

# The SAES<sup>®</sup> Getters Group

## First Half 2009 Consolidated Results

*Conference Call – August 27, 2009*

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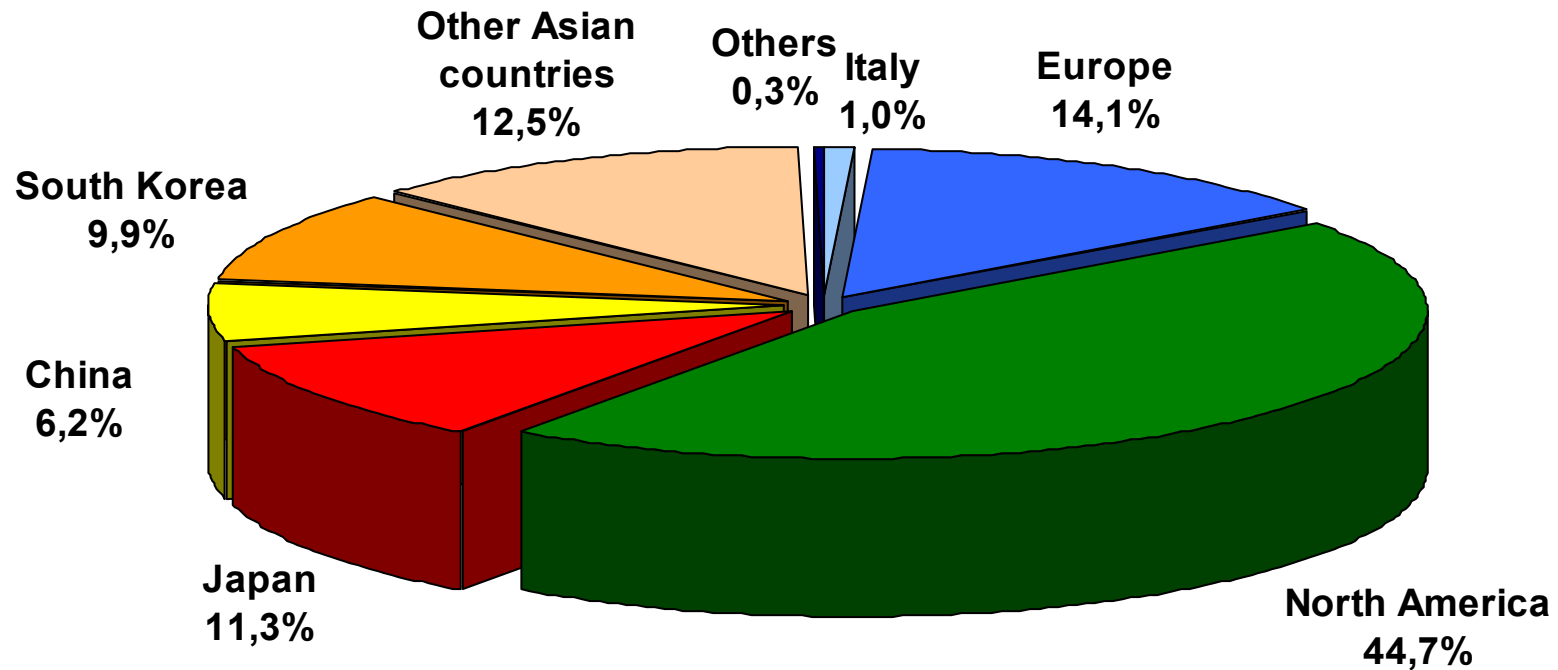
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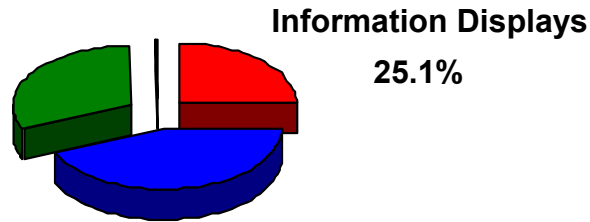
# Highlights

- In 1H 2009 **consolidated sales** were equal to €70.1 million, with a decrease of 14.1% (at current exchange rates) compared to €81.7 million reached in 1H 2008. The exchange rates effect was positive and equal to 5.2%. At comparable exchange rates, net consolidated revenues declined by 19.3%
- With the **same scope of consolidation**, consolidated turnover would have been €50.5 million; the change in the scope of consolidation has generated an increase of sales of 24.1%
- The **consolidated gross profit** was €30.8 million against €50.2 million and the **consolidated operating income** was negative for €-7.5 million, against a positive €22.4 million in 1H 2008
- Within a **market scenario** of the **Information Displays** segment **structurally changed**, we have started a plan of reorganization and rationalization of the Group's structure, with the objective of ensuring a recovery in profitability (target: *Adjusted EBITDA* equal to 20% in 2010 with *consolidated sales* of €140 million, at fixed exchange rates)
- The **actions to reduce fixed costs**, already put in place since the end of 2008, have continued with the objective of making the cost structure coherent with the changed market scenario
- In 1H 2009 **non recurring operating costs** equal to €11.7 million, of which **restructuring costs** equal to €9.1million related to the plan of personnel reduction, higher depreciation and devaluations
- Net of these costs, **pro-forma operating income** of 1H 2009 would have been positive and equal to €4.2 million (6.1% of consolidated sales)
- The **adjusted EBITDA** equals €10.6 million (15%), very close to the marginality target fixed for 2010
- The effects of the implemented rationalization plan will carry further improvements in the future quarters, allowing for an **additional recovery** in terms of **profitability**
- We confirm the already estimated one-off costs of €25 million (at fixed exchange rates), including those that will be held after 2010; however, the more relevant percentage of these costs will be accounted for in 2009
- The **consolidated net loss** was €12.9 million, compared to a net income of €17.6 million in 1H 2008

# First Half 2009 Consolidated Sales By Geographic Area



# Information Displays BU Sales

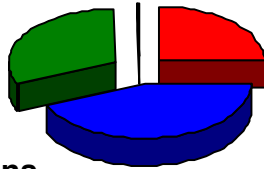


All figures in M€, unless otherwise stated

	1H2009	1H2008	Total difference	Consolid. Area difference	Price-quantity effect	Exchange rates effect
Liquid Crystal Displays	15.7	41.0	-61.7%	0.0%	-63.7%	2.0%
Cathode Ray Tubes	1.9	5.6	-65.9%	0.0%	-70.7%	4.8%
<b>Information Displays</b>	<b>17.6</b>	<b>46.6</b>	<b>-62.2%</b>	<b>0.0%</b>	<b>-64.6%</b>	<b>2.4%</b>

- ✓ CRTs continue to decline
- ✓ The market of lamps for LCD has structurally changed
- ✓ The weak growth in LCD volumes due to the probable sell-out of the stocks, occurred at the end of the semester, was negatively offset by the trend of prices, also due to the emergence of the low cost competition in the Far-East markets
- ✓ Positive exchange rates effect equal to 2.4%

# Industrial Applications BU Sales



All figures in M€, unless otherwise stated

## Industrial Applications

43.3%

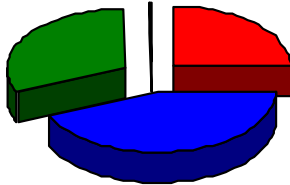
	1H2009	1H2008	Total difference	Consolid. Area difference	Price-quantity effect	Exchange rates effect
Lamps	4.6	6.1	-25.0%	0.0%	-31.4%	6.4%
Electronic Devices	14.9	12.6	18.4%	6.0%	4.7%	7.7%
Vacuum Systems and Thermal Insulation	3.6	2.7	34.8%	0.0%	15.7%	19.1%
Semiconductors	7.3	9.5	-23.5%	0.0%	-33.7%	10.2%
<b>Industrial Applications</b>	<b>30.4</b>	<b>30.9</b>	<b>-1.7%</b>	<b>2.4%</b>	<b>-13.3%</b>	<b>9.2%</b>

- ✓ Strong increase in the sales of getters for solar collectors (by more than 70%), of getters for military applications (Electronic Devices Business) and pumps for vacuum systems (Vacuum Systems and Thermal Insulation Business)
- ✓ Sales within the Lamps business as well as the Semiconductors business decreased, being mostly exposed to the fluctuations of the economic cycle
- ✓ Positive exchange rates effect equal to 9.2%
- ✓ During the semester, it has been signed a commercial partnership agreement with STMicroelectronics in the sector of microelectronic and micro-electro-mechanical devices (MEMS)

# Shape Memory Alloys BU Sales

## Shape Memory Alloys

31.2%



All figures in M€, unless otherwise stated

	1H2009	1H2008	Total difference	Consolid. Area difference	Price-quantity effect	Exchange rates effect
Shape Memory Alloys	21.9	3.8	470.9%	493.4%	-30.3%	7.8%

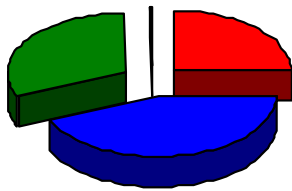
- ✓ Consolidated sales of the SMA Business Unit were €21.9 million in the first semester 2009 and include sales generated by the acquisitions closed during 2008
- ✓ 1H 2009 sales have been positively influenced by higher volumes in the first quarter 2009 to support two important customers in the launch of new products
- ✓ The exchange rates effect was positive for 7.8%

# Advanced Materials BDU Sales

All figures in M€, unless otherwise stated

Advanced Materials

0.4%



	1H2009	1H2008	Total difference	Consolid. Area difference	Price-quantity effect	Exchange rates effect
Advanced Materials	0.3	0.4	-29.2%	0.0%	-31.2%	2.0%

✓ Slowdown in sales of the optoelectronic business, only partially offset by the growth in the flat displays other than LCD business

# Information Displays Margins

*All figures in M€, unless otherwise stated*

	1H2009	1H2008	Total difference	1Q2009	1Q2008	2Q2009	2Q2008
<b>NET SALES</b>	17.6	46.6	-29.0	7.4	24.3	10.2	22.3
<b>GROSS PROFIT</b>	9.0	35.2	-26.3	3.4	18.3	5.6	16.9
Gross Margin	50.8%	75.6%		45.9%	75.2%	54.4%	76.0%

- ✓ Consolidated gross profit in terms of sales was 50.8% compared with 75.6% in 1H 2008
- ✓ Strong decrease in profitability was mainly due to lower sales
- ✓ Restructuring undertaken to allow a recovery of marginality in the future quarters
- ✓ Cost of goods sold includes non recurring costs equal to €2.5 million. Without these costs, gross margin would have been equal to 65%



# Industrial Applications Margins

*All figures in M€, unless otherwise stated*

	1H2009	1H2008	Total difference	1Q2009	1Q2008	2Q2009	2Q2008
<b>NET SALES</b>	30.4	30.9	-0.5	16.2	16.4	14.2	14.5
<b>GROSS PROFIT</b>	15.0	15.4	-0.4	8.0	8.3	7.0	7.1
Gross Margin	49.3%	49.9%		49.5%	50.7%	49.0%	48.9%

✓ Consolidated gross profit, equal to €15 million, was 49.3% of sales compared to 49.9% in 1H 2008, mainly due to a different sales mix

# Shape Memory Alloys Margins

All figures in M€, unless otherwise stated

	1H2009	1H2008	Total difference	1Q2009	1Q2008	2Q2009	2Q2008
<b>NET SALES</b>	21.9	3.8	18.1	12.1	1.8	9.8	2.0
<b>GROSS PROFIT</b>	7.6	0.2	7.4	4.8	0.3	2.9	-0.1
Gross Margin	34.9%	5.0%		39.4%	18.9%	29.3%	-7.3%

- ✓ Gross profit equal to €7.6 million, corresponding to 34.9% of turnover, compared to a gross profit equal to €0.2 million (5% of revenues) in 1H 2008
- ✓ The increase in gross margin is due to the effects of the integration of Memry Corporation in SAES Getters Group

# Advanced Materials BDU & Corporate Costs Margins

All figures in M€, unless otherwise stated

	1H2009	1H2008	Total difference	1Q2009	1Q2008	2Q2009	2Q2008
<b>NET SALES</b>	0.3	0.4	-0.1	0.1	0.2	0.1	0.2
<b>GROSS PROFIT</b>	-0.8	-0.6	-0.2	-0.2	0.0	-0.5	-0.6
Gross Margin	-277.6%	-153.4%		-184.1%	10.9%	-358.2%	-303.0%

- ✓ Gross profit was negative for €0.8 million, compared to a negative €0.6 million in the previous year
- ✓ It includes non recurring costs of €0.3 million

# Operating expenses

	1H2009 actual	non recurring	change in cons. perimeter	1H09 revised	1H2008	Difference
R&D expenses	9.4	1.8	0.8	6.7	9.0	-2.3
Selling expenses	8.6	1.1	0.9	6.6	6.6	0.0
G&A expenses	20.7	6.0	2.3	12.5	12.0	0.5
<b>Total Operating expenses</b>	<b>38.7</b>	<b>8.9</b>	<b>4.0</b>	<b>25.8</b>	<b>27.6</b>	<b>-1.8</b>

- ✓ Operating expenses of 1H 2009 are specified only at consolidated level, instead of being classified for BU, as an analysis is underway for the re-allocation of such costs to BU, in consideration of the modified market scenario and of the strategic re-positioning of the SAES Getters' Group
- ✓ Total consolidated operating costs were equal to €38.7 million, increased when compared to €27.6 million in 1H 2008, mainly due to the change in the scope of consolidation (€4 million) and to non recurring charges (€8.9 million)
- ✓ Net of those, operating expenses are diminished by about 7% as a consequence both of the announced cost reduction plan and of the restructuring plan, partially penalized by a negative exchange rates effect (i.e. the revaluation of the USD has reduced the amount of the savings made)

*All figures in M€, unless otherwise stated*

# Consolidated Income Statements

	1H2009	1H2008	Total difference
<b>NET SALES</b>	<b>70.1</b>	<b>81.7</b>	<b>-11.5</b>
<b>GROSS PROFIT</b>	<b>30.8</b>	<b>50.2</b>	<b>-19.4</b>
Gross Margin	43.9%	61.5%	
<i>R&amp;D expenses</i>	9.4	9.0	0.4
<i>Selling expenses</i>	8.6	6.6	2.0
<i>G&amp;A expenses</i>	20.7	12.0	8.7
Total Operating expenses	38.7	27.6	11.1
Other income (expenses), net	0.4	-0.2	0.6
<b>OPERATING INCOME</b>	<b>-7.5</b>	<b>22.4</b>	<b>-29.9</b>
Operating Margin	-10.6%	27.4%	
Interest and other financial income, net	-1.2	0.7	-1.8
Foreign exchange gains (losses), net	-0.6	3.1	-3.7
<b>INCOME BEFORE TAXES</b>	<b>-9.2</b>	<b>26.2</b>	<b>-35.4</b>
Income Taxes	3.8	8.7	-4.8
<b>NET INCOME on continuing operations</b>	<b>-13.0</b>	<b>17.5</b>	<b>-30.6</b>
Net Margin	-18.6%	21.5%	
Net income (loss) on discontinuing operations	0.2	0.0	0.2
Minority interest	0.0	-0.1	0.1
<b>GROUP NET INCOME</b>	<b>-12.9</b>	<b>17.6</b>	<b>-30.4</b>
Net Margin	-18.3%	21.5%	

All figures in M€, unless otherwise stated

# One-off detail

All figures in M€, unless otherwise stated

	COGS	OPEX	OTHER	TOTAL
Depreciation & amortization	0.3	-	-	0.3
Write off	0.7	2.9	-	3.6
Severance	0.8	4.2	-	5.0
Other	(0.1)	0.2	-	0.1
<b>Restructuring costs</b>	<b>1.7</b>	<b>7.4</b>	<b>0.0</b>	<b>9.1</b>
Free assignment of treasury shares	-	1.4	-	1.4
Depreciation & amortization	1.1	0.0	-	1.2
Write off	0.4	-	-	0.4
Other	-	0.1	(0.4)	(0.4)
<b>Other non recurring costs</b>	<b>1.5</b>	<b>1.6</b>	<b>(0.4)</b>	<b>2.6</b>
<b>Total one-off</b>	<b>3.2</b>	<b>9.0</b>	<b>(0.4)</b>	<b>11.7</b>

	GROSS PROFIT	OPERATING INCOME	EBITDA
<b>Actual</b>	<b>30.8</b>	<b>(7.5)</b>	<b>4.3</b>
<i>% on net sales</i>	43.9%	-10.6%	6.2%
Non recurring costs	3.2	11.7	6.2
<b>Adjusted</b>	<b>34.0</b>	<b>4.2</b>	<b>10.6</b>
<i>% on net sales</i>	48.4%	6.1%	15.0%

- ✓ Total non recurring operating costs equals €11.7 million in 1H 2009
- ✓ Among these, one-off costs of €9.1 million are related to the restructuring plan, and include mainly costs related to the plan of personnel reduction (€5 million), higher depreciation and devaluations (€3.9 million)
- ✓ Net of non recurring costs, **adjusted EBITDA** equals €10.6 million (+€6.2 million) or 15% on consolidated sales

# Consolidated Income Statements – pro forma

All figures in M€, unless otherwise stated

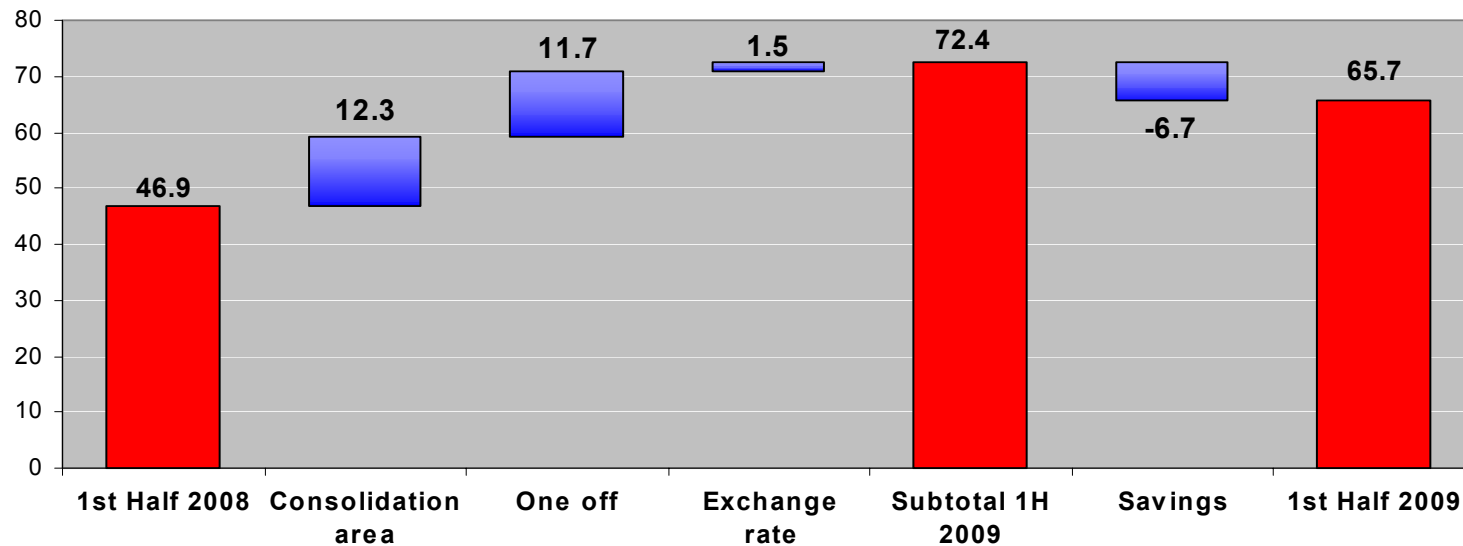
	1H2009	non recurring	1H09 net of non recurring
<b>NET SALES</b>	<b>70.1</b>		<b>70.1</b>
Cost of goods sold	-39.3	-3.2	-36.2
<b>GROSS PROFIT</b>	<b>30.8</b>	<b>-3.2</b>	<b>34.0</b>
<i>Gross Margin</i>	43.9%		48.4%
Operating expenses	-38.7	-9.0	-29.7
Other income (expenses), net	0.4	0.4	0.0
<b>OPERATING INCOME</b>	<b>-7.5</b>	<b>-11.7</b>	<b>4.2</b>
<i>Operating Margin</i>	-10.6%		6.1%

✓ Net of non recurring expenses, the **pro-forma operating income** would have been positive and equal to €4.2 million (6.1% of consolidated sales)

# Costs Trend

All figures in M€, unless otherwise stated

DL, MO, OPEX



- ✓ Total operating costs (DL+MO+OPEX) are diminished by €6.7 million as a consequence both of the announced cost reduction plan and of the restructuring plan
- ✓ With comparable exchange rates, these costs would have been lower for €1.5 million
- ✓ The change in the consolidation perimeter brought an increase in costs equal to €12.3 million



# Net Financial Position

*All figures in M€, unless otherwise stated*

	30 Jun 09	31 Dec 08	Difference
Cash and cash equivalents	24.5	37.3	(12.8)
Current financial assets	0.7	0.0	0.7
Current financial liabilities	13.1	40.2	(27.1)
<b>Current net financial position</b>	<b>12.1</b>	<b>(2.8)</b>	<b>15.0</b>
<b>Non current financial liabilities</b>	<b>37.3</b>	<b>17.5</b>	<b>19.8</b>
<b>NET FINANCIAL POSITION</b>	<b>(25.1)</b>	<b>(20.3)</b>	<b>(4.8)</b>

- ✓ The NFP at June 30, 2009 is represented by cash and cash equivalents for €24.5 million and net financial debt for €49.6 million
- ✓ The decrease with respect of the end of 2008 is mainly due to:
  - dividend distribution (€17.7 million)
  - investment activities (€3.9 million)
  - costs related to the set up of the new IT system of the Group
- ✓ These costs have been partially offset by the cash generated from the sale of the polymer division of Memry Corporation, closed on February 9, 2009 (\$25 million)

# Business Outlook

- We confirm the structural difficulties in the **LCD** business, that will continue to be characterized by signs of strong instability
- With regard to the **Industrial Applications** market, we expect it to continue its current good trend, confirming the business growth related to the military and the solar sectors
- As for the **SMA Business Unit**, after a first semester particularly favorable, in the second part of the year results will be in line with the original forecast of growth
- The undertaken **restructuring plan**, both on the manufacturing and on the commercial side, is a painful operation, but important for the future of the SAES Getters Group
- In the light of the results so far recorded, SAES Getters considers realistic the achievement of 2010 targets with restructuring costs even lower than those initially announced
- These objectives can be improved in the forthcoming years if we consider a market recovery and the launch of new products presently under development, at stable exchange rates, while continuing our commitment in controlling and gradually reducing fixed costs

# Disclaimer and Attestation

This presentation contains forward-looking statements which are based upon current expectations and involve a number of risks and uncertainties. There are a number of important factors that could cause actual results to differ materially from those expressed in any forward-looking statements made by the Company. These factors include the Company's ability to introduce new products at planned costs and on planned schedules, the Company's ability to maintain key client relationships and the environments of the various economies in the countries the Company conducts business. The Company cautions that the foregoing list of important factors is not exclusive. The Company undertakes no obligation to publicly release the result of any revision to these forward-looking statements which may be made to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

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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*

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for your attention

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