



SAES GETTERS S.p.A.

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

Address of Principal Executive Offices:

Viale Italia, 77 – 20020 Lainate (Milan), Italy

Registered with the Milan Court Companies Register no. 00774910152

Report on Operations – 1st Quarter 2008

Quarterly **consolidated net sales** were €42.6 million, up by 5.1% compared to €40.6 million in the year-ago period (but increasing by 13.3% excluding the exchange rate effect). **Consolidated sales on a comparable consolidation basis** were in line with the first quarter 2007 (-0.2%), including the effect of the acquisition of the “Opto” going concern by SAES Opto Materials S.r.l. in May 2007; the establishment of SAES Smart Materials, Inc. on October 2007 and the following acquisition of SMA business of SMC (January 3, 2008); the acquisition of Spectra-Mat, Inc. on February 22, 2008.

Excluding the exchange rate effect consolidated sales on a comparable consolidation basis increased by 8%, compared to first quarter 2007.

Consolidated gross profit was €26.9 million in the first quarter 2008, up 2.4% compared to €26.3 million in the first quarter 2007.

Consolidated operating income was €13.1 million, compared to €14.4 million in the first quarter 2007.

Consolidated net income was €9.6 million, growing 2.2%, compared to €9.4 million in the year-ago period.

Net income per both ordinary share and savings share was €0.4353 in the first quarter 2008 compared to €0.4172 (for both ordinary share and savings share) in the year-ago period.

The first quarter 2008 shows a growth in revenues, although they were strongly affected by a persistently negative exchange rate effect. The recent acquisitions had positively contributed to the first quarter 2008 revenues.

For the current year all the key-economic indicators are positive as they show the effect of the measures undertaken by SAES Getters during 2007. Specifically, satisfactory are the results in the Advanced Materials Business Unit, which operates in innovative sectors, anticipating the evolution of SAES Getters for the upcoming years.

CONSOLIDATED FINANCIAL STATEMENTS

SAES Getters S.p.A. and Subsidiaries - Consolidated Income Statement

Thousands of euro

	2008 1 st qr.	2007 1 st qr.
Total net sales	42,637	40,550
Cost of sales	(15,716)	(14,264)
Gross profit	26,921	26,286
R&D expenses	(4,516)	(3,908)
Selling expenses	(3,268)	(2,986)
G&A expenses	(6,078)	(5,765)
Total operating expenses	(13,862)	(12,659)
Other income (expenses), net	17	784
Operating income	13,076	14,411
Interest and other financial income, net	505	526
Foreign exchange gains (losses), net	1,884	449
Income before taxes	15,465	15,386
Income taxes	(5,915)	(6,032)
Net income before minority interest	9,550	9,354
Net income pertaining to minority interest	(12)	0
Net income pertaining to the group	9,562	9,354

SAES Getters S.p.A. and Subsidiaries - Consolidated Income Statement per Business Unit

Thousands of euro

	Total		Information Displays		Industrial Applications		Advanced Materials & Corporate Costs	
	1 st qr. 2008	1 st qr. 2007	1 st qr. 2008	1 st qr. 2007	1 st qr. 2008	1 st qr. 2007	1 st qr. 2008	1 st qr. 2007
Total net sales	42,637	40,550	24,288	25,432	15,978	14,191	2,371	927
Cost of sales	(15,716)	(14,264)	(6,022)	(6,700)	(7,723)	(6,604)	(1,971)	(960)
Gross profit (loss)	26,921	26,286	18,266	18,732	8,255	7,587	400	(33)
Operating expenses and other income/expenses	(13,845)	(11,875)	(5,807)	(5,081)	(3,429)	(3,296)	(4,609)	(3,498)
Operating income (loss)	13,076	14,411	12,459	13,651	4,826	4,291	(4,209)	(3,531)

SAES Getters S.p.A. and Subsidiaries - Consolidated Income per Share

Euro

	2008 1 st qr.	2007 1 st qr.
Net income per ordinary share	0.4353	0.4172
Net income per savings share	0.4353	0.4172

SAES Getters S.p.A. and Subsidiaries – Consolidated Balance Sheet

Thousands of euro

	March 31, 2008	Dec 31, 2007
Property, plant and equipment, net	62,216	60,317
Intangible assets, net	21,678	6,150
Other non current assets	6,853	7,590
Current assets	131,534	129,541
Total Assets	222,281	203,598
Shareholders' equity	147,037	146,811
Minority interest in consolidated subsidiaries	(14)	(6)
Total shareholders' equity	147,023	146,805
Non current liabilities	30,444	17,249
Current liabilities	44,814	39,544
Total Liabilities and Shareholders' Equity	222,281	203,598

SAES Getters S.p.A. and Subsidiaries - Consolidated Net Financial Position

Thousands of euro

	March 31, 2008	Dec 31, 2007
Cash on hand	10	10
Cash equivalents	65,489	70,655
Cash and cash equivalents	65,499	70,665
Current financial assets	615	1,769
Bank overdraft	198	184
Current portion of long term debt	1,015	857
Other current financial liabilities	253	0
Current financial liabilities	1,466	1,041
Current net financial position	64,648	71,393
Long term debt, net of current portion	14,932	2,270
Non current financial liabilities	14,932	2,270
Net financial position	49,716	69,123

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**Accounting Principles, Methods and Structure of the Group**

The Quarterly Report has been prepared applying the international accounting standards (IFRS) and in accordance with Article 82 of the “Regulations for the implementation of the Legislative Decree No. 58 of February 24, 1998 on the activities of issuers of securities” (Consob Resolution No. 11971 of May 14, 1999, as amended).

Pursuant to the above mentioned Article 82, the Quarterly Report has been prepared applying for evaluations the international accounting standards (IFRS) according to the content stated

by Exhibit 3D of the same Regulations. Therefore the Quarterly Report as of September 30, 2007 has not been prepared according to the accounting standard concerning disclosure in interim reports (IAS 34 “Interim financial reporting”).

The Quarterly Report is consistent with the accounting principles that govern the preparation of annual and consolidated financial statements, insofar as they are applicable. Evaluation procedures adopted in the Quarterly Report are substantially similar to those usually applied to prepare annual and consolidated financial statements.

The following changes in the consolidation area occurred during the quarter:

- on February 22, 2008 has been finalized the acquisition of Spectra-Mat, Inc., located in Watsonville, California (USA) and mainly operating as manufacturer of vacuum components for the telecommunication, medical and military markets, devices for capital equipment for the semiconductors industry, together with advanced materials for the industrial laser market. The acquisition was made through the controlled Company SAES Getters USA, Inc.;
- on January 23, 2008 SAES Opto S.r.l. purchased a minority shareholding, equals to 48%, in SAES Opto Components S.r.l. As a consequence, SAES Opto S.r.l. became the sole shareholder of SAES Opto Components S.r.l.

It is to be noted that on January 3, 2008 the acquisition of substantially all the assets of the Shape Memory Alloys (SMA) division of Special Metals Corporation (SMC) was closed. The purchase was closed through SAES Smart Materials, Inc., 100% owned by SAES Getters International Luxembourg S.A. The SMA Division, situated in New Hartford, New York (USA), develops, manufactures and sells custom Nitinol alloys and special high purity alloys.

To be noticed that quarterly reports are unaudited.

Net Sales by Business Area and by Geographic Location of Customer

SAES Getters S.p.A. and Subsidiaries - Consolidated Net Sales per Business

Thousands of euro (except %)

Business	2008 1 st qr.	2007 1 st qr.	Total difference (%)	Price-qty effect (%)	Exchange rate effect (%)
Liquid Crystal Displays	21,223	20,484	3.6%	12.4%	-8.8%
Cathode Ray Tubes	3,065	4,948	-38.1%	-30.2%	-7.9%
Subtotal Information Displays	24,288	25,432	-4.5%	4.2%	-8.7%
Lamps	3,174	3,049	4.1%	7.4%	-3.3%
Electronic Devices	5,303	4,255	24.6%	30.9%	-6.3%
Vacuum Systems and Thermal Insulation	1,506	1,159	29.9%	35.5%	-5.6%
Semiconductors	5,995	5,728	4.7%	16.3%	-11.6%
Subtotal Industrial Applications	15,978	14,191	12.6%	20.3%	-7.7%
Subtotal Advanced Materials	2,371	927	155.8%	158.4%	-2.6%
Total Net Sales	42,637	40,550	5.1%	13.3%	-8.2%

Index:

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

SAES Getters S.p.A. and Subsidiaries - Consolidated Net Sales by Geographic Location of Customer
Thousands of euro

	2008 1 st qr.	2007 1 st qr.
Italy	288	276
Other EU and European countries	6,096	4,825
North America	6,104	5,323
Japan	11,116	8,952
China	3,089	5,560
South Korea	7,264	8,160
Rest of Asia	8,570	6,998
Rest of the World	110	456
Total Net Sales	42,637	40,550

Quarterly **consolidated net sales** were €42.6 million, up by 5.1% compared to €40.6 million in the year-ago period (but increasing by 13.3% excluding the exchange rate effect). **Consolidated sales on a comparable consolidation basis** were in line with the first quarter 2007 (-0.2%), including the effect of the acquisition of the “Opto” going concern by SAES Opto Materials S.r.l. in May 2007; the establishment of SAES Smart Materials, Inc. on October 2007 and the following acquisition of SMA business of SMC (January 3, 2008); the acquisition of Spectra-Mat, Inc. on February 22, 2008.

Excluding the exchange rate effect consolidated sales on a comparable consolidation basis increased by 8%, compared to first quarter 2007.

Information Displays Business Unit

Consolidated revenues of the Information Displays Business Unit were €24.3 million in the first quarter 2008, compared with €25.4 million in the same period one year-ago (-4.5%). The revenues, net of exchange rate effect, grew by 4.2%. The rise was due to stronger sales of mercury dispensers for cold cathode fluorescent lamps used as back-lighting of liquid crystal displays, partially balanced by the reduction of sales in the cathode ray tubes market. The exchange rate effect was negative by 8.7%.

Revenues of the Liquid Crystal Displays Business were €21.2 million, increasing by 3.6% compared to €20.5 million in the first quarter 2007. The exchange rate effect was negative by 8.8%.

Net sales of the Cathode Ray Tubes Business decreased by 38.1% to €3.1 million from €4.9 million in the same period one year-ago. The exchange rate effect was negative by 7.9%.

Gross profit reported by the Information Displays Business Unit was €18.3 million in the first quarter 2008 against €18.7 million in the same period of 2007 (-2.5%). Consolidated gross profit in terms of sales was 75.2% compared with 73.7% in the same period of 2007. This increased percentage, despite the slow-down in revenues, was mainly due to a better sales mix.

Operating income reported by the Information Displays Business Unit was €12.5 million in the first quarter of 2008, compared with €13.7 million in the corresponding quarter of 2007. Operating income in terms of sales decreased to 51.3% compared to 53.7% in the same period of 2007.

It is worth reporting that the operating income in the first quarter 2007 had benefited from a non recurring gain amounting to €0.5 million, mainly due to a change occurred in the accounting methods related to the derivative financial instruments with hedging purposes.

The figures related to the so called “Other Flat Panel Business” including data for getters for flat panel applications different from the LCD ones, which were previously included in the Information Displays Business Unit, had been allocated in the Advanced Materials Business Unit. Subsequently, the first quarter 2007 figures were re-classified consistently.

Industrial Applications Business Unit

Consolidated revenues of the Industrial Applications Business Unit were €16 million in the first quarter of 2008, up by 12.6% if compared to €14.2 million in the same period one year-ago. It has to be pointed out an increase in the sales of all businesses, mainly of getters for solar collectors and hydrogen dryers for military applications (Electronic Devices Business); of pumps for vacuum systems (Vacuum Systems and Thermal Insulation Business); gas purifiers for the semiconductors industry (Semiconductors Business) in addition to the sales of getters and metal dispensers used in lamps, both discharge and fluorescent (Lamps Business). The exchange rate effect was negative by 7.7%. On a comparable consolidation basis, sales were €15.5 million, considering the acquisition of Spectra-Mat, Inc., closed on February 22, 2008.

Revenues of the Lamps Business were €3.2 million compared to €3 million in the first quarter 2007, with an increase by 4.1%. The exchange rate effect was negative by 3.3%.

Revenues from the Electronic Devices Business increased by 24.6% to €5.3 million from €4.3 million in the first quarter 2007. The exchange rate effect was negative by

6.3%. On a comparable consolidation basis, sales were €4.8 million, considering the acquisition of Spectra-Mat, Inc., closed on February 22, 2008.

Net sales of the Vacuum Systems and Thermal Insulation Business increased by 29.9% to €1.5 million compared to €1.2 million in the first quarter 2007. The exchange rate effect was negative by 5.6%. It has to be pointed out that the sales of getters for solar collectors, previously included in this business, were allocated to the Electronic Devices Business; the first quarter 2007 figures were reclassified accordingly to allow a consistent comparison.

Net sales of the Semiconductors Business were €6 million compared to €5.7 million in the same period of 2007, increased by 4.7%. The growth was offset by the negative exchange rate effect (-11.6%).

Gross profit of the Industrial Applications Business Unit was €8.3 million in the first quarter of 2008 compared with €7.6 million in the same period of 2007 (+8.8%). Consolidated gross profit in terms of sales was 51.7% compared with 53.5% of the same period of 2007, mainly because of a different sales mix.

Operating income of the Industrial Applications Business Unit was €4.8 million in the first quarter 2008, increased by 12.5% compared to €4.3 million of the corresponding quarter of 2007. Operating income in terms of sales was 30.2%, unchanged if compared to the same period of 2007; the alignment of the operating margin of the first quarter 2008 to the one of the corresponding quarter of 2007, despite the slight decrease in gross margin, is mainly due to the smaller impact of the operating expenses, which were substantially unchanged, compared to 2007.

Advanced Materials Business Unit & Corporate Costs

Consolidated revenues of the Advanced Materials Business Unit were €2.4 million in the first quarter 2008, thanks to sales of getter films for MEMS applications, shape memory alloys and crystals for laser applications. Sales were €0.9 million in the first quarter 2007. The increase was mainly due to the recent acquisition of the shape memory alloys (SMA) Division from Special Metals Corporation (sales equal to €1.6 million in the first quarter of 2008).

It has to be pointed out that **cost of sales** reported by the Advanced Materials Business Unit is equal to €2 million, compared with €1 million in the same period of 2007.

Operating corporate costs were €2.2 million (compared to €1.9 million in the first quarter of 2007) and operating costs for the Advanced Materials Business Unit were €2.4 million in the first quarter 2008 (compared with €1.6 million in the year-ago period). The increase of €1.1 million was mainly due to higher R&D costs (+ €0.6 million) as well as to the increased selling expenses, because of the modification within the consolidation basis (+ €0.4 million).

Consolidated gross profit was €26.9 million in the first quarter 2008 compared to €26.3 million in the same quarter of 2007 (+2.4%). Consolidated gross profit in terms of sales was 63.1% compared to 64.8% in the first quarter 2007.

The total operating expenses in the first quarter 2008 were €13.9 million, compared with €12.7 million in the first quarter 2007, mainly because of the extension of the consolidation basis.

Consolidated EBITDA (operating income + depreciation and amortization + write down of property, plant and equipment) was €15.6 million in the first quarter 2008 compared to €17.2 million in the same quarter of 2007. Consolidated EBITDA in terms of sales was 36.6% compared with 42.3% in the first quarter 2007.

Consolidated operating income was equal to €13.1 million in the three months ended March 31, 2008 from €14.4 million in the year-ago period. The R.O.S. (Return on Sales) ratio was equal to 30.7% in the first quarter 2008 compared to 35.5% in the same period of 2007. The decrease in R.O.S. is mainly due to the increase in operating expenses.

It is worth reporting that the operating income in the first quarter 2007 had benefited from a non recurring gain amounting to €0.5 million, mainly due to a change occurred in the accounting methods related with the derivative financial instruments with hedging purposes.

Net income before taxes was up to €15.5 million, increased by 0.5% compared with €15.4 million in the first quarter 2007, mainly because of the positive financial management and the positive exchange rate risk management.

Income taxes were €5.9 million in the three months ended March 31, 2008, compared with €6 million in the three months ended March 31, 2007. As a percentage of income before taxes, income taxes were 38.2% in the first quarter 2008, compared to 39.2% in the first quarter 2007. It has to be recalled that the decrease in taxes is mainly connected with the decreased tax rate in Italy.

Consolidated net income was €9.6 million in the first quarter 2008 compared to €9.4 million in the correspondent quarter of 2007 (+2.2%).

Net income per both ordinary share and savings share was €0.4353 in the first quarter 2008 compared to €0.4172 (for both ordinary share and savings share) in the year-ago period.

The Group's **net financial position** was €49.7 million as of March 31, 2008, from €69.1 million as of December 31, 2007. It has to be pointed out that in the first quarter 2008 an amount of €3.3 million was paid for funding the buy back program and an amount of €2.3 million was paid for investments in tangible assets, as well as an amount of €4 million was paid for the acquisition of Spectra-Mat, Inc. and finally an amount of €20.6 million was paid for the acquisition of the SMA Division from SMC, net of cash. In the first quarter 2008, the cash flow from operating activities was equal to €15.1 million.

Events subsequent to the end of the period and business performance outlook

On March 6 and 7, 2008 the Board of Directors of SAES Opto Components S.r.l. and SAES Opto S.r.l., both of which are single-shareholder companies, approved the project of merger by incorporation of SAES Opto Components S.r.l. into SAES Opto S.r.l. pursuant to articles 2501 ter and 2505 of the Italian Civil Code. The Shareholders' meetings of the two companies, both called to an extra-ordinary session on March 26, 2008 approved the plan of the merger, subsequently filed in the Italian Register of Companies on March 31, 2008. The incorporation will occur on May 9, 2008.

The Company expects that the growth in the liquid crystal display sector will be affected by stock adjustments in some specific markets, as well as by the persisting price pressure and the negative impact of the exchange rate. In addition, the growth rate in LCDs will be partially counterbalanced by the cost reduction measures presently adopted by liquid crystal display manufacturers, using a smaller number of cold cathode fluorescent lamps for each single display.

In the first months of 2008 the slowdown in revenues in the traditional Cathode Ray Tubes Business will persist, because of the maturity of this segment.

The market of Industrial Applications should report a trend of stability, if compared to the first quarter 2008.

The Company forecasts a growth in all the segments of the advanced materials markets, as occurred in the first quarter of 2008.

The Group's economic results for the period will continue to be influenced by the exchange rates of the euro against the major currencies. The Group put in place (as of March 31, 2008) hedging contracts in respect of the US dollar and the Japanese yen, connected to already existing and future receivables, related to sales denominated in US dollars and Japanese yen to hedge against fluctuations in exchange rates existing at the balance sheet date. For the contracts on the US dollar, the notional value is \$8.65 million, the average spot exchange rate is 1.4515 against the euro. These contracts cover the whole 2008.

For the contracts on the Japanese yen, the notional value is JPY 2,816 million, the average spot exchange rate is 154.88 against the euro. These contracts cover the whole 2008 and the first two months of 2009.

The Officer Responsible for the preparation of corporate financial reports of SAES Getters S.p.A. certifies that, in accordance with the second subsection of art. 154bis, part IV, title III, second paragraph, section V-bis, of Legislative Decree February 24, 1998, no. 58, the financial information included in the present document corresponds to book of account and book-keeping entries.

The Officer Responsible for the preparation of corporate financial reports

Michele Di Marco 

Lainate, Milan - Italy, May 8, 2008

On behalf of the Board of Directors

The President

Paolo della Porta

