 25 thousand of euro, was increased to 1,012 thousand of euro at the end of July 2011, against the payment of 494 thousand of euro by each of the two shareholders, SAES Nitinol S.r.l. and Alfmeier SMA Holding GmbH.

The changes occurred in the consolidation area as at December 31, 2011 compared with December 31, 2010, are as follows:

- in April 2011 the SAES Getters Group (through SAES Getters International Luxembourg S.A.) finalized 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. and Nanjing DingJiu Electronics Co., Ltd. The Chinese joint venture, already established in August 2006, worked in the production and distribution of components for LCD displays and other industrial applications. The disposal of its interest 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 disposal agreement, SAES Getters does not hold any more shares in Nanjing SAES Huadong Vacuum Material Co., Ltd., so the Chinese company has left the scope of consolidation of the Group.
- on May 12, 2011, the company SAES Nitinol S.r.l., whose business purpose consists in the design, manufacture and sale both of instruments and actuators in shape memory alloy, and of getters and any other equipment for the creation of high vacuum, was established. The company can also take on interests and investments in other companies useful for the achievement of the company's purpose.
- on July 5, 2011, the SAES Getters Group, through SAES Nitinol S.r.l., announced the establishment of the joint venture Actuator Solutions GmbH, together with the German group Alfmeier Präzision AG, operating in electronic and advanced plastic materials sectors. The joint venture, which is located in Treuchtlingen (Bavaria, Germany), is jointly controlled by the two groups, 50% respectively, and the mission of the company is the development, production and marketing of actuators based on SMA

technology for various industrial applications with high growth potential. The company holds a license to use the technology developed by Cambridge Mechatronics Limited (CML) for the production and marketing of autofocus and image stabilization systems, based on SMA components, to be applied in cameras, mobile phones and smartphones.
Actuator Solutions GmbH relies on the distinctive expertise gained by the two partners thanks to the extensive experience respectively in the field of shape memory alloys and in the field of actuators. SAES will supply to the joint venture its proprietary SMA materials; Alfmeier will be the provider of electronic components and plastics.

Regarding to the further relevant events occurred during the year 2011, in the first semester 2011 the Korean subsidiary SAES Getters Korea Corporation ceased its manufacturing activities and finalized the sale of the Jincheon-kun plant, that was solely dedicated to the production of components for liquid crystal displays, a business characterized by a continuous decline. The Korean subsidiary will continue to operate in the Korean market as a distributor of products made by the other Group companies.

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 as well as costs and revenues of the consolidated companies are added up line by line, attributing to minority-interest shareholders their portion of net equity and net income or loss for the period in specific items in the Statement of financial position and in the Income statement.
The carrying value of the equity investment in each of the subsidiaries is eliminated to account for the corresponding share of net equity, including any adjustment to 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.

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

Business combinations and goodwill

Business combinations are recognized according to the purchase method. According to this method, the identifiable assets (including previously unrecognized intangible assets), liabilities and contingent liabilities (excluding future restructuring) acquired are recognized at their current values (fair values) 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 explanatory notes.

Goodwill is not amortized, but rather tested for impairment on an annual basis, or more frequently if specific events or particular circumstances indicate that impairment may have occurred, according to IAS 36 – *Impairment of assets*. After 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 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%

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

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

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 and consistent criterion. At this second level, the recoverable value of all units (or groups of units) is compared with the carrying value of all units (or groups of units), including those units to which no goodwill has been allocated and corporate assets.

Where the conditions that had previously required the recognition of impairment cease to apply, the original value of the goodwill is not restored, according to IAS 36 - *Impairment of assets*.

Tangible and intangible assets with finite useful life

During the year, the Group verifies whether there are indications that tangible and intangible assets with finite useful lives may have become impaired. Both internal and external sources of information are considered in this process. These internal sources include: the obsolescence or physical deterioration of the asset, any significant changes in the use of the asset and the economic performance of the asset with respect to projections. The external sources include: the trend in the market prices of assets, any discontinuities of technology, market, or legislation, the trend in market interest rates and the cost of capital used to assess investments, and, lastly, whether the carrying value of the Group’s net assets exceeds its market capitalization.

If there are indications that tangible or intangible assets with finite useful lives have become impaired, the carrying value of the assets is reduced to their recoverable value. The recoverable value of an asset is defined as the greater of its fair value, net of selling costs, and its value in use. The value in use of an asset consists of the current value of expected cash flows, calculated by applying a discount rate that reflects current market valuations of the value of money over time and the specific risks of the activity. When it is not possible to determine the recoverable amount of an individual asset, the Group estimates the recoverable value of the asset's cash-generating unit.

Impairment is charged to the income statement.

If the reasons that led to impairment subsequently cease to apply, the carrying value of the asset or cash-generating unit is increased up to the new estimate of the recoverable value, which, however, may not exceed the value that would have resulted if no impairment had been recognized. Reversals are recognized on the income statement.

Investments in associates and joint ventures

Investments in associates and joint ventures are evaluated using the equity method. According to this method, the investment in an associate is initially recognized at cost and then it is adjusted to recognize the Group’s share of the its net assets. The result from the application of this consolidation method is recognized in the income statement, item “Share of result of investments accounted for using the equity method”.

Losses of associates in excess of the Group's share are not recognized, unless the Group assumed any obligation to cover them.

The positive difference between the purchase price and the Group's interest in the fair value of the assets, liabilities and contingent liabilities of the associate at the date of acquisition represents the goodwill and it is included in the carrying value of the investment.

Any negative difference between the purchase price and the Group's interest in the fair value of assets, liabilities and contingent liabilities of the associate is charged to the income statement once the acquisition method process is completed (within and no later than twelve months from the date of acquisition).

When there has been a change recognized directly in the equity of the associate or of the joint venture and in its statement of comprehensive income, the Group recognizes its share of any changes and discloses this in the statement of changes in equity and in the consolidated statement of comprehensive income.

The consolidated net income is adjusted to delete the positive and negative economic effects arising from intercompany transactions with the associate or the joint venture and not yet realized with third parties at year end.

At least once a year, the Group verifies whether there are indications of impairment, by comparing the value of the investment according to the equity method and its recoverable value. Any impairment loss is allocated to the investment and charged to the income statement.

Receivables

Receivables generated by the company are initially recognized at their nominal value and subsequently measured at their estimated realizable value.

Receivables with maturities beyond one year and receivables that do not bear interest or bear interest at below-market rates are discounted using market rates.

Cash and cash equivalents

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

Financial items

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

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

Derivative financial instruments

The derivatives transactions undertaken by the SAES 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 financial instrument is designated as a hedge of the exposure to the changes in the fair value of an asset or liability attributable to a particular risk, the gain or loss resulting from subsequent changes in the fair value of the hedging instrument is recognized on the income statement. The portion of the gain or loss arising from the fair value adjustment of the hedged item attributable to the hedged risk is recognized as an adjustment to the carrying value of the item in question through the income statement.
• *Cash flow hedges* – If a derivative financial instrument is designated as a hedge of the exposure to the changes in the cash flows of an asset or liability carried on the balance sheet or of a highly probable planned transaction, the effective portion of the gains or losses arising from the fair value adjustment of the derivative instrument is recognized in a specific shareholders’ equity reserve (cash flow hedge reserve). The cumulative gain or loss is reversed from the shareholders’ equity reserve and recognized in

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

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

Inventory

Inventory, which consists of raw materials, 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 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. Assets held for sale are measured at the lesser of their net carrying value and fair value, net of selling costs.
Where such assets have originated in recent business combinations, they are measured at their current value, net of disposal costs.
In accordance with IFRSs, the figures for discontinued operations and/or assets held for sale are presented as follows:

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

Staff leaving indemnity and other employee benefits

Staff leaving indemnity
The staff leaving indemnity, which is compulsory for Italian companies according to article 2120 of the Italian Civil Code, is a deferred benefit and is correlated to the length of each employee's term of employment and the compensation received during the period of service.
In application of IAS 19, the staff leaving indemnity calculated as indicated above is a "Defined-benefit plan" and the associated obligation to be recognized (Staff leaving indemnity debt) is determined through an actuarial calculation by using the Projected Unit Credit Method. As 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 not accrued 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 Staff leaving indemnity debt 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" method.

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/liabilities 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 the related notes in accordance with IFRSs, the management is required to make estimates and assumptions that have an effect on assets and liabilities and on the information about contingent assets and liabilities 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, employees' benefits, taxes, restructuring provisions, and other accruals and provisions. Estimates and assumptions are reviewed periodically and the effects of all changes are immediately reflected in the income statement.
In the absence of a standard or interpretation specifically applicable to a transaction, the Group's management 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, 2011

Accounting standards used to prepare the Consolidated financial statements as at December 31, 2011 are consistent with those applied in the Consolidated financial statements as at December 31, 2010, except for the adoption of the following new Standards and Interpretations applicable starting from January 1, 2011:

IAS 24 – *Related party transactions (amendment)*
The IASB issued an amendment to IAS 24 that clarifies the definition of related party. The new definition emphasizes a symmetrical view of related party relationships as well as clarifying in which circumstances persons and key management personnel affect related party relationships of an entity. Secondly, the amendment introduces an exemption from the general related party disclosure requirements for transactions with a government and its controlled entities, jointly controlled or significantly influenced by the same government.
The adoption of the amendment did not have any impact on the financial position or performance of the Group.

IAS 32 – *Financial instruments: presentation (amendment)*
The amendment alters the definition of financial liability to enable entities to classify rights issued and certain options or warrants as equity instruments. The amendment is applicable if the rights are given pro-rata to all of the existing owners of the same class of an entity's non-derivative equity instruments, to acquire a fixed number of the entity's own equity instruments for a fixed amount in any currency.
The amendment has had no effect on the financial position or performance of the Group.

IFRIC 14 – *Prepayments of a minimum funding requirement (amendment)*
The amendment removes an unintended consequence when an entity is subject to minimum funding requirement and makes an early payment of contributions to cover such requirements. The amendment permits a prepayment of future service cost by the entity to be recognized as pension assets.
The Group is not subject to minimum funding requirements. The amendment to the interpretation therefore had no effect on the financial position or performance of the Group.

In May 2010, the IASB issued its third omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. The adoption of the following amendments had no effect on the financial position or performance of the Group.

IFRS 3 – *Business combinations (amendment)*
The measurement options available for non-controlling interest (NCI) were amended. Only components of NCI that constitute a present ownership interest that entitles their holder to a proportionate share of the entity's net assets in the event of liquidation should be measured at either fair value or at the present ownership instruments' proportionate share of the acquirer's identifiable net assets. All other components are to be measured at their acquisition date fair value.

IFRS 7 – *Financial instruments (disclosures)*
The amendment was intended to simplify the disclosures provided by reducing the volume of disclosures around collateral held and improving disclosures by requiring qualitative information to put the quantitative information in context.

IAS 1 – *Presentation of financial statements (amendment)*
The amendment clarifies that an entity may present the analysis of each component of other comprehensive income maybe either in the statement of changes in equity or in the notes to the financial statements. The Group opted for the second solution.

Standards issued but not yet applicable in the European Community

During the year 2011 the IASB approved other new standards, applicable as from January 1, 2013. These new standards have not yet been approved by EFRAG and, therefore, their early application is not permitted in the European Community. A summary of the main novelties is provided below.

IAS 1 – *Financial statement presentation – Presentation of items of Other Comprehensive Income (OCI)*
The amendment to IAS 1 changes the grouping of items presented in OCI. Items that could be reclassified to profit or loss in the future (for example, after derecognition or liquidation) would be presented separately from items that will never be reclassified. This amendment will become effective for annual periods beginning on July 1, 2012.

IFRS 7 – *Financial instruments – disclosures – Enhanced derecognition of financial assets*
The amendment requires additional disclosures about financial assets that have been transferred but not derecognized, to enable the user of the financial statements to understand the relationship with those assets that have not been derecognized and their associated liabilities. In addition, the amendment requires disclosures about continuing involvement in derecognized assets to enable the user to evaluate the nature of, and risks associated with, the entity's continuing involvement in those derecognized assets. The amendment will become effective for annual periods beginning on July 1, 2011.

Please note that this principle is the only one, among those reported in this section, to be approved by EFRAG and, consequently, for which an anticipated application is permitted.

IAS 12 – *Income taxes – Recovery of underlying assets*
The amendment clarifies the determination of deferred tax on investment property measured at fair value. The amendment introduces a rebuttable presumption that deferred tax on investment property measured using the fair value model according to IAS 40 should be determined on the basis that its carrying amount will be recovered through the sale. Furthermore, it introduces the requirement that deferred tax on non-depreciable assets that are measured using the revaluation model in IAS 16 always be measured on a sale basis of the asset. The amendment will become effective for annual periods beginning on January 1, 2012.

IFRS 10 – *Consolidated financial statements*
It replaces the IAS 27 - *Consolidated and separate financial statements*. The new standard defines the principle of control (which requires to present consolidated financial statements) when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. The changes introduced by IFRS 10 will require the management to exercise significant judgment to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements of IAS 27. This standard becomes effective for annual periods beginning on or after January 1, 2013.

IFRS 11 – *Joint arrangements*
It replaces IAS 31 – *Interests in joint ventures*. According to the new IFRS 11, the definition of joint arrangements is based on their substance and on the distribution of rights and obligations of investors in the net capital of such entities. Moreover, it eliminates the measurement of the joint ventures through proportional consolidation in the consolidated financial statements of the shareholder, requiring only the use of the equity method. This standard will become effective for annual periods beginning on January 1, 2013.

IFRS 12 – *Disclosure of interests in other entities*
IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. Some new disclosures are also required. This standard will become effective for annual periods beginning on January 1, 2013.

IAS 27 – *Separate financial statements*
As a consequence of the new IFRS 10 and IFRS 12, what remains of IAS 27 is limited to accounting for subsidiaries, jointly controlled entities, and associates in separate financial statements. The amendment will become effective for annual periods beginning on January 1, 2013.

IAS 28 – *Investments in associates and joint ventures*
As a consequence of the new IFRS 11 and IFRS 12, IAS 28 has been renamed IAS 28 - *Investments in associates and joint ventures* and it describes the application of the equity method to investments in joint ventures in addition to associates. The amendment will become effective for annual periods beginning on January 1, 2013.

IAS 19 – *Post employment benefit (amendment)*
IAS 19 deletes the option of deferring the recognition of actuarial costs and revenues (so-called corridor approach) by improving the comparability and accuracy of financial information. The new principle also requires a separate indication of those effects in Other Comprehensive Income statement. The amendment will become effective for annual periods beginning on January 1, 2013.

IFRS 13 – *Fair value measurement*
IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to

measure fair value under IFRS, when fair value is required or permitted. This standard will become effective for annual periods beginning on January 1, 2013.

3. NET SALES

Consolidated net sales of the fiscal year 2011 were equal to 148,644 thousand of euro, up by 5.7% compared to December 31, 2010.

The following table shows a breakdown of revenues by Businesses:

(thousands of euro)

Business	2011	2010	Difference	Difference %	Exchange rate effect %	Price/Q.ty effect %
Electronic Devices	23,475	25,074	(1,599)	-6.4%	-2.5%	-3.9%
Lamps	12,442	12,742	(300)	-2.4%	-0.5%	-1.9%
Vacuum Systems and Thermal Insulation	12,693	15,794	(3,101)	-19.6%	-0.2%	-19.4%
Semiconductors	56,956	34,820	22,136	63.6%	-8.2%	71.8%
Industrial Applications	**105,566**	**88,430**	**17,136**	**19.4%**	**-4.0%**	**23.4%**
Shape Memory Alloys	**38,622**	**39,218**	**(596)**	**-1.5%**	**-4.6%**	**3.1%**
Liquid Crystal Displays	1,743	8,766	(7,023)	-80.1%	-0.5%	-79.6%
Cathode Ray Tubes	1,877	3,590	(1,713)	-47.7%	-2.2%	-45.5%
Information Displays	**3,620**	**12,356**	**(8,736)**	**-70.7%**	**-1.0%**	**-69.7%**
Advanced Materials	**836**	**570**	**266**	**46.7%**	**-1.3%**	**48.0%**
Total net sales	**148,644**	**140,574**	**8,070**	**5.7%**	**-3.9%**	**9.6%**

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

4. COST OF SALES

The cost of sales came to 88,730 thousand of euro in 2011, marking an increase of 8,884 thousand of euro compared to the previous year.

As a percentage of consolidated turnover, the cost of sales incidence increased from 56.8% to 59.7% mainly for the different sales mix and, in particular, for the drastic reduction in the LCD turnover, which penalized the margins of the Information Displays business and adversely affected the profitability of the entire Group.

Compared to the previous year, the main increase was in raw materials expenses for both the increase in turnover and the shift of the sales mix towards products with a higher consumption of raw materials, especially in the Semiconductor Business.

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

(thousands of euro)

Cost of sales	2011	2010	Difference	Difference %
Raw materials	38,270	31,843	6,427	20.2%
Direct labour	15,525	15,971	(446)	-2.8%
Manufacturing overhead	35,426	34,470	956	2.8%
Increase (decrease) in work in progress and finished goods	(491)	(2,438)	1,947	79.9%
Total cost of sales	**88,730**	**79,846**	**8,884**	**11.1%**

5. OPERATING EXPENSES

In the fiscal year 2011 operating expenses came to 50,906 thousand of euro, down by 4.7% compared to the previous year.

(thousands of euro)

Operating expenses	2011	2010	Difference	Difference %
Research & development expenses	13,881	13,892	(11)	-0.1%
Selling expenses	13,855	14,027	(172)	-1.2%
General & administrative expenses	23,170	25,492	(2,322)	-9.1%
Total operating expenses	**50,906**	**53,411**	**(2,505)**	**-4.7%**

The decrease of operating expenses was mainly due to the item "General and administrative expenses", that significantly decreased compared to the previous year mainly for the economic advantages resulting from the strong cost containment policy pursued by the Group in the last years. In particular, during the year 2011, there was a reduction in legal and consultant fees, lower costs related to the rental of hardware equipment and to the maintenance, following the renegotiation of the supply contracts. To be also noted the lower amortization of some intangible assets of the U.S. subsidiaries that were identified at the moment of the acquisition and which reached the end of their useful life during the year.

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

(thousands of euro)

Total costs by nature	2011	2010	Difference
Raw materials	38,270	31,843	6,427
Personnel cost	53,759	54,748	(989)
Travel expenses	1,652	1,750	(98)
Maintenance and repairs	2,857	3,073	(216)
Depreciation	8,891	9,060	(169)
Amortization	2,021	2,844	(823)
Corporate bodies	2,147	1,947	200
Various materials	6,930	6,445	485
Insurances	1,192	1,064	128
Write-down of non current assets	1,207	66	1,141
Promotion and advertising	473	568	(95)
Provision (release) for bad debts	284	141	143
Consultant fees and legal expenses	4,664	5,300	(636)
Audit fees	(*) 548	616	(68)
Rent and operating leasing	3,204	3,850	(646)
Utilities	3,260	3,693	(433)
Training	205	189	16
Licenses and patents	1,270	1,269	1
Telephone and fax	515	522	(7)
Transports	1,904	1,970	(66)
Commissions	1,641	1,601	40
General services (canteen, cleaning, vigilance, etc.)	1,334	1,397	(63)
Other	1,899	1,739	160
Total costs by nature	**140,127**	**135,695**	**4,432**
Increase (decrease) in work in progress and finished goods	(491)	(2,438)	1,947
Total cost of sales and operating expenses	**139,636**	**133,257**	**6,379**

(*) of which 81 thousand of euro as reimbursement of expenses incurred

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

The item “Personnel cost”, excluding the severance costs[10] and the savings resulting from the adoption of C.I.G.[11] by the Italian Group’s Companies, increased by 620 thousand of euro compared to the previous year, mainly because of the increase in the average number of the Group’s employees[12] following the strong growth of the business of purification, only partially offset by the rationalization of the LCD production structure ended in the first half of 2011 with the closedown of the plant located in Korea.

For the item “Amortization” please refer to the comments already made above in this paragraph.

The item “Corporate bodies” includes the remuneration of the members of the Board of Directors and the Board of Statutory Auditors of the Parent Company. The increase was mainly related to the accrual for higher bonuses granted to the Directors as a consequence of the better results of the period. For the details on the 2011 remunerations, please refer to the Note no. 39 and to the Report on the remuneration enclosed to these financial statements.

The item “Write-down of non-current assets”, amounting to 1,207 thousand of euro, is composed by the plant and equipment write-downs of the subsidiary Memry Corporation as a result of the optimization of the production structure between the two sites located in Menlo Park (California) and in Bethel (Connecticut), as well as the write-down of the production line dedicated to the manufacture of mercury dispensers for LCDs performed by the subsidiary SAES Advanced Technologies S.p.A. For further details, please see the Note no 14.

Finally, it should be noted the general reduction of all main cost items related to overhead expenses (maintenance and repairs, consultant fees, rent and operating leasing, utilities), which is the result of the continuing commitment of the management in the control of these costs, as well as the consequence of the saving plan implemented in the previous years.

With reference to “Consultant fees and legal expenses”, it should be noted that most of the consulting of the year is related to the research and innovation activity.

6. OTHER INCOME (EXPENSES)

The item came to a net income of 3,801 thousand of euro as at December 31, 2011, with an increase of 196 thousand of euro compared to the previous year.

The details are provided below:

(thousands of euro)

	2011	2010	Difference
Other income	4,211	4,372	(161)
Other expenses	(410)	(767)	357
Total other income (expenses)	**3,801**	**3,605**	**196**

[10] Severance costs were equal to 508 thousand of euro in the fiscal year 2011 (of which 374 thousand of euro related to the shut-down of the plant located in Korea) and they had been equal to 1,657 thousand of euro in the previous year.
[11] Savings resulting from the adoption of C.I.G. were equal to 942 thousand of euro as at December 31, 2011 and 482 thousand of euro as at December 31, 2010.
[12] Data calculated without considering the employees of the Chinese joint venture Nanjing SAES Huadong Vacuum Material Co., Ltd., sold in April 2011.

As at December 31, 2011 the balance of other net income is mainly represented by the royalties accrued during the year on the licensing of the thin film getter technology for MEMS of new generation (2,312 thousand of euro). This item also includes the capital gains on disposal of fixed assets totaling 622 thousand of euro[13], the public grants accrued by the Parent Company for ongoing research projects (324 thousand of euro), the indemnity received by SAES Getters S.p.A. following the expropriation of part of the land owned (227 thousand of euro) and the recharges of service fees carried out for the benefit of the new joint venture Actuator Solutions GmbH (211 thousand of euro).
In the previous year this item included, in addition to the lump-sum and the royalties from the licensing of the MEMS technology (1,057 thousand of euro), also the capital gain realized by the Parent Company (1,182 thousand of euro) on the sale of some assets which had previously been partially devaluated to align their accounting value to their estimated recoverable value.

7. FINANCIAL INCOME (EXPENSES)

The following table shows the financial income breakdown in the fiscal year 2011, compared to the previous year:

(thousands of euro)

Financial income	2011	2010	Difference
Bank interests income	165	145	20
Other financial income	21	44	(23)
Gains from IRS evaluation at fair value	225	67	158
Total financial income	**411**	**256**	**155**

The following table shows the financial expenses breakdown in the fiscal year 2011, compared to the previous year:

(thousands of euro)

Financial expenses	2011	2010	Difference
Bank interests and other bank expenses	1,148	1,412	(264)
Other financial expenses	131	107	24
Realized losses on IRS	472	444	28
Losses from IRS evaluation at fair value	146	439	(293)
Total financial expenses	**1,897**	**2,402**	**(505)**

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

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

[13] Of which 496 thousand of euro related to the capital gain realized by the Korean subsidiary from the sale of its factory located in Jincheon.

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

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

9. FOREIGN EXCHANGE GAINS (LOSSES)

The sum of the foreign exchange differences in 2011 totalled a negative balance of 58 thousand of euro, with a significant improvement compared to the previous year (+2,355 thousand of euro). Starting from the second half of 2010 the Group has integrated its hedging policy with the aim of limiting unrealized exchange rate losses on intercompany financial receivables; the same hedging policy, maintained also during the year 2011, has allowed to end the current year with a result related to the exchange rates close to zero.

The breakdown of foreign exchange gains and losses as at December 31, 2011 compared to the previous year is given below:

(thousands of euro)

Foreign exchange gains and losses	2011	2010	Difference
Foreign exchange gains	2,057	3,358	(1,301)
Foreign exchange losses	(2,116)	(4,942)	2,826
Foreign exchange gains (losses), net	**(59)**	**(1,584)**	**1,525**
Realized exchange gains on forward contracts	191	2	189
Realized exchange losses on forward contracts	(254)	(665)	411
Gains (losses) from forward contracts evaluation at fair value	64	(166)	230
Gains (losses) on forward contracts	**1**	**(829)**	**830**
Total foreign exchange gains (losses), net	**(58)**	**(2,413)**	**2,355**

The item "Foreign exchange gains", equal to +2,057 thousand of euro, mainly consists of exchange-rate gains arising in relation to the financial credit in euro claimed by the Korean subsidiary from the Parent Company, following the depreciation of the Korean won against euro. The item "Foreign exchange losses", equal to -2,116 thousand of euro, is mainly originated both from the commercial items in U.S. dollar and Japanese yen, and from the conversion of financial receivables and cash denominated in euro of the Chinese subsidiary, following the revaluation of the renminbi against euro.
These effects compensate each other and are equal to -59 thousand of euro.

The item "Gains (losses) on forward contracts" recorded a balance substantially at break-even, compared with a strongly negative balance of -829 thousand of euro in the previous financial 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.

10. INCOME TAXES

The item in question may be broken down as follows:

(thousands of euro)

	2011	2010	Difference
Current taxes	3,831	6,014	(2,183)
Deferred taxes	(8,122)	(2,723)	(5,399)
Total	**(4,291)**	**3,291**	**(7,582)**

Income taxes were positive and equal to 4,291 thousand of euro, against a negative balance of 3,291 thousand of euro in the year 2010.

To be noted that the item "Current taxes" includes the reversal of the fiscal provision accrued by the Parent Company in 2010 (1,643 thousand of euro) and released in 2011 after obtaining a positive response from the Italian Tax Authority, regarding the tax ruling presented in March 2011 related to the request for not enforcing the "CFC" (*Controlled Foreign Companies*[14]) legislation on the income generated by SAES Getters Export, Corp., a U.S. subsidiary of SAES Getters S.p.A.

The item "Deferred taxes" was positive and equal to 8,122 thousand of euro, mainly for the recognition, within the Italian perimeter, of deferred tax assets on tax losses, as a result of the changes introduced by article 23, paragraph 9, of Decree-Law no. 98 of 2011, that allow to carry forward past tax losses for an unlimited period of time (the previous law provided for the time limit of five years), and supported also by a better medium-term visibility on the future performance of some businesses and by the strategic choices taken with respect to the localization of some productions.

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

(thousands of euro)

	2011		2010	
Income before taxes		**11,001**		**6,363**
Theorical tax rate and tax charges	**27.50%**	**3,025**	**27.50%**	**1,750**
Effect of different tax rates	23.27%	2,560	25.52%	1,624
Non deductible costs/non taxable income	-32.97%	(3,627)	-29.44%	(1,873)
Taxes on subsidiaries' accumulated profits	13.33%	1,466	2.90%	185
Unrecognition (recognition) of deferred tax assets on fiscal losses	-52.83%	(5,812)	32.11%	2,043
Unrecognition (recognition) of deferred tax assets on temporary differences	-5.21%	(573)	-9.43%	(600)
Reversal of the CFC fiscal provision	-14.94%	(1,643)	0.00%	0
R&D activities and other tax credits	-5.54%	(609)	-8.05%	(512)
Other permanent differences	0.84%	92	-4.66%	(297)
IRAP and other local taxes	7.54%	829	15.27%	972
Effective tax rate and tax charges	**-39.01%**	**(4,291)**	**51.72%**	**3,291**

During the year 2011, the Group realized 12,700 thousand of euro in tax losses; only on losses equal to 7,533 thousand of euro (the tax losses of the Parent Company) deferred taxes have been recognized; on the residual amount (5,147 thousand of euro) deferred taxes were not recognized because it is not expected that these losses may be used to offset future taxable income.

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

As already stated in the 2010 Consolidated financial statements, the 2005 income tax return of SAES Getters S.p.A. was assessed by the Italian Revenue Agency, as a result of which notices of assessment for IRAP and IRES purposes were notified to the Company requiring additional taxes of 41 thousand 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 reasons adequate to support its own operations.
During the year there were no further developments on this topic.

11. 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 292 thousand of euro (+63 thousand of euro in 2010) and the related breakdown is given below:

(thousands of euro)

	2011	2010
Revaluation (write-down) for alignment to fair value	61	(2,413)
Release (accrual) provision for future obligations versus minority interests	0	2,563
Release (accrual) other costs	0	196
Consultant costs	0	(160)
Income (losses) on forward contracts	0	(338)
Group's share in the net result of the Chinese joint venture	(61)	133
Release of translation reserve	292	0
Result from the sale of Nanjing SAES Huadong Vacuum Material Co., Ltd.	**292**	**(19)**
SAES Opto S.r.l. result	0	27
Result from the sale of the assets held for sale of SAES Getters America, Inc.	0	55
Net income (loss) from assets held for sale and discontinued operations	**292**	**63**

As at December 31, 2011 the item includes the expenses and income related to the sale of the Chinese joint venture Nanjing SAES Huadong Vacuum Material Co., Ltd., finalized in April 2011, as well as the Group's share in the 2011 result of this company until the date of its transfer (-61 thousand of euro).

In the previous year this item included, in addition to expenses and income related to the transfer of Nanjing SAES Huadong Vacuum Material Co., Ltd. and the share of the Group in the 2010 net income of the company itself, the net income of SAES Opto S.r.l. (+27 thousand of euro), liquidated during the year 2010, and the capital gain of 55 thousand of euro from the sale of some machines of the subsidiary SAES Getters America, Inc.
For further details please see the notes of the Consolidated financial statement for the year ended December 31, 2010.

Nanjing SAES Huadong Vacuum Material Co., Ltd.

In April 2011 the SAES Getters Group (through its subsidiary SAES International Luxembourg S.A.) finalized 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. The share of the Group in the result of this company until the date of transfer (-61 thousand of euro) was reclassified in the item "Net income (loss) from discontinued operations".
This item also includes the revaluation recorded in order to realign the net asset value to be transferred to the sales value. As at December 31, 2010, all assets and liabilities of the Chinese joint venture were already measured at fair value. Therefore, at consolidated level, the result obtained by the company during the year 2011 was compensated by a revaluation of equal amount so as to bring the transferred net equity value to the sales value already fixed on December 31, 2010.

The following tables show the share of the Group in the net income (loss) and in the cash flows generated by the Chinese joint venture until the date of disposal:

Income statement

(thousands of euro)	2011	2010
Net sales	118	1,190
Cost of sales	(137)	(862)
Gross profit	**(19)**	**328**
Operating expenses	(43)	(214)
Other income (expenses)	0	12
Operating income (loss)	**(62)**	**126**
Financial income (expenses)	1	31
Income taxes	0	(24)
Net income (loss)	**(61)**	**133**
Revaluation in order to align to fair value	61	0
Net income (loss) from assets held for sale and discontinued operations	**0**	**133**
of which:		
Depreciation	*0*	*127*
Amortization	*0*	*1*

Cash flow statement

(thousands of euro)

	2011	2010
Cash flows from operating activities	(27)	252
Cash flows from investing activities	0	1
Cash flows from financial activities	0	0
Net increase (decrease) in cash and cash equivalents	**(27)**	**253**
Cash and cash equivalents at the beginning of the period	1,650	1,196
Exchange rate differences	(83)	201
Cash and cash equivalents at the end of the period	**1,540**	**1,650**

12. EARNING (LOSS) PER SHARE

As indicated in the Note no. 26, SAES Getters S.p.A.'s capital stock is represented by two different types of shares (ordinary shares and savings shares) which 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 preferred 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.
The value which was obtained was divided by the average number of shares existing in the relevant time-period.
In case of loss, this is allocated equally between the shares of the two different types.

The following table shows the earning (loss) per share in the fiscal year 2011, compared with the corresponding figure of 2010:

Earning (loss) per share	2011			2010		
	Ordinary shares	Savings shares	Total	Ordinary shares	Savings shares	Total
Profit (loss) attribuitable to shareholders (thousands of euro)			**15,584**			**3,135**
Theoretical preference dividend (thousands of euro)	0	1,022	1,022	0	1,022	1,022
Profit (loss) attributable to the different categories of shares (thousands of euro)	10,287	4,275	14,562	2,004	109	2,113
Total profit (loss) attributable to the different categories of shares (thousands of euro)	**10,287**	**5,297**	**15,584**	**2,004**	**1,131**	**3,135**
Average number of oustanding shares	14,671,350	7,378,619	22,049,969	14,671,350	7,378,619	22,049,969
Earning (loss) per share (euro)	**0.7011**	**0.7179**		**0.1366**	**0.1533**	
- from continuing operations (euro)	*0.6878*	*0.7046*		*0.1337*	*0.1504*	
- from discontinued operations (euro)	*0.0132*	*0.0132*		*0.0029*	*0.0029*	

13. 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 at December 31, 2011 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 components and devices 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 sector is evaluated according to its operating result. Financial income and expenses, foreign exchange performance and income taxes are measured at the overall Group level and thus are not allocated to operating segments.
Internal reports are prepared in accordance with IFRSs and no reconciliation with carrying amounts is therefore necessary.

The column "Not allocated" includes corporate income statement and financial position 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 value 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	
	2011	**2010**	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**	**2011**	**2010**
Total net sales	**105,566**	**88,430**	**38,622**	**39,218**	**3,620**	**12,356**	**836**	**570**	**148,644**	**140,574**
Gross profit	**49,588**	**44,074**	**11,519**	**11,879**	**(752)**	**5,171**	**(441)**	**(396)**	**59,914**	**60,728**
% on net sales	47.0%	49.8%	29.8%	30.3%	-20.8%	41.9%	-52.8%	-69.5%	40.3%	43.2%
Total operating expenses	(18,660)	(16,700)	(9,632)	(11,072)	(2,224)	(5,309)	(20,390)	(20,330)	**(50,906)**	**(53,411)**
Other income (expenses), net	2,344	1,735	358	318	514	160	585	1,392	**3,801**	**3,605**
Operating income (loss)	**33,272**	**29,109**	**2,245**	**1,125**	**(2,462)**	**22**	**(20,246)**	**(19,334)**	**12,809**	**10,922**
% on net sales	31.5%	32.9%	5.8%	2.9%	-68.0%	0.2%	n.s.	n.s.	8.6%	7.8%
Interest and other financial income (expenses), net									(1,486)	(2,146)
Income (loss) from equity method evalueted companies									(264)	0
Foreign exchange gains (losses), net									(58)	(2,413)
Income (loss) before taxes									**11,001**	**6,363**
Income taxes									4,291	(3,291)
Net income (loss) on continuing operations									**15,292**	**3,072**
Net income (loss) on discontinued operations									292	63
Net income (loss)									**15,584**	**3,135**
Minority interest in consolidated subsidiaries									0	0
Group net income (loss)									**15,584**	**3,135**

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

(thousands of euro)

	Continuing operations								Discontinued operations				Total	
	Industrial Applications		Shape Memory Alloys		Information Displays		Not allocated		Industrial Applications		Information Displays			
Assets and liabilities	**Dec. 31, 2011**	**Dec.31, 2010**	**Dec. 31, 2011**	**Dec.31, 2010**	**Dec. 31, 2011**	**Dec.31, 2010**	**Dec. 31, 2011**	**Dec.31, 2010**	**Dec. 31, 2011**	**Dec.31, 2010**	**Dec. 31, 2011**	**Dec.31, 2010**	**Dec. 31, 2011**	**Dec.31, 2010**
Non current assets	30,401	28,896	54,763	54,177	5,181	8,857	29,014	22,372	0	0	0	0	119,359	114,302
Current assets	38,642	36,048	11,699	11,572	3,331	4,390	23,821	24,705	648	627	0	1,650	78,141	78,992
Total assets	**69,043**	**64,944**	**66,462**	**65,749**	**8,512**	**13,247**	**52,835**	**47,077**	**648**	**627**	**0**	**1,650**	**197,500**	**193,294**
Non current liabilities	5,963	5,571	272	299	383	675	15,786	36,774	0	0	0	0	22,404	43,319
Current liabilities	9,517	8,772	3,191	4,395	1,153	1,182	38,204	25,376	0	0	0	1,650	52,065	41,375
Total liabilities	**15,480**	**14,343**	**3,463**	**4,694**	**1,536**	**1,857**	**53,990**	**62,150**	**0**	**0**	**0**	**1,650**	**74,469**	**84,694**
Other segment information														
Capital expenditure	2,611	2,277	2,209	1,960	183	239	1,593	1,527	0	0	0	0	6,596	6,003
Depreciation & amortization	4,614	4,548	3,752	4,543	799	1,092	1,747	1,721	0	0	0	128	10,912	12,032
Other non cash expenses	115	535	858	112	515	29	3	5	0	0	0	2,413	1,491	3,094

Information on geographical areas

The following table breaks down the sales by customers' location:

(thousands of euro)

	Italy	**Europe**	**United States**	**Asia**	**Total non current assets** (*)
2011	40,639	2,651	58,103	3,188	**104,581**
2010	43,100	2,113	59,066	4,461	**108,740**

(*) This amount includes: tangible assets, intangible assets, investments in joint venture, other 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.

14. PROPERTY, PLANT AND EQUIPMENT, NET

Property, plant and equipment, net of accumulated depreciation, came to 59,263 thousand of euro as at December 31, 2011, with a decrease of 4,550 thousand of euro compared to December 31, 2010.

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

(thousands of euro)

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

(*) The figure reported in the above table differs from that of the cash flow statement as a result of the assets acquired with leasing contracts, for which there was only a partial monetary payment (for further details, please see the Note no. 36)

(thousands of euro)

Property, 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**

As at December 31, 2011 land and buildings are not burdened by mortgages or other guarantees.

During the fiscal year 2011, investments in tangible assets were equal to 6,162 thousand of euro and they include the purchases made by the Parent Company of new laboratory equipment intended for use in research activities and machinery for pilot lines, mainly in the business of OLEDs and renewable energies. The item also includes, mainly in the SMA and in the Lamps Businesses, the acquisition of new plant and machinery for both improving the efficiency in well-established productions and providing innovative solutions with a higher added value, in place of some already mature products.

The disposals, equal to 1,300 thousand of euro, are mainly related to the sale of the factory located in Jincheon (South Korea) by the subsidiary SAES Getters Korea Corporation.
The Korean company, which operated solely in the production of components for liquid crystal displays, as a consequence of the further decline in the LCDs business, has ceased the production and has sold the industrial building and its outbuildings. The Korean subsidiary will continue to operate in the Korean market as a distributor of products made by other Group companies. The assets, whose net book value was equal to 1,196 thousand of euro, were sold to local third parties achieving a capital gain of 496 thousand of euro, which is classified in the item “Other income”.

The write-downs, equal to 1,207 thousand of euro, are related for 772 thousand of euro to the plant and machinery of the subsidiary Memry Corporation as a result of the optimization of its production structure through the transfer of part of the production activities from the site located in Menlo Park to the one located in Bethel. Moreover, a write-down equal to 394 thousand of euro refers to the specific production lines of the subsidiary SAES Advanced Technologies S.p.A. dedicated to the production of mercury dispensers for LCDs as a consequence of the further decline of this business during the year 2011.

The following table shows the composition of tangible fixed assets for tenure status:

(thousands of euro)

	December 31, 2011			December 31, 2010		
	Property assets	Assets under finance lease	Total	Property assets	Assets under finance lease	Total
Land and building	29,524	0	29,524	31,592	0	31,592
Plant and machinery	27,857	103	27,960	29,399	0	29,399
Assets under construction and advances	1,779	0	1,779	2,822	0	2,822
Total	**59,160**	**103**	**59,263**	**63,813**	**0**	**63,813**

For further details on financial lease contracts, please refer to the Note no. 28.

15. INTANGIBLE ASSETS, NET

Intangible assets, net of accumulated amortization, came to 44,009 thousand of euro as at December 31, 2011, with a decrease of 402 thousand of euro compared to the previous year.

The difference is mainly due to the amortizations of the period (-2,021 thousand of euro) and to the translation differences (+1,185 thousand of euro) mainly related to the intangible assets of the U.S. legal entities.
As regards the increase of the item "Goodwill", please see the section below.

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

(thousands of euro)

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

(thousands of euro)

Intangible fixed assets	Goodwill	Research and development costs	Industrial and other patent 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 amortization 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	37,805	183	4,872	11,084	18,437	709	73,090
Accumulated amortization and write-downs	(5,277)	(147)	(2,654)	(8,308)	(11,630)	(663)	(28,679)
Net book value	**32,528**	**36**	**2,218**	**2,776**	**6,807**	**46**	**44,411**

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 - CGU (impairment test).

Goodwill

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

(thousands of euro)

Business Unit	December 31, 2010	Additions	Write-downs	Translation differences	December 31, 2011
Industrial Applications	944	0	0	0	944
Shape Memory Alloys	31,584	396	0	976	32,956
Information Displays	0	0	0	0	0
Not allocated	0	0	0	0	0
Total	**32,528**	**396**	**0**	**976**	**33,900**

The increase in the item "Goodwill" of 396 thousand of euro is attributable to the adjustment of present value of the contingent consideration estimated for the purchase of the minority shares of the subsidiary Memry GmbH[15], on the basis of the most recent forecast of revenues and updating of discount rates. The effects arising from the discounting, instead of having as a counterpart the value of goodwill, were reflected in the income statement in accordance with IFRS 3.

The following table shows the gross book values of goodwill and accumulated write-downs for impairment from January 1, 2004 to December 31, 2011 and December 31, 2010:

(thousands of euro)

Business Unit	December 31, 2011			December 31, 2010		
	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 (*)	36,356	(3,400)	32,956	34,984	(3,400)	31,584
Information Displays	1,456	(1,456)	0	1,456	(1,456)	0
Not allocated	358	(358)	0	358	(358)	0
Total	**39,177**	**(5,277)**	**33,900**	**37,805**	**(5,277)**	**32,528**

(*) The difference between the gross value as at December 31, 2010 and the gross value as at December 31, 2011, without considering the increase of 396 thousand of euro previously commented, is related to the conversion differences on goodwill in currency other than euro.

Impairment test

Pursuant to 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 the Note no. 13.

Impairment testing consists in estimating the recoverable amount of each Cash Generating Unit (CGU) and comparing it with the net carrying amount of the associated assets, including goodwill.
The recoverable amount is estimated by determining value in use, which corresponds to the present value of the future cash flows that are expected from each Cash Generating Unit according to the most recent three-year plans 2012-2014 developed by top management and approved by the Board of Directors on February 23, 2012.
In making these projections, the management employed many assumptions, including an estimate of future sales volumes, prices trend, gross margin, operating costs, changes in working capital and investments.
Expected sales growth is based on the management's projections. The margins and operating costs of the various businesses were estimated on the basis of historical data, adjusted to account for the expected results and projected market price trends. The value of investments and working capital was determined according to various factors, such as expected future growth rates and the products development plan.
The discount rate applied in discounting cash flows represents the estimate of the expected rate of return of each Cash Generating Unit on the market. In order to select an appropriate discount rate to be applied to future cash flows were taken into consideration Group's effective interest rates, the long-term government bond yield curve and the Group's equity structure. The weighted average cost of capital (WACC) applied to future cash flows was estimated to be 9.4%, deemed representative of all of the Group's CGUs. The WACC used is net of taxes, in accordance with the cash flows employed.
The model used to discount future cash flows considers a terminal value, which reflects the residual value that each Cash Generating Unit is expected to generate beyond the three-year period covered by the plans.

[15] It should be noted that SAES Getters S.p.A., which currently owns 60% of the capital stock of Memry GmbH, in 2008 entered into an agreement to acquire the reminder 40% of the German company's capital stock in two installments, respectively in the first half 2012 and in the first half 2014. The contract provides that the consideration is calculated on sales of the previous year and guarantees to the minority shareholder a minimum price of 375 thousand of euro for each tranche.

This value was estimated by conservatively assuming a growth rate equal to zero and a timeframe deemed representative of the estimated duration of the various businesses, as reported in the table below:

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

(*) This figure refers to the OLED sector, transferred from Business Development Unit Advanced Materials to Business Unit Information Displays starting from the year 2012. Instead, for LCD and CRT Businesses, it is conservatively assumed a timeframe of 3 years (equal to three years plan approved by Board of Directors).

In this first grade of testing no need for any write-downs was identified.
A sensitivity analysis of up to 1.5 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, 2011.

A second grade of testing was conducted, including in the recoverable amount costs associated with corporate functions, in addition to income statement figures not allocated to the primary segments. Also in this second grade of testing any need for write-downs was identified.

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

16. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

As at December 31, 2011 the item includes the share of net assets attributable to the Group in the joint venture Actuator Solutions GmbH, a company incorporated on July 5, 2011 (for further details on the company, please refer to the Report on operations).

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

(thousands of euro)

Investments accounted for using the equity method	December 31, 2010	Additions	Equity method valuation	Dividends paid	Disposals	Other	Translation differences	December 31, 2011
Actuator Solutions GmbH	0	13	(264)	0	0	494	0	242

The column “Other” represents the capital increase, subscribed in equal shares, by the two shareholders, SAES Nitinol S.r.l. (100% owned by SAES Getters S.p.A.) and SMA Holding GmbH (100% of Alfmeier).

In the chart below the SAES Group interest in assets, liabilities, costs and revenues of Actuator Solutions GmbH:

(thousands of euro)

Actuator Solutions GmbH	December 31, 2011
Financial Statement	
Non current assets	97
Current assets	424
Total assets	**521**
Non current liabilities	1
Current liabilities	278
Total liabilities	**279**
Total equity	**242**
Income Statement	
Net sales	0
Cost of sales	(25)
Total operating expenses	(347)
Other income (expenses), net	0
Operating income (loss)	**(372)**
Financial income (expenses)	0
Income taxes	108
Net income (loss)	**(264)**

The value of the investment in Actuator Solutions GmbH was submitted to the impairment test. To this end, the value in use was determined by means of the Free Operating Cash Flow method, on the basis of the most recent plans prepared by management and approved by the Supervisory Committee of the company, and by using a WACC of 7.4%, which considers the structure of the share capital of the joint venture and the rate curve of the long-term German government bond yields.
The analysis conducted revealed no need for devaluation.
A sensitivity analysis was also conducted increasing the discount rate to bring it in line with that used by the Group for impairment test purposes (9.4%); even in this case there was no criticality.

17. DEFERRED TAX ASSETS AND LIABILITIES

As at December 31, 2011 the net balance of deferred tax assets and deferred tax liabilities is positive and equal to 9,740 thousand of euro, making a change of 8,325 thousand of euro compared to the previous year.

The related detail is given below:

(thousands of euro)

Deferred taxes	December 31, 2011	December 31, 2010	Difference
Deferred tax assets	14,778	5,562	9,216
Deferred tax liabilities	(5,038)	(4,146)	(892)
Total	**9,740**	**1,416**	**8,324**

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, 2011	December 31, 2010	Difference
Deferred tax assets	20,215	11,004	9,211
Deferred tax liabilities	(10,475)	(9,588)	(887)
Total	**9,740**	**1,416**	**8,324**

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

(thousands of euro)

Deferred tax assets	December 31, 2011		December 31, 2010	
	Temporary differences	Fiscal effect	Temporary differences	Fiscal effect
Intercompany profit eliminations	4,312	1,392	3,705	1,243
Differences between accounting and fiscal principles on depreciations and write-downs	8,146	2,695	6,792	3,264
Bad debts	454	171	497	169
Inventory write-downs	5,659	2,185	3,922	1,355
Taxed provisions	2,662	1,004	1,711	642
Cash deductible expenses	5,695	1,818	5,506	1,862
Exchange differences and other	2,100	1,504	2,311	1,454
Deferred on recoverable losses	32,263	9,446	2,985	1,015
Total		**20,215**		**11,004**

The increase in deferred tax assets as at December 31, 2011 is mainly due to the recognition, by the Italian companies, of deferred tax assets on previous years fiscal losses. as already highlighted in the Note no. 10.

The Group had 84,918 thousand of euro in tax losses eligible to be carried forward as of December 31, 2011, 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 80,345 thousand of euro in 2010). The tax losses eligible to be carried forward that were taken into account when determining deferred tax assets came to 32,263 thousand of euro.

(thousands of euro)

Deferred tax liabilities	December 31, 2011		December 31, 2010	
	Temporary differences	Fiscal effect	Temporary differences	Fiscal effect
Tax due on distribution of earnings accumulated by the subsidiaries	(43,253)	(1,575)	(22,747)	(719)
Differences between accounting and fiscal principles on depreciation and fair value revaluations	(23,829)	(8,567)	(24,334)	(8,723)
IAS 19 effect	(452)	(202)	(43)	(106)
Other	101	(131)	(122)	(40)
Total		**(10,475)**		**(9,588)**

The deferred tax liabilities recorded in the Consolidated financial statements as at December 31, 2011 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 of the U.S. companies acquired in the past years.

18. TAX CONSOLIDATION RECEIVABLES/PAYABLES FROM CONTROLLING COMPANY

SAES Getters S.p.A. and SAES Advanced Technologies S.p.A. participate 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. The item “Tax consolidation receivables/payables from 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, 2011.

Since the national tax consolidation results for the year 2011 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 and proceeded to the recognition of deferred taxes on the fiscal losses exceeding this amount (for further details please see the Note no. 10)
However, the tax consolidation shows a credit balance corresponding to the recoverable withholding taxes incurred by the Parent Company during the year 2011.

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

19. OTHER LONG TERM ASSETS

The item "Other long term assets" came to 932 thousand of euro as at December 31, 2011, compared to 439 thousand of euro as of December 31, 2010. The item includes the guarantee deposits given by the Group Companies for their operating activities and the trade advances with recoverability over 12 months.

20. INVENTORY

Inventory came to 30,605 thousand of euro as at December 31, 2011, with a growth of 2,857 thousand of euro compared to the previous year, in line with the increase of the production activities, mainly in the business of purifiers. Moreover, part of the increase is also justified by the positive exchange rates effect (about 1 million of euro), mainly related to the revaluation of the U.S. dollar compared to December 31, 2010.

The following table shows the breakdown of inventory as of December 31, 2011 and December 31, 2010:

(thousands of euro)

Inventories	December 31, 2011	December 31, 2010	Difference
Raw materials, auxiliary materials and spare parts	14,097	12,547	1,550
Work in progress and semifinished goods	11,298	10,479	819
Finished products and goods	5,210	4,722	488
Total	**30,605**	**27,748**	**2,857**

Inventory is stated net of the inventory allowance, which showed the following changes in 2011:

(thousands of euro)

Inventory allowance	
December 31, 2010	**4,640**
Accrual	1,299
Release	(355)
Utilization	(991)
Translation differences	99
December 31, 2011	**4,692**

The utilization (991 thousand of euro) is mainly attributable to the U.S. subsidiaries and it is a consequence of the scrapping of items already written-down in the previous years.

21. TRADE RECEIVABLES

Trade receivables, net of the bad debt provision, came to 21,982 thousand of euro as of December 31, 2011 and were down by 949 thousand of euro compared to the previous year.
The change, which is also influenced by exchange rates effect, is mainly due to the higher collections recorded in the last part of the year.

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

(thousands of euro)

Trade receivables	December 31, 2011	December 31, 2010	Difference
Gross value	22,354	23,311	(957)
Bad debt provision	(372)	(380)	8
Net book value	**21,982**	**22,931**	**(949)**

Trade receivables do not bear interests 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, 2011	December 31, 2010
Opening balance	**380**	**419**
Accrual (release)	284	141
Utilization	(311)	(205)
Translation differences	19	25
Closing balance	**372**	**380**

The following table provides a breakdown of trade receivables by those not yet due and past due as of December 31, 2011, 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, 2011	**22,354**	17,200	2,338	719	1,060	255	410	372
December 31, 2010	**23,311**	14,285	2,736	2,274	1,711	306	1,619	380

Receivables past due and not written down, that represent a not material percentage when compared to the total trade receivables, are constantly monitored and have not been written down as they are believed to be recoverable.
The significant decrease of the non-devaluated due receivables compared with December 31, 2010 is mainly due to the resolution of specific positions that were pending at the end of the previous year.

Please refer to the Note no. 37 related to account receivables credit risk, in order to understand how the Group manages and detects the credit quality, in case the related receivables are neither past due nor written down.

22. PREPAID EXPENSES, ACCRUED INCOME AND OTHER

This item, which includes current non-trade receivables from third parties, along with prepaid expenses and accrued income, showed a balance of 4,614 thousand of euro as of December 31, 2011, compared with 5,230 thousand of euro as of December 31, 2010.

A breakdown of the item is provided below:

(thousands of euro)

Prepaid expenses, accrued income and other	December 31, 2011	December 31, 2010	Difference
Income tax and other tax receivables	430	1,115	(685)
VAT receivables	1,927	1,163	764
Social security receivables	38	115	(77)
Personnel receivables	83	108	(25)
Receivables for public grants	569	880	(311)
Other receivables	105	237	(132)
Total other receivables	**3,152**	**3,618**	**(466)**
Accrued income	21	23	(2)
Prepaid expenses	1,441	1,589	(148)
Total prepaid expenses and accrued income	**1,462**	**1,612**	**(150)**
Total prepaid expenses, accrued income and other	**4,614**	**5,230**	**(616)**

The item "Income tax and other tax receivables" includes the credits for paid advance taxes and other tax credits of the Group's companies with local authorities. The decrease, compared to December 31, 2010, is mainly due to the collection of a tax credit claimed by the Korean subsidiary against the local fiscal authority.

The item "VAT receivables" increased from December 31, 2010 against lower exports made by the Parent Company.

It is to be noted that the item "Receivables for public grants" is mainly composed of credits matured as at December 31, 2011 by the Parent Company as a result of contributions for in-progress research projects.
During the current year, it was considered appropriate to change the presentation of this item, offsetting receivables and payables of the Parent Company against the same issuer; for consistency, we made the same compensation also on balances as of December 31, 2010.

23. DERIVATIVE FINANCIAL INSTRUMENTS EVALUATED AT FAIR VALUE

As at December 31, 2011 derivative financial instruments fair value is negative for 826 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 and financial transactions denominated in currencies other than the euro, as well as the measurement at fair value of interest rate swap (IRS) contracts. The purpose of these contracts is to protect the Group's margins from the fluctuation of exchange rates and interest rates.
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 charged to the income statement.

As at December 31, 2011 the Group has forward contracts on the U.S. dollar and 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 exchange rate for contracts on the U.S. dollar (which have a total notional value of USD 7.8 million) is 1.3025 dollars to the euro. The average forward rate for contracts on the Japanese yen (which have a total notional value of JPY 360 million) is JPY 101.45 to the euro. These contracts will extend throughout the full-year 2012.

The following table provides a breakdown of the forward contracts entered into and their fair value as at December 31, 2011:

Currency	December 31, 2011		December 31, 2010	
	Notional (amount in local currency)	**Fair value** (thousands of euro)	**Notional** (amount in local currency)	**Fair value** (thousands of euro)
USD	7,800,000	(24)	0	0
JPY	360,000,000	(68)	420,000,000	(155)
Total		**(92)**		**(155)**

As at December 31, 2011 the Group has two outstanding Interest Rate Swap (IRS) contracts aimed at fixing the interest rate on the loans in U.S. dollars, executed by the U.S. subsidiaries.

The following table provides a breakdown of the Interest Rate Swap contracts entered into and their fair values as at December 31, 2011:

	Currency	Notional amount (U.S. dollars)	Execution date	Maturity date	Interest rate	Period	Fair value as at December 31, 2011 (thousands of euro)	Fair value as at December 31, 2010 (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	Half yearly	(114)	(345)
IRS executed on loan of $30.5 million by **Memry Corporation**	USD	12,000,000	April 9, 2009	December 31, 2014	Fixed rate paid: 3.03% Variable rate received: USD Libor BBA - 3	Quarterly	(620)	(448)
Total							**(734)**	**(793)**

No new Interest Rate Swap contracts have been signed during the year.

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

As at December 31, 2011, all the derivative instruments held by the Group belonged to Level 2. Accordingly, their fair value has been determined on the basis of market data, such as interest rate curves and exchange rates.

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

24. CASH AND CASH EQUIVALENTS

The following table shows a breakdown of the item as at December 31, 2001 and December 31, 2010:

(thousands of euro)

Cash and cash equivalents	December 31, 2011	December 31, 2010	Difference
Bank accounts	20,276	20,566	(290)
Petty cash	16	11	5
Total	**20,292**	**20,577**	**(285)**

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

The item includes the liquid funds mainly held from the U.S. subsidiaries in the framework of the cash flow management necessary for the operating activities.

For the analysis of the changes occurred in cash and cash equivalents during the year please refer to the comments on the Cash flow statement (Note no. 36).

As at December 31, 2011, the Group had access to unused lines of credit of 45.3 million of euro (53.8 million of euro as at December 31, 2010, of which 15 million of euro was intended to fund possible acquisitions or restructuring plans).
The reduction compared to the previous year, equal to 8.5 million of euro, is mainly due to the fact that a line of credit, which expired in October 2011, was replaced by a new line with the same amount only in the first months of 2012. For more details, please refer to the section "Subsequent events" of the Report on operations.

25. ASSETS AND LIABILITIES HELD FOR SALE

As at December 31, 2011 the item, equal to 648 thousand of euro, includes the property, plant and equipment of the subsidiary SAES Getters America, Inc., reclassified to " Assets held for sale" at the end of 2009.
Part of these assets was transferred during the year 2010. 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 during the year 2012. In this regard it is noted that, on February 29, 2012, an agreement was signed for the sale of such assets. For more details, please refer to the section "Subsequent events" in the Report on operations.
The book value of these assets continues to represent their market value.

As at December 31, 2010, the item "Assets held for sale" included, in addition to the assets held for sale of SAES Getters America, Inc. (627 thousand of euro), also 1,650 thousand of euro of cash and cash equivalents related to the company, subject to joint control, Nanjing SAES Huadong Vacuum Material Co., Ltd., sold to Chinese minority-interest shareholders in April 2011, according to the agreement signed on November 9, 2010.
The item "Liabilities held for sale" included, instead, the liabilities of the same Chinese joint venture and the provision of 1,471 thousand of euro, accrued in order to align the book value of its net assets to their market value.

26. SHAREHOLDERS’ EQUITY

The Group shareholders' equity amounted to 123,028 thousand of euro as at December 31, 2011, up by 14,431 thousand of euro compared to December 31, 2010. A summary of changes occurred is provided in the Statement of changes in shareholders’ equity.

Capital stock
As at December 31, 2011 the capital stock, fully subscribed and paid-up, amounted to 12,220 thousand of euro and consisted of no. 14,671,350 ordinary shares and no. 7,378,619 savings shares, for a total of no. 22,049,969 shares.
The composition of the capital stock is unchanged from December 31, 2010.
The implicit book value per share was 0.554196 euro as at December 31, 2011, unchanged from 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 (TUF).

All of the Parent Company’s securities are listed on the segment of the *Mercato Telematico Azionario* known as “STAR” (Securities with High Requirements), dedicated to small-caps and mid-caps that meet specific requirements with regard to reporting transparency, liquidity and Corporate Governance.

Share issue premium
This item includes amounts paid by the shareholders in excess of the par value for new shares of the Parent Company subscribed in capital issues.
The item is unchanged compared to December 31, 2010.

Legal reserve
This item corresponds to the Parent Company's legal reserve of 2,444 thousand of euro as at December 31, 2011 and it was unchanged compared to December 31, 2010, 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 from 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 the item “Other reserves and retained earnings” includes the distribution to shareholders of 2010 dividends, approved by the Parent Company’s Shareholders’ Meeting (4,410 thousand of euro).

As reported in the Report on corporate governance and ownership enclosed to the Consolidated financial statements, 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 preferred dividend of 25% on 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 preferred dividend in the following two years. The remaining profit that the Shareholders’ Meeting has resolved to allocate will be distributed among all shares in such a way to ensure that savings shares are entitled to a total dividend that is higher than that of ordinary shares by 3% of the implied book value.

Other components of equity

The item includes the exchange differences arising from the translation of financial statements in foreign currencies. The translation reserve had a positive balance of 3,814 thousand of euro as at December 31, 2011, compared to a positive balance of 557 thousand of euro as of December 31, 2010. The increase of 3,257 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 negative change of 292 thousand of euro may be explained by the release to profit and loss of the translation reserve related to Nanjing SAES Huadong Vacuum Material Co., Ltd., sold during the first half of 2011. As required by IFRS 5, this variation is displayed in a separate item of equity.

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 the shareholders' equity of SAES Getters S.p.A. and the consolidated net income and the consolidated shareholders' equity as of December 31, 2011 and December 31, 2010 is set out below:

(thousands of euro)	December 31, 2011		December 31, 2010	
	Net income (loss)	Shareholders' equity	Net income (loss)	Shareholders' equity
SAES Getters S.p.A. - Parent Company	**1,972**	**77,399**	**(3,765)**	**79,838**
Shareholders' equity and net results of consolidated subsidiaries, net of dividends distribution and write-downs of investements in share capital	21,466	163,144	3,820	138,479
Book value of investments in share capital		(106,266)		(106,325)
Consolidation adjustments:				
Elimination of profit arising from intercompany transactions, net of the related tax effect	(6,748)	(9,318)	350	(2,570)
Accrual of deferred taxes on equity distributable of consolidated subisidiaries	(855)	(1,575)	2,024	(720)
Equity valuation of joint venture	(264)	(264)	0	0
Other adjustments	13	(92)	706	(105)
Consolidated financial statements	**15,584**	**123,028**	**3,135**	**108,597**

27. FINANCIAL DEBT

As at December 31, 2011, financial debt came to 33,777 thousand of euro and was down by 7,877 thousand of euro compared to the previous year.

The decrease was due to the repayments made during the year, equal to 12.2 million of euro, partially offset by the subscription of a new loan signed by the Parent Company and amounting to 3.5 million of euro. The fluctuations of the exchange rates has generated an increase of the Group’s debt equal to 0.7 million of euro: 88% of the Group’s debt is denominated in U.S. dollars, whose revaluation against euro caused an increase in the financial debt.

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

(thousands of euro)

Financial debt	December 31, 2011	December 31, 2010	Difference
Less than 1 year	26,156	11,683	14,473
Current portion of medium/long term financial debt	**26,156**	**11,683**	**14,473**
Between 1 and 2 years	3,675	5,478	(1,803)
Between 2 and 3 years	2,576	5,550	(2,973)
Between 3 and 4 years	1,289	5,890	(4,601)
Between 4 and 5 years	0	4,802	(4,802)
Over 5 years	80	8,252	(8,172)
Non current financial debt	**7,620**	**29,971**	**(22,351)**
Total	**33,777**	**41,654**	**(7,877)**

It should be noted that, as better explained in the following paragraph dedicated to the covenants, as at December 31, 2011 not all the covenants related to the loan of the subsidiary Memry Corporation had been complied with. Consequently, the entire financial liability was reclassified as current inasmuch as the condition of default has rendered the loan repayable immediately. As better described in the following section dedicated to the covenants, it is anticipated that the not respected covenant was renegotiated at the beginning of 2012 in order to avoid the call of the debt.

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

Description	Currency	Principal (millions of USD)	Timing of capital reimbursement	Timing of covenants calculation	Interest rate	Effective interest rate as of December 31, 2011 (spread included)	Value as of December 31, 2011 (*) (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	2.75%	20,817
Tranche Bullet Loan	USD	10.3	repayments in two tranches with maturity date July 31, 2016 and July 31, 2017				
SAES Smart Materials, Inc.	USD	20	half yearly with maturity date May 31, 2015	Yearly	Half-yearly USD Libor (Cost of Funds if not available)	2.90%	9,039

(*) interests included

It should be noted that, during the first half of 2011, the Group decided to repay in advance the financial debt of the subsidiary Spectra-Mat, Inc., amounting to 1,249 thousand of euro as at December 31, 2010. No penalty was paid in connection with the early repayment.

As already highlighted before, during the year 2011 a new loan agreement was entered into by the Parent Company for an amount equal to 3.5 million of euro, with maturity on April 18, 2013, intended to support the company's financial requirements. The agreement calls for repayment in fixed quarterly principal instalments (beginning on January 19, 2012), plus interest calculated on the Euribor three months benchmark, plus 3.5 percentage points on an annual basis. The value of the actual interest rate as at December 31, 2011 came to 5.08%.

Description	Currency	Principal (millions of EUR)	Timing of capital reimbursement	Timing of covenants calculation	Interest rate	Effective interest rate as of December 31, 2011 (spread included)	Value as of December 31, 2011 (*) (thousands of euro)
SAES Getters S.p.A.	EUR	3.5	quarterly with maturity date April 18, 2013	n.a.	Euribor 3 months	5.08%	3,536

(*) interests included

The loan, with a nominal value of 7 million of euro, obtained by the Parent Company in 2010 (5,843 thousand of euro as at December 31, 2010) was fully repaid according to the original reimbursement plant in October 2011.

Lastly, the item "Financial debt" includes subsidized loans provided by the special fund for applied research (304 thousand of euro as of December 31, 2011) issued to the Parent Company by the Ministry of Production Activities through Banca Intesa Sanpaolo S.p.A., the average interest rate on which stood at 0.79% in 2011. For further details please refer to the Notes of the Separate financial statements of SAES Getters S.p.A.

Covenants
As shown in the following table, as at December 31, 2011 one of the three covenants related to the loan of the subsidiary Memry Corporation had not been complied with and, consequently, the financial liability was reclassified as current inasmuch as the condition of default has rendered the loan immediately repayable.

	Covenant	December 31, 2011
Net equity *	> 102,000	123,028
Net financial position / Net equity	≤ 1	0.13
Financial debt / EBITDA	≤ 1.11	1.42

* thousands of euro

However, it should be noted that, during the first months of 2012, this covenant was renegotiated with the financial institute in order to avoid the call of the debt. The formalization of the new covenant clauses to be applied starting from the year 2012 is currently on-going and is expected to be completed in reasonably short time. For further details, please refer to the paragraph "Subsequent events" of the Report on operations.
For what concerns the covenants on the loan contracted by the company SAES Smart Materials, Inc., as at December 31, 2011 such covenants have been complied with, as shown in the table below:

	Covenant	December 31, 2011
Net financial position / EBITDA	≤4.5	1.67
Net financial position / Net equity	≤ 2	0.47
EBITDA / Net financial expenses	≥ 1	7.35

28. OTHER FINANCIAL DEBT

As at December 31, 2011, the item "Other financial debt" is equal to 1,222 thousand of euro, compared to 701 thousand of euro in the previous year, and it is split in long-term portion (713 thousand of euro) and short-term portion (509 thousand of euro).

The item mainly refers to the present value of the estimated obligation to purchase the minority shares of the subsidiary Memry GmbH (1,124 thousand of euro).
The increase compared to December 31, 2010 of 423 thousand of euro, is a result of the adjustment of the estimated potential consideration to be paid to the minority shareholder, on the basis of the most recent forecast of revenues and updating of discount rates and of the time horizon used for the discounting. For more details, please refer to the Note no. 15.

Since the minority shares will be acquired in two successive tranches, in the first half of 2012 and in the first half of 2014, respectively, the portion related to the first tranche of 485 thousand of euro, was classified among current financial liabilities.

The item also includes the debts (totaling 93 thousand of euro) related to financial lease contracts signed during the year 2011 by some subsidiaries.
The table below shows the future minimum payments related to these financial lease contracts:

(thousands of euro)

	December 31,2011	December 31,2010
Less than 1 year	19	0
Between 1 and 5 years	74	0
Over 5 years	0	0
Total	**93**	**0**

The financial payable[16] of the subsidiary Memry Corporation towards the United States of America, resulting from the company's acquisition in 2008 and equal to 339 thousand of euro as at June 30, 2011, was fully paid during the second half of 2011.

29. 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, 2010	**4,693**	**2,095**	**6,788**
Increase	206	650	856
Indemnities paid	(234)	(152)	(386)
Other movements	0	(198)	(198)
Translation differences	0	35	35
December 31, 2011	**4,665**	**2,430**	**7,095**

The item "Other movements" refers to the share of the long term incentive plans which will be paid during the first half of 2012 and the amount of which was, therefore, reclassified into the item "Other payables" to employees. For further details on this item, please refer to the following paragraphs.

[16] In 2008, the price for the acquisition of the company was paid to a financial intermediary. During the first half of 2011, the brokerage mandate came to an end and the consideration concerning uncollected shares was returned by the intermediary to the SAES Group. According to the American legislation, this amount was subsequently paid to the State of Delaware (USA).

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

(thousands of euro)	
Current service cost	513
Revaluation of accrued benefits (defined benefit plan)	259
Net actuarial gains (losses) recognized in the period	84
Plans reductions and terminations	0
Total cost	**856**

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 reconciliation of actuarial liabilities and the amounts carried on the financial statements as of December 31, 2011 and December 31, 2010, respectively, is shown below:

(thousands of euro)	December 31, 2011	December 31, 2010
Present value of defined benefit obligations	5,688	5,868
Fair value of plan assets	0	0
Unrecognized actuarial gains (losses)	443	63
Costs non yet recognized deriving from past obligations	0	0
Defined benefit obligations	**6,131**	**5,931**
Defined contribution obligations	964	857
Staff leaving indemnities and similar obligations	**7,095**	**6,788**

The following table shows the primary assumptions employed in the actuarial assessments of defined-benefit plans as of December 31, 2011 and December 31, 2010, respectively:

	Italy	
	December 31, 2011	December 31, 2010
Discount rate	4.80%	4.70%
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

The item "Other employee benefits" includes the provision for long-term incentive plans, signed by some employees of the Parent Company identified as particularly important for the medium to long term purposes of the Group. The three-year plans provide for the recognition of money incentives proportionate to the achievement of certain personal and Group objectives.
The aim of these plans is to further strengthen the alignment over time of individual interests to business interests and, consequently, to the shareholders' interests. The final payment of the long-term incentive is always subject to the creation of value in the medium to long-term viewpoint, rewarding the achievement of performance objectives over time. The performance conditions are based on multi-year indicators and the payment is always subject, in addition to maintaining the employer-employee relationship with the company for the duration of the plan, also to the presence of a positive consolidated income before taxes in the year of expiry of the plan.

Such plan falls 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
2012	3.42%
2013	4.26%

The following table provides an analysis of the distribution of the Group's employees, excluding the employees of the Chinese joint venture Nanjing SAES Huadong Vacuum Material Co., Ltd., that was disposed during the year 2011:

Group employees	December 31, 2011	December 31, 2010	Average 2011	Average 2010
Managers	87	88	88	93
Employees and middle management	388	387	385	385
Workers	536	549	548	519
Total	**1,011**	**1,024**	**1,021**	**997**

The workforce amounted to 1,011 units (out of which 581 were employed outside of Italy) as of December 31, 2011, broadly in line compared to December 31, 2010.

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

Nanjing SAES Huadong Vacuum Material Co., Ltd.	December 31, 2011	December 31, 2010	Average 2011	Average 2010
Managers	0	4	1	4
Employees and middle management	0	11	3	12
Workers	0	22	6	22
Total	**0**	**37**	**10**	**38**

30. PROVISIONS

Provisions came to 3,982 thousand of euro as of December 31, 2011. The following table shows the composition of and the changes in these provisions compared to the previous year:

(thousands of euro)

Provisions	December 31, 2010	Increase	Utilization	Reclassifications (*)	Release	Translation differences	December 31, 2011
Warranty provisions on product sold	291	247	(114)	0	0	20	444
Bonus	1,701	1,710	(1,534)	0	0	11	1,889
Other provisions	3,133	133	(87)	95	(1,643)	19	1,650
Total	**5,125**	**2,090**	**(1,735)**	**95**	**(1,643)**	**50**	**3,982**

(*) Amounts reclassified from "Other liabilities"

The item "Bonus" includes the accrual of bonuses to the Group's employees related to the year 2011. The movement with respect to the previous year is due to both the accrual of bonuses related to the period and to the payment of the bonuses of the previous financial year, settled during the first half of 2011.

The item "Other provisions" mainly 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 (748 thousand of euro as at December 31, 2011) 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 (500 thousand of euro). The value of this liability has been calculated on the basis of the agreements reached with the local authorities.

It is noted that on December 31, 2010 the item “Other provisions” would include 1,643 thousand of euro corresponding to the year 2010 IRES taxes of SAES Getters S.p.A. calculated on the basis of the Italian tax regulations on “Controlled Foreign Companies (CFC)”[17]. This provision has been released during the year as a result of positive response, from the Italian Tax Authority, regarding the tax ruling presented in March 2011 related to the request for not enforcing the CFC legislation on the income generated by SAES Getters Export, Corp., a U.S. subsidiary of SAES Getters S.p.A. For further details please refer to the Note no. 10 and to the Separate financial statements.

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

(thousands of euro)

Provisions	Current provisions	Non current provisions	December 31, 2011	Current provisions	Non current provisions	December 31, 2010
Warranty provisions on product sold	0	444	444	0	291	291
Bonus	1.889	0	1.889	1.701	0	1.701
Other provisions	156	1.493	1.650	1.711	1.422	3.133
Total	**2.045**	**1.937**	**3.982**	**3.412**	**1.713**	**5.125**

31. TRADE PAYABLES

Trade payables came to 11,463 thousand of euro as at December 31, 2011 and they were up by 457 thousand of euro compared to the previous year, in line with the business recovery.

Trade payables do not bear interests 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, 2011, 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, 2011	11,463	9,010	1,258	990	40	75	90
December 31, 2010	11,006	6,991	3,073	815	18	92	17

32. OTHER PAYABLES

The item “Other payables” includes amounts that are not strictly classified as trade payables and amounted to 9,226 thousand of euro as at December 31, 2011, compared to 9,428 thousand of euro as at December 31, 2010.

[17] Article no. 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 no. 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 a separate IRES taxation referring to the Italian parent company.

(thousands of euro)

Other payables	December 31, 2011	December 31, 2010	Difference
Employees payables (vacation, wages and staff leaving indemnity, etc.)	4,636	4,640	(4)
Social security payables	1,365	1,563	(198)
Tax payables (excluding income taxes)	818	925	(107)
Other	2,407	2,300	107
Total	**9,226**	**9,428**	**(202)**

The item "Employees payables" is made up of the holiday allowance accrued but not taken during the year and the remuneration for the month of December 2011. It is substantially unchanged compared to 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" consists primarily of the payables owed by the Italian companies to the Treasury in connection with the withholding taxes on the wages of salaried employees and independent contractors.

Lastly, the item "Other" mainly includes payables of the Parent Company for Directors' compensation, for commissions to agents and for the advances on public grants for research activities. With reference to this last item, as previously highlighted, during the current year, it was considered appropriate to change the presentation of this item, offsetting receivables and payables of the Parent Company against the same issuer; for consistency, we made the same compensation also on balances as of December 31, 2010.
The increase, compared to the previous year, is due to higher variable remuneration to Directors for the year 2011, partially offset by the fact that the item as at December 31, 2010 also included payables for consultancies on the transfer of the Chinese jointly-controlled joint venture Nanjing SAES Huadong Vacuum Material Co., Ltd., paid during the first half of 2011.

33. ACCRUED INCOME TAXES

The item 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. and SAES Nitinol S.r.l.) have elected to participate in the national tax consolidation program and the associated tax balance is included in "Tax consolidation receivables/payables to controlling company" (please refer to the Note no. 18 for further information).
The item also includes the IRAP debt of the Italian companies.

Accrued income taxes came to 1,015 thousand of euro as at December 31, 2011. The item was up by 390 thousand of euro compared to the previous year, primarily because of the U.S. subsidiaries' better taxable results.

34. BANK OVERDRAFT

As at 31 December 2011 Bank overdrafts amounted to 1 thousand of euro and consisted in the overdrafts on current bank accounts.
As at December 31, 2010 the item amounted to 1,504 thousand of euro and consisted primarily of short-term debt owed by the Parent Company in the form of "hot money" debt (1,500 thousand of euro) and fully repaid during the year 2011.

35. ACCRUED LIABILITIES

Accrued expenses and deferred income came to 824 thousand of euro as at December 31, 2011. The item may be broken down as follows:

(thousands of euro)

Accrued liabilities	December 31, 2011	December 31, 2010	Difference
Accrued expenses	220	201	19
Deferred income	604	1,153	(549)
Total	**824**	**1,354**	**(530)**

The decrease compared the previous year in the item "Deferred income" is mainly due to lower future revenues.

36. CASH FLOW STATEMENT

Cash flow provided by operating activities came to 18,842 thousand of euro, with a significant improvement compared to 7,455 thousand of euro generated during the year 2010. The significant improvement achieved during the year is the result of higher self-financing and lower absorption of liquidity thanks to the best policies for the management of trade receivables and inventories.

Investing activity used liquidity of 6,311 thousand of euro, (the cash absorption was 7,950 thousand of euro in 2010). The exit from the consolidation perimeter of the Chinese joint venture Nanjing SAES Huadong Vacuum Material Co., Ltd. has also resulted in a the transfer of cash of the joint venture to the minority shareholders amounting to 1,540 thousand euro. Moreover, it should be noted disbursements for purchases of both tangible and intangible fixed assets equal to 6,107 thousand of euro, partially offset by proceeds resulting from the sale of some assets equal to 1,869 thousand of euro (in particular, the aforementioned sale of the Korean plant). The establishment of the joint venture Actuator Solutions GmbH and the subsequent increase in capital stock have, instead, generated a disbursement of 506 thousand euro.

The balance of financing activities is negative and equal to 15,741 thousand of euro compared to the negative balance of 2,449 thousand of euro of the previous financial year.
The financial management of the period was characterised by the financial disbursements for the payment of dividends (4,410 thousand of euro), as well as by the repayments on loans according to their contractual repayment plans and, in particular, the early repayment of the loan of the U.S. subsidiary Spectra-Mat, Inc. (for further details please refer to the Note no. 27).

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, 2011	December 31, 2010
Cash and cash equivalents	20,292	20,577
Bank overdraft	(1)	(1,504)
Cash and cash equivalents, net - statement of financial position	**20,291**	**19,073**
Cash equivalents held for sale	0	1,650
Short term debt	0	1,500
Cash and cash equivalents, net - cash flow statement	**20,291**	**22,223**

As at December 31, 2010 the item "Cash held for sale" consisted of 1,650 thousand of euro of cash related to the joint venture Najing SAES Huadong Vacuum Materials Co., Ltd., disposed during the year 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.

37. 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 the Note no. 23 for further details on the agreements in place as at December 31, 2011.

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**
2011	euro	+/- 0.20	+/- 5
	other currencies	+/- 0.20	+/- 32
2010	euro	+/- 0.20	+/- 16
	other currencies	+/- 0.20	+/- 30

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:

(amounts in USD)

Description	Notional (USD)	Mark to Market (USD)	Fixed rate (%)	3 months LIBOR BBA USD as at December 31, 2011	6 months LIBOR BBA USD as at December 31, 2011	+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	(147,579)	3.65%		0.81%	1.01%	(137,192)	0.61%	(157,966)
IRS with maturity date December 31, 2014 executed on Loan of $30.5 million by Memry Corporation	12,000,000	(802,371)	3.03%	0.58%		0.78%	(736,844)	0.38%	(867,897)
Total	**22,000,000**	**(949,950)**					**(874,036)**		**(1,025,863)**

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**
2011	euro	+/- 1	+/- 70
	USD/other currencies	+/- 1	+/- 181
2010	euro	+/- 1	+/- 58
	USD/other currencies	+/- 1	+/- 224

Exchange-rate risk

The Group is exposed to foreign currency exchange risk on foreign commercial transactions. Such exposure is generated predominantly by sales in currencies other than the reference currency. In the year 2011 around 78% of Group sales and around 56% of the Group's operating costs are denominated in a currency other than the euro.
In order to manage the volatility generated by the economic impact of fluctuations in exchange rates, primarily EUR/USD and EUR/JPY, the Group 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 the Note no. 23 for further details on derivative agreements signed during the fiscal year 2011.

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)

U.S. dollar	Increase/ Decrease	Effect on income before taxes	Effect on net result
2011	+ 5%	49	35
	- 5%	(54)	(39)
2010	+ 5%	173	127
	- 5%	(191)	(140)

(thousands of euro)

Japanese YEN	Increase/ Decrease	Effect on income before taxes	Effect on net result
2011	+ 5%	104	76
	- 5%	(115)	(84)
2010	+ 5%	(4)	(3)
	- 5%	5	4

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 U.S. 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
2011	+ 5%	(532)	(403)
	- 5%	532	403
2010	+ 5%	(377)	(285)
	- 5%	377	285

(thousands of euro)

U.S. dollar	Increase/ Decrease	Effect on income before taxes	Effect on net result
2011	+ 5%	53	40
	- 5%	(59)	(44)
2010	+ 5%	102	81
	- 5%	(113)	(89)

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
2011	+1%	95	69
	- 1%	(97)	(71)
2010	+1%	38	28
	- 1%	(39)	(28)

With reference to net financial position, an appreciation of the U.S. dollar by 5% would have had a negative impact of approximately 839 thousand of euro on the net financial position as at December 31, 2011, whereas a depreciation of the same percentage amount would have had a positive impact of approximately 759 thousand of euro.

	Increase/ Decrease (% on basis point)	Effect on Net Financial Position (thousands of euro)
December 31, 2011	+5%	(839)
	- 5%	759
December 31, 2010	+5%	(1,144)
	- 5%	1,035

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 Administration 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 euro 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, 2011 and about the maturity date of these debts please refer to the Note no.27.

As of December 31, 2011 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 the year 2011.
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.

38. POTENTIAL LIABILITIES AND COMMITMENTS

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

(thousands of euro)

Guarantees	December 31, 2011	December 31, 2010	Difference
Guarantees in favour of third parties	46,794	55,173	(8,379)
Total	**46,794**	**55,173**	**(8,379)**

The decrease compared to the previous year is mainly explained by the expiration of some guarantees provided by the Parent Company to secure the loans undertaken by some foreign subsidiaries and repaid during the year.

The maturities for operating lease obligations outstanding as of December 31, 2011 are shown below:

(thousands of euro)

	Less than 1 year	1-5 years	Over 5 years	Total
Operating lease obligations	1,341	1,386	581	**3,308**

39. RELATED PARTY TRANSACTIONS

IAS 24 revised 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 Vincenzo Donnamaria, Chairman of the Board of Statutory Auditors of SAES Getters S.p.A. It provides tax, legal and financial consultancy services.

- **Actuator Solutions GmbH**: a joint venture, 50% jointly owned by SAES Getters and Alfmeier Präzision groups, focused on the development, manufacturing and marketing of actuators based on the SMA technology.
- **Managers with Strategic Responsibilities**: these include the members of the Board of Directors, including non-executive directors and the members of the Board of Statutory Auditors. Their close relatives are also considered related parties.
  Moreover, the Corporate Human Resources Manager, the Corporate Operations Manager, the Group Legal General Counsel, the Corporate Research Manager and the Group Administration, Finance and Control Manager are considered managers with strategic responsabilities.

The following table shows the total values of the related party transactions undertaken in 2011 and 2010.

(thousands of euro)

December 31, 2011	General & administrative expenses	Research & development expenses	Other income (expenses), net	Trade receivables	Tax consolidation receivables from Controlling Company	Tax consolidation payables to Controlling Company	Other payables
S.G.G. Holding S.p.A.					2,484	(2,349)	
KStudio Associato							
Actuator Solutions GmbH		60 (*)	211	271			
Total	**0**	**60**	**211**	**271**	**2,484**	**(2,349)**	**0**

(*) costs recovery

(thousands of euro)

December 31, 2010	General & administrative expenses	Research & development expenses	Other income (expenses), net	Trade receivables	Tax consolidation receivables from Controlling Company	Tax consolidation payables to Controlling Company	Other payables
S.G.G. Holding S.p.A.					3,417	(3,111)	
KStudio Associato	(12)						
Actuator Solutions GmbH							
Total	**(12)**	**0**	**0**	**0**	**3,417**	**(3,111)**	**0**

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

(thousands of euro)

Total compensation to key management	2011	2010
Short term employee benefits	3,114	2,690
Post employment benefits	0	0
Other long term benefits	166	179
Termination benefits	106	120
Total	**3,386**	**2,989**

As at December 31, 2011 payables to Managers with Strategic Responsibilities, as defined above, is equal to 2,397 thousand of euro, compared with payables of 1,800 thousand of euro as at December 31, 2010.

Pursuant to Consob communications of February 20, 1997 and February 28, 1998, as well as to IAS 24 revised, we report that also in 2011 all related-party transactions fell within ordinary operations and were settled at economic and financial market conditions.

40. 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	2011		2010	
	Average rate	Final rate	Average rate	Final rate
U.S .dollar	1.3920	1.2939	1.3257	1.3362
Japanes yen	110.9590	100.2000	116.2390	108.6500
South Korean won	1,541.2300	1,498.6900	1,531.8200	1,499.0600
Renminbi (P.R. of China)	8.9960	8.1588	8.9712	8.8220

41. 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.	85
Tax and legal advices	Parent Company auditor	SAES Getters S.p.A.	0
Other	Parent Company auditor	SAES Getters S.p.A.	0
Tax and legal advices (*)	Network of Parent Company auditor	SAES Getters S.p.A.	16
Audit	Parent Company auditor	Subsidiaries	156
Tax and legal advices	Parent Company auditor	Subsidiaries	0
Other	Parent Company auditor	Subsidiaries	0
Audit	Network of Parent Company auditor	Subsidiaries	201
Tax and legal advices	Network of Parent Company auditor	Subsidiaries	10
Other	Network of Parent Company auditor	Subsidiaries	0

(*) Tax advice for corporate restructuring in China and South Korea

Lainate (MI), March 13, 2012

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

Certification of the Consolidated financial statements

Certification of the Consolidated financial statements

pursuant to article no. 81-*ter* of CONSOB Regulation no. 11971 of May 14, 1999, as subsequently amended

1. The undersigned, Giulio Canale, in his capacity as Vice President and Managing Director, and Michele Di Marco, in his capacity as Officer Responsible for the preparation of the corporate financial reports of SAES Getters S.p.A., hereby certify, pursuant to the provisions of article 154-*bis*, paragraphs 3 and 4, of 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, 2011.

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 with a financial nature issued to the market.
- The Control Model, with reference to the organizational structure of the SAES Group:
    - sets the roles and responsibilities of the entities involved in various capacities in the process of forming and/or controlling the financial information of the SAES Group and introduces the role of manager in charge of the preparation of corporate accounting documents (hereinafter the "Officer Responsible");
    - describes the elements that comprise the administrative and accounting control system, citing the general control environment underlying the Internal Control System of the SAES Group, in addition to specific components pertaining to administrative and accounting information;
    - regarding 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 2010 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.

- 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.

- 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, 2011:

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

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

Lainate (MI), March 13, 2012

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, 2011, our supervisory activity was conducted in accordance with the Consolidated Financial Intermediation Act enacted by Legislative Decree 58/1998 and the applicable provisions of 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 subsequently amended.
Moreover, the Board of Statutory Auditors, acting as Internal Control and Audit Committee, pursuant to article 19, of Italian Legislative Decree no. 39/2010, carried out, during the financial year, the verification activities entrusted to it by law.
Having acknowledged the foregoing, we report on our supervisory activity provided by the law during financial year ended December 31, 2011 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, without considering 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 2011, we took part in one Shareholders' Meeting and ten 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 organizational, 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 organizational 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 Supervisory Body on the activities carried out during 2011 and the meetings of this Committee with the Board of Statutory Auditors did not point out any significant critical 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 financial statements.

Having acknowledged the foregoing, we would like to draw the attention of the Shareholders' Meeting to the following.

Performance of the period

As appropriately illustrated by the Directors in the 2011 Financial statements, the results for the year seem satisfactory both in terms of results and future growth prospects of the Group. In particular, albeit in a context characterized by the protraction of the international global economic crisis, an increase in turnover equal to 5.7% compared to the previous financial year was reported. This increase derives from the substantial stability of all major business areas and at the same time, from the volume growth of the semiconductor business, whose positive trend, already begun in the previous financial year, was further boosted by new investments in semiconductor factories and by the growth of LED and OLED businesses. The policy of cost containment, already started for some years now, has also made it possible to improve the operating result compared to last year, despite a slight decline in gross profit. For what concerns growth prospects, it should be noted that during the financial year the new products developed by research over the last years were introduced onto the market and other products will be marketed as from 2012, with important forecasts in terms of increase in net sales. In the sector of shape memory alloys, the new important entrepreneurial initiative aims to the development and production, in joint venture with the German partner, Alfmeier Prazision AG, of SMA technology-based actuators. This initiative has involved the Company both as a shareholder of the joint venture company and as a supplier of strategic materials.

Most significant transactions undertaken during the year

As mentioned above, in connection with investments in the SMA field for industrial applications, which represent a major development opportunity for the Group's future, in the second half of 2011, and in particular, on July 5, 2011, the German company, Actuator Solutions GmbH, was set up, whose share capital is held by 50% by the 100% subsidiary of SAES Getters S.p.A. SAES Nitinol S.r.l., set up on May 12, 2011 and by 50% by the company of the group, Alfmeier SMA Holding GmbH. The joint venture, whose mission is to become a world leader in the field of actuators based on shape memory alloys, is the holder of a license for the use of the technology developed by Cambridge Mechatronics Limited for the implementation and marketing of autofocus systems and image stabilizer, based on SMA components, to be applied in cameras, mobile phones and smartphones.
Within the rationalization plan of non-strategic equity investments, it should be noted that on April 11, 2011, after having obtained the necessary administrative authorizations by the competent Chinese authorities, the SAES Getters International Luxembourg S.A. subsidiary executed the transfer to the Chinese minority-interest shareholders of its equity investment, equal to 51%, in the Chinese joint venture Nanjing SAES Huadong Vacuum Material Co., Ltd. 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 totaling 30 million of Chinese renminbi (3.4 million of euro), to be distributed to the minority shareholders in proportion to their equity investments, as a settlement of the contractual obligation already recorded in the 2009 financial statements. Always as part of the Group's restructuring plan, during the 2011 financial year, the closing of the factory was dedicated to the LCD production of the subsidiary SAES Getters Korea Corporation, which continues to work in the local market as distributor of products manufactured by other Group companies. The buildings and part of the manufacturing plants were sold to local third parties. The net economic effects resulting from this operation are essentially very minor (net capital gains of 97 thousand of euro).
As for the subsequent events after the end of the year, on February 21, 2012, the Parent Company took out with an important bank a new stand-by loan for a total of 15 million of euro with maturity date in August 2013, to be used to meet temporary financial requirements of working capital that may arise

during the completion of new acquisitions. On February 23, 2012, in order to give the subsidiary E.T.C. S.r.l. greater financial resources, the Company decided a capital contribution of 1,985 thousand of euro (equal to the loss of E.T.C. S.r.l. in 2011). This increase was carried out by waiving a financial credit of 1,666 thousand of euro, by waiving a trade receivable of 297 thousand of euro and the remaining part, of 22 thousand of euro, by paying in cash. Always on February 23, 2012, to restore the share capital as a result of the losses recorded during the 2011 financial period, the Company approved a capital contribution in favour of the subsidiary SAES Nitinol S.r.l. of 13 thousand of euro.
For what concerns the other companies of the Group, it should be pointed out that, following the failure of a financial covenant on the loan by the subsidiary Memry Corporation, in the first months of 2012 the value of this covenant was renegotiated with the lending bank; at the same time, the charge of a trading fee was defined (0.25% of the outstanding amount of the loan, already included among the financial charges for the year 2011) for the waiver of the withdrawal of the debt from the bank lender. The contractual formalization of these changes and the redefinition of the covenants to be applied in future years are currently underway and expected to be completed in a reasonably short time. It should be noted, moreover, that the Group has cash and cash equivalents and available lines of credit to cope with a possible request for redemption.
On January 1, 2012, the merger of SAES Getters America, Inc. in SAES Getters USA, Inc. (the former, already 100% controlled by the latter) was finalized. This transaction will enable the achievement of economies of scale and the pursuit of operational efficiency between the two companies, which, however, were already using the same production structure.
Finally, on February 15, 2012, the share capital of the joint venture Actuator Solutions GmbH, equal to 1,012 thousand of euro, was increased to 2,000 thousand of euro, through the payment of 494 thousand of euro by each of the two shareholders, SAES Nitinol S.r.l. (SAES Getters) and SMA Holding GmbH (Alfmeier).
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.

Atypical and/or unusual transactions, including infra-group and related-party transactions

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, administrative, legal, and financial services 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, the Directors indicated in their Report:

- the relations with S.G.G. Holding S.p.A., parent company, 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 finally on June 14, 2011 for a further three years. By virtue of said Agreement, as at December 31, 2011, SAES Getters S.p.A. claimed a total of 2,485 thousand of euro in receivables from S.G.G. Holding S.p.A.;
- relations with Actuator Solutions GmbH, joint venture jointly controlled with equal shares by the two Groups, SAES Getters and Alfmeier Präzision, aiming to the development, production and marketing of SMA technology-based actuators.

The Directors also identified the following additional related parties, among Managers with strategic responsibilities:

- 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 Corporate Human Resources Manager, the Corporate Operations Manager, the Group Legal General Counsel, the Corporate Research Manager and the Group Administration, Finance and Control Manager.

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 revised. 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, 2011 is complete and adequate with respect to transactions undertaken with all Group entities and related parties.

In this regard, the Board of Statutory Auditors acknowledges that, as appropriately indicated in the report on corporate governance, the Company adopted the procedures for related-party transactions, in compliance with article 2391- bis Italian Civil Code, as carried out by Consob Regulation no. 17221 of March 12, 2010, and to the Consob Regulation of September 24, 2010.

Audit firm

Reconta Ernst & Young S.p.A., engaged to audit the Financial statements, issued audit reports on March 20, 2012, in which they expressed a judgment containing no remarks on either the Consolidated or Parent Company accounts for 2011.

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 Legislative Decree 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 recognized.

The Board also acknowledges formally that it has received from the auditing firm, pursuant to article 17, paragraph 9 letter a), of Italian Legislative Decree 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 2011, the Board of Statutory Auditors was not called upon to issue any opinion in accordance with the law.

Filing of complaints pursuant to *ex* 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 organizational 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 organizational 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.

Subsidiaries

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 13, 2012 and made available on the Company's website.

Corporate Governance Code for Listed Companies

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 2011 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.
Moreover, the Company, on February 23, 2012, decided to comply with the new recommendations contained in the 2011 Code of Corporate Governance and to gradually implement the recommendations contained therein during 2012, in compliance with the set deadlines.

Report on remuneration draw up in accordance with article 123 - *ter* of the Consolidated Finance Act and article 84 – *quarter* of the Consob Issuers Regulation

The Board of Statutory Auditors states that it has previously examined and expressed its favorable opinion, together with the Compensation Committee, also in accordance with the provisions set forth in article 2389, paragraph 2 Italian Civil Code, regarding the policies and general guidelines on remuneration of administrative bodies and managers with strategic responsibilities of the Company and in particular on the Report on remuneration, drawn up pursuant to article 123 - *ter* of the Consolidated Finance Act and 89-*quarter* of the Consob Issuers Regulation as well as with reference to the annual and three-year instruments of monetary incentive targeted to the strategic resources of the Company and of the SAES Group.
The Board of Statutory Auditors 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 23, 2012.
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.

CONSOLIDATED AND SAES GETTERS S.P.A FINANCIAL STATEMENTS for the year ended on December 31, 2011

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 realized 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	3,852	148,644
Operating income (loss)	(17,640)	12,809
Other income and expenses	9,852	(1,808)
Income (loss) before taxes	(7,788)	11,001
Net income (loss)	1,972	15,584
	=======	=======

Statement of financial position

Non-current assets	96,820	119,359
Current assets	15,977	78,141
Total assets	112,797	197,500
Non-current liabilities	5,074	22,404
Current liabilities	30,324	52,065
Shareholders' equity	77,399	123,031
Total liabilities	112,797	197,500
	=======	=======

As of December 31, 2011, the Parent Company's cash flow statement showed net cash and cash equivalents of 2,387 thousand of euro. As of the same date, the Consolidated cash flow statement showed net cash and cash equivalents of 20,291 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 amortized on the basis of their estimated useful lives. Goodwill is not amortized, but rather tested for impairment at least annually.

Long-term equity investments came to 72,871 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 venture Actuator Solutions GmbH, to which the equity method has been applied.

The dividends collected by the Parent Company in 2011 totaled 12,302 thousand of euro, compared to 15,420 thousand of euro in 2010.

Financial debts came to 23,507 thousand of euro on the Parent Company's financial statements as of December 31, 2011, marking an increase of 5,615 thousand of euro compared to December 31, 2010.

Share Capital

As of December 31, 2011, capital stock, fully subscribed and paid-up, amounted to 12,220 thousand of euro and consisted, as for the previous 2010 financial year, of 14,671,350 ordinary shares and 7,378,619 savings shares, for a total of 22,049,969.

The shareholders' equity of the Parent Company totaled 77,399 thousand of euro and included, inter alia, the reserve of positive currency revaluation balances ensuing from the application of Laws 72/1983 and no. 342/2000 (1,727 thousand of euro), the retained earnings reserve (13,367 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 business units to SAES Advanced Technologies S.p.A. (2,426 thousand of euro).

Research, development and innovation costs were 7,758 thousand of euro in the Parent Company's financial statements and 13,881 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 capitalization.

Current and deferred income taxes were recognized with a positive balance of 9,760 thousand of euro for the Parent Company, consisting of 3,524 thousand of euro in current taxes and a negative 6,236 thousand of euro in deferred taxes. The positive balance of current taxes was primarily due to the national tax consolidation program in which the Company participates with its Controlling Company S.G.G. Holding S.p.A. and, in particular, the remuneration of tax loss for the period transferred to the Consolidated financial statements. The reversal of the provision created in the previous financial year of 1,643 thousand of euro was also recorded in this item in connection with the IRES tax deriving from the taxation of the Company of the income of the SAES Getters Export, Corp. subsidiary, following the acceptance, on January 31, 2012, of the request for a ruling for the non-application of the so-called regulation CFC, set forth in article 167, paragraphs 8 - *bis* and 8 - *ter*, of Italian Presidential Decree no. 917/1986, submitted in March 2011.
Current and deferred income taxes came to 4,291 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, noting, also, the positive effect resulting in the recognition of deferred tax assets on tax losses as a result of regulatory changes that allow their carry-forward without time limits indefinitely.
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 fully distribute the net income for the period of 1,971,693.36 of euro, subject to rounding, in favor of savings shares in full recognition of the preferred dividend with reference to the 2011 financial period and partial recovery of the preferred dividend with reference to the 2009 financial period and, distribute part of the available "Retained earnings" reserve of 8,819,987.60 of euro, assigning a dividend of 0.400000 of euro per share, in equal measure to the ordinary and savings shares pursuant to article 26 of the Company By-laws.
On the basis of the foregoing, and in consideration of the results of our activity, we propose that the Shareholders' Meeting approve the Consolidated financial statements and Financial statements of the Parent Company for the year ended December 31, 2011, as prepared by the Directors. With the approval of these Financial statements, the Board of Directors and the Board of Statutory Auditors fall from their office; we therefore thank you for the trust you have placed in us and invite you to approve the Financial statements as presented.

March 27, 2012

Vincenzo Donnamaria

Alessandro Martinelli

Maurizio Civardi

Indipendent Auditors’ report

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Independent auditors' report
pursuant to art. 14 and 16 of Legislative Decree n. 39 dated 27 January 2010
(Translation from the original Italian text)

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

1. We have audited the consolidated financial statements of Saes Getters S.p.A. and its subsidiaries, (the "SAES Group") as of 31 December 2011 and for the year then ended, comprising the statement of financial position, the statement of income, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows and the related explanatory notes. The preparation of these financial statements in compliance with International Financial Reporting Standards as adopted by the European Union and with art. 9 of Legislative Decree n. 38/2005 is the responsibility of Saes Getters S.p.A.'s management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards recommended by CONSOB (the Italian Stock Exchange Regulatory Agency). In accordance with such standards, we planned and performed our audit to obtain the information necessary to determine whether the consolidated financial statements are materially misstated and if such financial statements, taken as a whole, may be relied upon. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, as well as assessing the appropriateness of the accounting principles applied and the reasonableness of the estimates made by 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 March 25, 2011.

3. In our opinion, the consolidated financial statements of the SAES Group at 31 December 2011 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. are 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 of the information presented in compliance with art. 123-bis of Legislative Decree n. 58/1998, paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) in the Report on Corporate Governance and 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 presented in compliance with art. 123-bis of Legislative Decree n. 58/1998, paragraph 1, letters c), d), f), l), m) and paragraph 2), letter b) in the Report on Corporate Governance and the Company's Ownership, are consistent with the consolidated financial statements of the SAES Group as of December 31, 2011.

Milan, March 20, 2012

Reconta Ernst & Young S.p.A.
Signed by: Gabriele Grignaffini, Partner

Reconta Ernst & Young S.p.A.
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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	**2011**	**2010**	**Difference**	**Difference %**
NET SALES				
- Industrial Applications	2.413	4.257	(1.844)	-43,3%
- Shape Memory Alloys	143	292	(149)	-51,0%
- Information Displays	851	3.089	(2.238)	-72,5%
- Advanced Materials & Corporate Costs (1)	445	495	(50)	-10,1%
Total	**3.852**	**8.133**	**(4.281)**	**-52,6%**
GROSS PROFIT				
Industrial Applications	(213)	445	(658)	-147,9%
Shape Memory Alloys	(104)	77	(181)	-235,1%
Information Displays	(332)	(243)	(89)	-36,6%
Advanced Materials & Corporate Costs (1)	(764)	(481)	(283)	-58,8%
	(1.413)	**(202)**	**(1.211)**	**-599,5%**
% on sales	-36,7%	-2,5%		
EBITDA (2)	**(14.789)**	**(14.604)**	**(185)**	**-1,3%**
% on sales	-383,9%	-179,6%		
OPERATING INCOME (LOSS)	**(17.640)**	**(17.641)**	**1**	**0,0%**
% on sales	-457,9%	-216,9%		
NET INCOME	**1.972**	**(3.765)**	**5.737**	**152,4%**
% on sales	51,2%	-46,3%		

Balance Sheet and Financial data	**December 31, 2011**	**December 31, 2010**	**Difference**	**Difference %**
Property, plant and equipment, net	14.318	14.883	(565)	-3,8%
Shareholders'equity	77.399	79.838	(2.439)	-3,1%
Net financial position	(18.032)	(10.186)	(7.846)	-77,0%

Other information	**2011**	**2010**	Variazione	Variazione %
Cash flow from operating activities	(13.820)	(15.465)	1.645	10,6%
Research & development expenses (3)	7.758	7.826	(68)	-0,9%
Number of employees as at 31 December (4)	200	200	0	0,0%
Personnel cost (5)	14.398	14.515	(117)	-0,8%
Purchase of property, plant and equipment	2.001	1.949	52	2,7%

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".

3) Research & development expenses for the 2010 financial period included savings for the use of the redundancy fund of Euro 56 thousand. adjust no. of notes of the table.

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

5) In 2010, the personnel cost included costs due to reduction in personnel of Euro 861 thousand (severance costs net of savings for the use of the redundancy fund) whereas the use of the redundancy fund lead to a benefit on the personnel costs of Euro 362 thousand. In 2011, the use of the redundancy fund lead to a benefit on the personnel costs of Euro 272 thousand.

Report on operations of the SAES Getters

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 both for medical and for industrial applications
Information Displays Business Unit	
Liquid Crystal Displays (LCD)	Getter e dispensatori di metalli per schermi a cristalli liquidi
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 cells and energy storage getter devices

Net sales were Euro 3,852 thousand compared to Euro 8,133 thousand in 2010.

EBITDA for the year came to a negative Euro 14,789 thousand, compared to a negative Euro 14,604 thousand in 2010.

The operating loss came to Euro 17,640 thousand in 2011, compared to Euro 17,641 thousand in 2010.

Dividends, net financial income, net exchange gains and write-downs of equity investments in subsidiaries came to Euro 9,852 thousand in 2011, down from Euro 13,190 thousand in the previous year, primarily owing to the lesser dividends collected from subsidiaries (which amounted to Euro 12,302 thousand in 2011 compared to Euro 15,420 thousand in 2010).

The net income for 2011 was Euro 1,972 thousand, compared to a net loss of Euro 3,765 thousand in 2010.

Financial position as at December 31, 2011 stood at net debt of Euro 18,032 thousand compared to net debt of Euro 10,186 thousand as at December 31, 2010.

Research, Development and Innovation Activities – Parent Company

Research and innovation activity was intense in 2011, as shown by the amount of the related expenditure, which came to Euro 7,758 thousand. The expenditure remained essentially unchanged, confirming the importance of research for the SAES Group.

During 2011, research activity focused primarily on large diversification projects in the area of organic chemistry. The Company in cooperation with the subsidiary E.T.C. S.r.l., focused on the development the basic skills for the implementation of OLET, i.e. organic transistors that are characterised by being able to work both as light emitters and as sensors. The work led to the creation of the first working demonstrators and to the filing of the first patents - the starting point for the creation of value of this initiative. The 2012 activity will focus on the consolidation of the results achieved until now, but also on the identification of application niches of this new technology, with a special attention to the medical diagnostics sector.

In the first months of 2011, the organic chemistry laboratory completed successfully the due diligence of the technology developed by the American PureLightLabs, LLC (PLL), laboratory. Therefore, an agreement with a period of validity of 12 months was signed with PLL for the development and production of an organic material with a high index of refraction for CMOS, miniaturised optical sensors normally used in miniature cameras for mobile phones or personal computers. Once developed, the product will be tested by two big European users and, in case of a positive qualification, the license to produce and market this material for CMOS - whose market is expected to grow strongly in the years to come - will be purchased from PLL.

In 2011, the company completed successfully the development of new products for the renewable energy sector. During 2011, the qualification, by an important producer of CIS photovoltaic modules with thin film, of the new product B-Dry®, was completed. Its marketing started in the second part of the year, preceded by the signing of a long-term supply contract. The Group also started the development of a second generation of this type of products that aims to broaden the customer base.

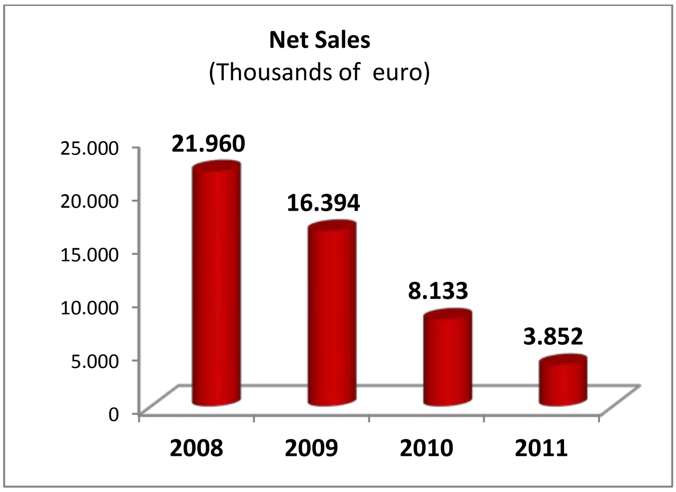
Always in the field of renewable energy, the Group continued to develop getters for lithium batteries and super-condensers. In particular, in this second field of application, excellent feedbacks must be reported from customers who tested our products.

The development of the new family of high vacuum pumps NEXTorr® was very intense. The first models, presented at the end of 2010, had a market success beyond our own expectations and the range will be enriched by other new models over the next few months, contributing significantly to the increase in Business Vacuum Systems & Thermal Insulation. We report in this regard that NEXTorr® D100 won the important recognition called “2011 R&D 100 Award”. Always within this business area, we point out also the development of a new getter for vacuum insulated panel that will take up a position alongside the current ComboGetter® with performance and prices aligned to market requirements, which in Asia are increasing very quickly.

Always within the Industrial Applications Business Unit, research activities of new Mercury dispensers for compact fluorescent lamps (CFL) continues; this is an activity of high strategic importance because it would allow us to enter an expanding market following the banishing of incandescent bulbs.

Sales and net income for the year ended December 31, 2011

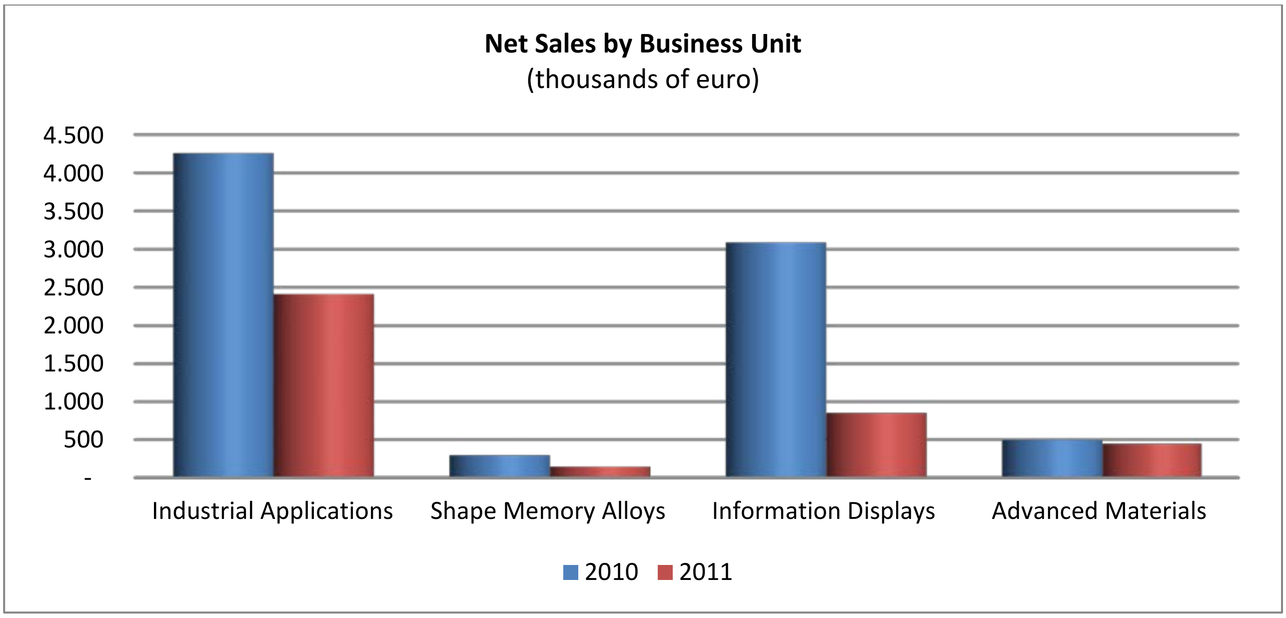
Net sales were 3,852 thousand of euro in 2011, down 52.6% from the 8,133 thousand of euro reported in 2010.



The following table contains a breakdown of net sales in 2011 and 2010 by business unit:

(thousands of euro)

Business Unit and Business	Year 2011	Year 2010	Difference	Difference %	Price /quantity effect	Exchenge rate effect
Lamps	44	35	9	25,7%	27,6%	-1,9%
Electronic Devices	1.793	2.685	(892)	-33,2%	-32,6%	-0,6%
Vacuum Systems and Thermal Insulation	576	1.537	(961)	-62,5%	-62,3%	-0,2%
Semiconductors	0	0	0	0,0%	0,0%	0,0%
Subtotal Industrial Applications	**2.413**	**4.257**	**(1.844)**	**-70,0%**	**-42,8%**	**-0,5%**
Subtotal Shape Memory Alloys	**143**	**292**	**(149)**	**-51,0%**	**-50,7%**	**-0,3%**
Liquid Crystal Displays	845	3.086	(2.241)	-72,6%	-71,2%	-1,4%
Cathode Ray Tubes	6	3	3	100,0%	110,0%	-10,0%
Subtotal Information Displays	**851**	**3.089**	**(2.238)**	**27,4%**	**-71,1%**	**-1,4%**
Subtotal Advanced Materials	445	495	(50)	-10,1%	-8,7%	-1,4%
Total Net Sales	**3.852**	**8.133**	**(4.281)**	**-52,6%**	**-51,7%**	**-0,9%**



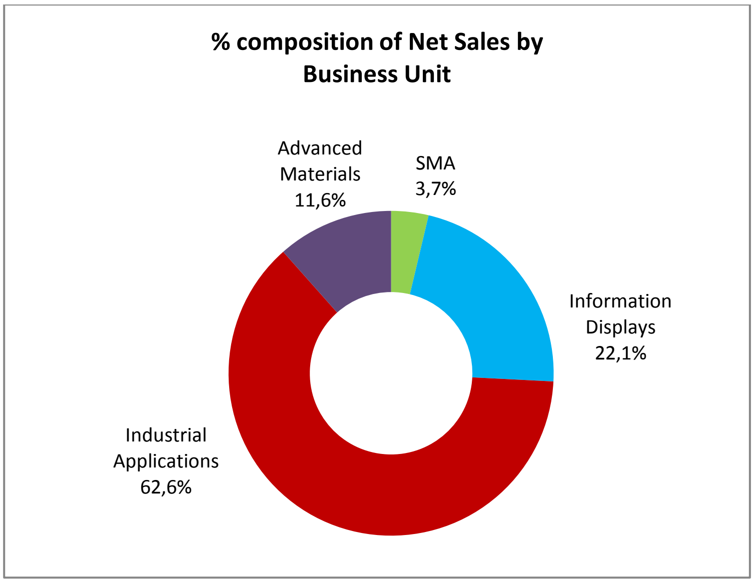
Net sales in the **Industrial Applications Business Unit** totalled Euro 2,413 thousand, down by 43.3% on last year's figure. Currency trends produced a negative exchange rate effect of 0.5%. The decline was concentrated on the Electronic Device Business, which reported lower sales of getter for sensors, and on the Vacuum Systems & Thermal Insulation Business, which reported in 2011 the slowdown of public contributions that had supported in 2010 special projects in getter pumps for particle accelerators.

Net sales in the **Shape Memory Alloys Business Unit** were Euro 143 thousand, down on the Euro 149 thousand reported last year.

Net sales in the **Information Displays Business Unit** totalled Euro 851 thousand, a decrease of Euro 2,238 thousand compared to 2010. Currency trends produced a negative exchange rate effect of 1.4%. The Business Unit reported an overall decline of 72.5% compared to the previous year due to the continuous contraction of the Liquid Crystal Display market.

The net sales of the **Advanced Materials Business Development Unit** came to Euro 445 thousand, marking a decrease of 10.1% compared to the previous year. Currency trends produced a negative exchange rate effect of -1.4%.

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

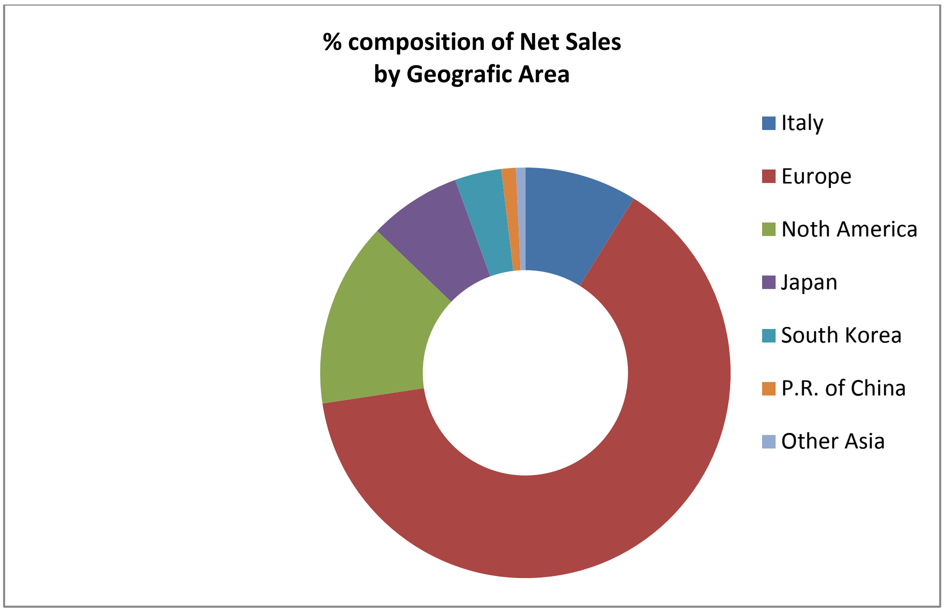


A breakdown of revenues by geographical location of customer is provided below:

(thousands of euro)

Geographic Area	Year 2011	%	Year 2010	%	Difference	Difference %
Italy	241	6,3%	1.085	13,3%	(844)	-77,8%
Other EU and Europe	1.732	45,0%	1.731	21,3%	1	0,1%
North America	395	10,3%	318	3,9%	77	24,2%
Japan	198	5,1%	397	4,9%	(199)	-50,1%
P. R. of China	31	0,8%	31	0,4%	0	0,0%
South Korea	100	2,6%	264	3,3%	(164)	-62,1%
Taiwan	1.135	29,5%	4.285	52,7%	(3.150)	-73,5%
Other Asian	20	0,5%	22	0,3%	(2)	-9,1%
Total Net Sales	**3.852**	**100,0%**	**8.133**	**100,0%**	**(4.281)**	**-52,6%**

The reduction in net sales on the Taiwanese market is mainly attributable to lower sales of the LCD segment.



The following table breaks down gross profit for 2011 and 2010 by Business Unit:

(thousands of euro)

	Year 2010	Year 2009	Difference 2010/2009	Difference %
Industrial Applications	(213)	445	(658)	-147,9%
Shape Memory Alloys	(104)	77	(181)	-235,1%
Information Displays	(332)	(243)	(89)	-36,6%
Advanced Materials & Corporate Costs	(764)	(481)	(283)	-58,8%
Gross profit	**(1.413)**	**(202)**	**(1.211)**	**-599,5%**

Gross profit was Euro -1,413 thousand in 2011 compared to Euro -202 thousand in 2010. The reduction is in line with the drop in sales. The negative margin is in line with the activity of the Company characterised by development projects and productions on pilot lines, which interact frequently with research.

The following table shows the operating income by Business Unit in 2011 and 2010:

(thousands of euro)

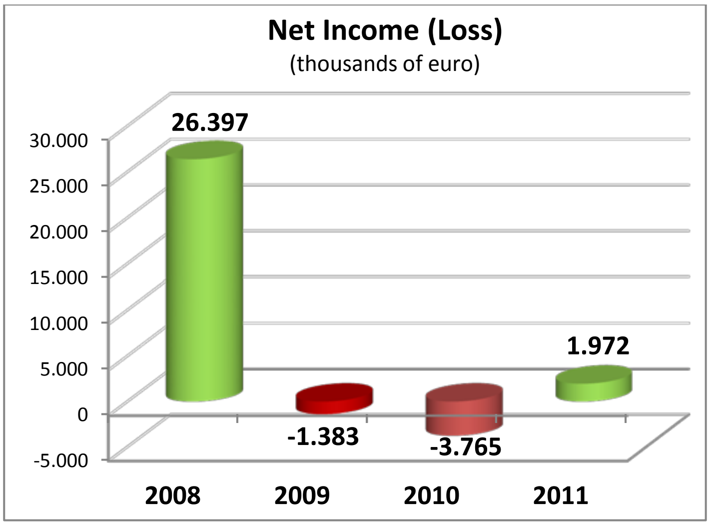
	Year 2011	Year 2010	Difference 2011/2010	Difference %
Industrial Applications	(2.646)	(1.127)	(1.519)	-134,8%
Shape Memory Alloys	(1.195)	(1.436)	241	16,8%
Information Displays	(872)	(2.741)	1.869	68,2%
Advanced Materials & Corporate Costs	(12.927)	(12.337)	(590)	-4,8%
Operating Income (Loss)	**(17.640)**	**(17.641)**	**1**	**0,0%**

The **operating loss** came to Euro 17,640 thousand in 2011, compared to Euro 17,641 thousand in 2010. The operating loss, despite the decline in gross profit, is in line with the previous year due to the continuous cost containment policies, already started in the previous financial years.

Dividends received from subsidiaries of Euro 12,302 thousand allow to close the 2011 financial period with a negative pre-tax result of Euro 7,788 thousand (Euro -4,450 thousand in the previous financial period).

Taxes for the 2011 period reported (see Note no. 11) a positive balance of Euro 9,760 thousand in respect of current tax and deferred tax.

Research and development expenses came to Euro 7,758 thousand, compared to Euro 7,826 thousand in 2010.
Net income or loss is shown in the following chart:



The Net Income for year 2011 was Euro 1,972 thousand compared to a Net Loss of Euro 3,765 in 2010.

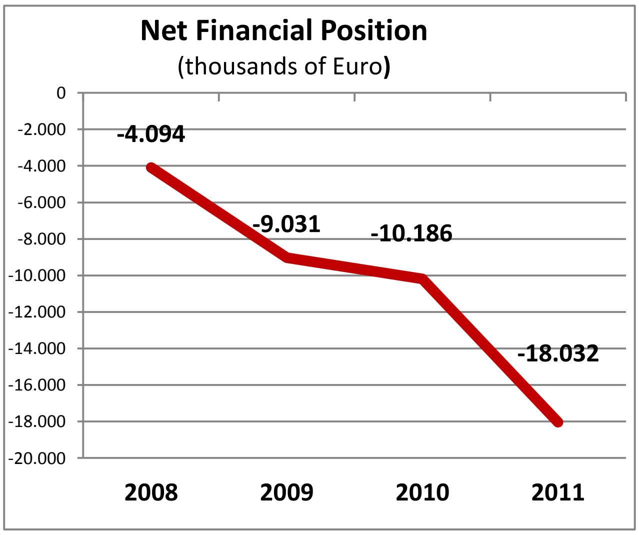
Financial position – Investments – Other information

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

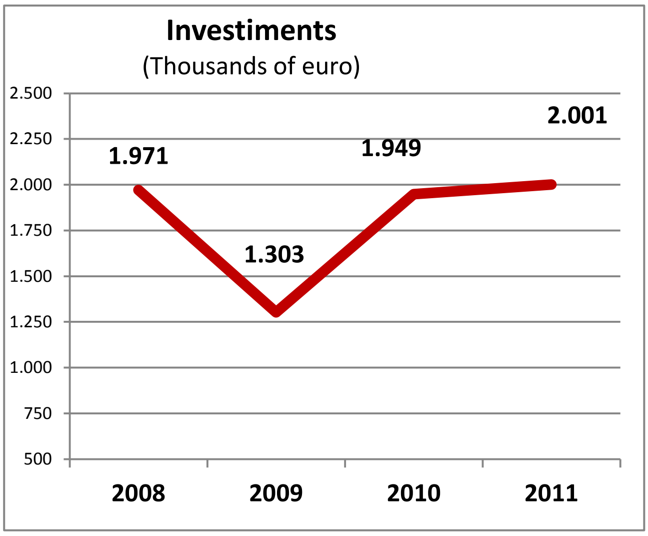
(thousands of euro)

	December 31, 2011	December 31, 2010	Difference
Cash on hand	8	4	4
Cash equivalents	2.379	1.919	460
Total cash and cash equivalents	**2.387**	**1.923**	**464**
Current financial assets*	**3.098**	**5.784**	**(2.686)**
Bank overdraft	(3)	(1.501)	1.498
Current portion of long term debt	(2.740)	(6.772)	4.032
Other current financial liabilities*	(19.674)	(9.381)	(10.293)
Total current liabilities	**(22.417)**	**(17.654)**	**(4.763)**
Current net financial positions	**(16.932)**	**(9.947)**	**(6.985)**
Long term debt, net of current portion	(1.100)	(239)	(861)
Total non current liabilities	**(1.100)**	**(239)**	**(861)**
Net financial position	**(18.032)**	**(10.186)**	**(7.846)**

* current financial payables to and receivables from Group companies.

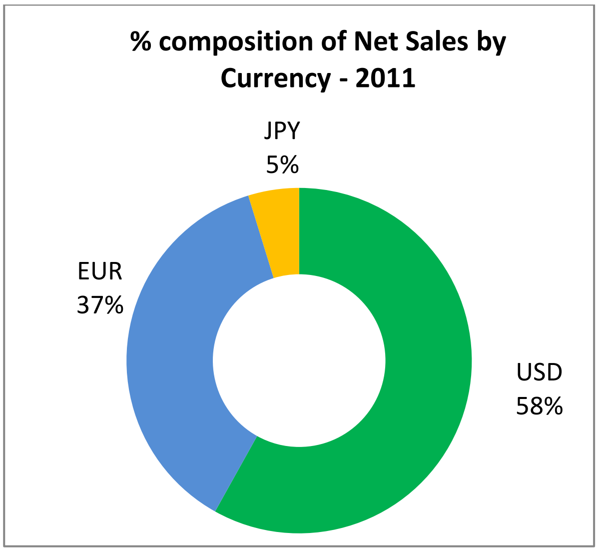


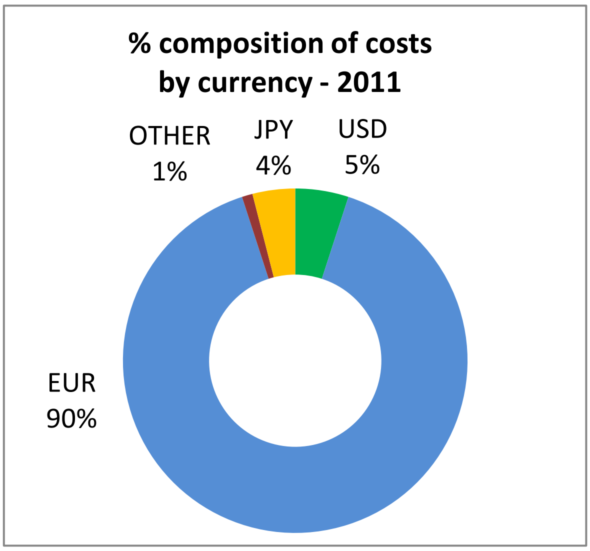
Financial position showed a negative amount of Euro 18,032 thousand as at December 31, 2011, as result of cash and cash equivalents of Euro 2,387 thousand and financial liabilities of Euro 20,419 thousand, compared to net debt of Euro 10,186 thousand as at December 31, 2010. The decrease is ascribable to the minor contribution of dividends from associated companies and to greater distribution of dividends to shareholders.



In the 2011 financial year, increases in **property, plant and equipment** came to 2,001 thousand of euro (1,949 thousand of euro in 2010) of which 1,212 thousand of euro from investments in assets intended for research and development activities.

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 revised and article 2359 of the Italian Civil Code. Transactions with subsidiaries continued in 2011. 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; purchase of finished products for resale; purchases of raw materials. In addition, an interest-bearing cash pooling agreement and a receivables insurance agreement have been entered into with SAES Advanced Technologies S.p.A.

SAES GETTERS USA, Inc., Colorado Springs, CO (USA)
Getter sales; purchases of finished products; charge-backs of centrally managed insurance costs; revenue on the charge-back of centralised group services and revenue on the use of the SAES brand. 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, royalties for the licensing of the PageLid® technology.

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

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

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

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

SAES GETTERS KOREA Corporation – Seoul (South Korea)
Revenue deriving from the charge-back 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 financing through borrowing is in effect.

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

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

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

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

Revenue on the charge-back of general and administrative services. In addition, an interest-bearing cash-pooling agreement is in effect. The Company has leased to the subsidiary the use of its specific equipment for research and development projects.

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

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

In clarification of the foregoing, it should be noted that the Company has entered into agreements for the provision of commercial, technical, information technology, legal, and financial services and the study of specific 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., E.T.C. S.r.l. and SAES Nitinol S.r.l., pursuant to Article 2497 et seq. of the Italian Civil Code.

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

Comments on the most significant transactions undertaken during 2011 are given in the Explanatory Notes, as part of the analysis on the composition of the individual items of the Financial Statements.

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

(thousands of euro)

Company	Receivables as of 2011	Payables as of 2011	Revenues 2011	Expenses 2011	Memorandum accounts 2011 *
SAES Advanced Technologies S.p.A.	5.268	214	4.319	1.263	0
SAES Getters USA, Inc.	149	37	224	7	4.000
SAES Getters America, Inc.	0	0	661	8	0
SAES Pure Gas, Inc.	540	0	732	1	0
SAES Smart Materials, Inc.	35	0	39	4	11.593
Spectra-Mat, Inc.	112	0	117	7	0
Memry Corporation	83	28	109	111	23.572
SAES Getters Korea Corporation	141	7.630	204	139	0
SAES Getters (Nanjing) Co.Ltd.	40	0	53	58	0
Memry GmbH	317	4	30	1	0
SAES Getters International S.A.	0	11.996	0	46	0
E.T.C. S.r.l.	0	0	282	0	0
SAES Nitinol S.r.l.	510	0	8	0	0
Total	**7.195**	**19.909**	**6.778**	**1.645**	**39.165**

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

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

It should be recalled that a national tax consolidation agreement was signed with the controlling company S.G.G. Holding S.p.A. on May 12, 2005 and then renewed for the second time on June 14, 2011, for the following three years in order to control the effects of the joint exercise of the group taxation option, as described in article 117 of the Consolidated Income Tax Act. As a result of the tax consolidation process, at the end of 2011 the Company claimed a total of Euro 2,485 thousand 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 2011, 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. It provides consultancy services in tax, legal and financial matters.

- **Actuator Solutions GmbH**, *joint venture* jointly controlled with equal shares by the two Groups, SAES Getters and Alfmeier Präzision, aiming to the development, production and marketing of SMA technology-based actuators.

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

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

(thousands of euro)

December 31, 2011	General & administrative expenses	Research & development expenses	Other income (expenses), net	Trade receivables	Tax consolidation receivables from Controlling Company	Tax consolidation payables to Controlling Company	Other payables
S.G.G. Holding S.p.A.					2.485		
KStudio Associato	0						
Actuator Solutions GmbH		60 (*)	211	271			
Total	**0**	**60**	**211**	**271**	**2.485**	**0**	**0**

(*) costs recovery

(thousands of euro)

December 31, 2010	General & administrative expenses	Research & development expenses	Other income (expenses), net	Trade receivables	Tax consolidation receivables from Controlling Company	Tax consolidation payables to Controlling Company	Other payables
S.G.G. Holding S.p.A.					3.417		
KStudio Associato	(12)						
Actuator Solutions GmbH							
Total	**(12)**	**0**	**0**	**0**	**3.417**	**0**	**0**

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

(thousands of euro)	Year 2011	Year 2010
Short-term employees benefits	3.054	2.650
Post-employment benefits	0	0
Other long-term benefits	166	179
Termination benefits	105	120
Share-based payments	0	0
Other benefits	0	0
Total compensations to key management personnel	**3.325**	**2.949**

On December 31, 2011 the payable entered in the financial statements towards Managers with strategic responsibilities as defined above, amounted to Euro 2,342 thousand, to be compared to a payable of Euro 1,740 thousand as at December 31, 2010.

In accordance with the Consob notices of February 20, 1997 and February 28, 1998 and IAS 24 revised, we report that in 2011 all related party transactions were undertaken within the Company's ordinary operations and at arm's-length conditions and within the Company's ordinary operations.

Additional information about the Company

For information concerning the performance of subsidiaries, reference is made to the Consolidated Financial Statements.

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 21 February 2012, the Parent Company took out with an important bank a new stand-by loan for a total of Euro 15 million with maturity date in August 2013.
This credit line may be used to meet temporary financial requirements of working capital or that may arise during the completion of new acquisitions.

On February 23, 2012, SAES Getters S.p.A., in order to provide the subsidiary E.T.C. S.r.l. with more financial means for an adequate capitalisation, has approved a capital contribution of Euro 1,985 thousand (equal to the loss of E.T.C. S.r.l. during the 2011 financial year), including Euro 1,666 thousand through the waiver of a borrowing and Euro 297 thousand through the waiver of a trade receivable, both claimed from E.T.C. S.r.l., and the remaining part of Euro 22 thousand cash. The ownership percentage of the Parent Company is unchanged compared to December 31, 2011 (equal to 85% of the share).

Always on 23 February 2012, to restore the share capital as a result of the losses recorded during the 2011 financial period, SAES Getters S.p.A. approved a capital contribution in favour of the subsidiary SAES Nitinol S.r.l. of Euro 13 thousand (equal to the loss of the associate during the 2011 financial year).

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

Shareholders,

We hereby submit for your approval the Financial Statements and the proposal to distribute the “Net profit for the period” and the “Retained earnings reserve”.

We hereby submit for your approval the proposal to fully distribute the ’“Net profit for the period” of Euro 1,971,693.36 in favour of savings shares in full recognition of the preferred dividend with reference to the 2011 financial period and partial recovery of the preferred dividend with reference to the 2009 financial period, pursuant to Article no. 26 of the Articles of Association.

The legal Reserve has already reached 20% of the share capital.

At the same time, we hereby submit for your approval the proposal to distribute part of the available "Retained earnings" reserve of Euro 8,819,987.60, assigning a dividend of Euro 0.400000 per share, in equal measure to the ordinary and savings shares pursuant to Article 26 of the Articles of Association.

	euro
Net income for the period	**1.971.693,36**
(Net exchange gains - unrealised and undistributale)	0
Distributable Net income:	**1.971.693,36**
From distributable Net income:	
Only to Saving Shares - full recognition of the preferred dividend with reference to 2011	
- euro 0,138549 for each out of	
n. 7.378.619 savings shares	1.022.300,28
Only to Saving Shares - partial recovery of the preferred dividend with reference to 2009	
- euro 0,128668 for each out of	
n. 7.378.619 savings shares	949.392,15
- euro roundings	0,93
	1.971.693,36
From retained earnings:	
in equal measure to the ordinary and savings shares	
- euro 0,400000 for each out of	
n. 7.378.619 savings shares	2.951.447,60
- euro 0,400000 for each out of	
n. 14.671.350 ordinary shares	5.868.540,00
	8.819.987,60
For a total dividend equal to:	
- euro 0,667217 for each out of	
n. 7.378.619 savings shares	4.923.140,03
- euro 0,400000 for each out of	
n. 14.671.350 ordinary shares	5.868.540,00
For a maximum total equal to:	**10.791.680,03**

The dividend will be paid, as determined above, to the eligible outstanding ordinary and savings shares, excluding the treasury shares, as from April 4, 2012 (against coupon no. 28); shares will be traded ex dividend as from April 30, 2012.

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

Lainate (MI) Italy, March 13, 2012

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, 2011

Income Statement

(euro)	Notes	Year 2011	Year 2010
Third party net sales		3.298.065	7.463.840
Intercompany net sales		553.820	669.277
Total net sales	4	**3.851.885**	**8.133.117**
Third party cost of sales		(4.001.041)	(4.668.983)
Intercompany cost of sales		(1.263.628)	(3.666.570)
Total cost of sales	5	(5.264.669)	(8.335.553)
Gross profit		**(1.412.784)**	**(202.436)**
Research & development expenses	6	(7.758.104)	(7.825.600)
Selling expenses	6	(4.792.884)	(4.957.703)
General & administrative expenses	6	(12.802.981)	(13.313.765)
Total operating expenses		**(25.353.969)**	**(26.097.068)**
Other third party income (expenses), net		3.198.018	3.083.998
Other intercompany income (expenses), net		5.929.023	5.574.888
Total other income (expenses), net	7	9.127.040	8.658.886
Operating income (loss)		**(17.639.713)**	**(17.640.618)**
Dividends	8	**12.301.801**	**15.419.876**
Third party financial income		9.944	9.300
Intercompany financial income		244.514	296.518
Total financial income	8	**254.458**	**305.818**
Third party financial expenses		(471.116)	(641.101)
Intercompany financial expenses		(188.838)	(287.118)
Total financial expenses	8	**(659.954)**	**(928.219)**
Foreign exchange gains (losses), net	9	**(59.825)**	**(2.043)**
Write down of intercompany investments	10	**(1.984.962)**	**(1.605.121)**
Income before taxes		**(7.788.195)**	**(4.450.306)**
Income taxes	11	9.759.888	684.917
Net income (loss) from continuing operations		**1.971.693**	**(3.765.389)**
Net income (loss) from discontinuing operations		0	0
Net income (loss)		**1.971.693**	**(3.765.389)**

Statement of comprehensive income

(euro)	Notes	Year 2.011	Year 2010
Net income (loss) for the period		**1.971.693**	**(3.765.389)**
Other total Income (Loss)		**0**	**0**
Total income (loss), net of income taxes		**1.971.693**	**(3.765.389)**

Statement of financial position

	Notes	December 31, 2011	December 31, 2010
ASSETS			
Non Current Assets			
Property, plant and equipment, net	12	14.318.146	14.882.988
Intangible assets, net	13	1.715.939	2.068.251
Investments and other financial activities	14	72.870.692	72.860.692
Intercompany financial credits	19	0	0
Non current tax consolidation receivables	20	135.746	76.563
Deferred tax assets	15	7.223.098	986.762
Other long term assets	16	555.891	47.281
Total Non Current Assets		**96.819.512**	**90.922.537**
Current Assets			
Inventory	17	344.289	185.231
Third party trade receivables		1.200.782	1.652.566
Intercompany trade receivables		4.097.433	4.083.433
Trade receivables	18	5.298.215	5.735.999
Intercompany financial credits	19	3.097.737	5.784.351
Tax consolidation receivables	20	2.349.173	3.339.972
Prepaid expenses, accrued income and other	21	2.501.269	2.597.403
Cash and cash equivalents	22	2.387.012	1.922.927
Discontinuing operations activities		0	0
Total Current Assets		**15.977.695**	**19.565.884**
Total Assets		**112.797.207**	**110.488.421**

(euro)	Notes	December 31, 2011	December 31, 2010
SHAREHOLDERS' EQUITY AND LIABILITIES			
Capital stock		12.220.000	12.220.000
Share issue premium		41.119.940	41.119.940
Tresury shares		0	0
Legal reserve		2.444.000	2.444.000
Sundry reserves and retained earnings		19.643.840	27.819.223
Net income (loss) for the period		1.971.693	(3.765.389)
Shareholders' Equity	23	**77.399.473**	**79.837.774**
Non Current Liabilities			
Non current financial liabilities	24	1.100.000	239.108
Deferred tax assets	15	0	3.097
Staff leaving indemnity and other employee benefits	25	3.886.086	3.718.074
Non current provisions	26	87.785	0
Other non current payables		0	0
Total Non Current Liabilities		**5.073.871**	**3.960.279**
Current Liabilities			
Third party trade payables		2.919.339	3.003.277
Intercompany trade payables		246.344	393.673
Trade payables	27	3.165.683	3.396.950
Intercompany financial payables	28	19.663.814	9.381.051
Other payables	29	3.892.192	3.572.865
Income taxes payables		0	79.322
Current provisions	26	849.405	1.987.842
Derivative instruments evalutated at fair value	30	9.306	0
Bank overdraft	31	3.398	1.500.794
Current portion of long term debt	24	2.740.065	6.771.544
Accrued liabilities		0	0
Discontinuing operations liabilities		0	0
Total Current Liabilities		**30.323.863**	**26.690.368**
Total Liabilities and Shareholders' Equity		**112.797.207**	**110.488.421**

Cash Flow Statement

(euro)		Year 2011		Year 2010
Cash flows provided from operating activities				
Net income from continuing operations		1.971.693		(3.765.389)
Net income from discontinuing operations		0		0
Current income taxes		(3.523.552)		(955.848)
Change in deferred income taxes		(6.236.336)		270.931
Depreciation of property, plant and equipment		2.380.543		2.623.773
Amortization of intangible assets		369.189		374.230
Capital gains (losses) on sales of intangible assets		(84.093)		(1.227.419)
Write down of assets		184.726		4.656
Dividends in Income Statement		(12.301.801)		(15.419.876)
Financial revenues (expenses), net		465.321		624.444
Accrual for termination indemnities		662.357		446.577
Accrual (utilization) for risk and contingencies, net		592.348		1.987.842
Career bonus expenses		0		0
		(15.519.605)		**(15.036.079)**
Change in operating assets and liabilities				
Cash increase (decrease) in :				
Account receivables and other receivables	24.223		(433.211)	
Inventory	(159.058)		403.199	
Trade account payables	(231.267)		(1.912.739)	
Other current payables	(504.363)		(747.633)	
		(870.466)		**(2.690.384)**
Payments of termination indemnities		(296.257)		(591.310)
Payments of debit interest and other financial expenses		(479.667)		(837.217)
Interest and other financial receipts		9.944		393.160
Income taxes paid (receipt)		3.336.084		3.296.544
Cash flows from operating activities		**(13.819.967)**		**(15.465.286)**
Cash flows used by investing activities				
Purchase of property, plant and equipment		(2.000.428)		(1.949.124)
Proceeds from sales of property, plant and equipment		108.847		1.227.419
Dividends receipt		12.301.801		15.419.876
Purchase of intangible assets		(16.876)		(38.258)
Decrease (increase) of non current financial assets		(10.000)		33.099
Decrease (increase) of discontinuing operations		9.306		436.948
Cash flows from investing activities		**10.392.651**		**15.129.959**
Cash flows used by financing activities				
Short term financial debts		0		1.500.794
Long term financial debts		3.628.843		7.445.648
Intercompany financial debts		12.969.377		(4.066.522)
Dividends paid		(4.409.994)		0
Purchase of treasury shares		0		0
Repayments of financial debts		(8.296.826)		(6.281.106)
Cash flows from financing activities		**3.891.401**		**(1.401.186)**
Exchange gains (losses) from balances conversion into foreign currencies		0		0
Increase (decrease) in cash equivalents, net		**464.085**		**(1.736.513)**
Cash and equivalents at the beginning of the period		**1.922.927**		**3.659.440**
Cash and cash equivalents, net, at the end of the period		**2.387.012**		**1.922.927**

Statement of changes in equity as at December 31, 2011

(thousands of euro)

	Capital stock	Share premium reserve	Treasury shares on hand	Legal reserve	Sundry reserves and retained earnings: Reserve for treasury shares	Cash flow hedge reserve	Revaluation reserve	Purchase of treasury shares reserve	Other	Total	Net income (loss) for the period	Total shareholders' equit
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**
Appropriation of 2010 income									(3.765)	(3.765)	3.765	0
Dividends paid									(4.410)	(4.410)		(4.410)
Treasury shares cancellation										0		0
Proceeds from intercompany operations										0		0
Net income for the period										0	1.972	1.972
Other net income (loss)										0		0
Balance at December 31, 2011	**12.220**	**41.120**	**0**	**2.444**	**0**	**0**	**1.727**	**(598)**	**18.515**	**19.644**	**1.972**	**77.399**

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: Reserve for treasury shares	Cash flow hedge reserve	Revaluation reserve	Purchase of treasury shares reserve	Other	Total	Net income (loss) for the period	Total shareholders' equit
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**

Summary of main data of subsidiaries' Financial Statements as of December 31, 2011

Statement of financial position 2011	Subsidiaries								
	SAES Advanced Technologies S.p.A.	SAES Getters USA, Inc.	SAES Getters Korea Corporation	SAES Getters International Luxembourg S.A.	SAES Getters (Nanjing) Co., Ltd.	SAES Getters Export, Corp.	Memry GmbH	E.T.C. S.r.l.	SAES Nitinol S.r.l.
	(thousands of euro)	(US Dollar)	(thousands of Won)	(thousands of euro)	(Chinese Cinesi)	(US Dollar)	(thousands of euro)	(thousands of euro)	(thousands of euro)
Property, plant and equipment, net	23.561	1.450.695	16.668	0	19.430.934	0	546	0	0
Intangible assets, net	2.906	43.688	0	0	4.809.479	0	11	0	0
Other non current assets	19	50.889.894	177.854	30.699	31.965.404	0	3	0	506
Current assets	14.096	12.641.483	16.047.719	12.148	73.265.095	26.269.122	743	485	0
Total assets	**40.582**	**65.025.759**	**16.242.241**	**42.847**	**129.470.912**	**26.269.122**	**1.303**	**485**	**507**
Shareholders' equity	24.752	27.384.970	15.515.568	39.823	113.890.694	14.036.490	526	(1.965)	(3)
Non current liabilities	3.325	1.655.093	0	0	0	0	102	0	0
Current liabilities	12.505	35.985.695	726.673	3.024	15.580.218	12.232.632	675	2.450	510
Total liabilities and shareholders' equity	**40.582**	**65.025.759**	**16.242.241**	**42.847**	**129.470.912**	**26.269.122**	**1.303**	**485**	**507**

Income statement 2011	Subsidiaries								
	SAES Advanced Technologies S.p.A.	SAES Getters USA, Inc.	SAES Getters Korea Corporation	SAES Getters International Luxembourg S.A.	SAES Getters (Nanjing) Co., Ltd.	SAES Getters Export, Corp.	Memry GmbH	E.T.C. S.r.l.	SAES Nitinol S.r.l.
	(thousands of euro)	(US Dollar)	(thousands of Won)	(thousands of euro)	(Chinese Cinesi)	(US Dollar)	(thousands of euro)	(thousands of euro)	(thousands of euro)
Total net sales	**38.657**	**9.734.150**	**3.980.212**	**0**	**35.976.781**	**0**	**3.222**	**0**	**0**
Cost of sales	(21.264)	(2.742.915)	(4.219.720)	0	(26.320.984)	0	(2.121)	0	0
Gross profit	**17.393**	**6.991.235**	**(239.508)**	**0**	**9.655.797**	**0**	**1.101**	**0**	**0**
Research & development expenses	(734)	(129.853)	0	0	0	0	(195)	(1.700)	0
Selling expenses	(1.001)	(1.482.274)	(343.632)	0	(5.387.660)	10.831.279	(363)	0	0
General & administrative expenses	(3.122)	(487.908)	(661.722)	(91)	(7.314.041)	0	(420)	0	(4)
Total operating expenses	(4.857)	(2.100.035)	(1.005.354)	(91)	(12.701.701)	10.831.279	(978)	(1.700)	(4)
Other income (expenses), net	(3.726)	(328.382)	589.464	6.191	(714.025)	3.323.023	8	(248)	0
Operating income (loss)	**8.809**	**4.562.818**	**(655.398)**	**6.100**	**(3.759.929)**	**14.154.302**	**131**	**(1.948)**	**(4)**
Interest and other financial income (expenses), net	(235)	10.569.621	295.916	40	551.331	(40.192)	(28)	(35)	(9)
Foreign exchange gains (losses), net	34	7.818	210.345	6	(1.987.275)	0	1	(2)	0
Income (loss) before taxes	**8.608**	**15.140.258**	**(149.137)**	**6.146**	**(5.195.873)**	**14.114.110**	**104**	**(1.985)**	**(13)**
Income taxes	(3.150)	(5.212.000)	(7.659)	(12)	(39.477)	0	(33)	0	0
Net income (loss) from continuing operations	**5.458**	**9.928.258**	**(156.796)**	**6.134**	**(5.235.350)**	**14.114.110**	**71**	**(1.985)**	**(13)**
Net income (loss) from discontinuing operations	0	0	0	0	0	0	0	0	0
Net income (loss)	**5.458**	**9.928.258**	**(156.796)**	**6.134**	**(5.235.350)**	**14.114.110**	**71**	**(1.985)**	**(13)**

Certification of the Financial Statements of the Parent Company

CERTIFICATION OF THE CONSOLIDATED FINANCIAL STATEMENTS
pursuant to article no. 81-*ter* of CONSOB Regulation no. 11971 of May 14, 1999, as amended

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

- the adequacy for the characteristics of the enterprise and

- the effective application

of the administrative and accounting procedures for the formation of the Company Financial Statements during the period from January 1 to December 31, 2011.

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 2010 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 ten 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 by 2012, aiming at including all changes, 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.

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 2011 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 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, 2011:

a) have been prepared in accordance with applicable international accounting standards recognized within the European Union pursuant to Regulation (EC) 1602/2002 of the European Parliament and the Council;

b) correspond to the results of accounting records and books;

c) are suitable to providing a truthful, accurate representation of the issuer's earnings and financial position.

3.2. the Report on Operations includes a reliable analysis of operating performance and income, as well as the issuer's situation, along with a description of the primary risks and uncertainties to which it is exposed.

Lainate, (MI) Italy, March 13, 2012

Vice President
and Managing Director
Dr Giulio Canale

Officer Responsible for the preparation
of the corporate financial reports
Dr Michele Di Marco

Report on the Board of Directors on the agenda

The present is the English translation of the Italian official report approved by the Board of Directors on March 13, 2012. For any difference between the two texts, the Italian text shall prevail.

Report of the Board of Directors drafted pursuant to Art. 125-ter, first paragraph, of the TUF, on the agenda of the Ordinary Meeting of the Shareholders of SAES Getters S.p.A., to be held at the company's offices in Viale Italia, 77, Lainate, on first call on April 24, 2012 at 10.30 am, and, if necessary, on second call on April 26 2012, at the same time and place.

ORDINARY BUSINESS

1st Item of the Agenda

Board of Directors' Reports on the year closed December 31, 2011; Statutory Auditors' Report; Financial Statements as of December 31, 2011, related resolutions; presentation of the Consolidated Financial Statements for the year closed December 31, 2011; proposal of dividend distribution; related and consequent resolutions

Shareholders,

you have been called for in ordinary session to deliberate and reach a resolution on the SAES Getters S.p.A. financial statements for the fiscal year closed on December 31, 2011, including also the Board of Directors' Management Report, the Statutory Auditors' Report, the independent auditors' Report, and the Certification of the Executive Officer in charge of drafting company and accounting documents, these documents shall be available to the public at the Company's Registered Offices in Lainate Viale Italia 77, at Borsa Italiana S.p.A. and online on the corporate website www.saesgetters.com by April 3, 2012. Please refer to the indicated documents for details about the Financial Statements for the year closed December 31, 2011. Also in consideration of the consolidated results for the year ended December 31, 2011, the high capitalization of the Company and the strong cash generation during the year 2011, we also submit to your approval the proposal to allocate the entire net profit, amounting to 1,971,693.36 Euro (subject to rounding) among the saving shares as full payment of the preferred dividend relating to the year 2011, and partial payment of the preferred dividend relating to the year 2009, pursuant to Article 26 of the company Bylaws. Please note that the company's legal reserve has already reached 20% of capital stock. The dividend would therefore be equal to 0.138549 Euro per savings share, in recognition as a preference dividend for the year 2011 and equal to 0.128668 Euro per savings share, as partial recovery of the preference dividend for 2009.
At the same time, insisting that there is no need to make provisions for legal reserve, we also submit to your resolution the proposal to distribute a portion of the available reserve of 8,819,987.60 Euro "Retained earnings", amounting to 13,367,552.06 Euro, payable in equal measure to the ordinary and savings shares in accordance with Article 26 of the company Bylaws, for an amount of 0.4000 Euro per savings share and 0.4000 Euro per ordinary share.
After said distribution, the reserve shall come to 4,547,564.46 Euro (excluding any rounding in the payment of net income).

The dividend shall be payable, as above mentioned, towards the ordinary and saving outstanding voting shares, thus excluding all shares in the Company's portfolio, as of May 4 2012 (coupon No.28); shares will negotiate ex dividend as from 30 April 2012

We also submit to your approval that any rounding-off that may be needed on any payment be charged on the "Retained earnings" reserve.

Now, therefore, we submit to your approval the following proposal of resolution

"The Meeting of the Shareholders of SAES Getters S.p.A., in ordinary session:

- having examined the data of the SAES Getters S.p.A. Financial Statement as of December 31, 2011, including the Board of Directors' Management Report, the Statutory Auditors' Report, the independent auditors' Report, and any additional documents required by Law;
- considering that the legal reserve has already reached 20% of capital stock;
- having acknowledged that the consolidated results for the year ended December 31, 2011, the high capitalization of the Company and the strong cash generation during the year 2011;

resolves

1) to approve the SAES Getters S.p.A. Financial Statements as of December 31, 2011
2) to distribute the entire net profit, amounting to 1,971,693.36 Euro (subject to rounding) and to pay the preferred dividend equal to 0.138549 Euro per savings share, in full recognition as a preference dividend for the year 2011 and equal to 0.128668 Euro per savings share, as partial recovery of the preference dividend for 2009 pursuant to Article 26 of the company Bylaws.
3) to distribute a portion of the available reserve of 8,819,987.60 Euro "Retained earnings", amounting to 13,367,552.06 Euro, payable in equal measure to the ordinary shares and savings in accordance with Article 26 of the company Bylaws, for an amount of 0.4000 Euro per savings share and 0.4000 Euro per ordinary share reducing the reserve to 4,547,564.46 Euro (excluding any rounding in the payment of net income).
4) to order dividend payment starting on May 4, 2012, with coupon no. 28, shares will negotiate ex dividend as from 30 April 2012.
5) to charge any rounding-off that may be made on any payment on the "Retained earnings" reserve.
6) to appoint the Chairman, Deputy Chairman, and Chief Executive Officer, each in their separate function, to do anything which may be needed to fully execute said resolutions, through and by any power which may

be deemed necessary or opportune to such end, none excluded, including through any third party, upon their discretion.

Please note that the financial statements are available at the company's headquarters in Lainate, Viale Italia 77, at Borsa Italiana, and on the company's website at www.saegetters.com, Investor Relations/Reports and Accounts.

Financial Statements shall also be handed out to the shareholders attending the general meeting of the shareholders.

Lainate, March 13, 2012

For the Board of Directors

Mr. Massimo della Porta

Chairman

The present is the English translation of the Italian official report approved by the Board of Directors on March 13, 2012. For any difference between the two texts, the Italian text shall prevail.

Report of the Board of Directors drafted pursuant to Art. 125-ter, first paragraph, of the TUF, on the agenda of the Ordinary Meeting of the Shareholders of SAES Getters S.p.A., to be held at the company's offices in Viale Italia, 77, Lainate, on first call on April 24, 2012 at 10.30 am, and, if necessary, on second call on April 26, 2012, at the same time and place

ORDINARY PART

2nd Item of the Agenda

Appointment of the Board of Directors, following the Shareholders' resolution as to the number of the members thereof; determination of the remuneration for the Board of Directors pursuant to Article 2389 of the Civil Code.

Shareholders,

with the approval of the Financial Statements for the year closed on December 31, 2011, the term of office of the Board of Directors, conferred on April 21, 2009, has expired, and thus, thanking you for the trust you have accorded us thus far, we invite you to proceed with the appointment of the new Board of Directors, after having first determined the number of its members, and the remuneration to be assigned to the Board of Directors.

The Board of Directors thus invites the Shareholders to formulate their proposals on this matter, and submit candidate lists, in the manner and within the terms provided by Article 14 of the Bylaws, for voting.

In compliance with the same Article 14 of the Bylaws, the Company is managed by a Board of Directors composed of a number of members ranging from a minimum of 3 (three) to a maximum of 15 (fifteen), whose term of office may last 3 (three) fiscal years.

The Directors thus appointed are in office up to the Meeting called for the approval of the Financial Statements for the year closing on December 31, 2014.

The Board recommends the Shareholders to submit, in their lists, names of candidates who hold their office in any administration or control position in a measure not greater than 100 points as established in the 2011 Report on Corporate Governance and the company's Ownership Structure, included among the documents accompanying the draft budget for the year 2011, mentioned in the previous section on the first item on the agenda of the Shareholders' meeting and that meet the eligibility, professional, and respectability requirements provided by the applicable laws, in addition to suitable personal characteristics, experience, including in managerial positions, and in the specific field, adequate to the type of business conducted by the Company, in light also of the applicable Laws, rules and regulations.

Said lists shall indicate which candidates meet the independence requirements provided by the applicable Laws and regulations and the requirements provided by the Art. 3 of the self-regulatory Code of public companies issued by Borsa Italiana S.p.A. in December 2011, that the Company adheres.

On the matter, in compliance with the criteria provided by Article IA.2.10.6 of the Instructions to the Regulations of the Markets Organized and Managed by Borsa Italiana S.p.A., for the purposes of compliance with the STAR segment of the market where the company is listed on, the number of Independent Directors is adequate when there are:

- at least 2 independent directors for Boards of Directors composed of a maximum of 8 members;

- at least 3 independent directors for Boards of Directors composed of 9 to 14 members;

- at least 2 independent directors for Boards of Directors composed of over 14 members.

Shareholders may submit a list for the appointment of Directors if, on the day the list is submitted, either independently or collectively with other Shareholders submitting the same lists, they are holders of at least 2.5% of the voting shares, as established by the Consob with Resolution No. 18083 of January 25, 2012.

Said lists, in which candidates must be listed with a progressive number, must be signed by the submitting Shareholders and submitted to the headquarters of the Company at least 25 days prior to the day in which the Meeting is to be held on first call (Friday March 30, 2012), and shall include the required documents in compliance with the applicable Law and in accordance with the provisions of Art. 14 of the Bylaws.

The lists, properly submitted, shall be available to the public at the Company's Registered Offices in Lainate Viale Italia 77, at Borsa Italiana S.p.A. and online on the corporate website www.saesgetters.com, by April 3, 2012.Such lists may not contain more than fifteen candidates, each numbered progressively. Each list must contain and expressly indicate at least one Independent Director, with a progressive number not higher than seven. Where the list contains more than seven candidates, it shall contain and expressly indicate a second Independent Director. And there remains a need to ensure, for the purposes of compliance with the STAR, segment of the market where the Company is listed, the appropriate number of independent directors as set out above.

The lists also contain, including as attachments:

a) the name of the shareholders that have submitted the lists and the percentage of shares collectively owned; such ownership shall have to be proven by a certificate issued by an intermediary, which may be presented even after having submitted the list, but no later than the term provided for the publication of the lists;

b) comprehensive information on the personal and professional characteristics of the candidates;

c) a declaration by the candidates containing their acceptance of the candidacy and the absence of any ineligibility or incompatibility causes that may prevent them from holding office, stating their possession of the requirements provided by Law and by any interim regulation applicable, and their requirements to be qualified as “Independent Director”, if the case may be;

d) any additional or different declaration, information, and/or document required by the Law or any applicable regulation.

We recommend the Shareholders that will submit a “minority list” for the election of the Board of Directors to present, together with the list, a declaration attesting the absence of any of the affiliations, including indirect affiliations, provided by Art. 147-*ter*, paragraph 3, of the TUF, and Art. 144-*quinquies* of the Issuers Regulations, with any of the Shareholders who own, including jointly, a controlling share or relative majority share, if detectable based on the communication of the relevant shares as per Art. 120 of the TUF, or on the publication of the shareholder voting pact as per Art. 122 of the TUF (the existence of which pact is not, as of today, in the knowledge of the Company). In such declaration the Shareholders must also specify any existing relationship, if significant, with the Shareholders that own, including collectively, a controlling share or of relative majority, if detectable, or any motivation for which said relationships have not been deemed to qualify as an affiliation, or, alternatively, they must expressly indicate that any such affiliations or relationships are absent.

Any list not compliant with any Law, rule, or Bylaw regulation shall be considered not submitted.

A Shareholder may not submit nor vote more than one list, including through a proxy or Trust. Any candidate included in more than one list shall be considered ineligible.
After the vote, the elected candidates shall be the ones in the two lists that have obtained the most number of votes, with the following criteria: (i) from the list that has obtained the most number of votes (hereafter the “Majority List”) shall be selected a number of Directors equal to the total number of members of the Board, as previously resolved by the Shareholder’s Meeting, minus one, the candidates are elected according to the progressive number indicated in the list; (ii) from the list that has obtained the second highest number of votes, and which is not connected, either directly or indirectly, with the Shareholders who have submitted or voted for the Majority List in compliance with the applicable regulations (hereafter the “Minority List”), is selected one Director, being the first in the list’s progressive numbering. However, where the Majority List should not contain one Independent Director – in case of a Board comprising no more than seven members – or should there be only one Independent Director elected – in case of a Board comprising more than seven members – the candidate selected from the Minority List shall not be the first numbered, but the first numbered as Independent Director.

Any list which shall not have obtained a percentage of votes amounting to at least half of the required votes for the presentation of said list shall not be taken into consideration.

Should two lists obtain an equal number of votes the prevailing list shall be the one submitted by the Shareholders holding a larger share upon submitting the list, or, subordinately, the list submitted by the highest number of Shareholders.

Should only one list be submitted for election, the Meeting of the Shareholders shall express its vote on said list, and if it shall obtain the relative majority of the votes – not taking into account any abstentions – the candidates shall be appointed to office in progressive order, until the needed number of directors, approved by the Shareholders, is reached. Should the Board comprise more than seven members, the second Independent Director is in any case selected, in addition to the one listed among the first seven names.

In the absence of any list, or should the number of Directors appointed based on the lists be inferior than that established by the Shareholders , the members of the Board of Directors shall be appointed by the Shareholders applying legal majority standards. The Shareholders must appoint the minimum number of Independent Directors.

Independent Directors, indicated as such upon their appointment, must communicate any change in their requirements which would affect their independence, and make them ineligible as Independent Directors pursuant to the Law.

Please refer to Art. 14 of the Bylaws for further details. The full text of the Bylaws is available at the Company's headquarters and on the corporate website at www.saesgetters.com, "Investor Relations/Corporate Governance/ Company By-Laws".

As per the compensation for the Board of Directors ,we invite you to resolve on this latter order of business in compliance with Article 18 of the Bylaws, that, in accordance with Article 2389 of the Civil Code, provides that the Shareholders' Meeting decides on the annual remuneration of the Board of Directors, while the Board of Directors determines, by resolution, the repartition of the compensation resolved by the Shareholders meeting.

We inform the Shareholders that each items of the Agenda, and any additional proposals that shall be submitted to the approval of the Shareholders, shall be resolved through separate voting, so as to enable each Shareholder with the right to vote, and the persons who shall act in their proxy, to vote each matter of business or proposal separately, based, where needed, on voting indications on each item of the Agenda, if acting in proxy.

Now therefore, the Board of Directors

- having acknowledged the provision of law and Company's ByLaws on composition, duration, rules for appointment and remuneration of the Board of Directors- having acknowledged the lists of candidates to the office of Director, and attached documentation, which have been validly submitted;

invite the Shareholders of SAES Getters S.p.A., :

1. to appoint the Board of Directors by vote of the lists of candidates for the position of Director of the Company presented and published in the manner and under the terms of Article 14 of the Bylaws and in compliance with current legislation to determine the number of members and the annual remuneration of the Board of Directors

2. to appoint the Chairman, Deputy Chairman, and Chief Executive Officer, each in their separate function, to do anything which may be needed to fully execute said resolutions, through and by any power which may be deemed necessary or opportune to such end, none excluded, including through any third party, upon their discretion.**"**

Lainate, March 13, 2012

for the Board of Directors

Massimo della Porta

Chairman

The present is the English translation of the Italian official report approved by the Board of Directors on March 13, 2012. For any difference between the two texts, the Italian text shall prevail.

Report of the Board of Directors drafted pursuant to Art. 125-ter, first paragraph, of the TUF, on the agenda of the Ordinary Meeting of the Shareholders of SAES Getters S.p.A., to be held at the company's offices in Viale Italia, 77, Lainate, on first call on April 24, 2012 at 10.30 am, and, if necessary, on second call on April 26, 2012, at the same time and place

ORDINARY PART

3rd Item of the Agenda

Appointment of the Statutory Auditors, Chairman of the Statutory Auditors, and determination of their remuneration

Shareholders,

with the approval of the Financial Statements for the year closed on December 31, 2011, the term of office of the Statutory Auditors, conferred on April 21, 2009, has expired.

You are therefore called to appoint three Regular Auditors and two Alternate Auditors for the triennium 2012-2014, who shall hold their office until the Shareholders assemble to approve the Financial Statements for the year closing on December 31, 2014, and to determine their remuneration.

Please keep in mind that the members of the Statutory Auditors shall meet the requirements provided by Article 22 of the Bylaws, and the requirements of respectability and professionalism provided by Art. 148, paragraph 4 of Legislative Decree No. 58 of February 24, 1998 (hereafter "TUF"), relating to the members of the Statutory Auditors, and particularly as provided by Ministerial Decree No. 162 of March 30, 2000 ("Regulations containing rules on the selection of requirements of respectability and professional standards for the members of the Audit Committee of Listed Companies, issued based on Art. 148 of Legislative Decree No. 58 of February 24, 1998")

As regards the requirements of professionalism, please note that, pursuant to Art. 22 of the Bylaws, by "activities relevant to the activity carried out by the Company" are meant any activity that may be pertinent with the company's objective, as defined in Art. 7 of the Bylaws, and any activity connected with metal working and mechanical engineering, and the production and marketing of the equipment, products, and materials listed in Art. 7 of the Bylaws, in addition to any activity of industrial and scientific research. Any activity relating to commercial and fiscal law, business economics and finance are also considered to be relevant to the activities carried out by the Company.

Any candidate with any incompatibility, as defined by the Law, with the office of Auditor, shall be deemed ineligible for such office, including for any incompatibility as defined in any applicable rule or regulation, or due to having exceeded the maximum number of positions held in company administration or control, as established by the Consob.

The Statutory Auditors must be appointed in the manner and in keeping with the conditions and terms provided by Art. 22 of the Bylaws. The full text of the Bylaws is available at the Company's headquarters and on the Company's website at www.saesgetters.com, "Investor Relations/Corporate Governance/Company By-laws".

The minority – not being a party to any affiliation, including indirect, contemplated in Art. 148, paragraph 2 of the TUF, and Art. 144-quinquies of the Issuers Regulations – shall elect one Regular Auditor, who shall also hold the office as Chairman of the Statutory Auditors, and one Alternate Auditor.

The election of minority Auditors shall take place at the same place and time of the election of the other members of the controlling body, with the exception of any substitution as provided in Art. 22 of the Bylaws.

Shareholders may submit a list for the appointment of the Statutory Auditors if, on the day the list is submitted, either independently or collectively with other Shareholders submitting the same lists, they are holders of at least 2.5% of the voting shares, as established by the Consob with Resolution No. 18083 of January 25, 2012.

A Shareholder may neither submit nor vote for more than one list, including through a proxy or Trust.

Shareholders belonging to the same group, and Shareholders who enter into a voting pact in relation to shares of the Company (the existence of which pact is not, as of today, in the knowledge of the Company) may not submit nor vote for more one list, including through a proxy or Trust. Any candidate included in only one list shall be deemed ineligible.

The lists, undersigned by the submitting Shareholders, must be conveyed to the Company's headquarters at least twenty-five days prior to the day of the Meeting called to resolve on Auditors' appointment (that is, Friday March 30, 2012).

The lists, properly submitted, shall be available to the public at the Company's Registered Offices in Lainate Viale Italia 77, at Borsa Italiana S.p.A. and online on the corporate website www.saesgetters.com by April 3, 2012. Please not that, pursuant to Art. 144-*sexies*, paragraph 5 of the Issuers Regulations, if, within the term of 25 days prior to the day set for the Meeting on first call, there should be only one list submitted for the appointment of the Statutory Auditors, or should there only be lists submitted by Shareholders mutually connected, pursuant to the applicable Laws, additional lists may be submitted up to the third day following the initial list submission expiration term. In such case, the minimum threshold of 2.5% shares owned by the Shareholders submitting the list shall be reduced to a half.

The lists must contain the name or names of one or several candidates to the office of Regular Auditor, and one or more candidates to the office of Alternate Auditor. Each candidate name shall be identified, in each section (Regular Auditor section, Alternate Auditor section), by a progressive number, and shall in no case list more candidate auditors than number of members to be elected.

The lists shall also contain, including as attachments:

a) the name of the shareholders that have submitted the lists and the percentage of shares collectively owned; such ownership shall have to be proven by a certificate issued by an intermediary, which may be presented even after having submitted the list, but no later than the term provided for the publication of the lists;

b) a declaration by the Shareholder not detaining, including collectively, a controlling or relative majority share of the Company, attesting the absence of affiliations, as detailed in Art. 144-quinquies of the Issuers Regulations, with the controlling or relative-majority Shareholders;

c) comprehensive information on the personal and professional characteristics of the candidates, including a list of all the administration and control positions held by the candidates in other companies;

d) a declaration by the candidates attesting the absence of any ineligibility or incompatibility grounds that may prevent them from holding office, and their possession of the requirements provided by Law and by any interim regulation applicable, and their acceptance of the candidacy;

e) any additional or different declaration, information, and/or document required by the Law or any applicable regulation.

Particular care must be given to point c), which provides for a list of all the administration or control positions held by the candidates in other companies, keeping said information updated to the date of the Meeting, in order to facilitate communication, as per Art. 2400 of the Civil Code, upon being appointed to their office by the Shareholders, and before their acceptance of said office.

While Shareholders are required to submit the declaration defined in letter b) above, to guarantee the transparency in the dealings between Shareholders submitting the “minority list” and controlling and relative majority Shareholders, we highly recommend Shareholders submitting a “minority list” for the Statutory Auditors election, to also supply the following information:

- description of the relationship existing, if significant, with any Shareholders owning, including collectively, a controlling or relative majority share, where the latter may be identified based on the communication of the relevant shares as per Art. 120 of the TUF or based on the publication of voting pacts pursuant to Art. 122 of the TUF (which pacts are, as of today, not in the knowledge of the Company). Alternatively, Shareholders should indicate the absence of any such relationships;
- the motivations for which such relationships have been deemed to be determining in assessing the presence of the affiliations provided in Art. 148, paragraph 2, of the TUF, and in Art. 144-*quinquies* of the Issuers Regulations.

The election of the Auditors shall proceed as follows: (i) from the list that has obtained the most votes (“Majority List”) are selected, based on the progressive order with which they are numbered in the list, two

Regular Auditors and one Alternate Auditor; (ii) from the list that has obtained the second highest number of votes, and is not connected, including indirectly, with any of the Shareholders who have submitted or voted for the Majority List, pursuant to the regulations applicable ("Minority List"), are selected, based on the progressive order with which they are numbered in the list, one Regular Auditor, who shall also be appointed as chairman of the Statutory Auditors ("Minority Auditor"), and one Alternate Auditor ("Minority Alternate Auditor").

Should the top two lists receive an equal number of votes, the prevailing list shall be the one submitted by the Shareholders who own the largest share at the moment of submission of the list, or, subordinately, the one submitted by the most number of Shareholders.

In case only one list is submitted, the Shareholders shall express their vote on such list, and should said list obtain the relative majority of the voting Shareholders, not taking into account any abstentions, all the candidates in the list shall be elected Auditors. The first candidate listed shall thus be appointed Chairman of the Statutory Auditors.

Should there be no list being submitted, the Statutory Auditors and the Chairman shall be appointed by the Shareholders applying legal majority standards.

With regard to the remuneration for the Statutory Auditors, we remind you that the Shareholders, in the Meeting held on April 21, 2009, had resolved to apply the minimum yearly wages as provided by the Chartered Accountants Professional Fee regulations (not in effect anymore).

We invite you, on this matter, to resolve in keeping with Art. 22 of the Bylaws.

We inform the Shareholders that each item of the Agenda of the following proposals of resolution, as well as any additional proposal that may be submitted to the approval of the Shareholders, shall be resolved through separate voting, so as to enable each Shareholder with the right to vote, and the persons who shall act in their proxy, to vote each item of the Agenda or proposal separately, based, where needed, on voting indications on each order of business, if acting in proxy.

"Now therefore, the Board of Directors having acknowledged the provision of law and Company's ByLaws on composition, duration, mode of appointment and remuneration of the Statutory Auditors, invites the Shareholders of SAES Getters S.p.A., :

- to appoint the Statutory Auditors by vote of the lists of candidates for the position of Regular Auditor and Alternate Auditor of the Company presented and published in the manner and under the terms of Article 22 of the Bylaws and in compliance with current legislation
- to determine the annual remuneration of the Statutory Auditors appointed
- to appoint the Chairman, Deputy Chairman, and Chief Executive Officer, each in their separate function, to do anything which may be needed to fully execute said resolutions, through and by any

power which may be deemed necessary or opportune to such end, none excluded, including through any third party, upon their discretion.**"**

Lainate, March 13, 2012

for the Board of Directors

Mr. Massimo della Porta

Chairman

The present is the English translation of the Italian official report approved by the Board of Directors on March 13, 2012. For any difference between the two texts, the Italian text shall prevail.

Report of the Board of Directors drafted pursuant to Art. 125-ter, first paragraph, of the TUF, on the agenda of the Ordinary Meeting of the Shareholders of SAES Getters S.p.A., to be held at the company's offices in Viale Italia, 77, Lainate, on first call on April 24, 2012 at 10.30 am, and, if necessary, on second call on April 26 2012, at the same time and place.

ORDINARY BUSINESS

4th Item of the Agenda

Report on remuneration pursuant to Art. 123-*ter* of Legislative Decree No. 58/1988 and Art. 84-*quater* of Consob resolution No. 11971 of May 14, 1999 on issuer regulations

Shareholders,

you have been called by the Board of Directors, in ordinary session, to resolve also with regard to the first section of the compensation report, drafted pursuant to Art. 123-*ter* of Legislative Decree No. 58/1998 (TUF) and Art. 84-*quater* and related Annex 3A, Schedule 7-*bis* of Consob resolution No. 11971 of May 14, 1999, relating to issuer regulations.

We inform you that the above mentioned report was approved by the Board of Directors on March 13, 2012, upon proposal by the Compensation Committee, and having heard the opinion of the Audit Committee, who have met on March 8, 2012.

The compensation report was made available to the public at the Company's headquarters in Lainate, Viale Italia 77, at Borsa Italiana S.p.A. and online on the Company's website at www.saesgetters.com, by April 3, 2012.

The report was drafted in compliance with the above mentioned Laws and regulations issued by the Consob, as well as in keeping with the recommendations contained in the amended application principles and criteria of the Self-Regulatory Code of public companies, issued by the Corporate Governance Committee of Borsa Italiana S.p.A. in December 2011.

We remind you that, pursuant to Art. 123-*ter* of the TUF, the Shareholders are called to resolve, either granting or denying their approval, on the first section of the compensation report, with a non-binding vote.

Now, therefore, we submit to your approval the following proposal of resolution:

"The Shareholders of SAES Getters S.p.A., in ordinary session:

- having acknowledged the information received;

- having acknowledged the results of the vote;

resolves

1. to approve the first section of the compensation report, drafted pursuant to Art. 123-ter of Legislative Decree No. 58/1998 and Art. 84-*quater* and related Annex 3A, Schedule 7-*bis* of Consob resolution No. 11971 of May 14, 1999, relating to issuers regulations;
2. to appoint the Chairman, Deputy Chairman, and Chief Executive Officer, each in their separate function, to do anything which may be needed to fully execute said resolutions, through and by any power which may be deemed necessary or opportune to such end, none excluded, including through any third party, upon their discretion.**"**

Lainate, March 13, 2012

For the Board of Directors

Mr. Massimo della Porta

Chairman

The present is the English translation of the Italian official report approved by the Board of Directors on March 13, 2012. For any difference between the two texts, the Italian text shall prevail.

Report of the Board of Directors drafted pursuant to Art. 125-*ter*, first paragraph, of the TUF, on the agenda of the Ordinary Meeting of the Shareholders of SAES Getters S.p.A., to be held at the company's offices in Viale Italia, 77, Lainate, on first call on April 24, 2012 at 10.30 am, and, if necessary, on second call on April 26, 2012, at the same time and place.

ORDINARY BUSINESS

5th Item of the Agenda

Proposal to authorize the Board of Directors, pursuant to and by the effects of Articles 2357 *et seq*. of the Civil Code, and 132 of Legislative Decree No. 58, 1998, to purchase and dispose of a maximum of 2,000,000 treasury shares; related and consequent resolutions.

Shareholders,

you have been called by the Board of Directors, in ordinary session, to resolve also this year with regard to the proposal to approve and regulate share buy backs.

1. Reasons why approval is required for share buy backs operations.

We would first like to remind you that the Shareholders, on their Meeting of April 20, 2011, had authorized share buy backs up to a maximum 2,000,000 shares for a period of 18 months starting on the day of approval.

During the course of the year 2011 the Board has not made use of the authorization granted by the Shareholders on April 20, 2011, nor has it used, in the months prior said Meeting, the authorization previously granted by the Shareholders on their Meeting of April 27, 2010. However, it is not to be excluded that circumstances may arise in the future which would call for an intervention by the Company, and thus we think it appropriate for the Board, after the revocation of the previous authorization granted by the Shareholders on April 20, 2011, to continue to exercise the faculty granted by the Shareholders for the purchase and disposal of shares in the Company's portfolio. It is the opinion of the Board that the purchase and sale of treasury shares constitutes a flexible instrument in terms of company management and strategy. From such perspective, the request for authorization is thus linked to the opportunity to be able to intervene on Company securities in relation to activities relating to investment and the efficient utilization of company liquidity and for purposes of stock titles in accordance with the terms and purposes defined by law and in particular EC Regulation 2273/2003 and market practices referred to in Article 180, paragraph 1, lett. c) of the TUF, approved by Consob resolution no. 16839 of March 19, 2009, to which it can be made reference.

Said authorization is also requested for additional purposes, such as the opportunity to use treasury shares as payment in extraordinary operations or acquisition operations, or to obtain the required financing for the realization of projects and/or the attainment of company goals, or, lastly, as part of share-incentive plans or stock options in favor of directors and/or employees and/or other collaborators of the Company.

2) Maximum number, category and value of the buy back shares.

We propose to pass a resolution, pursuant to Art. 2357, second paragraph, of the Civil Code, on the authorization to purchase, either in one or several lots, up to a maximum number of 2,000,000 ordinary and/or saving shares of the Company, with no nominal value, keeping into account the shares already in the portfolio of the Company, and in any case within the limitations of Law.

3) Compliance with the provisions of the third paragraph of Art. 2357 of the Civil Code.

After implementing, on May 26, 2010, the resolutions of the Extraordinary Meeting of the Shareholders held on April 27, 2010, ordering the annulment of 600,000 ordinary shares and 82,000 saving shares in the Company's portfolio, as of today the Company has no shares in its portfolio.

As of today no subsidiary company owns any SAES Getters S.p.A. shares. In any case all the subsidiary companies shall be given specific dispositions to promptly inform us of any shares owned by them.

In no case whatsoever, in compliance with the provisions of Articles 2346, third paragraph, and 2357, third paragraph, of the Civil Code, may the number of treasury shares purchased – keeping into account also the shares owned by subsidiary companies – exceed the tenth part of the overall number of shares issued.

Share buy backs shall be kept within the limitations of distributable profit and available reserves as per the last duly approved Financial Statement. Where, and in the measure in which, the prospected buy backs shall be completed, pursuant to Article 2357-*ter* of the Civil Code, the necessary accounting recordings shall be made, in keeping with the provisions of Law and the applicable accounting principles. All operations employing treasury shares shall be equally accounted for, in keeping with the provisions of law and applicable accounting principles.

4) Duration of the authorization.

The authorization to purchase shares is requested for a period of 18 months, starting on the date in which the Shareholders shall resolve accordingly. The authorization to dispose the treasury shares purchased is requested with no limitations of time.

5) Minimum and maximum prices, and market valuations used to determine said prices.

5.1. Minimum and maximum purchase price.

The price of purchase, including accessory costs, shall not go above or below the quota of 5% of the reference stock price on the day before any such operation: said parameters are deemed adequate to identify the range of values where the purchase of shares is beneficial to the Company.

5.2. Sale price.

Treasury shares purchase operations may be effected at a minimum price equal to the weighted average of the registered price of the shares in the same category registered in the 20 trading days prior to such purchase.

Said limitation shall not be applied in case of any exchanges or transfer of treasury shares effected as part of acquisition of stock, or in case of extraordinary finance operation entailing the use of unassigned treasury shares. In the latter case price shall be applied using reference average prices in line with international best practice procedures.

Sales operations subject to stock option plans shall be effected at the conditions provided in the stock option plan to be approved by the Shareholders pursuant to Art. 144-*bis* of Legislative Decree No. 58 of February 24, 1998 (TUF) and to any applicable regulation.

6) Procedures for the purchase and sale of shares.

Purchase operations shall be effected on the stock exchange, in one or more operations, with the procedures agreed with the stock exchange operator, so as to assure full equality of treatment among Shareholders pursuant to Art. 132 of the TUF, and in any case in keeping with any procedure that may be allowed under any Law applicable, including *pro tempore*.

Furthermore, following the admission of the Company in the STAR Segment (High Performance Equities Segment), in keeping with the terms of the agreement entered into with the Market Specialist, the purchase and sale of ordinary treasury shares must be previously communicated to the Market Specialist, who may not unreasonably deny its consent to said operations.

Buy backs may be effected pursuant to Art. 144-*bis* letters a) and b) of the Issuers Regulations:

a) by means of public offer of purchase or exchange;

b) on the stock exchange, regulated according to operational procedures established in the organization and administration of said market, not allowing any direct match of purchase proposals with predetermined sale proposals.

Among the procedures allowed under the Issuers Regulations, we consider preferable the purchase on the stock exchange, regulated for the purposes above indicated, particularly for the purposes of supporting the course of the stock, which purposes we consider most effectively reached through a simple, elastic and flexible mechanism such as the direct purchase on the stock exchange, as soon as an intervention is deemed appropriate. We don't exclude the possibility to use the public offer procedure for exchange or purchase, which shall have to be resolved upon by the Board of Directors with adequate motivation.

The Shareholders and the stock exchange shall promptly be informed pursuant to the third, fourth, and fifth paragraph of Art. 144-*bis* of the Issuers Regulations.

The Treasury shares purchased may be utilized at any moment, in whole or in part, in one or several operations, even before having completed all purchases, in the manners deemed most propitious in the

interest of the Company: i) by selling the ownership of said shares, or by transferring any of the real and/or personal rights of said shares (including, but not limited to, the lending of stock); ii) by selling on the stock exchange and/or outside of the stock exchange, on the block market, through institutional placement, or exchange, even through public offer, iii) by sale or assignment to directors and/or employees and/or collaborators of the Company as part of share incentive plans or stock options, iv) as payment for the purchase of company stock and/or companies and/or assets and/or businesses, v) in case of extraordinary finance operations entailing the availability of unassigned treasury stock (including, but not limited to, mergers, spinoffs, issue of convertible bonds or warrant, etc., vi) given, within the limitations of Law, as security in order to obtain, for the Company and/or the companies of the Group, any loan which may be necessary for the realization of projects or the pursuit of company objectives, and vii) under any form of utilization allowed by the applicable laws and regulations.
Sale/assignment operations aimed at share incentive plans shall be effected in keeping with the terms and conditions of the relative plans approved by the Shareholders pursuant to Art. 144-*bis* of the TUF and the applicable Laws and regulations.

With regard to the above written report, we submit to your approval the following proposal of resolution

"The Shareholders,

- having acknowledged the Directors' Report;
- having also acknowledged the provisions of Articles 2357 and 2357-*ter* of the Civil Code, as well as Art. 132 of Legislative Decree 58/1998;

resolves

1) to revoke, starting on this day, the resolution of approval for the purchase of treasury shares and utilization of the same, adopted by the Shareholders on April 20, 2011;
2) to authorize, pursuant to and by the effects of Art. 2357 of the Civil Code, the purchase, in one or several operations and over a period of eighteen (18) months starting on the day of this resolution, on the stock market and with the procedures agreed with the stock exchange operator pursuant to Art. 132 of Legislative Decree 58/1998, up to a maximum of 2,000,000 ordinary and/or saving shares of the Company, and in any case within any limitation of law, for a price, inclusive of any accessory costs, not above nor under 5% of the official price registered by the stock on the day prior to every single operation, targeted to deliver any market intervention to support the liquidity of the stock and for any purpose of stock titles in the terms, the terms and purposes defined by law and in particular EC Regulation 2273/2003 and market practices referred to 'Article 180, paragraph 1, lett. c) of the TUF, approved by Consob resolution no. 16839 of March 19, 2009, to

which reference may usefully be given to possible or investment needs and the efficient use of corporate liquidity, as well as for any other purposes, such as the opportunity to use treasury shares as payment in extraordinary operations or acquisitions, or to obtain necessary funding to implement projects and / or the achievement of corporate objectives and, ultimately, for any stock option plans or stock options to directors and / or employees and / or associates of Company;

3) to appoint the Board of Directors, and in representation thereof the Chairman, Deputy Chairman and Chief Executive Officer, each in their separate function, to purchase the shares subject to the conditions above defined, and in keeping with the terms of Art. 144-*bis* letter a) and b) of Consob Regulations No. 11971 of May 14, 1999, and in the degree deemed opportune in the interest of the Company, without prejudice to the terms of the agreement entered into with the Market Specialist as concerns ordinary shares;

4) to appoint the Board of Directors, and in representation thereof the Chairman, Deputy Chairman, and CEO, each in their separate function, pursuant to and by the effects of Art. 2357-*ter* of the Civil Code, so as they may dispose – at every moment, in whole or in part, on one or several operations, even before having completed purchasing, for a period of 18 months starting on the date of this resolution – of the treasury shares currently in the Company's portfolio and those purchased base on this resolution, in the manner deemed most favorable to the interests of the Company, provided that said disposal may include: i) the sale of the ownership of such shares, or the transfer of the real and/or personal rights attached to such shares (including, but not limited to, the lending of stock), ii) the sale on the stock exchange and/or outside the stock exchange market, on the block market, through institutional placement, or exchange, including through public offer, iii) the sale or assignment to directors and/or employees and/or collaborators of the Company as part of share incentive plans or stock options, iv) or as payment for the purchase of company stock and/or companies and/or assets and/or businesses, v) in case of extraordinary finance operations entailing the availability of unassigned treasury stock (including, but not limited to, mergers, spinoffs, issue of convertible bonds or warrant, etc., vi) given such shares, within the limitations of Law, as security in order to obtain, for the Company and/or the companies of the Group, any loan which may be necessary for the realization of projects or the pursuit of company objectives, and vii) any form of utilization allowed by the applicable laws and regulations, attributing to the same the faculty to establish, from time to time and in compliance with the provisions of Law and other regulations, the terms, manner, and conditions that they may deem most appropriate, provided that the sale of shares may only be effected against a minimum payment equal to the weighted average of the official prices of shares in the same category in the 20 trading days preceding such sale. The latter term shall not apply in case of any exchange or transfer of treasury shares effected as part of acquisitions of company stock and/or companies and/or assets and/or businesses, or in case of extraordinary finance operations;

5) to dispose that purchases be effected within the limits of the distributable profit and available reserves as per the last duly approved Financial Statement, and that where, and in the measure in which, the prospected buy backs shall be completed, an unavailable reserve called "Portfolio treasury shares reserve", containing the same amount of shares as the treasury shares purchased and in the portfolio, be constituted by withdrawing an equal amount of distributable profit and available reserves; and that upon the transfer of portfolio treasury shares, either ordinary and/or saving, and shares purchased based on this resolution, the portfolio treasury share reserve is liberated to match;
6) to grant the Chairman, Deputy Chairman, and CEO, each in their separate functions, any power needed to execute this resolution, making any suitable entry in the balance sheet and records in the accounts, with the faculty also to purchase and dispose of treasury shares, within the limitations provided above, also through specialized intermediaries including by entering into liquidity agreements according to the provisions of the competent market authority."

Lainate, March 13, 2012

For the Board of Directors

Mr. Massimo della Porta

Chairman

The present is the English translation of the Italian official report approved by the Board of Directors on March 13, 2012. For any difference between the two texts, the Italian text shall prevail.

Report of the Board of Directors drafted pursuant to Art. 125-*ter*, first paragraph, of the TUF, on the agenda of the Ordinary Meeting of the Shareholders of SAES Getters S.p.A., to be held at the company's offices in Viale Italia, 77, Lainate, on first call on April 24, 2012 at 10.30 am, and, if necessary, on second call on April 26, 2012, at the same time and place.

ORDINARY PART

6th Item of the Agenda

Proposal to adopt a Shareholders' meeting regulation

Shareholders,

the Board of Directors has called you, in ordinary part, to pass a resolution also on the proposal to adopt a Shareholders' meeting regulation that, based on the provisions of applicable law, regulation and Company's By-Laws, contains the rules to be followed in order to allow an orderly and functional the Shareholders meeting and to further strengthen the tools made available by the Company to facilitate the intervention and the vote in the Meeting, in compliance with the recommendations contained in the application criteria 9.C.4 of the self-regulatory Code of public companies, issued by the Corporate Governance Committee of Borsa Italiana S.p.A. in December 2011.

The Board of Directors intends to propose to the Shareholders to adopt a set of rules which full text is attached here to and is available at the Company's headquarters, at Borsa Italiana S.p.A. and on the Company's website at www.saesgetters.com, Investor Relations/ Shareholders' Meeting.

Now, therefore, we submit to your approval the following proposal of resolution

"The Shareholders of SAES Getters S.p.A., in ordinary part:

- having acknowledged the information received;
- having acknowledged the results of the vote

resolves

1. to approve the Shareholders' meeting regulation of SAES Getters S.p.A. herein attached;
2. to appoint the Chairman, Deputy Chairman, and CEO, each in their separate functions, to comply with the formalities required by the applicable law, and to do anything which may be needed to fully execute said resolutions, through and by any power which may be deemed necessary or opportune to such end, none excluded, including through any third party."

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Lainate, March 13, 2012

For the Board of Directors

Mr. Massimo della Porta

Chairman

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REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURES

Drawn up pursuant to Articles 123-*bis* Consolidated Financial Act and 89-*bis* Consob Issuer Regulation

Issuer: SAES® Getters S.p.A. – Viale Italia 77 – 20020 Lainate (MI)
Web site: www.saesgetters.com

The financial year to which the Report refers: 2011
Date of approval of the Report: 13 March 2012

The present is the English translation of the Italian official report approved by the Board of Directors on March 13, 2012. For any difference between the two texts, the Italian text shall prevail.

CONTENTS

ENCLOSURES

The present is the English translation of the Italian official report approved by the Board of Directors on March 13, 2012. For any difference between the two texts, the Italian text shall prevail.

GLOSSARY

2006 Code / 2006 Corporate Governance Code: The Corporate Governance Code for listed companies approved in March 2006 (and amended in March 2010) by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A. Unless otherwise specified, references to Principles, Methods and Comments must be considered with regard to the 2006 Code.

2011 Code / 2011 Corporate Governance Code: The Code of Corporate Governance approved in December 2011 by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria.

Code of Corporate Governance SAES Getters: The Code of Corporate Governance adopted by the Board of Directors of SAES Getters S.p.A. on 21 December 2006 containing principles and methods of corporate governance of the Company whose contents are thoroughly dealt with in this Report.

Board: The Board of Directors of the Company.

Financial year: 2011 business year (01/01/2011-31/12/2011).

Savings Law: Italian law on protection of savings of 28 December 2005 no. 262.

Model 231: The Organisational, Management and Control Model Italian ex Legislative Decree no. 231 of 8 June 2001 approved by the Board of Directors of SAES Getters S.p.A. on 22 December 2004 as amended.

Control Model: Administrative and Accounting Control Model, adopted by the Board of Directors of SAES Getters S.p.A. on 14 May 2007 also in the light of the provisions introduced by Savings Law (as defined above).

Issuers' Regulations: The Regulation issued by Consob with resolution no. 11971 of 14 May 1999 (as amended and supplemented later) on issuers.

Market Regulation: The Regulation issued by Consob with resolution no. 16191 of 29 October 2007 (as amended and supplemented later) on markets.

Report: The report on corporate governance and corporate structures that companies are required to prepare pursuant to Article 123-*bis* Consolidated Financial Act and 89-*bis* Consob Issuer Regulation

Company: SAES Getters S.p.A.

Bylaws: The Company Bylaws, in the current version (recently amended by the Shareholders' Meeting of 20 April 2011).

Consolidated Financial Act: The Italian Legislative Decree no. 58 of 24 February 1998.

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1. PROFILE

A pioneer in the development of getter technology, the SAES® Getters Group is the world leader in a variety of scientific and industrial applications where stringent vacuum conditions or ultra-pure gases are required.
In more than 70 years of activity, the Group's getter solutions have been supporting innovation in the information display and lamp industries, in sophisticated high vacuum systems and in vacuum thermal insulation, in technologies spanning from large vacuum power tubes to miniaturized silicon-based microelectronic and micromechanical devices. The Group also holds a leading position in ultra pure gas refinement for the semiconductor and other high-tech markets.
Starting in 2004, by leveraging the core competencies in special metallurgy and in the materials science, the SAES Getters Group has expanded its business into the advanced material markets, in particular the market of shape memory alloys, a family of advanced materials characterized by super elasticity and by the property of assuming predefined forms when subjected to heat treatment. These special alloys, which today are mainly applied in the biomedical sector, are also perfectly suited to the realization of actuator devices for the industrial sector (domotics, white goods industry, consumer electronics and automotive sector).
More recently, SAES has expanded its business by developing components whose getter functions, traditionally obtained from the exploitation of the special features of some metals, are instead generated by chemical processes. These new products are used in the OLED promising sectors (Organic Light Emitting Diode, both for displays and lighting) and in the photovoltaic one.
Thanks to these new developments, SAES is evolving, adding to its competencies in the field of special metallurgy also those of advanced chemicals.
A total production capacity distributed in ten facilities across 3 continents, a worldwide-based sales & service network and more than 1,000 employees allow the Group to combine multicultural skills and expertise to form a truly global enterprise.
SAES Getters is headquartered in the Milan area (Italy).
SAES Getters is listed on the Italian Stock Exchange Market, STAR segment, since 1986.

In compliance with the Articles of Association, the administration and control **model** adopted by the Company is the so-called **traditional** model focusing on the combination of Board of Directors-Board of Statutory Auditors; specifically, in this model the Governance of the Company is characterised by the presence of:

- a Board of Directors in charge of business management, which operates in accordance with the 1.P.1. principle of the Code;
- a Board of Statutory Auditors / Internal control and audit Committee called upon to supervise, among other matters laid down by current regulations, the compliance with the law and the Articles of Association, the financial reporting process, the effectiveness of the internal control, audit and risk management system; the external audit of the annual accounts and consolidated accounts; the independence of the external auditing firm, in particular as regards the provision of non-auditing services to the Company;

- the Shareholders' Meeting, competent for deciding in accordance with the provisions of the law and of the Articles of Association, in ordinary and extraordinary session.

The external audit of the annual accounts and consolidated accounts is entrusted to an auditing firm registered in the register of external auditors and external auditing firms, set up pursuant to Article 2, subsection 1 of Italian Legislative Decree no. 39/2010.

2. INFORMATION ON OWNERSHIP STRUCTURES

The information reported below, unless otherwise indicated, refers to the date of approval of this Report, occurred on 13 March 2012.

2.1. SHARE CAPITAL STRUCTURE

The share capital of SAES Getters S.p.A. amounts to € 12,220,000.00, fully paid up, and is divided in 22,049,969 shares, broken down as follows:

	No. of shares	% of share capital	listed/ unlisted	Rights and obligations
Ordinary shares	14,671,350	66.54	MTA STAR segment – Borsa Italiana S.p.A.	Article 5, 6, 11, 26, 29, 30 Bylaws
Shares with limited voting rights	0	0	-	-
Savings shares (without voting rights)	7,378,619	33.46	MTA STAR segment – Borsa Italiana S.p.A.	Article 5, 6, 11, 26, 29, 30 Bylaws

All shares are without par value and currently have a par value in accounting terms (defined as the ratio between the total amount of the share capital and the total number of issued shares), implied at being € 0.554196 for each share.

Each ordinary share carries the right to vote without limitation. All administrative and economic rights and the obligations provided for by law and Company Bylaws are related to ordinary shares. Savings shares are without voting rights during ordinary and extraordinary meetings.
The rights belonging to different classes of shares are described in the Company Bylaws, in particular in Articles 5, 6, 11, 26, 29 and 30. The Company Bylaws are available on the Company's website www.saesgetters.com (Investor Relations/Corporate Governance/Company Bylaws).

The ordinary shares are registered shares; savings shares are bearer shares or registered shares according to the Shareholder's choice or the provision of the law; all shares are issued in dematerialised form.

Each share confers the right to a proportional portion of the profits allocated for distribution and shareholders' equity resulting from the liquidation, without prejudice to the rights established in favour of savings shares, referred to in Articles 26 and 30 of the Company Bylaws.

More precisely, the net profits of each financial year are distributed as follows:

- 5% to the legal reserve until this reaches one fifth of the share capital;
- the remaining part is distributed as follows:

- savings shares are entitled to a preferred dividend equal to 25% of the implied par value in accounting terms; when, during a financial year, savings shares are assigned a dividend lower than 25% of the implied par value in accounting terms, the difference will be added to the preferred dividend in the next two years;
- the residual profit that the Shareholders' Meeting decides to distribute, will be distributed among all the shares in such a way that, however, savings shares are entitled to a total dividend, increased compared to ordinary shares, equal to 3% of the implied par value in accounting terms.

In case of distribution of reserves, shares have the same rights regardless of the category they belong to.

In case of liquidation, savings shares have a priority in the repayment of capital of the implied par value in accounting terms.

To date, the Company does not hold treasury shares.

The share capital can be increased also by issuing shares with rights other than those of the shares already issued. In case of an increase in share capital, the holders of shares of each class are eligible to receive in option newly issued prorated shares of their class and, failing this or for the difference, shares of another class (or other classes).

Resolutions authorising the issue of new shares having the same characteristics as the outstanding shares do not require further approval by special shareholders' meetings.

If ordinary or savings shares are de-listed, the savings shares will be given the same rights to which they were previously entitled.

There are no other financial instruments that allow the holder to subscribe newly issued shares.

2.2. RESTRICTIONS ON THE TRANSFER OF SECURITIES

There are no restrictions on the transfer of securities except for what is indicated in the following Article 2.8. and some restrictions applicable to Significant Persons for limited periods of time (the so-called black out periods) as identified in the Internal Dealing Code published on the Company's website www.saesgetters.com (for further information, reference is made to paragraph 5 *infra*).

2.3. SIGNIFICANT INVESTMENTS IN CAPITAL

S.G.G. Holding S.p.A. is the Company's majority Shareholder currently holding 7,958,920 SAES Getters S.p.A. ordinary shares representing 54.25% of the ordinary capital, according to what has come to the Company's knowledge on the basis of the communications received ex Article 120 of the Consolidated Financial Act and ex Article 152-*sexies* and 152-*octies* of the Issuers' Regulation.

The subjects holding the right to vote in excess of 2% of the subscribed capital, represented by shares with voting rights, according to the results of the shareholders' register updated on 29 February 2012 integrated by the communications received by the Company so far and by other information are set below:

Declarer	**Direct shareholder**	**% on ordinary capital (14,671,350 ordinary shares)**	**% on voting capital (14,671,350 ordinary shares)**
S.G.G.Holding S.p.A.	S.G.G.Holding S.p.A.	54.25	54.25
Giovanni Cagnoli	Carisma S.p.A.	5.80	5.80
The Tommaso Berger Trust	Berger Trust S.p.A.	2.73	2.73

2.4. SECURITIES WITH SPECIAL RIGHTS

No securities have been issued that grant special controlling rights and there are no persons entrusted with special powers, according to disposition of laws and Company Bylaws in force.

2.5. SHAREHOLDINGS OF EMPLOYEES: VOTING RIGHTS MECHANISMS

The Company has no share-based incentive plans (*stock option*, *stock grant*, etc.).

2.6. RESTRICTIONS ON VOTING RIGHTS

There are no restrictions on voting rights.

2.7. SHAREHOLDER AGREEMENTS

The Company is not acquainted with shareholder agreements entered into pursuant to Article 122 of the Consolidated Financial Act.

2.8. CHANGE OF CONTROL CLAUSES AND PROVISIONS ESTABLISHED BY THE ARTICLES OF ASSOCIATION ON PUBLIC PURCHASE OFFERS

The Group companies, in the normal course of business, are party to supply contracts or collaboration agreements with customers, suppliers and industrial or financial partners that, as customary in international contracts, contemplate clauses that assign to the counterpart or to each party the right to rescind such contracts if there is a change in the control by the SAES Getters S.p.A. Parent Company or, more in general, by one of the parties. None of these agreements is significant.

Some companies of the Group are also parties to bank loan agreements, as well as credit lines: such agreements with credit institutions require, as customary in this type of contracts, the right of the credit institutions to require/claim early redemption of the loans and the obligation of the financed company to redeem in advance all the amounts used by it, if there is a change in the control of the financed company and/or of the parent company (SAES Getters S.p.A.). The debt exposure interested in the possible application of the clause of *change of control* is of approximately € 33.4 million.

With reference to provisions regarding public purchase offer on the shares, the Company Bylaws does not derogate to passivity rules provisions set out in Article 104, paragraph 1 and 2 of Consolidated Financial Act and does not refer to neutralization rules set out in Article 104-*bis* of Consolidated Financial Act.

2.9. AUTHORISATION TO INCREASE THE SHARE CAPITAL AND AUTHORISATION TO PURCHASE TREASURY SHARES

The Extraordinary Shareholders' Meeting of 23 April 2008 granted the Board the power, pursuant to Article 2443 of the Italian Civil Code, to carry out a bonus issue and/or rights issue, in one or more times, within five years as from the date of the shareholders' resolution up to an amount of € 15,600,000.00,

- through one or more bonus issues, (i) without issuing new shares (thus increasing the implied par value in accounting terms of all the already outstanding shares), or (ii) by allocating ordinary and savings shares, in proportion to the ordinary and savings shares held, in compliance with what is laid down by Article 2442 of the Italian Civil Code; the increase may take place – within the limit of the assigned amount – through allocation of available reserves recorded in the financial statements relevant to the financial year ended 31 December 2007 net of the distributions approved by the shareholders' meeting of 23 April 2008, without prejudice to the obligation to verify their existence and possibility of use at the time of capital increase, by the Board of Directors

and /or

- through one or more rights issues, by issuing ordinary and/or savings shares, having the same characteristics of the corresponding shares already outstanding, to be offered under option to those entitled, with the right of the administrative body to determine the issue price, including any share premium; it is established that the conversion shares for this increase may not be issued with an implied par value in accounting terms lower than the value of the outstanding shares at the time of the board resolution for the issuing.

The Extraordinary Shareholders' Meeting of 20 April 2011 authorised the purchase of treasury shares of the Company up to a maximum of 2,000,000 ordinary and/or savings shares for a period of 18 months from the authorisation date considering the shares already held in the portfolio by the Company itself, and in any case within the limits of the law, for a valuable consideration, including additional purchase charges, not more than 5% and not less than 5% compared to the official stock-exchange price recorded by the security at the close of the trading session before each transaction.

During the Financial Year, the Board did not start any purchase program of treasury shares, and therefore did not make use of the authorisation granted by the Shareholders' Meeting of 20 April 2011 (nor used, during the months before the Shareholders' Meeting, the authorisation previously granted by the Shareholders' Meeting of 27 April 2010).

As mentioned in the previous paragraph, to date, the Company does not hold treasury shares.

The revocation of the resolution for purchasing treasury shares and using them adopted by the Shareholders' Meeting of 20 April 2011 and the proposal to adopt a similar resolution is inserted in the agenda of the next Shareholders' Meeting, in ordinary session, on 24 and 26 April 2012 (in first and second call, respectively).

Reference is made to the special report of the Shareholders' Meeting prepared by the Board of Directors on the subject, pursuant to Article 73 of the Issuers' Regulation, which will be filed, within the terms contemplated by the laws and regulations in force (i.e. at least 21 days before the date of the Shareholders' Meeting) with the registered office, with Borsa Italiana S.p.A. as well as made available on the Company's websitewww.saesgetters.com (Investor Relations/Shareholders' Meeting section).

2.10. MANAGEMENT AND COORDINATION ACTIVITIES

The Company is not subject to management or coordination in accordance with Article 2497 et seq. of the Italian Civil Code.

For the purposes of Article 37 subsection 2 of the Market Regulation, it is specified that, following the consideration of the Board, confirmed today, considering overcome the presumption set forth in Article 2497 of the Italian Civil Code, S.G.G. Holding S.p.A. does not manage or coordinate SAES Getters S.p.A. as regards the majority interest held by it. This, given the fact that S.G.G. Holding S.p.A., from the management, operating and industrial viewpoints, does not play any role in defining long-term strategic plans, the annual budget and investment choices, does not approve specific significant transactions undertaken by the Company and its subsidiaries (acquisitions, disposals, investments, etc.) and does not coordinate business initiatives and actions in the sectors in which the Company and its subsidiaries operate. S.G.G. Holding S.p.A. does not give instructions nor does it carry out service activities or technical, administrative and financial coordination in favour of the Company or its subsidiaries.

The Company is entirely independent in its organisation and decision-making and acts in an independent negotiating capacity in its dealings with customers and suppliers.

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It is specified that the information required by Article 123-*bis*, subsection one, letter i) ("*the agreements between the Company and the Directors (...) that provide for payments in the event of resignation or dismissal without just cause or if the employer-employee relationship is terminated following a public purchase offer*") is contained in the remuneration report published pursuant to Article 123-*ter* of the Consolidated Financial Act.

Moreover, the information required by article 123-*bis*, first subsection, letter l) ("*applicable law for the appointment and replacement of directors (...) and for the amendment to the Articles of Association, if different from those laws and regulations additionally applicable*") is included in the section of the Report related to the Board of Directors (Sec. 4).

3. COMPLIANCE

The Corporate Governance system of SAES Getters S.p.A. is mainly based on the implementation of the principles and recommendations contained in the 2006 Code of Corporate Governance, available on the website of Borsa Italiana S.p.A. www.borsaitaliana.it, in the firm belief that the principles and provisions expressed therein contribute significantly to the achievement of a proper company and entrepreneurial management and to the value generation for Shareholders, by increasing the level of trust and interest of investors, foreign or otherwise.

On 23 February 2012, the Board of Directors decided to comply with the new recommendations contained in the 2011 Code of Corporate Governance and to gradually implement the recommendations contained therein during 2012.

The Company did not adopt or comply with the Code of Corporate Governance other than the one promoted by Borsa Italiana.

The Company on 21 December 2006 adopted its own Code of Corporate Governance ("SAES Getters Code of Corporate Governance") containing principles and methods of corporate governance of the Company substantially in line with the provisions of the Code. This Report sets out in details the corporate governance practices contained in the SAES Getters Code of Corporate Governance that are superseded by the adoption by the Company of the Code 2006.

The following Report provided information on the corporate governance of SAES Getters S.p.A. and on the level of compliance of the Company to the 2006 and 2011 Code of Corporate Governance.

When writing out the Report, the Company mainly used the format circulated by Borsa Italiana S.p.A. on 9 February 2012, by applying the "*comply or explain*" principle and therefore, giving the reasons for the failure to comply with one or more provisions, as well as by indicating the corporate governance practices actually applied by the Company, beyond the obligations established by laws and regulations, pursuant to Article 123-*bis* of the Consolidated Financial Act and of Article 89-*bis* of the Issuer Regulation.

Neither the Company nor its subsidiaries are subject to non-Italian law provisions that affect the corporate governance structure of SAES Getters S.p.A.

4. BOARD OF DIRECTORS

4.1. APPOINTMENT AND REPLACEMENT OF DIRECTORS

The Board of Directors is appointed by the Shareholders' Meeting based on the lists presented by the Shareholders in accordance with the procedure provided by article 14 of the Articles of Association, except for different and further provisions provided by mandatory law regulations or depending on the compliance with or subjection of the Company to codes of conduct drafted by regulated market management companies or by trade associations.

As things stand, the Board considers that the appointment of the Directors is carried out with a transparent procedure, as described below.

As resolved by the Board of Directors on 23 February 2012, within the Shareholders' Meeting convened for the re-election of the Board of Directors on 24-26 April 2012, the Company will apply the principle 5.P.1., 6.P.3. and 7.P.4. and criteria 2.C.3. and 2.C.5. of the Code 2011 regarding the composition of the Board of Directors and its Committees.

Today, the Shareholders who, with regard to the shares that are registered in favour of the shareholder the day on which the lists are filed with the Company, on their own or together with other Shareholders presenters, own a participating share, in the share capital with voting rights, at least equal to the one indicated by article 144-*quarter* of the Issuers' Regulation, can present a list for the appointment of the Directors. At the date of this Report, the requested share is 2.5% of the share capital with voting rights.

The lists, signed by those who present them, accompanied by the information and documents required by law, are filed by the Shareholders with the registered office no later than the twenty fifth day before the date of the shareholders' meeting called to decide on the appointment of the members of the Board of Directors. The Company makes this list available to the public at the registered office, as well as to the management company of the market and on its website, within the terms and in the manner provided by law.

The lists include a number of candidates not exceeding fifteen, each coupled with a progressive number. Each list must contain and expressly indicate at least one Independent Director[1] , with a progressive number of no more than seven. If the list consists of more than seven candidates, it must contain and expressly indicate a second independent director.

A Shareholder cannot submit or vote more than one list, albeit by proxy or through a trust. Each candidate shall come up in one list under penalty of ineligibility.

At the end of the vote, the candidates of the two lists who obtained the highest number of votes are elected as follows: (i) a number of Directors equal to the total number of members of the Board, minus one, is taken from the list that obtained the majority of votes (hereinafter also "Majority List"), as previously established by the Shareholders' Meeting; within such number limits, the candidates are elected in the order in which they are listed in the list; (ii) a Director is drawn from the second list that obtained the highest number of votes and who is not connected directly or indirectly with the Shareholders who submitted or voted the Majority List pursuant to the applicable provisions (hereinafter also "Minority List"), in the person of the candidate indicated with the first number in the list itself; however, if not even one independent Director is elected within the Majority List, in case of a Board of not more than seven members, or only one Independent Director is elected, in case of a Board of more than seven members, the first Independent Director indicated in the Minority List will be elected, instead of the first on the Minority List.

[1] Defined as Director possessing the requirements for independence provided under article 147-*ter*, subsection 4, Consolidated Financial Act as well as other independence requirements contemplated by the Corporate Governance Code.

Lists are not taken into consideration unless they obtain a percentage of votes equal at least to half the percentage required for submitting the lists.

In the event that the lists obtain the same number of votes, the list submitted by Shareholders owning the largest stake when the list is submitted prevails, or, subordinately, the one submitted by the greatest number of Shareholders.

If only one list is submitted, the Shareholders' Meeting will vote on it and if it obtains the relative majority of voters, without taking account of abstentions, the candidates listed in progressive order will be elected Directors, up to the number established by the Shareholders' Meeting, without prejudice to the fact that, if the Board has more than seven members, the second Independent Director is also elected, in addition to the one necessarily placed with the first seven.

In the absence of lists, or if the number of Directors elected on the basis of the submitted lists is lower than the one determined by the Shareholders' Meeting, the members of the Board of Directors are appointed by the Shareholders' Meeting itself with the majorities provided by the law, without prejudice to the obligation to appoint, by the Shareholders' Meeting, the minimum number of Independent Directors required.

The Company is not subject to special field regulations on the composition of the Board of Directors.

The Shareholders' Meeting convened on 21 April 2009 resolved to fix in 11 (eleven) the number of members of the Board of Directors and appointed as Directors, the following persons still holding office: Stefano Baldi, 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 Board holding office was elected, for the first time, through the list voting mechanism (introduced with the Extraordinary Shareholders' Meeting of 29 June 2007 to implement the amendments and supplements to the election procedures introduced in the meantime in the regulations in force), however, based on a single list, filed and published by the Majority Shareholder S.G.G. Holding S.p.A., in accordance with the procedures and terms prescribed by the regulations and articles of association. The list and the documents that came with it were also promptly published on the Company's website.

The three-year period mandate of the Board of Directors, appointed on 21 April 2009, expires with the approval of the financial statements relevant to the financial year ended 31 December 2011. The next Shareholders' Meeting will be therefore convened to decide on the appointment of the Board of Directors, subject to the determination of the number of Directors. Reference is made to the report prepared by the Directors on the points on the agenda of the Shareholders' Meeting, which will be filed with the registered office, at Borsa Italiana S.p.A. as well as made available on the Company's website www.saesgetters.com (Investor Relations/Shareholders' Meeting section), within the terms contemplated by the laws and regulations in force.

4.1.1. SUCCESSION PLANS

As things stand, the Board of Directors did not consider necessary to adopt a plan for the succession of the executive directors and, on 23 February 2012, decided to submit the relevant determination to the Appointment Committee, on whose establishment a proper resolution will be passed by the Shareholders' Meeting called to appoint the new Board of Directors on 24-26 April 2012.

4.2. COMPOSITION

The current Board of Directors of the Company was appointed by the Shareholders' Meeting on 24 April 2009 by list voting mechanism according to article 14 of the Company Bylaws. Only one list has been presented by the Majority List presented by S.G.G.Holding S.p.A.; such list obtained 100% of the voting capital.

The Company Bylaws in force allow the Shareholders' Meeting to determine the number of Directors from a minimum of three (3) to a maximum of fifteen (15). The high maximum number of Directors reflects the need to structure the Board in a manner more suited to the needs of the Company, also in relation to the number of subsidiaries and to the variety of business areas in which the Group operates. Moreover, it allows the Company to find professional skills of different extraction and integrate different skills and experiences to better meet current and future needs, maximising the value for Shareholders. The complexity and globality of the interests of the Company and of the Group imply an increasing need of different professional skills, experiences and competences within the administrative body. With a more complete composition, the Board is able to ensure a better internal communication and carry out effectively its functions, with the required powers and authority, responding promptly to the increasingly complex issues that the Company has to face.

The Board of Directors, on 31 December 2011, consists of eleven Directors:

No Directors in charge have been substituted or revoked as indicated by Table 2 enclosed with this Report.

Information concerning the personal and professional characteristics of each director is provided below:

Stefano BALDI - Born in Trieste on 26 May 1950

He graduated in 1975 from Università degli Studi of Trieste with a degree in law.

In 1977 he held the position of export manager at Acciaierie Waissenfels S.p.A. of Fusine (UD), leading company in the field of industrial and snow chains.

In 1978, he started working as product manager with Laboratori DON BAXTER S.p.A. of Trieste, a pharmaceutical company.

In 1983, he was employed by GEFIDI S.p.A. of Trieste, companies promoting financial products and Italian investment trusts, as associate marketing director and then as marketing manager.

From 1986 to 1988, he was employed by HAUSBRANDT S.p.A., company operating in the coffee sector, as marketing manager.

Subsequently, until 1990, he held the position of inspector in Friuli-Venezia Giulia for ASSICURAZIONI GENERALI S.p.A.

He is Director of SAES Getters S.p.A. since 1987.

Giulio CANALE - Born in Genoa on 16 March 1961

He graduated from Università degli Studi of Genoa with a degree in Economics and Commerce.

From 1984 to 1989, he started his first work experience at the premises of Milan of an important Advertising Company, IGAP S.p.A. At IGAP S.p.A., he held different positions, coming up to the position of Sales Manager.

In 1990, he became part of the SAES Getters Group as person representing special Group interests with SAES Getters Korea where he worked for four years. To date, he is the Chairman of SAES Getters Korea.

In 1994, he moved to the Tokyo premises of SAES Getters Japan, taking on the delicate role of Asian Markets Coordinator. In particular, he also acted as Chief Negotiator of the delegation of the SAES Getters Group that negotiated with a Chinese partner the setting-up of a Joint-Venture at Nanchino, PRC: this Joint-venture was opened in November 1997.

In 1997, he returned to SAES Getters S.p.A. of Lainate, Milan, since he was appointed co-Managing Director, and acted as SAES Group Subsidiaries Director.

In 2003, he was reconfirmed Managing Director and appointed Group Deputy Chief Executive Officer.

In 2006, he was confirmed Managing Director, Deputy Chief Executive Officer and appointed Group Chief Financial Officer.

In 2009, he was appointed Deputy Chairman and Managing Director and appointed Group Deputy Chief Executive Officer as well as Group Chief Financial Officer.

Giuseppe DELLA PORTA - Born in Milan on 2 April 1926

He graduated in 1950 from Università degli Studi of Milan with a degree in Medicine and Surgery.

In 1960, he qualified as a university teacher in Anatomy and Pathological Histology and in 1966 in Experimental Oncology.

From 1951 to 1955, he attended the Institute of Pathological Anatomy of the University of Milan.

From 1956 to 1960, he was a Research Associate at the Experimental Oncology Department of the Chicago Medical School (Chicago, USA).

From 1961 to 1970, he was Experimental Carcinogenesis Section Chief of the National Cancer Institute of Milan. From 1971 to 1991, he held the position of Manager of the Experimental Oncology Department of the National Cancer Institute of Milan. From 1985 to 1991, he was Deputy Chief Medical Officer of the National Cancer Institute of Milan.

From 1992 to 2000, he was the Chief Medical Officer of the Italian Association for Cancer Research.

In 1994, he became Research Coordinator at the European Cancer Institute of Milan.

From 1966 to 1970, he was the Chairman of the Committee on Carcinogenesis of UICC

From 1979 to 1983, he was the Chairman of the European Association for Cancer Research.

From 1980 to 1982, he was the Chairman of the Cooperation Group in Immunology.

From 1980 to 1983, he was a member of the Scientific Council, International Agency for Research on Cancer of Lyon.

From June 2001 to December 2007, he was a member of the Board of Directors of the National Health Institute - Rome.

He is the author of over 180 papers on different aspects of experimental oncology including studies on chemical carcinogenesis, viral leukemogenesis, immunology and molecular biology of experimental and human cancers.

He is Director of SAES Getters S.p.A. since 1968.

Massimo DELLA PORTA - Born in Pontremoli (MS) on 8 September 1960

In 1989, he graduated from the Polytechnic University of Rome with a degree in Mechanical Engineering.

In April 1989, he began working at one of the companies of the SAES Getters Group, the SAES Metallurgia of Avezzano (AQ), as a researcher and with the specific task of creating an applied research laboratory at the SAES Metallurgia di Avezzano subsidiary.

In 1991, after working for about one year on a project for improving the production processes, he dealt with production management of SAES Metallurgia S.p.A.

In 1992, he took up the position of Technical Manager of the subsidiaries of Avezzano dealing with the coordination of the applied research activities and of the production operations of the two companies, SAES Metallurgia and SAES Engineering.

From 1993 to 1995, he personally followed the construction (and partially the planning) at Avezzano of a new factory, SAES Advanced Technologies and of the factory of Chinchon – South Korea.

In 1996, he moved to Milan to take on the role of Group Innovation Manager at the parent company SAES Getters S.p.A., while simultaneously maintaining previous responsibilities on the production sites of Avezzano.

In 1997, he took up the position of Deputy Chairman and Managing Director of SAES Getters S.p.A. In the same year, he was appointed Chief Technology Officer of Group and was in charge at Group level of the Information System.

In 2003, he was reconfirmed Deputy Chairman and Managing Director and appointed Group Deputy Chief Executive Officer. Officers confirmed in 2006.

In 2009, he took up the position of Chairman of SAES Getters S.p.A. and was reconfirmed Group Chief Executive Officer.

Inventor or co-inventor of alloys and products for which patents have been obtained.

He is a member of EIRMA (Association for European industrial research).

Adriano DE MAIO - Born in Biella, on 29 March 1941, married, two children and a grandson.

1964 Degree in civil engineering from Polytechnic University of Milan

<u>Polytechnic University of Milan:</u>

1967-2002 Professor of innovation management (Associated lecturer, then Full professor from 1986)
1990-1994 Deputy Pro-Rector
1994-2002 Rector
2006-2011 Professor of Management of Complex Projects, Polytechnic University of Milan

<u>Other positions:</u>

1996-2010 Chairman of IReR (Istituto Regionale di Ricerca della Lombardia, Regional Research Institute of Lombardy)
1998-2002 Member of the Board of Directors of Ecole Centrale de Paris from which it obtained the diploma of "Docteur Honoris Causa" in 2003
2000-2002 Chairman of TIME (Associazione delle Università industriali in Europa, Association of technical universities in Europe) of which he is currently honorary chairman
2002-2005 Rector, University Luiss Guido Carli, Rome
2002-2005 Chairman of the Ministerial Commission for the University
2003-2004 Extraordinary Commissioner of the National Research Centre
2005-2008 Delegate for Higher Education, Research and Innovation - Lombardy Region
2007-2009 Chairman of the Board of Engineers and Architects of Milan

Author of several publications basically focused on business management and research and innovation management.

He is currently the Chairman of several institutions: European Foundation Centre for Nanomedicine; Investment Committee of the Venture Capital Next Fund; Alumni Association of the Collegio Ghislieri in Pavia; Green and High-Tech district of Monza and Brianza.

He is also the Director of Telecom Italia Media SpA, TxT e-solutions SpA, EEMS SpA; AGI – Agenzia per la diffusione delle tecnologie per l'innovazione (Agency for the dissemination of technologies for innovation) and ASI – Agenzia Spaziale Italiana (Italian Space Agency).

He is Director of SAES Getters S.p.A. since 2001.

Andrea DOGLIOTTI - Born in Genoa on 23 January 1950

In February 1974, he graduated with a degree in Mechanical Engineering/Methods of conducting business in Genoa.

In 1974, he was employed by Italimpianti and became manager in 1981; he worked in the formulation and evaluation of projects and investment plans, in Italy and abroad. He managed major projects of territorial and industrial logistics. He also dealt with industry strategies and organisational approach of the company and of the IRI Group.

In 1995, he became the "logistics development manager" of an important logistics and shipping company. He managed and developed Logistics planning, Project management, information systems, quality system.

In 2005, he became the chairman of Fos Progetti S.r.L, a consulting company based in Genoa.

Since 2010, freelance consultant in technologies, processes and strategies.

He is the author of several publications.

He is Director of SAES Getters S.p.A. since 2006.

Andrea GILARDONI - Born in Milan on 9 May 1955

He graduated from the Bocconi University of Milan with a degree in Economics and Commerce.

Full professor of Economics and Business Management at the Bocconi University of Milan.

Chartered Accountant at the Society of Chartered Accountants of Milan. Accounting auditor.

Consultant on business and finance strategy of major industrial, banking and finance companies. In particular, he developed expertise both nationally and internationally.

Manager since 2000 and professor of MEGeS, Master in Economics and Management of Public Utilities of the Bocconi University.

Currently, he holds the following courses at the Bocconi University: "Management of public utility companies" and "Strategies and Alliances in public utility companies." He also taught “Corporate Restructuring and Development” and “Management of Infrastructure and Utilities”.

Since 2000, Member of the Specialisation Committee and professor of Mema, Master in Economics and Environmental Management at the Bocconi University.

Since 2000, manager of Space-Conai Observatory on the recycling industry.

He was the member of the scientific committee of the “Impresa-Ambiente” (Business-Environment) magazine of Sole-24 Ore, of the Agenzia Nazionale per l’Ambiente (ANPA) (National Agency for the Environment) and of Comico.

Manager of the *Observatory on alliances and strategies of Utilities* in Italy supported by Banca Intesa Infrastrutture e Sviluppo, Accenture and Federutility and a dozen other sponsors.

Founder and Manager of the journal called *Management of Utilities*, a point of reference at national level in the field of infrastructure and public services.

Scientific Consultant of the EEC on Community policies for small/medium enterprises. Visiting Professor at Harvard University of Boston (USA).

He is the author of several publications.

He is Director of SAES Getters S.p.A. since 1994.

Pietro MAZZOLA – Born in Milan on 13 June 1960

- Full professor of “Business strategy and policy” at the IULM University of Milan;
- Professor on a contract basis of “Budget” at the Bocconi University of Milan;
- senior lecturer of the Strategy area of the Business Management School of the Bocconi University of Milan;
- co-author of the "listing guide" for the business plan prepared by Borsa Italiana S.p.A;
- co-promoter of the attention and interest group of AIDEA on the "Communication to financial markets"
- member of the examining board of the CONSOB competitive state examination, which took place in 2005, based on qualifications and examinations, for 10 positions of assistant on a trial basis in the operational career of permanent personnel, with professional profile graduated in economics;
- enrolled with the Register of Professional Accountants and Auditors and member of the European Accounting Association;
- member of the editorial board of the Family Business Review;
- member of the board of directors of the Italian society of professors of accounting and business administration;

– founding member of Partners, management professional consultancy firm;

– technical consultant in several civil and criminal proceedings pending before the court or before arbitration boards;

– member of the research committee of the NED Association on the role of independent directors in family concerns;

author or co-author of several national and international publications.

He is Director of SAES Getters S.p.A. since 2008.

Roberto ORECCHIA - Born in Turin, on 19 September 1952

In 1980, he graduated from the University of Turin in Medicine and Surgery.
He is Professor of Radiotherapy (Scientific Field MED/36 Diagnostic imaging and radiotherapy) at the Università degli Studi of Milan, Manager of the School of Specialisation in radiotherapy at the same University.

He is the Chairman of the degree course in Medical Radiology Techniques, as well as the Manager of the Radiotherapy Department of the European Cancer Institute of Milan, Scientific Manager of the CNAO Foundation (National Centre of Oncology Hadrontherapy) of Pavia and Scientific Manager of the European Centre for Nanomedicine in Milan.

He is Lecturer of:

- Course of diagnostic imaging and radiotherapy at the Polo Centrale;

- Course of Radiotherapy, Radiobiology and Radiation Protection at the San Paolo and San Donato centres;

- Course of Radiobiology at the Degree Course in Biotechnology

- Course of Radiobiology and Radiotherapy at the Degree Course in Medical Radiology Techniques.

Other activities:

- Former Chairman of AIRO (Italian Association of therapeutic radiation oncology)
- Former Member of the ESTRO Board (European Society of Therapeutic Radiation Oncology)
- Member of the managing committee of the University Centre of the LUVI Foundation for research in palliative care (in collaboration with the Floriani Foundation)
- Honorary Member of GLAC/RO (Latin American Group of Therapeutic Radiation Oncology) and Associate Professor at the University della Plata (Argentina).
- Deputy Chairman and Scientific Manager of the TERA Foundation.
- Chairman of the International Society of Intraoperative Radiation Therapy (ISIORT).

- Member of the EUSOMA Board (European Society of Oncological Mastology)

Since the beginning of its activity, in addition to his clinical and educational commitments, Prof. Orecchia carried out an intense scientific activity documented by over 300 publications in national and international journals (227 of which reviewed on Pub Med), chapters of books, and other educational material, which over the years have dealt with topical issues in clinical research: from integration between ratiotherapy and medicines, to hyperthermia, to brachytherapy and, more recently, to precision radiotherapy techniques (3D Conformal radiotherapy, stereotaxic, intraoperative, intensity modulation).

He is Director of SAES Getters S.p.A. since 2009.

Andrea SIRONI - Born in Milan on 13 May 1964

He graduated from the Bocconi University with a degree in Political Economy with a major in "International Economy" in March 1989. Marks obtained: 110/110 cum laude.

1989-1990: financial analyst at the London-based subsidiary of the U.S. bank *The Chase Manhattan Bank*.

January - July 1993: *visiting scholar* at the *Salomon Brothers Centre for the Study of Financial Institutions* - Stern School of Business - New York University.

From 1 April 1995: Research worker of Economics of financial intermediaries at the Institute with the same name of the Università Commerciale L. Bocconi of Milan.

From 1 November 1998: Associate Lecturer of Economics of financial intermediaries at the Institute with the same name of the Università Commerciale L. Bocconi of Milan.

January-July 2000 – Visiting Professor, *Federal Reserve Board of Governors*, *Department of Research & Statistics*, *Monetary and Financial Studies Section*, Washington DC.

From 1 January 2001 – Manager of the Research Division of the School of Management of the Bocconi University.

From 1 September 2002: Temporary teacher of Economics of financial intermediaries at the Università Commerciale L. Bocconi of Milan.

1 November 2004 – 1 November 2005: Graduate Area Pro-rector, Bocconi University.

From 1 November 2005 – Full professor and Pro-rector for Internationalisation, Bocconi University.

From 1 October 2008, independent member of the Management Board of Banco Popolare.

From 1 May 2009, Deputy chairman of Banca Aletti.

In addition to the academic commitment, he is a Consultant and independent expert of leading national and international financial institutions (Banca d’Italia, Unicredito Italiano, Merrill Lynch International, Societè Generale, Citigroup, etc.).

He is Director of SAES Getters S.p.A. since 2006.

Gianluca SPINOLA - Born in Turin on 6 February 1933

He obtained a diploma in accountancy.

In 1958, he started working with Société Fiduciaire de Gérance of Geneva (CH) as business assistant. In 1964, he coordinated the financial activities and after two years he became in charge of analysis and coordination of the same activities. From 1973 to 1980, he was in charge of external relations and financial activities.

From 1980 to 1993, he held the position of General Manager in General Beverage Management S.A. of Geneva (CH), of the General Beverage Corporation Group, Luxembourg.

He is currently Chairman of the Board of Directors of Diadora Holding S.p.A. (Italy).

He is Director of SAES Getters S.p.A. since 1994.

4.2.1. MAXIMUM AMOUNT OF POSITIONS HELD IN OTHER COMPANIES

In compliance with the 1.P.2. principle of the 2006 Code, the Directors of the Company act and decide in full cognition of the facts and independently, pursuing the goal of creating value for shareholders in the medium to long term. In compliance with the 1.C.2. application criteria of the 2006 Code, the Directors accept the office when they believe they can devote the necessary time to the diligent performance of their duties, also allowing for the commitment related to their jobs, profession, number of offices as director or auditor held by them in other companies listed on controlled markets - including foreign markets - in holding, banking, insurance or big-sized companies

The Board reports and reveals, in the Corporate Governance report, the director or auditor offices held by the Directors in listed companies and in other companies indicated above. Table 1 enclosed with this report indicates the offices of director or auditor held on 31 December 2011 by each Director in other companies listed on controlled markets, including foreign markets, in holding, banking, insurance or big-sized companies, as disclosed during the board meeting of 23 February 2012.

The Board believes that an excessive plurality of offices in board of directors or board of statutory auditors of companies, whether listed or not, may compromise or risk the efficient performance of the office of Director in the Company.

The Board, in compliance with the 1.C.1. Application Principle of the 2006 Code, defined some general principles on the maximum number of administration and control offices in other companies that can be considered compatible with an efficient performance of the role of Director of the Company, allowing for the participation of the directors in the committees set-up within the Board itself.

In particular, the Board considered appropriate to assign a score to each office, other than the one of member of the Board of the Company, distinguishing this score according to the commitment related to the type of office (executive/non-executive director) also in relation to the type and size of the companies where the office is held, and set a maximum score beyond which it is reasonable to assume that the office of Director of the Company cannot be carried out efficiently. Exceeding the maximum threshold is a just cause for the removal of the Director from his/her office.

The Board believes that 100 points is the maximum threshold beyond which the office of director of the Company cannot be carried out efficiently.

The Board of the Company reserves the right to amend and supplement the above general principles, allowing for changes in regulations, experience and *best practice* gained in this field.

The current composition of the Board complies with the above general principles.

The offices and equivalent scores are summarised in the following table:

OFFICE	SCORE
Executive director in listed issuer, banking, financial or insurance companies, whether listed or not	50
Chairman (without operational proxies) in listed issuer, banking, financial or insurance companies, whether listed or not	15
Participation in each listed issuer committee (Appointment Committee, Audit Committee, Remuneration Committee)	5
Non-executive director in listed issuer, banking, financial or insurance companies, whether listed or not	12
Executive director in a company subject to controls provided by the Consolidated Financial Act other than the subsidiaries of the Company	25
Non-executive director in a company subject to controls provided by the Consolidated Financial Act other than the subsidiaries of the Company	10
Executive director in subsidiaries of the Company	5
Non-executive director in subsidiaries of the Company	3
Executive director in non listed companies, subject to controls provided by the Consolidated Financial Act and not controlled by the Company with shareholders' equity exceeding € 100 million	20
Non-executive director in non listed companies, not subject to controls provided by the Consolidated Financial Act and not controlled by the Company with shareholders' equity exceeding € 100 million	7
Executive director in non listed companies, not subject to controls provided by the Consolidated Financial Act and not controlled by the Company with shareholders' equity less than € 100 million	18
Non-executive director in non listed companies, not subject to controls provided by the Consolidated Financial Act and not controlled by the Company with shareholders' equity less than € 100 million	5
Member of the Board of Statutory Auditors in listed companies, banking, financial or insurance companies, whether listed or not	17
Member of the Board of Statutory Auditors in non-listed companies, and not controlled by the Company, subject to controls provided by the Consolidated Financial Act	13
Member of the Board of Statutory Auditors in subsidiaries of the Company	10
Member of the Board of Statutory Auditors in non-listed companies, not subject to controls provided by the Consolidated Financial Act and not controlled by the Company	10

Member of the Supervisory Board	5
Owner (or co-owner) of the management function in a trust	7

In compliance with the 2.C.2. Application Principle of the 2006 Code, the Directors are obliged to know the duties and responsibilities concerning their office. The Chairman of the Board makes sure that the Directors and auditors can take part, after the appointment and during their mandate, in initiatives to provide them with an adequate knowledge of the sector of activity in which the Issuer operates, of company trends and their development, as well as of the regulatory framework of reference.

4.3. ROLE OF THE BOARD OF DIRECTORS

The Board is convened on a regular basis to examine the performance of management, business results, as well as all relevant transactions. The Articles of Association provides that the Board will be convened at least every three months.

During the Financial year, the Board met 10 times with an average attendance rate of 92.7% of the Directors, above the average for the 2010 financial year (about 89%). The presence of Executive Directors was 100% (as the 2010 financial year), the presence of Non-executive Directors was on average 91.1% (compared to 87.3% in 2010) and the presence of Independent Directors was on average 93.3% (in 2010 it was 81%).

The meetings lasted approximately 2,5 hours.

For the 2012 financial year, the Board is currently expected to meet at least eleven times, including four times for approving the periodic results; the relevant dates have already been communicated in December 2011 to Borsa Italiana S.p.A. during the publication of the calendar of company events, made available on the Company's website. In 2012, on the date of this Report, the Board met three times, on 13 January, 23 February and on the date of approval of this report.

The Chairman does its best to provide the Directors, on the occasion of the board meetings, in reasonable advance, where possible together with the notice of meeting (typically about ten days before the board meeting) with the documents and information necessary to enable the Board to express an informed opinion on matters under its consideration; as regards the financial reports, they are provided with at least two working days' notice, depending on the technical time of preparation of the documents. Exceptionally, in the light of the nature of the resolutions to be passed and confidentiality requirements, such as strategic plans, with the consent of the directors, the material may not be disclosed in advance to them or the documents can be made available to the Directors in a data room, which in this case is prepared and dedicated for that purpose at the registered office.

Each Director has the right to propose topics for discussion at subsequent meetings of the Board.

The Chairman, with the agreement of the persons attending, can invite subjects external to the Board to attend the meetings as listeners or with support functions. The Manager responsible for preparing the company's financial reports pursuant to Article 154-*bis* of the Consolidated Financial Act is invited to participate to all the meetings of the Board of Directors concerning the approval of the interim report on operations, half-year financial statements, financial statements and consolidated financial statements, and whenever the agenda of the Board of Directors includes the approval of resolutions requiring the issuance of a certification by the Manager, and whenever deemed necessary by the Chairman of the Board of Directors, also upon a proposal by the Managing Director, given the presence on the agenda of the Board of Directors of topics which may have an impact on the accounting information of the Company or the Group.

The Group Legal General Counsel - that normally acts as Secretary of the Board - attends the meetings of the Board.

On the occasion of the board meetings, and at least once per quarter, pursuant to Article 19 of the Articles of Association, the Board of Directors and the Board of Statutory Auditors are informed, by the Chairman and by the Managing Director, also with regard to subsidiaries, on the business carried on, general business performance, the Company's business outlook and operations that, due to size or characteristics, acquire a greater economic and financial importance as well as, if necessary, on transactions in which Directors have their own or a third-party interest.

The Directors examine the information received from the Executive Directors, taking care, however, to require any explanation, deepening or integration deemed necessary or appropriate for a complete and correct assessment of the facts brought before the Board.

The Board plays a central role in the Corporate Governance system of the Company, being vested with the broadest powers for the routine and extraordinary administration of the Company, having the power to carry out all acts held to be necessary in order to implement and achieve the business purpose, with the sole exception of powers that are, by law and without exception, reserved to the Shareholders' Meeting.

Without prejudice to the exclusive jurisdiction in the fields referred to in Article 2381 of the Italian Civil Code and provisions established by the Articles of Association, the Board exclusively and in compliance with the application principles 1. C. 1. of the Code 2006

a) defines, applies and updates corporate governance rules, in conscious accordance with the regulations in force; defines the guidelines of the corporate governance of the Company and of the Group it controls;

b) examines and approves the strategic, industrial and financial plans of the Company and of the Group it controls;

c) evaluates and approves the annual budget and the investment plan of the Company and of the Group it controls;

d) evaluates and approves the regular report envisaged by the regulations in force;

e) establishes and revokes the powers to the Board (and to the Executive Committee, if appointed) defining the limits, modes of operation and regularity, generally on a quarterly basis, with which the delegated bodies must report to the Board on the activity carried out exercising the given powers; reference is made to paragraph 4.4.1 for further information;

f) determines, after examining the proposals of the Remuneration Committee and after hearing the Board of Statutory Auditors, the remuneration of the Executive Directors and of the other Directors holding special offices, as well as, if the meeting has not already seen to it, the division of the entire remuneration due to each Board member;

g) monitors and evaluates the general performance, including any situation of conflict of interest, taking into account the information received by the Executive Directors, the Remuneration Committee and the Audit Committee, as well as periodically comparing the results achieved with those planned;

h) examines and approves significant transactions and related party transactions; see paragraph 12 for more information

i) evaluates the adequacy of organisational, administrative and accounting structure, as well as the structure of the Company and of its subsidiaries with strategic importance[2] are not considered companies "with strategic importance", with a special reference to the Internal Control and risk management system; see paragraph 11 for further information;

j) it carries out an evaluation on the size, composition and operation of the Board itself and its committees at least once a year, if necessary expressing guidelines on professionals whose presence in the Board is considered appropriate;

k) reports to the Shareholders during the Meeting; provides disclosure, in the report on corporate governance and, in particular, on the number of meetings of the Board held during the financial year and on the relevant attendance percentage of each Director;

l) prepares, at the end of each financial year, a calendar of company events for the following financial year; during the Financial Year, the 2012 calendar of company events was announced to the market on 6 December 2011;

m) is ultimately responsible of the operation and efficiency of the Organisational, Management and Control Model ex Italian Legislative Decree 231/2001.

With reference to letter b) above, during the Financial Year, the Board carried out evaluations on the strategic plans during the meetings of 18 January, 14 March and 30 June.

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[2] Intended as a "significant" company in accounting terms (with assets greater than 2% the assets of the consolidated financial statements or the revenues greater than 5% the consolidated revenues) or more in general, in terms of market or business (therefore, even a newly set-up company will be considered "significant"). On the basis of the evaluations updated at the end of 2011, in compliance with the above parameters as well as together with business considerations, the following companies are considered significant: SAES Advanced Technologies S.p.A., SAES Getters USA, Inc., SAES Getters (Nanjing) Co. Ltd., SAES Getters Korea Corporation, SAES Smart Materials, Inc., Memry Corporation, SAES Pure Gas Inc., Spectra-Mat Inc and SAES Getters America Inc. Otherwise, albeit observing the above parameters, following business considerations, SAES Getters International Luxembourg S.A. and SAES Getters Export, Corp.

With reference to letter c) above, during the Financial Year, the Board approved the budget of the Company and of the Group during the meetings of 18 January 2011; in 2012, on 23 February.

With reference to letter d) above, during the Financial Year, the Board met for this purpose on 14 March, 12 May, 29 July and 10 November; in 2012, on 13 March.

With reference to letter e) above, the Board did not set any limit of power, considering it adequate to reserve the significant transactions to the board of directors. Moreover, it should be noted that historically, as also during the Financial Year, Directors with proxies used the powers granted to them wisely, only for the normal management of the company business, on which the Board has been regularly and promptly updated. The Executive Directors are obliged to report briefly to the Board of Directors and to the Board of Statutory Auditors on the exercise of delegated powers, providing adequate information on the deeds carried out and in particular on any abnormal, atypical or unusual operation carried out in the exercise of the delegated powers. During the Financial Year, the delegated bodies continuously reported to the Board, at the next meeting, on the activity carried out exercising the given powers. See paragraph 4.1.1 for further information on this point.

With reference to letter f) above, on 18 January the Board resolved on this matter on the proposal of the Remuneration Committee convened on the same date.

With reference to letter i) above, the Board of Directors met for this purpose on 13 March 2012 and, on proposal of the Audit Committee, after hearing the favourable opinion of the Board of Statutory Auditors (convened together with the Auditing firm, Director in charge of the Internal Control and risk management system, the Manager in charge of preparing corporate accounting documents and the Group General Counsel), considered adequate the organisational, administrative and accounting structure, as well as the structure of the Company and of the subsidiaries with strategic importance, with a special reference to the Internal Control and risk management system.

With reference to letter j) above, in line with international best practices, the Board carried out, for the third consecutive year, the self-assessment on the composition and on the activities of the Board of Directors and Board Committees.
In November 2011, a series of answers to a questionnaire sent by the Company Secretary's office and aimed at the formalisation of the self-assessment by the Board were collected; after processing the answers, occurred in an aggregate and anonymous way, the Board carried out this assessment successfully during the meeting of 20 December 2011.
In particular, it was pointed out that the decision-making process within the board is powered by timely and effective information flows, supported by documents and complete and quality information that allow a good understanding of business processes and of the most important issues for the company. The Directors also expressed their appreciation for the regular and thorough update provided by the Managing Directors on the recent and perspective development of the industry, market and research and development initiatives.

The visit at the research laboratories of Lainate was particularly interesting, organised during the financial year by the Chairman and Managing Director of the company, during which the Corporate Research & Development Manager showed the directors some production lines and last generation products in the SAES portfolio.
The Directors also pointed out how further initiatives that could increase even more the knowledge and the comprehension by the Directors themselves of the management trends and business developments of the SAES Group could be in-depth thematic meetings on the organisation and management trend of subsidiaries of the parent company, as well as visits at the factories and the plants of the subsidiaries dedicated to the production of SAES products.

The Company Bylaws assign to the Board, without prejudice to the limits of the law, the authority to decide on the proposals concerning:

1. the merger resolution in the cases set forth in articles 2505 and 2505-*bis* of the Italian Civil Code, also as mentioned for the split-up by Article 2506-*ter* last subsection of the Italian Civil Code, in cases where such rules are applicable;
2. establishment and cancellation of sub-offices;
3. indication of the directors who have the legal representation of the company;
4. the reduction of share capital in case of the shareholder's withdrawal;
5. the adaptation of the Company Bylaws to regulatory provisions;
6. the relocation of the registered office in the national territory.

The Shareholders' Meeting is not expected to give any general or prior authorisation for an exception to the prohibition on competition provided under article 2390 of the Italian Civil Code

4.4. DELEGATED BODIES

4.4.1. MANAGING DIRECTORS

In compliance with the 2.C.1. application principles of the Code 2006, the following directors are considered Executive Directors of the Company:

– the Managing Directors of the Company or of a subsidiary company with strategic importance[3], including the relevant Chairmen when they are vested with individual operational authorisation or when they have a specific role in the formation of company strategies;

– the Directors holding managerial offices in the Company or in a subsidiary company with strategic importance, or in the parent company when the office concerns also the Company;

The granting of vicarious powers or only in the cases of emergency to Directors not vested with operational authorisation is not sufficient to configure them as Executive Directors, unless such powers are, in fact, used with considerable frequency.

[3] See Note 2

Two of the Directors holding office are Executive Directors. The Board appointed by the Shareholders' Meeting of 21 April 2009 met at the end of this meeting for assigning the company positions, the granting of powers, the appointment of Committees. As done in the past, the Board adopted a proxy model that provides for the granting of wide operational powers to the Chairman and to the Managing Director. Consequently, the powers for ordinary and extraordinary administration - except those that are exclusively reserved for the Board or those that the law reserves for the Shareholders' Meeting - were granted to the Chairman (appointed in the person of Massimo della Porta) and to the Managing Director as well as Group Chief Financial Officer (appointed in the person of Giulio Canale), acting severally.

The powers invested in the Chairman and the Managing Director are identical and do not differ in value or competence.

In particular, Massimo della Porta and Giulio Canale, acting severally and with separate signature, were vested with the following powers (by way of example but not by way of limitation):

a) appointing attorneys for single acts or categories of acts determining their powers and fees, as well as removing them;

b) representing the Company in any relation with third parties, with public administrations, public bodies, as well as with other companies of the group, by signing the relevant acts and contracts and making any kind of commitment;

c) purchasing, exchanging and transferring assets when running the company business; drawing up, with all the appropriate clauses, amending and rescinding any kind of contract, agreement and convention without limitation as to the cause or matter; authorising purchases of raw materials, semi-finished goods, finished products and consumables; authorising offers also outside the current business conditions;

d) requiring the fulfilment of third-party obligations or of obligations by third parties to the Company;

e) opening current accounts and/or post office giro accounts, making payments, both by bank transfers and by cheques, making withdrawals from current accounts and post office giro accounts, carrying out debit and credit operations on the current accounts of the Company with banks and postal offices, uncovered or otherwise, always in the interest of the Company, as well as issuing and requesting the issue of cheques and bank drafts;

f) negotiating and drawing up all the documents to obtain all kinds of bank credits and loans in favour of the Company and negotiating terms and conditions related in any way to the granting of credit facilities or loans; drawing up factoring agreements for the assignment of credits of the Company;

g) carrying out operations towards the railway and customs administrations, concerning forwarding, clearance and collection of all kinds of goods;

h) issuing certificates relevant for tax purposes, extracts of the payrolls concerning the personnel both for social-security, insurance and health institutions and for other Bodies and individuals and signing any declaration established by the tax legislation;

i) hiring and firing employees and personnel, of each category and grade, including managers, signing the relevant contracts and setting the conditions of engagement and the following economic improvements;

j) representing the Company before all the Authorities of the Italian Republic and of foreign countries; representing the Company, whether it be a plaintiff or respondent in any civil, criminal or administrative court, and any instance and level of jurisdiction; appointing and revoking if necessary lawyers, warrant of attorneys and technical consultants, granting them full powers;

k) representing the Company towards the Bank of Italy, Consob and management company of the market, handling and defining each procedure towards them;

l) compromising and settling disputes of the Company with third parties, appointing arbitrators, also amicable conciliators, and signing the corresponding settlement deeds;

m) representing the Company in insolvency proceedings to the charge of third parties with all the required powers.

The Board did not set any limit of power, considering it adequate to reserve the significant transactions to the board of statutory auditors and by pointing out that historically, as also during the Financial Year, the Directors with proxies used the powers granted to them wisely, only for the normal management of the company business, on which the Board has been regularly and promptly updated.

The Executive Directors are obliged to report briefly to the Board of Directors and to the Board of Statutory Auditors on the exercise of delegated powers, providing adequate information on the deeds carried out and in particular on any abnormal, atypical or unusual operation carried out in the exercise of the delegated powers. During the Financial Year, the delegated bodies continuously reported to the Board, at the next meeting, on the activity carried out exercising the given powers.

4.4.2. CHAIRMAN OF THE BOARD OF DIRECTORS

The Chairman, Massimo della Porta, coordinates and organises the activities of the Board, he is responsible for the orderly functioning, serves as a connection between Executive and Non-executive Directors, defines the agenda, leads the course of the relevant meetings.

The chairman does his best to provide the members of the Board, in reasonable advance, where possible together with the notice of meeting (typically about ten days before the board meeting), except in case of need or emergency, with the documents and information necessary to enable the Board to express an informed opinion on matters under its consideration and approval. As regards the financial reports, they are provided with at least two working days' notice, depending on the technical time of preparation of the documents. Exceptionally, in the light of the nature of the resolutions to be passed and confidentiality requirements, such as strategic plans, with the consent of the Directors, the material is not disclosed in advance to them or, the documents can be made available to the Directors in a data room, which is prepared and dedicated at the registered office, if necessary.

The Chairman of the Board is also the *Chief Executive Officer*, but shares the responsibility for the management of the Company with the Managing Director, Giulio Canale. Both are the expression of a list of Directors submitted to the controlling Shareholder of the Company (S.G.G. Holding S.p.A.).

In accordance with the 2.P.5. principle of the 2006 Code, it should be specified that the Board considered to grant proxies to the Chairman equal to those granted to the Managing Director, in such a way that Massimo della Porta, former Managing Director in the 2006-2008 three-year period, could continue to act efficiently and carry out the role of strategic impulse always carried out as Managing Director in the previous board mandates (as from 29 April 1997). The granting of proxies and the concentration of offices in Massimo della Porta is considered to be consistent with the organisational structure of the Company.

In accordance with the 2.C.3. Application Principle of the 2006 Code, the Board considered the advisability to appoint an Independent Director as the lead independent director in order to strengthen the characteristics of impartiality and common sense required from the Chairman of the Board since he is the main person in charge of the management of the company and has operational proxies. Therefore, the Board of 21 April 2009 considered appropriate to appoint Adriano De Maio as lead independent director and informed the market, on the same date, according to what is provided by the Issuers' Regulation.

In compliance with the 2.C.2. Application Principle, during the Financial Year and during the meeting of 18 January 2011, within the presentation of the strategic plans of the Company and of the SAES Group, the Board thoroughly analysed, with a high degree of detail, and was updated, among other topics, on i) the business model of SAES, with characteristics, modus operandi, objectives and strategic choices strongly characterised by the "high tech B2B company" nature of the Company, (ii) on the road map - from 2003 to the date of presentation - of the technological products of SAES, with a special attention to the process of development and renewal of the technological core competences developed by the Company that allowed the increasing use of technical and commercial synergies among the different production lines and the constant diversification of the offer on the market; (iii) on the vision of the Group that consists in "becoming a multi-business Group by maintaining and repeating the technological and commercial leadership at a global level" and (iv) on the mission of the Group that tends to "strengthen the global leadership in *Getter & Dispenser* and in *Advanced Materials*, focusing on *Innovation & Business Development*".

Always within the initiatives aimed at increasing the knowledge of the business reality of the Directors, in the board meeting of 30 June 2011 the Chairman invited the Directors and the Auditors to visit the research laboratory of Lainate with the support of the Corporate Research & Development Manager, which showed the different divisions of the laboratory, the technological instruments used for the prototyping and development of some SAES technologies, as well as the group of researchers engaged in the research.

During the board meeting of 28 September 2011, the Chairman invited the Chief Executive Officer of Memry Corp. and SMA Medical Business Unit Manager to take part in the meeting, which provided an overview on Memry Corp., company acquired by the SAES Group in 2008, and on SMA Medical Business Unit of the SAES Group.

The Chairman and the Managing Director do their best to inform the Board on the main legislative and regulatory news concerning the Company and the company bodies.

Should the Directors require clarifications and information from the management of the Company, they forward the request to the Chairman, who sees to it, by collecting the required information or by putting the Directors in contact with the management concerned. The Directors can ask the Chairman and/or Managing Director that business representatives of the Company and the Group attend the board meetings to provide the necessary insights on the topics on the agenda.

The Manager responsible for preparing the company's financial reports pursuant to Article 154 -*bis* of the Consolidated Financial Act is invited to participate to all the meetings of the Board of Directors concerning the approval of the interim report on operations, half-year financial statements, financial statements and consolidated financial statements, and whenever the agenda of the Board of Directors includes the approval of resolutions requiring the issuance of a certification by the Manager, and whenever deemed necessary by the Chairman of the Board of Directors, also upon a proposal by the Managing Director, given the presence on the agenda of the Board of Directors of topics which may have an impact on the accounting information of the Company or the Group.

The Group Legal General Counsel - that normally acts as Secretary of the Board - attends the meetings of the Board.

4.4.3. REPORTING TO THE BOARD

The delegated bodies are obliged to report briefly to the Board of Directors and to the Board of Statutory Auditors on the exercise of delegated powers, providing adequate information on the deeds carried out and, in particular, on any abnormal, atypical or unusual operation carried out in the exercise of the delegated powers. During the Financial Year, the delegated bodies continuously reported to the Board, at the next meeting, on the activity carried out exercising the given powers.

4.5. OTHER EXECUTIVE DIRECTORS

As things stand, there are no other executive directors apart from the Chairman and the Managing Director.

4.6. INDEPENDENT DIRECTORS

The Board holding office, elected by the Shareholders' Meeting of 21 April 2009, consists of eleven (11) members, including two (2) Executive Directors and nine (9) non-executive directors, three (3) of which qualify as Independent Directors, who have no relations, nor did they recently have relations, either directly nor indirectly, with the Company or with subjects related to it, such as to influence their independence of judgement.

With reference to the 3.P.1. principle and the 3.C.3. Application Principle of the Code 2006, the Company believes that three (3) is the adequate number of non-executive Independent Directors to appoint.

It is already considered that with this composition, the number, competence, availability of time and authoritativeness of the non-executive Directors are such as to enrich the board discussion and guarantee the importance of their opinion when taking the board decisions.

Non-executive Directors contribute their specific competences to the board debates, helping to take sound decisions in compliance with the corporate interest and paying particular attention to areas where conflict of interest may occur.

In compliance with the 3.C.1. Application Principle of the Code 2006, the Board considers the independence of its non-executive members placing more emphasis on substance than on form. Moreover, in principle, within this consideration, the Board tends to consider a Director as not Independent, as a rule, in the following cases, albeit not mandatory:

a) if he/she owns, directly or indirectly, also through subsidiaries, trust companies or proxy, shares of entities such as to allow the Director to exercise control and significant influence over the Company, or takes part in shareholders' agreements through which one or more subjects may exercise control or significant influence over the Company;

b) if he/she is, or has been in the previous three financial years, a representative[4] of the Company, of a subsidiary company with strategic importance or a company under common control with the Company, or of a company or body that, also with others through a shareholders' agreement, controls the Company or is able to exercise a significant influence over it;

c) if, directly or indirectly (for example through subsidiary companies or companies in which he/she is a representative, or as a partner of an office or consulting firm), he/she has, or had in the prior financial year, a significant commercial, financial or professional relation[5]:

– with the Company, a subsidiary, the parent company, or with any of the relevant representatives;

– with a subject that, also with others through a shareholders' agreement, controls the Company, or with the relevant representatives;

or he/she is, or has been in the previous three financial years, an employee of one of the aforesaid subjects;

d) if he/she receives, or has received in the previous three financial years, from the Company or from a subsidiary or parent company, a significant additional remuneration compared to the “fixed” fee of the non-executive Director of the Company, and compared to the remuneration for participating in committees also as participation in

[4] In compliance with the 3.C.2. Application Principle of the 2006 Code, the “representatives” of the Company are the legal representative, the Chairman of the Board of Directors, the Executive Directors.

[5] The above relations are certainly important when: (i) trade or financial transactions exceed 5% of the turnover of the supplier or of the beneficiary company; or, (ii) the professional services exceed 5% of the income of the Director or € 100,000”.

investment plans related to business performance , also share based;

e) if he/she was a Director of the Company for more than nine years in the last twelve years;

f) if he/she holds the office of Executive Director in another company in which an Executive Director of the Company holds the office of Director;

g) if he/she is a shareholder or Director of a company or of an entity belonging to the network of the external auditing company engaged to carry out the audit of the Company;

h) If he/she is a close relative of a person who is in one of the situations referred to in the previous paragraphs and in particular if he/she is a spouse not legally separated, common law spouses , relatives and in-laws within the fourth degree of kinship of a Director of the Company, of the subsidiaries, of the parent company/companies and those subject to joint control, or subjects who are in the situations indicated under the previous points.

The assumptions listed above are not mandatory. The Board in its evaluation must take into consideration all the circumstances that might seem appropriate to compromise the independence of the Director.

Evaluation. The Independent Directors undertake to immediately inform the Board if an event considered likely to alter their status of "independence" occurs.

The independence of the Directors and the relations that may be or appear likely to compromise the independent opinion of that Director is evaluated annually by the Board taking into account the information provided by the individuals concerned or available to the Company. The result of the evaluations of the Board is immediately announced to the market upon its appointment, as well as within the corporate governance report.

If the Board believes that there exists, in actual fact, the requirement of independence albeit in the presence of situations abstractly referable to non-independent cases, the Board will provide adequate information to the market on the result of the evaluation, without prejudice to the control of the Board of Statutory Auditors on the adequacy of the relevant motivation.

There is no prejudice to the predominance of more restrictive regulatory or provisions established by the Articles of Association that establish the termination of the office for the Director who looses some independence requirements.

In compliance with the 3.P.2. principle and with the 3.C.4. Application Principle of the 2006 Code, during the meeting of 23 February 2012, as every year, the Board reported the degree of independence of its Directors pursuant to the regulations in force (Article 147-*ter* of the Consolidated Financial Act), confirming, on the basis of the requirements set forth in Article 148, subsection 3, of the Consolidated Financial Act (mentioned in Article 147-*ter*, subsection 4, of the Consolidated Financial Act), the qualification of "Independent" to the Directors, Adriano De Maio, Roberto Orecchia and Andrea Sironi. The Board has not made use of additional or different criteria, not being in the presence of situations abstractly referable to the cases identified by the Code as indicative of lack of independence. Before the Shareholders' Meeting, the three Directors filed special declarations on the possession of the requirements of Independent Directors (as explained above). The Board, in the next meeting after the Shareholders' meeting, accepted this qualification, communicating it to the market on the same date (21 April 2009).

Also for the purposes of the 3.C.5. Application Principle of the 2006 Code, the Board of Statutory Auditors verified the correct application of the criteria adopted by the Board for assessing the independence of its members, acknowledging the statements issued by each director concerned.

The Board and the Board of Statutory Auditors on 6 June 2011 issued a regular certification ex Article 2.2.3 subsection 3 letter K) of the Regulations of Markets Organised and Managed by Borsa Italiana S.p.A. (verification of the degree of independence and correct application of the criteria for evaluation).

Meetings. In compliance with the 3.C.6. Application Principle of the 2006 Code, the Independent Directors meet as a rule once a year in the absence of other Directors, where they consider it advisable (also in the light of the number of persons attending the meetings of the Board ad of the various Committees). The meeting may be held informally through audio or video conferencing.

During the financial year, the Directors of the Independent Directors met in the absence of the other Directors on 24 November 2011, in order to discuss the assessment process of the Board, as well as the composition and operation of the Board, considering them adequate.

The Independent Directors did not consider it necessary to meet further in the absence of the other Directors, considering the quality of the informative reports received from the delegated bodies and their active participation in the Board and in the Committees, which allowed them to investigate adequately the issues of interest to them.

Number. Should the Shareholders' Meeting resolve to change the number of the members of the Board, it is desirable for the following proportions to be observed:

- Board consisting of up to eight (8) members: at least two (2) Independent Directors;

- Board consisting of up to nine (9) to fourteen (14) members: at least three (3) Independent Directors;

- Board consisting of fifteen (15) members: at least four (4) Independent Directors.

4.7. LEAD INDEPENDENT DIRECTOR

As shown in the above paragraph 4.4.2., since the Chairman of the Board has also operational proxies, holding the office of *Chief Executive Officer*, albeit he is not the sole responsible of the company management, in compliance with the 2.C.3. Application Principle of the 2006 Code, the Board of 21 April 2009 considered it appropriate to appoint the Independent Director, Adriano De Maio as *Lead Independent Director*. The non-executive Directors (in particular, the Independent Directors) refer to the Lead Independent Director for a better contribution to the activity and operation of the Board. The lead independent director collaborates (as he collaborated during the Financial Year) with the Chairman to ensure that the Directors receive complete and timely information flows. The *lead independent director* , among other things, is also entitled to convene, autonomously or at the request of other Directors, meetings of only

Independent Directors to discuss on the issues considered of interest with regard to the operation of the Board of Directors or company management.

Adriano De Maio is the Chairman of the two Committees set up within the Board: Audit Committee and Remuneration Committee.

5. PROCESSING CORPORATE INFORMATION

On 24 March 2006, the Board adapted to the new provisions of the Consolidated Financial Act, of the Issuer Regulation as supplemented by Consob Resolution no. 15232 of 29 November 2005, as well as of the Regulations of Markets Organised and Managed by Borsa Italiana S.p.A. and relevant Instructions, as amended following the Italian Savings Law, transposing the European directive on “market abuse”, introducing *ad hoc* internal procedures and updating those already existing on the matter.

More precisely, the Board adopted:

- the *Procedure for Managing Inside Information*, also for the purposes of the 1.C.1. Application Principle letter j) of the Code, defines the behaviour of Directors, Auditors, managers and employees in relation to the internal management and disclosure to the market of inside information, namely precise information, which has not been made public, concerning, directly or indirectly, one or more issuers of financial instruments or one or more financial instruments, information that would be likely to have a significant effect on the price of such financial instruments if it were made public.

The above procedure, available on the website of the Company www.saesgetters.com (Investor Relations/Corporate Governance/Inside Information sector) is drawn up in order to ensure that the dissemination outside the company of information concerning the Company occurs in full compliance with the principles of correctness, clarity, transparency, timeliness, wide and homogeneous dissemination to ensure equal treatment, completeness, comprehensibility and continuity of information, in a complete and adequate manner and, however, through the institutional channels and according to the terms established by the Company, as well as to ensure that the internal management of the information occurs, in particular, in compliance with the duties of confidentiality and lawfulness;

- the *Insiders Register:* set-up effectively from 1 April 2006, identified the persons who, due to their work or profession or to the functions carried out, have access to the information indicated in Article 114, subsection 1 of the Consolidated Financial Act, pursuant to and for the purposes of Article 115-*bis* of the Consolidated Financial Act and of Articles 152-*bis*, 152-*ter*, 152-*quarter*, 152-*quinquies* of the Issuers' Regulation.

The Board also approved a *Code of Conduct for Internal Dealing*(hereinafter referred to also as “Internal Dealing Code”), which regulates the disclosure requirements that the Significant Persons and/or Persons Closely Associated with the Significant Persons, as identified in the Code itself, are obliged to observe in relation to the transactions carried out by them on financial instruments of the Company or other financial instruments related to them; moreover, the Internal Dealing Code regulates the obligations that the Company is bound to observe towards the market in relation to the transactions on financial instruments carried out by Significant Persons and by Closely Associated

Persons. The Internal Dealing Code contemplates "black-out periods", i.e. predetermined periods (the 15 calendar days prior to the Board meetings for the approval of the accounting data for the period and the 24 hours after the dissemination of the issuance of the relevant press release) during which the persons subject to the provisions of the Code cannot carry out transactions on SAES Getters financial instruments or on financial instruments related to them.

The Board reserves the right to make, on the proposal of the Executive Directors, also by granting special proxies in this regard, all further changes or adjustment to the procedures deemed necessary, as a result of law and regulatory changes, or even only advisable.

During the Financial Year, the transactions carried out by Significant Persons were reported to the market and to the competent authorities. The relevant filing models as well as the Code of Conduct for Internal Dealing - as amended on 28 August 2008 and 23 February 2012 by the Board of Director to comply with new dispositions of law in force - are available on the company's website www.saesgetters.com (Investor Relations/Corporate Governance/Internal Dealing section).

The Directors and the Auditors are bound to keep confidential the documents and information acquired during the execution of their duties and to observe the procedures adopted for the internal management and for the disclosure of such documents and information.

The information to the outside must be uniform and transparent. The Company must be accurate and homogeneous in communicating with the media. Relations with the media are reserved exclusively to the Chairman and Managing Director, or to business functions in charge of this.

6. INTERNAL BOARD COMMITTEES

For a more effective performance of their duties, the Board established the internal Audit Committee and the Remuneration Committee, with the functions described later.

The eldest Director of each Committee refers on a regular basis to the Board on the works of such Committee.

Both Committees comprise non-executive Directors, predominantly independent.

The Board does its best to ensure an adequate rotation within the Committees, except for any reason and cause it considers advisable to confirm one or more Directors beyond the fixed terms.

Except for the right of the Board to set up one or more internal Committees with proposing and advisory functions that will be defined in actual fact in the board resolution for the setting-up.

In relation to the 4.C.1. Application Principle let. e) of the Code 2006, it is specified that the existing Committees (Remuneration Committee and Audit Committee) are provided with annual expense budgets predetermined adequately for the carrying-out of their activities.

6.1. Audit Committee

For any information concerning the Audit Committee, reference is made to paragraph 10 (section Internal Control System).

6.2. Appointment Committee

With reference to 2011, the Board of Directors on the basis of article 6 of the Code 2006 has deemed as not opportune to create an Appointment Committee. The Company will adopt the appropriate decisions on its setting-up within the Board that will be held after the Shareholders' Meeting on 24-26 April 2012.

6.3. Executive Committee

The Board did not consider it appropriate to establish an internal Executive Committee, as already shown in paragraph 4.5.

6.4. Compensation Committee

For any information concerning the Remuneration Committee, reference is made to the Remuneration report published by the Company, pursuant to Article 123-*ter* of the Consolidated Financial Act.

6.5. Related Parties Committee

The Related Parties Committee is formed by 3 directors not related and in possession of the independence requirements. It is chaired by the Lead Independent Director.

The Related Parties Committee is convened whenever any decision on transactions with related parties shall be adopted after having received advice by the Committee, according to the Procedure regarding Related Parties Transactions available on the Company website www.saesgetters.com (Investor Relations/Corporate Governance/Related Party)

7. APPOINTMENT COMMITTEE

With reference to 2011, the Board of Directors on the basis of article 6 of the Code 2006 has deemed as not opportune to create an Appointment Committee. The Company will adopt the appropriate decisions on its setting-up within the Board that will be held after the Shareholders' Meeting on 24-26 April 2012.

8. COMPENSATION COMMITTEE

The Board of Directors has instituted, as part of the Board, since December 17, 1999, the "Compensation Committee" formed by 3 non-executive Directors, 2 are independent and one of them has an adequate experience in accounting and finance matters.

To date, the members of the Compensation Committee are the following: Prof. Adriano De Maio (Lead Independent Director), Prof. Andrea Sironi (Independent Director), and Mr. Stefano Baldi (Non-executive Director).
During the financial year, the Committee met 2 times with the attendance of all the members. The meetings lasted approximately one hour and half. The Group Legal General Counsel was invited to participate to all the meetings. For the current year, the Compensation Committee plans to meet three times. One meeting was already held on 2 March 2012. The meetings of the Committee are recorded.

The Executive Directors do not attend to the meetings of Compensation Committee.
The Committee has the right to access the information and business functions required for carrying out the assigned functions, as well as to make use of external consultants, at the Company's expense (during 2011 it chose not to exercise the right to use external consultants).

In compliance with the 4.C.1. Application Criteria let. e) of the Code 2006 it is specified that Compensation Committee is provided with annual expense budgets predetermined adequately for the carrying-out of its activities.

For any information concerning the Remuneration committee, reference is made to the Remuneration report published by the Company, pursuant to Article 123-*ter* of Legislative Decree No. 58 of February 24, 1998.

9. REPORT ON REMUNERATION

For any information concerning the remuneration of the directors, reference is made to the Remuneration report published by the Company, pursuant to Article 123-*ter* of the Consolidated Financial Act.

10. AUDIT COMMITTEE

10.1. COMPOSITION AND OPERATION OF THE AUDIT COMMITTEE

Composition and Operation. By virtue of the 8.P.4. principle of the 2006 Code, the Board set up an Audit Committee, which comprises three (3) non-executive Directors, the majority of whom are independent. On 21 April 2009, the Board appointed the Directors, Adriano De Maio, Andrea Sironi and Andrea Dogliotti, as members of the Audit Committee.

At least one member of the Committee has an adequate experience in accounting and finance matters. In the case in point, this member is Andrea Sironi.

The Audit Committee is chaired and meets on the initiative of the eldest member. The meetings of the Committee are recorded. The Chairman of the Board of Statutory Auditors or other Auditor appointed by the Chairman of the Board takes part in the works of the Committee. At the Committee's invitation, the Internal Audit Function manager attends all the meetings.

The Committee carries out its functions, listed under paragraph 10.2, in coordination with the Board of Statutory Auditors, with the Internal Audit Function of the Company, with the Internal Audit Function Manager/ Head of Internal Control and the Managing Director in charge of supervising the functionality of the internal control and risk management system).

The Audit Committee, when carrying out its tasks, has the right to access the information and business functions required for carrying out the assigned functions, as well as to make use of external consultants, at the Company's expense. During the Financial Year, the Audit Committee had access to the information and contacted the business functions made available by the Company, whereas it chose not to exercise the right to use external consultants.

The Committee can ask subjects who are not members to attend the meetings at the Committee's invitation, with reference to each point of the agenda. The eldest member of the Audit Committee refers on a regular basis to the Board on the works of the Committee. During the Financial Year, the Audit Committee carried out its activity also by means of appropriate contacts with the auditing firm, the Chairman of the Board of Statutory Auditors, Manager in charge of preparing corporate accounting documents, with the Internal Audit Function Manager and the Group General Counsel.

10.2. FUNCTIONS ASSIGNED TO THE AUDIT COMMITTEE

During the Financial Year, the Audit Committee carried out its functions in compliance with the 8.P.1. and 8.P.2. principles of the 2006 Code, as shown more thoroughly in paragraph 11 below.

Tasks 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;

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.

The role of the Audit Committee as an investigation body and analysis and study centre of proposal preparatory to the decisions of the Board of Directors aimed at putting in place the necessary conditions to enable the administrative body to adopt appropriate choices and decisions on internal control and risk management system stands in perfect harmony with the new provisions on the external audit introduced in the system by Italian Legislative Decree 39/2010.

During the Financial Year, the Audit Committee met four times, on 17 February, 21 June, 29 July and 28 September. The members, the Chairman of Statutory Auditors and the Internal Control Officer attended all the meetings. The average duration of each meeting is of about one hour with an average attendance of 100%. For financial year 2012 five meetings are scheduled. Three meeting took already place on January 13, February 23 and March 8, 2012.

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, 2011 and July 29, 2011) on the activities performed and the adequacy of the Internal Control System.

11. INTERNAL CONTROL SYSTEM

In compliance with the 8.P.1. and 8.P.2. principles of the 2006 Code, the internal control system is defined as *a set of rules, procedures and organisational structures allowing, through an appropriate identification, measurement, management and monitoring process of the main risks, a safe and fair management of the company* *consistent with the objectives*. An efficient Internal Control System helps to ensure the protection of company assets, the efficiency and effectiveness of the company operations, the reliability of the financial information, the observance of laws and regulations.

The Internal Control System is maintained by the following company subjects involved in various capacities and with different responsibilities in the governance and control system. Each have specific duties as described below:

- Board of Directors;
- Managing Director;
- Board of Statutory Auditors;
- Supervisory Body;
- Audit Committee;
- Head of Internal Control;
- Internal Audit Function.

In addition to the subjects mentioned above, other subjects are involved, in various capacities, and with different levels of responsibility in the management of the Internal Control System:

- Manager in charge of preparing corporate accounting documents pursuant to Italian Legislative Decree no. 262/05;
- Auditing firm;
- Other internal control functions (Quality, Safety, etc.);
- Other bodies contemplated by different regulations (ISO Certification Bodies).

The Board of Directors believes that the current division of the subjects involved in the governance and control and the interrelationship between supervisory bodies and control functions, is able to ensure a high level of reliance on the ability of the implemented internal control system to achieve its purposes.

The evaluation, in that referring to all the Internal Control System, is affected by its limits. Although well conceived and functioning, the internal control system can guarantee only with a reasonable probability the achievement of business goals.

The Board of Directors met on 13 March 2012 and, on proposal of the Audit Committee, after hearing the favourable opinion of the Board of Statutory Auditors (convened together with the Auditing firm, Director in charge of the Internal Control System and risk management, the Manager in charge of preparing corporate accounting documents and the Group General Counsel), considered adequate the Internal Control and risk management System;

The information relevant to the main characteristics of the existing internal control and risk management systems in relation to the financial reporting process, consolidated or otherwise, is set below.

THE INTERNAL CONTROL SYSTEM FOR THE PURPOSES OF THE FINANCIAL REPORTING PROCESS

Introduction

The regulatory changes in recent years has covered different aspects of the Internal Control System, and the resulting proliferation of control models and different bodies referred to in various capacities to provide a level of reliability on these models. The Administrative and Accounting Control Model (hereinafter referred to also as "Control Model") is defined within this context as document describing the Internal Control System with reference to the financial reporting process.

The Internal Control System related to the financial reporting process arises in connection with the more general system of control and risk management: both are integral parts of the Internal Control System of the SAES Group, and contribute to ensure the achievement of the objectives described above.

More specifically, for the purposes of the financial reporting process, the System is aimed at ensuring:

- the reliability of the informative report, its correctness and compliance with the accounting standards and legal requirements;
- the accuracy of the informative report, its neutrality and precision;
- the reliability of the informative report, which must be clear and complete such as to lead to investment decisions by the investors characterised by awareness;
- the timeliness of the informative report, with a special reference to the observance of the deadlines for its publication according to the laws and regulations applied.

The task of monitoring the implementation of the above Control Model was assigned, by the Board of Directors, to the Manager in charge of preparing corporate accounting documents (hereinafter referred to also as "Manager in charge"), and to the Managing Director.

The guidelines taken as a reference in the planning, implementation, monitoring and updating of the Control Model, even if not explicitly indicated, are the guidelines established in the CoSo Report[6]. Reference is made to the following paragraphs 6.2. and 6.9. for the specificities of the Control Model and tasks assigned to the Manager in charge.

Also in order to ensure the integration of the Internal Control System for the purposes of the financial reporting process with the more general Control System of business risks, the Manager in Charge collaborates closely with the Internal Audit Function, and orders the regular independent control activities aimed at verifying compliance with administrative and accounting procedures.

[6] Report of the Treadway Commission of the Committee of Sponsoring Organisations (CoSO) of 1992, considered as best practice of reference for the architecture of the Internal Control Systems and of the Enterprise Risk Management Framework, published in September 2004.

These controls, by selecting specific processes among those considered important following the risk assessment process described later, are also always included in the more general verification of the missions of the Internal Audit Function with the subsidiary companies of the SAES Group.

ADMINISTRATIVE AND ACCOUNTING CONTROL MODEL

On 14 May 2007, the Board of Directors approved the Control Model, adopted also in the light of the provisions introduced by the Savings Law, with a special reference to the obligations concerning the drafting of corporate accounting documents and all documents and communications of a financial nature intended for the market.

This Control Model represents a system of company rules and procedures in order to identify and manage the principal risks associated with the preparation and dissemination of financial information and thereby to achieve the Company's objectives in the areas of the truthfulness and accuracy of such information.

Components of the Control Model

The Control Model consists of the following elements:

- the general control environment;
- administrative an accounting *risk assessment*;
- administrative an accounting manuals and procedures;

closely related together and subject-matter of an ongoing process of updating and regular evaluation.

The control environment is the basis of an effective Internal Control System. The documents formalising its essential characteristics are: the Code of Ethics and Conduct, the set of governance rules contained in the Report on Corporate Governance and ownership structures, the organisation chart and the organisational provisions, the system of proxies.

The administrative and accounting risk assessment is the identification and assessment process of the risks related to the accounting and financial reporting, both with regard to unintentional errors and possible risks of fraud. The risk assessment is carried out at an entity level and a single process level. When determining the materiality threshold, the methods established by Italian Legislative Decree no. 61/2001 are followed.

This process is repeated and updated every year by the Manager in Charge with the support of the Internal Audit Function, and later on shared with the Managing Director, and requires:

- the identification, using quantitative (size) and qualitative (importance) criteria, of the balance-sheet items/financial information with high volatility or implying risks of error, with reference to the financial statements of the Company, the consolidated financial statements and the financial statements of the subsidiaries;
- the identification, for each important balance-sheet item/financial information, of the relevant feeding accounting processes/flows and relevant controls of the identified risks;

- the communication to the involved functions of the intervention areas with regard to which it is necessary to monitor the efficiency and operation of the controls.

If, in relation to the risk areas selected as a result of the regular risk assessment activity, the control activities are not properly documented or formalised, the Process or accounting flow Manager will be in charge of preparing, with the support of the Person in Charge and, if necessary, of the Internal Audit, appropriate documentary evidence in order to allow the evaluation of the controls existing in the analysed area.

The body of the administrative and accounting *manuals and procedures* of SAES Getters mainly consists of the following documents:

- "Group Accounting Principles"): document aimed at promoting the development and application of uniform criteria within the SAES Getters Group for what concerns the recognition, classification and measurement of the affairs of the company;
- "IAS" ("International Accounting Standard") operational procedures enclosed with the Accounting Manual that regulate the most important issues, for the SAES Getters Group, in terms of application of the international accounting standards;
- Procedures of the administrative and accounting controls, which define the responsibilities and control rules to be followed in the administrative and accounting management, with a special reference to the periodic closing of accounts;
- Counterfoils of administrative and accounting controls, which describe the control activities implemented in each administrative and accounting process to meet the remarks on financial statements; the controls described in them represent the application of the controlling principles (by process) outlined inside the administrative and accounting control procedures;
- Closing activities calendar: document, updated and disseminated every month, aimed at defining the processing time of the process of closing accounts and the drafting of the Financial statements, of the Reporting Package and of the consolidated financial statements;
- Operational procedures of SAES Getters, which define responsibilities, management activities and methods, in terms of authorisation, execution, control, formalisation and accounting record, with reference to areas considered important.

Evaluations on the adequacy and effectiveness of the Model

The Function Managers and the managers of subsidiaries involved in the formation and management process of the accounting and financial reporting are responsible for the proper operation and updating of the Administrative and accounting Internal Control System with reference to all the pertaining accounting processes/flows, and must verify continuously the proper application of the administrative-accounting procedures, their adequacy to the existing processes, and the updating of the relevant counterfoils of the controls.

Moreover, the Administrative and accounting Internal Control System is subject to independent testing, carried out by the Internal Audit Function, and aimed at evaluating the adequacy of the project and the actual effectiveness of the existing controls. The testing activity must be carried out based on the general audit plan prepared by the competent function, confirmed by the Head of Internal Control and approved by the Audit Committee.

On a regular basis, the Manager in Charge must monitor the adequacy and effectiveness of the Administrative and accounting Internal Control System based on the informative reports received by the Function Managers and subsidiaries and of the reports on the Internal Audit activity.

Finally, the Manager in Charge must inform the Managing Director, the Board of Directors and the other control bodies, in addition to the company in charge of the audit, on the results of the control activity and monitoring of the implementation of the Internal Control System. To this end, first of all he/she must report to the Managing Director any defects that can compromise the joint declaration of the regular official financial reporting.

Finally, the Manager in Charge produces regular reports to the Board of Directors on the control activities carried out and the relevant results, and on the development of the Control Model: these reports also form the reference for the quality descriptions enclosed with the official declarations of the consolidated half-year condensed financial statements, of the financial statements and of the consolidated financial statements.

All the documents relating to the control activities carried out and to the relevant results are made available to the company in charge of the audit for the appropriate verifications in terms of certification.

THE ADMINISTRATIVE AND ACCOUNTING INTERNAL CONTROL SYSTEM OF THE SUBSIDIARY COMPANIES OF SAES GETTERS S.P.A.

The Persons in charge of the management and preparation of accounting and financial reporting for the subsidiaries, namely Administrative directors and/or local Controllers, together with their general managers, have the responsibility to:

- make sure that the activities and controls existing in the feeding process of the accounting reporting are in accordance with the principles and objectives defined at Group level;
- carry out a continuous monitoring of the identified pertaining controls, in order to ensure their effectiveness and efficacy;
- evaluate every six months the state of the Administrative and Accounting Internal Control System, also through:
  - financial audit reports issued by the Internal Audit Function of the Group,
  - any internal declaration issued by business functions;
- communicate immediately and, however, on a regular basis, to the Managing Director or to the Manager in Charge:
  - important changes relevant to the Internal Control System in order to identify the specific control activities to be implemented,

- any defect or objection that can generate significant errors in the accounting reporting.

Considering the small size of the control structures of most of the subsidiaries, the Company decided not to issue specific procedures relevant to processes that affect the feeding of the accounting informative report of these companies, and detailed control counterfoils were prepared, for the processes selected as a result of the risk assessment, which are verified by Administrative directors and/or Controllers of each subsidiary.

The Manager in Charge, with the support of the Internal Audit, based on the reports of the Administrative directors and/or Controllers of subsidiaries, ensures the ongoing updating of the counterfoils, which must always be the basis for verifying the adequacy and the application of the Administrative and Accounting Internal Control System with the subsidiaries of SAES Getters.

The counterfoils of the controls of the subsidiaries form the basis for the issuance of the internal "attestation" that is sent every six months by the General Manager together with the Administrative Director / Controller of each subsidiary to the Manager in Charge.

11.1. EXECUTIVE DIRECTOR IN CHARGE OF THE INTERNAL CONTROL SYSTEM

The Board of 21 April 2009 identified in the Managing Director, Giulio Canale, the Director in charge of supervising the functionality of the internal control system that in particular, in compliance with the 8.C.5. Application Principle of the 2006 Code:

a) sees to the identification of the main business risks, taking into account the characteristics of the activities carried out by the Company and its subsidiaries, and submits them on a regular basis to the Board;

b) implements the guidelines defined by the Board of Directors, by designing, implementing and managing the Internal Control System, constantly verifying its overall adequacy, effectiveness and efficiency; he sees also to the adaptation of this system to the trend of operating conditions and legislative and regulatory outline;

c) propose to the Board the appointment, removal and remuneration of one or several persons in charge of internal control.

The Managing Director, with the support of the Internal Audit Function continuously verifies the actual effectiveness of the implemented Internal Control System. It is also acknowledged that, in relation to the 8.C.5. Application Principle of the 2006 Code, the Managing Director in charge of supervising the functionality of the internal control system, verified constantly the overall adequacy, effectiveness and efficiency of the Internal Control System, keeping under control the identification of the main business risks. The Board of Directors, during the meeting of 13 March 2012, made a positive evaluation on the subject.

A description of the business risks is entered in the report on operations contained in the financial statement documents relevant to the financial year.

11.2. INTERNAL CONTROL OFFICER

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.

It is specified that the figure of the Head of Internal Control was held for the 2011 Financial Year by Claudio Vitacca, Internal Audit Manager until 14 October 2011. During the period of vacancy, the office was held *ad interim* by Pietro Minaudo, Group General Counsel of the Company.

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 minimize 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.

11.3. ORGANISATIONAL MODEL PURSUANT TO ITALIAN EX LEGISLATIVE DECREE 231/2001

The Italian Legislative Decree no. 231 of 8 June 2001 concerning the "*Rules on the administrative liability of legal entities, companies and associations, also deprived of legal status*", introduced, in the Italian legal system, an administrative liability system of companies for offences committed in the interest or to the advantage of the companies themselves, by directors, managers or employees.

The Board, with resolution of 22 December 2004, approved and adopted its “Organisational, Management and Control Model” pursuant to and for the purposes of Italian Legislative Decree no. 231/2001 (“Model 231”) and at the same time the “Code of Ethics and Conduct”, which is an integral part of the Model. The General Part of the Model and the Code of Ethics are available on the website of the Company www.saesgetters.com (Investor Relations/Corporate Governance section).

The Board with resolution of 13 February 2007, approved the updating of the 231 Model in the light of the coming into force of the rules for the implementation of the Community regulation on preventing market abuse, as well as within the regular verification pursuant to Article 7, subsection 4, let. a) of Italian Legislative Decree no. 231/2001.

With resolutions of 18 March 2008 and 23 April 2008, the Board then approved the updating of the 231 Model also in order to adapt it to regulatory changes occurred during 2007 designed to expand the number of offences protected ex Italian Legislative Decree no. 231/2001. Specifically, the following offences have been introduced:

- receiving, laundering and using money, goods or benefits of unlawful origin *(Article* 25-octies of Italian Legislative Decree no. 231/2001, introduced by Italian Legislative Decree of 16 November 2007 implementing the third anti-money laundering 2005/60/EC Directive.
- Article 9 of Italian Law no. 123 of 3 August 2007, introduced Article 25-*septies* in Italian Legislative Decree no. 231/2001, relevant to offences related to the violation of accident-prevention regulations. Reference is made to the crime case of culpable homicide and serious or very serious negligent personal injury, committed in violation of accident-prevention regulations and occupational health and safety protection.

On 8 May 2008, the Board updated the Code of Ethics and Conduct of the Company.

The Company, during the last quarter of the 2009 financial year, started the project for reviewing and adjusting the Model to the Italian Legislative Decree no. 231/2001 as a result of the inclusion in the list of relevant offences of the following:

- (Article 24-*ter*) organised crime offences - Italian Law no. 94 of 15 July 2009,

- (Article 25-*bis)* crimes against the industry and trade - Italian Law no. 99 of 23 July 2009,

- (Article 25-*novies*) offences relating to violation of copyright - Italian Law no. 99 of 23 July 2009,

in addition to the offence of induction not to make statements or to make false statements to the judicial authorities - Italian Law no. 116 of 3 August 2009.

To this end, the activities carried out by each business function were mapped to verify in particular the existence of any relevant business activity for the purposes of Italian Legislative Decree no. 231/2001, as updated, as well as the adequacy of the supervision facilities implemented for the prevention of crime.

The Model was submitted to and approved by the Board of Directors during the meeting held on 27 April 2010.

During this verification, it was considered appropriate to prepare a new procedure on patents, the "*Procedure for the management of the new company IP assets".*

The purpose of this procedure is to illustrate the operating methods that SAES must follow when managing the relations with Patent Firms, Patent Offices, Courts, Third Parties and Supervisory Authorities relating to the requirements prescribed for the protection of industrial property rights, in compliance with the reference legislation, principles of maximum transparency, timeliness and collaboration as well as asset traceability.

This procedure is drawn up in accordance with the principles confirmed by the Model and with those specifically identified in the Special Part A - "Offences against the Public Administration" and F - "Crimes against public faith, industry and commerce, and relating to infringement of copyright".

On 17 February 2011, the Procedure was submitted to and approved by the Board of Directors of the Company and subsequently disseminated to all the company personnel also by virtue of trainee course organized by the company with the support of external advisors.

Finally, the Model was updated by the Board of Directors on 20 December 2011 to implement the introduction of environmental offences among the cases of predicate offence set forth in Italian Legislative Decree 231/2001. The updating implied the introduction of a new Special Part G – "Environmental offences".

The 231 Model was adopted by the Board in the firm belief that the establishment of a "organisational, management and control model" may be a valid awareness-raising tool towards all the employees of the Company so that they follow, when carrying on their activities, correct and consistent behaviours and an absolutely necessary tool to prevent the risk of committing the crimes contemplated by Italian Legislative Decree no. 231/2001. With the adoption and effective implementation of the Model, the Company aspires to take advantage of the so-called justification in the unlikely event of involvement for the relevant types of offences.

The Document describing the Model is divided in a "*General Part*", which, after a brief description of the essential contents of Italian Legislative Decree no. 231/2001, describes the activity carried out for defining the 231 Model of the Company and illustrates its components and in "*Special Parts*" prepared for the different types of offence contemplated by Italian Legislative Decree no. 231/2001 (if relevant for the company), which form an integral part of the Model.

The Board also considered important to adopt the Code of Ethics and conduct in order to clearly define the set of values that the SAES Getters Group acknowledges, accepts and shares, as well as the set of rules of conduct and the principles of legality, transparency and correctness to be applied when performing their activities and in different relations with third parties.

11.4. SUPERVISORY BODY

The Company has a supervisory body whose tasks are identified by Italian legislative Decree 231/2001 as specified in the 231 Model formalised by the Company, such as supervising the functioning, effectiveness, compliance and updating of the Model, as well as preparing the operational procedures to ensure its proper functioning.

On 21 April 2009, after the Shareholders' Meeting for the appointment of the Board holding office, the latter appointed, as members of the Supervisory Body, the following subjects:

- Vincenzo Donnamaria (as member of the Board of Statutory Auditors);
- Claudio Vitacca (as Head of Internal Control) until 14 October 2011, date on which he was replaced by Pietro Minaudo, Group General Counsel of the Company;
- Roberto Orecchia (as Independent Director).

The Board also established an annual fee of € 16,000.00 for each member of the Body.

The Body has its own Regulations and also elected internally its Chairman, in the person of Vincenzo Donnamaria.

The Body will hold office until the approval of the financial statements relevant to the 2011 financial year.

The Body met four times during the Financial Year (with an average attendance rate of 83% of its members at all the meetings).

The Company on 16 May 2011 issued a regular certification ex Article I.A.2.10.2 of the Instructions accompanying the regulations of Borsa Italiana S.p.A. (adequacy 231 Model and its compliance and composition of the Supervisory Body).

The Board of Directors, also considering the activities of the Supervisory Body, assigns it an annual expense budget for carrying out the activity, in full economic and managerial autonomy. The said budget is updated each time in accordance with the specific requirements that will be determined by the Supervisory Body. Any budget overrun determined by specific needs will be communicated by the Supervisory Body to the Board of Directors.

11.5. AUDITING FIRM

The auditing is carried out by an auditing firm appointed and operating pursuant to the law. On 9 May 2007, the Shareholders Meeting - after taking note of the proposal of Reconta Ernst & Young S.p.A. of 19 December 2006, of the Directors’ Report and of the proposal of the Board of Statutory Auditors - decided to entrust Reconta Ernst & Young S.p.A., by extending it:

- with the task set forth in Article 159 of the Consolidated Financial Act for auditing the financial statements of the Company, of the consolidated financial statements of the SAES Getters Group,

- with the task relating to the verification of the regular bookkeeping and correct recognition of the management facts in the accounting records set forth in article 155 subsection 1 of the Consolidated Financial Act,

- with the task of the limited audit of the half-yearly report of the Company also on a consolidated basis,

for the 2007-2012 financial years, pursuant to and in compliance with Article 159 of the Consolidated Financial Act.

The Shareholders' Meeting approved the remuneration payable to Reconta Ernst & Young S.p.A. for the carrying-out of the above activities, for each of the above financial years in the overall amount of € 77,000.00, in addition to the expenses and updating in accordance with the changes in ISTAT indexes, conditions contained in the proposal formulated by the auditing firm enclosed with the minutes of the shareholders' meeting available on the website of the Company www.saesgetters.com (Investor Relations/Corporate Documentation).

Within the auditing task of the consolidated financial statements, the auditing firm prepared an audit plan for the Italian and foreign subsidiaries entrusting audit firms belonging to the same network with auditing tasks.

11.6. MANAGER IN CHARGE OF PREPARING CORPORATE ACCOUNTING DOCUMENTS

On 21 April 2009, the Board appointed Michele Di Marco, Administration, Finance & Control Manager, by confirming him as Manager in charge of preparing corporate accounting documents, after obtaining the opinion of the Board of Statutory Auditors, pursuant to and for the purposes of the new article 154-*bis* of the Consolidated Financial Act, introduced by the Italian Savings Law.

Pursuant to Article 24 of the Articles of Association, introduced by resolution of the Extraordinary Shareholders' Meeting of 29 June 2007, the Manager in charge of preparing corporate accounting documents must be in possession of the professional requirements characterised by a qualified experience of at least three years in the performance of administrative, accounting and/or auditing tasks, or carrying out managerial or advisory functions on finance, administration, accounting and/or control, within listed companies and/or relevant groups of companies, or companies, bodies and enterprises of significant size and relevance, also in relation to the function of drafting and control of corporate accounting documents.

The office of the Manager in Charge expires at the end of the mandate of the Board that appointed him (approval of the financial statements relevant to the 2011 financial year). He is eligible for re-election Di Marco was appointed Manager in Charge on 29 June 2007.

The Manager in Charge has autonomous spending and signature powers. The Board ensures that Di Marco is provided with adequate powers and means for the fulfilment of the duties assigned to him pursuant to the same Article 154-*bis* of the Consolidated Financial Act, of those assigned by the Board upon his appointment as well as on the actual observance of the administrative and accounting procedures.

On 14 May 2007, the Board approved a document describing the Control Model, described in paragraph 6.2., adopted by the Company in order to better ensure the reliability of the financial reporting disclosed to the market and the effectiveness of the Manager in Charge. In particular, the document:

- describes the components of the Control Model;
- indicates the responsibility, means and powers of the Manager in Charge;
- regulates the rules of behaviour, the roles and responsibilities of the company organisational structures involved in various capacities;
- defines the (formal and internal) certification process on financial reporting.

12. DIRECTORS' INTERESTS AND RELATED PARTIES TRANSACTIONS

On 21 December 2010, the Board of Directors adopted, after hearing the favourable opinion of the Committee of Independent Directors, the Procedures for related-party transactions (the "Procedures") in compliance with what is provided by Consob Regulation no. 17221 of 12 March 2010 (hereinafter "Regulation") and with the Consob Communication of 24 September 2010 (hereinafter "Communication"), in order to ensure the transparency and the substantial and procedural correctness of the related party transactions, identified pursuant to the international accounting standard IAS 24.
The Procedures define the transactions of "greatest importance" that must be previously approved by the Board, with the reasoned and binding opinion of the Committee of Related Parties.
The other transactions, unless they are part of the residual category of small amount transactions - transactions of less than € 250,000 - are defined as "of minor importance" and can be carried out subject to the reasoned and non-binding opinion of the aforesaid Committee. Moreover, the Procedures identify cases of exemption from their application, including, in particular, the ordinary transactions concluded under conditions equivalent to those of the market or standard, transactions with or between subsidiaries and those with associates, provided that there are no significant interests in them of other related parties of the Company, and small amount transactions.
The Procedures came into force on 1 January 2011 and are published on the website of the Company www.saesgetters.com

13. APPOINTMENT OF STATUTORY AUDITORS

The appointment of the Board of Statutory Auditors is explicitly managed by the Bylaws, which provides for an appointment procedure through a list voting system, except for different and further provisions provided by mandatory law or regulations.

The Board considers that the appointment of the Directors, in the same way as the Directors, is also carried out with a transparent procedure, as described below.

Article 22 of the current Company Bylaws, which already provided for the election of the Board of Statutory Auditors by presenting lists, was amended by the resolution of the Extraordinary Shareholders' meeting of 29 June 2007 to implement the amendments and supplements to the election procedures introduced in the meantime in the regulations in force.

In particular, the amendments were introduced in compliance with the provisions of Article 148, subsections 2 and 2-*bis* as well as of Article 148-*bis* of the Consolidated Financial Act, as amended by Italian Legislative Decree no. 303 of 29 December 2006, and of Article 144-*sexies* of the Issuer Regulation as amended by Consob resolution no. 15915 of 3 May 2007, which establishes that an active member of the Board of Statutory Auditors must be elected by the minority Shareholders who are not directly or indirectly related to the Shareholders who presented or voted the list that obtained the most votes, with reference to the definition of relations between current Shareholders and minority Shareholders contained in the Issuers' Regulations; that the Chairman of the Board of Statutory Auditors shall be appointed by the Shareholders' Meeting from among the Auditors appointed by the minority shareholders; that the Bylaws may require that the Shareholder or the Shareholders who present the list own, when the list is presented, a stake not greater than the one determined pursuant to Article 147-*ter*, subsection 1 of the Consolidated Financial Act; that the lists must be filed with the registered office, accompanied by a series of documents specified by the regulations, at least 15 days before the one contemplated by the Shareholders' meeting called to decide on the appointment of the Auditors; that the list must be made available to the public at the registered office, the management company of the market and on the website of the issuing companies within the terms and methods contemplated by the regulations; that the articles of association can establish the criteria to identify the candidate to be elected, lists being equal.

The current Article 22 of the Bylaws requires that the minority - which is not an associate or a subsidiary, relevant pursuant to Article 148 subsection 2 of the Consolidated Financial Act and relevant regulations - is reserved the right to elect a Regular auditor as Chairman of the Board, and an Alternate Auditor.

The minority Auditors are elected at the same time of the other members of the supervisory board (except for cases of replacement).

Today, the Shareholders who, with regard to the shares that are registered in favour of the shareholder the day on which the lists are filed with the Company, on their own or together with other Shareholders presenters, own a stake in the share capital with voting rights, at least equal to the one determined by Consob pursuant to Article 148, subsection 2, of the Consolidated Financial Act and in compliance with what is provided by the Issuers' Regulation, can present a list for the appointment of the members of the Board of Statutory Auditors. At the date of this Report, the requested share is 2.5% of the share capital with voting rights.

A Shareholder cannot present or vote more than one list, albeit by proxy or through a trust.

The Shareholders belonging to the same group and the Shareholders that join a shareholders' agreement that concerned shares of the Company cannot present or vote more than one list, albeit by proxy or through a trust. Each candidate shall come up in one list under penalty of ineligibility.

The lists, signed by those who present them, must be filed with the registered office no later than the twenty fifth day before the date of the shareholders' meeting called to decide on the appointment of the members of the Board of Statutory Auditors. The Company makes this list available to the public at the registered office, at the premises of the management company of the market and on its website, within the terms and in the manner provided by law.

The lists must contain the names of one or more candidates for the position of Regular Auditor and of one or more candidates for the position of Alternate Auditor. The name of the candidates are marked in each section (Regular Auditor section, Alternate Auditor section) by a progressive number and in numbers not exceeding the members to be elected.

The lists also contain, as an enclosure:

a) the information relevant to the identity of the Shareholders who presented them by indicating the percentage of overall shareholding; this possession must be supported by appropriate certification issued by an intermediary to be presented also after filing the list, provided by the deadline for the publication of the lists by the issuer;

b) a declaration of the Shareholders other than those holding, also jointly, a controlling interest or a relative majority interest, certifying the absence of any associate or subsidiary relation contemplated by Article 144-*quinquies* of the Issuers' Regulation with the latter;

c) an exhaustive document regarding the personal and professional characteristics of candidates, accompanied by the list of management and control positions held in other companies;

d) a declaration of the candidates certifying the non-existence of the reasons to exclude their eligibility, as well as the possession of the requirements provided by law and by temporary regulatory provisions in force, and their acceptance of the candidature;

e) any additional or different privacy declaration, informative report and/or document provided for by law and by applicable regulations.

In the event in which, on the deadline for the presentation of the lists, only one list has been presented or only lists presented by Shareholders related to one another on the basis of the applicable regulations, lists may be presented up until the fifth day following said date. In this case, the thresholds provided above for presenting lists are reduced by half. The failure to present minority lists, the new deadline for the presentation of the lists and the reduction of the thresholds are reported within the terms and in the manner provided by applicable regulations.

Members of the Board of Statutory Auditors are elected as follows: (i) two Regular auditors and an Alternate auditor are drawn from the list that obtained the highest number of shareholder votes ("Majority List"), in the sequential order in which they appear on the list; (ii) a Regular Auditor, who must act as Chairman of the Board of Statutory Auditors ("Minority Auditor") and an Alternate Auditor (Minority Alternate Auditor) are drawn from the second list that obtained the highest number of votes and that is not connected directly or indirectly with the Shareholders who presented or voted the Majority List pursuant to the applicable provisions ("Minority List"), in the sequential order in which they appear on the list.

In the event that the lists obtain the same number of votes, the list submitted by Shareholders owning the largest stake when the list is submitted prevails, or, subordinately, the one submitted by the greatest number of Shareholders.

If only one list is presented, the Shareholders' Meeting will vote on it and if it obtains the relative majority of voters, without taking account of abstentions, all the candidates listed for these positions will be elected Regular and Alternate Auditors. In this case, the Chairman of Board of Statutory Auditors is the first candidate as Regular Auditor.

In the absence of lists, the Board of Statutory Auditors and its Chairman are appointed by the Shareholders' Meeting with the quorum required by law.

If, for any reason, the Majority Auditor is no longer available, he/she is replaced by the Alternate Auditor drawn from the Majority List.

If, for any reason, the Minority Auditor is no longer available, he/she is replaced by the Minority Alternate Auditor.

The Shareholders' Meeting, as provided by Article 2401, subsection 1 of the Italian Civil Code, appoints or replaces in compliance with the principle of necessary representation of minorities.

14. STATUTORY AUDITORS

The Board of Auditors holding office was appointed by the Shareholders' Meeting of 21 April 2009 and will remain in office until approval of the 2011 financial statements. The Board, as best shown in the following table, consists of Vincenzo Donnamaria, Chairman of the Board of Statutory Auditors, Maurizio Civardi and Alessandro Martinelli, Regular Auditors. The Board of Auditors holding office was appointed on the basis of a single list received by the Company, presented by the Majority Shareholder S.G.G. Holding S.p.A., in accordance with the procedures and terms prescribed by the regulations and articles of association.

The list and the documents that came with it were also promptly published on the Company's website.

The three-year period mandate of the Board of Statutory Auditors, appointed on 21 April 2009, expires with the approval of the financial statements relevant to the financial year ended 31 December 2011. The next Shareholders' Meeting will be therefore convened to decide on the appointment of the Board of Statutory Auditors. Reference is made to the report prepared by the Directors on the points on the agenda of the Shareholders' Meeting, which will be filed with the registered office, at Borsa Italiana S.p.A. as well as made available on the Company's website www.saesgetters.com (Investor Relations/Shareholders' Meeting section, within the terms contemplated by the laws and regulations in force.

The Board checks every year the continuance of the requirements of professional and honourable standing that the Auditors must have pursuant to Decree no. 162 of the Ministry of Justice of 30 March 2000, as well as of independency pursuant to Article 148, subsection 3 of the Consolidated Financial Act and of the 10.C.2. application criteria of the 2006 Code. During the Financial Year, with reference to the 2010 financial year, this verification was carried out on 17 February 2011. With reference to the Financial Year, this verification was carried out on 23 February 2012.

In addition to the requirements provided by the applicable regulations, the Auditors of the Company must also have proven skills and expertise on tax, legal, organisational and accounting matters, in such a way as to guarantee the Company maximum efficiency in the controls and the diligent execution of their duties.

Making an exception to the 10.C.2. application principle of the 2006 Code, the Board did not provide expressly that the Auditors should be chosen from among persons who qualify as independent on the basis of the methods indicated for Directors, considering the regulatory provisions sufficient. Shareholders presenting the lists for the appointment of the Board are required to indicate the possible suitability of candidates to qualify as independent, leaving the evaluation of the importance of this qualification to the Shareholders' Assembly for the appointment.

Also in compliance with the 10.C.3. application principle of the 2006 Code, the Auditors accept the office when they believe they can devote the necessary time to the diligent performance of their duties

During the Financial Year, each member of the Board of Statutory Auditors informed Consob on the management and control positions held at the companies set forth in Book V, Title V, Chapters V, VI and VII of the Italian Civil Code, pursuant to and for the purposes of the Article 144-*quaterdecies* of the Issuers' Regulation.

Also in accordance with the 10.P.2. principles of the 2006 Code, the Auditors operate autonomously and independently from the Shareholders who elected them.

The Auditor who, on his/her own account or on account of third parties, has an interest in a particular operation of the Company, informs immediately and exhaustively the other Auditors and the Chairman of the Board on the nature, terms, origin and extent of his/her interest, also due to the effects of the 10.C.4. application principle of the 2006 Code.

The Board of Statutory Auditors, within the tasks assigned to it by law, supervises the methods of implementing corporate governance regulations and ensures that (as it positively ensured during the Financial Year) the criteria and procedures to ascertain the independence of its members adopted by the Board of Directors was correctly applied. The result of these checks is made known to the market within this Report or the report of the statutory auditors to the Shareholders' Meeting.

The Board of Statutory Auditors also oversees (as it oversaw during the Financial Year) the conditions for the independence and autonomy of its own members and informs the Board thereof in a timely manner with respect to the drafting of this Report. The Board verified, in the next meeting after the appointment (on 21 April 2009) and during the Financial Year the continuing satisfaction of independence requirements of its members. In making the above evaluations, the Board did not apply additional criteria for the independence of Directors, but only laws and regulations.

The Board of Statutory Auditors values the proposals formulated by the auditing firms in order to be entrusted with the relevant task, as well as the plan prepared for the auditing, and the results shown in the report and in the suggestion letter. The Board of Statutory Auditors also supervises the effectiveness of the auditing process and the independence of the Auditing Firm, ensuring its compliance with prevailing laws and the nature and type of services other than auditing services provided to the Company and its subsidiaries by the Auditing Firm and the entities belonging to its network.

During the Financial year, the Board of Statutory Auditors supervised the independence of the Auditing Firm, ensuring its compliance with prevailing laws and the nature and type of services other than auditing services provided to the Issuer and its subsidiaries by Reconta Ernst & Young S.p.A. and the entities belonging to its network.

Moreover, in virtue of the provisions contained in Italian Legislative Decree 39/2010, the Board of Statutory Auditors acts also as Internal Control and Audit Committee called upon to supervise the financial reporting process, the effectiveness of the internal control, internal audit and risk management systems, the external audit of the annual accounts and consolidated accounts and on the independence of the external auditing firm.

Reference is made to the following paragraph “17. Additional Corporate Governance Practices” for further details.

Within its activities, the Board of Statutory Auditors can ask the Internal Audit Function to carry out verifications on specific operational areas or business operations, as indicated in the 10.C.6. application principle of the 2006 Code.

In accordance with the 10.C.7. application principle of the 2006 Code, the Board of Statutory Auditors and the Audit Committee immediately exchanged important information for the carrying out of their tasks, for example on the occasion of the meetings of the Board of Directors or of the Audit Committee (the Chairman of the Board of Auditors or other Auditor appointed by it takes part in the works of the Committee).

During the Financial Year, the Board of Statutory Auditors met 6 times with the constant participation of all members. The Board meetings last on average 3 hours. Six meetings have been planned for the 2012 financial year; one meeting was already held on 8 March.

In relation to the 10.P.3. principle of the 2006 Code, the Company believes it has adopted adequate measures to ensure an effective performance of the tasks of the Board of Statutory Auditors.

Information concerning the personal and professional characteristics of each auditor is provided below:

Maurizio CIVARDI - Born in Genoa on 30 July 1959

Chartered Accountant - Associato STUDIO ROSINA e ASSOCIATI

- Registered at the Register of Auditors (Italian Ministerial Decree 12/4/1995 O.G. 31 bis - IV Special series of 21/4/1995)
- Official receiver
- Expert appointed by the Court (ex Article 2343 Italian Civil Code) for the evaluation of business complexes
- Liquidator
- Tax and company advisor of several companies, offers his services also in corporate restructuring operations, company organisation and in requests for admission to insolvency proceedings
- formerly Member of the Research Committee for Direct Taxes with the Italian National Board of Chartered Accountants
- formerly Delegate in the C.N.D.C. / ACCA Bilateral Committee within the JOINT INTERNATIONAL COMMITTEE on behalf of the Italian National Board of Chartered Accountants

He is Regular Auditor of SAES Getters S.p.A. since 2006.

Vincenzo DONNAMARIA - Born in Rome on 4 October 1955

He graduated in 1978 from Università degli Studi of Rome with a degree in law.

Lawyer enrolled in the Bar Association of Rome (1984).

Registered at the Register of Auditors from the date in which it was initially set up (Italian Ministerial Decree 12 April 1995).

Court of Cassation Lawyer, enrolled in the Special Register of Cassation Lawyers since 2003.

Vincenzo Donnamaria is the founding member national manager of Studio Associato di Consulenza Legale e Tributaria KStudio Associato (law firm). The Studio, which has more than 300 professionals, lawyers, professional and chartered accountants, is associated with the international network of KPMG.

From November 1978 to April 1985, he worked professionally at Arthur Andersen until he held the office of ordinary member of the Tax and company consultancy firm.

From May 1985 to September 1988 he was the founding member of Studio Consulenti Associati Di Paco, Donnamaria, Guidi, (KPMG) responsible for the premises of Rome.

He took part in teaching courses in the field of direct and indirect taxes as a lecturer and as a speaker at conferences on topics related to tax.

He published, together with Francesco Rossi Ragazzi, the book called "Disciplina fiscale degli ammortamenti" (Tax regulations on amortisation/depreciations) for the IPSOA publishing house in 1985.

He is a member of ANTI (Associazione Nazionale Tributaristi Italiani, National Association of Italian tax Advisors).

During 1998, he was appointed Consultant of the Authority for Communication Guarantees within the preparation of the Regulations concerning the organisation and operation of this Authority.

In 1998, he was also appointed member of the Commission of inquiry set up by the Ministry of defence, with Italian Ministerial Decree of 29 September 1998, in relation to the criminal procedure established by the Court to the charge of the personnel ex General Management of Constructions of naval weapons and arming.

He was a Regular Auditor of SAES Getters S.p.A. from 1997 to 2006. In 2006, he was appointed Chairman of the Board of Statutory Auditors.

Alessandro MARTINELLI - Born in Milan on 5 July 1960

Enrolled in the Register of National Accountants of Milan, roll section a since 22 September 1987.

Enrolled in the Register of External Auditors O.G. no. 31 of 21/04/1995 Italian Decree 12/04/95.

After a period of apprenticeship in a leading professional accountant's office of Milan, he started in 1987 his professional work in the family Firm, active since 1920, dealing mainly with tax consultancy, company consultancy and tax related lawsuit.

He also followed, as manager, the administrative and accounting management of the Firm's customers.

He is Regular Auditor of SAES Getters S.p.A. since 2006.

15. INVESTOR RELATIONS

The Chairman and the Managing Director, in compliance with the procedure for the management of inside information, work actively towards establishing a constant dialogue with the Shareholders, with the institutional investors and with the market, fit to guarantee the systematic dissemination of a complete and timely informative report on its activity. Disclosure to investors, market and press is ensured by the press releases, regular meetings with institutional investors and with the financial community.

Also in accordance with the 11.C.1. application principle of the 2006 Code, the dialogue with institutional investors, the majority of the Shareholders and analysis is entrusted to a specific dedicated function, called Investor Relations, in order to ensure a continuous and professional relation as well as a correct, continuous and complete communication.

The management of relations with the Shareholders is entrusted to Emanuela Foglia, Investor Relations Manager, under the supervision of the Group Chief Financial Officer as well as Managing Director, Giulio Canale.

During the Financial Year, meetings and conference calls were organised on regular economic and financial segment reporting. Moreover, during the Financial Year, the Company took part in the *STAR Conference* organised by Borsa Italiana S.p.A. in Milan on 22 March 2011 and for 2012 on 28 March.

The presentations used during the meetings planned with the financial community are made public on the website of the Company www.saesgetters.com (Investors Relations/Presentations sector), in addition to being disclosed to Consob and Borsa Italiana S.p.A.

The following e-mail address (investor_relations@saes-group.com) can be used for collecting requests for information and for providing clarifications to Shareholders on the operations carried out by the Company.

Moreover, the Company, in order to facilitate the attendance of the Shareholders at the Meetings, allows the Shareholders to ask questions on the points of the agenda, even before the Shareholders' Meeting, by sending a registered letter with return receipt to the registered office by certified e-mail to the following address saes-ul@pec.it. The questions received before the Shareholders' Meeting are answered on the website of the Company or, at the latest, during the shareholders' meeting, with the right of the Company to provide a unified response to questions with the same content.

A special attention is paid to the website of the Company (www.saesgetters.com), where economic and financial information can be found (such as financial statements, half-yearly and quarterly reports) as well as data and documents in which the majority of the Shareholders is interested (press releases, presentations to the financial community, calendar of company events), in Italian and English.

Also in compliance with the 11.C.4. application principle of the 2006 Code, on the website, in the Investor Relations Sector, the Company provides the required or only appropriate information so that the Shareholders can make informed decisions in exercising their rights, with a special reference to the methods provided for the attendance and exercise of the voting rights at the Shareholders' Meeting, as well as to the documents relevant to the points of the agenda, including the lists of candidates for the positions of Director and Auditor with the indication of their personal and professional characteristics.

The admission and permanence of the Company in the STAR (Segmento Titoli con Alti Requisiti, Segment of securities with high requirements) of Borsa Italiana S.p.A. represent an indicator of the Companies that are able to meet high disclosure standards that constitute an essential requirement.

16. SHAREHOLDERS' MEETINGS

Duly constituted Shareholders' Meetings represent all Shareholders and its resolutions, passed in compliance with the law and Articles of Association, bind Shareholders even if they are absent or dissenting. The Shareholder' Meeting can meet in ordinary and/or extraordinary session, according to the law, at the registered office or elsewhere, also abroad, provided that in the countries of the European Union.

The Shareholders' Meeting is regulated by Articles 8, 9, 10, 11, 12 and 13 of the Bylaws, available on the Company's website www.saesgetters.com (Investor Relations/Corporate Governance/Bylaws section).

Sharing the 11.P.1. and 11.P.2. principles as well as the 11.C.4. and 11.C.5. application principles of the 2006 Code, the Chairman and the Managing Director do their best to encourage the widest possible attendance to the Shareholders' Meeting, as an actual moment of communication and connection between the Company and the investors. As a rule, all the Directors attend the meetings. The Board does its best to reduce the constraints and obligations that make the attendance in the Shareholders' Meeting and the exercise of the voting rights by the Shareholders difficult and costly. No reports have been received to that effect from the Shareholders.

The Shareholders' Meetings are also an occasion for informing the Shareholders on the company, in compliance with the rules on inside information.

In particular, the Board reports during the Shareholders' Meeting on the activity carried out and planned and does its best to ensure adequate disclosure to Shareholders on the elements required so that they can take, in full cognition of the facts, the decisions pertaining the Shareholders' Meeting.

During the Financial Year, the Shareholders' Meeting was held on 20 April 2011:

a) in ordinary session, with the following agenda:

1. Report of the Board of Directors for the year ended 31 December 2010; financial statements as at 31 December 2010; relevant resolutions; presentation of the consolidated financial statements as at 31 December 2010; reserves, partial distribution of the reserve "retained earnings";

2. Resolutions pursuant to Articles 2357 et sequitur of the Italian Civil Code and 132 of Italian Legislative Decree No. 58/1998;

and

b) in extraordinary session, Amendments to articles 8, 9, 10, 19, 22, 25 and introduction of the new article 31 of the Bylaws; pertinent and consequent resolutions.

In order to attend the Shareholders' Meeting, the Company requires that the notification establishing the right to speak and to vote in the Shareholders' Meeting must be carried out by the intermediary on the basis of evidences at the end of the accounting day of the seventh day of open market before the date fixed for the Shareholders' Meeting in first and only call.

In this regard, Article 10 of the Bylaws states that:

“The right to attend and representation at the shareholders’ meeting are governed by the law.

Those who have the right to vote may attend the Shareholder's Meeting, provided that their competency to attend the Shareholders' meeting is certified in the manner and within the terms established by law and regulations.
The e-mail notification of the proxy to attend the Meeting can be carried out by using the special section on the website of the company, as indicated in the notice of call, or, subordinately, by certified e-mail, to the e-mail address indicated in the notice of call.
The Chairman of the Shareholders' Meeting must check if the meeting is regularly set-up, also by means of special representatives, establish the identity and the competency of the persons attending, as well as regulate the carrying-out of the shareholders' meeting works establishing the debate and voting methods (in any case open) and ascertain the results of the voting sessions.”

16.1. Shareholders’ Meeting Regulation

The regular carrying-out of the works was guaranteed to date by the provisions of the articles of association that entrust the Chairman with the task of ascertaining the identity and the competency of the persons attending, the presence of the number of Shareholders required for validly passing resolutions, regulating the carrying-out of the works and establishing the voting procedures.
The Shareholders' meetings were always held with the utmost regularity and all the Shareholders concerned were able to speak and formulate requests for explanations and fully expose their remarks. An answer was given to all the questions asked by the Shareholders and the drawing-up of the minutes of the ordinary or extraordinary Shareholders' Meetings is assigned to a Notary.

In any case, in accordance with the 9.C.3. application principles of the 2011 Corporate Governance Code, the Board on 13 March 2012 proposed to the next shareholders' meeting the adoption of a Shareholders’ Meeting Regulation available on the Company website www.saesgetters.com (Investor Relations/Corporate Governance).

16.2. Special Shareholders’ Meeting of Savings

The special Shareholders' Meeting of the owner of savings shares meets in ordinary and/or extraordinary session, according to the law, at the registered office or elsewhere, also abroad, provided that in the countries of the European Union.
The last Shareholders' Meeting of the owner of savings shares was held on 20 April 2011 to appoint the Common Representative, since his mandate had expired. The special Shareholders' Meeting confirmed Massimiliano Perletti as Common Representative of the owners of savings shares for the 2011 - 2013 financial years by determining his fee (€ 1,100.00 per year). Mr. Perletti is available for any queries on issues related to saving shares at the email address massimilano.perletti@roedl.it.

16.3. Significant changes in market capitalisation of shares

The ordinary and savings shares listed on the Italian Electronic Stock Market (STAR segment) registered in 2011 a decrease in value of -4% and -21%, respectively, against a reduction of -26% and -19%, respectively, registered by the FTSE MIB index and by the FTSE Italia Star index.

16.4. Significant changes in the company structure

No significant changes in the company structure were reported in 2011.

In relation to the 11.C.6. application principles of the 2006 Code, the Board did not consider it appropriate to propose to the shareholders' meeting amendments to the Articles of Association on the percentages established for exercising the rights and prerogatives to protect minorities.

17. ADDITIONAL CORPORATE GOVERNANCE PRACTICES

In consideration of the regulatory and procedural provisions introduced by Italian Legislative Decree no. 39 of 27 January 2010, in order to facilitate a constant information flow among the different company bodies and functions that allows the Internal Control and Audit Committee the adequate supervision required by law, the activities that the Committee carries out in the fulfilment of its functions include regular meetings between the Committee, the Audit Committee, the Auditing Firm, Internal Audit Function Manager, the Manager in charge of drawing up company accounting documents pursuant to Italian Legislative Decree no. 262/05 and the Group General Counsel, dedicated to the analysis and the discussion on the financial reporting process, to the effectiveness of the system of internal control, internal audit and risk management, external audit of the annual accounts and consolidated accounts, independence of the external auditing firm, in particular for what concerns the provision of non-auditing services to the body submitted to external audit.

18. CHANGES AFTER THE REPORTING PERIOD

The Board of Directors on 23 February 2012 has adopted the new Principles and Criteria of the 2011 Code and resolved to gradually implement the dispositions therein provided during 2012.

In particular, with the renewal of the Company’ Board of Directors on 24-26 April 2012, the Company will apply the dispositions of principles 5.P.1., 6.P.3. and 7.P.4. and application criteria 2.C.3. and 2.C.5. of 2011 Code relating the composition of Board of Directors and its Committees.

In addition, during the same meeting of 23 February 2012, the Board of Directors decided to adjust the functions of the Audit Committee to the recommendations contained in Article 7 of the 2011 Code of Corporate Governance, which are reported below:

a) defining the guidelines of the internal control and risk management system;

b) evaluating, at least every year, the adequacy of the internal control and risk management system compared to the characteristics of the company and to the risk profile assumed, as well as on its efficacy;

c) approving, at least every year, the work program prepared by the internal audit function manager;

d) evaluating, after hearing the board of statutory auditors, the results reported by the external auditors in the suggestion letter, if any, and in the report on basic issues emerged during the external audit

e) appointing, removing and defining the remuneration of the internal audit function manager;

f) evaluating, together with the manager in charge of preparing corporate accounting documents and after hearing the external auditor and the Board of Statutory Auditors, the adequacy of the accounting principles used and their homogeneity for the purposes of preparing the consolidated financial statements;

g) opinions on specific aspects related to the identification of the main business risks;

h) examining the regular reports covering the evaluation of the internal control and risk management system, and those of particular relevance prepared by the internal audit function;

i) monitoring the independence, adequacy, effectiveness and efficiency of the internal audit function;

l) requesting the internal audit function to carry out verifications on specific operational areas

In addition, with reference to the Internal Audit Function Manager the Company resolved to adopt the provision of the 7.C.1. Application Principle of the 2011 Code.

The Internal Audit Function Manager is appointed and removed by the Board, on the proposal of the Managing Director (in that in charge of supervising the functionality of the internal control system) and after hearing the opinion of the Audit Committee. The Board, during the meeting of 23 February 2012, on proposal of Giulio Canale and with the positive opinion of the Audit Committee, in consideration of the aforesaid application principle, appointed Laura Marsigli as Internal Audit Function Manager.

With reference to the 7.C.1. Application Principle of the 2011 Code, the Board of Directors defined the remuneration received by the Internal Audit Function Manager consistent with the company policies normally applied and provided him with an adequate budget for the performance of his responsibilities.

As defined by the Board and in compliance with the 7.P.3. principle of the 2011 Code, the Internal Audit Function Manager is responsible for ensuring the operation and adequacy of the internal control and risk management system and its basic compliance with the 7.C.5. application principle of the 2011 Code, in particular, he:

- verifies the effectiveness and adequacy of the internal control and risk management service, through an audit plan: the audit activity plan for the 2012 Financial Year was submitted, in compliance with the 7.C.1. application principle, to the approval of the Board on 23 February 2012;
- is not in charge of any operational area and hierarchically depends on the Board;
- has direct access to all the information useful for carrying out his activity;
- prepares regular reports containing adequate information on the activity carried out;
- prepares opportunely a report on events of major importance;
- sends the reports to the chairmen of the Board of Statutory Auditors, of the audit committee and of the Board of Directors as well as to the director in charge of the internal control and risk management system;
- verifies within the audit plan the reliability of the information systems including the accounting systems.

Even though, in compliance with the 7.C.6. application principle of the 2011 Code, the Internal Audit Function, as a whole or by operational segments, can be entrusted to subjects outside the company, provided they have requirements of professional standing and independence, this organisational choice has not been adopted by the Company in the financial year and to date.

If the choice were to focus on the use of external subjects to whom the task of Internal Audit is entrusted, such a choice will be the subject matter of a specific announcement to the Shareholders and to the market within the next Report on corporate governance.

Lainate, 13 March 2012

for The Board of Directors

Massimo della Porta
Chairman

The present is the English translation of the Italian official report approved by the Board of Directors on March 13, 2012. For any difference between the two texts, the Italian text shall prevail.

TABLE 1 - STRUCTURE OF THE BOARD OF DIRECTORS AND COMMITTEES

BOARD OF DIRECTORS											COMMITTEES				
Position	**Members**	**In office since**	**In office until**	**List (M/m)**	**Exec.**	**Non exec.**	**Indep. based on Code**	**Indep based on TUF**	**%**	**Number of other offices**	**Audit committee**	**Compensation Committee**	**NC** N/A	**EC** N/A	**Other Committee** N/A
Chairman	Massimo della Porta	21/04/09	Shareholders' Meeting for the approval of the 2011 Financial Statements	M	X				100	3					
Deputy Chairman, Managing Director and Chief Financial Officer	Giulio Canale	21/04/09	Shareholders' Meeting for the approval of the 2011 Financial Statements	M	X				100	2					
Director	Stefano Baldi	21.04.09	Shareholders' Meeting for the approval of the 2011 Financial Statements	M		X			90	1		X			
Director Lead Independent Director	Adriano De Maio	21.04.09	Shareholders' Meeting for the approval of the 2011 Financial Statements	M		X	X	X	100	3	X	X			
Director	Giuseppe della Porta	21.04.09	Shareholders' Meeting for the approval of the 2011 Financial Statements	M		X			100	-					

BOARD OF DIRECTORS											COMMITTEES				
Position	**Members**	**In office since**	**In office until**	**List (M/m)**	**Exec.**	**Non exec.**	**Indep. based on Code**	**Indep based on TUF**	**%**	**Number of other offices**	**Audit committee**	**Compensation Committee**	**NC** **N/A**	**EC** **N/A**	**Other Committee** **N/A**
Director	Andrea Dogliotti	21.04.09	Shareholders' Meeting for the approval of the 2011 Financial Statements	M		X			100	-	X				
Director	Andrea Gilardoni	21.04.09	Shareholders' Meeting for the approval of the 2011 Financial Statements	M		X			90	3					
Director	Pietro Mazzola	21.04.09	Shareholders' Meeting for the approval of the 2011 Financial Statements	M		X			80	8					
Director	Roberto Orecchia	21.04.09	Shareholders' Meeting for the approval of the 2011 Financial Statements	M		X	X	X	90	-					
Director	Andrea Sironi	21.04.09	Shareholders' Meeting for the approval of the 2011 Financial Statements	M		X	X	X	90	2	X	X			
Director	Gianluca Spinola	21.04.09	Shareholders' Meeting for the approval of the 2011	M		X			80	1					

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BOARD OF DIRECTORS											**COMMITTEES**				
Position	**Members**	**In office since**	**In office until**	**List (M/m)**	**Exec.**	**Non exec.**	**Indep. based on Code**	**Indep based on TUF**	**%**	**Number of other offices**	**Audit committee**	**Compensation Committee**	**NC N/A**	**EC N/A**	**Other Committee N/A**
			Financial Statements												
Directors retired during the Financial Year															
			No directors retired during the Financial Year.												

Quorum required for the submission of the lists on the occasion of the last appointment (21 April 2009)	2.5%

	Board of Directors	**Audit committee**	**Compensation Committee**	**Appointment Committee**	**Executive Committee**	**Other Committee**
Number of meetings held during the Financial Year	10	6	2	N/A	N/A	N/A

TABLE 2 - STRUCTURE OF THE BOARD OF STATUTORY AUDITORS

Position	**Members**	**In office since**	**In office until**	**List M/m**	**Indep. based on Code**	**%**	**Other positions**
Vincenzo Donnamaria	Chairman	21/04/09	Shareholders' Meeting for the approval of the 2011 Financial Statements	M	No	100	23
Maurizio Civardi	Regular auditor	21/04/09	Shareholders' Meeting for the approval of the 2011 Financial Statements	M	No	100	45
Alessandro Martinelli	Regular auditor	21/04/09	Shareholders' Meeting for the approval of the 2011 Financial Statements	M	No	100	20
Fabio Egidi	Alternate Auditor	21/04/09	Shareholders' Meeting for the approval of the 2011 Financial Statements	M	No	n.a.	n.a.
Piero Angelo Bottino	Alternate Auditor	21/04/09	Shareholders' Meeting for the approval of the 2011 Financial Statements	M	No	n.a.	n.a.
AUDITORS RETIRED DURING THE FINANCIAL YEAR							
		No auditor retired during the Financial Year					
Quorum required for the submission of the lists on the occasion of the last appointment (21 April 2009)					2.5 %		
Number of meetings held during the Financial Year					6		

ENCLOSURE 1 - OFFICES AS DIRECTOR OR AUDITOR HELD BY THE DIRECTOR IN OTHER COMPANIES LISTED ON CONTROLLED MARKETS - INCLUDING FOREIGN MARKETS - IN HOLDING, BANKING, INSURANCE OR BIG-SIZED COMPANIES.

NAME	POSITIONS	
	Company	***Position***
Stefano Baldi	S.G.G. Holding S.p.A.	Non-executive director
Giulio Canale	S.G.G. Holding S.p.A. Telima Italia S.r.l.	Director, Deputy Chairman 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.	Non-executive director and Audit Committee Member Non-executive director and Audit Committee Member Non-executive director and Audit Committee Member
Giuseppe della Porta	-	-
Massimo della Porta	S.G.G. Holding S.p.A. Alto Partners SGR S.p.A. MGM S.r.l.	Director, Deputy Chairman and Managing Director Non-executive director Executive director
Andrea Dogliotti	-	-
Andrea Gilardoni	Società Gasdotti Italia S.p.A. AGICI – Finanza d'Impresa S.r.l.	Non-executive director Non-executive director
Pietro Mazzola	Euraleo S.r.l. IW Bank S.p.A. Gruppo Banca Leonardo S.p.A. Berger Trust S.p.A.	Chairman of the Board of Statutory Auditors Non-executive director Regular auditor Non-executive director,

	Fratelli Testori S.p.A. Partners S.p.A. ARCA Impresa Gestione SGR SpA	Chairman of the BoD Chairman of the Board of Statutory Auditors Executive director Non-executive director
Prof. Roberto Orecchia	-	-
Andrea Sironi	Banco Popolare società cooperativa Banca Aletti S.p.A.	Non-executive director and Chairman of the audit committee Non-executive director
Gianluca Spinola	Diadora Group Holding S.p.A.	Chairman

It is pointed out that, among the above-mentioned companies, only S.G.G. Holding S.p.A. belongs to the SAES Getters Group, as the latest parent company.

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ENCLOSURE 2: OTHER FORECASTS OF THE CORPORATE GOVERNANCE CODE

	YES	NO	Summary of the reasons for any deviation from the Code recommendations
System of proxies and operations with related parties			
Did the Board of Directors gave proxies by defining their:			
a) limits		X	
b) exercise		X	
c) and periodicity of the report?	X		
Did the Board of Directors reserve the right to inspect and approve the operations having a special economic and financial importance (including the operations with related parties)?	X		
Did the Board of Directors define guidelines and methods for identifying “significant” operations?	X		
Are the guidelines and methods mentioned above described in the report?	X		
Did the Board of Directors define special procedures for the inspection and approval of operations with related parties?	X		
Are the procedures for the approval of the operations with related parties described in the report?	X		
Procedures of the most recent appointment of directors and auditors			
Did the presentation of the candidacies as director occur at least ten days in advance?	X		
Were the candidacies as director accompanied by an exhaustive report?	X		
Were the candidacies as director accompanied by the fitness indication to qualify as independent?	X		
Did the presentation of the candidacies as auditor occur at least ten days in advance?	X		
Were the candidacies as auditor accompanied by an exhaustive report?	X		
Shareholders' meetings			
Did the Company approve a Meeting Regulation?	X		
Is the regulation enclosed with the report (or does it indicate from where it can be obtained/downloaded)?	X		

Internal Control			
Did the Company appoint the persons in charge of internal auditing?	X		
Are the persons in charge hierarchically independent from the operating area managers?	X		
Organisational unit in charge of internal control ex art. 9.3 of the Code	X		
Investor relations			
Did the Company appoint an investor relation manager?	X		