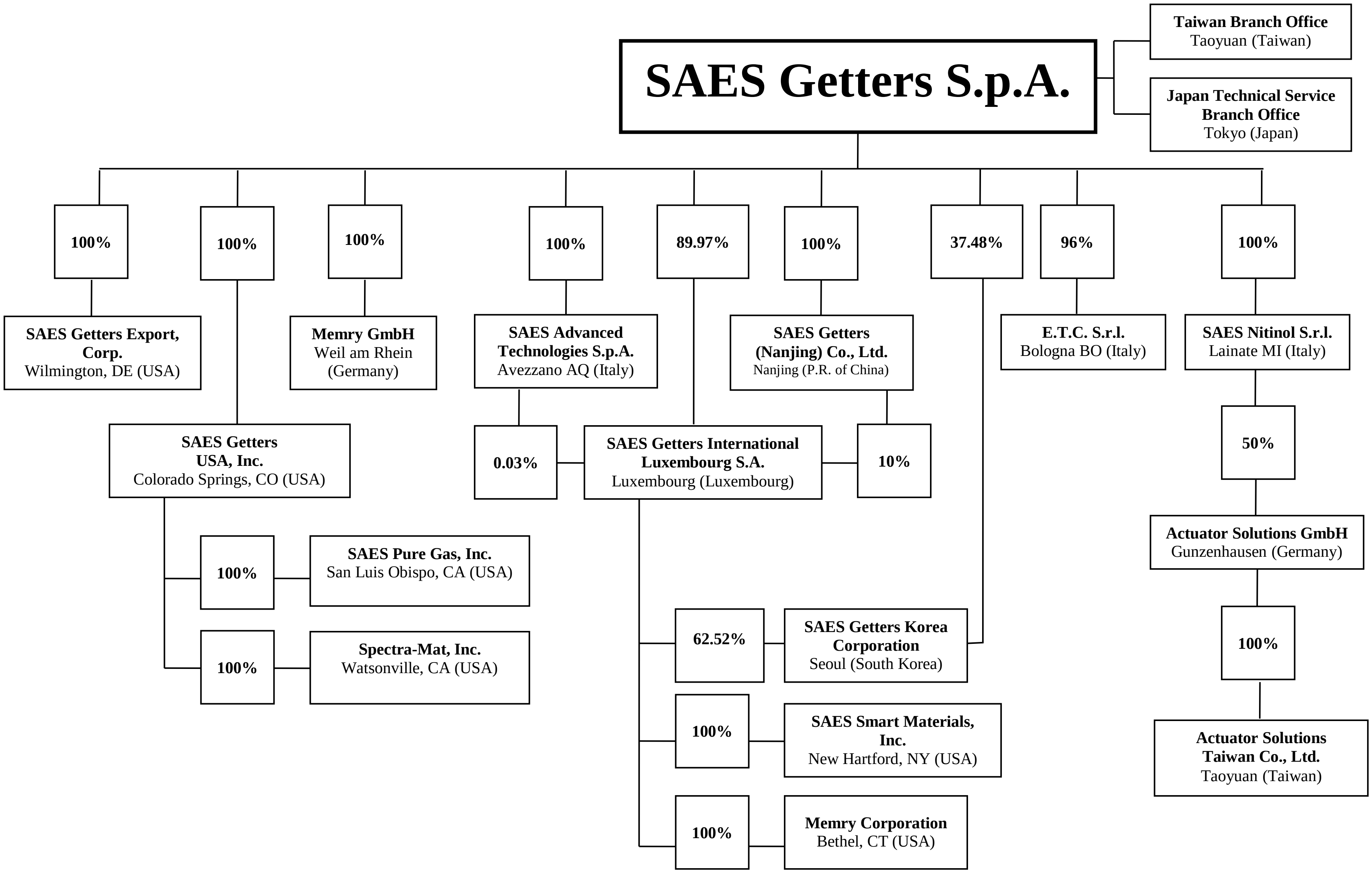
Consolidated Financial Statements 2014

saes group

2014


SAES Getters S.p.A.
Taiwan Branch Office
Taoyuan (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%
Memry GmbH
Weil am Rhein (Germany)
100%
SAES Advanced Technologies S.p.A.
Avezzano AQ (Italy)
0.03%
89.97%
SAES Getters International Luxembourg S.A.
Luxembourg (Luxembourg)
100%
SAES Getters (Nanjing) Co., Ltd.
Nanjing (P.R. of China)
10%
62.52%
SAES Getters Korea Corporation
Seoul (South Korea)
100%
SAES Smart Materials, Inc.
New Hartford, NY (USA)
100%
Memry Corporation
Bethel, CT (USA)
37.48%
96%
E.T.C. S.r.l.
Bologna BO (Italy)
100%
SAES Nitinol S.r.l.
Lainate MI (Italy)
50%
Actuator Solutions GmbH
Gunzenhausen (Germany)
100%
Actuator Solutions Taiwan Co., Ltd.
Taoyuan (Taiwan)

Consolidated Financial Statements 2014

SAES Getters S.p.A.

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

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

Registered with the Milan Court
Companies Register no. 00774910152

Board of Directors

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

Board of Statutory Auditors

President	Vincenzo Donnamaria (8)
Statutory Auditors	Maurizio Civardi Alessandro Martinelli
Alternate Statutory Auditors	Fabio Egidi Piero Angelo Bottino
Audit Firm	Deloitte & Touche S.p.A. (9)
Representative of holders of savings shares	Massimiliano Perletti (10) (e-mail: massimilano.perletti@roedl.it)

(1) Member of the Compensation Committee
(2) Non-executive Director
(3) Member of the Audit Committee
(4) Independent Director, pursuant to the criteria of the Code of Conduct of the Italian Stock Exchange
(5) Independent Director, pursuant to the combined provisions of article 147-*ter*, paragraph 4, and article 148, paragraph 3, of Legislative Decree 58/1998
(6) Lead Independent Director
(7) Member of the Related Parties Committee
(8) Member of the Supervisory Body
(9) Appointed for the years 2013-2021 by the Shareholders' Meeting held on April 23, 2013
(10) Appointed for the years 2014-2016 by the Special Meeting of Holders of Savings Shares held on April 29, 2014

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

Powers

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

Following the resolution adopted on April 24, 2012, the Board of Directors granted the President and the Vice President and Managing Director the powers of ordinary and extraordinary administration, with the exception of the powers strictly reserved to the competence of the Board or of those powers reserved by law to the Shareholders' Meeting.

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

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LETTER TO SHAREHOLDERS

Dear Shareholders,

The letter addressed to you last year ended with a clear statement: “the Group has come out from a difficult period began in 2009 and is now facing a new positive period characterized by the growth of revenues and the increase in profits”.

The results achieved in 2014 and the forecast for 2015 confirm it.
Both consolidated and total revenues increased compared to the previous year and all the economic and financial indicators of the Group recorded a significant improvement.

The effort of diversification pursued in the last few years has begun to bear its results and is turning into an increase in revenues. In particular, please note the growth in the industrial segment of the shape memory alloys Business Unit and the strong recovery of the medical segment that, after a difficult 2013, has been able to win important supplies for new customers, with clear positive effects on the operating results. In addition, the product innovation has allowed the more traditional segments of the company to increase or at least maintain their revenues, despite the fact that some of the their markets are still undergoing a deep crisis.

These results further demonstrate the renewal capacity of our company, already widely proven both in 2000, when cathode ray tube televisions began to give way to new generation displays, and in 2008, with the market crisis of fluorescent lamps for the backlighting of these new screens.

A heartfelt thanks to all those who made it possible to achieve these results.

In 2015 the Group will continue the path of development of new activities already started, with the aim of further increasing revenues and economic and financial results.

Dr Ing. Massimo della Porta
President

Group financial highlights

GROUP FINANCIAL HIG HLIGHTS

(thousands of euro)

Income statement figures	**2014**	**2013** (9)	**Difference**	**Difference %**
NET SALES				
- Industrial Applications	85,842	90,323	(4,481)	-5.0%
- Shape Memory Alloys	44,460	37,017	7,443	20.1%
- Business Development	1,399	1,203	196	16.3%
Total	**131,701**	**128,543**	**3,158**	**2.5%**
GROSS PROFIT (1)				
- Industrial Applications	41,856	40,018	1,838	4.6%
- Shape Memory Alloys	14,322	11,992	2,330	19.4%
- Business Development & Corporate Costs (2)	493	(593)	1,086	183.1%
Total	**56,671**	**51,417**	**5,254**	**10.2%**
% on sales	*43.0%*	*40.0%*		
Adjusted GROSS PROFIT (3)	**n.a.**	**51,371**		
% on sales		*40.0%*		
EBITDA (4)	**21,648**	**15,744**	**5,904**	**37.5%**
% on sales	*16.4%*	*12.2%*		
Adjusted EBITDA (4)	**n.a.**	**17,165**		
% on sales		*13.4%*		
OPERATING INCOME	**13,012**	**5,508**	**7,504**	**136.2%**
% on sales	*9.9%*	*4.3%*		
Adjusted OPERATING INCOME (3)	**n.a.**	**7,398**		
% on sales		*5.8%*		
NET INCOME from continued operations	**3,424**	**831**	**2,593**	**312.0%**
% on sales	*2.6%*	*0.6%*		
Adjusted NET INCOME from continued operations (3)	**n.a.**	**2,499**		
% on sales		*1.9%*		
NET INCOME (LOSS) (5)	**4,836**	**(562)**	**5,398**	**960.5%**
% on sales	*3.7%*	*-0.4%*		

Balance sheet and financial figures	**December 31, 2014**	**December 31, 2013**	**Difference**	**Difference %**
Tangible fixed assets	50,684	51,473	(789)	-1.5%
Group shareholders' equity	112,685	100,304	12,381	12.3%
Net financial position	(26,945)	(36,546)	9,601	26.3%

Other information	**2014**	**2013** (9)	**Difference**	**Difference %**
Cash flow from operating activities	13,958	5,024	8,934	177.8%
Research and development expenses (6)	14,375	14,864	(489)	-3.3%
Number of employees as at December 31 (7)	964	926	38	4.1%
Personnel cost (8)	51,599	54,881	(3,282)	-6.0%
Disbursement for acquisition of tangible assets	4,310	6,470	(2,160)	-33.4%

(1) This item is calculated as the difference between the net turnover and the industrial costs directly and indirectly attributable to the products sold.

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

(3) Net of non-recurring costs and other costs considered by the management as not meaningful with reference to the current operating performance.

(4) EBITDA is not deemed as an accounting measure under International Financial Reporting Standards (IFRS); however, we believe that EBITDA is an important parameter for measuring the Group's performance and therefore it is presented as an alternative indicator. Since its calculation is not regulated by applicable accounting standards, the method applied by the Group may not be homogeneous with the ones adopted by other Groups. EBITDA is calculated as "Earnings before interests, taxes, depreciation and amortization".
For Adjusted EBITDA we intend EBITDA rectified in order to not include non-recurring items and other items considered by the management as not meaningful with reference to the current operating performance.

(thousands of euro)

	2014	2013
Operating income	13,012	5,508
Depreciation and amortization	8,556	9,436
Write-down of assets	0	840
Bad debt provision accrual (release)	80	(40)
EBITDA	**21,648**	**15,744**
% on sales	*16.4%*	*12.2%*
Personnel restructuring		1,096
Write-down of inventory		325
Adjusted EBITDA	**n.a.**	**17,165**
% on sales		*13.4%*

(5) It includes the net result from assets held for sale and discontinued operations (equal, respectively, to an income of 1,412 thousand euro in 2014 and a loss equal to-1,393 thousand euro in 2013).

(6) In 2013 Research and Development expenses included non-recurring net costs equal to 124 thousand euro (severance costs equal to 320 thousand euro and savings resulting from the use of social security provisions in the Italian Group's companies equal to 196 thousand euro); net of these non-recurring items, R&D expenses would have been equal to 14,470 thousand euro, or 11.5% of consolidated sales.

(7) As at December 31, 2014 this item includes:
- employees for 913 units (902 units as at December 31, 2013);
- personnel employed with contract types other than employment agreements, equal to 51 units (24 units as at December 31, 2013).

This figure does not include the personnel (employees and temporary workers) of the joint venture Actuator Solutions amounting, according to the percentage of ownership held by the Group, to 36 units as at December 31, 2014 (22 units at the end of the previous year, always according to the percentage of ownership held by the Group).

(8) As at December 31, 2014 the severance costs included in the personnel costs are equal to 210 thousand euro; the use of the social security provisions in the Italian Group's companies has instead led to a reduction in the personnel costs equal to 2,139 thousand euro.
In the year 2013 the costs for staff reduction amounted to 2,874 thousand euro, while the use of the social security provisions led to a reduction in the personnel costs equal to 1,778 thousand euro.

(9) Please note that expenses and revenues of 2013, shown for comparative purposes, have been reclassified to enable a homogeneous comparison with 2014; in particular, as a result of the continuous technological evolution in the *Organic Light Emitting Diodes* business and of the delays in the commercial launch of OLED TVs, revenues and expenses of this segment have been reclassified within the Business Development Unit. Similarly, the figures related to the *Energy Devices* business, that doesn't have significant trade volumes, have been reclassified within the Business Development Unit. In this way, the Group can continue its research activities in both areas without any short-term commercial constraint, with the possibility to deepen its know-how in the field of functional polymers and their potential applications. Finally, the revenues and the operating expenses related to the *LCD* business (respectively equal to about 30 thousand euro and -363 thousand euro in 2013) were reclassified within the Light Sources Business (Industrial Applications Business Unit).

Report on operations of SAES Group

REPORT ON OPERATIONS

A pioneer in the development of getter technology, the Company SAES Getters S.p.A., together with its subsidiaries, (hereinafter "SAES® Group") is the world leader in a variety of scientific and industrial applications where stringent vacuum conditions or ultra-pure gases are required. In more than 70 years of activity, the Group's getter solutions have been supporting innovation in the information display and 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 Group has expanded its business into the advanced material markets, in particular the market of shape memory alloys, a family of materials characterized by super elasticity and by the property of assuming predefined forms when subjected to heat treatment. These special alloys, which today are mainly applied in the biomedical sector, are also perfectly suited to the realization of actuator devices for the industrial sector (domotics, white goods industry, consumer electronics and automotive sector).

More recently, SAES has expanded its business by developing components whose getter functions, traditionally obtained from the exploitation of the special features of some metals, are instead generated by chemical processes. Thanks to these new developments, SAES is evolving, adding to its competencies in the field of special metallurgy also those of organic chemicals.

A total production capacity distributed in ten facilities, a worldwide-based sales & service network and more than 900 employees allow the Group to combine multicultural skills and expertise to form a truly global enterprise.

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

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

The Parent Company is controlled by S.G.G. Holding S.p.A., which does not exercise any management and coordination activity in accordance with article 2497 of the Civil Code, for the reasons explained later in the Report on corporate governance and ownership.

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

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

Industrial Applications Business Unit	
Electronic & Photonic Devices	Getters and metal dispensers for electronic vacuum devices
Sensors & Detectors	Getters for microelectronic and micromechanical systems (MEMS)
Light Sources	Getters and metal dispensers used in discharge lamps and fluorescent lamps
Vacuum Systems	Pumps for vacuum systems
Thermal Insulation	Products for thermal insulation

Pure Gas Handling	Gas purifier systems for semiconductor industry and other industries
Shape Memory Alloys (SMA) Business Unit	
SMA Medical applications	NiTinol shape memory alloys for the biomedical sector
SMA Industrial applications	SMA actuator devices for the industrial sector (domotics, white goods industry, consumer electronics and automotive sector)
Business Development Unit	
Business Development	Research projects undertaken to achieve the diversification into innovative businesses

As a result of the continuous technological evolution in the *Organic Light Emitting Diodes* business and of the delays in the commercial launch of OLED TVs, revenues and expenses of this segment have been reclassified within the Business Development Unit. Similarly, the figures related to the *Energy Devices* business, that doesn't have significant trade volumes, have been reclassified within the Business Development Unit. In this way, the Group can continue its research activities in both areas without any short-term commercial constraint, with the possibility to deepen its know-how in the field of functional polymers and their potential applications.
Finally, the revenues and the operating expenses related to the *LCD* business, almost equal to zero, were reclassified within the Light Sources Business (Industrial Applications Business Unit).
Please note that, following the reclassifications that have affected the OLED business, the progressive resetting to zero of LCD revenues and the shutdown of the last factory dedicated to the CRT production, the Information Displays operating segment has ceased to exist.
For more details about the reclassifications of 2013 figures please refer to Note no. 1 and Note no. 14.

Finally, please note the new segmentation of the Industrial Applications and of the Shape Memory Alloys Business Units and the new denomination of some business segments, to better respond to the current organizational structure of the Group.

Industrial Applications Business Unit

Electronic & Photonic Devices
SAES Group provides advanced technological solutions to the electronic devices of a wide range of markets, including the aeronautical, medical, industrial, security and defence sectors, as well as basic research.
The portfolio of products includes, among others, getters of different types and formats, alkaline metal dispensers, cathodes and materials for thermal management. The offered products are able to satisfy the most stringent application requirements and are employed in various devices such as X-ray tubes, microwave tubes, solid state lasers, electron sources, photomultipliers and radiofrequency amplification systems.

Sensors & Detectors
SAES Group provides advanced technological solutions to the electronic devices of a wide range of markets, including the aeronautical, industrial, security and defence sectors, as well as consumer electronics.
The portfolio of products includes mainly getters of different types and formats. The offered products 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 based on infrared sensors, gyroscopes for navigation systems, pressure sensors and, more recently, MEMS devices of variuos nature. In particular, for the MEMS market, SAES has developed a thin getter film that can be deposited directly on silicon slices used for the manufacturing of sensors; this allows the getter technology to be easily integrated in miniaturized systems of last generation.

Light Sources
SAES Group is the world leader in the supply of getters and metal dispensers for lamps. Its innovative and high-quality products work by preserving the vacuum and the purity of the refill gases, thereby maintaining optimum lamp operation conditions over time. SAES has also been involved for years in the development of mercury dispensers with a low environmental impact, in line with the stricter international legislation in force in this field.

Vacuum Systems
The skills acquired in the vacuum technology are the basis of the development of pumps based on non-evaporable getter materials (NEG), which can be applied in both industrial and scientific fields (as an example, in analytical instrumentation, in vacuum systems for research activities and in particle accelerators). The family of high vacuum pumps NEXTorr®, welcomed in the already mentioned application markets, integrates in a single device, extremely compact and powerful, both the getter technology and the ionic one. This product line has recently been joined by that of CapaciTorr® HV, high vacuum pumps that use an innovative alloy with a greater capacity to absorb gases and that are expected to further contribute and strengthen the Group's position in its target markets.

Thermal Insulation
SAES solutions for vacuum thermal insulation include NEG products for cryogenic applications, for solar collectors both for home applications and operating at high temperatures and for thermos. In addition, SAES is particularly active in the development of innovative getter solutions (SMARTCOMBO®) for vacuum insulating panels for the white goods industry, a sector with a significant growth following the more and more stringent regulations on energy efficiency.

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

Shape Memory Alloys Business Unit

The SAES Group produces semi-finished products, components and devices in shape memory alloy, a special alloy made of nickel-titanium (NiTinol), characterized by super-elasticity (a property that allows the material to withstand even large deformations, returning then to its original form) and by the property of assuming predefined forms when subjected to heat treatment. The production process of SAES is vertically integrated (from the melting of the NiTinol alloy to the production of components) and allows a complete flexibility in the supply of products, together with a total quality control.

SMA Medical Applications
NiTinol is used in a wide range of medical devices, in particular in the cardiovascular field. In fact, its super-elastic properties are ideal for the manufacturing of the devices used in the growing field of non-invasive surgery, such as self-expanding devices (aortic and peripheral stents or heart valves) and catheters to navigate within the cardiovascular system. SAES, through its subsidiaries Memry Corporation and Memry GmbH, offers the end manufacturers of the medical device a full range of sophisticated NiTinol-based solutions.

SMA Industrial Applications
The shape memory alloy, in addition to being characterized by super-elasticity, has the property of assuming predefined forms when subjected to heat treatment and, by virtue of this characteristic, it is used in the production of a variety of devices (valves, proportional valves, actuators, release systems, mini-actuators) that exploit its distinctive characteristics (noiseless, compact, light, low power consumption, proportional control). The use of SMA devices in the industrial field goes across the board of many application areas such as domotics, the white goods industry, consumer electronics and the automotive business.

Business Development Unit - Hybrid Getters

The SAES Group has developed innovative hybrid technologies that integrate getter materials in polymer matrices, mainly used in the field of OLED (Organic Light Emitting Diodes) displays and lamps. SAES is also introducing a new line of products dedicated to flexible OLED applications.

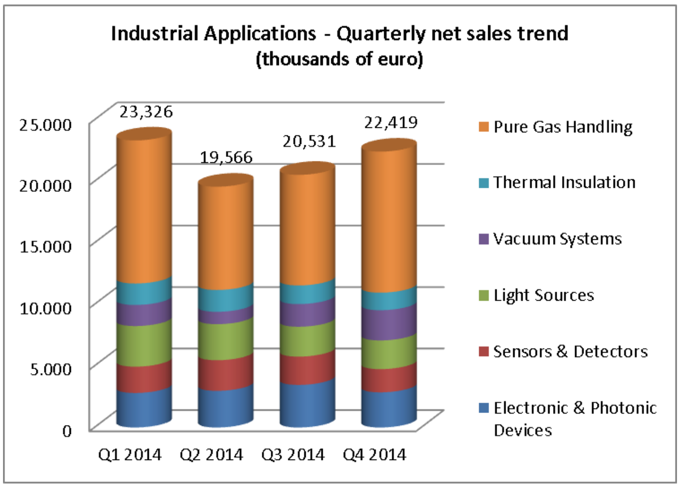
The getter solutions in polymer matrices, initially developed for the OLED business, can be applied also in new areas such as food packaging and that of implantable medical devices, a prelude to a further expansion of the traditional perimeter of use of this innovative product line.

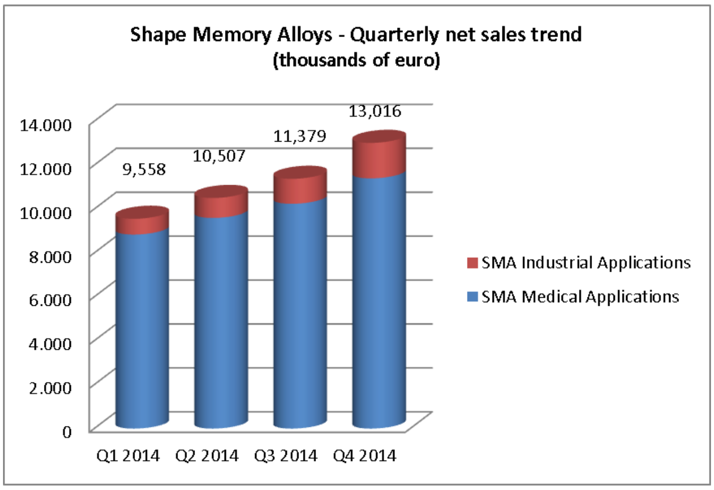
With regards to hybrid getters, the SAES Group is also active in the field of electrochemical devices of new generation for energy storage, such as super-capacitors and lithium batteries, primarily intended for the market of hybrid and electric engines. In particular, SAES offers polymer solutions with getter functionalities to control the generation of gas inside these devices and to improve their safety and performance.

Relevant events occurred in 2014

In 2014 the SAES Group achieved consolidated revenues equal to 131.7 million euro, up by 2.5% compared to 128.5 million euro achieved in 2013, only slightly penalized by the exchange rate effect that remained negative over the year (-0.3%), due to the persistent weakness of the yen against the euro and given that the appreciation of the dollar against the euro began only in the second part of the year.
The revenues' growth was mainly concentrated in the Shape Memory Alloys Business Unit (+20.1%). In particular, the medical segment increased (+16.8%) thanks to the acquisition of new customers, fostered by the technological development and by the strengthening of the product portfolio that have characterized the last few years, as well as by the positive trend of the sales in the European market. Also the industrial segment significantly increased (+62%) thanks to the sales' increase of SMA springs and educated wires for automotive and consumer electronics applications.
In the Industrial Applications Business Unit (-5%), the revenues' growth recorded in some sectors (Thermal Insulation, Vacuum Systems and Sensors & Detectors) was not enough to offset the decrease in revenues in the other businesses, in particular in the gas purification and in the lamps ones.
The vacuum pumps segment (Vacuum Systems Business) was supported both by the success of new products and by the restarting of investments in the scientific field; the Thermal Insulation Business grew thanks to the higher sales of getter solutions for the refrigeration market. The Sensors & Detectors Business was supported by the products for infrared sensors.
On the other hand, the lamps sector has suffered for the international crisis and for the increased competitive pressure; also the defense market remained weak (Electronic & Photonic Devices Business). The gas purification business was penalized by the decrease in investments especially in the semiconductor and display markets that occurred in the central part of the year, but showed a significant turnaround in the last months of the year.

By analyzing the trend of consolidated revenues in 2014, please note the trend of growth in the last two quarters of the year, also favored by the exchange rate effect.
In particular, there is a progressive increase in the sales both of shape memory alloys for medical and industrial applications (+8.7% was the organic growth of the SMA Business Unit in the fourth quarter compared to the third one) and of the Industrial Applications Business Unit (the organic growth was equal to +4.6% in the fourth quarter compared to the third quarter), driven by the pure gas handling and vacuum systems businesses, which more than offset the decrease in revenues in the other segments.





Total revenues of the Group, achieved by incorporating the 50% joint venture Actuator Solutions with the proportional method instead of the equity method, were equal to 138.9 million euro in 2014, up by 4.2% compared to 133.3 million euro in 2013.
Please note the strong revenues' growth in the automotive sector of Actuator Solutions (+ 49.9%), in addition to that of SAES consolidated sales, already previously commented.

With regards to the financial results, please note, also in this case, both their growth in 2014 compared to the previous year and the progressive improvement in all indicators (gross profit, EBITDA and operating income) over the past few quarters.

Finally, please note the strong improvement in the net financial position as at December 31, 2014, favored by the generation of operating cash flows and by the completion of the sale of the land use right and the building of the Chinese subsidiary SAES Getters (Nanjing) Co., Ltd. (total proceeds, net of the disposal expenses, amounting to 3.2 million euro).

Here below the other significant events occurred in 2014.

On April 4, 2014, the joint venture Actuator Solutions GmbH, 50% controlled by the Groups SAES and Alfmeier Präzision, won the prestigious "2014 German Innovation Award". This award, established with the joint initiative of the German economic weekly "WirtshaftWoche", in partnership with Accenture, EnBW Energie Baden-Württemberg and Evonik Industries, is awarded annually to companies based in Germany demonstrating the strongest focus on innovation. Among the 100 selected companies, the Jury, composed of some of the most important German economists, academics and experts in innovation, awarded the 2014 prize to Actuator Solutions GmbH in the category of medium-sized companies.

Respectively in April and November 2014, the Parent Company signed two additional royalty agreements for the integration of the SAES thin film getter technology named PageWafer® in MEMS devices (micro-electromechanical systems) used in mobile electronics applications. In addition to an initial lump-sum received against the transfer of the technology, the contracts provide for the payment of royalties according to a percentage proportional to the volumes of silicon wafers produced using SAES' getter technology.
The signing of these contracts confirms the high strategic value of the integration of the getter technology in vacuum-encapsulated MEMS devices, as already clearly demonstrated by the licensing agreements previously signed with some leading microelectronics producers.

In June 2014 SAES Pure Gas, Inc. signed an agreement with the Chinese Group Fujian Jiuce Gas for the supply of a hydrogen purifier to the factory dedicated to the production of semiconductors based in Fuzhou (China). The choice of SAES by an important Chinese Group, such as Fujian Jiuce, is a further evidence of the strengthening of SAES in the hydrogen purification business, after the acquisition of the technology of Power & Energy, Inc., completed in 2013.

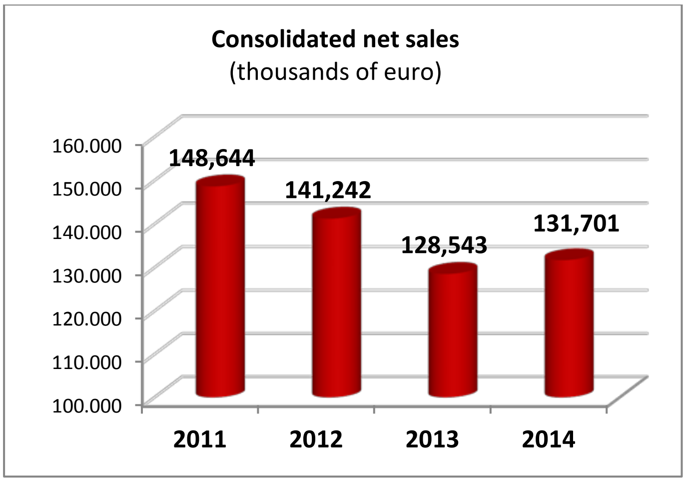
At the end of October 2014 the Group completed the sale of the land use right, the building and related appurtenances of the Chinese subsidiary SAES Getters (Nanjing) Co., Ltd. The consideration for the sale was equal to about RMB 29 million (of which an advance payment of 50% was collected at the signing of the letter of intent in April 2014; a further 30% was received in May 2014 in conjunction with the exit of SAES from the production plant; the balance was paid at the completion of the ownership transfer on October 30, 2014) and the transaction generated a net[1] capital gain of 1,144 thousand euro, classified under the item "Net income from assets held for sale and discontinued operations".

The use of social security provisions in the Italian companies of the Group continued in 2014. In particular, SAES Getters S.p.A. used the Ordinary Redundancy Fund in the first semester, while SAES Advanced Technologies S.p.A. used the defensive job-security agreements during the entire year.

On December 23, 2014, the Parent Company signed a new long-term financing for an amount of 7 million euro, expiring on December 31, 2019, aimed at supporting the corporate financial requirements. The contract provides for the repayment of fixed principal amounts on a quarterly basis (starting from March 31, 2015) and interests indexed to the three-month Euribor, plus a year-based 2.25 basis points.

[1] Net of disposal expenses.

Sales and economical results for the fiscal year 2014



In 2014 **consolidated net revenues** were equal to 131,701 thousand euro, up by 2.5% compared to 128,543 thousand euro achieved in 2013.

The **exchange rate effect** was slightly negative over the year (-0.3%), due to the persistent weakness of the yen against the euro and given that the appreciation of the dollar against the euro began only in the last part of the year. At comparable exchange rates, consolidated revenues would have increased by 2.8% compared to 2013.

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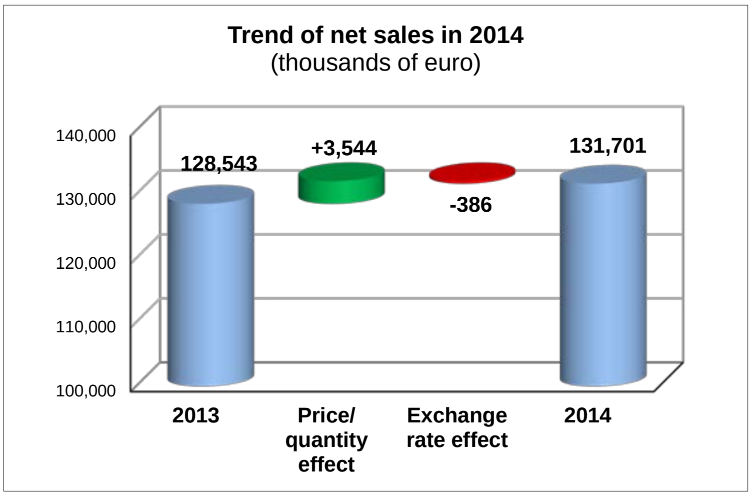
Total revenues of the Group, achieved by incorporating the 50% joint venture Actuator Solutions with the proportional method instead of the equity method, were equal to 138,921 thousand euro, up by 4.2% compared to 133,292 thousand euro in 2013, thanks both to the increase in consolidated revenues (+2.5%) and to the strong revenues' growth of the joint venture (+49.9%).

(thousands of euro)

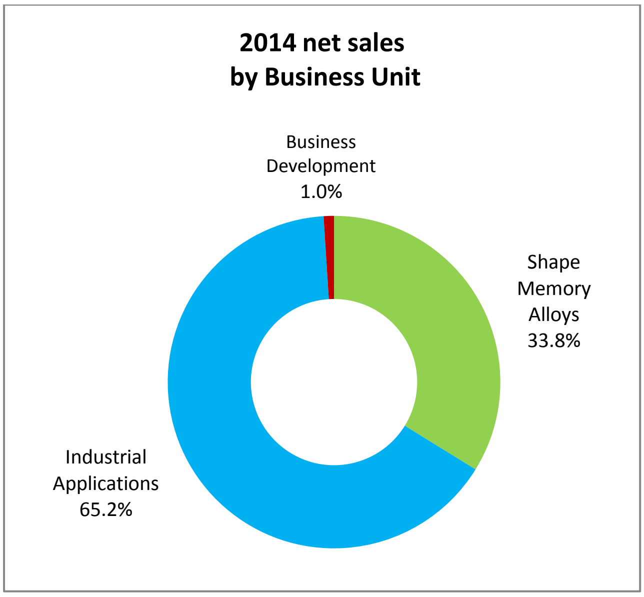
	2014	2013	Difference	Difference %
Consolidated net sales	**131,701**	**128,543**	**3,158**	**2.5%**
50% Actuator Solutions' sales	7,646	5,099	2,547	49.9%
Eliminations	(458)	(334)	(124)	-37.0%
Other adjustments	32	(16)	48	300.0%
Total revenues of the Group	**138,921**	**133,292**	**5,629**	**4.2%**

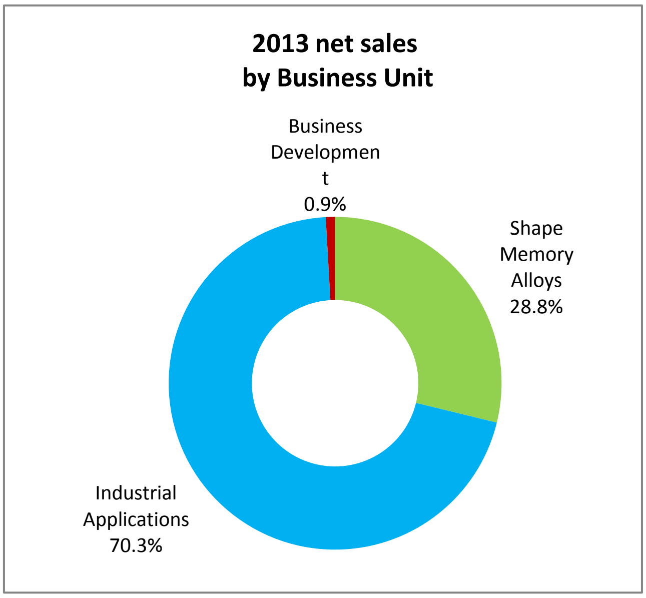
The following chart shows the trend of consolidated net sales during the year 2014, highlighting the effect of exchange rates and the variation due to the changes in selling prices and sales volumes:



Compared to the previous year, in the Industrial Applications Business (65.2% of consolidated revenues in 2014, compared to 70.3% in 2013) the sales' growth in the Vacuum Systems and Thermal Insulation segments was not enough to offset the decrease in revenues in the gas purification and lamps businesses.

In the Shape Memory Alloys Business, the higher turnover in both the medical and the industrial segments resulted in an increase of the percentage of SMA sales over consolidated revenues (from 28.8% in 2013 to 33.8% in 2014).





The following table contains the breakdown of the consolidated net sales by business segment in 2014 and in 2013, along with the percent change at current and comparable exchange rates:

(thousands of euro)

Business	2014	2013	Difference	Difference %	Exchange rate effect %	Price/quantity effect %
Electronic & Photonic Devices	12,105	12,455	(350)	-2.8%	-0.3%	-2.5%
Sensors & Detectors	8,814	8,696	118	1.4%	-0.1%	1.5%
Light Sources	10,989	12,180	(1,191)	-9.8%	-0.9%	-8.9%
Vacuum Systems	7,015	6,623	392	5.9%	-1.6%	7.5%
Thermal Insulation	6,456	5,418	1,038	19.2%	-1.2%	20.4%
Pure Gas Handling	40,463	44,951	(4,488)	-10.0%	0.0%	-10.0%
Industrial Applications	**85,842**	**90,323**	**(4,481)**	**-5.0%**	**-0.4%**	**-4.6%**
SMA Medical Applications	40,076	34,311	5,765	16.8%	0.0%	16.8%
SMA Industrial Applications	4,384	2,706	1,678	62.0%	0.0%	62.0%
Shape Memory Alloys	**44,460**	**37,017**	**7,443**	**20.1%**	**0.0%**	**20.1%**
Business Development	**1,399**	**1,203**	**196**	**16.3%**	**-3.5%**	**19.8%**
Total net sales	**131,701**	**128,543**	**3,158**	**2.5%**	**-0.3%**	**2.8%**

Consolidated revenues of the **Industrial Applications Business Unit** amounted to 85,842 thousand euro, down by 5% compared to 90,323 thousand euro in the previous year. The trend of the euro against the main foreign currencies recorded a negative exchange rate effect equal to -0.4%, net of which revenues would have decreased by 4.6%.

Compared to the previous year, the growth of the Vacuum Systems Business, supported by the increased market penetration of the NEXTorr vacuum pumps, together with the increased sales of getter solutions for vacuum panels for the refrigeration market and for vacuum bottles (Thermal Insulation Business), was not enough to offset the decrease in the field of gas purification (Pure Gas Handling Business, penalized by the reduction of investments in new factories in the display and in the semiconductors industries) and in that of lamps (Light Sources Business, that suffered, especially in the last part of 2014, from the strong pressure on prices and the market downturn caused by a gradual reduction of public investments in all countries).

The Electronic & Photonic Devices Business and the Sensors & Detectors one were substantially stable (with a slight growth in the segment of MEMS for industrial applications).

Sales of the *Electronic & Photonic Devices Business* were equal to 12,105 thousand euro in 2014, compared to 12,455 thousand euro in 2013 (-2.8%). Excluding the negative exchange rate effect (-0.3%), the overall organic decrease was 2.5%.

Sales of the *Sensors & Detectors Business* were equal to 8,814 thousand euro in 2014, up by 1.4% compared to 8,696 thousand euro in 2013. Excluding the negative exchange rate effect (-0.1%), the overall organic growth was 1.5%.

Sales of the *Light Sources Business* amounted to 10.989 thousand euro, down by 9.8% compared to 12,180 thousand euro in 2013. Excluding the negative exchange rate effect (-0.9%), the lamps business showed an organic decrease of 8.9% compared to the previous year.

Sales of the *Vacuum Systems Business* were equal to 7,015 thousand euro in 2014, up by 5.9% compared to 6,623 thousand euro in 2013. The currency effect was negative and equal to -1.6%, while the overall organic growth was equal to +7.5%.

Sales of the *Thermal Insulation Business* were equal to 6,456 thousand euro in 2014 compared to 5,418 thousand euro in 2013 (+19.2%). The currency effect was negative and equal to -1.2%, while the overall organic growth was equal to +20.4%.

Sales of the purification sector (*Pure Gas Handling Business*) were equal to 40,463 thousand euro in 2014, compared to 44,951 thousand euro in 2013 (-10%, with an exchange rate effect almost equal to zero).

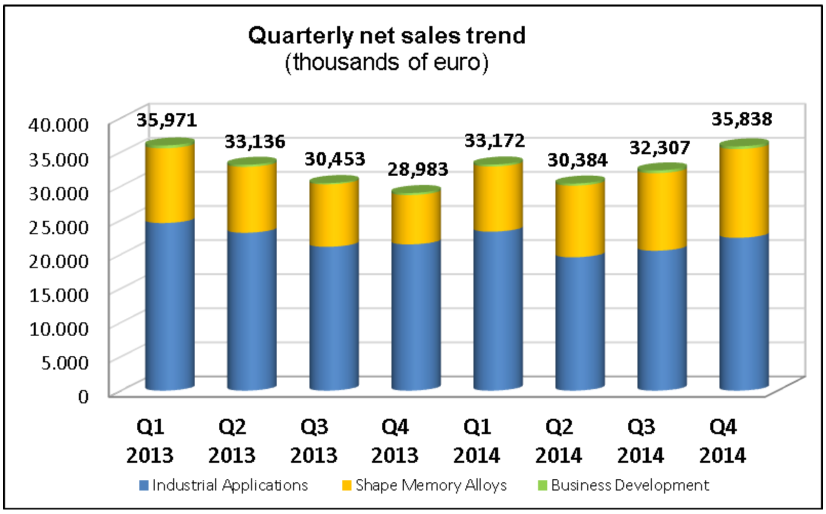
Consolidated revenues of the **Shape Memory Alloys Business Unit** amounted to 44,460 thousand euro, showing a strong increase (+20.1%) compared to 37,017 thousand euro in the previous year. The exchange rate effect was essentially equal to zero.
The increase was due to the growth of both the medical segment (+16.8%), supported by the broadening of the customer portfolio which in turn was possible thanks to the program of technological expansion implemented in the last few years, and the industrial segment (+62%), driven by the sales of SMA springs for automotive applications and of educated wires for consumer electronics applications.

Sales of the *SMA Medical applications Business* were equal to 40,076 thousand euro, up by 16.8% compared to 34,311 thousand euro in 2013. The currency effect was equal to zero.

Sales of the *SMA Industrial applications Business* were equal to 4,384 thousand euro in 2014, up by 62% compared to 2,706 thousand euro in 2013. Also in this case, the exchange effect was equal to zero.

The *Business Development Unit*, which includes projects of basic research or under development aimed at diversifying into innovative businesses, ended the year 2014 with consolidated revenues equal to 1,399 thousand euro, made exclusively of OLED revenues. The increase (+16.3%) compared to revenues equal to 1,203 thousand euro in the previous year, was due to higher sales of solutions for OLED displays, partially offset by the loss of the sales of dryers for solar cells, following the shutdown of the production lines of the main customer of this product.
The exchange rate effect was negative and equal to -3.5%, net of which the organic growth was equal to +19.8%.

The following chart shows the **quarterly trend of revenues** in 2014 and in 2013, with evidence of the breakdown by Business Unit:



By analyzing the trend of consolidated revenues in 2014, please note the trend of growth in the second half of the year, also favored by the exchange rate effect.
In particular, in the **Industrial Applications Business Unit** the increase in sales in the second half of the year was driven by the gas purification business (supported by increased investments in the semiconductor sector and in that of LEDs for lighting) and by the Vacuum Systems Business (higher sales of vacuum pumps to universities and research centers, thanks to the growing success of new products), that more than offset the decrease in revenues in the other segments, affected by the economic crisis and by the need of some customers to clear their inventory.
The **Shape Memory Alloys Business Unit** recorded a steady growth in the sales of both the medical segment and the industrial one. In particular, in the SMA Medical Applications Business, the increase was marked in the second half of the year, spread over various product lines, customers and geographic areas, with revenues in the fourth quarter up by 29% compared to the first quarter. The SMA Industrial Applications Business confirmed the trend of growth (the increase in the fourth quarter of 2014 was equal to +124.9% compared to the first quarter).

The following table contains the quarterly net sales trend in 2014 with evidence of the breakdown by Business:

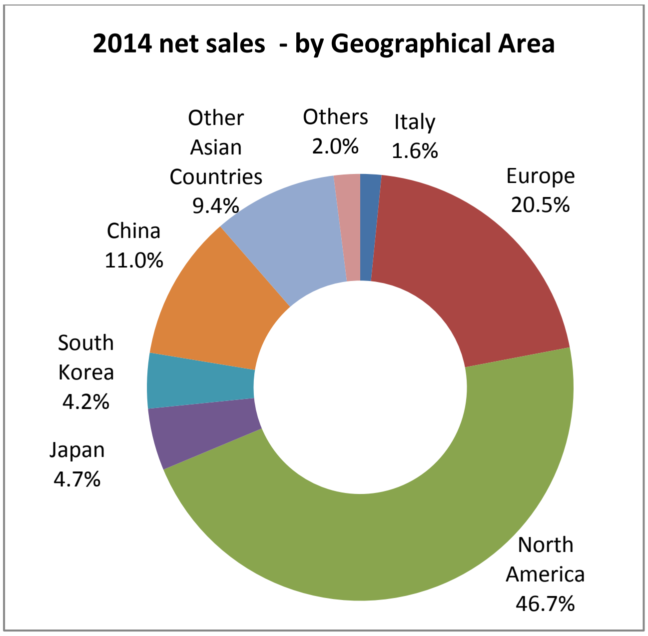
(thousands of euro)

Business	4th Quarter 2014	3rd Quarter 2014	2nd Quarter 2014	1st Quarter 2014
Electronic & Photonic Devices	2,859	3,461	2,979	2,806
Sensors & Detectors	1,885	2,301	2,488	2,140
Light Sources	2,333	2,427	2,931	3,298
Vacuum Systems	2,456	1,841	1,004	1,714
Thermal Insulation	1,425	1,513	1,774	1,744
Pure Gas Handling	11,461	8,988	8,390	11,624
Industrial Applications	**22,419**	**20,531**	**19,566**	**23,326**
SMA Medical Applications	11,399	10,241	9,597	8,839
SMA Industrial Applications	1,617	1,138	910	719
Shape Memory Alloys	**13,016**	**11,379**	**10,507**	**9,558**
Business Development	**403**	**397**	**311**	**288**
Total net sales	**35,838**	**32,307**	**30,384**	**33,172**

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

(thousands of euro)

Geographical area	2014	%	2013	%	Difference	Difference %
Italy	2,073	1.6%	2,089	1.6%	(16)	-0.8%
Europe	26,934	20.5%	26,386	20.5%	548	2.1%
North America	61,451	46.7%	60,322	46.9%	1,129	1.9%
Japan	6,197	4.7%	6,362	4.9%	(165)	-2.6%
South Korea	5,525	4.2%	2,932	2.3%	2,593	88.4%
China	14,524	11.0%	14,708	11.4%	(184)	-1.3%
Other Asian countries	12,347	9.4%	14,966	11.6%	(2,619)	-17.5%
Others	2,650	2.0%	778	0.6%	1,872	240.6%
Total net sales	**131,701**	**100.0%**	**128,543**	**100.0%**	**3,158**	**2.5%**



With reference to the geographical distribution of sales, the main changes compared to the previous year are related to the gas purification business, whose sales increased in South Korea and in Israel ("Others"), while decreased in North America and in Taiwan and Singapore ("Others Asian Countries").
The revenues' growth in South Korea (+88.4%) was also supported by higher sales of getters for thermal insulation.
Despite the decrease in revenues in the Pure Gas Handling Business, sales in the US increased compared to the previous year (+1.9%) thanks to the aforementioned growth in the medical SMA segment.

Consolidated gross profit was equal to 56,571 thousand euro in 2014, showing a significant increase compared to 51,417 thousand euro in 2013. Also the gross margin[2] increased from 40% to 43%, thanks to both the improved product mix and the positive effects of the organizational rationalization of the production structure implemented in the previous year, in addition to the increase in revenues that has allowed to reduce the incidence of manufacturing fixed costs. For further details, please refer to the Business Unit analysis.

The following table shows the 2014 consolidated gross profit by Business Unit, compared to the previous year:

[2] Calculated as the ratio between gross profit and consolidated revenues.

(thousands of euro)

Business Unit	2014	2013	Difference	Difference %
Industrial Applications	41,856	40,018	1,838	4.6%
% on Business Unit net sales	*48.8%*	*44.3%*		
Shape Memory Alloys	14,322	11,992	2,330	19.4%
% on Business Unit net sales	*32.2%*	*32.4%*		
Business Development & Corporate Costs	493	(593)	1,086	183.1%
% on Business Unit net sales	*35.2%*	*-49.3%*		
Gross profit	**56,671**	**51,417**	**5,254**	**10.2%**
% on net sales	**43.0%**	**40.0%**		

Gross profit of the **Industrial Applications Business Unit** was equal to 41,856 thousand euro in 2014, up when compared to 40,018 thousand euro in 2013 as the decrease in revenues was more than offset by the increase in profitability. In particular, the gross margin (48.8% in 2014 compared to 44.3% in the previous year) grew in all the businesses, also in those characterized by a decrease in sales, thanks both to the shift of the sale mix towards more profitable products and to the effects of the restructuring implemented during the second half of 2013 that allowed to reduce the manufacturing fixed costs and to eliminate some inefficiencies.

Gross profit of the **Shape Memory Alloys Business Unit** amounted to 14,322 thousand euro in 2014, up when compared to 11,992 thousand euro in 2013. However, the gross margin was substantially stable (32.2% in 2014 compared to 32.4% in 2013): in fact, the strong increase in the margins of the industrial segment was completely offset by the decrease in the medical segment, the latter being penalized by start-up expenses and production inefficiencies related to the launch of new productions.

Gross profit of the **Business Development Unit & Corporate Costs** was positive and amounted to 493 thousand euro, compared to a loss of 593 thousand euro in the previous year: the achievement of a profit was the combined result of higher sales of getter solutions for OLED displays characterized by high margins, of a better production yield and of the fact that the indirect costs of production in 2013 included the write-down of the plant and machinery for the production of getters for solar cells made by the Parent Company (about 0,3 million euro).

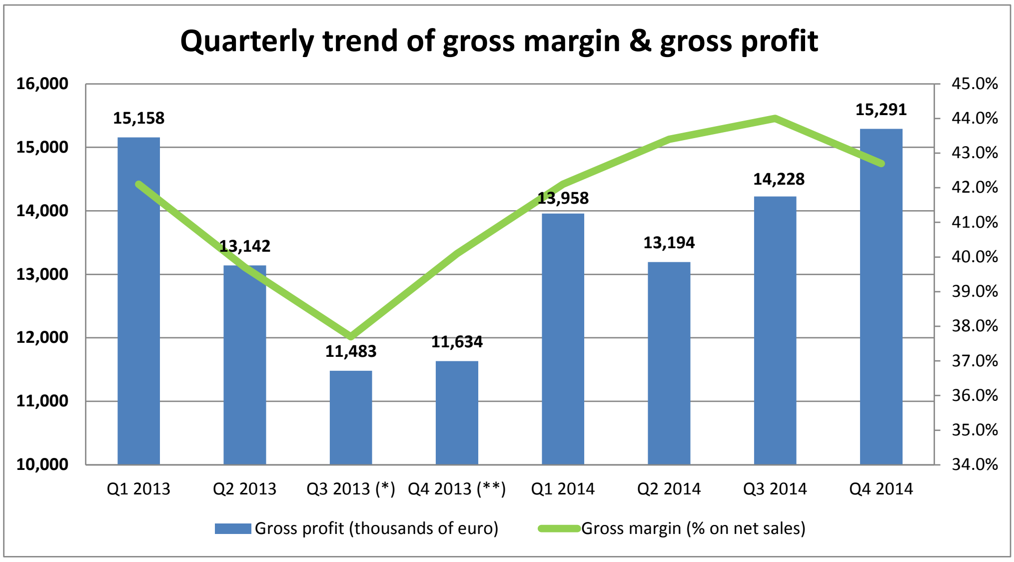
Please remember that in the second half of 2013 the Group had implemented some organizational rationalization actions which generated net non-recurring expenses, net of the related fiscal effects, of approximately 1.7 million euro, in addition to a loss from discontinued operations equal to -1.4 million euro. For more details on non-recurring income and expenses and on their impact on the 2013 results, please refer to the tables in Annex 1 and Annex 2.
With regards to the gross profit, the *adjusted* figure, namely net of the restructuring charges, would have been substantially unchanged compared to the actual data[3] (51,371 thousand euro compared to 51,417 thousand euro).
The following table shows the 2014 gross profit by Business Unit, compared to the adjusted gross profit of the previous year:

[3] The severance costs (916 thousand euro, arising from the voluntary mobility procedure which affected the subsidiary SAES Advanced Technologies S.p.A.) and the devaluations necessary to the shutdown of the factory of the Chinese subsidiary (328 thousand euro) were offset by the savings deriving from the use of the social security provisions in the Italian Group's companies (1,290 thousand euro).

(thousands of euro)

Business Unit	2014	2013 adjusted	Difference	Difference %
Industrial Applications	41,856	39,966	1,890	4.7%
% on Business Unit net sales	*48.8%*	*44.2%*		
Shape Memory Alloys	14,322	12,011	2,311	19.2%
% on Business Unit net sales	*32.2%*	*32.4%*		
Business Development & Corporate Costs	493	(606)	1,099	181.4%
% on Business Unit net sales	*35.2%*	*-50.4%*		
Gross profit	**56,671**	**51,371**	**5,300**	**10.3%**
% on net sales	**43.0%**	**40.0%**		

The following chart shows the quarterly trend of both the consolidated gross profit and gross margin.
Please note the gradual improvement in margins during 2014, with an increase of the margin from 42.1% in the first quarter to 44% in the third quarter.
Only the last quarter of 2014 recorded a countertrend (gross margin equal to 42.7%), despite the recovery of margins in the Shape Memory Alloys business, due to both the shift in the sales mix towards products with a lower margin and the higher incidence of manufacturing fixed-costs in the more traditional business segments (Electronic & Photonic Devices and Sensors & Detectors).



(*) Adjusted gross profit equal to 12,508 thousand euro and adjusted gross margin equal to 41.1%.
(**) Adjusted gross profit equal to 11,113 thousand euro and adjusted gross margin equal to 38.3%.

Consolidated operating income amounted to 13,012 thousand euro in 2014, more than doubled compared to an operating income equal to 5,508 thousand euro in the previous year. In percentage terms, the operating margin was equal to 9.9%, compared to 4.3% in 2013.
The increase in the operating income (+136.2%) was due to both the increase in the gross profit (+10.2%) and the reduction of operating expenses, especially general and administrative expenses (-11.9%), whose decrease was mainly due to a lower cost of labor and to the reduction of the costs of maintenance, insurance and hardware rental following the renegotiation of the related supply contracts. In addition, please note that the general and administrative expenses in 2013 included expenses of about 1.1 million euro for the reduction of personnel and 0.5 million euro for the devaluation of assets, both related to the restructuring implemented in the second half of the previous year.

The following table shows the operating result of the fiscal year 2014 by Business Unit, compared with the previous year:

(thousands of euro)

Business Unit	2014	2013	Variazione totale	Variazione %
Industrial Applications	24,829	21,860	2,969	13.6%
Shape Memory Alloys	5,603	2,905	2,698	92.9%
Business Development & Corporate Costs	(17,420)	(19,257)	1,837	9.5%
Operating income (loss)	**13,012**	**5,508**	**7,504**	**136.2%**

Operating income of the **Industrial Applications Business Unit** was equal to 24,829 thousand euro in 2014, up by 13.6% compared to 21,860 thousand euro in 2013. This increase was related to the improvement in gross margin, together with a reduction in operating expenses, in particular lower fees to agents and lower transport costs following the decrease in sales in the purification business. In addition, in 2013 operating expenses included 0.8 million euro of extraordinary costs for the workforce reduction of the Group and 0.5 million euro of one-off write-downs of assets related to the shutdown of the factory of the Chinese subsidiary.

Operating income of the **Shape Memory Alloys Business Unit** was equal to 5,603 thousand euro, almost doubled (+92.9%) compared to the same figure in the previous year equal to 2,905 thousand euro. This increase was due to the strong growth in sales, to the related improvement in the gross profit and to a slight decrease in operating expenses (-414 thousand euro, mainly due to a lower amortization as a result of the end of the useful life of some intangible assets of the US subsidiaries, recognized at the time of their acquisition).

The operating result of the **Business Development & Corporate Costs** was negative and equal to 17,420 thousand euro and it included both the result of Business Development Unit and the costs that cannot be directly attributed or reasonable allocated to any business sector but refer to the Group as whole; this figure compares to an operating loss of 19,257 thousand euro in 2013. The reduction of the loss was mainly due to the increase in the gross profit and to the fact that in 2013 the operating expenses included non-recurring restructuring charges for the reduction of the personnel of approximately 1 million euro.

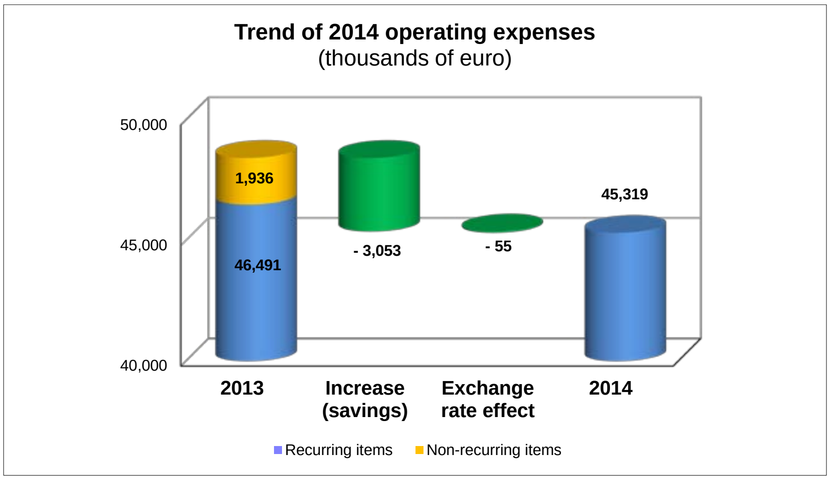
The following table shows the 2014 operating result by Business Unit, compared to the 2013 adjusted operating result. Compared to the 2013 adjusted figure, equal to 7,398 thousand euro, the operating result for the current year shows an increase of 75.9%.

(thousands of euro)

Business Unit	2014	2013 adjusted	Difference	Difference %
Industrial Applications	24,829	22,743	2,086	9.2%
Shape Memory Alloys	5,603	3,033	2,570	84.7%
Business Development & Corporate Costs	(17,420)	(18,378)	958	5.2%
Operating income (loss)	**13,012**	**7,398**	**5,614**	**75.9%**

Total **consolidated operating expenses** were equal to 45,319 thousand euro, down when compared to 48,427 thousand euro in 2013 (-6.4%, demonstrating the continuing commitment of the Group to control costs with the aim of increasing the operational efficiency, as well as thanks to the effect of the savings resulting from the organizational rationalization implemented during the second half of 2013).
In particular, the reduction was mainly concentrated in the **general and administrative expenses**, with the reduction of labor cost and of the costs of maintenance, insurance and hardware rental following the renegotiation of the related supply contracts. In addition, as already highlighted before, please note that the general and administrative expenses in 2013 included about 1.6 million euro of non-recurring charges for the reduction of personnel and for the devaluation of assets.

The **selling expenses** were substantially in line with those of the previous year, while **research and development expenses**, that were slightly down in absolute terms (due to the reduction of labor costs), were unchanged as a percentage of consolidated revenues (about 11%).
The following chart shows the trend of consolidated operating expenses in the fiscal year 2014:



In 2014 the total **labor cost** was equal to 51,599 thousand euro, down by 6% compared to 54,881 thousand euro in 2013: the containment of personnel cost was mainly due to the reduction in the average number of employees of the Group (70 units less than the average for the year 2013), following the rationalization both of the industrial activities and of the structural ones, and to the higher savings resulting from the use of social security provisions[4] in the Italian companies of the Group and to lower severance costs[5]. In contrast the variable compensations that have increased in line with the trend of the results of the year.

The result of the year includes **depreciation and amortization** equal to 8,556 thousand euro (9,436 thousand euro in the previous year).
The reduction in depreciation, equal to 880 thousand euro, is due to the fact that during 2014 certain assets have reached the end of their useful life. Please also note that, starting from the second half of 2013, this item benefited (-256 thousand euro) from the review of the remaining useful life of the production plant and machinery of the subsidiary SAES Advanced Technologies S.p.A.

Consolidated EBITDA amounted to 21,648 thousand euro in 2014 (16.4% of consolidated revenues), compared to 15,744 thousand euro in 2013 (12.2% of revenues). Excluding the non-recurring restructuring charges that had penalized the previous year, the adjusted EBITDA in 2013 would have been equal to 17,165 thousand euro (13.4% of revenues).
The following table shows an EBITDA detail for 2014, compared with the previous year:

(thousands of euro)

	2014	2013	Difference	Difference %
Operating income	13,012	5,508	7,504	136.2%
Depreciation and amortization	8,556	9,436	(880)	-9.3%
Write-down of assets	0	840	(840)	-100.0%
Bad debt provision accrual (release)	80	(40)	120	300.0%
EBITDA	**21,648**	**15,744**	**5,904**	**37.5%**
% on sales	*16.4%*	*12.2%*		

[4] The savings resulting from the use of the social security provisions were equal to 2,139 thousand euro in 2014, to be compared with 1,778 thousand euro in the previous year.
[5] The severance costs, included in the personnel cost, were equal to 210 thousand euro in 2014, compared to 2,874 thousand euro in 2013.

The item **royalties** (1,843 thousand euro as at December 31, 2014) was exclusively composed of the lump-sums and the royalties accrued for the licensing of the thin film getter technology for MEMS of new generation and compares with 2,105 thousand euro in 2013: the reduction of accrued fees (mainly due to the strong price erosion that is affecting the gyroscopes market) was only partially offset by higher lump-sums related to the signing of new licensing agreements (for more details please refer to the paragraph "Relevant events occurred in 2014").

The balance of **other net income (expenses)** was negative and equal to 183 thousand euro, compared with a positive balance of 413 thousand euro in 2013: this decrease was mainly due to the fact that last year the item included some revenues deriving from a penalty paid by a customer for the cancellation of some orders (0.2 million euro) and from the release of a provision following the favorable settlement of a dispute with a supplier of the subsidiary SAES Advanced Technologies S.p.A. (0.1 million euro).

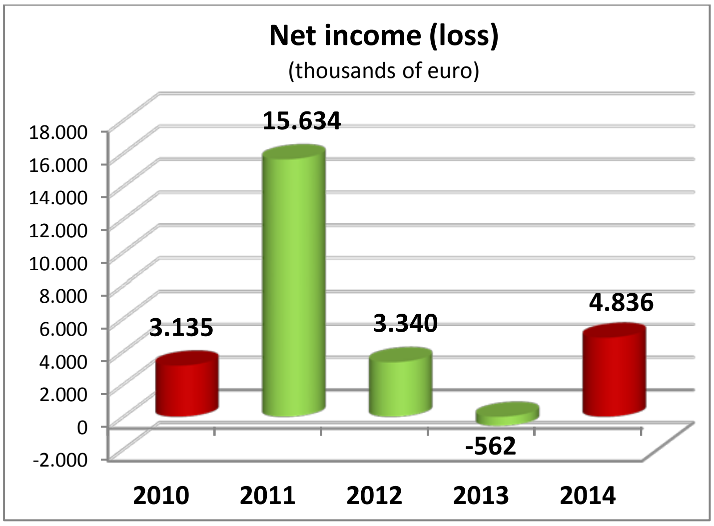
The net balance of **financial income and expenses** was negative and amounted to -1,620 thousand euro (compared to a negative balance of -1,320 thousand euro in 2013) and it mainly included interest expenses on loans, both short and long term ones, held by the Parent Company and by the US subsidiaries, as well as the bank fees related to the credit lines held by SAES Getters S.p.A.

The loss deriving from the **evaluation with the equity method** of the joint venture Actuator Solutions amounted to -1,286 thousand euro (-712 thousand euro in the previous year). For more details on the composition of such loss, please refer to Note no. 9 and Note no. 17.

The sum of the **exchange rate differences** recorded a slightly positive balance of 147 thousand euro, compared with a figure substantially in balance in 2013 (-29 thousand euro) and guaranteed by the same hedging policy adopted by the Group in the previous year.

Consolidated income before taxes was equal to 10,253 thousand euro, showing a significant increase compared both to the actual figure of the previous year (3,447 thousand euro) and to the same adjusted figure (5,337 thousand euro).

Income taxes amounted to 6,829 thousand euro, compared to 2,616 thousand euro in 2013. The Group's tax rate was equal to 66.6%: please note that, given the current organizational structure of the Group, it has been prudently decided to suspend the recognition of deferred tax assets on the tax losses realized in 2014 by the Italian companies of the Group participating in the national tax consolidation program. The fiscal income not recognized amounted to 2,278 thousand euro and its inclusion would have reduced the Group's tax rate to 44.4%. Moreover, excluding the provision for fiscal risks accrued by the Parent Company in relation to the assessment on the 2005 income-tax return (for further details please refer to Note no. 11), the 2014 tax rate would have been further reduced to 39.5%.
The high tax rate in 2013 (75.9%), despite the recognition by the Parent Company of deferred tax assets on 2013 tax losses of approximately 3 million euro, was mainly due to non-recurring restructuring charges following which the Chinese subsidiary SAES Getters (Nanjing) Co., Ltd. had ended the year with a tax loss for which deferred tax assets had not been recognized as it was not expected that these losses could have been used to offset future taxable income.



Consolidated net income amounted to 4,836 thousand euro in 2014 (3.7% of consolidated revenues), compared to a net loss of -562 thousand euro in the previous year.

Please note that the 2014 result includes an **income from assets held for sale and discontinued operations** equal to 1,412 thousand euro, that is represented by the residual proceeds deriving from the sale of the plant of SAES Getters (Nanjing) Co., Ltd. and by the final exit of the Group from the CRT business (268 thousand euro), as well by the net[6] capital gain on the sale of the land use right and the building of the Chinese subsidiary (1,144 thousand euro).
In the previous year the result from assets held for sale and discontinued operations was negative and equal to 1,393 thousand euro, corresponding to the loss[7] for the year of the CRT segment, discontinued following the decision to close the last plant of the Group dedicated to production of getters for cathode ray tubes.

Net financial position – Investments – Other information

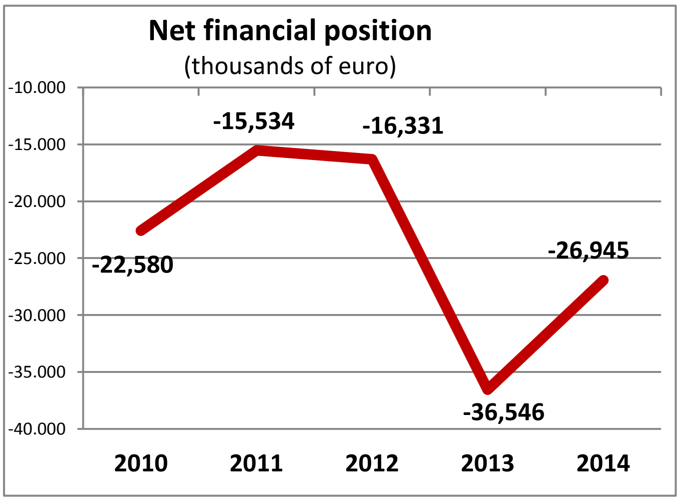
A breakdown of the items making up the consolidated net financial position is provided below:

(thousands of euro)

	December 31, 2014	June 30, 2014	December 31, 2013
Cash on hands	19	20	17
Cash equivalents	25,583	17,494	20,317
Cash and cash equivalents	**25,602**	**17,514**	**20,334**
Related parties financial assets	2,762	762	0
Other current financial assets	189	397	0
Current financial assets	**2,951**	**1,159**	**0**
Bank overdraft	(30,722)	(36,710)	(33,371)
Current portion of long term debt	(6,690)	(15,625)	(18,283)
Other current financial liabilities	(2,069)	(4,894)	(2,471)
Current financial liabilities	**(39,481)**	**(57,229)**	**(54,125)**
Current net financial position	**(10,928)**	**(38,556)**	**(33,791)**
Long term debt, net of current portion	(14,689)	(80)	(80)
Other non current financial liabilities	(1,328)	(1,242)	(2,675)
Non current liabilities	**(16,017)**	**(1,322)**	**(2,755)**
Net financial position	**(26,945)**	**(39,878)**	**(36,546)**

[6] Net of the disposal expenses.
[7] This loss included severance costs of 235 thousand euro and 561 thousand euro of write-downs, specifically related to the restructuring process implemented in the second half of 2013.

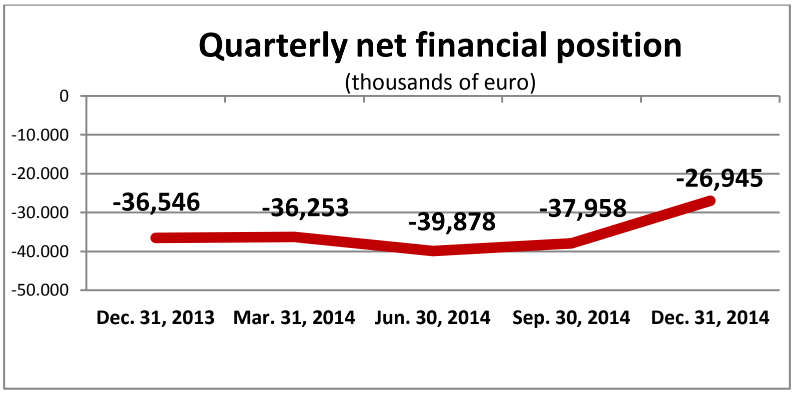
The **consolidated net financial position** as at December 31, 2014 was negative and equal to 26,945 thousand euro (cash equal to +25,602 thousand euro and net financial liabilities of -52,547 thousand euro), compared to a negative net financial position equal to 36,546 thousand euro as at December 31, 2013 (cash equal to +20,334 thousand euro and net financial liabilities of -56,880 thousand euro).



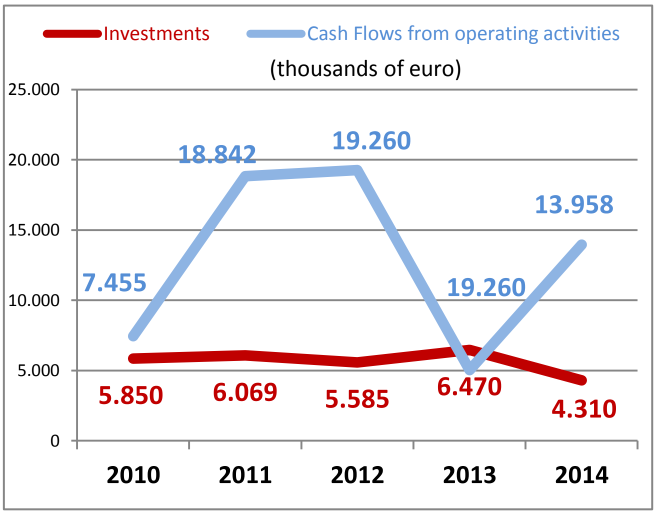
The strong improvement compared to December 31, 2013 (+26.3%) was mainly due to the cash-in flows generated from the operating activities, mostly concentrated in the second half of the year and related to the steady improvement in both revenues and results.
The capital expenditure on tangible and intangible assets was almost completely offset by the proceeds deriving from the sale of the plant of SAES Getters (Nanjing) Co., Ltd., including the sale of the land use right and building, completed at the end of October 2014 (with total proceeds of 3.2 million euro).
The cash-out for the payment of dividends amounted to 3.4 million euro.

The exchange rate effect was positive (+0.7 million euro), mainly due to the effect of the appreciation of the Chinese and Korean currencies on the cash denominated in Chinese renminbi and Korean won as at December 31, 2014, compared to December 31 of the previous year.
Instead, the impact of the revaluation of the US dollar was almost equal to zero (-0.2 million euro): the negative effect generated on the debt denominated in dollars was offset by the positive effect on the cash denominated in that currency held by the US subsidiaries.

The chart below shows the quarterly amount of the net financial position during the year 2014:



The quarterly trend of the net financial position highlights the positive evolution of net debt in the fourth quarter 2014, with a reduction of 11,013 thousand euro compared to September 30, 2014, made possible by the cash flows generated from the operating activities, where also the dynamics of the working capital had a key role, as well as the accounting of the proceeds deriving from the aforementioned sale of the building and the land use right of the Chinese subsidiary.



The cash flow from operating activities was positive and equal to 13,958 thousand euro (10.6% of consolidated revenues), compared to 5,024 thousand euro in 2013 (3.9% of revenues). Despite the operating weakness that has characterized the last quarter of 2013 and the disbursements related to the restructuring plan of the previous year, but for which the payment has been deferred to 2014, the self-financing increased by almost 10 million euro in 2014 compared to 2013 and more than offset the decrease in the net working capital, significantly influenced by the increase in the volume of activities in the Pure Gas Handling Business and in the SMA one.

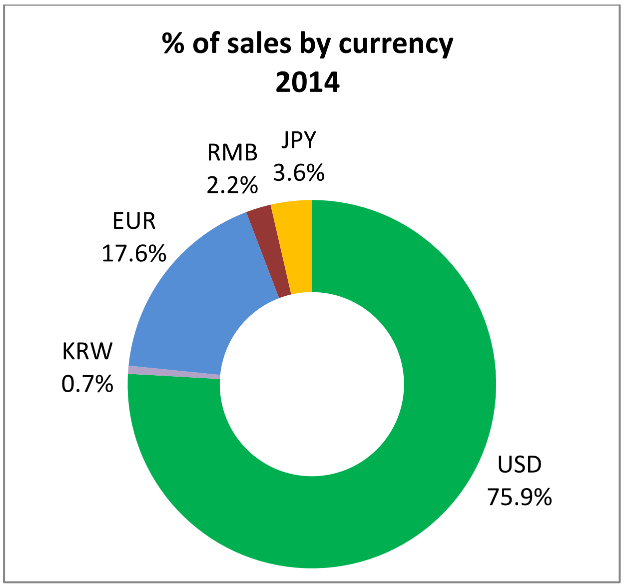
In 2014 the cash-out for investments in tangible assets was equal to 4,310 thousand euro, compared to 6,470 thousand euro in the previous year. The investments in intangible assets were not significant (57 thousand euro).
For further details on the capital expenditure of the year, please refer to Note no. 15 and Note no. 16.
In addition, the cash flows deriving from investing activities include the proceeds from the sale of the land use right, the building and its appurtenances of the subsidiary SAES Getters (Nanjing) Co., Ltd. (+3,239 thousand euro), as well as the disposal of other assets (+331 thousand euro) mainly belonging to the same Chinese factory.
Finally, still within the investment activity, please note the payment of 1,813 thousand euro related to the technological strengthening of the purification business carried out during the previous year, but for which the payment was delayed. Please note that this event has reduced the available cash, with no effect on the net financial position of the Group, as a financial debt had already been recorded as at December 31, 2013 for the part of the amount still to be paid.

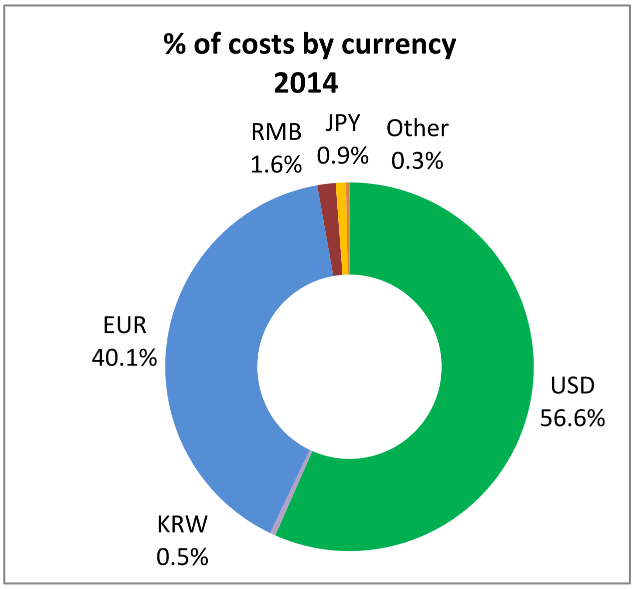
Please note that, both at December 31, 2013 and at June 30, 2014[8], following the failure to comply with certain financial covenants[9] in force, the long-term share of the loans of the US subsidiaries Memry Corporation and SAES Smart Materials, Inc. had been reclassified as current. On July 16, 2014 the issuing bank formally accepted the waiver to recall the debt and, simultaneously, the financial covenants governing these loans have been renegotiated with the financing institution with effect from June 30, 2014. Following this renegotiation, the financial liability that had been classified as current has been recorded in the long term debt (for further details please refer to Note no. 30).

Furthermore, on December 23, 2014, the Parent Company signed a new long-term financing for an amount of 7 million euro, expiring on December 31, 2019, aimed at supporting the corporate financial requirements. The contract provides for the repayment of fixed principal amounts on a quarterly basis (starting from March 31, 2015) and interests indexed to the three-month Euribor, plus a year-based 2.25 basis points.

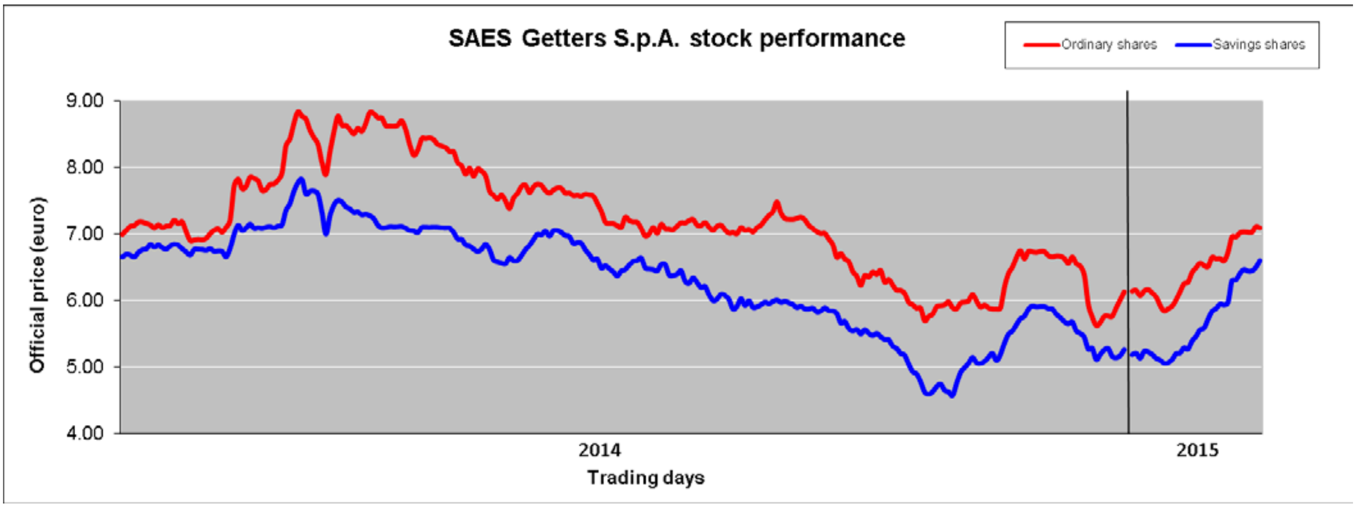
The composition of net sales and costs (cost of sales and operating expenses) by currency is provided below:

[8] Please note that as at June 30, 2014 the reclassification involved only the loan held by Memry Corporation, having that of SAES Smart Materials, Inc. a maturity of less than 12 months.
[9] Calculated on a semiannual basis on consolidated figures.





The official price trend for ordinary and savings shares during the year 2014 is given below:



Ordinary and savings shares listed on the STAR segment of Mercato Telematico Azionario of Borsa Italiana in 2014 decreased their values by -12.3% and -20.9% respectively, compared with an increase of +0.4% and +8.5% recorded on the FTSE MIB and FTSE Italia Star indices respectively.

The following table shows the main ratios:

Ratios		2014	2013 adjusted	2013	2012
Operating income/Total net sales	%	9.9	5.8	4.3	9.0
Income before taxes/Total net sales	%	7.8	4.2	2.7	7.2
Net income from continued operations/Total net sales	%	2.6	1.9	0.6	3.3
Net income from continued operations/Average shareholders' equity (ROAE)	%	3.3	2.5	0.8	4.3
Research expenses/Total net sales	%	10.9	11.5	11.6	10.2
Depreciation of tangible assets/Total net sales	%	5.4	6.0	6.0	5.9
Cash flows from operating activities/Total net sales	%	10.6	3.9	3.9	13.6
Taxes/Income before taxes	%	66.6	53.2	75.9	54.4
Total net sales/Average number of employees (*)	keuro	147	133	133	142
Accumulated depreciation/Tangible assets	%	69.8	70.0	70.0	68.7

(*) Calculated without considering the employees of the joint venture Actuator Solutions evaluated using the equity method.

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

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

In 2014 the company achieved revenues equal to 32,787 thousand euro, compared to 33,076 thousand euro in the previous year: the growing sales of getters for vacuum panels for the refrigeration industry only partially offset the decrease in sales of the other segments of the Industrial Applications Business Unit (in particular, lower sales of getters and dispensers for lamps, penalized by the increasing competitive pressure).
Despite the slight decrease in revenues (-0.9%), the rationalization of the production structure implemented in the second half of 2013 led to an improvement in margins and to an increase in the net income, which is almost doubled from 3,332 thousand euro to 5,903 thousand euro (+77.2%).
The use of defensive job-security agreements, that will continue also in 2015, led to a reduction in personnel costs equal to 1,974 thousand euro in 2014 (in 2013, the use of the social security provisions had allowed a reduction equal to 1,537 thousand euro).
Finally, please note that the result of the previous year had been negatively affected by the severance costs arising from the voluntary mobility procedure implemented in the second semester, equal to 1,014 thousand euro.

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

The company reported consolidated revenues equal to 75,349 thousand USD in 2014 (56,717 thousand euro at the average exchange rate of 2014), compared to 83,225 thousand USD (62,664 thousand euro at the average exchange rate) and a consolidated net income of 7,492 thousand USD (5,639 thousand euro), compared to a consolidated net income of 9,533 thousand USD in 2013 (7,177 thousand euro).

Further notes are provided below.

The US parent company ***SAES Getters USA, Inc.*** (which operates primarily in the Industrial Applications Business Unit) reported sales of 15,660 thousand USD, compared to 16,845 thousand USD recorded in the previous year: the decrease was mainly concentrated in the lamps business that suffered the progressive reduction in public investments, especially in the second half of the year.
The company ended the year with a net income of 7,492 thousand USD, down compared to a net income of 9,533 thousand USD in 2013 mainly because of a lower income deriving from the evaluation of the shareholding in the subsidiary SAES Pure Gas, Inc., that ended the current year with a net income lower than that of the previous year; however, the decrease in sales was fully offset by the improvement in the gross margin, which helped to end the year with a gross profit substantially in line with that of 2013.

The subsidiary ***SAES Pure Gas, Inc.*** based in San Luis Obispo, CA (USA) (active in the Pure Gas Handling Business) achieved sales of 53,139 thousand USD (compared to 59,298 thousand USD in the previous year) and a net income equal to 5,426 thousand USD (compared to 7,234 thousand USD in 2013). The decrease in sales, only partially offset by a more favorable sales mix, was the main reason for the reduction in the net income.

The subsidiary ***Spectra-Mat, Inc.***, Watsonville, CA (USA), operating in the Electronic & Photonic Devices Business, achieved revenues of 6,550 thousand USD in 2014 (7,082 thousand USD in the previous year) and a net loss of 60 thousand USD (the loss realized in 2013 was 239 thousand USD). The decrease in sales in the defense sector was more than offset by the reduction in operating expenses (in particular, lower general and administrative expenses as a result of the organizational rationalization implemented last year) and this allowed to reduce the 2014 loss by 75% compared to that of the previous year.

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 US Group's companies.
In 2014 it achieved a net income of 8,380 thousand USD (6,308 thousand euro), up (+18.4%) compared to 7,077 thousand USD (equal to 5,329 thousand euro) in the previous year, due to the higher commission income[10] collected from the associated companies for which it handles the exports.

SAES GETTERS (NANJING) Co., Ltd., Nanjing (P.R. of China)

The company, the last production unit of the Group dedicated to the production of getters for CRTs, ceased its production activity during the second half of 2013. The shutdown of the Chinese factory marked the final exit of the Group from the CRT Business; the other smaller productions made by the Chinese subsidiary (in particular, getters for lamps) were gradually absorbed by the factory of Avezzano (SAES Advanced Technologies S.p.A.), while the subsidiary SAES Getters (Nanjing) Co., Ltd. currently manages the commercial activities of the Group in the Republic of China.
The company ended the year 2014 with revenues equal to 30,162 thousand RMB (3,685 thousand euro), up by 15.3% compared to 26,152 thousand RMB (equal to 3,203 thousand euro) in the previous year: the increased sales of getters for vacuum panels for the refrigeration industry, of products for thermal insulation for the consumer market and of getter solutions for electronic devices have more than offset the progressive resetting to zero of the sales of getters for CRTs.
The company ended the current year with a net income of 15,564 thousand RMB (1,901 thousand euro), compared to a loss of 22,052 thousand RMB (2,701 thousand euro) in 2013, thanks not only to increased sales, but also to the absence of manufacturing fixed costs, as well as to the capital gain deriving from the sale of the land use right and the building and to the higher dividends received from SAES Getters International Luxembourg S.A. (in which SAES Getters (Nanjing) Co., Ltd. owns a 10% stake).
Finally, please note that the result of 2013 had been penalized by the non-recurring restructuring charges totaling 16,223 thousand RMB (in particular, devaluations and charges for the reduction of personnel).

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 2014 achieved sales equal to 4,487 thousand euro, up by 33.8% compared to the previous year (3,354 thousand euro) and a net income of 539 thousand euro, more than doubled compared to 181 thousand euro in 2013. The increase in sales of in-house manufactured components, with higher margins compared to the proceeds from the resale of products of other Group's companies, allowed to increase the gross margin and, consequently, the net income.

[10] Being intercompany commissions, their increase has no relevance on the consolidated operating income.

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

The company, 100% owned by SAES Getters S.p.A., has as its business purpose the design, the production and the sale of shape memory alloy instruments and actuators, getters and any other equipment for the creation of high vacuum, either directly or by means of interests and investments in other companies. In order to achieve its corporate purpose, on July 5, 2011, the company established the joint venture Actuator Solutions GmbH, together with the German group Alfmeier Präzision (for further details on the joint venture, please refer to the next paragraph and to Notes no. 9 and no. 17 of the Consolidated financial statements).
SAES Nitinol S.r.l. ended the year 2014 with a loss equal to 107 thousand euro (in 2013 the loss was equal to 114 thousand euro), primarily consisting in the cash pooling interest expenses charged by the parent company SAES Getters S.p.A., net of the interest income earned on interest-bearing loans granted during 2014 to the joint venture Actuator Solutions (for more details on these loans please refer to Note no. 26).

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

The company, a spin-off supported by the National Research Council (CNR), is located in Bologna and has as its purpose the development of functional materials for applications in the Organic Electronics and in the Organic Photonics, as well as the development of integrated organic photonic devices for niche applications.
The company, 96% owned by the Parent Company, operates exclusively as a research center for the above mentioned developments and ended the year 2014 with a loss of 1,998 thousand euro[11], substantially in line with that of the previous year equal to 2,090 thousand euro.
Finally, we highlight that E.T.C. S.r.l. was included in the national tax consolidation program starting from January 1, 2014.

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

The company's main objectives are the management and the acquisition of investments, the optimal cash management, the grant of intra-group loans and the coordination of the Group services.
In 2014, the company achieved a net income of 582 thousand euro compared to an income of 5,491 thousand euro in the previous year; please note that the 2013 result included the restoration (about 5.6 million euro) of the historical value of the investment in SAES Smart Materials, Inc. made on the basis of both the results achieved in the last few years and of those expected in the three-years business plan.

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

SAES Getters Korea Corporation, Seoul (South Korea) is 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. In 2011 the company ceased the production activities and now operates only as a distributor of products made by other Group's companies in the Korean market.
In 2014 SAES Getters Korea Corporation recorded revenues equal to 1,959 million KRW (1,401 thousand euro), up compared to 1,752 million KRW (1,205 thousand euro): the increase in the sales in the field of thermal insulation products and in that of devices for lamps more than offset the reset to zero of the sales of getters for CRTs. The 2014 ended with a net loss of 1,029 million KRW (-736 thousand euro), compared to a loss of 390 million KRW (-268 thousand euro) in 2013: despite the increase in revenues and in the gross margin, the foreign exchange losses deriving from the conversion of the financial receivable in euro that the Korean subsidiary holds in respect of the Parent Company, following the appreciation of the Korean won against the euro, caused the negative result of the year (please note that the related hedging contract, instead of being held by the Korean subsidiary, has been entered into by the parent company SAES Getters S.p.A.).
Finally, please note that the 2013 income statement was penalized by severance costs for 1,029 million KRW.

The company ***SAES Smart Materials, Inc.***, based in New Hartford, NY (USA), active in the development, production and sale of shape memory alloy semi-finished products, recorded revenues equal to 16,605

[11] Result of reporting prepared for the consolidation purposes according to the International Accounting Standards.

thousand USD (12,499 thousand euro) in 2014, up (+26.4%) compared to 13,140 thousand USD (9,893 thousand euro) in 2013. The increase in sales allowed to end the year with a net income of 2,709 thousand USD (2,039 thousand euro), up by 32.6% compared to 2,043 thousand USD (1,538 thousand euro) in the previous year.

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 alloy.
The company ended the year 2014 with sales equal to 39,429 thousand USD (29,680 thousand euro) up when compared to 34,890 thousand USD (26,270 thousand euro) in 2013 thanks to the contribution of a new product in ramp-up production phase.
In 2014 the net income amounted to 1,910 thousand USD (1.438 thousand euro), compared to a net income of 1,855 thousand USD (1,397 thousand euro) in 2013: despite the increase in sales, the start-up expenses related to the launch of new products have reduced the margins and aligned the net result as at the previous year one.

Performance of joint venture companies in 2014

ACTUATOR SOLUTIONS GmbH, Gunzenhausen (Germany)

Actuator Solutions GmbH, established in the second half of 2011, is headquartered in Gunzenhausen (Germany) and is 50% jointly owned by SAES and Alfmeier Präzision, a German group operating in the fields of electronics and advanced plastic materials.
This joint venture is focused on the development, production and distribution of actuators based on the SMA technology and its mission is to become a world leader in the field of actuators using shape memory alloys.

Actuator Solutions GmbH, which in turn consolidates its wholly owned subsidiary Actuator Solutions Taiwan Co., Ltd. (established on June 14, 2013), recorded net revenues equal to 15,291 thousand euro in 2014; these revenues, totally generated by the sales of valves used in lumbar control systems of the seats of a wide range of cars, significantly increased (+49.9%) compared to 10,198 thousand euro in 2013 because the lumbar control system based on the SMA technology has gained a higher market share.
The net income of the period was negative and equal to -2,572 thousand euro, due to the research and development expenses in the various industrial sectors where the company will be present with its SMA actuators. In particular, Actuator Solutions GmbH, with the support of the laboratories in Lainate, is focused on the development of SMA actuators for the vending industry, for the automotive sector, for the white goods sector and for the medical one, some of which have already generated the first orders; instead, the Taiwanese subsidiary is focused on the development of products for the mobile communication market, among which, in particular, actuators for the image focus and stabilization of mobile phones, which have found an increasing interest in the market and are currently subject to the qualification by some potential users.

(thousands of euro)

Actuator Solutions	2014	2013
	100%	100%
Total net sales	15,291	10,198
Cost of sales	(15,205)	(9,594)
Gross profit	**86**	**604**
% on revenues	*0.6%*	*5.9%*
Total operating expenses	(3,589)	(3,106)
Other income (expenses), net	575	574
Operating income (loss)	**(2,928)**	**(1,928)**
Financial income (expenses)	(120)	4
Income taxes	476	500
Net income (loss)	**(2,572)**	**(1,424)**

The share of the SAES Group in the result of the joint venture in 2014 amounted to -1,286 thousand euro.

The following table shows the **total Group's statement of profit or loss**, achieved by incorporating the 50% joint venture Actuator Solutions with the proportional method instead of the equity method:

(thousands of euro)	2014					
	Consolidated profit or loss	50% Actuator Solutions	Intercompany eliminations	Other adjustments	Investments elimination	Total profit or loss of the Group
Total net sales	**131,701**	**7,646**	**(458)**	**32**		**138,921**
Cost of sales	(75,030)	(7,603)	458	(32)		(82,207)
Gross profit	**56,671**	**43**	**0**	**0**	**0**	**56,714**
% on sales	*43.0%*					*40.8%*
Total operating expenses	(45,319)	(1,795)				(47,114)
Royalties	1,843					1,843
Other income (expenses), net	(183)	288				105
Operating income (loss)	**13,012**	**(1,464)**	**0**	**0**	**0**	**11,548**
% on sales	*9.9%*					*8.3%*
Interest and other financial income, net	(1,620)	(60)				(1,680)
Income (loss) from equity method evalueted companies	(1,286)				1,286	0
Foreign exchange gains (losses), net	147					147
Income (loss) before taxes	**10,253**	**(1,524)**	**0**	**0**	**1,286**	**10,015**
Income taxes	(6,829)	238				(6,591)
Net income (loss) from continued operations	**3,424**	**(1,286)**	**0**	**0**	**1,286**	**3,424**
Income (loss) from assets held for sale and discontinued operations	1,412					1,412
Net income (loss) before minority interest	**4,836**	**(1,286)**	**0**	**0**	**1,286**	**4,836**
Net income (loss) pertaining to minority interest	0					0
Net income (loss) pertaining to the Group	**4,836**	**(1,286)**	**0**	**0**	**1,286**	**4,836**

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

In relation to article 36 of the Consob Market Regulations no. 16191 dated 10/29/2007, regarding the conditions for the listing of shares of companies with control over companies established or regulated under the law of non-EU countries and significant for the purposes of the consolidated financial statements, please note that (i) the Group's companies listed below fall within this regulatory provision, (ii) appropriate procedures have been adopted to ensure the 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 as, with reference to December 31, 2014, they exceed the individual significance parameters provided for in article 151 of the Issuer Regulation:
- SAES Getters USA, Inc. – Colorado Springs, CO (USA);
- SAES Pure Gas, Inc. – San Luis Obispo, CA (USA);
- Spectra-Mat, Inc. – Watsonville, CA (USA);
- SAES Smart Materials, Inc. – New Hartford, NY (USA);
- Memry Corporation – Bethel, CT (USA);
- SAES Getters Export, Corp. – Wilmington, DE (USA);
- SAES Getters Korea Corporation – Seoul (South Korea);
- SAES Getters (Nanjing) Co., Ltd. – Nanjing (P.R. of China).

Research, Development and Innovation activities

In 2014 research and development expenses amounted to 14,375 thousand euro and were equal to 10.9% of consolidated net revenues, a percentage substantially aligned to those of the previous years, confirming the strategic importance of research activities for the SAES Group.

Before describing the research activities carried out in 2014, as we did last year, it is worth providing some general information in order to better place the activities of the Group, that have undergone significant changes in the last few years and that may appear disconnected at a first glance.

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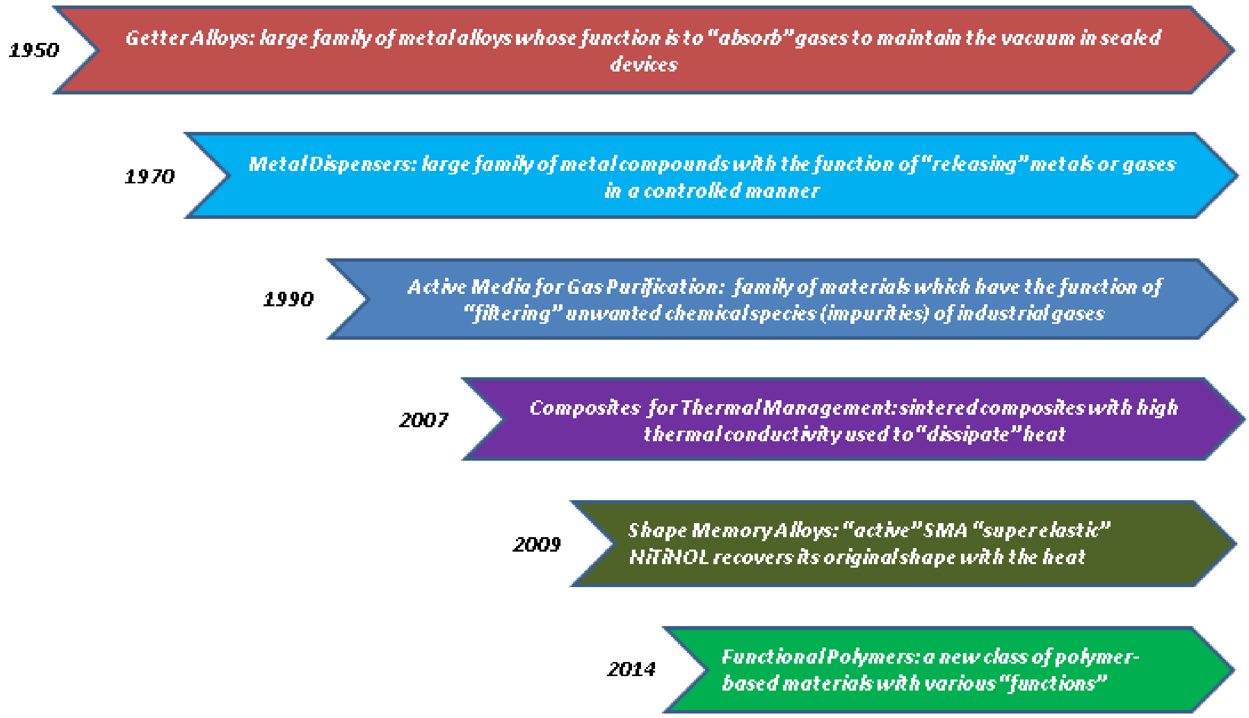
The most appropriate definition of our company is that of “Material Company” and, more precisely, of “Functional Material Company”, as better explained below.

SAES, right from its origins, develops individual components, such as the getters used in picture tubes, or complex systems, such as vacuum pumps or gas purifiers, using materials that are not commonly purchased in the market. The products of SAES use raw materials that are invented and produced internally, that are usually patented as such or in their final applications and that need, to be able to be used, complex manufacturing processes that represent the distinctive know-how of the Company. Patents and know-how are the heart of the “value” of the Company. A distinctive feature of the materials used by SAES in its products is that they perform a specific function, they are “functional” materials: for example, the family of materials that have given rise to the Company, the getters, have the gas absorption as their “functional” characteristic, aimed at improving the degree of vacuum of sealed devices. The family of getter alloys, obtained by vacuum melting some metallic and non-metallic elements, has developed over time, adding new alloys and improving the existing ones, to meet the various application requirements coming from the market. The manufacturing processes have evolved, adapting to the new technologies to better meet the market demand, as represented in Figure 1.

Figure 1

Through the years the Group has developed new classes of functional materials, and this diversification process has undergone a marked acceleration in the last few years, under the pressure provided by the maturation of the traditional technologies of the company. The choice of the material classes in which to invest was based on technological synergies, that means the common use of part of the skills already present in the Company and commercial synergies. A simple representation of all the classes of materials owned by the Company is provided in Figure 2.

Figure 2



This process, commonly known as "innovation", involves many corporate areas, but has its primary focus in the Research and Innovation one, that is engaged on three fronts:
- development of new classes of materials (Radical Innovation);
- development of new compounds of each class (Incremental Innovation);
- product development.

Research expenses are allocated to these areas in a different way depending on the business strategies and opportunities. Obviously over the last years the expenditure linked to diversification has definitely prevailed, just think about the development of new families of materials, the *Shape Memory Alloys* and the *Functional Polymer Composites*, which have been introduced recently.

***

In 2014 SAES Group has further developed its technological platform based on the integration of getter materials in polymer matrices, exploring new markets and new applications and achieving important qualifications in the field of implantable medical devices and promising results in the field of food packaging, a prelude to a further expansion of the traditional perimeter of use of this innovative product line.
In fact, following the technological development project previously planned taking into account also medium to long term objectives, the R&D activities - initially focused on the development of dispensable dryers for applications in the field of organic electronics, in particular OLED displays and light sources - have subsequently evolved and have generated know-how and products with broader functionalities, in a way that we can better define this technological platform as "Functional Polymer Composites". The heart of this new SAES technology is given by the ability to integrate nano-particles and reactive species of different nature within a wide range of polymer matrices in an optimal manner, thanks to the currently most advanced techniques applied in the synthesis of active species, in their modification in order to make them compatible with the chosen polymers and the complete characterization of the functional properties of the final polymer composite.
The combination of these technologies allows now the SAES Group to produce new products with not only properties of interaction with gases but also optical, mechanical and surface modification functionalities,

depending on the interested requirements and applications. As mentioned earlier, some important results have already been achieved in the field of implantable medical devices and food packaging. In this latter sector and in the broader segment of the so-called "active packaging", SAES expects to be able to introduce new functionalities in conventional materials, adopting techniques typical of the coating process and able to compete with the existing technologies currently used (mainly injection molding and extrusion) thanks to the greater versatility of its specialization, to the improved fulfillment of the functional requirements and, at the same time, to the lower overall production costs for the user. By offering materials and solutions in the form of functional coating SAES also intends to position itself downstream of the value chain and to have a more direct contact with the end user in established growing markets such as that of active packaging.

Always in the field of organic chemistry, the development activities of OLET displays continued, in collaboration with the National Research Center (CNR) and a US Company leader in the development of organic precursors.

Particularly intense were the activities of the Vacuum Systems development laboratory that, in the wake of the great success of the NEXTorr pump, has continued the development of larger models and of the new High Vacuum pump that has been presented in the market in the second half of 2014. To achieve these results, it was necessary to develop a new family of alloys with strongly enhanced absorption characteristics, that will be gradually used in all pumps, with obvious benefits of compactness, one of the distinctive advantages of our product range.

The central laboratory has continued its basic research activities in the field of shape memory alloys, in particular the studies aimed at understanding complex phenomena such as the hysteresis, the fatigue break and their relationship with the compositional characteristics of the alloy.

The joint venture Actuator Solutions has completed the development of a focus system of the miniaturized cameras for high-end mobile phones, based on the use of SMA actuators; the product is currently undergoing its qualification with some potential users.

Please note that all basic research expenses incurred by the Group are charged directly into the income statement in the year in which they occurred as they do not qualify for capitalization.

Group's main risks and uncertainties

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

Risks associated with the market context

Sensitivity to the market context

Some of the SAES Group's businesses are more sensitive to the performance of some macroeconomic indicators (GDP trend, consumer confidence level, availability of liquidity, etc.) than others. In particular, some businesses, such as the lighting one and the applications for the defence market, were affected, also in 2014, by the evolution of some political choices regarding public investments. The effect on the Group's performance was a decline in the demand of getters for lamps while the sales of getters for military applications have stabilized compared to the previous year.
Also the Pure Gas Handling Business is particularly exposed to the cyclical nature of some of the markets in which the "Gas Purification" technology is used, first of all the semiconductors industry.

The SAES Group has reacted by seeking to diversify and evolve into markets less dependent on the economic cycle, in particular the medical industry, and at the same time by rebalancing and rationalizing its fixed costs

structure, however maintaining those functions (engineering, applied research, etc.) necessary to ensure a rapid reaction of the production structures when the suffering areas show some signs of recovery.
With particular reference to the recalled example of the semiconductors industry, in recent years the Group has seen a decrease in the weight of that industry in the end markets, making the fluctuation of revenues less obvious than in the past, thanks to the widening of the product range and to the characteristics of excellence of the proposed solutions.

Another external factor that cannot be influenced by the Group is the evolution of the legislation in the countries in which the Group sells its products or in those countries that represent the end markets for SAES' customers: the rules and the resulting operating practices are of particular importance in the industrial lamps business, where the market is often influenced by environmental requirements, or with respect to the applications for the medical business: let's think, for example, at the indirect impact on the customers that buy these applications originated by the laws on welfare, or to the frequent need for qualification by some institutional bodies of those products of the customers in which the technologies of the Group, or the products themselves as components, are applied. Please consider also the eventuality in which the qualifications mentioned above are actually achieved, but later than expected, with the effect of delaying the payback of the Group's investments made to support the development and industrialization of new products.

The Group seeks to mitigate the risks associated with changes in the regulations by monitoring the legislative trends where possible with the aim of anticipating the effects of any news and keeping the focus on the product development activities, in order to be able to innovate the product range when needed: as mentioned above, the attention is also on responding rapidly and adapting the production structure through the engineering functions.

Competition

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

The SAES Group has adopted various response strategies to deal with this risk. In particular, it has sought to increase customers' fidelity by long-term supply agreements, developing new solutions and services, offering new products of higher quality, repositioning the offer along different stages of the value chain and trying to maximize the leverage provided by a skilled global commercial structure.
In addition, as mentioned above, the Group aims at diversifying its target markets in order to reduce its dependency on markets characterized by a rising level of competition.
In parallel, the Group has continued with market researches aimed at anticipating the evolution of the demand, also through alliances and agreements with leading specialized centers of study.
Finally, also with the development of the activity of the joint venture Actuator Solutions, 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, real systems 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 electronic industry is the accelerated technological obsolescence of applications and technologies in the market. It may also happen, as mentioned above, that the replacement of one technology or particular peculiarity by another is also driven by changes in the law in target countries.

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

Operational risks

Uncertainty concerning the success of research and development projects

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

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

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

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

Protection of intellectual property

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

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

Risks related to the production capacity

The rationalization of the Group's manufacturing and marketing structures, implemented during the last years, has lead to an increasing polarization, between Italy, and in particular the Avezzano facility, being the sole manufacturing center for traditional getter metal alloys, and the USA, with some sub-specialized facilities, as the base of production addressed to the pure gas handling materials, the NiTinol shape memory alloys and the medical SMA devices (stent).

The primary risks are associated with the greater distance from some customers, with possible consequences in the service level, in addition to the increase in transportation and insurance costs.

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

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

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

Risks related to dealings with suppliers

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

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

Risks related to customers concentration

This risk refers to the possibility that revenues are concentrated in a small number of customers in some businesses, with the result that the Group's results are too much dependent on the financial performance of these customers or on their strategic decisions: for example, please consider the possibility that one or more customers decide to integrate vertically, inside their factories, the production of semi-finished goods or components that they currently buy from the Group.

The Group seeks to mitigate the potential consequences of this risk as much as possible by widening the customer base, both through new prospects and diversifying the range of products offered to individual customers. In addition, the Group aims at strengthening the partnership with its major customers, also sharing, where appropriate, the specific technical skills, within the constraints arising from the defense of intellectual property and trying to obtain and renew medium and long-term contracts that ensure less volatility in invoiced volumes and unit prices.

Risks related to the location of production

This risk refers to the fact that the Parent Company from 2009 to 2013[12] has recognized deferred tax assets on its tax losses under the national consolidated taxation regime.
The recognition of these deferred tax assets was justified by the growth expectations regarding the production activities in the Group's Italian factories as envisaged in the industrial plan, that will generate a taxable income in the next few years. However, it is possible that future strategic decisions or some business opportunities, or even the evolution of the markets in which the Group operates, may lead to a geographical distribution of the production, and consequently a composition of the financial results, different from the one expected, or that there may be some delays compared to what was planned, with the result that the

[12] As already mentioned, given the current organizational structure of the Group, during the 2014 it has been prudently decided to suspend the recognition of deferred tax assets on the tax losses realized in the period by the Italian companies of the Group participating in the national tax consolidation program (for further details please refer to Note no. 11)

recoverability of the tax losses carried forward may fail. With the same performance and thus consolidated results, the availability of future taxable income for the use of deferred tax assets could be modified also by the change in scope of fiscal consolidation.

The Group periodically checks the tenability of the assumptions underlying the recognition of deferred tax assets on unused tax losses: more specifically, the estimates related to the achievement of a positive taxable income for the companies that adhere to the Italian national consolidated taxation are an integral part of the planning process and are subject to the specific approval by the Board of Directors.
Finally, there is a particular focus on the verification of the industrial plans, in order to ensure the likelihood of the development hypothesis made for the Italian companies involved, including the allocation in their own facilities of future productions deriving from research and development projects in progress at the time of the planning activities and, consequently, of the related revenues and operating margins.

Financial risks

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

- *Interest-rate risk*, associated with the volatility of interest rates, which may influence the cost of the use of debt financing or the return on temporary investments of cash;
- *Exchange-rate risk*, associated with the volatility of exchange rates, which may influence the related value of the Group’s costs and revenues according to the currency of denomination of accounting transactions and may thus have an impact on the Group’s net result; the value of the exchange rates also affects the amount of financial receivables/payables denominated in currencies other than the euro, with a potential effect both on the net income and on the net financial position as well;
- *Risk of changes in prices of raw materials*, which may affect the Group’s product margins if these changes are not charged to the price agreed upon with customers;
- *Credit risk*, associated with the solvency of customers and the ability to collect receivables claimed from them;
- *Liquidity risk*, associated with the Group’s ability to raise funds to finance its operating activities, or with the capacity of the sources of funding if the Group were to adopt strategic decisions involving some extraordinary expenditure (such as merger & acquisition transactions or organizational rationalization and restructuring activities).

With reference to financial risks, the Board of Directors periodically re-examines and sets the related risk-management policies, as described in detail in the Note no. 40, to which the reader may also refer for the associated sensitivity analysis.

Subsequent events

At the end of 2014 Memry Corporation has officially signed an agreement with the State of Connecticut to obtain a soft financing in several tranches, for a total amount of 2,750 thousand USD. The loan will have a duration of ten years with an annual subsidized interest rate of 2% and will be used to purchase new machinery and equipment necessary to expand the production plant in Bethel.
50% of the financing (1,375 thousand USD) might be converted into a non-refundable grant provided that, by November 2017, Memry Corporation, in addition to having retained all its current staff, hires 76 new employees at the headquarters in Bethel and retains the additional staff for at least one year; in addition, the employees in Bethel will have to earn an average annual salary of not less than a specific threshold established by the agreement.
If only 50% of the new employees were hired within the fixed term, also the non-refundable grant would be halved (about 687 thousand USD).
The first tranche of the soft financing, equal to 1,963 thousand USD, was paid by the State of Connecticut to the US subsidiary on February 20, 2015.

On January 7, 2015 two contracts for the forward sale of euros were entered into, in order to limit the currency risk on the Group resulting from the effect of the oscillation of the Korean won on the balance of the financial credit in euro that SAES Getters Korea Corporation held towards the Parent Company.
The first contract, with a notional value of 7 million euro, will expire on September 30, 2015 and provides for a forward exchange rate equal to 1,307.00 against the euro; the second contract, with a notional value of 1.5 million euro, will expire on December 28, 2015 and provides for a forward exchange rate equal to 1,309.00 against the euro.

The results of the Group will continue to be influenced by the exchange rate of the euro against the main currencies (particularly the US dollar and the Japanese yen). In order to preserve the profitability from the fluctuation of the exchange rates, on January 7, 2015 some contracts for the forward sale of US dollars were entered into for a notional value of 10,080 thousand USD, while on January 22, 2015 other similar contracts were signed for a notional value of 4,800 thousand USD. These contracts provide for an average forward exchange rate equal to 1.1801 against the euro and will be in force for the entire 2015.

On January 23, 2015, as envisaged by the contract, the third and final tranche of the fixed consideration for the acquisition of the hydrogen purifiers business has been paid to Power & Energy, Inc. (1.8 million USD).

On March 11, 2015 SAES Getters S.p.A., in order to provide the subsidiary E.T.C. S.r.l. with more funds in order to ensure an adequate capitalization, resolved a capital contribution of 109 thousand euro, equal to the difference between the loss recorded by E.T.C. S.r.l. in 2014 (-2,009 thousand euro[13]) and the loss estimated for the same period at the beginning of the year (-1,900 thousand euro) and already covered by the payment made by the Parent Company on March 13, 2014.
At the same time, the Parent Company resolved an additional capital contribution of 1,450 thousand euro in favor of E.T.C. S.r.l. allocated to cover the expected losses in 2015.
The percentage owned by SAES Getters S.p.A. remained unchanged compared to December 31, 2014[14] (96% of the share capital).

SAES Advanced Technologies S.p.A. will continue to use the defensive job-security agreements throughout 2015.

Business outlook

In the **first two months of 2015**, **consolidated net revenues** were equal to 22,430 thousand euro, substantially unchanged compared to the corresponding period of the previous year. The exchange rate effect was positive and equal to +12.3%.

[13] Result of the financial statements prepared in accordance with the National Accounting Standards.
[14] In the shareholders' agreements, SAES Getters S.p.A. has pledged to cover the losses also on behalf of the minority shareholder if the latter does not want to or is unable to cover them, while keeping unchanged its percentage of ownership.

(thousands of euro)

Business	Feb-15	Feb-14	Difference	Difference %	Exchange rate effect %	Price/quantity effect %
Electronic & Photonic Devices	1,997	1,948	49	2.5%	11.5%	-9.0%
Sensors & Detectors	1,500	1,447	53	3.7%	8.4%	-4.7%
Light Sources	1,619	2,115	(496)	-23.5%	4.3%	-27.8%
Vacuum Systems	1,203	1,136	67	5.9%	5.8%	0.1%
Thermal Insulation	1,122	1,211	(89)	-7.3%	8.7%	-16.0%
Pure Gas Handling	5,621	7,924	(2,303)	-29.1%	11.1%	-40.2%
Industrial Applications	**13,062**	**15,781**	**(2,719)**	**-17.2%**	**9.4%**	**-26.6%**
SMA Medical Applications	8,175	5,988	2,187	36.5%	20.2%	16.3%
SMA Industrial Applications	933	488	445	91.2%	6.5%	84.7%
Shape Memory Alloys	**9,108**	**6,476**	**2,632**	**40.6%**	**19.2%**	**21.4%**
Business Development	**260**	**183**	**77**	**42.1%**	**12.3%**	**29.8%**
Total net sales	**22,430**	**22,440**	**(10)**	**0.0%**	**12.3%**	**-12.3%**

The Shape Memory Alloys Business Unit ended the first two months of 2015 with revenues equal to 9,108 thousand euro (6,476 thousand euro in the first two months of 2014), showing a marked growth both in the medical segment (+36.5%) and in the industrial one (+91.2%).
Consolidated revenues of the Industrial Applications Business Unit were equal to 13,062 thousand euro, compared to 15,781 thousand euro in the corresponding period of 2014. The decrease was concentrated in the gas purification business, penalized by technical delays in the deliveries due to the recent strikes that have hampered the shipments in the ports of the US West Coast.

March sales are expected to be definitely brilliant, recovering also the above mentioned delays in the deliveries: that will allow to end the first quarter of 2015 with consolidated revenues equal to about 38 million euro.

Total revenues of the Group were equal to 23,679 thousand euro in the first two months of 2015, up by +0.7% compared to 23,524 thousand euro in the corresponding period of 2014 thanks to the growth in the sales of the joint venture Actuator Solutions, while the consolidated sales remained stable.

Going concern

The financial statements have been prepared on an ongoing concern basis because, despite a difficult economic and financial environment, we believe that there aren't any significant uncertainties (as defined in paragraph no. 25 of IAS 1 - *Presentation of Financial Statements*) surrounding the business continuity. This context, as previously highlighted in the paragraphs related to the risks to which the Group is subject, can be only partially influenced by the Management of the Company, being it mainly the result of external variables.
Based on the best estimates available to date, the Company has approved a three-years business plan that includes the strategies envisaged by the Company's Management in order to succeed in achieving the defined business goals in this difficult economic environment. These strategies, that include also an increase in the production activities undertaken in Italy, will allow the full recovery of the corporate activities and, in particular, of the deferred tax assets recognized in the balance sheet.

Related party transactions

The Group reports that its dealings with related parties fall within ordinary operations and are settled at market or standard conditions.

Complete disclosure of related-party transactions during the year is provided in the Note no. 42 of the consolidated financial statements.

Consob regulatory simplification process

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

Consolidated Financial Statements
for the year ended on December 31, 2014

Consolidated statement of profit or loss

(thousands of euro)	Notes	2014	2013
Total net sales	3	**131,701**	**128,543**
Cost of sales	4	(75,030)	(77,126)
Gross profit		**56,671**	**51,417**
Research & development expenses	5	(14,375)	(14,864)
Selling expenses	5	(11,862)	(11,898)
General & administrative expenses	5	(19,082)	(21,665)
Total operating expenses		**(45,319)**	**(48,427)**
Royalties	6	1,843	2,105
Other income (expenses), net	7	(183)	413
Operating income (loss)		**13,012**	**5,508**
Interest and other financial income	8	486	376
Interest and other financial expenses	8	(2,106)	(1,696)
Share of result of investments accounted for using the equity method	9	(1,286)	(712)
Foreign exchange gains (losses), net	10	147	(29)
Income (loss) before taxes		**10,253**	**3,447**
Income taxes	11	(6,829)	(2,616)
Net income (loss) from continued operations		**3,424**	**831**
Net income (loss) from assets held for sale and discontinued operations	12	1,412	(1,393)
Net income (loss) for the period		**4,836**	**(562)**
Minority interests in consolidated subsidiaries		0	0
Group net income (loss) for the period		**4,836**	**(562)**
Net income (loss) per ordinary share	13	0.2137	(0.0255)
Net income (loss) per savings share	13	0.2305	(0.0255)

Consolidated statement of other comprehensive income

(thousands of euro)	Notes	2014	2013
Net income (loss) for the period		**4,836**	**(562)**
Exchange differences on translation of foreign operations	29	11,150	(3,403)
Exchange differences on equity method evalueted companies	29	(42)	3
Total exchange differences		11,108	(3,400)
Total components that will be reclassified to the profit (loss) in the future		**11,108**	**(3,400)**
Actuarial gain (loss) on defined benefit plans	29	(183)	6
Income taxes	29	50	(2)
Actuarial gain (loss) on defined benefit plans, net of taxes		(133)	4
Total components that will not be reclassified to the profit (loss) in the future		**(133)**	**4**
Other comprehensive income (loss), net of taxes		**10,975**	**(3,396)**
Total comprehensive income (loss), net of taxes		**15,811**	**(3,958)**
attributable to:			
- Equity holders of the Parent Company		15,811	(3,958)
- Minority interests		0	0

Consolidated statement of financial position

(thousands of euro)	Notes	December 31, 2014	December 31, 2013
ASSETS			
Non-current assets			
Property, plant and equipment, net	15	50,684	51,473
Intangible assets, net	16	48,705	44,721
Investments accounted for using the equity method	17	1,370	2,698
Deferred tax assets	18	15,725	16,514
Tax consolidation receivables from Controlling Company	19	571	529
Other long term assets	20	917	887
Total non current assets		**117,972**	**116,822**
Current assets			
Inventory	21	29,719	28,573
Trade receivables	22	20,010	14,019
Prepaid expenses, accrued income and other	23	9,697	8,402
Derivative financial instruments evaluated at fair value	24	38	0
Cash and cash equivalents	25	25,602	20,334
Financial receivables from related parties	26	2,762	0
Other financial receivables from third parties	27	151	0
Assets held for sale	28	0	2,038
Total current assets		**87,979**	**73,366**
Total assets		**205,951**	**190,188**
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		41,510	45,635
Other components of equity		10,555	(553)
Net income (loss) of the period		4,836	(562)
Group shareholders' equity	29	**112,685**	**100,304**
Other reserves and retained eanings of third parties		3	3
Minority interests in consolidated subsidiaries		**3**	**3**
Total equity		**112,688**	**100,307**
Non current liabilities			
Financial debts	30	14,689	80
Other non current financial debts towards third parties	31	1,328	2,675
Deferred tax liabilities	18	6,190	5,392
Staff leaving indemnities and other employee benefits	32	7,425	7,085
Provisions	33	871	706
Total non current liabilities		**30,503**	**15,938**
Current liabilities			
Trade payables	34	11,047	9,259
Other payables	35	7,703	8,659
Accrued income taxes	36	387	40
Provisions	33	1,861	1,067
Derivative financial instruments evaluated at fair value	24	0	240
Current portion of medium/long term financial debts	30	6,690	18,283
Other current financial debts towards third parties	31	2,068	2,231
Bank overdraft	37	30,722	33,371
Accrued liabilities	38	2,282	793
Total current liabilities		**62,760**	**73,943**
Total equity and liabilities		**205,951**	**190,188**

Consolidated cash flow statement

(thousands of euro)	2014	2013
Cash flows from operating activities		
Net income (loss) from continued operations	3,424	831
Net income (loss) from discontinued operations	1,412	(1,393)
Current income taxes	5,383	3,604
Changes in deferred income taxes	1,446	(988)
Depreciation	7,163	7,781
Write-down (revaluation) of property, plant and equipment	0	874
Amortization	1,393	1,736
Write-down (revaluation) of intangible assets	0	3
Net loss (gain) on disposal of fixed assets	(1,372)	(8)
Interest and other financial (income) expenses, net	2,907	2,032
Other non-monetary costs (revenues)	(38)	114
Accrual for termination indeminities and similar obligations	656	47
Changes in provisions	456	(1,526)
	22,830	**13,106**
Working capital adjustments		
Cash increase (decrease):		
Account receivables and other receivables	(7,245)	453
Inventory	1,758	2,480
Account payables	1,788	(3,644)
Other current payables	102	(893)
	(3,597)	**(1,604)**
Payment of termination indemnities and similar obligations	(411)	(627)
Interests and other financial payments	(477)	(342)
Interests and other financial receipts	148	141
Taxes paid	(4,535)	(5,651)
Net cash flows from operating activities	**13,958**	**5,024**
Cash flows from investing activities		
Disbursements for acquisition of tangible assets	(4,310)	(6,470)
Proceeds from sale of tangible and intangible assets	3,570	67
Disbursements for acquisition of intangible assets	(57)	(285)
Cash paid to acquire shares in controlled companies	0	(500)
Cash paid for acquisition of third parties businesses	(1,813)	(2,675)
Net cash flows from investing activities	**(2,610)**	**(9,862)**
Cash flows from financing activities		
Proceeds from long term financial liabilities, current portion included	6,965	0
Proceeds from short term financial liabilities	0	23,350
Dividends payment	(3,430)	(9,965)
Repayment of financial liabilities	(9,246)	(6,434)
Interests and other costs paid on financial liabilities	(1,324)	(1,138)
Financial receivables from related parties	(2,700)	0
Proceeds (repayments) from financial liabilities towards related parties	0	(2,000)
Other financial payables	(245)	(214)
Other financial receivables	(151)	0
Payment of finance lease laibilities	(15)	(37)
Net cash flows from financing activities	**(10,146)**	**3,562**
Net foreign exchange differences	3,536	(1,000)
Net (decrease) increase in cash and cash equivalents	**4,738**	**(2,276)**
Cash and cash equivalents at the beginning of the period	**20,333**	**22,609**
Cash and cash equivalents at the end of the period	**25,071**	**20,333**

Consolidated statement of changes in equity as at December 31, 2014

(thousands of euro)	Capital stock	Share issue premium	Treasury shares	Legal reserve	Other components of equity: Currency conversion reserve	Other components of equity: Currency conversion reserve from discontinued operations	Other reserves and retained earnings	Net income (loss)	Group shareholders' equity	Minority interests	Total equity
December 31, 2013	**12,220**	**41,120**	**0**	**2,444**	**(553)**	**0**	**45,635**	**(562)**	**100,304**	**3**	**100,307**
Distribution of 2013 result							(562)	562	0		0
Dividends paid							(3,430)		(3,430)		(3,430)
Net income (loss)								**4,836**	**4,836**	**0**	**4,836**
Other comprehensive income (loss)					11,108		(133)		10,975		10,975
Total comprehensive income (loss)					**11,108**		**(133)**	**4,836**	**15,811**	**0**	**15,811**
December 31, 2014	**12,220**	**41,120**	**0**	**2,444**	**10,555**	**0**	**41,510**	**4,836**	**112,685**	**3**	**112,688**

Consolidated statement of changes in equity as at December 31, 2013

(thousands of euro)	Capital stock	Share issue premium	Treasury shares	Legal reserve	Other components of equity: Currency conversion reserve	Other components of equity: Currency conversion reserve from discontinued operations	Other reserves and retained earnings	Net income (loss)	Group shareholders' equity	Minority interests	Total equity
December 31, 2012	**12,220**	**41,120**	**0**	**2,444**	**2,847**	**0**	**52,256**	**3,340**	**114,227**	**3**	**114,230**
Distribution of 2012 result							3,340	(3,340)	0		0
Dividends paid							(9,965)		(9,965)		(9,965)
Net income (loss)								**(562)**	**(562)**	**0**	**(562)**
Other comprehensive income (loss)					(3,400)		4		(3,396)		(3,396)
Total comprehensive income (loss)					**(3,400)**		**4**	**(562)**	**(3,958)**	**0**	**(3,958)**
December 31, 2013	**12,220**	**41,120**	**0**	**2,444**	**(553)**	**0**	**45,635**	**(562)**	**100,304**	**3**	**100,307**

Annex no. 1

Consolidated statement of profit or loss

prepared pursuant to CONSOB resolution no. 15519 of July 27, 2006 and Communication no. DEM/6064293 of July 28, 2006

(thousands of euro)

	2013	of which: non recurring items	2013 adjusted
Total net sales	**128,543**	**0**	**128,543**
Cost of sales	(77,126)	46	(77,172)
Gross profit (loss)	**51,417**	**46**	**51,371**
Research & development expenses	(14,864)	(124)	(14,740)
Selling expenses	(11,898)	(433)	(11,465)
General & administrative expenses	(21,665)	(1,378)	(20,287)
Total operating expenses	(48,427)	(1,936)	(46,491)
Royalties	2,105	0	2,105
Other income (expenses), net	413	0	413
Operating income (loss)	**5,508**	**(1,890)**	**7,398**
Interest and other financial income	376	0	376
Interest and other financial expenses	(1,696)	0	(1,696)
Share of result of investments accounted for using the equity method	(712)	0	(712)
Foreign exchange gains (losses), net	(29)	0	(29)
Income (loss) before taxes	**3,447**	**(1,890)**	**5,337**
Income taxes	(2,616)	222	(2,838)
Net income (loss) from continued operations	**831**	**(1,668)**	**2,499**
EBITDA	**15,744**	**(1,421)**	**17,165**

Annex no. 2

Non recurring items - full year 2013

(thousands of euro)	Income	Expenses	Total
Cost of sales			
Write-down of assets	0	(3)	(3)
Write-down of inventory	0	(325)	(325)
Personnel restructuring	1,290 (*)	(916)	374
Total effect on cost of sales	**1,290**	**(1,244)**	**46**
Operating expenses			
Write-down of assets	0	(466)	(466)
Write-down of inventory	0	0	0
Personnel restructuring	489 (*)	(1,959)	(1,470)
Total effect on operating expenses	**489**	**(2,425)**	**(1,936)**
Total effect on income (loss) before taxes	**1,779**	**(3,669)**	**(1,890)**
Income taxes			222
Net income (loss) from continued operations			**(1,668)**

(*) Personnel cost decrease resulting from the use of the social security provisions.

1. BASES OF PREPARATION AND ACCOUNTING POLICIES

Bases of preparation

SAES Getters S.p.A., the Parent Company, and its subsidiaries (hereinafter "SAES Group") operate both in Italy and abroad in the development, manufacturing and marketing of getters and other components for applications where stringent vacuum conditions or ultra-pure gases are required (electronic devices, industrial lamps, vacuum systems and thermal insulation solutions), 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 preparation of the financial statements is in compliance with the historical cost criterion, except when specifically required by the applicable standards, as well as on the going concern assumption; in spite of a difficult economic and financial environment, it is not considered to exist significant uncertainties (as defined in paragraph no. 25 of IAS 1 - *Presentation of Financial Statements*) on the business continuity.

The Parent Company SAES Getters S.p.A., based in Lainate (Italy), is controlled by S.G.G. Holding S.p.A.[10], which does not exercise management and coordination activity.
The Board of Directors approved and authorized the publication of the 2013 consolidated financial statements in a resolution passed on March 11, 2015.

The consolidated financial statements of the SAES Group are presented in euro (rounded to the nearest thousand), which is the Group's functional currency.
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, 2014 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 also 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 2013 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 consolidated statement of profit (loss) and of other comprehensive income (the Group elected to present two different statements) and a statement of consolidated financial position that includes only the details of operations on the Group's shareholders' equity, while changes in the minority interests are presented in a separate line.

Moreover we report that:

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

- 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 statement of profit or loss has been prepared by classifying operating expenses by allocation, inasmuch 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 statement of profit or loss (Annex no. 1), income and expenses arising from non-recurring transactions or from events that do not recur frequently during the normal conduct of operations are specifically identified and their effects are stated separately at the main interim result levels.
Non-recurring events and transactions are identified primarily on the basis of the nature of the transactions. In particular, non-recurring income/expenses 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);
- income/expenses arising from discontinued businesses.

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

Reclassifications on 2013 income statement figures

Please note that the 2013 income statement figures, presented for comparative purposes, have been reclassified in order to enable a homogeneous comparison with 2014. In particular, as a result of the continuous technological evolution in the *Organic Light Emitting Diodes* business and of the delays in the commercial launch of OLED TVs, revenues and expenses as at December 31, 2013 of this segment have been reclassified within the Business Development Unit. Similarly, the figures related to the *Energy Devices* business, that doesn’t have significant trade volumes, have been reclassified within the Business Development Unit. In this way, the Group can continue its research activities in both areas without any short-term commercial constraint, with the possibility to deepen its know-how in the field of functional polymers and their potential applications.
Finally, the revenues and the operating expenses related to the *LCD* business (respectively equal to about 30 thousand euro and -363 thousand euro in 2013 and almost zero in the current year) were reclassified within the Light Sources Business (Industrial Applications Business Unit). For further details please refer to Note no. 14.

Segment information

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

Following the reclassification of the revenues and the expenses of the *Organic Light Emitting Diodes* business within the Business Development Unit, the progressive resetting to zero of LCD revenues and the shutdown of the last factory dedicated to the CRT production, the Information Displays operating segment has ceased to exist.

Seasonality of operations

Based on historical trends, the revenues of the different businesses are not characterized by significant 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, 2014:

Company	*Currency*	*Capital Stock*	*% of Ownership* Direct	Indirect
Directly-controlled sunsidiaries:				
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	100.00	-
E.T.C. S.r.l. Bologna, BO (Italy)	EUR	75,000	96.00**	-
SAES Nitinol S.r.l. Lainate, MI (Italy)	EUR	10,000	100.00	-
Indirectly-controlled subsidiaries:				
Through SAES Getters USA, Inc.:				
SAES Pure Gas, Inc. San Luis Obispo, CA (USA)	USD	7,612,661	-	100.00
Spectra-Mat, Inc. Watsonville, CA (USA)	USD	204,308	-	100.00
Through SAES Getters International Luxembourg S.A.:				
SAES Getters Korea Corporation Seoul (South Korea)	KRW	10,497,900,000	37.48	62.52
SAES Smart Materials, Inc. New Hartford, NY (USA)	USD	17,500,000	-	100.00
Memry Corporation Bethel, CT (USA)	USD	30,000,000	-	100.00

* % of indirect ownership held by SAES Advanced Technologies S.p.A. (0.03%) and by SAES Getters (Nanjing) Co., Ltd. (10.00%).
** 4% held by third parties. However, the company is fully consolidated at 100% without attribution of minority interests since in the shareholders' agreements SAES Getters S.p.A. has committed to cover any loss, also on behalf of the minority shareholder if the latter is unwilling or unable to proceed to cover them, maintaining unchanged its percentage of ownership.

The following table shows the companies included in the scope of consolidation according to the equity method as at December 31, 2014:

Company	*Currency*	*Capital Stock*	*% of Ownership* Direct	Indirect
Actuator Solutions GmbH Gunzenhausen (Germany)	EUR	2,000,000	-	50.00*
Actuator Solutions Taiwan Co., Ltd. Taoyuan (Taiwan)	TWD	5,850,000	-	50.00**

* % of indirect ownership held by SAES Nitinol S.r.l.
** % of indirect ownership held by the joint venture Actuator Solutions GmbH (which holds a 100% interest in Actuator Solutions Taiwan Co., Ltd.).

During the year 2014 there were no changes in the scope of consolidation.

2. MAIN ACCOUNTING PRINCIPLES

Consolidation principles

The consolidated financial statements include the financial statements of SAES Getters S.p.A. and the financial statements of all the subsidiaries, effective from the date on which their control is assumed and until such control ceases to exist.
Control exists when the Group is exposed or has rights to variable returns from its involvement with the investee and, at the same time, has the ability to affect those returns through its power over the investee.
Specifically, the Group controls a subsidiary if it simultaneously has the following:
• the decision power, that means the ability to manage the relevant activities of the subsidiary, in particular those activities that have a significant influence on the results of the subsidiary itself;
• the right to the (positive or negative) variable results deriving from the investment in the entity;
• the ability to use its own decision power to determine the amount of the results arising from its participation in the entity.
When the Group holds less than the majority of the voting rights (or similar rights) it has to consider all the relevant facts and circumstances to determine whether it controls the entity object of investment, including:
• contractual agreements with other holders of voting rights;
• rights deriving from contractual agreements;
• voting rights and potential voting rights of the Group.
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 statement of profit or loss.
The carrying value of the equity investment in each of the subsidiaries is eliminated to account for the corresponding share of net equity, including any adjustment to the fair value on the date of acquisition; any resulting positive difference is recognized among intangible assets as goodwill, as illustrated below, whereas any negative difference is charged to the statement of profit or loss.
In preparing the consolidated financial statements, all balance sheet, income statement and cash flow balances among the Group companies have been eliminated, as well as unrealized gains and losses on infra-group transactions.

Associates are defined as those companies in which the Group is able to exercise a significant influence. A significant influence is the power to participate in determining the financial and operating policies of the associate without holding its control or joint control.
A joint venture is instead an agreement on a jointly controlled entity whereby the parties that have the joint control have rights to the net assets of that entity. Joint control is the sharing, established by an agreement, of the control of an economic activity, that exists only when the unanimous consent of all parties sharing control is required for decisions on those activities.
Joint ventures are different from joint operations that are instead agreements that give the parties of the agreement, which have joint control of the entity, rights over the individual assets and obligations for the liabilities relating to the agreement.
Investments in associates and joint ventures are accounted for using the equity method. In the case of joint operations, assets and liabilities, costs and revenues related to the agreement are recognized based on the relevant accounting standards.

The consolidated financial statements are presented in euro, which is the functional currency of the Group.
Each company of Group defines the functional currency for its financial statements. Transactions in foreign currencies are initially recorded at the exchange rate (related to the functional currency) at the date of the transaction.
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 data (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.
Non-current items measured at historical cost in a foreign currency (including goodwill and adjustments to the fair value generated during the purchase price allocation of a foreign company) are converted at the exchange rates at the date of their initial recording. At a later stage, these figures are converted at the exchange rate at year end.

The following table shows the exchange rates used for the conversion of the foreign financial statements:

expressed in foreign currency (per 1 euro)

Currency	December 31, 2014		December 31, 2013	
	Average rate	Final rate	Average rate	Final rate
US dollar	1.3285	1.2141	1.3281	1.3791
Japanese yen	140.3060	145.2300	129.6630	144.7200
South Korean won	1,398.1400	1,324.8000	1,453.9100	1,450.9300
Renminbi (P.R. of China)	8.1857	7.5358	8.1646	8.3491
Taiwan dollar	40.2499	38.4133	39.4257	41.1400

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.

Business combinations and Goodwill

Business combinations are recognized according to the purchase method. According to this method, the identifiable assets (including previously unrecognized intangible assets), liabilities and contingent liabilities (excluding future restructuring) acquired are recognized at their current values (fair values) at the date of acquisition. The positive difference between the purchase cost and the Group's interest in the fair value of such assets and liabilities is classified as goodwill and recognized among intangible assets. Any negative difference (badwill) is charged to the statement of profit or loss upon acquisition.
Any consideration subject to specific conditions in the business combination contract is measured at fair value at the acquisition date and included in the value of the consideration transferred in the business combination for the purposes of calculating the goodwill. Any subsequent changes in the fair value, which can be classified as adjustments arising during the measurement period, are included in the goodwill retrospectively. The changes in the fair value classified as adjustments in the measurement period are those resulting from additional information about facts and

circumstances that existed at the acquisition date, obtained during the measurement period (which cannot exceed the period of one year from the business combination).
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, that will be definitively determined within 12 months from the date of the acquisition. Any use of this accounting method, if used, will be mentioned in the explanatory notes.
The costs related to the acquisition are recognized in the statement of profit or loss when they are incurred. Goodwill is not amortized, but rather tested for impairment on an annual basis, or more frequently if specific events or particular circumstances indicate that impairment may have occurred, according to IAS 36 – *Impairment of assets*. After its initial recognition, goodwill is measured at cost, less any impairment recognized. Goodwill, once impaired, may not be recovered.
For the purposes of congruity analysis, the goodwill acquired in a business combination is allocated, at the date of acquisition, to the Group's individual cash-generating units (CGUs) or to groups of cash-generating units that should benefit from the synergies of the combination, regardless of whether other Group's assets and liabilities have been allocated to such units or groups of units. Each CGU or group of CGUs to which goodwill is allocated, represents the lowest Group's level at which goodwill is monitored for internal management purposes.
When goodwill represents a part of a CGU and a part of the assets internal to the unit is sold, the goodwill associated with the assets sold is included in the carrying value of the assets in order to determine the gain or loss on the sale. The goodwill transferred in such circumstances is measured on the basis of the figures for the transferred assets and the portion of the unit retained.
When all or part of a previously acquired company, the acquisition of which had generated goodwill, is disposed of, the residual share of goodwill is considered when calculating the effects of the sale. The difference between the price of sale and net assets, plus any accumulated translation differences and goodwill is recognized on the statement of profit or loss. Retained earnings or losses entered directly in the shareholders' equity are transferred to the statement of profit or loss at the time of the sale.
Where options do not grant effective access to the results associated with the ownership of minority interests, the shares or units referring to these options are recognized at the date of the acquisition of the control as "minority interests"; the share of the net income and losses (and other changes in equity) of the entity acquired are attributed to the minority interests after the business combination is completed. The minority-interest share is eliminated as of each balance sheet date and classified as a financial liability at its fair value (equal to the current value of the strike price of the option), as if the acquisition had occurred on that date. 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 (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 if the costs can be reliably measured and the technical feasibility of the product, the expected volumes and prices indicate that the costs incurred in the development phase will generate future economic benefits.
Capitalized development costs consist solely of effectively incurred expenses that may be directly allocated to the development process.
Capitalized development costs are systematically amortized starting from the year of production throughout the estimated useful life of the product/service.

Other intangible assets with finite useful life

Other purchased or internally produced intangible assets with finite useful lives are recognized as assets, in accordance with the provisions of IAS 38 – *Intangible assets*, when it is likely that the use

of the assets will generate future economic benefits and that the determination of their cost is reliable.
Such assets are recognized at the cost of purchasing or producing them and are amortized on a straight-line basis over their estimated useful lives. Intangible assets with finite useful life are also assessed for impairment annually, or whenever there is an indication that the assets may have become impaired.
Amortization is calculated on a straight-line basis over the estimated useful lives of the assets. Amortization rates are revised annually and are amended if the current estimated useful life differs from the previous estimate. The effects of such changes are recognized prospectively in the statement of profit or loss.
Intangible assets are amortized according to their estimated useful lives, where finite, as follows:

Industrial and other patent rights	3/5 years/duration of the contract
Concessions, licenses, trademarks and similar rights	3/50 years/duration of the contract
Other	3/8 years/duration of the contract

Property, plant and equipment

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

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

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

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

Impairment

At the end of each reporting period, the Group assesses whether there is any indication that the intangible assets and property, plant and equipment might have suffered an impairment.
Goodwill and intangible assets with an indefinite useful life are subjected to an impairment test at least once a year, or more frequently whenever there is an indication that the asset may have suffered an impairment.

Goodwill
Goodwill is assessed for impairment at the balance sheet date or during the fiscal year if there are indicators of criticality. The goodwill acquired and allocated during the year is assessed for impairment before the end of the year in which it was acquired and allocated.
For the purposes of impairment testing, goodwill is allocated, as of the date of acquisition, to each cash-generating unit or group of cash generating units that benefit from the acquisition, regardless of whether other Group's assets and liabilities have been allocated to such units.
If the carrying value of the cash-generating unit (or group of units) exceeds its recoverable value, the difference is recognized on the statement of profit or loss as an impairment loss.
The impairment loss is charged to the statement of profit or loss, initially by decreasing the carrying value of the goodwill allocated to the unit (or group of units), and only then is charged to the unit's other assets in proportion to their carrying value, up to a maximum of the recoverable value of assets with finite useful lives. The recoverable value of a cash-generating unit or group of cash-generating units to which the goodwill is allocated is the greater of the fair value, less selling costs, and the value in use of the unit itself.
The value in use of an asset consists of the current value of expected cash flows, calculated by applying a discount rate that reflects current market valuations of the value of money over time and the specific risks of the asset. Future explicit cash flows normally cover a period of three years and they are projected along a defined period between 6 and 12 years, except for projections that require longer periods, such as in the case of initiatives in the start-up phase. The long-term growth rate used to estimate the terminal value of the unit (or group of units) cannot exceed the average long-term growth rate for the industry, country or market in which the unit (or group of units) operates.
The value in use of cash-generating units in foreign currencies is estimated in the local currency discounting such cash flows at a rate appropriate to the currency itself. The current value obtained through this process is translated into euro at the spot exchange rate as of the date of the impairment test (which, in our case, is the balance sheet date).
Future cash flows are estimated by referring to the cash-generating unit's current conditions and consequently do not contemplate either the benefits of future restructuring operations to which the entity is not yet committed or future investments to improve or optimize the unit.
For impairment testing purposes, the carrying value of a cash-generating unit is determined in accordance with the criteria according to which the cash-generating unit's recoverable value is determined, excluding surplus assets (i.e. financial assets, deferred tax assets, and net non-current assets held for sale).
After having conducted an impairment test on the cash-generating unit (or group of units) to which the goodwill is allocated, a second level impairment test is conducted that includes also centralized assets with auxiliary functions (corporate assets) that do not generate positive cash flows and cannot be allocated to the individual units according to a reasonable and consistent criterion. At this second level, the recoverable value of all units (or groups of units) is compared with the carrying value of all units (or groups of units), including those units to which no goodwill has been allocated and corporate assets.
Where the conditions that had previously required the recognition of impairment cease to apply, the original value of the goodwill is not restored, according to IAS 36 - *Impairment of assets*.

Tangible and intangible assets with finite useful life

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

If there are indications that tangible or intangible assets with finite useful lives have become impaired, the carrying value of the assets is reduced to their recoverable value. The recoverable value of an asset is defined as the greater of its fair value, net of selling costs, and its value in use. The value in use of an asset consists of the current value of expected cash flows, calculated by applying a discount rate that reflects current market valuations of the value of money over time and the specific risks of the asset. 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 statement of profit or loss.

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 statement of profit or loss.

Investments in associates and joint ventures

Investments in associates and joint ventures are evaluated using the equity method. According to this method, the investment is initially recognized at cost and then it is adjusted to recognize the Group's share of its net equity changes. The share of net result deriving from the application of this consolidation method is recognized in the statement of profit or loss, under the item "Share of result of investments accounted for using the equity method".

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

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

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

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

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

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

Following the loss of a significant influence over an associate or of the joint control of a joint venture, the Group measures and recognizes the residual interest at fair value. The difference between the carrying value of the investment at the date of the loss of the significant influence or of the joint control and the fair value of the residual interest and of the compensations received is recognized in 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 over one year, that do not bear interest or bear interest at below-market rate, 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 liabilities

Financial liabilities include financial payables and other financial liabilities, including derivative instruments. Under IAS 39, they also include trade and other nature 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 statement of profit or loss and offset by the portion of the loss or gain arising from subsequent measurements of the hedging instrument at fair value.

Derivative financial instruments

The derivatives transactions undertaken by the SAES Group are aimed at hedging its exposure to exchange-rate and interest-rate risks and diversifying debt parameters in order to reduce the cost and volatility of debt within pre-determined management limits.
According to the requirements of IAS 39, hedging instruments are accounted according to the hedge accounting methods only when:
a) at inception, they are formally designated as a hedge and the hedge relationship is documented;
b) the hedge is expected to be highly effective;
c) the effectiveness of the hedge can be reliably measured;
d) the hedge is highly effective in each designated accounting period.

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

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

- *Fair value hedges* - If a derivative financial instrument is designated as a hedge of the exposure to the changes in the fair value of an asset or liability attributable to a particular risk, the gain or loss resulting from subsequent changes in the fair value of the hedging instrument is recognized on the statement of profit or loss. The portion of the gain or loss arising from the fair value adjustment of the hedged item attributable to the hedged risk is recognized as an adjustment to the carrying value of the item itself and entered in the statement of profit or loss.
- *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 statement of profit or loss during the same years in which the effects of the hedged transaction are recognized in the statement of profit or loss.
The gain or loss associated with the ineffective portion of the hedge is immediately recognized in the statement of profit or loss. If the hedged transaction is no longer deemed highly probable, the unrealized gains or losses recognized in the shareholders' equity reserve are immediately entered in the statement of profit or loss.

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

Inventory

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

Ceased assets/Assets held for sale/Discontinued operations

Ceased assets, Assets held for sale and Discontinued operations refer to lines of business and assets (or groups of assets) that have been sold or are in the process of being sold, the carrying value of which have been, or will be, recovered primarily through their sale rather than their continuing use.
These conditions are met when the sale or discontinuity of the group of assets held for sale are highly probable and the assets and liabilities are immediately available for sale at their current state.
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: Assets held for sale and Liabilities held for sale;
- in a specific item of the statement of profit or loss: Net income (loss) from 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 Civil Code, is a deferred benefit and is correlated to the length of each employee's term of employment and the compensation received during the period of service.
In application of IAS 19, the staff leaving indemnity calculated as indicated above is a "Defined-benefit plan" and the associated obligation to be recognized (Staff leaving indemnity debt) is determined through an actuarial calculation by using the Projected Unit Credit Method. As required by the revised version of IAS 19, gains and losses arising from the actuarial calculation are fully recognized in the comprehensive income in the period in which they occur. These actuarial differences are entered immediately on the retained earnings and are not classified in the statement of profit or loss in the following periods.
The costs associated with the increase in the current value of the staff leaving indemnity obligation arising from the proximity of the moment in which benefits are to be paid are included among "Personnel costs".

Effective from January 1, 2007, the 2007 Finance Law and related implementation decrees have introduced significant changes to staff leaving indemnity rules, including the employees' right to choose whether to allocate the not accrued portion of their leaving indemnity to complementary pension funds or the "Treasury Fund" managed by INPS.
It follows that the obligation to INPS, as well as contributions to complementary pension schemes, acquire the status of "Defined-contribution plans" in accordance with IAS 19, whereas the amounts recognized in the Staff leaving indemnity debt continue to be considered "Defined-benefit plans".
The amendments to the law enacted in 2007 have consequently entailed the redetermination of actuarial assumptions and the ensuing calculations employed to determine the staff leaving indemnity.

Other long term benefits
Anniversary or other seniority bonuses and long-term incentive plans are discounted back in order to determine the present value of the defined-benefit liability and the cost relating to the current employment services. As required by the revised version of IAS 19, gains and losses arising from the actuarial calculation are fully recognized in the comprehensive income in the period in which they occur. These actuarial differences are entered immediately on the retained earnings and are not classified in the statement of profit or loss in the following periods.

Provisions for contingencies and obligations

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

Treasury shares

Treasury shares are deducted from the shareholders' equity.

Transactions in foreign currencies

Transactions in foreign currencies are entered at the exchange rate in force on the transaction date. Monetary assets and liabilities denominated in foreign currencies are converted at the exchange rate in effect at the balance sheet date. Exchange differences resulting from the discharge of monetary items or the conversion of such items at rates differing from those at which they were initially recognized during the year or at those of the end of the previous year are recognized in the statement of profit or loss.
Non-current items measured at historical cost in a foreign currency (including goodwill and fair value adjustments generated in the allocation of the acquisition cost of a foreign company) are converted at the exchange rates at the date of their initial recording. At a later stage, these figures are converted at the exchange rate at year end.

Revenue recognition

Revenues are recognized to the extent that it is probable that the Group will receive the economic benefits and the amount of such benefits may be reliably determined. Revenues are represented net of discounts, allowances and returns.
Revenues from the sale of goods are recognized when the risks and benefits related to the ownership of the goods are transferred to the buyer.

Cost of sales

The cost of sales includes the cost of production or purchase of the products and goods that have been sold. It includes all the costs of materials, the manufacturing ones and the general expenses directly associated with the production, including the depreciation of the assets used for their production and the write-downs of inventory.

Research and development costs and promotion expenses

Research and promotion expenses are charged directly to the statement of profit or loss 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 statement of profit or loss for the year in which they are incurred.

Government grants

Government grants are recognized in the financial statements in accordance with IAS 20, that means when there is a reasonable certainty that the Company will comply with all the required conditions to receive such grants and that the grants will be received. Grants are recognized in the statement of profit or loss over the period in which the costs related to them are recognized.

Income taxes

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

Earnings per share

Basic earnings per ordinary share 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 as well as on the information about contingent assets and liabilities at the balance sheet date. In the future, should such estimates and assumptions, based on the best currently

available assessment, differ from the actual circumstances, they will be amended accordingly when the circumstances change.
Estimates and subjective assessments are employed to determine the recoverable value of non-current assets (including goodwill), revenues, accruals to provisions for receivables, obsolete and slow-rotation inventory, depreciation and amortization, employees' benefits, taxes, restructuring provisions and other accruals and provisions. Estimates and assumptions are reviewed periodically and the effects of all changes are immediately reflected in the statement of profit or loss.
In the absence of a standard or interpretation specifically applicable to a transaction, the Group's management decides, through subjective assessments, which accounting methods to adopt in order to provide relevant and reliable information so that the financial statements:

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

The balance sheet items that require more than others a subjective judgment on the part of the directors in the preparation of the estimates and for which a change in the underlying assumptions could have a significant impact on the financial statements are the following ones: goodwill, impairment of fixed assets, depreciation of assets, deferred tax assets, bad debt provisions, inventory write-downs, risk provisions, pension plans and other post-employment benefits.
With regard to the main assumptions and sources used in making such estimates, please refer to the relevant sections of the Notes to the financial statements.

Standards, interpretations and amendments effective from January 1, 2014

Accounting standards used to prepare the consolidated financial statements as at December 31, 2014 are consistent with those applied in the consolidated financial statements as at December 31, 2013, except for the adoption of new standards and interpretations applicable starting from January 1, 2014. The following accounting standards, amendments and interpretations are applicable for the first time from January 1, 2014.

IFRS 10 - *Consolidated financial statements*
The standard IFRS 10 - *Consolidated financial statements* replaces SIC 12 - *Consolidation - special purpose entities* and IAS 27 - *Consolidated and separate financial statements*, for the part related to the Consolidated financial statements. The previous IAS 27 has been renamed *Separate financial statements* and addresses the accounting treatment of shareholdings in the separate financial statements.
The main changes in the new standard are as follows:
o according to IFRS 10 there is a single basic principle to consolidate all types of entities and this principle is based on the control. This change removes the perceived inconsistency between the previous IAS 27 (based on the control) and SIC 12 (based on the transfer of risks and benefits);
o it provides a definition of control stronger than in the past, based on three elements: (a) the power on the company acquired; (b) the exposure, or rights, to variable returns deriving from the involvement in the same company; (c) the ability to use the power to influence the amount of such returns;
o IFRS 10 requires an investor to focus on those activities that significantly affect the returns of the acquired company in order to assess whether it has control over the company itself (relevant activities);
o IFRS 10 requires that, in assessing whether control exists, only the substantial rights are considered, that means those which are effectively exercisable when important decisions on the acquired company must be taken;
o IFRS 10 provides for practical guides in assessing whether control exists in complex situations, such as the *de facto* control, potential voting rights, those situations in which it is necessary to establish whether the person who has the decision power is acting as an agent or as a principal, etc.

In general terms, the application of IFRS 10 requires a significant degree of judgment on a number of application aspects.
This standard is applicable retrospectively starting from January 1, 2014.
The adoption of this new standard had no impact on the scope of consolidation of the Group.

IFRS 11 - *Joint arrangements*
The standard IFRS 11 - *Joint arrangements* replaces IAS 31 - *Interests in joint ventures* and SIC 13 - *Jointly controlled entities* - *Contributions in kind by joint controlling entities*.
The new standard, without changing the criteria for the identification of the presence of a joint control, provides the criteria for the accounting treatment of joint arrangements based on the rights and obligations deriving from the agreements rather than on their legal form, making a distinction between joint ventures and joint operations. According to IFRS 11, conversely to the previous IAS 31, the existence of a separate vehicle is not a sufficient condition for classifying a joint arrangement as a joint venture. For joint ventures, where the parties have rights only on the shareholders' equity of the agreement, the standard requires the equity method as the only acceptable accounting method to be used in the consolidated financial statements. For joint operations, where the parties have rights on the assets and obligations on the liabilities of the agreement, the standard provides for the direct entering of the pro-rata share of the assets, liabilities, expenses and revenues deriving from the joint operation in the consolidated financial statements (and in the separate financial statements).
In general terms, the application of IFRS 11 requires a significant degree of judgment in some corporate businesses with regard to the distinction between joint ventures and joint operations.
The new standard is applicable retrospectively starting from January 1, 2014.
Following the issuance of this standard, IAS 28 - *Investments in associates* has been amended to include within its scope of application also the investments in joint ventures, starting from the effective date of application of the standard.
The adoption of this new standard had no impact on the scope of consolidation of the Group.

IFRS 12 - *Disclosure of interests in other entities*
The standard IFRS 12 - *Disclosure of interests in other entities* is a new and comprehensive standard on the additional disclosure requirements in the consolidated financial statements for all types of investments, including those in subsidiaries, joint arrangements, associates, special purpose entities and other unconsolidated purpose entities.
This standard is applicable retrospectively starting from January 1, 2014.
The adoption of this new standard had no impact on the disclosure provided in the consolidated explanatory notes.

IAS 32 - *Offsetting financial assets and financial liabilities* (amendments)
These amendments clarify the requirements relating to the offset of financial assets and financial liabilities in the financial statements (that means, the entity currently has a legally enforceable right to offset the amounts recorded in the accounts and intends either to settle on a net basis, or to realize the assets and settle the liability simultaneously).
This standard is applicable retrospectively starting from January 1, 2014.
The adoption of these amendments have no impact on the consolidated financial statement.

Amendments to IFRS 10, IFRS 12 and IAS 27 regarding "investment entities"
These amendments introduce an exception to the consolidation of subsidiaries for an investment company, except when the subsidiaries provide services that are related to the investment activities of that company. Pursuant to these amendments, an investment company must evaluate its investments in subsidiaries at fair value.
In order to be classified as an investment company, an entity shall:
o obtain funds from one or more investors with the aim of providing them with investment management services;
o commit itself towards its investors to pursue the purpose of investing funds exclusively to obtain returns from a capital appreciation, from the proceeds of the investments, or both; and

- measure and evaluate the performance of all investments at fair value.

These amendments apply, together with the standards of reference, starting from January 1, 2014. These amendments are not applicable to the Group.

IAS 36 - *Impairment of assets - Additional information on the recoverable amount of non-financial assets* (amendment)

The amendments are intended to clarify that the additional information to be provided about the recoverable amount of the assets (including goodwill) or cash-generating units, subject to impairment test, in the event that their recoverable amount is based on their fair value less the costs of their disposal, regards only those assets or cash-generating units for which an impairment has been recognized or restored in the financial year.

In this case it will be necessary to provide an adequate information on the hierarchy level of fair value which includes the recoverable amount and on the valuation techniques and assumptions used (in the case of level 2 or 3).

These amendments apply retrospectively starting from January 1, 2014.

The adoption of these amendments have no impact on the disclosures of the consolidated financial statement.

IAS 39 - *Financial instruments: recognition and measurement - Novation of derivatives and continuation of hedge accounting* (amendments)

The changes include the introduction of certain exemptions from the requirements of hedge accounting as defined by IAS 39 when an existing derivative has to be replaced with a new derivative that has, by new law or regulation, a Central Counterparty - CCP.

These amendments apply retrospectively starting from January 1, 2014.

The adoption of these amendments have no impact on the consolidated financial statement.

Accounting standards, amendments and interpretations of IFRS and IFRIC already validated by the European Union, but not yet applicable if not in advance

Following the standards and amendments approved by the European Union, but not yet mandatorily applicable and not yet adopted by the Group in advance as of December 31, 2014.

IFRIC 21 - *Levies*

On May 20, 2013 it was published the interpretation IFRIC 21 - *Levies*, that provides a clarification about the time to recognize a liability related to taxes (other than income taxes) imposed by a government agency. The standard addresses both the liabilities for taxes that fall within the scope of IAS 37 - *Provisions, potential liabilities and assets*, and the taxes whose amount and timing are certain.

The interpretation is effective retrospectively for annual periods beginning on or after June 17, 2014.

The adoption of this new interpretation is expected to have no impact on the consolidation financial statements of the Group.

Annual improvements to IFRSs: 2010-2012 cycle

On December 12, 2013, the IASB published the document "*Annual improvements to IFRSs*: *2010-2012 cycle*" which incorporates the changes to the standards as part of the annual process to improve them. The main changes include the following ones:

- IFRS 2 - *Share-based payments* - *definition of vesting conditions*. Some changes have been made to the definitions of "vesting condition" and "market condition" and the definitions of "performance condition" and "service condition" have been added (previously included in the definition of "vesting condition").
- IFRS 3 - *Business combination* - *accounting for contingent consideration*. The amendment clarifies that a contingent consideration classified as a financial asset or liability shall be re-measured at fair value at each balance sheet closing date and the changes in the fair value are

recognized in the income statement or among the items of the other comprehensive income based on the requirements of IAS 39 (or IFRS 9).

- IFRS 8 - *Operating segments - aggregation of operating segments*. The amendments require an entity to provide disclosures about the assessments made by the management in applying the criteria of aggregation of operating segments, including a description of the aggregated operating segments and of the economic indicators that have been taken into account to decide whether such operating segments have "similar economic characteristics".
- IFRS 8 - *Operating segments - reconciliation of total of the reportable segments' assets to the entity's assets*. The amendments clarify that the reconciliation between the total assets of the operating segments and the total assets of the entity must be submitted only if the total assets of the operating segments are regularly reviewed by the chief operating decision makers.
- IFRS 13 - *Fair value measurement - short-term receivables and payables*. The basis for conclusions of this principle have been changed in order to clarify that with the issuance of IFRS 13, and the consequential amendments to IAS 39 and IFRS 9, it remains valid the option of accounting current trade receivables and payables without detecting the effects of their discounting, where such effects are not significant.
- IAS 16 - *Property, plant and equipment and IAS 38 - Intangible assets - revaluation method: proportionate restatement of accumulated depreciation/amortization*. The changes have eliminated the inconsistencies in the recognition of depreciation when a tangible or intangible asset is re-valued. The new requirements clarify that the gross carrying value is appropriate consistently with the revaluation of the carrying value of the asset and that the accumulated depreciation is equal to the difference between the gross carrying value and the carrying value net of any recognized impairment.
- IAS 24 - *Related parties disclosures - key management personnel*. It is clarified that in case the services of key management personnel are provided by an entity (and not by a person), that entity has to be considered as a related party.

The amendments are effective for annual periods beginning on or after February 1, 2015.
It is not expected to have a significant effect on the consolidated financial statements from the adoption of these changes.

Annual improvements to IFRSs: 2011-2013 cycle

On December 12, 2013, the IASB published the document "*Annual improvements to IFRSs: 2011-2013 cycle*" which incorporates the changes to the standards as part of the annual process to improve them. The main changes include the following ones:

- IFRS 3 - *Business combinations - scope exception for joint ventures*. The amendment clarifies that paragraph 2(a) of IFRS 3 excludes from the scope of application of IFRS 3 the establishment of all types of joint arrangements, as defined by IFRS 11.
- IFRS 13 - *Fair value measurement - scope of portfolio exception* (paragraph 52). The amendment clarifies that the portfolio exception included in paragraph 52 of IFRS 13 applies to all contracts included within the scope of IAS 39 (or IFRS 9) regardless of whether they meet the definition of financial assets and liabilities provided by IAS 32.
- IAS 40 - *Investment properties - interrelationship between IFRS 3 and IAS 40*. The amendment clarifies that IFRS 3 and IAS 40 are not mutually exclusive and that, in order to determine whether the purchase of a real property falls within IFRS 3, it is necessary to refer to the specific indications provided by IFRS 3; instead, to determine whether the purchase of such real property falls within the scope of IAS 40, it is necessary to refer to the specific indications of IAS 40.

The amendments are effective for annual periods beginning on or after January 1, 2015.
It is not expected to have a significant effect on the consolidated financial statements from the adoption of these changes.

IAS 19 - *Defined benefit plans: employee contributions* (amendment)

On November 21, 2013, the IASB issued an amendment to IAS 19 - *Defined benefit plans*: *employee contributions*, which aims at presenting the contributions (relating only to the service provided by the employee during the year) made by employees or third parties to defined benefit plans as a reduction of the service cost for the year in which the contribution is paid. The need for

this proposal arose with the introduction of the new IAS 19 (2011), according to which such contributions are to be interpreted as part of a post-employment benefit, rather than a short-term benefit and, therefore, that this contribution should be spread on the years of service of the employee.
The changes apply at the latest for periods beginning on or after February 1, 2015.
The adoption of this amendment is not expected to have a significant effect on the Group's consolidated financial statements.

IFRS accounting standards, amendments and interpretations not yet validated by the European Union

At the date of these consolidated financial statements, the competent bodies of the European Union have not yet completed the endorsement process necessary for the adoption of the amendments and the principles described below.

IFRS 14 - *Regulatory deferral accounts*
On January 30, 2014, the IASB issued IFRS 14 - *Regulatory Deferral Accounts* that allows to continue to recognize the amounts related to the rate regulation activities in accordance with the previous adopted accounting policies only to those who adopt IFRS for the first time.
Not being the Group a first-time adopter, this standard is not applicable.

IFRS 11 – *Joint arrangements – accounting for acquisitions of interests in joint operations* (amendments)
On May 6, 2014, the IASB issued some amendments to IFRS 11 - *Joint arrangements* - *Accounting for acquisitions of interests in joint operations* related to the accounting of the purchase of stakes in a joint operation whose activity constitutes a business in accordance with what envisaged by IFRS 3. The changes require that in these cases the principles set out in IFRS 3 relating to the effects of a business combination shall be applied.
The amendments are applicable starting from January 1, 2016, but an earlier application is allowed.
It is not expected to have a significant effect on the consolidated financial statements from the adoption of these amendments.

IAS 16 – *Property, plant and equipment* e **IAS 38 – *intangibles assets – clarification of acceptable methods of depreciation and amortisation* (amendments)**
On May 12, 2014, the IASB issued some amendments to IAS 16 - *Property, plant and equipment* and to IAS 38 - *Intangibles assets - clarification of acceptable methods of depreciation and amortisation.*
The amendments to IAS 16 - *Property, plant and equipment* establish that the depreciation method based on revenues is not appropriate. The amendment clarifies that the revenues generated by an activity that includes the use of an asset subject to depreciation generally reflect several factors that differ from the solely consumption of the economic benefits of that asset.
The amendments to IAS 38 - *Intangibles assets* introduce a relative assumption that a depreciation method based on revenues is inappropriate for the same reasons stated by the amendments made to IAS 16 - *Property, plant and equipment*. In the case of intangible assets, this assumption can be rebutted only in limited circumstances.
The amendments are applicable starting from January 1, 2016, but an earlier application is allowed.
It is not expected to have a significant effect on the consolidated financial statements from the adoption of these amendments.

IFRS 15 - *Revenue from contracts with customers*
On May 28, 2014, the IASB issued IFRS 15 - *Revenue from contracts with customers* that replaces IAS 18 - *Revenues* and IAS 11 - *Construction contracts*, as well as the interpretations IFRIC 13 - *Customer loyalty programmes*, IFRIC 15 - *Agreements for the construction of real estate*, IFRIC 18 - *Transfers of assets from customers* and SIC 31 - *Revenues - barter transactions involving advertising services*. The new model of revenue recognition

established by the new standard will apply to all contracts with customers except those that fall within the scope of other IAS/IFRSs such as leases, insurance contracts and financial instruments. The basic steps for the recognition of revenues under the new model are the following ones:

- the identification of a contract with the customer;
- the identification of the performance obligations of the contract;
- the determination of the price;
- the allocation of the price to the performance obligations of the contract;
- the criteria of recognition of the revenue when the entity satisfies each performance obligation.

The standard is applicable starting from January 1, 2017, but an earlier application is allowed.

The possible impacts of these changes on the Group's consolidated financial statements are currently being assessed.

IFRS 9 - *Financial instruments*

On July 24, 2014, the IASB published the final version of IFRS 9 - *Financial instruments.*

The document includes the results of the phases relating to Classification and measurement, Impairment and Hedge accounting, of the IASB project aimed at replacing IAS 39. The new standard, which replaces the previous versions of IFRS 9, must be applied to financial statements beginning on or after January 1, 2018.

Following the financial crisis of 2008, at the request of the main financial and political institutions, the IASB started the project for the replacement of IFRS 9 and proceeded by phases. In 2009, the IASB published the first version of IFRS 9 that dealt only with the classification and measurement of financial assets; later, in 2010, the criteria for the classification and measurement of financial liabilities and of the derecognition were published (the latter topic was transposed unchanged from IAS 39). In 2013 IFRS 9 was amended to include the general hedge accounting model. Following the current publication, which includes also the impairment, IFRS 9 has to be considered completed with the exception of the criteria regarding the macro hedging, on which the IASB has undertaken an independent project.

The standard introduces new requirements for the classification and measurement of financial assets and liabilities. In particular, for financial assets, the new standard uses a single approach based on the management of financial instruments and the contractual cash flow characteristics of the financial assets themselves in order to determine the evaluation criterion, replacing the many different rules envisaged by IAS 39. Instead, for financial liabilities, the main change regards the accounting treatment of the changes in the fair value of a financial liability designated as a financial liability evaluated at fair value in the income statement, if these changes are due to changes in the creditworthiness of the issuer of the liability itself. Under the new standard, these changes must be recognized in the Other comprehensive income and not in the income statement.

With reference to the impairment model, the new standard requires that the estimate of credit losses is made on the basis of the expected losses model (and not of the incurred losses model) using information that is supported, available without unreasonable effort or expenses, which include historical, current and future data. The standard requires that this impairment model applies to all financial instruments, namely to financial assets measured at amortized cost, to those measured at fair value through other comprehensive income, to receivables deriving from lease contracts and trade receivables.

Finally, the standard introduces a new hedge accounting model in order to adapt the requirements of the current IAS 39 that sometimes were considered too stringent and unsuitable to reflect the risk management policies of the company. The main novelties of the document include the following ones:

- increase in the types of transactions eligible for hedge accounting, including also the risks of non-financial assets/liabilities eligible to be managed in hedge accounting;
- change in the accounting method for forward contracts and options when included in a hedge accounting relation in order to reduce the volatility of the income statement;
- changes in the effectiveness test by replacing the current mode based on the 80-125% parameter with the principle of the "economic relationship" between the hedged item and the hedging

instrument; moreover, a retrospective evaluation of the effectiveness of the hedging relationship will be no longer requested.
The greater flexibility of the new accounting rules is offset by additional requests of information on the risk management activities of the company.
The possible impacts of the introduction of IFRS 9 on the Group's consolidated financial statements are currently being assessed.

IAS 27 – *Equity method in separate financial statements* (amendment)
On August 12, 2014, the IASB issued the amendment to IAS 27 - *Equity method in separate financial statements.*
The document introduces the option of using, in the separate financial statements of an entity, the equity method for the evaluation of investments in subsidiaries, in jointly controlled entities and in associates. Consequently, following the introduction of the amendment, an entity can record these investments in the separated financial statements either:
- at cost;
- as required by IFRS 9 (or by IAS 39);
- using the equity method.

The changes will apply starting from January 1, 2016 but an earlier application is allowed. The possible impacts of these changes on the separated financial statements of SAES Getters S.p.A. are currently being assessed. For more details, please refer to the Parent Company's financial statements.

IFRS 10 and IAS 28 – *Sales or contribution of assets between an investor and its associate or joint venture* (amendment)
On September 11, 2014, the IASB published an amendment to IFRS 10 and IAS 28 - *Sales or contribution of assets between an investor and its associate or joint venture*. The document was published in order to solve the current conflict between IAS 28 and IFRS 10.
According to IAS 28, the gain or loss resulting from the sale or transfer of a non-monetary asset to a joint venture or associate in exchange of a share in the share capital of the latter is limited to the stake held in the joint venture or associate by the other investors not involved in the transaction. In contrast, IFRS 10 requires the recording of the entire gain or loss in the event of loss of the control of a subsidiary, even if the entity continues to hold a non-controlling stake in it, including in this case also the sale or transfer of a subsidiary to a joint venture or to an associate. The introduced changes provide that in case of a sale/transfer of an asset or a subsidiary to a joint venture or an associate, the measure of the gain or loss to be recognized in the balance sheet of the assignor/transferor depends on the fact that the sold/transferred assets or subsidiary constitute or not a business, as envisaged by IFRS 3. In the event that the sold/transferred activities or subsidiary represent a business, the entity shall recognize the gain or loss on the entire investment previously held; while, in the opposite case, the portion of gain or loss related to the share still held by the entity should be eliminated.
The changes will apply starting from January 1, 2016 but an earlier application is allowed.
The adoption of this changes is not expected to have a significant impact on the Group's consolidated financial statements.

Annual improvements to IFRSs: 2012-2014 cycle
On September 25, 2014, the IASB published the document "*Annual improvements to IFRSs: 2012-2014 cycle*". The changes introduced by the document must be applied for periods beginning on or after January 1, 2016.
The document introduces changes to the following standards:
- IFRS 5 - *Non-current assets held for sale and discontinued operations*. The amendment introduces specific guidance when an entity reclassifies an asset (or disposal group) from held for sale to held for distribution (or *vice versa*), or when the requirements for the classification of an asset as held-for-distribution cease to exist. The amendments state that: (i) such reclassifications should not be considered as changes to a sale plan or a distribution plan and that the same classification and evaluation criteria should be applied; (ii) assets that no longer meet the criteria

for held for distribution should be treated in the same way as assets that cease to be classified as held for sale.

- IFRS 7 - *Financial instruments: disclosure*. The amendments provide additional guidance to clarify whether a servicing contract represents a residual involvement in a transferred asset for the purposes of the disclosure required in relation to transferred assets. In addition, it is clarified that the disclosure on the compensation of financial assets and liabilities is not explicitly requested for interim financial statements. However, this information may be necessary to fulfill the requirements envisaged by IAS 34, in the case this represents a significant information.
- IAS 19 - *Employee benefits*. The document introduces some changes to IAS 19 in order to clarify that the high quality corporate bonds used to estimate the discount rate for post-employment benefits should be issued in the same currency as the benefits to be paid. These amendments specify that the breadth of the market for high quality corporate bonds to be considered is the one related to the involved currency.
- IAS 34 - *Interim financial reporting*. The document introduces some amendments to clarify the requirements to respect when the required information is presented within the interim financial report but outside the interim financial statements. The amendment specifies that such information be incorporated by way of a cross-reference from the interim financial statements to the other parts of the interim financial report and that such document must be available to the readers of the financial statements with the same terms and same timing as the interim financial statements.

The adoption of this changes is not expected to have a significant impact on the Group's consolidated financial statements.

IAS 1 - Disclosure initiative (amendment)

On December 18, 2014, the IASB issued an amendment to IAS 1 - *Disclosure initiative*. The objective of the amendments is to provide some clarifications regarding some elements of disclosure that may be perceived as impediments to a clear and understandable preparation of the financial statements. The changes are the following ones:

- Materiality and aggregation: it clarifies that an entity should not obscure useful information by aggregating or disaggregating it and that materiality considerations apply to the primary financial statements, notes and any specific disclosure requirement in IFRSs. The disclosures specifically required by IFRSs need to be provided only if the information is material;
- Statement of financial position and statement of profit or loss and other comprehensive income: it clarifies that the list items specified by IAS 1 for these statements can be disaggregated and aggregated on a case by case basis. It is also included and additional guidance on the presentation of subtotals in these statements;
- Presentation of the elements of Other Comprehensive Income ("OCI"): it clarifies that the share of OCI of associates and joint ventures consolidated with the equity method should be presented in aggregate as a single line item, with the latter divided in components respectively subject or not subject to reclassifications in the income statement.
- Notes: it clarifies that entities have flexibility when designing the structure of the notes and it provides a guidance on how to determine a systematic order of the notes themselves, for example:
  - giving priority to those that are most relevant to the understanding of financial position (for example, gathering information on particular activities);
  - grouping elements measured with the same criteria (for example, assets measured at fair value);
  - following the order of the items presented in the tables.

The changes introduced by the document must be applied for periods beginning on or after January 1, 2016.

The adoption of this changes is not expected to have a significant impact on the Group's consolidated financial statements.

Investment entities: applying the consolidation exception (amendments to IFRS 10, IFRS 12 and IAS 28)

On December 18, 2014, the IASB published the document "*Investment entities: applying the consolidation exception (amendments to IFRS 10, IFRS 12 and IAS 28)*", containing amendments related to issues raised as a result of the application of the consolidation exception granted to

investment entities. The changes introduced by the document must be applied for periods beginning on or after January 1, 2016; however, an earlier application is allowed.
The adoption of this changes is not expected to have a significant impact on the Group's consolidated financial statements, since the company does not meet the definition of investment company.

3. NET SALES

In 2014 consolidated net sales were equal to 131,701 thousand euro, up by 2.5% compared to 128,543 thousand euro achieved in 2013. Slightly negative is the exchange rate effect (-0.3%), due to the persistent weakness of the yen against the euro. Excluding the negative exchange rate effect, the organic growth was equal to 2.8% compared to 2013.

The following table shows a breakdown of revenues by Business:

(thousands of euro)

Business	2014	2013	Difference	Difference %	Exchange rate effect %	Price/quantity effect %
Electronic & Photonic Devices	12,105	12,455	(350)	-2.8%	-0.3%	-2.5%
Sensors & Detectors	8,814	8,696	118	1.4%	-0.1%	1.5%
Light Sources	10,989	12,180	(1,191)	-9.8%	-0.9%	-8.9%
Vacuum Systems	7,015	6,623	392	5.9%	-1.6%	7.5%
Thermal Insulation	6,456	5,418	1,038	19.2%	-1.2%	20.4%
Pure Gas Handling	40,463	44,951	(4,488)	-10.0%	0.0%	-10.0%
Industrial Applications	**85,842**	**90,323**	**(4,481)**	**-5.0%**	**-0.4%**	**-4.6%**
SMA Medical Applications	40,076	34,311	5,765	16.8%	0.0%	16.8%
SMA Industrial Applications	4,384	2,706	1,678	62.0%	0.0%	62.0%
Shape Memory Alloys	**44,460**	**37,017**	**7,443**	**20.1%**	**0.0%**	**20.1%**
Business Development	**1,399**	**1,203**	**196**	**16.3%**	**-3.5%**	**19.8%**
Total net sales	**131,701**	**128,543**	**3,158**	**2.5%**	**-0.3%**	**2.8%**

Please refer to the Report on operations for further details and comments.

4. COST OF SALES

The cost of sales amounted to 75,030 thousand euro in 2014, compared to 77,126 thousand euro in the previous year.

A breakdown of the cost of sales by category is provided below, compared with both the actual figure and the adjusted[11] figure of the previous year:

(thousands of euro)

Cost of sales	2014	2013	Difference	2013 adjusted	Difference
Raw materials	27,058	31,404	(4,346)	31,404	(4,346)
Direct labour	14,562	14,553	9	15,370	(808)
Manufacturing overhead	30,170	31,818	(1,648)	31,372	(1,202)
Increase (decrease) in work in progress and finished goods	3,240	(649)	3,889	(974)	4,214
Total cost of sales	**75,030**	**77,126**	**(2,096)**	**77,172**	**(2,142)**

[11] Net of non-recurring costs related to the organizational rationalization process implemented during the second semester of 2013.

Comparing 2014 figures with 2013 adjusted figures, the reduction of direct labour cost and manufacturing overhead cost, despite the increase in consolidated sales, is due to the organizational rationalization occurred in the second half of the previous year and, in particular, the shutdown of the Chinese factory of SAES Getters (Nanjing) Co., Ltd.
Also the change in the cost of raw materials (-1.5%, also including the change in semi-finished and finished products) has the opposite sign than the Group's revenues (+2.5%), as a result of the shift of the sales mix towards products with lower material absorption, with the consequent increase in gross margin.
Close to zero is the effect of the currencies on the cost of sales in the year 2014.

5. OPERATING EXPENSES

Operating expenses were equal to 45,319 thousand euro in 2014, with a reduction of -3,108 thousand euro (-6.4%) compared to the previous year, demonstrating the continuing commitment of the Group to control costs with the aim of increasing the operational efficiency.
This decrease is reduced to -1,172 thousand euro (-2.5%) excluding non-recurring costs of restructuring incurred in the previous year.

As already highlighted for the cost of sales, also for the operating expenses the effect of exchange rates was close to zero.

(thousands of euro)

Operating expenses	2014	2013	Difference	2013 adjusted	Difference
Research & development expenses	14,375	14,864	(489)	14,740	(365)
Selling expenses	11,862	11,898	(36)	11,465	397
General & administrative expenses	19,082	21,665	(2,583)	20,286	(1,204)
Total operating expenses	**45,319**	**48,427**	**(3,108)**	**46,491**	**(1,172)**

The reduction was mainly concentrated in the ***general and administrative expenses*** (reduction of labour cost and of costs of maintenance, insurance and hardware rental following the renegotiation of the supply contracts); in addition, please note that the general and administrative expenses in 2013 included about 1.6 million euro of non-recurring charges for the reduction of personnel and for the devaluation of assets.
The ***selling expenses*** were substantially in line with those of the previous year, while ***research and development expenses***, that were slightly down in absolute terms (due to the reduction of labour costs), were unchanged as a percentage of consolidated revenues (about 11%).

A breakdown by nature of total expenses included in the cost of sales and operating expenses, compared with the previous year (actual and adjusted) is given below:

(thousands of euro)

Total costs by nature	2014	2013	Difference	2013 adjusted	Difference
Raw materials	27,058	31,404	(4,346)	31,404	(4,346)
Personnel cost	51,599	54,881	(3,282)	53,785	(2,186)
Corporate bodies	1,754	1,644	110	1,644	110
Travel expenses	1,559	1,664	(105)	1,664	(105)
Maintenance and repairs	2,695	2,695	0	2,695	0
Various materials	6,216	5,730	486	5,730	486
Transports	1,497	1,612	(115)	1,612	(115)
Commissions	771	1,049	(278)	1,049	(278)
Licenses and patents	1,284	1,212	72	1,212	72
Consultant fees and legal expenses	4,723	4,200	523	4,200	523
Audit fees (*)	514	461	53	461	53
Rent and operating leasing	1,792	1,931	(139)	1,931	(139)
Insurances	1,021	1,152	(131)	1,152	(131)
Promotion and advertising	415	424	(9)	424	(9)
Utilities	2,768	2,928	(160)	2,928	(160)
Telephones and faxes	408	410	(2)	410	(2)
General services (canteen, cleaning, vigila	1,202	1,181	21	1,181	21
Training	220	95	125	95	125
Depreciation	7,163	7,706	(543)	7,706	(543)
Amortization	1,393	1,730	(337)	1,730	(337)
Write-down of non current assets	0	840	(840)	371	(371)
Provision (release) for bad debts	80	(40)	120	(40)	120
Other	977	1,293	(316)	1,293	(316)
Total costs by nature	**117,109**	**126,202**	**(9,093)**	**124,637**	**(7,528)**
Increase (decrease) in work in progress a	3,240	(649)	3,889	(974)	4,214
Total cost of sales and operating expense	**120,349**	**125,553**	**(5,204)**	**123,663**	**(3,314)**

(*) Of which 99 thousand euro as out of pocket expenses incurred in 2014 and 27 thousand euro as recovery of out of pocket expenses related to the previuos year (76 thousand euro the out of pocket expenses in 2013).

The items “Raw materials” decreased as a consequence of the shift of the sales mix towards solutions with a lower material absorption and, consequently, with higher margins.
Conversely, the item "Various materials", which is also directly linked to the production cycle, increased mainly because of the higher sales in the SMA medical business.

The decrease in “Personnel cost” was mainly due to the reduction in the average number of employees of the Group (-70 units compared to the average of the previous year), following the rationalization both of the industrial activities and of the structural ones, to the higher savings resulting from the use of social security provisions[12] in the Italian companies of the Group and to lower severance costs[13].
With the opposite sign are the variable compensation that increased in line with the trend of the Group’s economic results.

The item “Corporate bodies” included the remuneration of the members of the Board of Directors and of the Board of Statutory Auditors of the Parent Company. The increase compared to the previous year was mainly due to the accrual for the variable compensation to be paid to the Directors, calculated on the net income of the year (the previous year closed with a loss and, therefore, no variable compensation was accrued).

[12] The savings resulting from the use of the social security provisions were equal to 2,139 thousand euro in 2014, compared to 1,778 thousand euro in the previous year.
[13] The severance costs, included in the personnel cost, were equal to 210 thousand euro in 2014, compared to 2,874 thousand euro in 2013.

For the details on the 2014 remunerations and the comparison with the previous year, please refer to the Note no. 42 and to the Report on the remuneration.

The decrease in "Transports" and "Commissions" was due to the decrease in the sales of the gas purification business.

The increase of the item "Consultant fees" was mainly related to the activities for the development of the OLED display technology that the central laboratory carried out in collaboration with leading research institutions, as well as a US partner company (for further details, please refer to the paragraph " Research, development and innovation activities" of the Report on operations).

The decrease of the items "Rent and operating leases", "Insurances" and "Utilities" was directly linked to the aforementioned renegotiation of supply contracts, as a result of the continuous cost control by SAES management.

The items “Depreciation” and “Amortization” decreased as a result of the fact that during the year certain assets have reached the end of their useful life. In addition, please also note that, starting from the second half of 2013, the depreciation benefited (-256 thousand euro) from the review of the remaining useful life of the production plant and machinery of the subsidiary SAES Advanced Technologies S.p.A.

6. ROYALTIES

The item “Royalties” was exclusively composed of the lump-sums and the royalties accrued for the licensing of the thin film getter technology for MEMS of new generation.
The balance for the year 2014 amounted to 1,843 thousand euro and compared with 2,105 thousand euro in 2013: the reduction of accrued commissions related to agreements settled in the previous years (- 814 thousand euro, mainly due to the strong price erosion that is affecting the gyroscopes market) was only partially offset by higher lump-sums (+552 thousand euro) related to the aforementioned signing of two new licensing agreements. For more details please refer to the paragraph “Relevant events occurred in 2014” of the Report on operations.

7. OTHER INCOME (EXPENSES)

This item recorded a net loss of -183 thousand euro as at December 31, 2014, compared with a positive balance of 413 thousand euro in the previous year.
The breakdown is provided below:

(thousands of euro)

	2014	2013	Difference
Other income	424	841	(417)
Other expenses	(607)	(428)	(179)
Total other income (expenses)	**(183)**	**413**	**(596)**

The item "Other income" includes in both years all those revenues that are not within the ordinary operations of the Group, such as, for example, the proceeds from the sale of the scrap materials.
The item "Other expenses" is mainly composed by the property taxes and other taxes, other than income taxes, paid by the Italian Group’s companies.

The decrease of the net other income (expenses) in 2014 (-596 thousand euro) compared to the previous year was mainly due to the fact that last year the item included some revenues deriving from a penalty paid by a customer for the cancellation of some orders (220 thousand euro) and from the release of a provision following the favourable settlement of a dispute with a supplier of the subsidiary SAES Advanced Technologies S.p.A. (139 thousand euro).

8. FINANCIAL INCOME (EXPENSES)

The following table shows the breakdown of the financial income in the fiscal year 2014, compared to the previous year:

(thousands of euro)

Financial income	2014	2013	Difference
Bank interest income	145	127	18
Other financial income	92	14	78
Realized gains on IRS	0	0	0
Gains from IRS evaluation at fair value	249	235	14
Total financial income	**486**	**376**	**110**

The increase of the item "Other financial income" is due to the fact that in 2014 it included interest income, amounted to 62 thousand euro, on interest-bearing loans granted by the subsidiary SAES Nitinol S.r.l. to the joint venture Actuator Solutions GmbH during the year (for further details please refer to Note no. 26).
In 2014 the item also includes the effect on the income statement (+26 thousand euro) of the adjustment of the time horizon used in the calculation of the present value of the financial debt towards Power & Energy, Inc. related to acquisition of the hydrogen purifiers business (for further details please refer to Note no. 31); in the previous year this adjustment was a loss of -116 thousand euro and it was included in "Other financial expenses" (see table below).

The following table shows the breakdown of the financial expenses in the fiscal year 2014, compared to the previous year:

(thousands of euro)

Financial expenses	2014	2013	Difference
Bank interests and other bank expenses	1,730	1,205	525
Other financial expenses	120	239	(119)
Realized losses on IRS	256	252	4
Losses from IRS evaluation at fair value	0	0	0
Total financial expenses	**2,106**	**1,696**	**410**

The item "Bank interests and other bank expenses" mainly includes the interest expenses on loans, both short and long term ones, held by the Parent Company and by the US subsidiaries, as well as the bank fees related to the credit lines held by SAES Getters S.p.A.
The increase compared to the previous year is the result of the greater use by the Parent Company to forms of short-term financing (both higher funding such as "hot money" and higher use of the bank credit lines).

The item "Other financial expenses" includes the fee for the waiver to recall the loans held by the US subsidiaries by the issuing bank as a result of the non-compliance with some covenants (for further details please refer to Note no. 30).

Finally, the item “Gains from IRS evaluation at fair value” represents the effect on the income statement of the resetting of the fair value of the Interest Rate Swap (IRS) agreement held by the US subsidiary Memry Corporation, expired on December 31, 2014, while the item “Realized losses on IRS” includes the interest differences actually paid to the bank on this hedging contract during the year.

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

This item includes the Group’s share in the result of the joint venture Actuator Solutions GmbH, evaluated with the equity method. It should be noted that Actuator Solutions GmbH in turn, consolidates its wholly owned subsidiary Actuator Solutions Taiwan Co., Ltd.[14].
In 2014 the loss deriving from the evaluation with the equity method amounted to -1,286 thousand euro, higher than the previous year (-712 thousand euro), despite the higher revenues in the automotive sector (+ 49.9%), due to the increase of research and structural costs related to the subsidiary Actuator Solutions Taiwan Co., Ltd., established only at the end of the first half of 2013.
For further details, please refer to Note no. 17.

10. FOREIGN EXCHANGE GAINS (LOSSES)

In 2014 the exchange rates management recorded an overall net profit equal to 147 thousand euro, compared with a negative value of -29 thousand euro in the previous year.
The exchange rate-related result, close to zero, confirms the overall effectiveness of the hedging policies implemented by the Group (the same for both the years), whose aim is precisely to limit the effect of currency fluctuations.

The breakdown of foreign exchange gains and losses as at December 31, 2014 compared to the previous year, is given below:

(thousands of euro)

Foreign exchange gains and losses	2014	2013	Difference
Foreign exchange gains	1,346	879	467
Foreign exchange losses	(1,884)	(1,130)	(754)
Foreign exchange gains (losses), net	**(538)**	**(251)**	**(287)**
Realized exchange gains on forward contracts	656	418	238
Realized exchange losses on forward contracts	(8)	(82)	74
Gains (losses) from forward contracts evaluation at fair value	37	(114)	151
Gains (losses) on forward contracts	**685**	**222**	**463**
Total foreign exchange gains (losses), net	**147**	**(29)**	**176**

The item “Foreign exchange gains (losses), net” equal to -538 thousand euro is mainly composed of the negative differences generated by the conversion of the euro financial credit held by the Korean subsidiary towards the Parent Company, following the appreciation of the Korean won against the euro, only partially offset by the positive effect related to the conversion of commercial items in dollars.
The worsening from the previous year is due to the fact that the exchange differences on the aforementioned financial intercompany credit held by SAES Getters Korea Corporation in 2013 were positive, rather than negative.

[14] Established on June 14, 2013.

The item “Gains (losses) on forward contracts” recorded a positive balance of 685 thousand euro, compared with an always positive balance of 222 thousand euro in the previous year. This balance includes both the gains or losses realised when forward contracts on transactions in foreign currencies are unwound and the impact on the income statement of their fair value evaluation.
In both years this item includes the realized gains or losses related to the forward sale contract of euro entered into by the Group with the objective of limiting the currency risk on the balance of the aforementioned financial credit in euro of the Korean subsidiary (included in item “Foreign exchange gains (losses), net”).

11. INCOME TAXES

In 2014 income taxes amounted to 6,829 thousand euro, with an increase of 4,213 thousand euro compared to the previous year.

The related breakdown is given below:

(thousands of euro)

	2014	2013	Difference
Current taxes	5,383	3,604	1,779
Deferred taxes	1,446	(988)	2,434
Total	**6,829**	**2,616**	**4,213**

The increase of tax expenses compared to the previous year, in addition to the improvement in income before taxes, tripled compared to 2013, is due to the fact that, in accordance with the current organizational structure of the Group, it has been prudently decided to suspend the recognition of deferred tax assets on the tax losses (equal to 8,284 thousand euro) realized in the year by the Italian companies of the Group participating in the national tax consolidation program (for further details please refer to Note no. 19). The fiscal income prudentially not recognized amounted to 2,278 thousand euro and its inclusion would have reduced the Group’s tax rate from 66.6% to 44.4%.
Considering not only the Italian companies of the Group, but also its foreign subsidiaries (in particular, the Korean subsidiary) the tax losses of the year 2014 on which deferred tax assets have not been recognized amounted to 9,086 thousand euro.

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)

	2014		2013	
Income before taxes		**10,253**		**3,447**
Theorical tax rate and tax charges	**27.50%**	**2,820**	**27.50%**	**948**
Effect of different tax rates	19.03%	1,951	51.93%	1,790
Non deductible costs/non taxable income	-21.48%	(2,202)	-51.12%	(1,762)
Taxes on subsidiaries' accumulated profits	9.88%	1,013	35.28%	1,216
Unrecognition (recognition) of deferred tax assets on fiscal losses	21.84%	2,239	29.68%	1,023
Unrecognition (recognition) of deferred tax assets on temporary differences	-0.15%	(15)	-6.96%	(240)
R&D credits and other tax credits	-5.69%	(583)	-24.14%	(832)
Other permanent differences	8.97%	920	-21.29%	(734)
IRAP and other local taxes	6.69%	686	35.02%	1,207
Effective tax rate and tax charges	**66.60%**	**6,829**	**75.89%**	**2,616**

As already mentioned in the past, in 2008 the 2005 income tax return of SAES Getters S.p.A. was assessed by the Italian Revenue Agency, as a result of which notices of assessment for IRAP (on July 16, 2010) and IRES (on November 22, 2010) purposes were notified to the Company. The

additional assessed corporate taxes amounted to 41 thousand euro (IRAP) and 290 thousand euro (IRES), plus penalties and interests. The Provincial Tax Commission of Milan, to which the Company had appealed in previous years, confirmed almost entirely (regarding IRES) and partially (regarding IRAP) the findings contained in the notice of inspection. Therefore, the Corporate Management, although being sure about the adequacy of the defensive arguments that will bring to justify its actions on appeal, estimated a potential risk amounting to 500 thousand euro in the event of a negative outcome of the litigation and entered a risk provision of the same amount in the balance sheet (for further details please refer to Note no. 33).
Excluding this provision for fiscal risks and including the aforementioned fiscal income related to the recognition of deferred tax assets on the tax losses realized in the current year by the Italian companies of the Group participating in the national tax consolidation program, the 2014 tax rate would have been reduced to 39.5%.
Please note that in the table of reconciliation between the theoretical tax charges and the effective tax charges, the tax provision of 500 thousand euro related to the Parent Company is included in the item "Other permanent differences".

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

The net income from assets held for sale and discontinued operations amounted to a total of 1,412 thousand euro in 2014, against a negative value of -1,393 thousand euro in the previous year and it was composed by residual revenues and costs related to the CRT (Cathode Ray Tubes) business, classified in the result arising from discontinued operations following the shut-down of the manufacturing plant of the Chinese subsidiary SAES Getters (Nanjing) Co., Ltd., the last production unit of the Group dedicated to the production of getters for CRTs.
In the year 2014, this result also includes the net capital gain[15] on the sale of the land use right and the building[16] of the Chinese subsidiary (1,144 thousand euro), finalized at the end of October 2014, following the approval by the Chinese authorities.

The following table shows the detail of the result from assets held for sale and discontinued operations in the year 2014, compared to the previous year:

(thousands of euro)	2014	2013
Total net sales	**149**	**729**
Cost of sales	(155)	(1,094)
Gross profit	**(6)**	**(365)**
Research & development expenses	0	(2)
Selling expenses	0	(328)
General & administrative expenses	0	(709)
Total operating expenses	**0**	**(1,039)**
Other income (expenses), net	274	11
CRT Business result	**268**	**(1,393)**
Result from the sale of assets held for sale of SAES Getters (Nanjing) Co., Ltd.	**1,144**	**0**
Net income (loss) from assets held for sale and discontinued operations	**1,412**	**(1,393)**
of which:		
Depreciation	*0*	*(75)*
Amortization	*0*	*(6)*
Write-down of fixed assets	*0*	*(37)*
Other non-monetary items	*0*	*0*

The following table shows the cash flows related to CRT business in the year 2014, compared to the previous year:

[15] Net of the disposal expenses.
[16] Both classified in "Assets held for sale" as at December 31, 2013.

(thousands of euro)	2014	2013
Net income (loss) for the period	268	(1,393)
Depreciation	0	75
Amortization	0	6
Write-down of assets	0	37
Net loss (gain) on disposal of fixed assets	(268)	0
Other non-monetary costs (revenues)	0	0
	0	(1,275)
Working capital adjustments		
Cash increase (decrease):		
Account receivables and other receivables	76	198
Inventory	160	1,263
Account payables and other payables	0	(703)
	236	758
Net cash flows from operating activities	**236**	**(517)**
Proceeds from assets held for sale	3,239	0
Proceeds from other fixed assets	275	0
Net cash flows from investing activities	**3,514**	**0**
Increase (decrease) in cash and cash equivalents	**3,750**	**(517)**

13. EARNINGS (LOSS) PER SHARE

As indicated in Note no. 29, SAES Getters S.p.A.'s capital stock is represented by two different types of shares (ordinary shares and savings shares) which bear different rights with regards to the distribution of dividends.

The pro-quota earning attributable to each type of shares is determined on the basis of the respective rights to receive dividends. Therefore, in order to calculate the earnings per share, the value of the preferred dividends contractually assigned to savings shares has been deducted from the net income of the period, assuming the theoretical distribution of the latter.
The value obtained is divided by the average number of outstanding shares in the relevant time-period.

If the period had ended with a loss, the latter would be instead allocated equally to each type of shares.

The following table shows the earning (loss) per share in the fiscal year 2014, compared with the corresponding figure in 2013:

Earning (loss) per share	2014			2013		
	Ordinary shares	Savings shares	Total	Ordinary shares	Savings shares	Total
Profit (loss) attribuitable to shareholders (thousands of euro)			**4,836**			**(562)**
Theoretical preference dividends (thousands of euro)		1,022	1,022			0
Profit (loss) attributable to the different categories of shares (thousands of euro)	3,135	679	3,814	(374)	(188)	(562)
Total profit (loss) attributable to the different categories of shares (thousands of euro)	**3,135**	**1,701**	**4,836**	**(374)**	**(188)**	**(562)**
Average number of oustanding shares	14,671,350	7,378,619	22,049,969	14,671,350	7,378,619	22,049,969
Basic earning (loss) per share (euro)	**0.2137**	**0.2305**		**(0.0255)**	**(0.0255)**	
- from continued operations (euro)	*0.1497*	*0.1664*	(*)	*0.0000*	*0.1126*	(**)
- from discontinued operations (euro)	*0.0266*	*0.1385*		*(0.0632)*	*(0.0632)*	
Diluted earning (loss) per share (euro)	**0.2137**	**0.2305**		**(0.0255)**	**(0.0255)**	
- from continued operations (euro)	*0.1497*	*0.1664*	(*)	*0.0000*	*0.1126*	(**)
- from discontinued operations (euro)	*0.0266*	*0.1385*		*(0.0632)*	*(0.0632)*	

(*) The sum of the earning per share from continued operations and that from discontinued operations differs from the basic earning per share because the net income from continued operations and the income from discontinued operations have been attributed considering both the preference dividend to savings shares and the higher dividend due to the latter (in accordance with article no. 26 of the By-laws).

(**) The sum of the earning per share from continued operations and that from discontinued operations differs from the basic earning per share because the net income from continued operations has been attributed to savings shares only, while the loss from discontinued operations has been allocated equally to each class of shares.

14. SEGMENT INFORMATION

For management purposes, the Group is organized into two Business Units according on the type of products and services provided. As at December 31, 2014 the Group's operations were divided into two primary operating segments:

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

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 performance. 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 they are not allocated to operating segments.
Internal reports are prepared in accordance with IFRSs and no reconciliation with the carrying amounts is therefore necessary.

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

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

(thousands of euro)

Consolidated statement of profit or loss	Industrial Applications		Shape Memory Alloys		Not allocated		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
Total net sales	**85,842**	**90,323**	**44,460**	**37,017**	**1,399**	**1,203**	**131,701**	**128,543**
Gross profit	**41,856**	**40,018**	**14,322**	**11,992**	**493**	**(593)**	**56,671**	**51,417**
% on net sales	*48.8%*	*44.3%*	*32.2%*	*32.4%*	*35.2%*	*-49.3%*	*43.0%*	*40.0%*
Total operating expenses	(18,872)	(20,594)	(8,753)	(9,167)	(17,694)	(18,666)	(45,319)	(48,427)
Royalties	1,843	2,105	0	0	0	0	1,843	2,105
Other income (expenses), net	2	331	34	80	(219)	2	(183)	413
Operating income (loss)	**24,829**	**21,860**	**5,603**	**2,905**	**(17,420)**	**(19,257)**	**13,012**	**5,508**
% on net sales	*28.9%*	*24.2%*	*12.6%*	*7.8%*	*n.s.*	*n.s.*	*9.9%*	*4.3%*
Interest and other financial income (expenses), net							(1,620)	(1,320)
Share of result of investments accounted for using the equity method							(1,286)	(712)
Foreign exchange gains (losses), net							147	(29)
Income (loss) before taxes							**10,253**	**3,447**
Income taxes							(6,829)	(2,616)
Net income (loss) from continued operations							**3,424**	**831**
Net income (loss) from discontinued operations							1,412	(1,393)
Net income (loss)							**4,836**	**(562)**
Minority interests in consolidated subsidiaries							0	0
Group net income (loss)							**4,836**	**(562)**

The following table shows the breakdown both of the non-recurring items of the year 2013 and of the adjusted income statement figures by operating segment:

(thousands of euro)

Consolidated statement of profit or loss	Industrial Applications			Shape Memory Alloys			Not allocated			Total		
	2013	Non recurring items	2013 adjusted	2013	Non recurring items	2013 adjusted	2013	Non recurring items	2013 adjusted	2013	Non recurring items	2013 adjusted
Total net sales	**90,323**	**0**	**90,323**	**37,017**	**0**	**37,017**	**1,203**	**0**	**1,203**	**128,543**	**0**	**128,543**
Gross profit	**40,018**	**52**	**39,966**	**11,992**	**(20)**	**12,012**	**(593)**	**14**	**(607)**	**51,417**	**46**	**51,371**
% on net sales	*44.3%*		*44.2%*	*32.4%*		*32.4%*	*-49.3%*		*-50.5%*	*40.0%*		*40.0%*
Royalties	2,105	0	2,105	0	0	0	0	0	0	2,105	0	2,105
Total operating expenses	(20,594)	(935)	(19,659)	(9,167)	(108)	(9,059)	(18,666)	(893)	(17,773)	(48,427)	(1,936)	(46,491)
Other income (expenses), net	331	0	331	80	0	80	2	0	2	413	0	413
Operating income (loss)	**21,860**	**(883)**	**22,743**	**2,905**	**(128)**	**3,033**	**(19,257)**	**(879)**	**(18,378)**	**5,508**	**(1,890)**	**7,398**
% on net sales	*24.2%*		*25.2%*	*7.8%*		*8.2%*	*n.s.*		*n.s.*	*4.3%*		*5.8%*
Interest and other financial income (expenses), net										(1,320)	0	(1,320)
Share of result of investments accounted for using the equity method										(712)	0	(712)
Foreign exchange gains (losses), net										(29)	0	(29)
Income (loss) before taxes										**3,447**	**(1,890)**	**5,337**
Income taxes										(2,616)	222	(2,838)
Net income (loss) from continued operations										**831**	**(1,668)**	**2,499**
Net income (loss) from discontinued operations										(1,393)	(796)	(597)
Net income (loss)										**(562)**	**(2,464)**	**1,902**
Minority interests in consolidated subsidiaries										0	0	0
Group net income (loss)										**(562)**	**(2,464)**	**1,902**

As mentioned previously, please note that the 2013 income statement figures, have been reclassified in order to enable a homogeneous comparison with 2014; in particular:

- as a result of the continuous technological evolution in the Organic Light Emitting Diodes business and of the delays in the commercial launch of OLED TVs, revenues and expenses of this segment have been reclassified from the Information Displays Business Unit to the Business Development Unit ("Not allocated" operating segment);
- similarly, the figures related to the Energy Devices business, that doesn't have significant trade volumes, have been reclassified from the Industrial Applications Business Unit to the Business Development Unit ("Not allocated");
- finally, the revenues and the operating expenses related to the LCD business, close to zero in the current year, have been reclassified from the Information Displays Business Unit to the Industrial Applications Business Unit.

Please note that, following the reclassifications that have affected the OLED business, the progressive resetting to zero of LCD revenues and the shutdown of the last factory dedicated to the CRT production (revenues and costs reclassified into the result from discontinued operations), the Information Displays operating segment has ceased to exist.

The detail of reclassifications made on the income statement figures and on the balance sheet figures of the year 2013 is provided in the following tables:

(thousands of euro)

Consolidated statement of profit or loss	Industrial Applications			Shape Memory Alloys			Information Displays			Not allocated			Total		
	2013	Reclassific.	2013 reclassified	2013	Reclassific.	2013 reclassified	2013	Reclassific.	2013 reclassified	2013	Reclassific.	2013 reclassified	2013	Reclassific.	2013 reclassified
Total net sales	90,668	(345)	90,323	37,017		37,017	832	(832)	0	26	1,177	1,203	128,543	0	128,543
Cost of sales	(51,229)	924	(50,305)	(25,025)		(25,025)	(560)	560	0	(312)	(1,484)	(1,796)	(77,126)	0	(77,126)
Gross profit	**39,439**	**579**	**40,018**	**11,992**	**0**	**11,992**	**272**	**(272)**	**0**	**(286)**	**(307)**	**(593)**	**51,417**	**0**	**51,417**
% on net sales	*43.5%*		*44.3%*	*32.4%*		*32.4%*	*32.7%*			*n.s.*		*-49.3%*	*40.0%*		*40.0%*
Total operating expenses	(20,730)	136	(20,594)	(9,167)		(9,167)	(2,258)	2,258	0	(16,272)	(2,394)	(18,666)	(48,427)	0	(48,427)
Royalties	2,105		2,105	0		0	0	0	0	0	0	0	2,105	0	2,105
Other income (expenses), net	331		331	80		80	6	(6)	0	(4)	6	2	413	0	413
Operating income (loss)	**21,145**	**715**	**21,860**	**2,905**	**0**	**2,905**	**(1,980)**	**1,980**	**0**	**(16,562)**	**(2,695)**	**(19,257)**	**5,508**	**0**	**5,508**
% on net sales	*23.3%*		*24.2%*	*7.8%*		*7.8%*	*-237.9%*			*n.s.*		*n.s.*	*4.3%*		*4.3%*
Interest and other financial income (expenses), net													(1,320)	0	(1,320)
Share of result of investments accounted for using the equity method													(712)	0	(712)
Foreign exchange gains (losses), net													(29)	0	(29)
Income (loss) before taxes													**3,447**	**0**	**3,447**
Income taxes													(2,616)	0	(2,616)
Net income (loss) from continued operations													**831**	**0**	**831**
Net income (loss) from discontinued operations													(1,393)	0	(1,393)
Net income (loss)													**(562)**	**0**	**(562)**
Minority interests in consolidated subsidiaries													0	0	0
Group net income (loss)													**(562)**	**0**	**(562)**

(thousands of euro)

	Continued operations												Discontinued operations	Total		
	Industrial Applications			Shape Memory Alloys			Information Displays			Not allocated						
	Dec. 31, 2013	Reclassific.	Dec. 31, 2013 reclassified	Dec. 31, 2013	Reclassific.	Dec. 31, 2013 reclassified	Dec. 31, 2013	Reclassific.	Dec. 31, 2013 reclassified	Dec. 31, 2013	Reclassific.	Dec. 31, 2013 reclassified	Dec. 31, 2013	Dec. 31, 2013	Reclassific.	Dec. 31, 2013 reclassified
Assets and liabilities																
Non current assets	36,929	(540)	36,389	51,364	0	51,364	2,076	(2,076)	0	26,453	2,616	29,069	0	116,822	0	116,822
Current assets	30,469	362	30,831	12,669	0	12,669	1,048	(1,048)	0	27,142	686	27,828	2,038	73,366	0	73,366
Total assets	**67,398**	**(178)**	**67,220**	**64,033**	**0**	**64,033**	**3,124**	**(3,124)**	**0**	**53,595**	**3,302**	**56,897**	**2,038**	**190,188**	**0**	**190,188**
Non current liabilities	6,364	(96)	6,268	420	0	420	269	(269)	0	8,885	365	9,250	0	15,938	0	15,938
Current liabilities	10,643	19	10,662	3,006	0	3,006	362	(362)	0	59,932	343	60,275	0	73,943	0	73,943
Total liabilities	**17,007**	**(77)**	**16,930**	**3,426**	**0**	**3,426**	**631**	**(631)**	**0**	**68,817**	**708**	**69,525**	**0**	**89,881**	**0**	**89,881**

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

(thousands of euro)

	Continued operations						Discontinued operations		Total	
	Industrial Applications		Shape Memory Alloys		Not allocated					
	Dec. 31, 2014	Dec. 31, 2013 reclassified	Dec. 31, 2014	Dec. 31, 2013 reclassified	Dec. 31, 2014	Dec. 31, 2013 reclassified	Dec. 31, 2014	Dec. 31, 2013	Dec. 31, 2014	Dec. 31, 2013 reclassified
Assets and liabilities										
Non current assets	36,242	36,389	54,914	51,364	26,816	29,069	0	0	117,972	116,822
Current assets	38,053	30,831	14,752	12,669	35,174	27,828	0	2,038	87,979	73,366
Total assets	**74,295**	**67,220**	**69,666**	**64,033**	**61,990**	**56,897**	**0**	**2,038**	**205,951**	**190,188**
Non current liabilities	6,117	6,268	833	420	23,553	9,250	0	0	30,503	15,938
Current liabilities	16,275	10,662	3,182	3,006	43,303	60,275	0	0	62,760	73,943
Total liabilities	**22,392**	**16,930**	**4,015**	**3,426**	**66,856**	**69,525**	**0**	**0**	**93,263**	**89,881**
Other segment information										
Capital expenditure	1,073	8,843	1,640	2,026	1,654	2,921	0	0	4,367	13,790
Depreciation & amortization	3,602	4,252	3,081	3,340	1,873	1,844	0	81	8,556	9,517
Other non cash expenses	73	425	7	105	0	270	0	37	80	837

Information on geographical areas

The following table provides the non-current assets by geographical area:

(thousands of euro)

	Italy	Europe	United States	Asia	Total non current assets (*)
2014	36,141	2,653	63,299	154	**102,247**
2013	39,936	2,394	57,781	197	**100,308**

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

Please refer to the table shown in the Report on operations for the breakdown of consolidated net sales by customer's location.

15. PROPERTY, PLANT AND EQUIPMENT, NET

Property, plant and equipment, net of accumulated depreciation, amounted to 50,684 thousand euro as at December 31, 2014, with a decrease of 789 thousand euro compared to December 31, 2013.

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

(thousands of euro)

Tangible fixed assets	Land	Building	Plant and machinery	Assets under construction and advances	Total
December 31, 2013	**3,384**	**22,222**	**21,367**	**4,500**	**51,473**
Additions	0	43	2,087	2,180	**4,310**
Disposals	0	(1)	(39)	0	**(40)**
Reclassifications	0	44	3,869	(3,913)	**0**
Reclassifications to assets held for sale	0	0	(23)	0	**(23)**
Depreciation	0	(1,382)	(5,781)	0	**(7,163)**
Write-downs	0	0	0	0	**0**
Revaluations	0	0	0	0	**0**
Translation differences	374	492	1,143	118	**2,127**
December 31, 2014	**3,758**	**21,418**	**22,623**	**2,885**	**50,684**
December 31, 2013					
Historical cost	3,384	40,559	122,770	4,656	**171,369**
Accumulated depreciation and write-downs	0	(18,337)	(101,403)	(156)	**(119,896)**
Net book value	**3,384**	**22,222**	**21,367**	**4,500**	**51,473**
December 31, 2014					
Historical cost	3,758	41,474	119,627	3,041	**167,900**
Accumulated depreciation and write-downs	0	(20,056)	(97,004)	(156)	**(117,216)**
Net book value	**3,758**	**21,418**	**22,623**	**2,885**	**50,684**

(thousands of euro)

Tangible fixed assets	Land	Building	Plant and machinery	Assets under construction and advances	Total	
December 31, 2012	**3,837**	**24,676**	**24,510**	**2,941**	**55,964**	
Additions	0	373	2,894	3,203	**6,470**	
Disposals	0	0	(50)	(9)	**(59)**	
Reclassifications	0	150	1,404	(1,554)	**0**	
Reclassifications to assets held for sale	(327)	(1,164)	0	0	**(1,491)**	
Depreciation	0	(1,601)	(6,180)	0	**(7,781)**	(*)
Write-downs	0	(22)	(836)	(16)	**(874)**	(**)
Revaluations	0	0	0	0	**0**	
Translation differences	(126)	(190)	(375)	(65)	**(756)**	
December 31, 2013	**3,384**	**22,222**	**21,367**	**4,500**	**51,473**	
December 31, 2012						
Historical cost	3,837	44,291	127,788	3,097	**179,013**	
Accumulated depreciation and write-downs	0	(19,615)	(103,278)	(156)	**(123,049)**	
Net book value	**3,837**	**24,676**	**24,510**	**2,941**	**55,964**	
December 31, 2013						
Historical cost	3,384	40,559	122,770	4,656	**171,369**	
Accumulated depreciation and write-downs	0	(18,337)	(101,403)	(156)	**(119,896)**	
Net book value	**3,384**	**22,222**	**21,367**	**4,500**	**51,473**	

(*) This figure differs from the one shown in the table of Note no. 5 following the reclassification of 75 thousand euro into the result from assets held for sale and discontinued operations (Note no. 12).

(**) This figure differs from the one shown in the table of Note no. 5 following the reclassification of 37 thousand euro into the result from assets held for sale and discontinued operations (Note no. 12).

As at December 31, 2014 land and buildings were not burdened by mortgages or other guarantees.

In 2014 investments in tangible assets amounted to 4,310 thousand euro and included the purchases of laboratory equipment made by the Parent Company to be used in the OLET (Organic Light Emitting Transistor) research project and of equipment for the improvement of the industrial SMA production lines. In addition, please note also the investments in the SMA (Shape Memory Alloys) area made by the subsidiaries Memry Corporation and Memry GmbH, aimed both at increasing the production capacity of the existing lines and at creating new production departments for the creation of new medical devices and new components intended for the industrial market. Finally, the investments included the improvements to the machinery of the production departments of the subsidiary SAES Advanced Technologies S.p.A.

The reclassifications to assets held for sale were related to the equipment pertaining to the Chinese subsidiary SAES Getters (Nanjing) Co., Ltd., whose sale was finalized during the year. For further details please refer to Note no. 28.

The translation differences (+2,127 thousand euro) were related to the assets of the US companies and linked to the revaluation of the US dollar as at December 31, 2014 compared to the exchange rate of December 31, 2013.

Starting from the second half of 2013 the item "Depreciation" benefited from a reduction of 256 thousand euro, as a result of the review of the remaining useful life of some plant and machinery of the subsidiary SAES Advanced Technologies S.p.A.

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

(thousands of euro)

	December 31, 2014			December 31, 2013		
	Owned assets	Finance leased assets	Total	Owned assets	Finance leased assets	Total
Land and building	25,176	0	25,176	25,606	0	25,606
Plant and machinery	22,601	22	22,623	21,334	33	21,367
Assets under construction and advances	2,885	0	2,885	4,500	0	4,500
Total	**50,662**	**22**	**50,684**	**51,440**	**33**	**51,473**

For further details on finance lease contracts, please refer to Note no. 31.

16. INTANGIBLE ASSETS, NET

Intangible assets, net of accumulated amortization, were equal to 48,705 thousand euro as at December 31, 2014, and they recorded an increase of 3,984 thousand euro compared to the previous year.

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

(thousands of euro)

Intangible fixed assets	Goodwill	Research and development expenses	Industrial and other patent rights	Concessions, licenses, trademarks and similar rights	Other intangible assets	Assets under construction and advances	Total
December 31, 2013	**35,669**	**0**	**2,935**	**1,290**	**4,677**	**150**	**44,721**
Additions	0	0	0	11	42	4	**57**
Disposals	0	0	(35)	0	(28)	0	**(63)**
Reclassifications	0	0	6	92	28	(126)	**0**
Reclassifications to assets held for sale	0	0	0	0	0	0	**0**
Amortization	0	0	(365)	(402)	(626)	0	**(1,393)**
Write-downs	0	0	0	0	0	0	**0**
Revaluations	0	0	0	0	0	0	**0**
Translation differences	4,455	0	354	16	557	1	**5,383**
December 31, 2014	**40,124**	**0**	**2,895**	**1,007**	**4,650**	**29**	**48,705**
December 31, 2013							
Historical cost	40,946	183	6,290	8,233	18,931	861	**75,444**
Accumulated amortization and write-downs	(5,277)	(183)	(3,355)	(6,943)	(14,254)	(711)	**(30,723)**
Net book value	**35,669**	**0**	**2,935**	**1,290**	**4,677**	**150**	**44,721**
December 31, 2014							
Historical cost	45,401	183	6,544	8,437	20,660	740	**81,965**
Accumulated amortization and write-downs	(5,277)	(183)	(3,649)	(7,430)	(16,010)	(711)	**(33,260)**
Net book value	**40,124**	**0**	**2,895**	**1,007**	**4,650**	**29**	**48,705**

(thousands of euro)

Intangible fixed assets	Goodwill	Research and development expenses	Industrial and other patent rights	Concessions, licenses, trademarks and similar rights	Other intangible assets	Assets under construction and advances	Total	
December 31, 2012	**33,137**	**0**	**1,893**	**2,061**	**4,369**	**103**	**41,563**	
Additions	0	0	0	0	22	263	**285**	
Business combinations	4,039	0	1,480	23	1,493	0	**7,035**	
Disposals	0	0	0	0	0	0	**0**	
Reclassifications	0	0	34	183	0	(217)	**0**	
Reclassifications to assets held for sale	0	0	0	(547)	0	0	**(547)**	
Amortization	0	0	(332)	(412)	(992)	0	**(1,736)**	(*)
Write-downs	0	0	0	(3)	0	0	**(3)**	
Revaluations	0	0	0	0	0	0	**0**	
Translation differences	(1,507)	0	(140)	(15)	(215)	1	**(1,876)**	
December 31, 2013	**35,669**	**0**	**2,935**	**1,290**	**4,677**	**150**	**44,721**	
December 31, 2012								
Historical cost	38,414	183	4,980	11,267	18,026	814	**73,684**	
Accumulated amortization and write-downs	(5,277)	(183)	(3,087)	(9,206)	(13,657)	(711)	**(32,121)**	
Net book value	**33,137**	**0**	**1,893**	**2,061**	**4,369**	**103**	**41,563**	
December 31, 2013								
Historical cost	40,946	183	6,290	8,233	18,931	861	**75,444**	
Accumulated amortization and write-downs	(5,277)	(183)	(3,355)	(6,943)	(14,254)	(711)	**(30,723)**	
Net book value	**35,669**	**0**	**2,935**	**1,290**	**4,677**	**150**	**44,721**	

(*) This figure differs from the one shown in the table of Note no. 5 following the reclassification of 6 thousand euro into the result from assets held for sale and discontinued operations (Note no. 12).

The yearly increase was almost exclusively due to the translation differences (+5,383 thousand euro) related to the intangible assets of the US companies of the Group partially offset by the amortization of the period (-1,393 thousand euro).

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

Goodwill

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

(thousands of euro)

Business Unit	December 31, 2013	Additions	Write-downs	Other movements	Translation differences	December 31, 2014
Industrial Applications	4,786	0	0	0	522	5,308
Shape Memory Alloys	30,883	0	0	0	3,933	34,816
Not allocated	0	0	0	0	0	0
Total goodwill	**35,669**	**0**	**0**	**0**	**4,455**	**40,124**

The increase of the year was entirely due to the exchange rate effect on the goodwill amounts denominated in currencies other than euro.

The following table shows the gross book values of goodwill and their accumulated write-downs for impairment from January 1, 2004 to December 31, 2014 and to December 31, 2013:

(thousands of euro)

Business Unit	December 31, 2014			December 31, 2013		
	Gross value	Write-downs	Net book value	Gross value	Write-downs	Net book value
Industrial Applications (*)	5,371	(63)	5,308	4,849	(63)	4,786
Shape Memory Alloys (*)	38,216	(3,400)	34,816	34,283	(3,400)	30,883
Not allocated	358	(358)	0	358	(358)	0
Information Displays (**)	n.a.	n.a	n.a.	1,456	(1,456)	0
Total goodwill	**43,945**	**(3,821)**	**40,124**	**40,946**	**(5,277)**	**35,669**

(*) The difference between the gross value as at December 31, 2014 and the gross value as at December 31, 2013 is due to the translation differences on goodwill in currencies other than euro.
(**) As indicated in Note no. 14, following the reclassifications related to Organic Light Emitting Diodes business, the progressive resetting to zero of LCD revenues and the shutdown of the last factory dedicated to the CRT production, the Information Displays operating segment has ceased to exist.

Impairment test

Pursuant to IAS 36, goodwill is not amortized, but is rather assessed for impairment annually or more frequently where specific events or circumstances indicate that it may have become impaired. For the purposes of impairment testing, goodwill is allocated to Cash Generating Units (CGUs) or groups of units, which may be no larger than the segments identified for management reporting purposes pursuant to IFRS 8. In particular, the CGUs identified by the SAES Group for the impairment test coincide with the operating segments as indicated in Note no. 14.

Impairment testing consists in estimating the recoverable amount of each Cash Generating Unit (CGU) and comparing it with the net carrying amount of the associated assets, including goodwill.
The recoverable amount is estimated by determining the value in use, which corresponds to the present value of the future cash flows that are expected from each Cash Generating Unit according to the most recent three-years 2015-2017 plan, developed by the top management and approved by the Board of Directors on February 18, 2015.
In making these projections, the management made many assumptions, including an estimate of future sales volumes, price trends, gross margin, operating expenses, changes in working capital and investments.
The expected sales growth is based on the management’s projections, while the margins and operating expenses of the various businesses were estimated on the basis of historical data, adjusted to account for the expected results and the projected market price trends. The value of investments and working capital was determined taking into account various factors, such as the expected future growth rates and the products development plan.
The discount rate applied in discounting cash flows represents the estimate of the expected rate of return of each Cash Generating Unit in the market. In order to select an appropriate discount rate to be applied to future cash flows, the indicative interest rates that would be applied to the Group in case of a subscription of a new medium-long term loan, the long-term government bond yield curve and the perspective Group’s equity/debt structure were taken into consideration. The weighted average cost of capital (WACC) applied to future cash flows was estimated to be 7.5%, and it is deemed to be representative of all of the Group’s CGUs. The WACC used is net of taxes, in accordance with the involved cash flows.
The model used to discount future cash flows considers a terminal value, which reflects the residual value that each Cash Generating Unit is expected to generate beyond the three-year period covered by the plans. This value was estimated by conservatively assuming a growth rate equal to zero and a timeframe deemed representative of the estimated duration of the various businesses, as reported in the table below:

	Industrial Applications	Shape Memory Alloys
Estimated years after the three years plan	8 (*)	12

(*) Calculated as the average of:
- 7 years estimated for Pure Gas Handling Business;
- 12 years used for Vacuum Systems and Thermal Insulation Businesses, characterized by more innovative products;
- 6 years conservatively assumed for the more traditional Businesses (Electronic & Photonic Devices, Sensors & Detectors and Light Sources).

This first grade testing didn't show any potential impairment.
In addition, a sensitivity analysis of up to 1 percentage point of the WACC value employed by the Group didn't show any criticality with reference to the net assets reported in the balance sheet as of December 31, 2014.

A second level of verification was then carried out, including also the costs related to corporate offices in the recoverable amount, as well as those economic values that cannot be allocated univocally or through reliable drivers to the major sectors, among which basic research expenses incurred by the Group to identify innovative technical solutions are of great importance. Also this second grade of testing did not show any potential impairment of the assets.

The estimation of the recoverable amounts of the various Cash Generating Units required the management to use its discretion and to 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.

17. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

As at December 31, 2014 this item included the share of the net assets attributable to the Group in the joint venture Actuator Solutions GmbH[22].

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, 2013	Additions	Share of the net result	Share of other comprehensive income (loss)	Dividends paid	Disposals	Other	December 31, 2014
Actuator Solutions	2,698	0	(1,286)	(42)	0	0	0	1,370

The item "Share of the net result" (negative for 1,286 thousand euro) relates to the adjustment, in connection with the percentage of ownership, of the value of the investment held by the Group in relation to the results achieved by the joint venture in 2014.
The item "Share of other comprehensive income (loss)" refers to the share of the Group in the currency translation difference reserve arising from the conversion of the financial statements of the subsidiary Actuator Solutions Taiwan Co., Ltd. For consolidation purposes.

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

[22] Please note that Actuator Solutions GmbH consolidates its wholly owned subsidiary Actuator Solutions Taiwan Co., Ltd.

(thousands of euro)

Actuator Solutions	December 31, 2014	December 31, 2013
Statement of financial position	**50%**	**50%**
Non current assets	3,614	2,958
Current assets	1,887	1,672
Total assets	**5,501**	**4,630**
Non current liabilities	2,435	216
Current liabilities	1,696	1,716
Total liabilities	**4,131**	**1,932**
Captal stock, reserves and retained earnings	2,698	3,407
Net income (loss) for the period	(1,286)	(712)
Other comprehensive income (loss) for the period	(42)	3
Total equity	**1,370**	**2,698**

(thousands of euro)

Actuator Solutions	2014	2013
Statement of profit or loss and of other comprehensive income	**50%**	**50%**
Net sales	7,646	5,099
Cost of sales	(7,603)	(4,797)
Total operating expenses	(1,795)	(1,553)
Other income (expenses), net	288	286
Operating income (loss)	**(1,464)**	**(964)**
Financial income (expenses)	(60)	2
Income taxes	238	250
Net income (loss)	**(1,286)**	**(712)**
Exchange differences	(42)	3
Total comprehensive income (loss)	**(1,328)**	**(709)**

Overall Actuator Solutions recorded net revenues equal to 15,291 thousand euro in 2014; these revenues, totally generated by the sale of valves used in lumbar control systems of the seats of a wide range of cars, significantly increased because the lumbar control system based on the SMA technology has gained a higher market share.
The net income of the period was negative for 2,572 thousand euro, due to the research and development expenses in the various industrial sectors where the company will be present with its SMA actuators. In particular, Actuator Solutions GmbH, with the support of the laboratories in Lainate, is focused on the development of SMA actuators for the vending industry, the automotive sector, for the white goods sector and for the medical one, some of which have already generated the first orders; instead, the Taiwanese subsidiary is focused on the development of products for the mobile communication market, among which, in particular, actuators for the image focus and stabilization of mobile phones, which have found an increasing interest in the market and are currently subject to the qualification by some potential users.
The increase of the loss compared to the previous year (-1,148 thousand euro), despite the higher revenues in the automotive sector (+49.9%), was due to the increase of research and structural expenses related to the Taiwan-based subsidiary Actuator Solutions Taiwan Co., Ltd., established only at the end of the first half of 2013.
Please note that the research expenses are charged directly in the income statement in the year in which they occurred as they do not qualify to capitalization.

As already mentioned, the share of the SAES Group (equal to 50%) in the result of the joint venture amounted to -1,286 thousand euro in 2014.

The value of the investment in Actuator Solutions GmbH was subjected to the impairment test. To this end, the value in use was determined with the Free Operating Cash Flow method, on the basis of the most recent plans prepared by the management and approved by the Supervisory Committee of the Company, and by using a WACC of 4.9%, which considers the structure of the capital/debt of the joint venture and the long-term German government bond yields curve.
The analysis did not show any potential impairment of the asset.

A sensitivity analysis was also performed by increasing the discount rate to bring it in line with that used by the Group for impairment test purposes (7.5%); also in this case there wasn't any criticality.

The following table provides the number of employees of the joint venture as at December 31, split by category, based on the percentage of ownership held by the Group (equal to 50%):

Actuator Solutions	December 31, 2014	December 31, 2013
	50%	50%
Managers	4	3
Employees and middle management	23	14
Workers	6	5
Total	**33**	**22**

18. DEFERRED TAX ASSETS AND LIABILITIES

As at December 31, 2014 the net balance of deferred tax assets and deferred tax liabilities was positive and equal to 9,535 thousand euro, with a decrease of 1,587 thousand euro compared to December 31, 2013.

The related details are provided below:

(thousands of euro)

Deferred taxes	December 31, 2014	December 31, 2013	Difference
Deferred tax assets	15,725	16,514	(789)
Deferred tax liabilities	(6,190)	(5,392)	(798)
Total	**9,535**	**11,122**	**(1,587)**

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 where appropriate, the following table shows deferred tax assets and liabilities before the offsetting process:

(thousands of euro)

Deferred taxes	December 31, 2014	December 31, 2013	Difference
Deferred tax assets	20,348	20,867	(519)
Deferred tax liabilities	(10,813)	(9,745)	(1,068)
Total	**9,535**	**11,122**	**(1,587)**

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, 2014 Temporary differences	December 31, 2014 Fiscal effect	December 31, 2013 Temporary differences	December 31, 2013 Fiscal effect
Intercompany profit eliminations	1,160	416	1,321	474
Differences on depreciation/amortization and write-downs	7,120	2,357	7,743	2,539
Bad debts	486	186	395	149
Inventory write-down	5,006	1,831	4,795	1,734
Provisions	3,014	1,145	2,621	996
Cash deductable expenses	4,418	1,375	3,643	1,107
Deferred taxes on recoverable losses	46,649	12,947	48,447	13,561
Exchange differences and other	132	91	701	307
Total		**20,348**		**20,867**

The release of the deferred tax assets as of December 31, 2014 (-519 thousand euro) was mainly due to the tax losses carried forwards (for which deferred tax assets had been accrued) used by the American subsidiary SAES Getters USA, Inc. and to the effects generated by the tax depreciation on assets previously written-off for accounting purposes.

The Group had 109,365 thousand euro in tax losses eligible to be carried forward as of December 31, 2014, most of which were attributable to the subsidiary SAES Getters International Luxembourg S.A. and to the Parent Company (tax losses eligible to be carried forward amounted to 105,093 thousand euro in 2013).
The tax losses eligible to be carried forward that were taken into account when determining deferred tax assets were equal to 46,649 thousand euro.

(thousands of euro)

Deferred tax liabilities	December 31, 2014 Temporary differences	December 31, 2014 Fiscal effect	December 31, 2013 Temporary differences	December 31, 2013 Fiscal effect
Tax due on distribution of earnings accumulated by the subsidiaries	(43,067)	(2,172)	(40,689)	(1,988)
Differences on depreciation/amortization and fair value revaluations	(23,311)	(8,509)	(21,065)	(7,573)
IAS 19 effect	(249)	(68)	(435)	(120)
Other	(233)	(64)	(215)	(64)
Total		**(10,813)**		**(9,745)**

The deferred tax liabilities recorded in the consolidated financial statements as at December 31, 2014 included not only temporary differences on the plus-values identified during the purchase price allocation of the US companies acquired in the past years , but also a provision allocated to account for taxes due in the event of distribution of the net income and of the reserves of those subsidiaries for which a distribution is probable in the foreseeable future.
The increase of the latter and the yearly tax amortization of the goodwill accounted for by the US subsidiaries, as well as the effect generated by the revaluation of the dollar against the euro at the end of the year, were the main reasons for the increase in the deferred tax liabilities compared to December 31, 2013 (+1,068 thousand euro).

19. TAX CONSOLIDATION RECEIVABLES/PAYABLES FROM/TO THE CONTROLLING COMPANY

SAES Getters S.p.A., SAES Advanced Technologies S.p.A., SAES Nitinol S.r.l. and E.T.C. S.r.l. (the latter included in the tax consolidation program from January 1, 2014) participate in the tax consolidation program with S.G.G. Holding S.p.A.[23], which directly controls SAES Getters S.p.A. opting for the taxation at Group level in accordance with article 117 of the Consolidated Income Tax Act.

The item "Tax consolidation receivables/payables from/to the Controlling Company" includes the net balance of tax receivables/payables that the Italian companies of the Group have accrued towards the Controlling Company S.G.G. Holding S.p.A. as at December 31, 2014.

Since the national tax consolidation results for the year 2014 show a tax loss, the Parent Company, SAES Nitinol S.r.l. and E.T.C. S.r.l. recognized as income the taxes on income (IRES) corresponding to their tax loss solely for the share recoverable with the consolidation mechanism while, prudently, the deferred taxes on the fiscal losses exceeding this amount have not been recognized (for further details please see Note no. 11). However, the Group claims a receivable related to its adhesion to the national tax consolidation corresponding to the recoverable withholding taxes on royalties, on bank interest income and dividends received by the Parent Company, in addition to the receivable (equal to 272 thousand euro) arising from the presentation in the year 2012, by the subsidiary SAES Advanced Technologies S.p.A., of the application for the reimbursement for the non-deduction of IRAP on personnel costs limited to the years 2007 and 2008, in which the national tax consolidation recorded a positive taxable income.

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

20. OTHER LONG TERM ASSETS

The item "Other long term assets" amounted to 917 thousand euro as at December 31, 2014, compared to 887 thousand euro as at December 31, 2013.
This item includes the caution money given by the Companies of the Group for their operating activities and the trade down payments with recoverability over 12 months.
They include also the advance payment of the Parent Company towards Cambridge Mechatronics Limited (CML), amounting to 492 thousand euro, essentially unchanged from the previous year[24] given that the reduction for accrued fees was offset by the effect generated by the revaluation of the US dollar against the euro. The related receivable was considered recoverable based on the commissions which are expected to be accrued on the future SMA wire sales of the Parent Company to Actuator Solutions and to other players for the production of autofocus and image stabilization systems based on the CML technology.

21. INVENTORY

Inventory amounted to 29,719 thousand euro as at December 31, 2014, with an increase of 1,146 thousand euro compared to December 31, 2013.

The following table shows the breakdown of inventory as of December 31, 2014 and December 31, 2013:

[23] By means of a notice sent to the Tax Office by the Controlling Company S.G.G. Holding S.p.A. on June 16, 2014, the option for the Group taxation under article 117 of the Tax Code (TUIR) has been renewed for a further three years. In addition, in the same notice, also the subsidiary E.T.C. S.r.l. was included in the tax consolidation program.
[24] 489 thousand euro as of December 31, 2013.

(thousands of euro)

Inventory	December 31, 2014	December 31, 2013	Difference
Raw materials, auxiliary materials and spare parts	14,585	11,739	2,846
Work in progress and semifinished goods	11,318	11,426	(108)
Finished products and goods	3,816	5,408	(1,592)
Total	**29,719**	**28,573**	**1,146**

Excluding the positive exchange rates effect (equal to +2,904 thousand euro), mainly related to the US dollar revaluation, the decrease in stock is equal to 1,758 thousand euro: the decrease of work in progress and finished products was due to both the recovery in SMA sales, which started to grow again thanks to the contribution of new products and an improved timing in the management of the Group's supplies, particularly at the subsidiary SAES Advanced Technologies S.p.A. that was only partially offset by the higher raw material supplies in the pure gas handling and shape memory alloys businesses, needed to meet the increasing orders of products with delivery in the first part of 2015.

Inventory is stated net of any provision for depreciation, which recorded the following changes in 2014:

(thousands of euro)

Inventory provision	
December 31, 2013	**4,179**
Accrual	829
Release into income statement	(183)
Utilization	(1,181)
Translation differences	285
December 31, 2014	**3,929**

The accrual (+829 thousand euro) was mainly related to the write-down of the SMA devices and of the raw materials and the work in progress products to be used in the lamps business, both characterized by slow-moving or no longer used in the production process.

Its utilization (-1,181 thousand euro) was mainly attributable to the Chinese subsidiary SAES Getters (Nanjing) Co., Ltd. and it is a consequence of the scrapping of items already written-down in the previous years, following the finalization of the shut-down of the factory. In addition, please note some scrapping of products for the solar cell market recorded by the Parent Company, whose production was discontinued at the end of last year.

22. TRADE RECEIVABLES

Trade receivables, net of bad debt provision, were equal to 20,010 thousand euro as at December 31, 2014 and were up by 5,991 thousand euro compared to the previous year.
The increase, which is also influenced by the exchange rate effect, was mainly due to the growth recorded by the turnover in the second half of 2014 compared to the last period of the previous year.

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

(thousands of euro)

Trade receivables	December 31, 2014	December 31, 2013	Difference
Gross value	20,307	14,238	6,069
Bad debt provision	(297)	(219)	(78)
Net book value	**20,010**	**14,019**	**5,991**

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

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

(thousands of euro)

Bad debt provision	December 31, 2014	December 31, 2013
Opening balance	**219**	**330**
Accrual	80	26
Release into income statement	0	(62)
Utilization	(35)	(66)
Translation differences	33	(9)
Closing balance	**297**	**219**

The following table provides a breakdown of trade receivables by those not yet due and past due as of December 31, 2014, 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, 2014	**20,307**	16,066	2,886	761	147	129	21	297
December 31, 2013	**14,238**	11,018	1,585	700	147	402	167	219

Receivables past due more than 30 days and not written down, as deemed to be recoverable, represent an insignificant percentage when compared to the total trade receivables and they are constantly monitored: however these receivables are lower than the previous year.

Please refer to Note no. 40 for the credit risk on trade receivables, in order to understand how the Group detects and manages the credit quality, in case the related trade receivables are neither past due nor written down.

23. 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 9,697 thousand euro as at December 31, 2014, compared with 8,402 thousand euro as at December 31, 2013.

A breakdown of the item is provided below:

(thousands of euro)

Prepaid expenses, accrued income and other	December 31, 2014	December 31, 2013	Difference
Income tax and other tax receivables	1,050	978	72
VAT receivables	5,694	4,649	1,045
Social security receivables	437	574	(137)
Personnel receivables	105	20	85
Receivables for public grants	640	728	(88)
Other receivables	363	80	283
Total other receivables	**8,289**	**7,029**	**1,260**
Accrued income	5	5	0
Prepaid expenses	1,403	1,368	35
Total prepaid expenses and accrued income	**1,408**	**1,373**	**35**
Total prepaid expenses, accrued income and other	**9,697**	**8,402**	**1,295**

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

The increase in “VAT receivables” is due to the fact that the credit generated mainly by the Parent Company during the year due to the excess of passive taxable transactions compared to active ones, was greater than the credit generated in previous years has been used to offset other taxes and contributions.

The increase in “Personnel receivables” was due to receivables towards the Abruzzo Region for the funded training conducted by the subsidiary SAES Advanced Technologies S.p.A. during the year.

The decrease in “Social security receivables” compared to December 31, 2013 was due to the lower use of social security provisions by the Italian companies of the Group in the last quarter of the current year[25] compared to the last part of the previous year.

Please note that the item “Receivables for public grants” is mainly composed of credits matured by the Parent Company and by the subsidiary E.T.C. S.r.l. as of December 31, 2014 as a result of contributions for outstanding research projects.
In 2014, income from government grants amounted to 409 thousand euro.

The increase in the item “Others” was mainly due to the credit facility for energy-intensive companies that the Italian companies with a high energy consumption can benefit of.

Please note that there are no receivables due after more than five years.

24. DERIVATIVE FINANCIAL INSTRUMENTS EVALUATED AT FAIR VALUE

As at December 31, 2014 the fair value of derivative financial instruments was positive for 38 thousand euro.

The item includes the assets deriving from the fair value evaluation of the hedging contracts made to cover the exposure to the variability of expected future cash flows arising from commercial transactions denominated in currencies other than the euro. These contracts are intended to preserve the Group’s margins from the exchange rate fluctuations.

[25] Please note that Parent Company stopped using the Ordinary Redundancy Fund in July 2014.

With regards to such contracts, the accounting requirements to apply the hedge accounting method are not met, therefore they are evaluated at fair value and the profits or losses deriving from their evaluation are directly recorded in the income statement.

In order to hedge against the risk of fluctuation in exchange rates on current and future trade receivables denominated in foreign currencies, as at December 31, 2014 the Group held forward sale contracts on the Japanese yen for a notional value of 300 million JPY. These contracts have an average forward exchange rate equal to 142.57 against the euro and will extend throughout 2015.
As of December 31, 2014, the Group does not have any hedging contract against the exposure in US dollar.

The following table provides a summary of the forward contracts and their fair value as at December 31, 2014:

Currency	December 31, 2014		December 31, 2013	
	Notional (in local currency)	**Fair value** (thousands of euro)	**Notional** (in local currency)	**Fair value** (thousands of euro)
thousands of JPY	300,000	38	0	0
	Total	**38**	**Total**	**0**

The calculation of the fair value was carried out by an independent third party, using the following technical tools of economic and financial evaluation:
- the risk free interest rate curve measured at the evaluation date, useful for the actualization of the fair value of the period;
- the spot exchange rate at the evaluation date;
- the one year default rate migration matrix[26] calculated by Moody's, in order to include the counterparty risk in the evaluation.

As of December 31, 2014, the Group does not have any Interest Rate Swap contract.
In fact, the contract signed in 2009 in order to fix the interest rate on the dollar-based financing held by the US subsidiary Memry Corporation (whose fair value was negative for 240 thousand euro as at December 31, 2013) expired on December 31, 2014 and no other contract was signed during 2014.

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 value 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 reported fair value may be observed, either directly or indirectly;
Level 3 – techniques that use inputs with a significant effect on the reported fair value that are not based on observable market data.
As at December 31, 2014 all the derivative instruments held by the Group belonged to Level 2: in fact, their fair value, carried out by an independent third party, was calculated on the basis of market data, such as interest rate curves and exchange rates curves.
No instruments were transferred from one level to another during the year.

[26] The one year migration matrix is the matrix that calculates the probability that the rating of an entity can move to other rating classes over the period of one year.

25. CASH AND CASH EQUIVALENTS

The following table shows a breakdown of this item as at December 31, 2014 and December 31, 2013:

(thousands of euro)

Cash and cash equivalents	December 31, 2014	December 31, 2013	Difference
Bank accounts	25,583	20,317	5,266
Petty cash	19	17	2
Total	**25,602**	**20,334**	**5,268**

The item "Bank accounts" consists of short-term deposits with some leading financial institutions, denominated primarily in US dollars, Chinese renminbi and Korean won.

The item includes the liquid funds mainly held by the US and Asiatic subsidiaries for the cash flow management necessary for their 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. 39).

As of December 31, 2014, the Group has unused credit lines equal to 26.9 million euro (28.2 million euro as of December 31, 2013).
The decrease compared to the previous year, amounting to 1.3 million euro, is the result of the re-contracting of part of the short-term liabilities into a new medium-long term financing by SAES Getters S.p.A. (for further details please see Note no. 30).

26. FINANCIAL RECEIVABLES FROM RELATED PARTIES

The item "Financial receivables from related parties" amounted to 2,762 thousand euro as at December 31, 2014, and included two interest-bearing loans granted by the subsidiary SAES Nitinol S.r.l. to the joint venture Actuator Solutions GmbH during the year.
In particular, a first loan of 1.5 million euro was paid in February 2014 and expires on December 31, 2016 (renewable on an annual basis), with a flexible repayment plan within the maturity date and a fixed annual interest rate equal to 6%.
A second loan of 1.2 million euro was granted in October 2014. Also this second contract provides for the recognition of a fixed annual interest of 6% and a flexible repayment of the principal amount within the maturity date (April 2018), with the monthly payment of a minimum amount of 33 thousand euro starting from August 2015.

Description	Currency	Origination Date	Principal (thousands of euro)	Timing of capital reimbursement	Interest rate	Effective interest rate as at December 31, 2014 (thousands of euro)	Value as at December 31, 2014 (*) (thousands of euro)
1st loan	EUR	February 2014	1,500	flexible, with maturity date December 2016 (**)	annual fixed rate 6%	51	1,551
2nd loan	EUR	October 2014	1,200	flexible, with maturity date April 2018 (**)		11	1,211
Total			**2,700**			**62**	**2,762**

(*) Interests included.
(**) Extendable on an annual basis.

27. OTHER FINANCIAL RECEIVABLES FROM THIRD PARTIES

The item "Other financial receivables from third parties", equal to 151 thousand euro as at December 31, 2014, refers to the fixed deposit, for a period of 12 months (expiring in April 2015), held by the subsidiary SAES Getters Korea Corporation. A fixed interest rate equal to 2.54% is paid on this deposit, immediately convertible into cash.

28. ASSETS AND LIABILITIES HELD FOR SALE

This item amounted to 2,038 thousand euro as at December 31, 2013 and included the building and the land use right of the subsidiary SAES Getters (Nanjing) Co., Ltd., reclassified as assets held for sale in the second half of 2013, following the decision to cease the production activities of the Chinese subsidiary and turn it into a commercial company.
At the end of October 2014 the Group completed the sale, therefore the amount is equal to zero as at December 31, 2014 (for further details please see the Report on operations of SAES Group, section "Relevant events occurred in 2014").

The following table shows the breakdown of the item as of December 31, 2014 and December 31, 2013:

(thousands of euro)

Assets held for sale	**2014**	**2013**
Intangible fixed assets	0	547
Property, plant and equipment	0	1,491
Total	**0**	**2,038**

29. SHAREHOLDERS’ EQUITY

The Group shareholders' equity amounted to 112,685 thousand euro as at December 31, 2014, with an increase of 12,381 thousand euro compared to December 31, 2013. A summary of the changes occurred is provided in the Statement of changes in the shareholders’ equity.

Capital stock

As at December 31, 2014 the capital stock, fully subscribed and paid-up, amounted to 12,220 thousand euro and consisted of no. 14,671,350 ordinary shares and no. 7,378,619 savings shares, for a total of no. 22,049,969 shares.
The composition of the capital stock was unchanged compared to December 31, 2013.
The implicit book value per share was 0.554196 euro as at December 31, 2014, unchanged from December 31, 2013.

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

All 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 and medium caps that meet specific requirements with regard to reporting transparency, liquidity and Corporate Governance.

Share issue premium reserve

This item includes amounts paid by the shareholders in excess of the par value for new shares of the Parent Company subscribed in capital issues.
This item was unchanged compared to December 31, 2013.

Legal reserve

This item corresponds to the Parent Company's legal reserve of 2,444 thousand euro as of December 31, 2014 and it was unchanged compared to December 31, 2013, since the reserve had reached its legal limit.

Other reserves and retained earnings

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

The change in the item “Other reserves and retained earnings” includes the distribution to shareholders of 2013 dividends, approved by the Parent Company’s Shareholders’ Meeting and equal to 3,430 thousand euro, the carry forward of the 2013 consolidated loss equal to -562 thousand euro and the actuarial gains and losses on defined benefit plans arising from the application of the revised version of IAS 19, net of the related fiscal effect (-133 thousand euro).

As reported in the Report on corporate governance and ownership enclosed to the Consolidated financial statements, each share is entitled to a proportional part of the net income that it is decided to distribute, except the rights attached to savings shares.
More specifically, as described in article no. 26 of the By-laws, savings shares are entitled to a preferred dividend equal to 25% of their implied book value; if, in one financial year, a dividend of less than 25% of the implied book value has been allocated to savings shares, the difference will be made up by increasing the preferred dividend in the following two years. The remaining income that the Shareholders’ Meeting has resolved to distribute will be allocated among all shares in such a way to ensure that savings shares are entitled to a total dividend that is 3% of the implied book value higher than that of ordinary shares. In case of distribution of reserves, shares have the same rights irrespective of the category to which they belong.

Other components of the shareholders’ equity

This item includes the exchange rate differences arising from the translation of financial statements in foreign currencies. The translation reserve had a positive balance of 10,555 thousand euro as at December 31, 2014, compared to a negative balance of -553 thousand euro as at December 31, 2013. The increase of 11,108 thousand euro was due both to the overall impact on the consolidated shareholders' equity of the conversion into euro of the financial statements of foreign subsidiaries expressed in currencies other than the euro and the respective consolidation adjustments (11,150 thousand euro), and to the share of the Group in the currency translation reserve arising from the consolidation of Actuator Solutions Taiwan Co., Ltd. into Actuator Solutions GmbH, both accounted for using the equity method (-42 thousand euro).

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

The reconciliation between the net income and the shareholders' equity of SAES Getters S.p.A. and the consolidated net income and the consolidated shareholders' equity as at December 31, 2014 and December 31, 2013 is set out below:

(thousands of euro)	December 31, 2014		December 31, 2013	
	Net income	Shareholders' equity	Net income	Shareholders' equity
SAES Getters S.p.A. - Parent Company	**1,477**	**67,799**	**5,331**	**69,799**
Shareholders' equity and net result of consolidated subsidiaries, net of dividends distribution and write-downs of investments in share capital	4,953	164,305	(6,584)	146,434
Book value of investments in share capital		(112,700)		(110,847)
Consolidation adjustments:				
Elimination of profit arising from intercompany transactions, net of the related tax effect	197	(1,092)	2,008	(1,289)
Accrual of deferred taxes on equity distributable of consolidated subisidiaries	(184)	(2,172)	(605)	(1,988)
Equity evaluation of joint venture	(1,286)	(3,130)	(712)	(1,802)
Other adjustments	(321)	(325)	0	(3)
Consolidated financial statements	**4,836**	**112,685**	**(562)**	**100,304**

30. FINANCIAL DEBTS

As at December 31, 2014, the financial debts amounted to 21,379 thousand euro, with an increase of 3,016 thousand euro compared to December 31, 2013.

The increase was due to the new long-term financing signed by the Parent Company (7 million euro) and the exchange rate fluctuations (+1.9 million euro): the 67% of the Group's financial debt is composed by loans denominated in US dollars, held by the US subsidiaries Memry Corporation e SAES Smart Materials, Inc., whose equivalent amount in euro has increased following the revaluation of the US dollar as at December 31, 2014 compared to December 31, 2013.
These effects were partially offset by the repayments made during the year (-5.9 million euro) according to the original repayment plan.

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

(thousands of euro)

Financial debt	December 31, 2014	December 31, 2013	Difference
Less than 1 year	6,690	18,283	(11,593)
Current portion of financial debt	**6,690**	**18,283**	**(11,593)**
Between 1 and 2 years	7,330	0	7,330
Between 2 and 3 years	4,594	0	4,594
Between 3 and 4 years	1,400	80	1,320
Between 4 and 5 years	1,365	0	1,365
Over 5 years	0	0	0
Non current financial debt	**14,689**	**80**	**14,609**
Total	**21,379**	**18,363**	**3,016**

Please note that the debt held by the US subsidiaries, that was classified as current liability as of December 31, 2013 given that it had become immediately repayable following the non-compliance to some financial covenants, was reclassified as a long-term liability after the renegotiation of some guarantee clauses and the waiver of the recall of the debt by the issuing bank.

The item "Financial debts" consists of the loans held by the US companies (denominated in US dollars), 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 at December 31, 2014 (spread included)	Value as at December 31, 2014 (*) (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	3.26%	12,957
Tranche Bullet Loan	USD	10.3	repayments in two tranches with maturity date July 31, 2016 and July 31, 2017				
SAES Smart Materials, Inc.	USD	20	half yearly with maturity date May 31, 2015	Half -yearly	USD Libor for a variable period (1-3 months); Cost of Funds if not available	2.30%	1,373

(*) Interests included.

As mentioned above, during the year the Parent Company signed a new long-term financing for an amount of 7 million euro, expiring on December 31, 2019, aimed at supporting the corporate financial requirements. The contract provides for the repayment of fixed principal amounts on a quarterly basis (starting from March 31, 2015), plus an interest indexed to the three-month Euribor, plus a year-based 2.25 basis points.
The value of the actual interest rate as at December 31, 2014 was equal to 2.35%

Description	Currency	Principal (millions of euro)	Timing of capital reimbursement	Timing of covenants calculation	Interest rate	Effective interest rate as at December 31, 2014 (spread included)	Value as at December 31, 2014 (*) (thousands of euro)
SAES Getters S.p.A.	EUR	7.0	quarterly with maturity date December 31, 2019	Half -yearly	Indexed to the three-month Euribor, plus a year-based 2.25 basis points	2.35%	6,969

(*) Interests included.

Covenants

The loans held by the US subsidiaries Memry Corporation and SAES Smart Materials, Inc. and the new loan held by the Parent Company are subject to the compliance with covenants calculated on some Group's economic and financial figures and verified every semester (on June 30 and December 31 of each year).

As showed in the table below, as at December 31, 2014, all the covenants were met:

	Covenant	December 31, 2014
Net equity (*)	≥ 100,000	112,685
Net financial position / Net equity (**)	≤ 1	0.26
Net financial position (**) / EBITDA	≤ 2.5	1.37

(*) thousands of euro.

(**) calculated excluding financial receivables from related parties.

On the basis of the future plans, the Group is expected to be able to comply with the covenants reported above also in the next periods.

31. OTHER FINANCIAL DEBTS TOWARDS THIRD PARTIES

As at December 31, 2014, the item “Other financial debts towards third parties” was equal to 3,396 thousand euro, compared to 4,906 thousand euro in the previous year, and it was split in a long-term portion (1,328 thousand euro to be compared with 2,675 thousand euro) and a short-term portion (2,068 thousand euro to be compared with 2,231 thousand euro).

The decrease compared to December 31, 2013 (-1,510 thousand euro) was mainly due to the reduction of the financial debt related to the amount still to be paid for the acquisitions completed last year in the purification business following the payments made to the US company Power & Energy, Inc. (1,599 thousand euro) and to the Johnson Matthey Group (214 thousand euro) as envisaged by the contract.
Please note that, following the revaluation of the dollar as at December 31, 2014 compared to December 31, 2013, the residual debt towards Power & Energy, Inc. has increased by 453 thousand euro; the adjustment of the time horizon used in the calculation of the present value of the payments still to be paid has instead generated a reduction of that debt of 26 thousand euro.

The item “Other financial debts towards third parties” included also 51 thousand euro of a residual debt resulting from the acquisition, finalized in 2008, of the subsidiary Memry Corporation. In 2008 the price for the acquisition of the company was paid to a financial broker. During 2011 the brokerage mandate came to maturity and the consideration related to the shares not collected was paid to the state of Delaware (USA). In 2012 the latter paid back part of the amount to the US subsidiary, because it didn’t fall within its jurisdiction. Memry Corporation must pay this amount to other US states, according to the residence of the previous holders of the shares.

Finally, this item included the debts related to the finance lease contracts signed during the previous years by Memry Corporation (23 thousand euro as at December 31, 2014).
The table below shows the future minimum payments related to these finance lease contracts:

(thousands of euro)

	December 31, 2014	December 31, 2013
Less than 1 year	16	14
Between 1 and 5 years	7	21
Over 5 years	0	0
Total	**23**	**35**

Compared to December 31, 2013, the financial debt, equal to 118 thousand euro, related to the waiver by the issuing bank to recall the loans held by US subsidiaries Memry Corporation and SAES Smart Materials, Inc. following the non-compliance with the financial covenants at the end 2013, was settled.

32. STAFF LEAVING INDEMNITIES AND OTHER EMPLOYEE BENEFITS

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

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

(thousands of euro)

Staff leaving indemnities and other employee benefits	Staff leaving indemnities	Other employee benefits	Total
December 31, 2013	**4,517**	**2,568**	**7,085**
Accrual (release)	149	507	656
Indemnities paid	(220)	(191)	(411)
Other changes	259	(289)	(30)
Translation differences	0	125	125
December 31, 2014	**4,705**	**2,720**	**7,425**

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

(thousands of euro)	2014	2013
Financial expenses	188	185
Current service cost	468	364
Release into the statement of profit (loss)	0	(470)
Expected return on plan assets	0	0
Recognized past service costs	0	0
Total cost	**656**	**79**

The split between the obligations under defined-contribution and defined-benefit plans and the related changes occurred during the year 2014 are shown below:

(thousands of euro)

	December 31, 2013	Financial expenses	Current service cost	Benefits paid	Actuarial gains (losses)	Other changes	Release	Exchange differences	December 31, 2014
Present value of defined benefit obligations	6.261	188	427	(276)	183	(213)	0	21	6.591
Fair value of plan assets	0	0	0	0	0	0	0	0	0
Costs non yet recognized deriving from past obligations	0	0	0	0	0	0	0	0	0
Defined benefit obligations	**6.261**	**188**	**427**	**(276)**	**183**	**(213)**	**0**	**21**	**6.591**
Defined contribution obligations	824	0	41	(135)	0	0	0	104	834
Staff leaving indemnities and similar obligations	**7.085**	**188**	**468**	**(411)**	**183**	**(213)**	**0**	**125**	**7.425**

The item “Actuarial gains (losses)” refers to the differences on the amounts due for defined benefit plans resulting from the actuarial calculation, which are immediately recognized in the shareholders’ equity among the retained earnings.
The item “Other changes” refers to the share of the long term monetary incentive plans which will be paid during the first half of 2015 and whose amount was, therefore, reclassified into the item “Other payables” to employees. For further details on this item, please refer to the following paragraphs.

When referred to the Group’s Italian companies, staff leaving indemnity consists of the obligation, estimated according to actuarial techniques, related to the sum to be paid to the employees of the 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 to pension funds is instead considered a defined-contribution plan and therefore it is not discounted.

The obligations under defined-benefit plans are measured by independent actuarial consultants annually according to the projected unit credit method, applied to each plan separately.
The following table shows the main assumptions employed in the actuarial assessments of the defined-benefit plans as at December 31, 2014 and December 31, 2013, respectively:

	Italy	
	December 31, 2014	December 31, 2013
Discount rate	2.00%	3.10%
Inflation rate	1.50%	2.20%
Expected annual salary increase rate (*)	3.50%	3.50%

(*) Factor not considered in the actuarial appraisal of staff leaving indemnity.

With reference to the demographic assumptions, the ISTAT 2004 mortality tables and the INPS disability/invalidity tables were used.
With regards to the probability of employees leaving for reasons other than death, we have used employee turn-over probabilities consistent with previous assessments and identified in the companies being evaluated over a representative period of observation. In particular, an average turnover rate equal to 3% was used.

The item “Other employee benefits” includes the provision for long-term incentive plans, signed by some employees of the Group identified as particularly important for the achievement of the medium to long term corporate objectives. The three-year plans provide for the recognition of monetary incentives proportional to the achievement of specific personal and Group’s objectives.
The aim of these plans is to further strengthen the alignment over time of individual interests to corporate interests and, consequently, to the shareholders’ interests. The final payment of the long-term incentive is always subject to the creation of value in a medium to long-term period, rewarding the achievement of performance objectives over time. The performance review is 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 at the expiry date of the plan.
Such plans fall into the category of defined-benefit obligations and therefore were discounted. 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	
	Italy	USA
2015 (*)	0.35%	0.26%

(*) Please note all plans as at December 31, 2014 expire on December 31, 2015.

The following table shows the breakdown of actuarial differences related to the year 2014:

(thousands of euro)	Staff leaving indemnities	Other employee benefits Italy	Long term incentive plan	Total
Actuarial differences:				
Changes in financial assumptions	312	(6)	0	306
Changes in other assumptions (demographic assumptions, remuneration assumptions, etc.)	0	0	0	0
Other	(54)	(70)	0	(123)
Actuarial gains (losses)	**258**	**(76)**	**0**	**183**

With regards to defined-benefit plans, the following table shows the effect of an increase or a decrease of half a percentage point in the discount rate on the obligation, as calculated by the independent actuarial consultant:

	Discount rate	
(thousands of euro)	**+0.5%**	**-0.5%**
Effect on the defined-benefit obligation	(181)	224

The following table shows the Group's employees split by category:

Group's employees	December 31, 2014	December 31, 2013	Average 2014	Average 2013
Managers	78	81	81	88
Employees and middle management	364	369	361	395
Workers	471	452	453	482
Total (*)	**913**	**902**	**895**	**965**

(*) It does not include the employees of the joint venture Actuator Solutions, for which please refer to Note no. 17.

The workforce amounted to 913 units (of which 497 were employed outside of Italy) as at December 31, 2014, and recorded a increase of 11 units compared to December 31, 2013, mainly related to the increase in the workforce engaged in production activities related to the medical SMA business (in particular, increase in the workforce in Memry Corporation and Memry GmbH).

33. PROVISIONS

Provisions amounted to 2,732 thousand euro as at December 31, 2014.
The following table shows the composition of and the changes in these provisions compared to the previous year:

(thousands of euro)

Provisions	December 31, 2013	Increase	Utilization	Release into IS	Reclassifications	Translation differences	December 31, 2014
Warranty provisions on product sold	356	272	(233)	(9)	0	49	435
Bonus	835	1,298	(713)	0	(174)	108	1,354
Other provisions	582	502	(23)	(138)	(35)	55	943
Total	**1,773**	**2,072**	**(969)**	**(147)**	**(209)**	**212**	**2,732**

The item "Bonus" includes the accrual of bonuses to the Group's employees related to the year 2014. The increase compared to December 31, 2013, equal to 519 thousand euro, is aligned with the improvement in the consolidated results.

The increase of the item "Other provisions" refers to the potential risk estimated in relation to the assessment on the 2005 income tax return of SAES Getters S.p.A. (for further details related to the tax assessment please refer to Note no. 11).

The releases to the income statement are related to the outcome of a legal proceeding in respect of an employee of the subsidiary SAES Advanced Technologies S.p.A., following which part of the risk provision entered in the previous years has been released.
Finally, the item "Other provisions" includes, in addition to the tax provision of the Parent Company, the implicit obligations of Spectra-Mat, Inc. in connection with the expenses to be incurred to monitor pollution levels at the site in which it operates (438 thousand euro as at December 31, 2014). The value of this liability has been calculated on the basis of the agreements reached with the local authorities.

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

(thousands of euro)

Provisions	Current provisions	Non current provisions	December 31, 2014	Current provisions	Non current provisions	December 31, 2013
Warranty provisions on product sold	7	428	435	59	297	356
Bonus	1,354	0	1,354	835	0	835
Other provisions	500	443	943	173	409	582
Total	**1,861**	**871**	**2,732**	**1,067**	**706**	**1,773**

34. TRADE PAYABLES

Trade payables were equal to 11,047 thousand euro as at December 31, 2014, with an increase equal to 1,788 thousand euro compared to December 31, 2013.
The increase was mainly attributable to the fact that in the last months of 2014 more purchases had been made, especially in the gas purification business, related to both the higher sales in the last quarter of 2014 and to meet the raw material requirements for the orders to be delivered in the first part of 2015.

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

The following table provides a breakdown of trade payables by those not yet due and past due as at December 31, 2014, 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, 2014	**11,047**	4,371	4,013	1,443	1,096	104	20
December 31, 2013	**9,259**	7,876	103	975	88	77	140

35. OTHER PAYABLES

The item "Other payables" includes amounts that are not classified as trade payables and amounted to 7,703 thousand euro as at December 31, 2014, compared to 8,659 thousand euro as at December 31, 2013.

(thousands of euro)

Other payables	December 31, 2014	December 31, 2013	Difference
Employees payables (vacation, wages, staff leaving indemnity, etc.)	3,887	4,208	(321)
Social security payables	1,399	1,443	(44)
Tax payables (excluding income taxes)	1,014	1,220	(206)
Other	1,403	1,788	(385)
Total	**7,703**	**8,659**	**(956)**

The item "Employees payables" is mainly made up of the provision for holidays accrued but not taken during the year and of the salaries for the month of December 2014.
The decrease was mainly due to the fact that as at December 31, 2013 the item also included the severance costs accrued against contractual agreements signed as part of the restructuring plan, but paid in the following year.

The item "Social security payables" primarily consists 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" primarily consists of the payables owed by the Italian companies to the Treasury in connection with the withholding taxes on the wages of employees and consultants.
The reduction was aligned with the decrease in the employees payables commented previously.

Finally, the item "Other" mainly includes payables of the Parent Company for both fixed and variable Directors' compensations,, for commissions to agents and for the down payment on public grants received for research activities.
The decrease compared to the previous year was mainly due to lower payables for commissions to agents (mainly related to the purification business, following the increase of sales made directly or through distributors, rather than through agents), partially offset by higher payables to Executive Directors for variable compensations for the year (2013 ended with a consolidated loss and, therefore, no variable compensation was accrued).

Please note that there are no payables due after more than five years.

36. ACCRUED INCOME TAXES

This item consists of payables for taxes associated with the Group's foreign subsidiaries, as the Italian companies have elected to participate in the national tax consolidation program and the associated tax balance is included in "Tax consolidation receivables/payables from/to the controlling company" (please refer to Note no. 19 for further information).

The item also includes the IRAP debt of the Italian companies.

Accrued income taxes amounted to 387 thousand euro as at December 31, 2014 and included the tax obligations of the year, net of advance payments. The increase compared to the previous year (347 thousand euro) was mainly due to the higher taxable income realized during the year.

37. BANK OVERDRAFT

As at December 31, 2014 bank overdraft amounted to 30,722 thousand euro and primarily consisted of short-term debt owed by the Parent Company in the form of “hot money” debt (30,191 thousand euro compared to 33,370 thousand euro as at December 31, 2013), whose average interest rate was around 2% (spread included).
The difference (531 thousand euro) consisted in the overdrafts on current bank accounts.

38. ACCRUED LIABILITIES

Accrued expenses and deferred income were equal to 2,282 thousand euro as at December 31, 2014.
This item may be broken down as follows:

(thousands of euro)

Accrued liabilities	December 31, 2014	December 31, 2013	Difference
Accrued expenses	289	271	18
Deferred income	1,993	522	1,471
Total	**2,282**	**793**	**1,489**

The increase was mainly due to the higher revenues received by customers during the year pertaining to future accounting period.

Please note that there are no accrued liabilities due after more than five years.

39. CASH FLOW STATEMENT

Cash flow provided by operating activities was positive and equal to 13,958 thousand euro, nearly tripled compared to 5,024 thousand euro generated during 2013: the increase of the self-financing, made possible by both higher revenues and cost containment, more than offset the higher liquidity absorption in the net working capital, significantly influenced by the increase in the volume of activities in the Pure Gas Handling Business and in the SMA one.

Investing activities used liquidity for 2,610 thousand euro (the cash absorption was 9,862 thousand euro in 2013).
In 2014, the disbursements for purchases of tangible and intangible assets were fairly low and amounted to 4,367 thousand euro (6,755 thousand euro in the previous year). Please note that these expenditures were almost completely offset by the proceeds (3,570 thousand euro) deriving from the sale of the plant of SAES Getters (Nanjing) Co., Ltd., including the sale of the land use right and the building, completed at the end October 2014.
Finally, always within the investing activities, please note the payment, according to the original contractual maturities, of the second *tranche* of the fixed consideration and the fees for the year to Power & Energy, Inc. (1,599 thousand euro) and the payment of the final tranche due to Johnson Matthey Inc. (214 thousand euro), both related to the investments made in the previous year, aimed at the technological strengthening of the Pure Gas Handling Business.

The balance of financing activities was negative and equal to 10,146 thousand euro, compared to a positive balance of 3,562 thousand euro in the previous year.
The financial management of the period was characterised by the financial disbursements for the payment of dividends (equal to 3,430 thousand euro), by the repayments of short and long-term loans according to their contractual repayment plans and by the payment of the related interests and commissions, as well as by the issue of the financing to the joint venture Actuator Solutions GmbH

(for further details please refer to Note no. 26). These cash-out were partially offset by cash-in generated by a new long-term loan signed by the Parent Company (for further details please refer to Note no. 30).

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

(thousands of euro)

	2014	2013
Cash and cash equivalents	25,602	20,334
Bank overdraft	(30,722)	(33,371)
Cash and cash equivalents, net - statement of financial position	**(5,120)**	**(13,037)**
Short term debt	30,191	33,370
Cash and cash equivalents, net - cash flow statement	**25,071**	**20,333**

40. FINANCIAL RISK MANAGEMENT

The Group's main financial liabilities, other than derivatives, include bank loans, both short and long term ones, and trade payables, as well as financial liabilities towards third parties related to the amount still to be paid for the acquisitions made during the previous year with the aim of strengthening the hydrogen purification business; the main objective of these liabilities is to finance the operating activities of the Group and to support future growth (both the organic one and that achieved through external acquisitions).
The Group also holds cash and cash equivalents and short-term deposits immediately convertible into cash as well as trade receivables deriving directly from its operating activities and financial receivables deriving from loans granted to related parties.

The derivative instruments used by the Group were primarily forward foreign currency contracts and Interest Rate Swaps (IRS). The purpose of these instruments is to manage the exchange-rate risk and the 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, both short and long-term ones, are mainly structured on a variable interest rate basis, therefore they are subject to the risk of interest rate fluctuations.
With regards to long-term financial debts, the exposure to interest rate variations is usually handled by way of entering into Interest Rate Swap (IRS) agreements, with a view to guarantee a level of financial expenditures which are sustainable by the SAES Group's financial structure.
Please note that, as detailed in Note no. 24, the IRS agreement signed in 2009 in order to fix the interest rate on the dollar-based financing held by the US subsidiary Memry Corporation expired on December 31, 2014. With reference to the new floating rate loan signed by SAES Getters S.p.A. in late December, the Group constantly controls the interest rate trend for the possible signing of an Interest Rate Swap to hedge the risk linked to the interest rate fluctuations.
The funding for the working capital is managed through short-term financing transactions and, as a consequence, the Group does not hedge itself against the interest-rate risk.

Interest-rate sensitivity analysis

The following table provides a sensitivity analysis of the short-term financial assets (cash and cash equivalents, bank deposits and financial receivables towards related parties) related to the impact of changes in interest rates on the income before taxes and the Group's shareholders' equity, assuming that all the other variables remain unchanged:

		(% on basis point)	(thousands of euro)	(thousands of euro)
		Increase / Decrease	**Effect on result before taxes**	**Effect on net result**
2014	euro	+/- 1	+/- 23	+/- 19
	other currencies	+/- 1	+/- 175	+/- 138
2013	euro	+/- 1	+/- 14	+/- 10
	other currencies	+/- 1	+/- 157	+/- 105

The following table provides a sensitivity analysis of financial liabilities (both short and long term debts) related to the impact of changes in interest rates on the income before taxes and the Group's shareholders' equity, assuming that all the other variables remain unchanged:

		(% on basis point)	(thousands of euro)	(thousands of euro)
		Increase / Decrease	**Effect on result before taxes**	**Effect on net result**
2014	euro	+/- 1	-/+ 361	-/+ 311
	USD	+/- 1	-/+ 162	-/+ 99
2013	euro	+/- 1	-/+ 255	-/+ 185
	USD	+/- 1	-/+ 213	-/+ 132

Exchange-rate risk

The Group is exposed to the exchange rate risk on foreign commercial transactions.
Such exposure is mainly generated by sales in currencies other than the reference currency. In 2014 around 82.4% of the Group's sales and around 59.9% of the Group's operating costs were denominated in a currency other than the euro.
In order to manage the economic impact generated by the fluctuations in exchange rates, primarily EUR/USD and EUR/JPY, the Group has in place hedging contracts on these currencies, whose values are periodically determined by the Board of Directors according to the net currency cash flows expected to be generated by SAES Getters S.p.A. and SAES Advanced Technologies S.p.A. The maturities of the hedging derivatives tend to coincide with the scheduled date of collection of the hedged transactions.

Moreover, the Group can occasionally hedge specific transactions in a currency other than the reference currency, to mitigate the effect of the exchange rate volatility on the profit and loss account, with reference to financial receivables/payables, including intercompany ones, denominated in a currency different from the one used in the financial statements, included those related to cash pooling (held by the foreign subsidiaries but denominated in euro).

In order to hedge against the risk of exchange rate fluctuations on trade receivables denominated in foreign currencies, at the beginning of the year (February 2014) the Group signed forward contracts on the Japanese yen for a total notional value of 275 million JPY (average forward exchange rate YEN/EUR equal to 138.79). These contracts were all expired at the end of 2014.
Instead, the contracts signed in November 2014 to hedge the trade receivables in yen in 2015 were in force as at December 31, 2014 (with a total notional value of 300 million Japanese yen and an average forward exchange rate YEN/EUR equal to 142.57). For more details on the fair value of these contracts at year end please refer to Note no. 24.

The Company didn't sign any forward sale contract of US dollars in 2014. With regards to the contracts to hedge the dollar-based receivables in 2015, signed in January 2015, please refer to the "Subsequent Events" of the Report on operations.

Finally, on January 10, 2014 the Group signed a forward sale contract in euro (for a notional value equal to 7.5 million euro and a forward exchange rate EUR/KRW equal to 1,456.00) in order to mitigate the exchange rate risk deriving from the fluctuation of the Korean won on the balance of the financial credit in euro that the Korean subsidiary SAES Getters Korea Corporation has with the Parent Company. This contract expired on December 29, 2014.
Two similar contracts were also signed at the beginning of 2015 (please see the section "Subsequent events" of the Report on operations).

Exchange-rate sensitivity analysis

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

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

	(% on basis point)	(thousands of euro)	(thousands of euro)
U.S. dollar	**Increase / Decrease**	**Effect on result before taxes**	**Effect on net result**
2014	+ 5%	105	71
	- 5%	(116)	(79)
2013	+ 5%	73	47
	- 5%	(81)	(52)

	(% on basis point)	(thousands of euro)	(thousands of euro)
Japanese YEN	**Increase / Decrease**	**Effect on result before taxes**	**Effect on net result**
2014	+ 5%	34	24
	- 5%	(37)	(27)
2013	+ 5%	25	18
	- 5%	(28)	(19)

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

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

	(% on basis point)	(thousands of euro)	(thousands of euro)
euro	**Increase / Decrease**	**Effect on result before taxes**	**Effect on net result**
2014	+ 5%	(437)	(437)
	- 5%	437	437
2013	+ 5%	(434)	(413)
	- 5%	434	413

U.S. dollar	Increase / Decrease (% on basis point)	Effect on result before taxes (thousands of euro)	Effect on net result (thousands of euro)
2014	+ 5%	26	24
	- 5%	(29)	(26)
2013	+ 5%	68	66
	- 5%	(75)	(73)

With reference to the forward contracts, the following table provides a sensitivity analysis in terms of the impact of changes in exchange rates on the consolidated income before taxes and Group's shareholders' equity, assuming that all the other variables remain unchanged:

	Increase / Decrease (% on basis point)	Effect on result before taxes (thousands of euro)	Effect on net result (thousands of euro)
2014	+10%	105	72
	- 10%	(105)	(72)
2013	+10%	0	0
	- 10%	0	0

With reference to the Net Financial Position (NFP), an appreciation of the US dollar by 5% would have had a negative impact of approximately 80 thousand euro on the net financial position as at December 31, 2014, whereas a depreciation of the same percentage would have had a positive impact of approximately 72 thousand euro.

	Increase / Decrease (% on basis point)	Effect on Net Financial Position (thousands of euro)
December 31, 2014	+5%	(80)
	- 5%	72
December 31, 2013	+5%	(173)
	- 5%	156

Commodity price risk

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

Credit risk

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

Liquidity risk

This risk can arise from the incapacity to obtain the necessary financial resources to grant the continuity of the Group's operations.
In order to minimize such risk, the Administration Finance and Control Division acts as follows:
- constantly monitors the Group's financial requirements in order to obtain credit lines necessary to meet such requirements;
- optimizes the liquidity management through a centralized management system of available liquidity (cash pooling) in euro which involves nearly all the Group's companies;
- manages the correct balance between short-term financing and medium/long-term financing depending on the expected generation of operating cash flows.

For further information about the Group's financial debts as at December 31, 2014 and about the maturity date of these debts please refer to Note no.30.

As at December 31, 2014 the Group was not significantly exposed to a liquidity risk, also considering the unused credit lines to which it has access.

Equity management

The objective pursued by the Group's equity management is to maintain a solid credit rating and adequate capital ratios in order to support operations and maximize the value for shareholders.
No changes were made to equity management objectives or policies during the year 2014.
The Group periodically monitors some performance indicators, such as the debt-to-equity ratio, with the aim of keeping them at low levels in accordance with the agreements undertaken with its lenders.

41. POTENTIAL ASSETS/LIABILITIES AND COMMITMENTS

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

(thousands of euro)

Guarantees	December 31, 2014	December 31, 2013	Difference
Guarantees in favour of third parties	22,894	28,117	(5,223)

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

The maturities of operating lease obligations outstanding as at December 31, 2014 are shown below:

(thousands of euro)

	Less than 1 year	1-5 years	Over 5 years	Total
Operating lease obligations	1,581	2,848	2,476	**6,905**

Following a legal proceeding opened by the State of New York and concerning the compensation for environmental damages and costs for the decontamination of water and the cleaning of the sediments below the Onondaga Lake, located in the US city of Syracuse, the SAES Group, through its subsidiary SAES Getters USA, Inc. (successor in legal matters of SAES Getters America, Inc.,

formerly owner of a factory in the area of the lake), could be sued for contributing to the compensation for such costs.
The SAES Group has not received any summons or notification to date and, based on the investigations carried out, it doesn't seem to be responsible for the pollution of the Onondaga Lake; in addition, given that to date it is not possible to make a reasonable estimate of any costs to be incurred, the company hasn't allocated any risk provision as at December 31, 2014.

42. RELATED PARTY TRANSACTIONS

Related Parties are identified in accordance with IAS 24 revised.

Related Parties include the following ones:
- **S.G.G. Holding S.p.A.**, the controlling company, which is both creditor and debtor of the SAES Group as a result of the election by the Group's Italian companies[14] to participate in the national tax consolidation program. In addition, please note that S.G.G. Holding S.p.A. receives dividends from SAES Getters S.p.A.
- **Actuator Solutions GmbH**, a joint venture, 50% jointly owned by SAES and Alfmeier Präzision Groups, focused on the development, manufacturing and marketing of actuators based on the SMA technology.
- **Actuator Solutions Taiwan Co., Ltd.**, a Taiwan-based company entirely controlled by the joint venture Actuator Solutions GmbH, for the development and commercialization of SMA devices for the image focus and stabilization in tablet and smart-phone cameras.

The SAES Group has commercial relationships (sale of raw materials and semi-finished goods) and carries out various services with Actuator Solutions GmbH and its subsidiary Actuator Solutions Taiwan Co., Ltd. Furthermore, two interest-bearing loans agreement are in force (for more details please refer to Note no. 26).
- **Managers with Strategic Responsibilities**, these include the members of the Board of Directors, including non-executive directors and the members of the Board of Statutory Auditors.

Moreover, the Corporate Human Resources Manager, the Corporate Operations Manager, the Group Legal General Counsel[15], the Corporate Research Manager[16] and the Group Administration, Finance and Control Manager are considered managers with strategic responsibilities.
Their close relatives are also considered related parties.

The following tables show the total values of the related party transactions undertaken in 2014 and 2013:

[14] SAES Getters S.p.A., SAES Advanced Technologies S.p.A., SAES Nitinol S.r.l. and E.T.C. S.r.l. ,the latter included in the tax consolidation program from January 1, 2014.
[15] Please note that, with effect from February 2014 the role of Group Legal General Counsel was assumed ad interim by Dr Giulio Canale.
[16] Please note that, with effect from June 10, 2013, in the view of containing costs and optimizing organizational processes, the role of Corporate Research Manager has been removed and its related responsibilities were transferred to the Chief Technology Innovation Officer, in the person of Dr Eng. Massimo della Porta.

(thousands of euro)

	December 31, 2014										
	Total net sales	Research & development expenses	Selling expenses	General & administrative expenses	Other income (expenses)	Other financial income (expenses)	Trade receivables	Trade payables	Tax consolidation receivables from Controlling Company	Tax consolidation payables to Controlling Company	Financial debt towards related parties
S.G.G. Holding S.p.A.									2.907	(2.336)	
Actuator Solutions GmbH	883	323 (*)	127 (*)	28 (*)		62	138				2.762
Actuator Solutions Taiwan Co., Ltd.				(12)				(12)			
Total	**883**	**323**	**127**	**16**	**0**	**62**	**138**	**(12)**	**2.907**	**(2.336)**	**2.762**

(*) costs recovery

(thousands of euro)

	December 31, 2013										
	Total net sales	Research & development expenses	Selling expenses	General & administrative expenses	Other income (expenses)	Other financial income (expenses)	Trade receivables	Trade payables	Tax consolidation receivables from Controlling Company	Tax consolidation payables to Controlling Company	Financial debt towards related parties
S.G.G. Holding S.p.A.									2.391	(1.862)	
Actuator Solutions GmbH	652	659 (*)	220 (*)	26 (*)		(10)	692				
Total	**652**	**659**	**220**	**26**	**0**	**(10)**	**692**	**0**	**2.391**	**(1.862)**	**0**

(*) costs recovery

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

(thousands of euro)

Total remunerations to key management	2014	2013
Short term employee benefits	2,438	2,726
Post employment benefits	0	0
Other long term benefits	156	152
Termination benefits	23	52
Total	**2,617**	**2,930**

As at December 31, 2014 payables to Managers with Strategic Responsibilities, as defined above, were equal to 2,017 thousand euro, to be compared with payables of 1,580 thousand euro as at December 31, 2013.

Pursuant to the Consob communications of February 20, 1997 and February 28, 1998, as well as to IAS 24 revised, we report that also in 2014 all related-party transactions fell within ordinary operations and were settled at economic and financial standard market conditions.

43. FEES PAID TO INDEPENDENT AUDITORS AND THEIR RELATED COMPANIES

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

(thousands of euro)

Business services	Supplier	Customer	Fees
Audit	Parent Company auditor	SAES Getters S.p.A.	81
Tax and legal advices	Parent Company auditor	SAES Getters S.p.A.	0
Other	Parent Company auditor	SAES Getters S.p.A.	0
Audit	Parent Company auditor	Subsidiaries	150
Tax and legal advices	Parent Company auditor	Subsidiaries	11
Other	Parent Company auditor	Subsidiaries	0
Audit	Network of Parent Company auditor	Subsidiaries	157
Tax and legal advices	Network of Parent Company auditor	Subsidiaries	5
Other	Network of Parent Company auditor	Subsidiaries	0

Lainate (MI), March 11, 2015

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

Certification of the Consolidated financial statements

Certification of the Consolidated financial statements

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

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

- the adequacy for the characteristics of the firm and
- the effective application

of the administrative and accounting procedures for the preparation of the consolidated financial statements during the period from January 1 to December 31, 2014.

2. The following remarks apply to this situation:

2.1 The Administrative and Accounting Control Model of the SAES Group

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

- The Control Model, with reference to the organizational structure of 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 the Officer responsible for the preparation of the corporate financial reports (hereinafter the “Officer Responsible”);
  - describes the elements that comprise the administrative and accounting control system, citing the general control environment underlying the Internal Control System of the SAES Group, in addition to specific components pertaining to administrative and accounting information;
  - regarding the latter in particular, it calls for the integration of the Group Accounting Principles and IAS Operating Procedures with a system of matrices of administrative and accounting controls which describe the control activities implemented in each process;
  - establishes the conditions and frequency of the administrative and accounting risk assessment process in order to identify the processes of greatest relevance to the accounting and financial information.

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

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

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

- Following the administrative and accounting risk assessment conducted on the basis of the 2013 consolidated financial statements - the most significant administrative and accounting processes were selected, on the basis of their materiality, for each of the Group companies.

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

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

As of today, the Officer Responsible, with the support of the Group Reporting and Consolidation Manager, has received all the thirteen representation letters requested, signed by the General Managers/Financial Controllers of the subsidiaries affected by the processes deemed relevant after a risk assessment.

The result of the process was positive and no anomalies were reported.

3. Furthermore, we certify that:

3.1. The consolidated financial statements for the year ended December 31, 2014:

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 11, 2015

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 153 of the Legislative Decree 58/1998 and article 2429, paragraph 3, of the Italian Civil Code

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

Dear Shareholders,

During the year ended on December 31, 2014, our supervisory activity was conducted in accordance with the regulation of the "Consolidated Law on financial intermediation" enacted by the Legislative Decree 58/1998, and with the applicable provisions of the Italian Civil Code, taking into account also the Principles of Conduct recommended by the National Board of Chartered Accountants and Auditors, as well as Consob communications concerning the corporate governance and the activities of the Board of Statutory Auditors and, in particular, the communication n. DEM/1025564 dated April 6, 2001 and its subsequent amendments.
In addition, the Board of Statutory Auditors, in his role of Internal Control and Audit Committee, pursuant to article 19 of the Legislative Decree n. 39/2010, has carried out, during the year, the verification activities assigned to it by law.
Having acknowledged the foregoing, we report on the supervisory activities required by law, that we have carried out during the year ended on December 31, 2014 and, in particular:

- we ensure that we have verified the compliance with the law and the Company By-laws and the respect of the principles of proper administration, holding n. 6 meetings of the Board of Statutory Auditors during the year, without considering other informal meetings;
- in these meetings, in the Board of Directors' meetings and, in any case, at least quarterly, we obtained information from the Directors on the general corporate management and its foreseeable outlook, as well as on the most significant transactions, because of their size or nature, carried out by the Company also in relation to its subsidiaries;
- in the calendar year 2014, we took part to n. 1 Shareholders' Meeting and to n. 10 meetings of the Board of Directors, held in accordance with the statutory rules and laws that regulate their operation and for which we can reasonably assure that the actions approved in these meetings were compliant with the law and the by-laws and were always in the corporate interest, including intra-group transactions, that were not manifestly imprudent, hazardous, atypical or unusual, or in potential conflict of interest or as such to compromise the integrity of the company's assets. At these meetings, it was possible to freely express considerations, views and opinions;
- we assessed and verified the adequacy of the organizational, administrative and accounting system and the reliability of said system in correctly representing the operating activities, by obtaining information from the department managers and through the analysis of corporate documents. In this respect, we have no particular remarks to report. Furthermore, having followed the work done by the Internal Audit Department, and by the Audit and Risk Committee, we can confirm that the internal control system adopted by the Company is fully adequate;
- we supervised, pursuant to article 19, paragraph 1, of the Legislative Decree n. 39/2010, the financial reporting process; the effectiveness of the internal control system, of the internal audit system and of the risk management one; the statutory audit of the annual accounts and consolidated accounts; the independence of the legal independent audit firm, in particular as regards the provision of non-auditing services to the Company;
- we also verified the adequacy of the instructions provided to subsidiaries in accordance with article 114, paragraph 2, of the Legislative Decree 58/1998;
- we read and obtained information on the organizational and procedural activities carried out pursuant to the Legislative Decree 231/2001 and subsequent additions, on the administrative responsibility of the entities for the offences envisaged by this regulation. The report of the Supervisory Body on the activities carried out during 2014 and the meetings of this Committee with the Board of Statutory Auditors did not point out any significant critical situation to be reported herein.

With reference to the provisions set forth in article 36 of the Market Regulation, issued by Consob, concerning relevant controlled companies, established and governed by the law of non-EU Countries, please note that the companies to which such provisions refer to were identified and their related administrative and accounting system is suitable for submitting on a regular basis all the economic and financial data required for the preparation of the consolidated financial statements to the Company and to the independent auditors.
Having acknowledged the foregoing, we would like to draw the attention of the Shareholders' Meeting to the following paragraphs.

Performance of the period
As appropriately illustrated by the Directors in the annual Report, 2014 results, as well as the forecast for 2015, show that the Group has come out from a difficult period began in 2009 and the start of a new positive period characterized by the growth of revenues and the increase in profits.
During the year, in fact, thanks to the diversification policy pursued in the last few years, there has been an increase in revenues compared to the previous year (+2.5%) and all the economic and financial indicators recorded a significant improvement. In this context, there has been a significant growth in the industrial segment of the shape memory alloys Business Unit and the strong recovery of the medical segment after a difficult 2013. The product innovation has allowed the more traditional segments of the company to increase or at least maintain their revenues, despite the fact that some of the their markets are still undergoing a deep crisis.
As at December 31, 2014 there has been a strong improvement in the net financial position favored by the generation of operating cash flows and by the completion of the sale of the land use right and the building of the Chinese subsidiary SAES Getters (Nanjing) Co., Ltd., as detailed in the following paragraphs, which generated total proceeds, net of the disposal expenses, amounting to 3.2 million euro.
The use of social security provisions in the Italian companies of the Group continued in the year. In particular, SAES Getters S.p.A. used the Ordinary Redundancy Fund in the first semester, while SAES Advanced Technologies S.p.A. used the defensive job-security agreements during the entire year.

Most significant transactions undertaken during the year
Among the significant events that marked 2014 please note that in April and November 2014 SAES Getters S.p.A. signed two additional license transfer agreements for the integration of the SAES thin film getter technology named PageWafer in MEMS devices (micro-electromechanical systems) used in mobile electronics applications. In addition to an initial lump-sum received against the transfer of the technology, the contracts provide for the payment of royalties according to a percentage proportional to the volumes of silicon wafers produced using SAES' getter technology.
Please also note that on April 4, 2014, the joint venture Actuator Solutions GmbH won the prestigious "2014 German Innovation Award" in the category of medium-sized companies. awarded annually to companies based in Germany demonstrating the strongest focus on innovation. Moreover, the success of the SMA actuator technology was confirmed by the strong growth in sales (+49.9%) of Actuator Solution GmbH, which is for the time being attributable to the sale of valves for automotive sector, looking forward to being able to introduce this technology in other industrial sectors including the mobile communication market.
In June 2014 SAES Pure Gas, Inc. signed an agreement with the Chinese Group Fujian Jiuce Gas for the supply of a hydrogen purifier to the factory dedicated to the production of semiconductors based in Fuzhou (China).
At the end of October 2014 the Group completed the sale of the land use right, the building and related appurtenances of the Chinese subsidiary SAES Getters (Nanjing) Co., Ltd. The consideration for the sale was equal to about RMB 29 million of which a payment of 50% was collected at the signing of the letter of intent in April 2014; a further 30% was received in May 2014 in conjunction with the exit of SAES from the production plant; the balance was paid at the completion of the ownership transfer on October 30, 2014.The sale generated a net capital gain of

1,144 thousand euro, classified under the item “Net income from assets held for sale and discontinued operations”.
On December 23, 2014, the Parent Company signed a new long-term financing for an amount of 7 million euro, expiring on December 31, 2019, aimed at supporting the corporate financial requirements. The contract provides for the repayment of fixed principal amounts on a quarterly basis (starting from March 31, 2015) and interests indexed to the three-month Euribor, plus a year-based 2.25 basis points.
With regards to the events occurred after the end of the year, please note that at the end of 2014 Memry Corporation has officially signed an agreement with the State of Connecticut to obtain a soft financing in several tranches, for a total amount of 2,750 thousand USD. The loan will have a duration of ten years with an annual subsidized interest rate of 2% and will be used to purchase new machinery and equipment necessary to expand the production plant in Bethel.
50% of the financing might be converted into a non-refundable grant provided that, by November 2017, Memry Corporation, in addition to having retained all its current staff, hires 76 new employees at the headquarters in Bethel and retains the additional staff for at least one year. In addition, these employees will have to earn an average annual salary of not less than a specific threshold established by the agreement.
If only 50% of the new employees were hired within the fixed term, also the non-refundable grant would be halved. The first tranche of the soft financing, equal to 1,963 thousand USD, was paid by the State of Connecticut to the US subsidiary on February 20, 2015.
On January 7, 2015, in order to limit the currency risk on the Group resulting from the effect of the oscillation of the Korean won on the balance of the financial credit in euro that SAES Getters Korea Corporation held towards the Parent Company, two contracts for the forward sale of euros were entered.
The first contract, with a notional value of 7 million euro, will expire on September 30, 2015 and provides for a forward exchange rate equal to 1,307.00 won against the euro; the second contract, with a notional value of 1.5 million euro, will expire on December 28, 2015 and provides for a forward exchange rate equal to 1,309.00 won against the euro.
Furthermore, given that the Group’s results will continue to be influenced by the exchange rate of the euro against the main currencies (particularly, the US dollar and the Japanese yen), in order to protect the profitability from the exchange rate fluctuations, on January 7, 2015 some contracts for the forward sale of US dollars were entered into for a notional value of 10,080 thousand USD, while on January 22, 2015 other similar contracts were signed for a notional value of 4,800 thousand USD. These contracts provide for an average forward exchange rate equal to 1.1801 against the euro and will be in force for the entire 2015.
On January 23, 2015, as envisaged by the contract, the third and final tranche of the fixed consideration for the acquisition of the hydrogen purifiers business, occurred during the previous year, has been paid to Power & Energy, Inc., equal to1.8 million USD.
On March 11, 2015 the Company in order to provide the subsidiary E.T.C. S.r.l. with more funds in order to ensure an adequate capitalization, resolved a capital contribution of 109 thousand euro, equal to the difference between the loss recorded by E.T.C. S.r.l. in 2014 (2,009 thousand euro) and the loss estimated for the same period at the beginning of the year (1,900 thousand euro) and already covered by the payment made by the Parent Company on March 13, 2014.
At the same time, the Parent Company resolved an additional capital contribution of 1,450 thousand euro in favour of E.T.C. S.r.l. allocated to cover the expected losses in 2015.
It is expected that SAES Advanced Technologies S.p.A. will continue to use the defensive job-security agreements throughout 2015.

The Board of Statutory Auditors, after being properly and promptly informed by the Directors, assessed the compliance of the foregoing transactions with the law, the Company By-laws, and the principles of proper administration, ensuring that said transactions were not manifestly imprudent, hazardous, or in conflict with the resolutions passed by the Shareholders’ Meeting, or such as to compromise the integrity of the Company’s assets.

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

There weren't any atypical or unusual transactions to report; the transactions with the Group's companies were part of the Company's ordinary operations.

Related-party transactions generally consist of intra-group transactions with subsidiaries, mainly of a commercial nature. In particular, these include the purchase and sale of raw materials, semi-finished products, finished products, tangible assets and various types of services. Cash-pooling and interest-bearing financing agreements are in force with some companies of the Group. Also some agreements for the provision of commercial, technical, information technology, administrative, legal, and financial services and for the development of specific projects are in force with some subsidiaries. All these agreements were entered at arm's length economic and financial conditions.

With reference to the transactions with related parties other than subsidiaries, the Directors indicated in their Report:

- the relations with S.G.G. Holding S.p.A., the parent company, which holds 7,812,910 ordinary shares as at December 31, 2014, representing 53.25% of the ordinary share capital with voting rights. With that company, from May 12, 2005 an agreement has been in force concerning the participation in the national tax consolidation program most recently renewed on June 16, 2014 for a further three year period. Under the term of this agreement, as at December 31, 2014, SAES Getters S.p.A. claimed a receivable of 2,284 thousand euro from S.G.G. Holding S.p.A.;
- relations with Actuator Solutions GmbH, (joint venture 50% jointly controlled by the Groups SAES and Alfmeier Präzision, aiming at the development, production and distribution of actuators based on the SMA technology.) and relations with Actuator Solutions Taiwan Co., Ltd. (Taiwan-based company, wholly owned by the joint venture Actuator Solutions GmbH, active in the development and distribution of SMA devices for the image focus and stabilization of tablets and smartphones). The economic relationship includes proceeds from the sale of semi-finished products. In addition, a service contract is in force (which provides for the recharge of the costs incurred by the Company for commercial, research and development and administrative services to Actuator Solutions GmbH) as well as two interest-bearing loans.

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

- the members of the Board of Directors, including non-executive directors and their close family members;
- the members of the Board of Statutory Auditors and their close family members;
- the Corporate Human Resources Manager, the Corporate Operations Manager, the Group Legal General Counsel[1], the Corporate Research Manager[2] and the Group Administration, Finance and Control Manager and their close family members.

The above remarks on the transactions with related parties comply with the provisions of article 2391-*bis* of the Civil Code and with the Consob Notices dated February 20, 1997 and February 28, 1998, as well as with the revised IAS 24. In addition, as required by the Consob resolution 15519 dated July 27, 2006, the explanatory notes to the financial statements bear information on the amounts of positions or transactions with related parties highlighted separately from the related items.

The information disclosed by the Directors in their Report on the Financial statements for the year ended on December 31, 2014 is complete and adequate with respect to the transactions undertaken with all the companies of the Group and with its related parties as well.

In this regard, the Board of Statutory Auditors acknowledges that, as appropriately indicated in the corporate governance report, the Company adopted the procedures for related-party transactions, in compliance with article 2391-*bis* of the Civil Code, as implemented by the Consob Regulation n. 17221 dated March 12, 2010, and with the Consob Regulation dated September 24, 2010, as well as article 9.C.I of the Code of Conduct for Listed Companies, aimed at ensuring the transparency

[1] Please note that, with effect from February 2014 the role of Group Legal General Counsel was assumed ad interim by Dr Giulio Canale.

[2] With effect from June 10, 2013, in the view of containing costs and optimizing organizational processes, the role of Corporate Research Manager has been removed and its related responsibilities were transferred to the Chief Technology Innovation Officer, in the person of Dr Eng. Massimo della Porta.

and the substantial and procedural correctness of related-parties transactions, identified in accordance with the revised IAS 24.

Independent audit firm

Deloitte & Touche S.p.A., the independent audit company, issued the audit reports on April 3, 2015, in which they expressed a judgment containing no remarks on either the Consolidated or the Parent Company accounts for 2014.

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

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

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

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

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

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

In 2014, the Board of Statutory Auditors was not asked to provide any opinion in accordance with the law, in addition to those mentioned in this report.

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

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

Proper administration - Organizational structure

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

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

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

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

Finally, the Statutory Auditors, in the periodic reviews made during the year, were able to observe the accuracy and timeliness of all the fulfillment of obligations and communications to Borsa Italiana and Consob, related to the listing of the Parent Company on the STAR segment of the Italian Stock Exchange.

Internal control and risk management system-Administrative and accounting system

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

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

Moreover, please note that the Board of Directors, gathered on March 11, 2015, following the proposal of the Audit and Risk Management Committee, after consulting the Board of Statutory Auditors, considered appropriate the internal control and risk management system adopted by the Company.

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

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

Subsidiaries

As required by the internal control model adopted by the Company, the Responsible Officer ensures the dissemination and the update of the rules for the control of the subsidiaries, ensuring their alignment with the principles of the Group. On this issue, the Board of Statutory Auditors refers to the details provided in the specific paragraph of the Report on corporate governance and ownership, approved by the Board of Directors on March 11, 2015 and available on the Company’s website.

Code of Conduct for listed Companies

The Corporate Governance system of the Company incorporates, in its essentials, the principles and recommendations contained in the “Code of Conduct for the corporate governance of listed companies” in its edition dated December 2011, to which the Board of Directors has decided to adhere on February 23, 2012. The Board of Directors also approved, on March 11, 2015, the Annual Report on Corporate Governance and ownership structure for the year 2014. The full text of this report, which can be consulted for a detailed information, is available to the public in the ways provided for by the current laws and regulations.

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

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

Independence

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

The Board of Statutory Auditors also supervises the conditions of independence and autonomy of its own members and notifies the Board of Directors in time for the drafting of the corporate governance Report. In particular, with regards to 2014, the Board of Statutory Auditors verified the continuing satisfaction of the independence requirements on February 18, 2015.

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

Consolidated and SAES Getters S.p.A. Financial Statements for the year ended on December 31, 2014

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

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

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

In the statement of profit or loss, operating expenses are disclosed on the basis of their destination.

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

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

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

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

Statement of profit or loss	*Separate financial statements*	*Consolidated financial statements*
Net revenues	6,941	131,701
Operating income (loss)	(14,475)	13,012
Other income and expenses	14,975	(2,579)
Income before taxes	500	10,253
Net income (loss)	**1,477**	**4,836**
Total comprehensive income (loss)	**1,430**	**15,811**
	=====	=====

Statement of financial position		
Non-current assets	103,855	117,972
Current assets	25,111	87,979
Total assets	**128,967**	**205,951**
Non-current liabilities	9,781	30,503
Current liabilities	51,387	62,760
Shareholders' equity	67,799	112,688
Total liabilities and Shareholders' equity	**128,967**	**205,951**
	======	======

As of December 31, 2014, the Parent Company's cash flow statement showed net cash and cash equivalents of 320 thousand euro; at the same date, the consolidated cash flow statement showed net cash and cash equivalents of 25,071 thousand euro.

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

Long-term equity investments, equal to 74,242 thousand euro at the end of the year, are valued at cost and adjusted as necessary to account for any impairment in the Parent Company's financial statements. In the consolidated financial statements, all the subsidiaries have been included in the scope of consolidation with the line-by-line method, with the exception of the joint venture Actuator Solutions GmbH and its wholly owned subsidiary Actuator Solutions Taiwan Co., Ltd., to which the equity method has been applied.

The dividends collected by the Parent Company in 2014 amounted to 18,041 thousand euro, compared to 22,199 thousand euro in 2013.

Financial debts amounted to 49,881 thousand euro in the Parent Company's financial statements as at December 31, 2014 compared to 48,383 thousand euro in 2013.

Share Capital
As at December 31, 2014 the share capital, fully subscribed and paid, amounted to 12,220 thousand euro and consisted, as in the previous year, of n. 14,671,350 ordinary shares and n. 7,378,619 savings shares, for a total of n. 22,049,969 shares.

The shareholders' equity of the Parent Company, equal to 67,799 thousand euro, included, inter alia, the reserve of positive currency revaluation balances, following the application of the Laws 72/1983 and n. 342/2000 for a total amount of 1,727 thousand euro, the retained earnings reserve of 4,606 thousand euro, the IAS conversion reserve of 2,712 thousand euro, the reserve for capital gains on the sale of treasury shares in portfolio (a negative 589 thousand euro), and the reserve representing the capital gain on the sale of the three business units to SAES Advanced

Technologies S.p.A., equal to 2,426 thousand euro, entered as an increase of the shareholders' equity according to the OPI 1 principle issued by the Italian Association of Chartered Accountants, and the reserve representing the difference between the appraised value and the book value of the assets transferred to the Company by the subsidiary SAES Advanced Technologies S.p.A., negative for 344 thousand euro and recorded as a reduction of the shareholders' equity in accordance with the same principle OPI 1.

Research, development and innovation expenses were equal to 8,771 thousand euro in the Parent Company's financial statements and equal to 14,375 thousand euro in the consolidated financial statements. These expenses were charged to the income statement because they did not meet the requirements as envisaged by the IAS 38 for their compulsory capitalization.

Current and deferred income taxes were entered with a positive balance of 977 thousand euro for the Parent Company, consisting of 1,025 thousand euro in current taxes and 48 thousand euro as expenses for deferred taxes. The positive balance of current taxes was primarily due to the national tax consolidation program in which the Company participates with the parent company SGG Holding S.p.A. and, in particular, to the remuneration of the tax loss for the period transferred to the consolidated financial statements. Current and deferred income taxes recorded a negative balance equal to 6,829 thousand euro in the consolidated financial statements.
In particular, please note that in accordance with the current organizational structure of the Group, it has been prudently decided to suspend the recognition of deferred tax assets on the tax losses realized in the year by the Italian companies of the Group participating in the national tax consolidation program that have not been set off with the taxable income of the Group.
For more information concerning the recognition of deferred tax assets and liabilities, please refer to the remarks made by the Directors in the explanatory notes and to the statements of temporary differences and associated tax effects.

The information on the performance of the subsidiaries, on the research, development and innovation activities, on the significant events occurred after the end of the year and on the business outlook, can be found in the Report on operations of the SAES Group.

The Board of Statutory Auditors takes note of the proposal of the Board of Directors to entirely distribute the net income of the year, net of unrealized exchange rate gains pursuant to article 2426 paragraph 8-*bis* of the Italian Civil Code, for a total amount of 1,403,314.88 euro, subject to rounding, and therefore attributing to the satisfaction of the rights of the savings shares a dividend of 0.138549 euro per saving share, in recognition of the full preferred dividend for the year 2014, as well as a dividend of 0.025970 euro per ordinary share and, also, to distribute a portion of the available reserve "Retained earnings" equal to 2,073,358.58 euro, in equal measure to the ordinary shares and savings shares, giving a dividend of 0.094300 euro per savings share and per ordinary share.
In summary, the proposal of dividend distribution is as follows:

0.232579 euro per n. 7,378,619 savings shares	1,716,111.82 euro
0.120000 euro per n. 14,671,350 ordinary shares	1,760,562.00 euro
TOTAL	**3,476,673.82 euro**

On the basis of the foregoing, and in consideration of the results of our activity, we propose that the Shareholders' Meeting approve the consolidated financial statements and the financial statements of the Parent Company for the year ended on December 31, 2014, as prepared by the Directors.

Finally, the Board of Statutory Auditors notes that, with the approval of these financial statements, its mandate is going to expire, therefore, in thanking you for the trust granted so far, invites the shareholders to pass a resolution on this issue.

April 3, 2015

Vincenzo Donnamaria

Alessandro Martinelli

Maurizio Civardi

Independent Auditors' report

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AUDITORS' REPORT PURSUANT TO ART. 14 AND 16 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010

To the Shareholders of SAES GETTERS S.p.A.

1. We have audited the consolidated financial statements of SAES Getters S.p.A. and subsidiaries (the "SAES Group"), which comprise the statement of financial position as of December 31, 2014, and the income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes. These consolidated financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n° 38/2005 are the responsibility of the Company's Directors. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

2. We conducted our audit in accordance with the Auditing Standards recommended by CONSOB, the Italian Commission for listed Companies and the Stock Exchange. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

   For the opinion on the prior year's consolidated financial statements, whose data are presented for comparative purposes, reference should be made to our auditors' report issued on April 3, 2014.

3. In our opinion, the consolidated financial statements give a true and fair view of the financial position of SAES Group as of December 31, 2014, and of the results of its operations and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree n° 38/2005.

4. The Directors of SAES Getters S.p.A. are responsible for the preparation of the report on operations in accordance with the applicable laws and regulations. Our responsibility is to express an opinion on the consistency of the report on operations and of the information reported in compliance with art. 123-bis of Italian Legislative Decree n. 58/1998, paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) in the annual report on corporate governance, with the consolidated financial statements, as required by law. For this purpose, we have performed the procedures required under Auditing Standard n. 001 issued by the Italian Accounting Profession (CNDCEC) and recommended by CONSOB. In our opinion, the report on operations and the information reported in compliance with art. 123-bis of Italian Legislative Decree n. 58/1998 paragraph 1, letters c), d), f), l), m) and paragraph 2, letter b) included in the annual report on corporate governance are consistent with the consolidated financial statements of the SAES Group as of December 31, 2014.

DELOITTE & TOUCHE S.p.A.

Signed by
Carlo Laganà
Partner

Milan, Italy
April 3, 2015

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

SAES Getters S.p.A. financial highlights

FINANCIAL HIGHLIGHTS OF SAES GETTERS S.p.A.

(thousands of euro)

Income statement data		2014	2013 (8)	Difference	Difference %
NET SALES					
- Industrial Applications		3.707	2.323	1.384	59,6%
- Shape Memory Alloys		2.742	1.386	1.356	97,8%
- Advanced Materials & Corporate Costs		492	732	(240)	-32,8%
Total		**6.941**	**4.441**	**2.500**	**56,3%**
GROSS PROFIT (1)					
Industrial Applications		1.131	171	960	561,4%
Shape Memory Alloys		645	(236)	881	373,3%
Advanced Materials & Corporate Costs (2)		(355)	(1.040)	685	65,9%
		1.421	**(1.105)**	**2.526**	**228,6%**
	% on sales	20,5%	-24,9%		
GROSS PROFIT adjusted (3)		**n.a.**	(1.162)		
	% on sales		-26,2%		
EBITDA (4)		**(11.742)**	**(15.334)**	**3.592**	**23,4%**
	% on sales	-169,2%	-345,3%		
EBITDA adjusted (4)		**n.a.**	**(14.323)**		
	% on sales		-322,5%		
OPERATING LOSS		**(14.475)**	**(18.377)**	**3.902**	**21,2%**
	% on sales	-208,5%	-413,8%		
PERDITA OPERATIVA adjusted (3)		**n.a.**	**(17.366)**		
	% on sales		-391,0%		
NET INCOME		**1.477**	**5.331**	**(3.854)**	**-72,3%**
	% on sales	21,3%	120,0%		
NET INCOME		**n.a.**	**6.064**		
	% on sales		136,5%		

Balance Sheet and Financial data	2014	2013 (8)	Difference	Difference %
Property, plant and equipment, net	15.122	15.950	(828)	-5,2%
Shareholders'equity	67.799	69.800	(2.001)	-2,9%
Net financial position	(39.498)	(36.512)	(2.986)	-8,2%

Other information	2014	2013 (8)	Difference	Difference %
Cash flow from operating activities	(13.166)	(18.789)	5.623	29,9%
Research & development expenses (3)	8.771	8.932	(161)	-1,8%
Number of employees as at 31 December (4)	210	211	(1)	-0,5%
Personnel cost (5)	14.719	15.751	(1.032)	-6,6%
Purchase of property, plant and equipment	1.519	3.383	(1.864)	-55,1%

(1) This parameter is calculated as the difference between net revenues and industrial costs directly and indirectly attributable to the products sold.

(2) It includes costs that cannot be directly attributed or reasonably allocated to any business sector, but that refer to the Company as a whole.

(3) Excluding non-recurring charges and other costs considered by the management as not meaningful with respect to the current operating performance.

(4) EBITDA is not deemed as an accounting measure under International Financial Reporting Standards (IFRS); however, we believe that EBITDA is an important parameter for measuring the Group's performance and therefore it is presented as an alternative indicator. Since its calculation is not regulated by applicable accounting standards, the method applied by the Group may not be homogeneous with the ones adopted by other Groups. EBITDA is calculated as "Earnings before interests, taxes, depreciation and amortization".
For Adjusted EBITDA we intend EBITDA rectified in order not to include non-recurring items and other items considered by the management as not meaningful with reference to the current operating performance. Please refer to the table "Non-recurring items" for calculation.

(thousands of euro)

		2014	2013
Operating income		(14.475)	(18.377)
Depreciation and amortisation		2.732	2.773
Write down of assets		0	270
Bad debt provision accrual		0	0
EBITDA		**(11.742)**	**(15.334)**
	% on sales	*-169,2%*	*-345,3%*
Personnel restructuring			1.011
EBITDA adjusted		**n.a.**	**(14.323)**
	% on sales		*-322,5%*

(5) In 2013, research and development expenses included net non-recurring charges equal to 205 thousand euro (costs for personnel reduction equal to 320 thousand euro and savings resulting from the use of social security provisions equal to 115 thousands euro); excluding these charges, R&D expenses would have amounted to 8,727 thousand euro.

(6) It 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.

(7) In 2014, non-recurring severance costs included in the personnel costs were equal to 50 thousand euro; the use of the redundancy fund (Cassa Integrazione Guadagni) brought to a benefit to the personnel costs equal to 165 thousand euro. During 2013, workforce reduction costs were of 1,253 thousand euro in 2013, while the usage of the redundancy fund brought to a reduction of labor cost equal to 242 thousand euro

(8) We highlight that expenses and revenues related to 2013, displayed for comparative purposes, have been reclassified in order to allow their comparison with 2014; due to the technological evolution of the Organic Ligh Emitting Diodes business and the delay in the commercial launch of OLED TV sets, revenues and expenses of this unit have been reclassified within the Business Development Unit. Similarly, values of Energy Devices segment have been reclassified within the Business Development Unit, since it does not reach significant commercial volumes. Therefore the Group could proceed with the activity of research in both the segments without commercial short term constraints, with the chance of deepen the know–how in the functional polymer field and related applications. Finally, operating expenses related to LCD business (equal to 149 thousands euro in 2013) have been reclassified within the Business Light Sources (Industrial Application Business Unit)

REPORT ON OPERATIONS

The organizational structure of SAES Getters S.p.A., as Parent Company (also called hereinafter as the "Company"), identifies two Business Units: Industrial Applications and Shape Memory Alloys. Corporate costs (expenses that cannot be directly attributed or allocated in a reasonable way to any business unit, but which refer to the Group as a whole) and costs related to research and development, undertaken to achieve the diversification in innovative business (Business Development Unit), are shown separately from the two Business Units.

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

Industrial Applications Business Unit	
Electronic & Photonic Devices	Getters and metal dispensers for electronic vacuum devices
Sensors & Detectors	Getters for microelectronic and micromechanical systems (MEMS)
Light Sources	Getters and metal dispensers used in discharge lamps and fluorescent lamps
Vacuum Systems	Pumps for vacuum systems
Thermal Insulation	Products for thermal insulation
Pure Gas Handling	Getters and metal dispensers for electronic vacuum devices
Shape Memory Alloys (SMA) Business Unit	
SMA Medical applications	NiTinol shape memory alloys for the biomedical sector
SMA Industrial applications	SMA actuator devices for the industrial sector (domotics, white goods industry, consumer electronics and automotive sector)
Business Development Unit	
Business Development	Research projects undertaken to achieve the diversification into innovative businesses

Net sales were 6.941 thousand euro compared to 4,441 thousand euro in 2013.

EBITDA for the year came to a negative - 11,742 thousand euro, compared to a negative - 15,334 thousand euro in 2013.

The operating loss came to -14,475 thousand euro in 2014, compared to -18,377 thousand euro in 2013.

Dividends, net financial income, net foreign exchange gains and write-downs of investments in subsidiaries were equal to 14,975 thousand euro in 2014, down from 19,242 thousand euro in the previous year, mainly due to lower dividends received by the subsidiaries (equal to 18,041 thousand euro in 2014 compared to 22,199 thousand euro in 2013).

The net income for 2014 was 1,477 thousand euro, compared to a net income of 5,331 thousand euro in 2013.

Financial position as at December 31, 2014 stood at net debt of -39,498 thousand euro compared to net debt of -36,512 thousand euro as at December 31, 2013.

Research, Development and Innovation activities

In 2014 research and development expenses amounted to 8,771 thousand euro and were substantially aligned to those of the previous years, confirming the strategic importance of research activities for the SAES Getters S.p.A.

In 2014 SAES Getters S.p.A. has further developed its technological platform based on the integration of getter materials in polymer matrices, exploring new markets and new applications and achieving important qualifications in the field of implantable medical devices and promising results in the field of food packaging, a prelude to a further expansion of the traditional perimeter of use of this innovative product line.
In fact, following the technological development project previously planned taking into account also medium to long term objectives, the R&D activities - initially focused on the development of dispensable dryers for applications in the field of organic electronics, in particular OLED displays and light sources - have subsequently evolved and have generated know-how and products with broader functionalities, in a way that we can better define this technological platform as “Functional Polymer Composites”. The heart of this new SAES technology is given by the ability to integrate nano-particles and reactive species of different nature within a wide range of polymer matrices in an optimal manner, thanks to the currently most advanced techniques applied in the synthesis of active species, in their modification in order to make them compatible with the chosen polymers and the complete characterization of the functional properties of the final polymer composite.
The combination of these technologies allows now the SAES Getters S.p.A. to produce new products with not only properties of interaction with gases but also optical, mechanical and surface modification functionalities, depending on the interested requirements and applications. As mentioned earlier, some important results have already been achieved in the field of implantable medical devices and food packaging. In this latter sector and in the broader segment of the so-called “active packaging”, SAES expects to be able to introduce new functionalities in conventional materials, adopting techniques typical of the coating process and able to compete with the existing technologies currently used (mainly injection molding and extrusion) thanks to the greater versatility of its specialization, to the improved fulfillment of the functional requirements and, at the same time, to the lower overall production costs for the user. By offering materials and solutions in the form of functional coating SAES also intends to position itself downstream of the value chain and to have a more direct contact with the end user in established growing markets such as that of active packaging.

Always in the field of organic chemistry, the development activities of OLET displays continued, in collaboration with the National Research Center (CNR) and a US Company leader in the development of organic precursors.

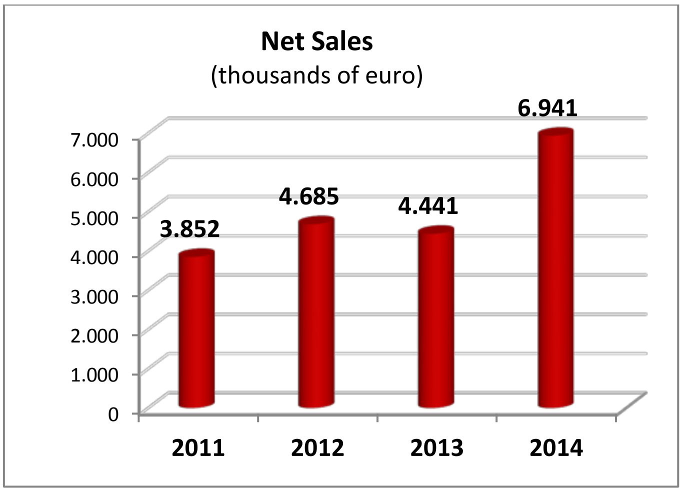
Particularly intense were the activities of the Vacuum Systems development laboratory that, in the wake of the great success of the NEXTorr pump, has continued the development of larger models and of the new High Vacuum pump that has been presented in the market in the second half of 2014. To achieve these results, it was necessary to develop a new family of alloys with strongly enhanced absorption characteristics, that will be gradually used in all pumps, with obvious benefits of compactness, one of the distinctive advantages of our product range.

The central laboratory has continued its basic research activities in the field of shape memory alloys, in particular the studies aimed at understanding complex phenomena such as the hysteresis, the fatigue break and their relationship with the compositional characteristics of the alloy.

Please note that all basic research expenses incurred by the Group are charged directly into the income statement in the year in which they occurred as they do not qualify for capitalization.

Sales and Net Income 2014

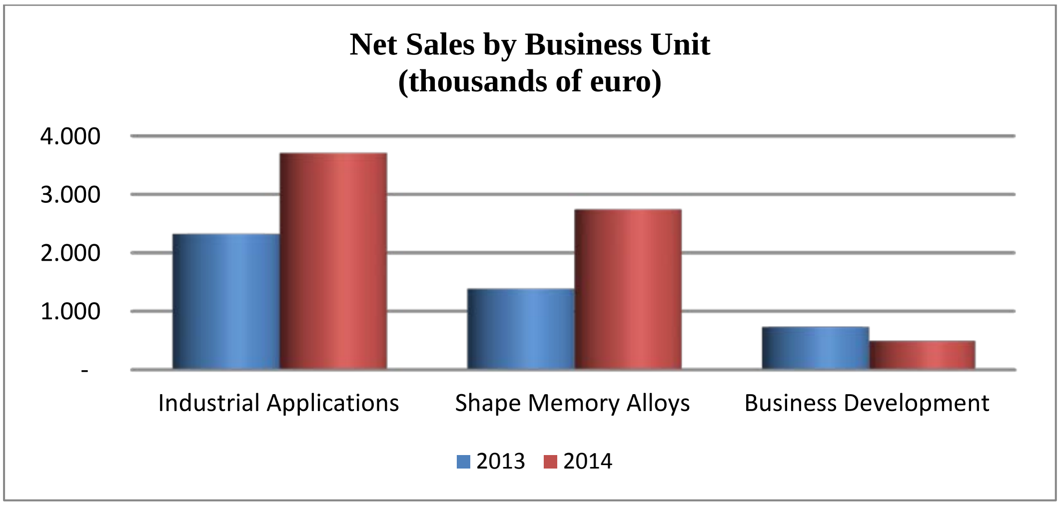
Net Sales were of 6,941 thousand euro in 2014, up 56.3% from 4,441 thousand euro reported in 2013.



The following table contains a breakdown of net sales in 2014 and 2013 by business segment, along with the percent variance at current and comparable exchange rates:

(thousands of euro)

Business Unit and Business	2014	2013	Difference	Difference %	Exchange rate effect	Price / quantity effect
Electronic & Photonic devices	44	33	11	33,3%	-0,8%	34,2%
Sensors & Detectors	2.164	1.715	449	26,2%	-0,4%	26,6%
Light Sources	4	3	1	33,3%	0,0%	33,3%
Vacuum System	754	224	530	236,6%	-0,3%	236,9%
Thermal Insulation	134	83	51	61,4%	-1,2%	62,6%
Pure gas Handling	607	265	342	129,1%	0,0%	129,1%
Subtotale Industrial Applications	**3.707**	**2.323**	**1.384**	**59,6%**	**-0,4%**	**59,9%**
SMA Medical Applications	0	0				
SMA Industrial Applications	2.742	1.386	1.356	97,8%	0,0%	97,9%
Subtotale Shape Memory Alloys	**2.742**	**1.386**	**1.356**	**97,8%**	**0,0%**	**97,9%**
Business Development	**492**	**732**	**(240)**	**-32,8%**	**-0,3%**	**-32,5%**
Total Net Sales	**6.941**	**4.441**	**2.500**	**56,3%**	**-0,2%**	**56,5%**

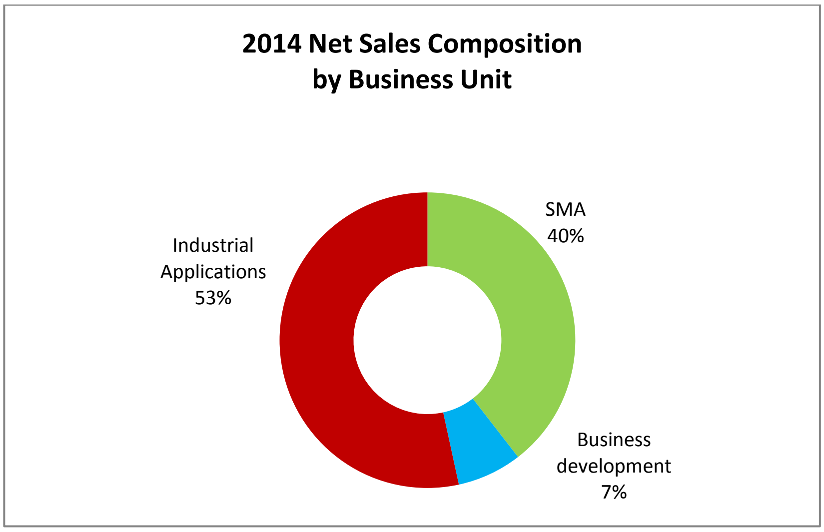


Revenues of the **Industrial Applications Business Unit** were of 3,707 thousand euro, up by 59,6% compared to the previous year. The currency trend was quite neutral. All Business registered a positive trend, especially Vacuum Systems.

Revenues of the **Shape Memory Alloys Business Unit** were equal to 2,742 thousand euro, quite doubled (+1,356 thousand euro) compared to the previous year. The increase is mainly due both to the higher revenues in respect of the joint venture Actuator Solutions GmbH and the growth of sales volume of Lainate plant.

Revenues of the **Business Development Business Unit** amounted to 492 thousand euro, down by 240 thousand euro compared to the previous year. Sales reduction is the net result of the increase in sale of OLED technology products – anyway still continuing at start up level due to the delay in the commercial development of OLED based TV technology – and of the lack of significant sale volumes of Energy Devices segment, due to the shut-down of the production lines of our main Customer, occurred in the second half of 2013.

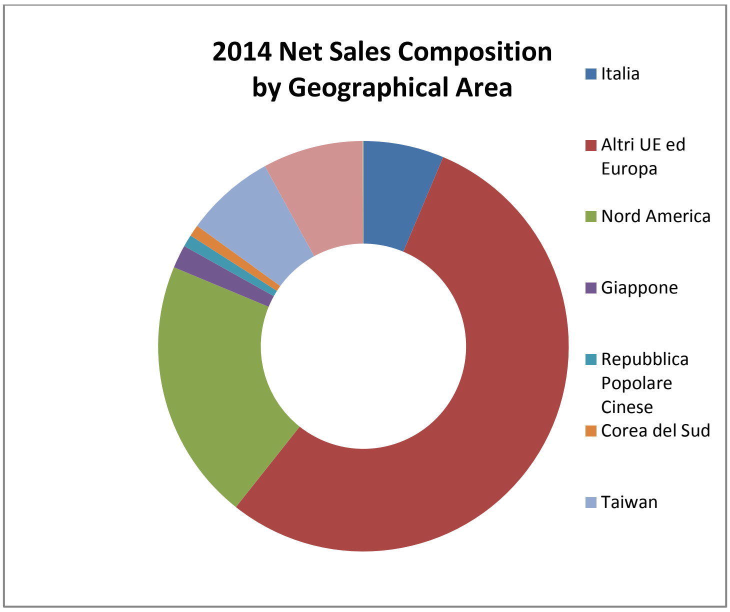
The following table shows the percentage of sales by Business Unit:



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

(thousands of euro)

Geographical Area	2014	%	2013	%	Difference	Difference %
Italy	**441**	6,4%	429	9,7%	12	2,8%
Other EU and Europe	**3.770**	54,3%	2.786	62,7%	984	35,3%
North America	**1.431**	20,6%	694	15,6%	737	106,2%
Japan	**127**	1,8%	162	3,7%	(35)	-21,6%
P. R. of China	**66**	1,0%	68	1,5%	(2)	-2,9%
South Korea	**63**	0,9%	76	1,7%	(13)	-17,1%
Taiwan	**490**	7,1%	136	3,1%	354	260,3%
Other Asian	**549**	7,9%	84	1,9%	465	553,6%
Other	**4**	0,1%	6	0,1%	(2)	-33,3%
Total Net Sales	**6.941**	**100,0%**	**4.441**	**100,0%**	**2.500**	**56,3%**



The following table shows the gross profit by Business Unit in 2014 and 2013:

(thousands of euro)

Business Unit	2014	2013	Difference	Difference %
Industrial Applications	1.131	171	960	561,4%
Shape Memory Alloys	645	(236)	881	373,3%
Business Development & Corporate Costs	(355)	(1.040)	685	65,9%
Gross profit	**1.421**	**(1.105)**	**2.526**	**228,6%**

Gross profit was positive and equal to 1,421 thousand euro in 2014, compared to a negative value of -1,105 thousand euro in 2013. 2014 figure is positively influenced by the gross sale increase, especially in Vacuum Systems and SMA Industrial business. Business Development result, even if improving, still remains consistent with the activity characterized by development projects and pilot production lines, which have frequent interaction with research activities.

The following table shows the operating income by Business Unit in 2014 and 2013:

(thousands of euro)

Business Unit	2014	2013	Difference	Difference %
Industrial Applications	(2.260)	(3.189)	929	29,1%
Shape Memory Alloys	(924)	(1.651)	727	44,0%
Business Development & Corporate Cost	(11.291)	(13.537)	2.246	16,6%
Operating Income (Loss)	**(14.475)**	**(18.377)**	**3.902**	**21,2%**

The **operating loss** was equal to -14,475 thousand euro in the current year, slightly improving compared to the loss of -18,377 thousand euro in the corresponding period of 2013

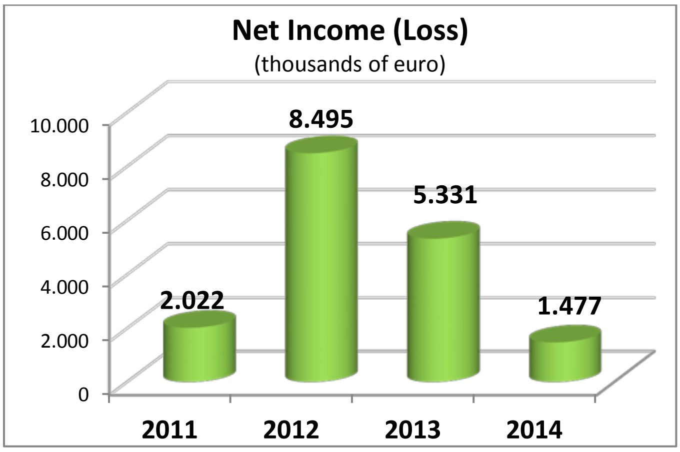
Improvement of the operating result (+21,2%) is mainly due to the already mentioned trend of the gross profit and has also been positively influenced by the operating expenses reduction and by the increase in the recharges of service fees to the subsidiaries, that have more that balanced the reduction of revenues from third parties for royalties. Moreover, 2013 operating expenses included about 1 million euro of not recurring net expenses related to salary expenses, coming from the restructuring plan carried out during the second half of last year, beside the recourse to the wage supplementation scheme.

Research and development expenses were of 8,771 thousand euro, stable from the previous year. In 2013, research and development expenses was of 8,932 thousand euro, including net non-recurring expenses of 205 thousand euro (workforce reduction expenses of 320 thousand euro and savings resulting from the use of social security provisions equal to 115 thousand euro); excluding these values, R&D expenses would have been equal to 8,727 thousand of Euro.

Dividends received from the subsidiaries, amounting to 18,041 thousand euro, allowed to close 2013 with an income before taxes of 500 thousand euro.

2014 taxes recorded a positive balance of 977 thousand euro including current and deferred taxes. We highlight that the Company, according to the current organizational structure of the Group, has prudentially decided to suspend the recognition of deferred tax asset on tax losses realized in 2014, as done by the other Italian subsidiaries participating to the National Tax Group Consolidation. Further details can be found at Note 11

Net income(loss) is shown in the following chart:



The Net Income for year 2014 was of 1,477 thousand euro compared to a Net Income of 5,331 thousand euro in 2013. Beside the lower revenue for taxes, the decrease is due to lower dividends received from the subsidiaries compared with the previous year.

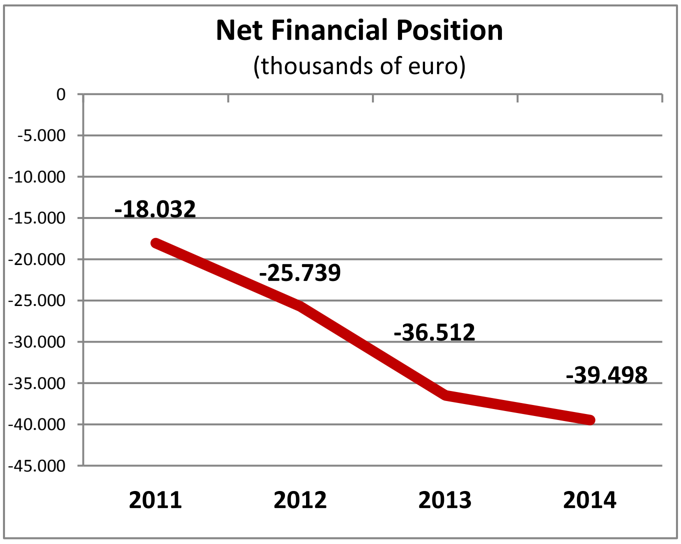
Financial position – Investments – Other information

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

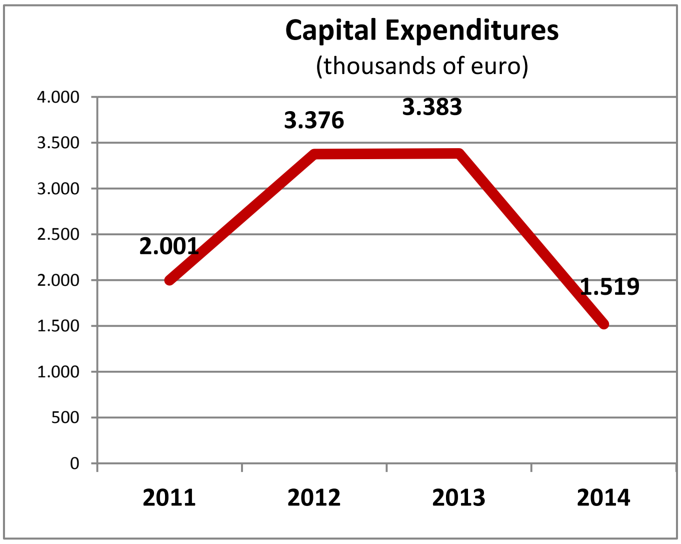
(thousands of euro)

	December 31, 2014	December 31, 2013	Difference
Cash on hand	5	7	(2)
Cash equivalents	315	686	(371)
Total cash and cash equivalents	**320**	**693**	**(373)**
Current financial assets*	**10.063**	**11.178**	**(1.115)**
Bank overdraft	(30.719)	(33.370)	2.651
Current portion of long term debt	(1.404)	0	(1.404)
Other current financial liabilities*	(12.165)	(14.976)	2.811
Other financial debt	(28)	(37)	8
Total current liabilities	**(44.316)**	**(48.383)**	**4.066**
Current net financial positions	**(33.933)**	**(36.512)**	**2.579**
Long term debt, net of current portion	(5.565)	0	(5.565)
Total non current liabilities	**(5.565)**	**0**	**(5.565)**
Net financial position	**(39.498)**	**(36.512)**	**(2.986)**

* current financial payables to and receivables from Group companies (including Actuator Solutions GmbH)

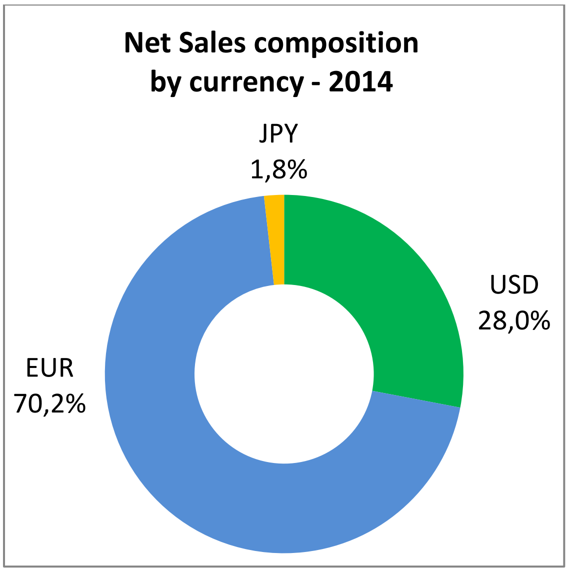


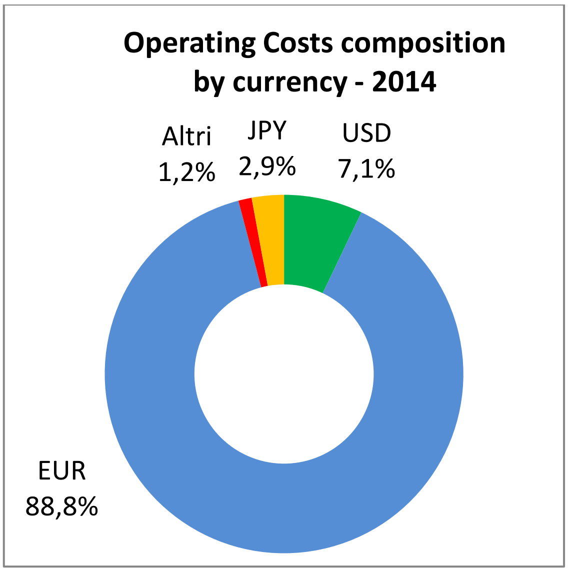
Net Financial position showed a negative amount of -39,498 thousand euro at December 31, 2014, as a result of cash and cash equivalents of 320 thousand euro and net financial liabilities of -39,818 thousand euro, compared to net debt of -36,512 thousand euro as at December 31, 2013. The negative change compared to 2013 is due to lower dividends received from subsidiaries



In 2014 increases in **property, plant and equipment** came to 1,519 thousand euro, decreasing from 3,383 of 2013. The variance is mainly driven by lower investments in assets assigned to the research

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





TRANSACTIONS WITH GROUP COMPANIES

Transactions with Group companies are identified on the basis of IAS 24 revised and article 2359 of the Italian Civil Code. Transactions with subsidiaries continued in 2014. They were undertaken with such counterparties as part of the Company's ordinary operations. They 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 kind and were undertaken under at arm's-length financial conditions. Interest-bearing cash pooling agreements and loan agreements are in force with several Group companies. All agreements were entered into at arm's length conditions.

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

SAES ADVANCED TECHNOLOGIES S.p.A., Avezzano, AQ (Italy)
Revenue from royalties related to the sale of getters for industrial applications; charge-back related to the use of software licenses centrally purchased; charge-back of centrally managed insurance costs; revenue for charge-back of centralized group services; purchase of finished products for resale; purchases of raw materials. In addition, an interest-bearing cash pooling agreement has 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-back of centrally managed insurance costs; revenue for charge-back of centralized group services; revenue for the use of SAES brand; royalties for the licensing of the PageLid technology. In addition, an interest-bearing cash-pooling agreement is existing.

SAES PURE GAS, Inc., San Luis Obispo, CA (USA)
Revenues on licensing rights for purifier sales; charge-back of centrally managed insurance costs; revenues on charge-back of centralized group services.

SAES SMART MATERIALS, Inc., New York, NY (USA)
Revenues on charge-back of centrally managed insurance costs; revenues on charge-back of centralized group services.

SPECTRA-MAT. INC., Watsonville, CA (USA)
Revenues on charge-back of centralized group services; charge-back of centrally managed insurance costs.

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

SAES GETTERS KOREA Corporation – Seoul (South Korea)
Revenues arising from the charge-back of centrally managed insurance costs; revenues on charge-back of centralized group services; commission expenses related to commercial transactions. In addition, an interest-bearing financing through borrowing is in place.

SAES GETTERS (NANJING) CO., LTD. – Nanjing (P.R. of China)
Revenues on charge-back of centralized group services; charge-back of centrally managed insurance costs.

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

SAES GETTERS INTERNATIONAL LUXEMBOURG S.A., Luxembourg (Luxembourg)
An interest-bearing loan agreement is existing. During 2013, the Company received a mandate for the management of derivative transactions for hedging on the Korean Won currency.

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

SAES Nitinol S.r.l. – Lainate (Italy)
An interest-bearing cash-pooling agreement is existing with the Company.

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

To clarify what above, it should be noted that the Company has entered into agreements for the provision of commercial, technical, information technology, legal, and financial services and the study of specific projects with the following subsidiaries: SAES Advanced Technologies S.p.A., E.T.C. S.r.l., MEMRY GmbH, SAES Getters USA, Inc., Inc., SAES Pure Gas, Inc., SAES Getters Korea Corporation, SAES Getters (Nanjing) Co., Ltd., Spectra-Mat, Inc., SAES Smart Materials, Inc., Memry Corporation .

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

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

Comments on the most significant transactions carried out during 2014 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 2014	Payables 2014	Revenues 2014	Expenses 2014	Memorandum accounts 2014 *
SAES Advanced Technologies S.p.A.	3.958	181	2.512	410	0
SAES Getters USA, Inc.	334	900	1.032	4	4.000
SAES Getters America, Inc.	0	0	0	0	0
SAES Pure Gas, Inc.	827	17	968	383	0
SAES Smart Materials, Inc.	36	18	43	77	1.373
Spectra-Mat, Inc.	93	0	102	0	0
Memry Corporation	34	171	69	478	12.973
SAES Getters Korea Corporation	30	8.690	101	199	0
SAES Getters (Nanjing) Co.Ltd.	66	1	101	10	0
Memry GmbH	250	0	21	0	0
SAES Getters International S.A.	0	1.701	0	701	0
E.T.C. S.r.l.	1.618	877	1.328	1	7
SAES Nitinol S.r.l.	7.266	0	178	0	0
Actuator Solutions GmbH	187	0	1.393	0	400
Total	**14.699**	**12.556**	**7.848**	**2.263**	**18.753**

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

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

- **S.G.G. Holding S.p.A.**, the controlling company. It is the Company's majority shareholder. As of the reporting date, it helds 7.812.910 ordinary shares, representing 53.25% of ordinary capital with voting rights.
As regards the majority interest held by S.G.G. Holding S.p.A., we highlight 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 act. Furthermore, SAES Getters S.p.A. is entirely independent in its organization 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 16, 2014, 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 2014 the Company claimed a total of 2.284 thousand euro in receivables from S.G.G. Holding S.p.A.
It should further be noted that, pursuant to article 2428, paragraphs 3 and 4, of the Italian Civil Code, the Company does not own shares of the controlling company, either directly or through trusts or intermediaries. During 2013, no transactions were undertaken involving the purchase or sale of shares of the controlling company.

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

- **Managers with Strategic Responsibilities:** these include the members of the Board of Directors, including non-executive directors and the members of the Board of Statutory Auditors.

Moreover, the Corporate Human Resources Manager, the Corporate Operations Manager, the Group Legal General Counsel[1], the Corporate Research Manager[2] and the Group Administration, Finance and Control Manager are considered managers with strategic responsibilities. Their close relatives are also considered Related Parties.

The following table shows total values of transactions occurred with related parties during 2014 and 2013:

(thousands of euro)

December 31, 2014	Net sales	Research and development expenses (*)	Selling expenses (*)	General and administrative expenses (*)	Other income (expenses)	Financial expenses	Trade receivables	Tax consolidation receivables from Controlling Company	Tax consolidation payables from Controlling Company	Intercompany financial payables
S.G.G. Holding S.p.A.									2.284	
Actuator Solutions GmbH	915	323	127	28	0	0	187	0	0	0
Actuator Solutions Taiwan Co., Ltd.	0	0	0	0	(12)	0	0	(12)	0	0
Total	**915**	**323**	**127**	**28**	**(12)**	**0**	**187**	**(12)**	**2.284**	**0**

(*) costs recovery

(thousands of euro)

December 31, 2013	Net sales	Research and development expenses (*)	Selling expenses (*)	General and administrative expenses (*)	Other income (expenses)	Financial expenses	Trade receivables	Tax consolidation receivables from Controlling Company	Tax consolidation payables from Controlling Company	Intercompany financial payables
S.G.G. Holding S.p.A.								2.093		
Actuator Solutions GmbH	653	659	220	26	0	10	708	0	0	0
Total	**653**	**659**	**220**	**26**	**0**	**10**	**708**	**2.093**	**0**	**0**

(*) costs recovery

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

(thousands of euro)	2014	2013
Short term employee benefits	2.403	2.691
Post employment benefits	0	0
Other long term benefits	156	152
Termination benefits	23	52
Payments in shares	0	0
Other benefits	0	0
Total remuneration provided to managers with strategic responsibilities	**2.582**	**2.895**

On December 31, 2014 the amounts payable to Managers with strategic responsibilities as defined above displayed in the financial statement, were of 1,982 thousand euro, to be compared to a payable of 1,545 thousand euro as at December 31, 2013.

According to Consob notices of February 20, 1997 and February 28, 1998 and IAS 24 revised, we highlight that also in 2014 all related party transactions were performed within the Company's ordinary operations and at arm's-length conditions.

[1] Starting from February 2014 the office of Group Legal General Counsel was taken ad interim by Giulio Canale.

[2] With effect from 10 June 2013, with a view to containing costs and optimizing organizational processes, the role of Corporate Research Manager was abolished and the responsibilities of the latter were transferred to the Chief Technology Innovation Officer, in the person of Massimo della Porta.

Other information related to the Company

For information related to the performance of subsidiaries, reference is made to the Consolidated Financial Statement and to the “Summary of main data of subsidiaries’ Financial Statements”.

The Company has two branch offices, one in Taoyuan City (Taiwan) and one in Tokyo (Japan).

The disclosures concerning ownership structure required under paragraph 1 of article 123-bis of Italian Legislative Decree No. 58/98 (Consolidated Finance Act) are provided in the Company’s Corporate Governance Report, which is included in the financial statement package and has been published in the Corporate Documentation area of the Investor Relations section of the Company’s website, www.saesgroup.com.

Going concern

The financial statements have been prepared on an ongoing concern basis because, despite a difficult economic and financial environment, we believe that there aren’t any significant uncertainties (as defined in paragraph no. 25 of IAS 1 - *Presentation of Financial Statements*) surrounding the business continuity. This context, as previously highlighted in the paragraphs related to the risks to which the Company is subject, can be only partially influenced by the Management of the Company, being it mainly the result of external variables.
Based on the best estimates available to date, the Company has approved a three-years business plan that includes the strategies envisaged by the Company's Management in order to succeed in achieving the defined business goals in this difficult economic environment. These strategies, that include also an increase in the production activities undertaken in Italy, will allow the full recovery of the corporate activities and, in particular, of the deferred tax assets recognized in the balance sheet.

Subsequent events

On March 11, 2015 SAES Getters S.p.A., in order to provide the subsidiary E.T.C. S.r.l. with more funds in order to ensure an adequate capitalization, resolved a capital contribution of 190 thousand euro, equal to the difference between the loss recorded by E.T.C. S.r.l. in 2014 (-2,009 thousand euro[3]) and the loss estimated for the same period at the beginning of the year (-1,900 thousand euro) and already covered by the payment made by the Parent Company on March 13, 2014.
At the same time, the Parent Company resolved an additional capital contribution of 1,450 thousand euro in favor of E.T.C. S.r.l. allocated to cover the expected losses in 2015.
The percentage owned by SAES Getters S.p.A. remained unchanged compared to December 31, 2014[4] (96% of the share capital).

The results of the Group will continue to be influenced by the exchange rate of the euro against the main currencies (particularly the US dollar and the Japanese yen). In order to preserve the profitability from the fluctuation of the exchange rates, on January 7, 2015 some contracts for the forward sale of US dollars were entered into for a notional value of 10,080 thousand USD, while on January 22, 2015 other similar contracts were signed for a notional value of 4,800 thousand USD. These contracts provide for an average forward exchange rate equal to 1.1801 against the euro and will be in force for the entire 2015.

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[3] Result of the financial statements prepared in accordance with the National Accounting Standards.
[4] In the shareholders' agreements, SAES Getters S.p.A. has pledged to cover the losses also on behalf of the minority shareholder if the latter does not want to or is unable to cover them, while keeping unchanged its percentage of ownership.

On January 7, 2015 two contracts for the forward sale of euros were entered into, in order to limit the currency risk on the Group resulting from the effect of the oscillation of the Korean won on the balance of the financial credit in euro that SAES Getters Korea Corporation held towards the Parent Company.
The first contract, with a notional value of 7 million euro, will expire on September 30, 2015 and provides for a forward exchange rate equal to 1,307.00 against the euro; the second contract, with a notional value of 1.5 million euro, will expire on December 28, 2015 and provides for a forward exchange rate equal to 1,309.00 against the euro.

Proposal of approval of the Financial Statements and of dividend distribution

Dear Shareholders,

We hereby submit the following proposed resolution for your approval

"The Ordinary Shareholders' Meeting,

- having examined the figures of the Financial Statements of SAES Getters S.p.A. at December 31 2014, together with the Management Report of the Board of Directors, the Report of the Board of Statutory Auditors, the Report of the Auditing Firm as well as the other documents required by law;

- having noticed that the legal reserve has reached 20% of the share capital;

- having taken note of the results of the year ended on December 31, 2014, given the high capital base of the Company;

Resolves the following:

- to approve the Financial Statements of SAES Getters S.p.A. at December 31, 2014, which report a net income of 1,477,244.98 euro;

- to entirely distribute the net income of the year, net of unrealized exchange rate gains pursuant to art. 2426 c. 8-bis of the Italian Civil Code, for a total amount of 1,403,314.88 euro, subject to rounding, and therefore attributing to the satisfaction of the rights of the savings shares and of the ordinary shares, pursuant to Article 26 of the By-laws: (i) a dividend of 0.138549 euro per savings share, in recognition of the full preferred dividend for the year 2014, and (ii) a dividend of 0.025970 euro per ordinary share, giving notice that in this way the rule of the minimum increase of 3% of the implied book value to which savings shares are entitled to compared to ordinary shares has been respected;

- to distribute a portion of the available reserve "Retained earnings" equal to 2,073,358.58 euro, in equal measure to the ordinary shares and savings shares, giving a dividend of 0.09430 euro per savings share and per ordinary share;

				Euro
Net Income of the year				**1,477,244.98**
(Not distributable unrealized exchange rate gain)				(73,930.10)
Distributable net income				**1,403,314.88**
From distributale net income				
To savings shares only - full recognition of the preferred dividend for the year 2014				
- euro		0.138549	for each	
	n.	7,378,619	savings shares	1,022,300.28
To ordinary shares only pursuant to art. 26 of the By-laws				
	- euro	0	for each	
	n.	14,671,350	ordinary shares	381,014.96
- euro			rounding	(0.36)
				1,403,314.88
From Retained earnings:				
in equal measure to ordinary shares and savings shares				
- euro		0.094030	for each	
	n.	7,378,619	savings shares	693,811.54
- euro		0.094030	for each	
	n.	14,671,350	ordinary shares	1,379,547.04
				2,073,358.58
For a total dividend of:				
- euro		0.232579	for each	
	n.	7,378,619	savings shares	1,716,111.82
- euro		0.120000	for each	
	n.	14,671,350	ordinary shares	1,760,562.00
For a total maximum distribution of euro:				**3,476,673.82**

- to pay such amounts in favor of the entitled ordinary shares and savings shares that will be outstanding at the date of May 5, 2015 (Record date) with effect from May 6, 2015, with the detachment of the coupon no. 31; the share will trade ex-dividend starting from May 4, 2015;

- to allocate any rounding in the payment to the Retained earnings reserve;

- to grant the Chairman, the Vice Chairman and the Chief Executive Officer separately, all the powers necessary for the implementation of this resolution".

Lainate (MI), March 11, 2015

On behalf of the Board of Directors

Dr Eng. Massimo della Porta
President

Separate financial statements of the SAES Getters S.p.A. for the year ended December 31, 2014

Income Statement

(euro)	Notes	2014	2013
Third party net sales		5.942.404	3.531.162
Intercompany net sales		999.067	909.638
Total net sales	4	**6.941.471**	**4.440.800**
Third party cost of sales		(4.263.710)	(4.724.357)
Intercompany cost of sales		(1.256.276)	(821.426)
Total cost of sales	5	(5.519.986)	(5.545.783)
Gross profit		**1.421.485**	**(1.104.983)**
Research & development expenses	6	(8.770.991)	(8.932.160)
Selling expenses	6	(4.308.292)	(4.323.577)
General & administrative expenses	6	(10.169.277)	(10.575.862)
Total operating expenses		**(23.248.560)**	**(23.831.599)**
Royalties third party		1.842.736	2.105.323
Royalties Intercompany		1.382.193	1.381.258
Other third party income (expenses), net		(46.791)	(99.101)
Other intercompany income (expenses), net		4.174.399	3.172.268
Total other income (expenses), net	7	7.352.537	6.559.747
Operating income (loss)		**(14.474.538)**	**(18.376.835)**
Dividends	8	18.040.529	22.198.821
Third party financial income		1.121	6.733
Intercompany financial income		376.571	367.645
Total financial income	8	377.692	374.378
Third party financial expenses		(1.251.215)	(761.677)
Intercompany financial expenses		(267.296)	(220.814)
Total financial expenses	8	(1.518.511)	(982.491)
Foreign exchange gains (losses), net	9	73.215	(258.874)
Write down of intercompany investments	10	(1.998.128)	(2.089.780)
Income before taxes		**500.259**	**865.219**
Income taxes	11	976.986	4.465.765
Current taxes		1.025.031	1.460.024
Deferred taxes		(48.045)	3.005.741
Net income (loss) from continuing operations		**1.477.245**	**5.330.984**
Net income (loss) from discontinuing operations		0	0
Net income (loss)		**1.477.245**	**5.330.984**

Statement of comprehensive income

(euro)	Notes	2014	2013
Net income (loss) for the period		**1.477.245**	**5.330.984**
Actuarial gain (loss) on defined benefit plans	25	(65.850)	14.819
Income tax		18.109	(4.075)
Actuarial gain (loss) on defined benefit plans, net of taxes		(47.741)	10.744
Total components that will not be reclassified to the profit (loss) in subsequent periods		**(47.741)**	**10.744**
Other comprehensive income (loss), net of taxes		**(47.741)**	**10.744**
Total comprehensive income (loss), net of taxes		**1.429.504**	**5.341.728**

Statement of financial position

(euro)	Notes	December 31 2014	December 31 2013
ASSETS			
Non Current Assets			
Property, plant and equipment, net	12	15.122.451	15.950.049
Intangible assets, net	13	958.107	1.374.518
Investments and other financial activities	14	74.241.997	73.978.074
Non current tax consolidation receivables	20	287.765	245.822
Deferred tax assets	15	12.704.538	12.734.475
Other long term assets	16	540.491	536.730
Total Non Current Assets		**103.855.349**	**104.819.668**
Current Assets			
Inventory	17	695.458	625.094
Third party trade receivables		1.509.157	1.051.931
Intercompany trade receivables		4.447.743	3.360.053
Trade receivables	18	5.956.900	4.411.985
Derivative instruments evalutated at fair value	30	1.890	0
Intercompany financial credits	19	10.063.378	11.177.807
Tax consolidation receivables	20	1.996.408	1.847.253
Prepaid expenses, accrued income and other	21	6.077.788	5.423.581
Cash and cash equivalents	22	319.662	692.854
Total Current Assets		**25.111.484**	**24.178.574**
Total Assets		**128.966.833**	**128.998.242**

(euro)	Notes	December 31 2014	December 31 2013
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		10.538.156	8.685.085
Net income (loss) for the period		1.477.245	5.330.984
Shareholders' Equity	23	67.799.341	69.800.009
Non Current Liabilities			
Non current financial liabilities	24	5.564.600	0
Staff leaving indemnity and other employee benefits	25	4.216.166	4.119.091
Total Non Current Liabilities		**9.780.766**	**4.119.091**
Current Liabilities			
Third party trade payables		2.225.611	2.689.197
Intercompany trade payables		388.097	183.804
Trade payables	27	2.613.708	2.873.001
Intercompany financial payables	28	12.167.203	14.976.227
Other payables	29	3.481.000	3.636.622
Current provisions	26	973.552	186.588
Bank overdraft	31	30.718.798	33.369.923
Current portion of long term debt	24	1.403.879	0
Other Financial Debts		28.586	36.781
Total Current Liabilities		**51.386.726**	**55.079.142**
Total Liabilities and Shareholders' Equity		**128.966.833**	**128.998.242**

Cash Flow Statement

(euro)	2014	2013 (*)
Cash flows provided from operating activities		
Net income from continuing operations	1.477.245	5.330.984
Net income from discontinuing operations	0	0
Current income taxes	(1.025.031)	(1.460.024)
Change in deferred income taxes	48.045	(3.005.741)
Depreciation of property, plant and equipment	2.340.387	2.403.956
Amortization of intangible assets	392.089	368.462
Capital gains (losses) on sales of intangible assets	5.235	(15.500)
Write down of assets	0	270.451
Income (Cost) from investments	(16.042.401)	(20.109.041)
Financial revenues (expenses), net	1.067.604	866.987
Accrual for termination indemnities	390.219	406.424
Accrual (utilization) for risk and contingencies, net	260.836	(602.682)
	(11.085.772)	**(15.545.724)**
Change in operating assets and liabilities		
Cash increase (decrease) in :		
Account receivables and other receivables	(2.202.883)	(67.361)
Inventory	(70.364)	(105.736)
Trade account payables	(259.293)	(1.479.969)
Other current payables	(231.977)	(814.227)
	(2.764.517)	**(2.467.293)**
Payments of termination indemnities and similar obligations	(63.268)	(234.473)
Payments of debit interest and other financial expenses	(974.642)	(935.197)
Interest and other financial receipts	613	1.243
Income taxes received (paid)	1.830.151	2.394.186
Cash flows from operating activities	**(13.057.435)**	**(16.787.258)**
Cash flows used by investing activities		
Purchase of property, plant and equipment	(1.519.447)	(3.382.691)
Proceeds from sales of property, plant and equipment	1.604	15.500
Dividends received net of witholding tax	17.587.349	22.198.821
Purchase of intangible assets	(4.000)	(255.731)
Capital contributions to subisdiaries	(2.422.511)	(2.096.383)
Decrease (increase) of non current financial assets	0	(500.000)
Capital contributions / Other changes in investments	(2.422.511)	(2.596.383)
Decrease (increase) of current financial assets	(1.890)	11.364
Cash flows from investing activities	**13.641.105**	**15.990.880**
Cash flows used by financing activities		
Proceeds from / (repayments of) short term financial debts	(2.823.900)	23.319.760
Proceeds from long term financial debts	7.000.000	0
Proceeds from / (repayments of) Intercompany financial debts	(1.694.595)	(14.988.606)
Interest paid on loans	0	0
Dividends paid	(3.430.172)	(9.964.965)
Purchase of treasury shares	0	0
Repayments of financial debts	(8.195)	(1.292.488)
Cash flows from financing activities	**(956.862)**	**(2.926.299)**
Exchange gains (losses) from balances conversion into foreign currencies	0	0
Increase (decrease) in cash equivalents, net	**(373.192)**	**(3.722.677)**
Cash and equivalents at the beginning of the period	**692.854**	**4.415.531**
Cash and cash equivalents, net, at the end of the period	**319.662**	**692.854**

(*) In order to provide a clearer representation of financial flows, we changed the criteria of classification for some events.
The representation of 2013 flows was consistently changed to ensure data comparability

Statement of changes in the shareholders' equity as at December 31, 2014

(thousands of euro)

	Capital stock	Share issue premium	Treasury shares	Legal reserve	Sundry reserves and retained earnings: Reserve for treasury shares	Cash flow hedge reserve	Revaluation reserve	Other	Total	Net income (loss) for the period	Total shareholders' equity
Balance at December 31, 2013	**12.220**	**41.120**	**0**	**2.444**	**0**	**0**	**1.727**	**6.958**	**8.685**	**5.331**	**69.800**
Appropriation of 2013 result								5.331	5.331	(5.331)	0
Dividends paid								(3.430)	(3.430)		(3.430)
Revocation of treasury shares									0		0
Income (loss) from transactions with Group companies									0		0
Net income for the period									0	1477	1477
Other comprehensive income (loss)								(48)	(48)		(48)
Balance at December 31, 2014	**12.220**	**41.120**	**0**	**2.444**	**0**	**0**	**1.727**	**8.811**	**10.538**	**1.477**	**67.799**

Statement of changes in the shareholders' equity as at December 31, 2013

(thousands of euro)

	Capital stock	Share issue premium	Treasury shares	Legal reserve	Sundry reserves and retained earnings: Reserve for treasury shares	Cash flow hedge reserve	Revaluation reserve	Other	Total	Net income (loss) for the period	Total shareholders' equity
Balance at December 31, 2012	**12.220**	**41.120**	**0**	**2.444**	**0**	**0**	**1.727**	**8.417**	**10.144**	**8.495**	**74.423**
Appropriation of 2012 result								8.495	8.495	(8.495)	0
Dividends paid								(9.965)	(9.965)		(9.965)
Revocation of treasury shares									0		0
Income (loss) from transactions with Group companies									0		0
Net income for the period									0	5.331	5.331
Other comprehensive income (loss)								11	11		11
Balance at December 31, 2013	**12.220**	**41.120**	**0**	**2.444**	**0**	**0**	**1.727**	**6.958**	**8.685**	**5.331**	**69.800**

Annex 1

Statement of profit and loss

prepared pursuant to CONSOB resolution no. 15519 of July 27, 2006
and Communication no. DEM/6064293 of July 28, 2006

(thousands of euro)

	2013	di cui: ricavi (costi) non ricorrenti	2013 *adjusted*
Total net sales	**4.441**	**0**	**4.441**
Cost of sales	(5.546)	57	(5.603)
Gross profit (loss)	**(1.105)**	**57**	**(1.162)**
R&D expenses	(8.932)	(205)	(8.727)
Selling expenses	(4.324)	(322)	(4.002)
G&A expenses	(10.576)	(541)	(10.035)
Total operating expenses	(23.832)	(1.068)	(22.764)
Royalties	3.487	0	3.487
Other income (expenses), net	3.073	0	3.073
Operating income (loss)	**(18.377)**	**(1.011)**	**(17.366)**
Interest and other financial income, net	22.573	0	22.573
Oneri finanziari	(3.072)	0	(3.072)
Income (loss) from equity method evaluated companies	0	0	0
Foreign exchange gains (losses), net	(259)	0	(259)
Income (loss) before taxes	**865**	**(1.011)**	**1.876**
Income taxes	4.466	278	4.188
Net income (loss) from continued operations	**5.331**	**(733)**	**6.064**

EBITDA	**(15.334)**	**(1.011)**	**(14.323)**

Annex 2

Non recurring income and expenses - 12 months ended Dec 31, 2013

(thousands of euro)	Income	Expenses	Total
Cost of sales			
Write down of assets	0	0	0
Write down of inventory	0	0	0
Personnel restructuring	69 (*)	(12)	57
Total effect on cost of sales	**69**	**(12)**	**57**
Operating expenses			
Write down of assets	0	(320)	(320)
Write down of inventory	0	(340)	(340)
Personnel restructuring	173 (*)	(581)	(408)
Total effect on operating expenses	**173**	**(1.241)**	**(1.068)**
Total effect on income (loss) before taxes	**242**	**(1.253)**	**(1.011)**
Income taxes			278
Net income (loss) from continued operations			**(733)**

(*) Personnel costs savings resulting from the use of social security provisions

Summary of main data of subsidiaries' Financial Statements as of December 31, 2014

	Subsidiaries			
	SAES Advanced Technologies S.p.A.	***SAES Getters USA, Inc.***	***SAES Getters Korea Corporation***	***SAES Getters International Luxembourg S.A.***
	(thousands of euro)	*(U.S. Dollars)*	*(thousands of won)*	*(thousands of euro)*
Property, plant and equipment, net	17.418	1.153.271	10.369	0
Intangible assets, net	569	22.418	0	0
Other non current assets	622	59.023.835	174.386	36.249
Current assets	11.356	19.791.456	13.819.061	1.761
Total Assets	**29.965**	**79.990.980**	**14.003.816**	**38.010**
Shareholders' equity	18.316	31.977.525	13.734.999	37.991
Non current liabilities	2.129	1.658.582	0	0
Current liabilities	9.520	46.354.872	268.817	19
Total Liabilities and Shareholders' Equity	**29.965**	**79.990.980**	**14.003.816**	**38.010**

	Subsidiaries			
	SAES Advanced Technologies S.p.A.	***SAES Getters USA, Inc.***	***SAES Getters Korea Corporation***	***SAES Getters International Luxembourg S.A.***
	(thousands of euro)	*(U.S. Dollars)*	*(thousands of won)*	*(thousands of euro)*
Total net sales	**32.787**	**15.660.131**	**1.959.053**	**0**
Cost of sales	(17.275)	(9.354.599)	(1.570.041)	0
Gross profit	**15.512**	**6.305.533**	**389.012**	**0**
Research & development expenses	(617)	(85.142)	0	0
Selling expenses	(775)	(1.774.894)	(196.892)	0
General & administrative expenses	(2.337)	(473.892)	(479.885)	(82)
Total operating expenses	(3.729)	(2.333.928)	(676.777)	(82)
Other income (expenses), net	(2.951)	(364.112)	(24.520)	0
Royalties	0	0	0	0
Operating income (loss)	**8.833**	**3.607.493**	**(312.285)**	**(82)**
Interest and other financial income (expenses), net	(198)	7.655.844	319.653	75
Foreign exchange gain (loss), net	231	(202.800)	(1.036.089)	626
Income before taxes	**8.866**	**11.060.537**	**(1.028.721)**	**619**
Income taxes	(2.962)	(3.568.940)	0	(37)
Net income (loss) from continuing operations	**5.903**	**7.491.597**	**(1.028.721)**	**582**
Net income (loss) from discontinuing operations	0	0	0	0
Net income (loss)	**5.903**	**7.491.597**	**(1.028.721)**	**582**

Subsidiaries				
SAES Getters (Nanjing) Co., Ltd.	***SAES Getters Export, Corp.***	***Memry GmbH***	***E.T.C. S.r.l.***	***SAES Nitinol S.r.l.***
(Chinese Renminbi)	*(U.S. Dollars)*	*(thousands of euro)*	*(thousands of euro)*	*(thousands of euro)*
252.556	0	696	0	0
0	0	13	0	0
31.820.484	0	9	6	4.544
69.632.928	14.816.754	1.665	2.029	2.783
101.705.968	**14.816.754**	**2.383**	**2.035**	**7.326**
97.361.085	7.970.368	1.338	(30)	53
0	0	112	34	0
4.344.882	6.846.386	933	2.031	7.274
101.705.968	**14.816.754**	**2.383**	**2.035**	**7.326**

Subsidiaries				
SAES Getters (Nanjing) Co., Ltd.	***SAES Getters Export, Corp.***	***Memry GmbH***	***E.T.C. S.r.l.***	***SAES Nitinol S.r.l.***
(Chinese Renminbi)	*(U.S. Dollars)*	*(thousands of euro)*	*(thousands of euro)*	*(thousands of euro)*
30.161.743	**0**	**4.487**	**0**	**0**
(21.700.209)	0	(2.500)	0	0
8.461.534	**0**	**1.987**	**0**	**0**
0	0	(187)	(1.003)	0
(11.370.013)	6.742.008	(347)	(1)	0
0	0	(699)	(34)	(8)
(11.370.013)	6.742.008	(1.233)	(1.038)	(8)
1.283.933	1.637.546	35	(1.284)	(1)
0	0	0	0	0
(1.624.546)	**8.379.554**	**789**	**(2.322)**	**(8)**
4.953.750	0	(27)	0	(116)
214.249	0	0	(1)	0
3.543.453	**8.379.554**	**762**	**(2.323)**	**(125)**
(19.427)	0	(223)	325	17
3.524.026	**8.379.554**	**539**	**(1.998)**	**(107)**
12.039.503	0	0	0	0
15.563.529	**8.379.554**	**539**	**(1.998)**	**(107)**

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, 2014.

2. The following remarks apply to this situation:

2.1 The Administrative and Accounting Control Model of the SAES Group

- On December 20, 2012, the Board of Directors of SAES Getters S.p.A. approved the update of the Administrative and Accounting Control Model, issued on May 14, 2007, the adoption of which is aimed at ensuring that SAES Getters complies with the provisions of Law no. 262 of December 28, 2005 (hereinafter the "Savings Law"), implemented in December 2006 through the approval of Legislative Decree no. 303/06, and, specifically, obligations pertaining to the preparation of corporate accounting documents and all documents and communications of a financial nature disseminated to the market.
- The Control Model, which refers to the organizational structure of the SAES Group:
    - sets the roles and responsibilities of the entities involved in various capacities in the process of forming and/or controlling the financial information of the SAES Group and introduces the role of manager in charge of the preparation of corporate accounting documents (hereinafter the “Officer Responsible”);
    - describes the elements that comprise the administrative and accounting control system, citing the general control environment underlying the Internal Control System of the SAES Group, in addition to specific components pertaining to administrative and accounting information;
    - regarding this latter aspect in particular, calls for the integration of the Group Accounting Principles and IAS Operating Procedures with a system of administrative and accounting procedures and the related control matrices, which describes the controlling activities implemented in each process;
    - establishes the conditions and frequency of the administrative and accounting risk assessment process in order to identify the processes of greatest relevance to accounting and financial information.

2.2. Matrices of administrative and accounting controls of SAES Getters S.p.A.

- On December 20, 2012, 9 Matrices of administrative and accounting controls were issued, related to the most significant processes of SAES Getters S.p.A., selected after the risk assessment conducted on the basis of the 2011 financial statements.
- The controls described in these matrices were shared with the process owners - according to the current organization chart - of the audited processes, and a process of continuous monitoring and alignment of these matrices to the effective operations has been established, requiring each owner to verify the implementation of the controls and to confirm their adequacy and effectiveness, and to report non-operating controls, or inadequate ones, or controls made obsolete by the evolution of the internal organization. This process was implemented in 2014, with reference to the results of the monitoring activities related to the 2013 financial statements and to the abbreviated consolidated

financial statements at June 30 2014, and led to the review of the controls whose description was not consistent with the operating activities.

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

- The process owners have signed and submitted to Officer Responsible its own “internal certification letters” in which they confirmed that they had verified the activities /processes forming the object of the controls for which they were responsible and deemed them suitable and operationally effective to ensuring the reliability of the corresponding information flows and the processing of the associated data in accordance with the administrative and accounting procedures adopted by SAES Getters S.p.A.
- As of today, the Officer Responsible, with the support of SAES Getters S.p.A. Administration Department manager, has received all the 12 letters of internal declaration required to the process owners of SAES Getters S.p.A.;
- The results of the process were positive and no anomalies were reported.

2.4. Results of the review by the Internal Audit Department of SAES Getters S.p.A.

- The Officer Responsible requested the support of the Internal Audit Department for verification of part of the controls included in administrative and accounting procedures by a department independent from the offices responsible for the controls.
- With regards to this review, the Internal Audit Department, through its own assessment of critical situations, selected n. 3 administrative and accounting processes and it verified with its related managers the proper operation of controls within the processes themselves, collecting the supporting documentation where necessary.
  The results of the reviews were positive according to the report prepared by the Head of Internal Audit Department.

3. Furthermore, we certify that:

3.1. the Financial Statements of the Parent Company for the year ended December 31, 2014:

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 11, 2015

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

Directors' Report drawn up pursuant to article 125-*ter*, paragraph 1, of Consolidated Finance Act, on point 2) of the agenda of the Shareholders' Ordinary Meeting of SAES Getters S.p.A., which is called at the company's registered office in Lainate, Viale Italia 77, in single call for April 28, 2015, at 10:30 a.m.

Appointment of the Board of Directors; determination of the number of members and relevant remuneration according to article 2389 of the Italian civil code.

Dear Shareholders,

The mandate of the Board of Directors, which was assigned on April 24, 2012, expires with the approval of the financial statements of the financial year closed on December 31, 2014, and therefore, while we thank you for your trust, we invite you to appoint the Board of Directors, after determining the number of its members, and also to determine the remuneration for the Board of Directors.

The Board of Directors invites the Shareholders to formulate proposals on this subject and to submit lists of candidates according to the method and within the terms provided for by article 14 of the Company By-laws, which will regulate the voting.

According to the same article 14 of the Company By-laws, the company is managed by a Board of Directors consisting of a number of members comprised between minimum 3 (three) and maximum 15 (fifteen), who last in office 3 (three) years and are appointed in compliance with the gender balance according to article 147-ter, paragraph 1-ter, of Legislative Decree no. 58/1998, as introduced by law no. 120 of 12 July 2011; therefore, since the mandate on whose appointments you are asked to take a resolution is the first mandate whose renewal occurs at least one year after Act 120/2011 has become effective, at least one fifth of the members of the Board will have to belong to the underrepresented gender, with rounding off, in case of a fractional number, to the higher unit.

The Directors appointed will remain in office until the Meeting that will approve the financial Statements as at December 31, 2017.

The Board recommends that Shareholders submit lists of candidates Directors that hold administration and control positions to an extent not greater than 100 points according to the provisions of the Report on the Corporate Governance Report and Ownership Structures of the Company for the financial year 2014, as included in the accompanying documents to the project of financial statements for the financial year 2014, and who satisfy requirements of eligibility, professionalism and respectability as provided for by the regulations in force, in addition to personal characteristics of experience, including management ones, and gender suitable for the type of business carried out by the Company, also in the light of the applicable regulatory provisions.

The lists must indicate the candidates who have the requirements of independence as provided for by the laws and regulations in force, as well as the requirements provided for by Article 3 of the Corporate Governance Code, updated in July 2014, the Company adopts.

In this connection, in conformity with the criteria provided for by article IA.2.10.6. of the Instructions to the Regulations of Markets Organized and Managed by Borsa Italiana S.p.A., for the purpose of compliance with the STAR requirements, the market segment on which the company is quoted, the number of Independent Directors is considered suitable when the following people are present:

- at least 2 independent directors for Boards of Directors consisting of up to 8 members;
- at least 3 independent directors for Boards of Directors consisting of 9 to 14 members;
- at least 4 independent directors for Boards of Directors consisting of more than 14 members;

A list for the appointment of Directors can be submitted by Shareholders who, in connection with the shares that are registered in the name of the shareholder on the date when the lists are filed with the company, by themselves or together with other submitting Shareholders, hold an interest share of at least 2.5% of the voting shares in the Meeting as established by Consob by resolution no. 19109 of 28 January 2015.

The lists, in which candidates must be listed by a progressive number, duly signed by the shareholders who submit them, must be filed with the corporate registered office at least 25 days before the day established for the Meeting in single call (that is Friday, 3 April 2015), with the accompanying documentation provided for by the regulations in force and the provisions of Article 14 of the Company By-laws.

Duly submitted lists will be made available for the public at the corporate registered office in Lainate Viale Italia 77, as well as on the Company's website, www.saesgetters.com, and in the 1INFO system on the website www.1info.it by 7 April 2015.

The number of candidates in a list must not exceed fifteen, each one matching a progressive number. Each list must contain and explicitly indicate at least one Independent Director, with a progressive number not exceeding seven. If the list consists of more than seven candidates, it must contain and explicitly indicate a second Independent Director. Then, in order to comply with the STAR requirements, it is necessary to guarantee the suitable number of independent directors as indicated above.

Additionally, each list – in case of lists whose number of candidates is greater than three - must guarantee the presence of both genders, so that the candidates of the underrepresented gender are, since the mandate on whose appointments you are asked to take a resolution is the first mandate whose renewal occurs at least one year after Act 120/2011 has become effective, at least one fifth of the total, with rounding off, in case of a fractional number, to the higher unit.

The lists also contain, also as annexes:

a) indication of the identity of the shareholders who have submitted the lists and the overall interest share held by them; this interest must be proved by a specific certification issued by a broker, to be presented also after the filing of the list, provided it occurs by the term established for the publication of the lists by the issuer;

b) exhaustive information on the candidates' personal and professional characteristics;

c) a declaration of the candidates containing their acceptance of the nomination and the declaration about the nonexistence of grounds for non-eligibility and incompatibility, as well as the satisfaction of the requirements provided for by the law and the regulatory provisions in force from time to time, and the satisfaction, in case, of the requirements as "Independent Director";

d) any additional or different declaration, information and/or document provided for by the law and the applicable regulations.

The Shareholders who submit a "minority list" for the election of the Board of Directors are recommended to file, together with the list, a declaration that states there are no relations, including indirect ones, as per article 147-*ter*, paragraph 3, of Consolidated Finance Act and article 144-*quinquies* of the Regulations for Issuers, with any Shareholders who hold, also jointly, controlling or relative majority interests, where they can be identified based on the communications of the relevant interests as per article 120 of Consolidated Finance Act or the publication of pacts among shareholders pursuant to article 122 of Consolidated Finance Act (so far, the Company is not aware of the existence of any such pacts among shareholders). This declaration will also have to include any relations, provided they are significant, with Shareholders who hold, also jointly, controlling or relative majority interests, where they can be identified, as well as the reasons for which such relations have been not considered to be determining for the existence of the above-mentioned relations; otherwise, the absence of the above mentioned relations will have to be indicated.

Any submitted lists that do not comply with the legal, regulatory and statutory provisions will be considered as non submitted.

A Shareholder can neither submit nor vote more than one list, including through intermediaries or trust companies. A candidate can be present in one list only, under penalty of ineligibility.

At the end of the voting, those candidates of both lists will be elected who have received the greater number of votes under the following criteria: (i) from the list that has received the greater number of votes (hereinafter "Majority List"), a number of directors is taken that is equivalent to the total number of the members of the Board, as previously established by the Meeting, less one; within these limits, the candidates are elected in the numerical order as indicated in the list; (ii) one Director, who is the candidate indicated under the first number in the second list that has received the greatest number of votes and is not linked, including indirectly, to the Shareholders who have submitted or voted the Majority List according to the applicable provisions (hereinafter "Minority List"), is taken from that list; however, if no Independent Director is elected in the majority list, in case of a board consisting of not more than seven members, or only one Independent Director is elected in case of a board consisting of more than seven members, the first Independent Director indicated in the Minority List will be elected instead of the first person in Minority List.

Where the composition of the resulting board does not fulfill the gender balance, considering their list order, the last persons elected in the Majority List of the overrepresented gender are replaced, in the number required to guarantee the compliance with the requirement, by the first candidates not elected of the same list of the underrepresented gender. If the Majority List does not contain enough candidates of the underrepresented gender to proceed with the replacement, the Meeting supplements the board with the legal majorities, thus guaranteeing that the requirement is complied with.

A list that has not received a percentage of votes that is at least half of that required for its submission will be not considered anyway.

If the votes received by the lists are in a tie, the list submitted by Shareholders holding the greater interest upon the submission of the list, or, subordinately, by the greatest number of Shareholders, will prevail.

If one list only is submitted, the Meeting expresses its vote on it and, if it obtains the relevant majority of voters, without considering non-voters, the candidates listed in progressive order will be elected Directors up to the number fixed by the Meeting, subject that, if the Board consists of more than seven members, also the second Independent Director is elected in any case, in addition to the one that is necessarily positioned in the first seven places, in any case in compliance with the distribution principle provided for by article 147-ter, paragraph 1-ter, of Legislative Decree no. 58 of 24 February 1998.

In default of lists, or when the number of Directors elected based on the lists submitted is less than the number determined by the Meeting, the members of the Board of Directors are appointed by the Meeting by the legal majorities, subject to the obligation of the appointment, by the Meeting, of the minimum necessary number of Independent Directors and the compliance, anyway, with the distribution principle provided for by article 147-ter, paragraph 1-ter, of Legislative Decree no. 58 of 24 February 1998.

Independent Directors, indicated as such on their appointment, must communicate any supervened nonexistence of independence requirements, with the consequent cancellation according to the law.

Please refer to article 14 of the Company By-laws for more details. The text of the Company By-laws is available at the company's registered office and on the website www.saesgetters.com, section "Investor Relations/Corporate Governance/Statuto Sociale".

With reference to the remuneration of the Board of Directors, we invite you to take a resolution on this point according to article 18 of the Company By-laws, which, in conformity with article 2389 of the Italian civil code, provides that the meeting take a resolution on the annual remuneration of the Board of Directors, and then gives the Board of Directors the power to determine, and take the resolution on, the division of the remuneration that has been resolved by the Meeting.

We inform the Shareholders that each point of the following proposals of resolution, as well as the additional proposals that will be submitted for the Meeting's approval, will be voted by the Meeting with separate voting in order for the persons having the right to vote, and the subjects appointed by the former ones with voting instructions, to be able to vote separately in connection with each one of the above-mentioned points, in case based on voting instructions received on each point.

Having said all the above, the Board of Directors,

- having taken note of the provisions of the law and the By-laws in matters of composition, term, method of appointment and remuneration of the Board of Directors;

- having taken note of the list of candidates to the position of Director, accompanied by the necessary documentation, which have been validly presented;

invites the Meeting:

- *to determine the number of members and the global annual remuneration of the Board of Directors;*

- *to appoint the Board of Directors by voting the lists of candidates to the position of Director of the Company as submitted and published with the methods and terms as per article 14 of the Company By-laws and in conformity with the provisions of the regulations in force;*

- *To give the Chairman and Vice-Chairman and Managing Director, separately between them, the power to carry out all that is necessary for the full execution of the above-mentioned resolutions, with all and any* *power necessary and suitable for this purpose, nothing excluded, and with the power to delegate any third parties.*

Lainate, 11 March 2015

For the Board of Directors

Dr Ing. Massimo della Porta
Chairman

Directors' Report drawn up pursuant to article 125-*ter*, paragraph 1, of Consolidated Finance Act, on the points 3) of the agenda of the Shareholders' Ordinary Meeting of SAES Getters S.p.A., which is called at the company's registered office in Lainate, Viale Italia 77, in single call for April 28, 2015, at 10:30 a.m.

3. Appointment of the Board of Auditors:

3.1 Appointment of the Board of Auditors for the financial years 2015-2017 and of the Chairman;

3.2 Determination of the remuneration of the Statutory Auditors.

Dear Shareholders,

The mandate of the Board of Auditors, which was assigned on April 24, 2012, expires with the approval of the financial statements of the financial year closed on December 31, 2014.

Therefore, we invite you to appoint the three Statutory Auditors and the two Substitute Auditors, for the three-year period 2015-2017, who will remain in office until the Meeting that will approve the Financial Statements as at December 31, 2017, and also to determine their relevant remuneration. The appointment will have to comply with the gender balance according to article 148, paragraph 1-bis, of Legislative Decree no. 58 of 24 February 1998, as introduced by law no. 120 of 12 July 2011; therefore, since the mandate on whose appointments you are asked to take a resolution is the first mandate whose renewal occurs at least one year after Act 120/2011 has become effective, at least one fifth of the members of the Board will have to belong to the underrepresented gender, with rounding off, in case of a fractional number, to the higher unit.

We highlight that the members of the Board of Auditors must satisfy the requirements provided for by article 22 of the Company By-laws, the requirements of respectability and professionalism as provided for by article 148, paragraph 4, of Legislative Decree no. 58 of 24 February 1998 (hereinafter also "Consolidated Financial Act") for the members of the Board of Auditors and particularly by Ministerial Decree no. 162 of 30 March 2000 ("Regulations with rules for the establishment of requirements of respectability and professionalism of the members of the Board of Auditors of Listed Companies to be issued based on article 148 of Legislative Decree no. 58 of 24 February 1998").

In connection with the requirements of professionalism, it is pointed out that, according to article 22 of the Company By-laws, activities linked to the business activity means all those activities linked to the business purpose as per article 7 of the Company By-laws and those activities, anyway, linked to metal and mechanical industries, manufacturing and marketing of equipment, products and materials mentioned in article 7 of the Company By-laws, as well as scientific and industrial research. Subjects linked to commercial law and tax law, business economics and corporate finance are also considered to be linked to the Company's range of activities.

The Board of Auditors must be appointed, according to the conditions, methods and terms provided for by article 22 of the Company By-laws, whose text is referred to. The text of the By-laws is available at the company's registered office and on website www.saesgetters.com, section "Investor Relations/Corporate Governance/Statuto Sociale".

The election of one Statutory Auditor, who is entitled to become the Chairman of the Board of Auditors, and one Substitute Auditor is reserved to the minority - provided it is not a part of the relevant link relations, including indirect ones, according to article 148, paragraph 2, of Consolidated Financial Act and article 144-*quinquies* of the Regulations for Issuers.

Minority Auditors are elected at the same time as the other members of the control board, except for replacement cases, as regulated in article 22 of the Company By-laws.

A list for the appointment of the members of the Board of Auditors can be submitted by Shareholders who, in connection with the shares that are registered in the name of the shareholder on the date when the lists are filed with the company, by themselves or jointly with other submitting Shareholders, hold an interest share of at least 2.5% of the voting shares in the Meeting as established by Consob by resolution no. 19109 of 28 January 2015.

A shareholder can neither submit nor vote more than one list, including through intermediaries or trust companies.

Shareholders belonging to the same group and Shareholders who join a pact among shareholders whose subject is the Company's shares (so far, the Company is not aware of the existence of such pacts among shareholders) can neither submit nor vote more than one list, including through intermediaries or trust companies. The candidate can only be present in one list only, under penalty of ineligibility.

The lists, duly signed by those who submit them, will have to be filed with the corporate registered office at least twenty-five days before the day scheduled for the Meeting that must take a resolution on the appointment of the Auditors (that is Friday, 3 April 2015).

Duly submitted lists will be made available for the public at the corporate registered office in Lainate Viale Italia 77, as well as on the Company's website, www.saesgetters.com and in the 1INFO system on the website www.1info.it by 7 April 2015.

It is pointed out that, according to article 144-*sexies*, paragraph 5, of the Regulations for Issuers, if, within the term of 25 days before the date established for the first call of the Meeting, one list has been submitted for the appointment of the Board of Auditors, or if lists have been submitted only by interlinked Shareholders according to the regulations in force, additional lists can be submitted until and including three days after the expiration date of the above term. In this case, the 2.5% minimum threshold for submitting the lists, as indicated above, will be reduced by half.

Lists must include the names of one or several candidates to the office of Statutory Auditor and one or several candidates to the office of Substitute Auditor, in obedience to the gender balance according to article 148, paragraph 1-*bis*, of Legislative Decree no. 58 of 24 February 1998.

Lists that contain not less than three candidates must guarantee the presence of both genders, so that the candidates of the underrepresented gender are at least, since the mandate on whose appointments you are asked to take a resolution is the first mandate whose renewal occurs at least one year after Act 120/2011 has become effective, one fifth of the total, with rounding off, in case of a fractional number, to the higher unit.

Candidates' names are marked in each section (Statutory Auditors section, Substitute Auditors section) by a progressive number, and their number, anyway, does not exceed the number of the members to be elected.

The lists also contain, also as annexes:

a) information on the identity of the shareholders who have submitted the lists come up with the indication of the overall interest share held by them; this interest must be proved by a specific certification issued by a broker, to be presented also after the filing of the list, provided it occurs by the term established for the publication of the lists by the issuer;

b) a declaration by Shareholders other than those who hold, including jointly, a relative majority or control interest, stating the absence of links with the latter as provided for by article 144-*quinquies* of the Regulations for Issuers;

c) exhaustive information on the candidates' personal and professional characteristics come at a company invited the list of the administration and control positions held by them in other companies;

d) a declaration of the candidates stating the nonexistence of grounds for non-eligibility and incompatibility, as well as the satisfaction of the requirements provided for by the law and the regulatory provisions in force from time to time, and their acceptance of the nomination;

e) any additional or different declaration, information and/or document provided for by the law and the applicable regulations.

It is pointed out how important it is to accompany the information as per letter c) of the above list for each candidate Auditor with the list of the administration and control positions held by such Auditor in other companies, to take care of its update until the date of the Meeting, with the purpose of facilitating the communication as per article 2400 of the Italian Civil Code at the time of the appointment by the Meeting and before accepting the appointment.

Subject to the obligation of filing the declaration as per letter b) of the above list, in order to guarantee greater transparency on the relations among those who submit the "minority lists" and controlling or relative majority Shareholders, Shareholders who submit a "minority list" for the election of the Board of Auditors are strongly recommended to provide the following information in the above-mentioned declaration:

- description of any existing relations, provided they are significant, with any Shareholders who hold, also jointly, controlling or relative majority interests, where the latter ones can be identified based on the communications of the relevant interests as per article 120 of Consolidated Finance Act or the publication of pacts among shareholders pursuant to article 122 of Consolidated Finance Act (so far, the Company is not aware of the existence of any such pacts among shareholders). Alternatively, the absence of significant relations will have to be indicated;

- the reasons for which such relations have been not considered to be determining for the existence of the relations as per article 148, paragraph 2 of Consolidated Finance Act and article 144-*quinquies* of the Regulations for Issuers.

Auditors will be elected as follows: (i) two Statutory Auditors and one Substitute Auditor are taken, based on the progressive order they are listed by, from the list that has received the greater number of votes ("Majority List"); (ii) one Statutory Auditor, who is entitled to become the chairman of the Board of Auditors ("Minority Auditor"), and one Substitute Auditor ("Minority Substitute Auditor") are taken, based on the progressive order by which they are listed, from the second list that has received the greatest number of votes and that is not linked, including indirectly, to the Shareholders who have submitted or voted the Majority List according to the applicable provisions ("Minority List"), all the above, anyway, according to the rules on the gender balance in the boards of listed companies as per Act no. 120/2011.

Where the composition of the resulting board or the category of Substitute Auditors does not fulfill the gender balance, considering their list order in the respective section, the last persons elected in the Majority List of the overrepresented gender are replaced, in the number required to guarantee the compliance with the requirement, by the first not elected candidates of the same list and of the same section of the underrepresented gender. If the relevant section of the Majority List does not contain enough candidates of the underrepresented gender to proceed with the replacement, the Meeting appoints the missing statutory or Substitute Auditors with the legal majorities, thus guaranteeing that the requirement is complied with.

If the votes received by the lists are in a tie, the list submitted by Shareholders holding the greater interest upon the submission of the list, or, subordinately, by the greatest number of Shareholders, will prevail.

If one list only is submitted, the Meeting expresses its vote on it and, if it obtains the relevant majority of voters, without considering non-voters, the candidates to such offices as indicated in the list will be elected Statutory and Substitute Auditors, in obedience to the rules on the gender balance in the boards of listed companies as per Act no. 120/2011. The chairman of the Board of Auditors is, in this case, the first candidate as Statutory Auditor.

In default of lists, the Board of Auditors and the Chairman are appointed by the Meeting by the standard majorities provided for by the law, again in obedience to the rules on the gender balance in the boards of listed companies as per Act no. 120/2011.

With reference to the remuneration of the Board of Auditors, we invite you on this point, according to article 22 of the Company By-laws, to determine the annual remuneration of the Auditors for the entire term.

We inform the Shareholders that each point of the following proposals of resolution, as well as the additional proposals that will be submitted for the Meeting's approval, will be voted by the Meeting with separate voting in order for the persons having the right to vote, and the subjects appointed by the former ones with voting instructions, to be able to vote separately in connection with each one of the above-mentioned points, in case based on voting instructions received on each point.

Having said all the above, the Board of Directors,

- having taken note of the provisions of the law and the By-laws in matters of composition, term, method of appointment and remuneration of the Board of Auditors, invites the Meeting:

- to appoint the Board of Auditors and vote the lists of candidates to the positions of Statutory Auditors and Substitute Auditors of the Company, as submitted and published with the methods and terms as per article 14 of the Company By-laws and in conformity with the provisions of the regulations in force;

- to determine the annual remuneration of the Auditors elected.

- to give the Chairman and Vice-Chairman and Managing Director, separately between them, the power to carry out all that is necessary for the full execution of the above-mentioned resolutions, with all and any

power necessary and suitable for this purpose, nothing excluded, and with the power to delegate any third parties.

Lainate, 11 March 2015

for the Board of Directors

Dr Ing. Massimo della Porta
Chairman

The present is the English translation of the Italian official report approved by the Board of Directors on March 11, 2015. For any difference between the two texts, the Italian text shall prevail.

Report of the Board of Directors drafted 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, on 4) item 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, in single call on April 28, 2015 at 10.30 am.

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 February 18, 2015, upon proposal by the Compensation Committee, and having heard the opinion of the Audit Committee, who have met on February 4, 2015.

The compensation report is made available to the public at the Company's headquarters in Lainate, Viale Italia 77, and online on the Company's website at www.saesgetters.com/investor/shareholders-meeting.
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 July 2014.
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 11, 2015

For the Board of Directors

Mr. Massimo della Porta

Chairman

SAES Getters S.p.A.

FIRST SECTION OF THE REMUNERATION REPORT

Pursuant to article 123-*ter*, paragraph 3, of Legislative Decree no. 58/1998 and article 84-*quater* and related Annex 3A, Schedule 7-*bis* – section I of Consob resolution no. 11971/1999 relating to issuer regulations.

SAES GETTERS S.P.A.
Compensation Policy for Strategic Resources - 2015

Foreword

Remuneration of Directors and other executive officers with strategic responsibilities within SAES Getters S.p.A. (hereafter "**SAES**" or the "**Company**") is determined to be of an amount sufficient to attract, retain, and motivate qualified professionals with the attributes needed to successfully manage the Company.

The Company annually defines the general policy on compensation (the "Policy"), which summarizes principles and procedures which the SAES Group (as defined hereafter) abides by, in order to:

- **consent the correct application** of compensation practice as defined hereafter;
- guarantee an adequate level of **transparency** with regard to compensation policies and the amounts paid out;
- favor the **proper involvement** of the competent Company bodies in the approval of the compensation Policy.

The Policy is drafted in light of the recommendations contained in Art. 6 of the Self-regulating Code of Borsa Italiana S.p.A. - as amended on July 2014, adopted by SAES, and in keeping with the provisions of Art. 123-*ter* of Legislative Decree No. 58 of February 24, 1998, as amended (the "Consolidated Financial Act"), with Art. 84-*quater* of the Consob Regulations, approved with resolution No.11971 of May 14, 1999, as amended (the "Issuers Regulations"), and with Annex 3A to the Issuers Regulations, Schedule 7-*bis*. The Policies are also drafted in compliance with the regulatory provisions contained in the procedure for transactions with related parties, approved by the Board of Directors of the Company on November 11, 2010, pursuant to the regulations adopted by Consob with resolution No.17221 of March 12, 2010, as amended.

The Policy applies to Directors and Executives with Strategic Responsibilities, as further detailed hereafter.

Some of the terms frequently used herein are defined as follows:

Code/Self-regulatory Code: the Self-Regulatory Code of listed companies, approved in July 2014 by the Corporate Governance Committee, promoted by Borsa Italiana S.p.A.

Compensation and Appointment Committee: the Compensation and Appointment Committee created by the Company in implementing Art. 6 of the Code.

Executive Directors or vested with special powers: they are the directors of SAES Getters SpA holding the office of President and Managing Director.

Non-executive and / or independent or not vested with special powers: they are all directors of SAES Getters S.p.A. appointed by the shareholders. Directors in other companies of the Group SAES who are also directors of the Group.

Executives with Strategic Responsibilities: the persons endowed with the powers and with the responsibilities, either direct or indirect, over the planning, direction, and control of the Company's activities, including directors (whether executive or non-executive) of the Company, and all the regular members of the Audit Committee, as defined in the regulations adopted by Consob with resolution No. 17221 of March 12, 2010, as amended, on related party transactions.

Group or SAES Group*:* the group of companies controlled by or connected to SAES pursuant to Art. 2359 of the Civil Code.

RAL: the gross annual fixed component of the remuneration for those who have an employment relationship.

MBO* (Management by Objectives)*: indicates the component, variable annually, of the compensation paid to executives based on the attainment of predefined company objectives (for Directors with executive responsibilities).

PFS (Partnership for Success): means the annual variable component of remuneration (on target bonus of 40% of the base salary) that based on the achievement of pre-defined business objectives for the population of executives with strategic responsibilities.

LTI Plan: indicates the "Long Term Incentive" Plan as illustrated in paragraph 7 of this Policy, with regard to executive directors, and in paragraph 9, with regard to Executives with Strategic Responsibilities (excluding members of the Statutory Auditors). Payment of such long-term component of variable compensation is deferred by three years.

Variable Compensation*:* compensation connected with the attainment of annual and long-term objectives, a relevant part of which (LTI Plan) is paid in deferred rates, as required by the provisions on company governance in the Code. The MBO and the LTI Plan constitute the overall Variable Compensation.

Yearly Total Direct Compensation Target: it indicates the sum (i) of the gross fixed annuity, (ii) the gross variable annuity which the executive would receive in case of attainment of objectives; (iii) the annualization of the medium/long term gross variable component (so-called LTI Plan) which the executive has a right to receive in case of attainment of the medium/long term objectives.

1. Principles and objectives

The Company defines and applies a Policy on the annual remuneration. This Policy is formalized – in order to attract, motivate, and retain the resources with the professional characteristics required to attain the objectives set by the Group, which are more and more concerned with increasingly more complex, diverse, and highly competitive technological markets, keeping into account the dynamics of the labor market.

In recent years the "business model" of the SAES Group has changed a lot, and this requires a continuous alignment of Compensation Policies: the Company operates through its Business Units in multiple international markets, in different technological contexts. Although the headquarters located in Italy, the Group management involves a specific multi-business approach with different speeds depending on the business / market, requiring complex skills and a strong cultural and managerial flexibility.

The Policy is defined so as to align the interests of the top management with those of the shareholders, and is designed to pursue the priority objective to create sustainable assets in the medium/long term. A fundamental aspect of said objective is represented by the consistent and compliant observance, in time, of the core principles of this Policy.

Therefore the most relevant aspect in determining compensation is the creation of mechanisms that allow executives to identify with the Company, and are adequate to the global market or reference.

2. Compensation and Appointment Committee

The Board of Directors has instituted, as part of the Board, since December 17, 1999, the "Compensation Committee", now Compensation and Appointment Committee with consulting and proposition-oriented tasks. Particularly, in compliance with Art. 6 of the Self-regulatory Code, the Compensation and Appointment Committee:

1) elaborate and define a Remuneration Policy and propose to the Board of Director its adoption;
2) periodically evaluates the adequacy, the overall coherence and the practical application of the Policy for the Directors and Executives with Strategic Responsibilities remuneration and provides the Board of Directors with proposals and opinions with regard to the policies adopted by the Company with regard to compensation, based on the information provided by the executive officers, and suggesting improvements, where needed;
3) examines the proposals relative to compensation of executive officers and Executives with Strategic Responsibilities;
4) expresses opinions or submits proposals to the Board of Directors over the compensation of executives vested of special appointments, based on the Policy;
5) verifies the accuracy and correct application of compensation criteria for the Company's Executives with Strategic Responsibilities and their consistency through time;
6) proposes and collaborates in establishing objectives (targets) with regard to the variable compensation plans for the Executive Directors;
7) verifies the attainment of the variable compensation objective defined for executive officers;
8) verifies the application of the resolutions taken by the Board of Directors with regard to compensation.

To date, the members of the Compensation and Appointment Committee, pursuant to Art.6.P.3. of the Self-Regulatory Code is composed by Independent Directors and Non-executive Directors, more precisely by the following people: Prof. Emilio Bartezzaghi

(Independent Director), Prof. Andrea Sironi (Independent Director and Lead Independent Director) and Prof. Adriano De Maio (Non-executive Director [1]).

All components of the Compensation and Appointment Committee possess adequate experience in economic / financial compensation and assessed by the Board of Directors at the time of appointment.

3. Procedure for the definition, approval, and implementation of the Policy

The Policy was defined following a transparent process in which the Compensation and Appointment Committee and the Board of Directors have taken a leading role. The Board of Directors, as proposed by the Compensation and Appointment Committee, defines the Policy.

The Compensation and Appointment Committee, in carrying out its tasks, ensures suitable functional and operational connections with the competent Company structures. In particular, the Company's Human Resource Department, with the assistance, where needed, of specialized consulting firms, provides the Compensation and Appointment Committee with all the information and analyses needed to finalize its contents.

The Chairman of the Statutory Auditors or other auditor appointed by the Chairman participates in the meetings of the Compensation and Appointment Committee. Such meetings can be attended also by the other Statutory Auditors.

Once defined, the proposed Policy drafted by the Compensation and Appointment Committee is submitted to the approval of the Board of Directors, who may make the amendments or alterations it may deem necessary.

The Board of Directors, having heard the Statutory Auditors, keeping into account the observations and proposals of the Compensation and Appointment Committee, reaches a final resolution on the Policy and approves the compensation report detailed in the paragraph below.

The Compensation and Appointment Committee has approved the proposed Policy with regard to the year 2015 on February 4, 2015. During the meeting the Committee has evaluated the adequacy, the overall coherence and the practical application of the Policy of 2014 considering than put in place by the Company.

The Board of Directors has approved the Policy for the year 2015 on February 18, 2015.

Based on the Policy, the following are approved:

- by the Board of Directors: the compensation and contract proposals for executive directors upon conferral of their appointment, according to company practice, as well as any modification or adjustment, if needed;

- by the Company's Human Resources Department, with the approval of executive officers: the compensation adjustment proposals for the Executive Officers with Strategic Responsibilities (excluding regular members of the Statutory Auditors);

[1] Qualify as Independent Director pursuant to the provisions of articles 147-ter, paragraph 4, and 148, paragraph 3, of Italian Legislative Decree 58/1998

- by the Shareholders: the compensation of the Statutory Auditors (please see paragraph 11 below on this regard).

4. Transparency

The Policy is part of the compensation report to be submitted annually to the Meeting of the Shareholders pursuant to Art. 123-*ter* of the Testo Unico, which must be drafted in compliance with the provisions of Art. 84-*quater* of the Issuers Regulations and with Schedule 7-*bis* and 7-*ter*, contained in Annex 3A to the Issuers Regulations (the "**Compensation Report**"). The Compensation Report, in Section II, includes also: *(i)* indication of the compensation of the members of the control and direction bodies, of managing directors, if any, and, collectively, of the Executive Officers with Strategic Responsibilities, and *(ii)* reports the shares owned by the members of the directing or control bodies, by managing directors and Executive Officers with Strategic Responsibilities in the Company and in the Group.
The Compensation Report is made available to the public at the Company's registered offices, on the corporate website, and it is sent and filed with the authorized storage mechanism 1Info on the www.1Info.it website at least 21 days before the annual Meeting of the Shareholders, generally coinciding with the meeting for the approval of the financial statement, so as to allow the Shareholders to express their non-binding vote to approve or disapprove the Policy. The results of the vote of the Shareholders on the Policy must be filed and available to the public on the corporate website of the Company no later than 5 days after the meeting has taken place.
The Compensation Report remains available on the corporate website in compliance with current regulations.

5. Directors compensation – general guidelines

Within the Board, Directors are divided as follows:

(i) executive Directors;

(ii) non-executive and/or independent Directors.

There may also be Directors with special appointments (members of the Compensation and Appointment Committee or the Audit and Risk Committee, the Director part of the Supervisory Body pursuant to Legislative Decree 231/01, the Lead Independent Director, and the members of the Committee for Transactions with Related Parties).

On the date of approval of this Policy, the Directors are divided as follows:

- <u>Executive Directors:</u> the Chairman of the Board of Directors, Massimo della Porta (also serving as Chief Technology and Innovation Officer and as Group CEO) and the Managing Director Giulio Canale (serving also as Chief Financial Officer as well as Deputy CEO);

- Non-executive Directors: all the remaining Directors, and namely Stefano Baldi, Emilio Bartezzaghi, Adriano De Maio, Alessandra della Porta, Luigi Lorenzo della Porta, Andrea Dogliotti, Pietro Mazzola, Roberto Orecchia and Andrea Sironi.

The Meeting of the Shareholders of SAES of April 24, 2012, on occasion of the appointment of the Board of Directors, has defined an overall compensation pursuant to Art. 2389, paragraph 1, of the Civil Code, as wages and remuneration for the Directors, appointing the Board of Directors with the task of dividing said overall amount among its members.

In particular, the overall annual gross compensation was established by the Shareholders in the measure of Euro 120,000.00, and was subdivided by the Board of Directors, upon their meeting following their appointment, as follows:

- Euro 10,000.00 per each Director; and
- Euro 20,000.00 for the Chairman of the Board of Directors.

The Shareholders also resolved the following compensations for the committees part of the Board of Directors:

- Euro 9,000.00 per each member of the Audit Committee, and Euro 16,000.00 for the Chairman of the Audit Committee;
- Euro 4,000.00 per each member of the Compensation and Appointment Committee, and Euro 7,000.00 for the Chairman of the Compensation and Appointment Committee.

- no additional compensation was resolved for the members of the Committee for Transactions with Related Parties.

The additional compensation for Directors invested of special appointments was determined by the Board of Directors.

The Board determined the following yearly compensations:

- Euro 16,000.00 for the Independent Director part of the Supervisory Body;

- Euro 20,000.00 for the Lead Independent Director.

Directors are also entitled to the refund for all expenses incurred in the performance of their duties.

In line with best practice, an insurance policy, the so-called D&O (Directors and Officers) Liability is entered into, covering for third party liability of corporate bodies acting in their capacity as directors or officers. Said insurance policy is aimed at holding the Group harmless from the losses deriving from any damages connected and attributable to the events foreseen in the applicable National Collective Labor Agreement and as defined in the relevant provisions of the appointment contract, excluding any willful misconduct or gross negligence.

Furthermore, in line with best practice, non-executive Directors are not entitled to a variable compensation adjustment, nor are they entitled to any bond or stock-based compensation plan.

6. Executive Directors Compensation (Chairman and Managing Director)

The Compensation and Appointment Committee submits to the Board of Directors proposals and/or opinions relative to the compensation to be attributed to Executive Directors.

Executive Directors compensation is comprised of the following elements:

- a gross, fixed annuity;
- a variable component divided in two parts:
  - ✓ one payable annually (called MBO), to which directors are entitled upon the attainment of a specific company objective;
  - ✓ a medium/long term component with deferred payment (so-called LTI Plan).

The Company believes that compensation should be connected with company performances. Nonetheless the competitive aspect of compensation should be based on an excessive emphasis on short-term results alone, but rather find a balanced middle-ground between fixed and variable compensation, avoiding unbalanced highs or lows that would hardly be justified in a business where the success of the Company is not always directly linked to short-term performance.

The fixed component is determined proportionally to the range of the tasks to which each executive is appointed and the responsibilities undertaken, and it must also reflect the experience and competence of each executive officer, so as to justly compensate the position, efforts, and performance even in case the Company's objectives are not attained due to causes outside of the Executive Directors' sphere of influence (i.e., adverse market conditions). Equally important is the consistency with which the Policy is applied through time, to ensure the necessary organizational stability.

In determining the compensation and its single components, the Board of Directors keeps into account the scope of the appointments conferred upon the executive Directors. Particularly, compensation is determined based on the following criteria:

a) the fixed component weighs upon the Executive Direct Compensation Target in a generally adequate and sufficient measure, in order to avoid excessive fluctuations which could not be justified in light of the labor market structure indicated above;

b) the (yearly) MBO target incentive, assigned to Executive Directors upon attaining company objectives, may represent a significant component of compensation, but it may not exceed the total amount of the Gross Annuity (RAL);

c) all payments are payable only after the approval by the Shareholders of the relevant Financial Statements.

The executive directors who hold positions on the Board of Directors of the subsidiaries do not receive any remuneration in addition to the remuneration described in this Policy.

Please refer to section 7 below for a more detailed description of the MBO and LTI Plan.

For Executive Directors not under top-management labor agreements, the Board of Directors generally provides, with the purpose of ensuring comparable work conditions as those provided by the Law and/or by the National Collective Labor Agreement to the Italian executive officers of the Group:

- a Directors' Severance Indemnity (the "TFM") pursuant to Art. 17, paragraph 1, letter c) of the T.U.I.R., No. 917/1986, having analogous characteristics with those typical of a regular Severance Indemnity (TFR) pursuant to art. 2120 of the Civil Code, due, pursuant to the Law, to the Italian executive officers of the Group, inclusive of all contributions borne by the employer, normally payable to social security Institutes or Funds for manager-level employment contracts. The TFM was regularly instituted by the Shareholders of SAES Getters S.p.A. on April 27, 2006, by the Shareholders on their Meeting held April 21, 2009 and by the Shareholders on their Meeting held April 24, 2012. The Chairman and the Managing Director are entitled to such TFM, as well as additional Directors with operative/executive appointments, as indicated by the Board of Directors, after having examined the compensation and social contribution status of each Director.
- the institution of a TFM is aimed at obtaining, upon retirement, a sufficient retirement fund – in line with Italian and international standards, which is conventionally indicated in the measure of 50% of the last salary received.
  The resolutions relating to the TFM were implemented by purchasing a TFM insurance policy, with a major insurance company, in the name of the Company, in compliance with the requirements of Law, alimented by an annual premium of amount equal to the provision for severance indemnity, in order to reach company objectives. Said provision is made in the measure of 20% of compensation – both fixed and variable – paid to Directors, as resolved by the Board of Directors pursuant to Art. 2389 of the Civil Code.
- an insurance policy covering work and non-work related injuries, with premiums paid by the Company;
- indemnity for permanent invalidity or death caused by illness;
- health insurance;
- additional benefits typically awarded to top management officers.

As of the date of validity of this Policy the Company has no incentive plans based on financial instruments.

The Board of Directors, upon request by the Compensation and Appointment Committee, may award Executive Directors discretional bonuses in relation to specific operations of exceptional import, in terms of strategic relevance and consequence affecting the Group's results.

An analysis of the positioning, composition, and, more generally, of the competitiveness of the Executive Directors' compensation is carried out by the Compensation and Appointment Committee and by the Board of Directors, with the assistance, where needed, of external consultants with proven and specific competences in the field, and ascertained independence.

7. MBO and LTI Plan

The annual variable component of compensation (“**MBO”**) requires an evaluation of an officer’s performance on a yearly basis. The MBO objectives for Executive Directors are established by the Board of Directors, in line with the Policy, upon a proposal by the Compensation and Appointment Committee, and are connected with the performance, on an annual basis, of the Company and the Group.

Accrual of the annual variable component is subject to the achievement of the parameter “EBITDA”.

In particular, the amount of MBO awarded to Executive Directors may never amount to more than 100% the gross fixed annuity/RAL. In order to contribute to the attainment of medium/long term interests, the Group adopted, since 2009, a medium/long term incentive system connected with the attainment of the objectives contained in the triennial strategic plan (first the “2009/2011”, and then the following “2012/2014”), called LTI Plan.

In case the objectives of said triennial strategic plan is reached, the executive officer participating in such objectives accrues an LTI incentive determined as a percentage of the gross fixed annuity/RAL awarded at the time in which his participation in the LTI Plan was established. This medium/long term variable component based on a target can in no case be in excess of 100% of the gross fixed annuity/RAL (Policy 2012-2014) upon reaching the target. Should results not only reach but go beyond the target, the incentive shall increase up to a maximum cap of 200% of the gross fixed annuity/RAL.

Payment of this incentive is deferred to the last year of the triennial period. Payment is subject to the Shareholders’ approval of the Financial Statements for the relevant year.

With regard to the variable components of Executive Directors compensation please note that the Compensation and Appointment Committee elaborates and presents to the Board of Director, on an annual basis, the MBO objectives and, during the following year, verifies the performance of each Director in order to verify the attainment of the MBO objectives of the previous year.

The Compensation and Appointment Committee is also in charge for proposing to the Board of Directors, upon presentation and approval of the three-year plan, the target goal of the LTI Plan and its expiration shall carry out a verification of the performance of the executive order to define the achievement of the LTI Plan.

In case the objectives are not reached, the competent Director receives no incentive, including pro-quota, with regard to the LTI Plan.

The LTI Plan is also aimed at promoting retention: in case of severance of the appointment, for any reason, before the end of the triennial period, Directors cannot claim any right over the LTI Plan, and consequently the triennial incentive, including *pro*-quota, will not be paid out.

8. Indemnity in case of resignation, dismissal, or severance

With regard to Executive Directors, the Company does not pay out any extraordinary indemnity linked to severance.

No indemnity is due in case of revocation of appointment for just cause.

A specific indemnity may be awarded in case of revocation by the Meeting of the Shareholders or revocation, by the Board of Directors, of the powers granted to a Director, without just cause, or termination of the work agreement upon initiative of the Director for just cause, such as, by way of example, a substantial modification of the role or powers of such Director, and/or in case of hostile take-over.

In such cases, the allowance is equal to 2.5 year of the annual gross compensation, meaning the sum of the total compensation (fixed compensation to which must be added the average of the variable perceived in the previous two years).

Said amount is defined with the purpose of guaranteeing a uniform indemnity among Executive Directors and Executives with Strategic Responsibilities, and is in line with the prevailing market practice of listed companies.

In case of revocation of the powers by the Board of Directors, motivated by a significantly substandard company performance (i.e. not under 40%) as compared to the results of comparable companies – in terms of dimension and market of reference – or of a relevant harm to the company's value, unrelated to market fluctuations, said indemnity may be reduced, or, in extreme circumstances, be revoked in full.

In case of not renewal, there is a compensation equal to 2.0 year of the annual gross compensation meaning the sum of the total compensation (gross annual compensation defined as the sum of the fixed annual remuneration increased by the average of the variable remuneration perceived in the previous two years).

In case of resignation, Executive Directors are not entitled to any indemnity. Executive Directors may resign with a six-month notice.

In case of illness or injury, which may inhibit a Director vested with special appointments to carry out his duties, said Director shall be entitled to receive, for a period not exceeding twelve (12) consecutive months, an indemnity equal to one annuity, excluding variables. Past said period, the Company may choose to terminate the work agreement with said Director, with a three-month prior notice, paying an indemnity of Euro 1,500,000.00 gross.

9. Compensation of Executive with Strategic Responsibilities (excluding regular members of the Statutory Auditors)

In order to motivate and retain Executive officers with Strategic Responsibilities (i.e. first-level managers and members of the so-called Corporate Management Committee, a company committee, outside of the corporate structure that includes first-level officers of the Company with reporting functions, where Executive Directors provide and share guidelines and objectives, and thus excludes all regular members of the Statutory Auditors), compensation guidelines are as follows:

- a gross fixed annuity/RAL;

- a variable component paid annually (called MBO/PFS or “Partnership for success”) which is awarded upon reaching predefined company/personal objectives with a target bonus of 40% of the base annuity;
- a medium/long term variable component (LTI Plan) connected to specific objectives, with deferred payment and a maximum cap of one annuity, calculated on the base annuity at the time the incentive is assigned.

Base salaries/RAL are verified, and, where needed, adjusted on an annual basis by the Human Resource Department, and approved by the Board of Directors, in consideration of a number of factors, including, by way of example, but not limited to: a) labor market fluctuations; b) work performance; c) level of responsibility/capacity; d) balance/equality of internal retribution levels; e) benchmark of similar positions in comparable companies; f) experience, competence, potential, career opportunities.

Variable components are aimed at motivating Executives with Strategic Responsibilities to reaching annual objectives (MBO/PFS) as well as long term strategic objectives.

The LTI Plan for Executives with Strategic Responsibilities is aimed at promoting the fidelization and motivation of key resources, based on a retribution structure modified in some of its component, allowing the accrual of long-term capital. The LTI Plan is aimed at guaranteeing the Company greater organizational stability as a result of key-positions being held by the same people in time, and thus obtaining managerial continuity and alignment with strategic company objectives of medium time range.

Executives with Strategic Responsibilities, being hired under executive contracts, enjoy non-monetary benefits that include health insurance, injury policies (both work and non-work related), life insurance policies and social security benefits. During 2013, the Company has established for Executives with Strategic Responsibilities and other executives of the Company an *ad hoc* program of non-monetary benefits the Flex Benefits 2013, the amount of which varies depending on length of service in service in the executive (seniority calculated with exclusive reference to SAES) (2,500 euro for managers with seniority in qualification in SAES of over 6 years, 1,500 euro for the other managers) also applied for the year 2015 (has also happened in the year 2014).

Executive officers with Strategic Responsibilities enjoy indemnities in case of termination of the work relationship without just cause by the Company, pursuant to the National Collective Labor Agreement (CCNL Dirigenti Industria), which provides quantitative limits and application procedures.

Executive officers with Strategic Responsibilities who hold positions on the Boards of Directors of subsidiaries or other corporate bodies (eg Supervisory Body) do not receive any remuneration in addition to the remuneration they receive as employees.

10. Non competition agreements and of change of controls

The Company may enter into non competition agreements with Executive Directors and Executives with Strategic Responsibilities, which may provide the payment of a sum related to compensation with regard to the duration and scope of the obligations deriving from said agreement.

Non-competition obligations shall refer to the market sector in which the Group operates, and may extend to all the Countries in which the Group operates.

For the Managers with Strategic Responsibilities (meaning the first line managers that are part of the so-called Corporate Management Committee at the time of the event), is provided a recognition of a bonus equal to 2.5 annual global gross in the event of termination of employment for "change of control".

To "change of control" is defined as any event that directly or indirectly alter the ownership structure, the chain of control of the Company and the Company's parent and that may be exercised by the Company or by the executive as better condition than the force for CCNL industrial managers.

This requirement replaces as governed by the National Collective Labor Agreement for the case in question (article 13 CCNL Dirigenti Industria).

11. Compensation of the Statutory Auditors

The compensation to be awarded to the Statutory Auditors is decided by the Shareholders upon appointment of said committee, and is based on professional fees (as long as applicable) and/or normal market practice.

According to their participation in the Company’s supervisory bodies (for example, in the Supervisory Board pursuant to Legislative Decree 231/01), and within the limits provided by the applicable laws, Statutory Auditors may be entitled to additional compensation.

The present is the English translation of the Italian official report approved by the Board of Directors on March 11, 2015. For any difference between the two texts, the Italian text shall prevail.

Report of the Board of Directors drafted pursuant to Art. 73 of the Issuers Regulations, approved by Consob resolution No. 11971 of May 14, 1999, paragraph 1, TUF on item 5) of 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, in single call on April 28, 2015 at 10.30 am.

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 29, 2014, 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 2014 the Board has not made use of the authorization granted by the Shareholders on April 29, 2014, nor has it used, in the months prior said Meeting, the authorization previously granted by the Shareholders on their Meeting of April 23, 2013. 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 29, 2014, 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 29, 2014;*
2) *to authorize, pursuant to and by the effects of Art. 2357 of the Civil Code, the purchase, in one or several operations and over a period of eighteen (18) months starting on the day of this resolution, on the stock market and with the procedures agreed with the stock exchange operator pursuant to Art. 132 of Legislative Decree 58/1998, up to a maximum of 2,000,000 ordinary and/or saving shares of the Company, and in any case within any limitation of law, for a price, inclusive of any accessory costs, not above nor under 5% of the official price registered by the stock on the day*

prior to every single operation, targeted to deliver any market intervention to support the liquidity of the stock and for any purpose of stock titles in the terms, the terms and purposes defined by law and in particular EC Regulation 2273/2003 and market practices referred to 'Article 180, paragraph 1, lett. c) of the TUF, approved by Consob resolution no. 16839 of March 19, 2009, to which reference may usefully be given to possible or investment needs and the efficient use of corporate liquidity, as well as for any other purposes, such as the opportunity to use treasury shares as payment in extraordinary operations or acquisitions, or to obtain necessary funding to implement projects and / or the achievement of corporate objectives and, ultimately, for any stock option plans or stock options to directors and / or employees and / or associates of Company;

3) *to appoint the Board of Directors, and in representation thereof the Chairman, Deputy Chairman and Chief Executive Officer, each in their separate function, to purchase the shares subject to the conditions above defined, and in keeping with the terms of Art. 144-bis letter a) and b) of Consob Regulations No. 11971 of May 14, 1999, and in the degree deemed opportune in the interest of the Company, without prejudice to the terms of the agreement entered into with the Market Specialist as concerns ordinary shares;*
4) *to appoint the Board of Directors, and in representation thereof the Chairman, Deputy Chairman, and CEO, each in their separate function, pursuant to and by the effects of Art. 2357-ter of the Civil Code, so as they may dispose – at every moment, in whole or in part, on one or several operations, even before having completed purchasing, of the treasury shares purchased base on this resolution, in the manner deemed most favorable to the interests of the Company, provided that said disposal may include: i) the sale of the ownership of such shares, or the transfer of the real and/or personal rights attached to such shares (including, but not limited to, the lending of stock), ii) the sale on the stock exchange and/or outside the stock exchange market, on the block market, through institutional placement, or exchange, including through public offer, iii) the sale or assignment to directors and/or employees and/or collaborators of the Company as part of share incentive plans or stock options, iv) or as payment for the purchase of company stock and/or companies and/or assets and/or businesses, v) in case of extraordinary finance operations entailing the availability of unassigned treasury stock (including, but not limited to, mergers, spinoffs, issue of convertible bonds or warrant, etc., vi) given such shares, within the limitations of Law, as security in order to obtain, for the Company and/or the companies of the Group, any loan which may be necessary for the realization of projects or the pursuit of company objectives, and vii) any form of utilization allowed by the applicable laws and regulations, attributing to the same the faculty to establish, from time to time and in compliance with the provisions of Law and other regulations, the terms, manner, and conditions that they may deem most appropriate, provided*

that the sale of shares may only be effected against a minimum payment equal to the weighted average of the official prices of shares in the same category in the 20 trading days preceding such sale. The latter term shall not apply in case of any exchange or transfer of treasury shares effected as part of acquisitions of company stock and/or companies and/or assets and/or businesses, or in case of extraordinary finance operations;

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

Lainate, March 11, 2015

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 11, 2015. For any difference between the two texts, the Italian text shall prevail.

REPORT ON CORPORATE GOVERNANCE AND OWNERSHIP STRUCTURES

Drawn up pursuant to articles 123-*bis* Italian Consolidated Finance Act and 89-*bis* of CONSOB Regulations for Issuers

(Traditional administration and control model)

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

Financial year to which the Report refers: 2014
Date of approval of the Report: 11 March 2015

CONTENTS

GLOSSARY

Code/ Corporate Governance Code: the Corporate Governance Code of listed companies approved in July 2014 by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria.

Civil Code / c.c.: Italian Civil Code

Board: the Board of Directors of the Company.

Company: SAES Getters S.p.A.

Financial year: 2014 financial year (01.01.2014-31.12.2014).

Regulations for Issuers: the Regulations issued by CONSOB with resolution no. 11971 of 14 May 1999 (and subsequent amendments and additions) on issuers.

Market Regulations: the Regulations issued by CONSOB with resolution no. 16191 of 29 October 2007 (and subsequent amendments and additions) on markets.

Regulations of related parties: The regulation issued by Consob with resolution no. 17221 of 12 March 2010 (and subsequent amendments and additions) in matters of transactions with related parties.

Report: The corporate governance report and ownership structures that companies are obliged to draw up pursuant to articles 123-*bis* of Italian Consolidated Financial Act and 89-*bis* CONSOB Regulations for Issuers.

Consolidated Financial Act: Italian Legislative Decree 24 February 1998, no. 58.

Independent Director: member of the Board of Directors of the Company satisfying the independence requirements provided for in the Code of Conduct and articles 147-*ter*, paragraph 4, and 148, paragraph 3, of Italian Legislative Decree 58/1998.

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

Model 231: The organisational, management and control model ex Italian Legislative Decree no. 231 of 8 June 2001 approved by the Board of Directors of SAES Getters S.p.A. on 22 December 2004 and subsequent amendments.

Accounting Control Model: Administrative and Accounting Model adopted by the Board of Directors of SAES Getters S.p.A. on 14 May 2007 and subsequently updated on 20 December 2012 also in light of the provisions introduced by the Savings Law (as defined above).

By-laws: the current version of the Company by-laws (amended by the Shareholders' Meeting of 23 April 2013).

1. PROFILE OF THE ISSUER

A pioneer in the development of getter technology, SAES Getters S.p.A., together with its subsidiaries (hereinafter, the "SAES®") is the world leader in a variety of scientific and industrial applications requiring stringent vacuum or ultra-pure gases. For more than 70 years, the getter solutions of the Group have been supporting technological innovation in the information display and lamp industries, ultra-high vacuum systems and vacuum thermal insulated devices, and in technologies that range from large vacuum power tubes to silicon-based miniaturised microelectronic and micromechanical devices. The Group also holds a leading position in ultra-pure gas refinement for the semiconductor industry and other high-tech industries.

Since 2004, by taking advantage of the expertise it acquired in the special metallurgy and material science field, the SAES Group expanded its business into the advanced material market, and the market of shape memory alloys in particular, a family of advanced materials characterised by super-elasticity and their ability to assume predefined forms when heated. These special alloys, which today are used mainly in the biomedical sector, are also perfectly suited to the production of actuator devices for the industrial sector (domotics, white goods industry, consumer electronics and the automotive sector).

More recently, SAES has expanded its business by developing components whose getter properties, traditionally obtained from the exploitation of the special properties of some metals, are instead generated by chemical processes. Thanks to these new developments, SAES is evolving, adding advanced chemistry to its expertise in the field of special metallurgy.

A total production capacity distributed in ten manufacturing plants, a worldwide commercial and technical assistance network and more than 900 employees allow the Group to combine multicultural skills with experience to form a company that is truly global.

The headquarters of the SAES Group are located in the Milan area.

SAES has been listed on the Telematic Stock Exchange ("MTA") of Borsa Italiana S.p.A., STAR segment, since 1986.

In compliance with its By-laws, the administration and control **model** adopted by the Company is the so-called **traditional** model based on the combination of a Board of Directors - Board of Auditors. More specifically, in this model the Governance of the Company, is characterised by the existence of:

- a Board of Directors in charge of the management of the company, which operates in compliance with principle 1.P.1. of the Code;
- a Board of Auditors/Internal Control and Audit Committee called upon to supervise the compliance with the law and the By-laws, among the other matters prescribed by the current legal provisions, as well as the financial reporting process, the effectiveness of the internal control, internal audit and risk

management systems, the statutory audit of the annual accounts and consolidated accounts, and the independence of the external audit firm, in particular with regard to the provision of non-auditing services to the Company;

- the Shareholders' Meeting, responsible for passing resolutions in accordance with the provisions of law and the By-laws, in ordinary and extraordinary session.

The statutory audit of the annual accounts and consolidated accounts is entrusted to an audit firm registered in the register of statutory auditors and audit firms, set up pursuant to article 2, paragraph 1, of Italian Legislative Decree no. 39/2010.

2. INFORMATION ON OWNERSHIP STRUCTURES (pursuant to article 123-bis, paragraph 1, of Consolidated Financial Act)

The information reported below, unless otherwise indicated, refers to the date of approval of this Report, i.e. 11 March 2015.

2.1. Share capital structure (pursuant to article 123-bis, paragraph 1, letter a), of Consolidated Financial Act)

The share capital of SAES Getters S.p.A. is EUR 12,220,000.00, fully paid-up, and is divided into 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.	Art. 5, 6, 11, 26, 29, 30 By-laws
Shares with limited voting rights	0	0	-	-
Savings shares (without holding rights)	7,378,619	33.46	MTA STAR segment – Borsa Italiana S.p.A.	Art. 5, 6, 11, 26, 29, 30 By-laws

All shares are without par value and currently have an implied book value (understood as the ratio between the total amount of the share capital and the total number of issued shares) of EUR 0.554196.

Each ordinary share awards the right to vote without any restrictions. All administrative and economic rights and the obligations provided for by law and the By-laws are connected to ordinary shares. Savings shares are without voting rights in ordinary and extraordinary meetings.

The rights related to the different classes of shares are indicated in the By-laws, and in particular in articles 5, 6, 11, 26, 29 and 30. The By-laws are available on the Company website www.saesgetters.com (Investor Relations/Corporate Governance/Company By-laws section).

The ordinary shares are registered shares, whereas the savings shares are either bearer shares or registered shares according to the choice of the Shareholder or the provisions of law. All shares are issued in dematerialised form.

Each share awards the right to a proportion of the profits allocated for distribution and the shareholders' equity resulting from liquidation, without prejudice to the rights established in favour of savings shares, as set forth in articles 26 and 30 of the By-laws.

More precisely, the net profits of each financial year are distributed as follows:

- 5% to the legal reserve, until the latter has reached one fifth of the share capital;

- the remaining amount is distributed as follows:

    - savings shares are entitled to a preferred dividend of 25% of the implied book value. When savings shares are assigned a dividend of less than 25% of the implied book value in a particular financial year, the difference will be made up on the preferred dividend in the next two financial years;
    - the residual profits that the Shareholders' meeting decides to distribute will be divided among all the shares in such a way to ensure that the savings shares will be entitled to a total dividend that will be higher than ordinary shares by 3% of the implied book value (understood as the ratio between the total amount of the share capital and the total number of issued shares)

In the event of the distribution of reserves, shares have the same rights irrespective of the category to which they belong.

In the event of the winding-up of the Company, savings shares have priority in the reimbursement of capital for their implied book value.

To the present date, the Company does not hold any treasury shares.

The share capital may also be increased by issuing shares with different rights from those of the shares already issued. In the event of an increase in share capital, the owners of shares in each category have the proportional right to receive, in option, newly-issued shares of the same category and, if these are not available or to make up the difference, the shares of another category (or other categories).

The resolutions to issue new shares with the same characteristics of those in circulation do not require the further approval of special shareholders' meetings.

If ordinary or savings shares are excluded from trading, the savings shares shall be awarded the same rights as those previously due to them.

There are no other financial instruments that award the right to subscribe newly-issued shares.

2.2. Restrictions on the transfer of shares (pursuant to article 123-bis, paragraph 1, letter b), of Consolidated Financial Act)

There are no restrictions on the transfer of shares.

Nevertheless, attention is drawn to the indications of subsequent article 2.8 and several restrictions applicable to Significant Persons for limited periods of time (so-called blackout periods) as identified in the Internal Dealing Code published in the Company website www.saesgetters.com.

2.3. Significant investments in capital (pursuant to article 123-bis, paragraph 1, letter c), of Consolidated Financial Act)

S.G.G. Holding S.p.A. is the majority shareholder of the Company currently holding 7,812,910 SAES Getters S.p.A. ordinary shares, representative of 53.25% of the ordinary capital, according to the understanding of the Company on the basis of the communications received pursuant to article 120 of the Consolidated Finance Act and articles 152-*sexies* and 152-*octies* of the Regulations for Issuers.

The parties that hold voting rights exceeding 2% of the subscribed capital, represented by shares with voting rights, according to the results of the shareholders' register updated on 31/12/2014 and supplemented by the communications received by the Company up to the present date and by other information, are:

Declarer	**Direct shareholder**	**% of ordinary capital (14,671,350 ordinary shares)**	**% of voting capital (14,671,350 ordinary shares)**
S.G.G.HoldingS.p.A.	S.G.G.Holding S.p.A.	53.25	53.25
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. Shares with special rights (pursuant to article 123-bis, paragraph 1, letter d), of Consolidated Financial Act)

Shares that grant special controlling rights have not been issued, nor are there any parties that hold special powers pursuant to the provisions of law and the By-laws in force.

2.5. Shareholdings of employees: system for exercising voting rights (pursuant to article 123-bis, paragraph 1, letter e), of Consolidated Financial Act)

The company does not have share-based incentive plans (stock options, stock grants, etc.).

2.6. Restrictions on voting rights (pursuant to article 123-bis, paragraph 1, letter f), of Consolidated Financial Act)

There are no restrictions on voting rights.

2.7. Shareholder Agreements (pursuant to article 123-bis, paragraph 1, letter g), of Consolidated Financial Act)

The Company is unaware of any agreements stipulated by Shareholders pursuant to article 122 of the Consolidated Finance Act.

2.8. Change of control clauses (pursuant to article 123-bis, paragraph 1, letter h), of Consolidated Financial Act) and provisions laid down by the By-laws on Takeover Bids (pursuant to articles 104, paragraph 1-ter, and 104-bis, paragraph 1)

The companies of the Group, in the normal course of business, are party to supply agreements or collaboration agreements with customers, suppliers and industrial or financial partners, which, as customary in international agreements, at times include clauses that assign the counterparty or each party the power to cancel these agreements in the event of any changes in control on the part of the Parent Company, SAES Getters S.p.A., or, more generally, on the part of one of the parties. None of these agreements are significant.

Several companies of the Group are also party to bank financing agreements, as well as credit lines: these agreements with the credit institutions, as customary in these types of agreement, set forth the right of the institutions to request or claim the early reimbursement of the loans and the obligation on the part of the financed company to redeem all the sums it has used in advance, if there is a change in the control of the financed company and/or the parent company (SAES Getters S.p.A.). The debt exposure for which the application of the change of control clause may be applied is approximately 24.3 million euros.

With reference to the provisions in force on takeover bids, it is to be noted that the By-laws do not provide for any derogation of the provisions on the passivity rule set forth in article 104, paragraphs 1 and 2, of the Consolidated Finance Act, nor do they expressly provide for the application of the neutralisation rules set forth in article 104-*bis*, paragraphs 2 and 3, of the Consolidated Finance Act.

2.9. Authorisation to increase share capital and authorisations to purchase treasury shares (pursuant to article 123-bis, paragraph 1, letter n), of Consolidated Financial Act)

The extraordinary Shareholders' Meeting of 23 April 2013 granted the Board the power, pursuant to article 2443 of the Italian Civil Code, to increase the share capital, with or without consideration, in one or several occasions within a period of five years from the resolution up to an amount of EUR 15,600,000,

- by means of one or more increases without consideration, without the issue of new shares (with a consequent increase in the implied book value of all shares already in issue), or by assigning ordinary and savings shares, in proportion to the ordinary and savings shares already held, in observance of the provisions of Article 2442 of the Civil Code; the increase may be effected - within the limit of the amount authorised - by drawing from the available reserves posted in the financial statements for the year ended 31

December 2012, without prejudice to the obligation for the Board of Directors to check that such reserves exist and are usable at the time of the capital increase;

and/or

- by means of one or more increases with consideration, with the issue of ordinary and/or savings shares, having the same characteristics as the corresponding shares already in issue, to be offered pre-emptively in the form of rights, with the right for the administrative body to determine the issue price, including any premium; it is stipulated that the conversion shares in such increase(s) cannot be issued with an implied book value less than thatof the shares in issue at the time of the board resolution(s) to issue shares.

The Shareholders' meeting of 29 April 2014 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, taking the shares already held in the portfolio by the Company itself into account, and any case within the limits permitted by law, for a consideration, inclusive of all additional purchase charges, but no more than 5% and no less than 5% of the official stock-exchange price registered by the share at the close of the trading session prior to each individual transaction.

During the Financial Year at the Board did not set up any treasury share purchase program, and therefore did not make use of the authorisation granted by the Shareholders' Meeting of 29 April 2014 (nor did it use, in the months prior to the Shareholders' Meeting, the authorisation previously granted by the Shareholders' Meeting of 23 April 2013).

As stated in the previous paragraph, to the present date, the Company does not hold any treasury shares.

The withdrawal of the resolution for the purchase of treasury shares and the use of the latter, adopted by the Shareholders' Meeting of 29 April 2014, and the proposal to adopt a similar resolution is entered in the agenda of the subsequent Shareholders' Meeting, in ordinary session, planned for 28 April 2015.

Reference is to be made to the special explanatory report for the Shareholders' Meeting prepared by the Board of Directors on this subject, pursuant to article 73 of the Regulations for Issuers, which shall be filed, within the time limits provided for by the laws in force (i.e. at least 21 days prior to the date of the Shareholders' Meeting) at the registered office of the Company, as well as made available on the Company website www.saesgetters.com (Investor Relations/Shareholders' Meeting).

2.10. Management and Coordination (pursuant to article 2497 and subsequent ones of the Italian Civil Code)

The Company is not subject to management or coordination, pursuant to article 2497 *et seq.* of the Italian Civil Code.

For the purposes of article 37, paragraph 2, of the Market Regulations, it is to be specified that, following the assessment of the Board, confirmed on this date, considering the presumption set forth in article 2497 of the Italian Civil Code to be overcome, S.G.G. Holding S.p.A. does not manage or coordinate SAES Getters S.p.A. by virtue of the majority interest held by it. This is in consideration of the fact that S.G.G. Holding S.p.A., from a managerial, operational and industrial point of view does not play any role in the definition of the long-term strategic plans, the annual budget and the choice of investments, nor does it approve specific significant transactions of the Company and its subsidiaries (acquisitions, transfers, investments, etc.). Furthermore, it does not coordinate business initiatives and actions in the sectors in which the Company and its subsidiaries operate, and it does not give instructions or provide technical, administrative and financial services or coordination in favour of the Company or its subsidiaries.

The Company is fully independent from an organisational and decision-making point of view, and has independent negotiating capacity in dealings with customers and suppliers.

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It is to be specified that the information required by article 123-*bis*, paragraph 1, letter i) ("*the agreements between the Company and the Directors (…) that provide for compensation in the event of resignation or dismissal without just cause or if employment is terminated following a takeover bid*") is contained in the remuneration report published pursuant to article 123-*ter* of the Consolidated Finance Act.

Furthermore, the information required by article 123-*bis*, first paragraph, letter l) ("*the laws applicable to the appointment and replacement of the directors (…) as well as the amendment of the company by-laws, if different from the laws and regulations additionally applicable*") is included in the section of the Report dedicated to the Board of Directors (section 4).

3. COMPLIANCE (pursuant to article 123-bis, paragraph 2, letter a), of Consolidated Financial Act)

The Corporate Governance system of SAES Getters S.p.A. is essentially based on the transposing of the principles and recommendations contained in the Corporate Governance Code (and any subsequent versions), which the Board of Directors decided to comply with on 23 February 2012 and can be found on the website of Borsa Italiana S.p.A. www.borsaitaliana.it, in the conviction that the principles and provisions expressed therein contribute significantly to the achievement of the proper and entrepreneurial management of the Company as well as to the creation of value for Shareholders, increasing the level of trust and interest of investors, foreign or otherwise.

The company did not adopt nor comply with corporate governance codes other than the one promoted by Borsa Italiana.

The following Report provides information on the corporate governance of SAES Getters S.p.A. and on the level of compliance of the Company with the Corporate Governance Code.

When drafting the Report, the Company mainly used the format circulated by Borsa Italiana S.p.A. in January 2015 (V edition), applying the "*comply or explain*" principle and therefore stating the reasons for the failure to comply with one or several provisions, as well as indicating the corporate governance practices actually applied by the Company beyond the obligations prescribed by laws and regulations, pursuant to article 123-*bis* of Consolidated Financial Act and article 89-*bis* of the Regulations for Issuers.
Neither the Company nor its major subsidiaries are subject to non-Italian legal provisions that influence the structure of the Corporate Governance of SAES Getters S.p.A.

4. BOARD OF DIRECTORS

4.1.Appointment and replacement of directors (pursuant to article 123-bis, paragraph 1, letter l), of Consolidated Financial Act)

The Board is appointed by the Shareholders' Meeting, on the basis of lists presented by the Shareholders, according to the procedure set forth in article 14 of the Company By-laws, and in any case without prejudice to the application of different and further provisions under mandatory laws or regulations or depending on the compliance with or subjecting of the Company to codes of conduct drafted by the management companies of regulated markets or trade associations.

As resolved by the Board of Directors of 23 February 2012, on the occasion of the Shareholders' Meeting called to renew the Board of Directors of the Company on 24 April 2012, the Company applied the provisions of the Code regarding the composition of the Board of Directors and its Committees and, in particular, the provisions of principles 5.P.1., 6.P.3. and 7.P.4., as well as application criteria 2.C.3. and 2.C.5.

At present, the Board believes that the Directors should be appointed by following a transparent procedure, as described below.

On the present date, only those Shareholders that, taking into consideration the shares registered in favour of the shareholder on the day of deposit of the list at the Company offices, individually or together with other Shareholders, own voting shares representing at least the percentage in the voting capital equal to the one indicated in article 144-*quater* of the Regulations for Issuers, are entitled to present lists for the appointment of the Directors. On the date of this Report the requested amount is 2.5% of the share capital with voting rights.

The lists, signed by the submitting shareholders, complete with the information and documents requested by law, or filed by the Shareholders at the Company headquarters within the twenty-fifth day prior to the date of the Shareholders' Meeting convened to appoint the members of the Board of Directors. The Company makes these lists available to the public at its headquarters, as well as at the management company of the markets and on its website, within the terms and using the methods provided for by the applicable laws in force.

Each list contain a number of candidates that is no higher than fifteen, each with a progressive number. Each list must contain and expressly identify at least one Independent Director[1], with a progressive number no higher than seven. If the list has more than seven candidates, it must contain and expressly identify a second Independent Director.

A Shareholder may not submit nor vote for more than one list, even through intermediaries or trust companies. The candidate may appear on one list only, under penalty of ineligibility.

At the end of the voting, the candidates on the two lists that have received the highest number of votes are elected, according to following criteria: (i) from the list that received the highest number of votes, (hereinafter also "Majority List"), all the members of the Board are selected, in the number previously established by the Shareholders' Meeting, minus one; within these number limits, the candidates are elected in the order they appear on the list; (ii) from the list with the second-highest number of votes and that is not connected, even indirectly, with the Shareholders that have submitted or voted for the Majority List pursuant to applicable regulations (hereinafter also "Minority List"), one Director is selected, and more precisely the candidate indicated with the first number on the list; however, if not even one Independent Director is elected from the Majority List in the event that the Board is made up of no more than seven members, or if only one Independent Administrator is elected in the event that the Board is made up of more than seven members, the first Independent Administrator stated in the Minority List will be elected, rather than the first name on the Minority List.

However, lists are not taken into consideration unless they obtain a percentage of votes equal at least to half the percentage required for submitting them.

If one or more lists receive the same number of votes, the one presented by Shareholders owning the highest shareholding when the list is submitted shall prevail or, subordinately, the one submitted by the highest number of Shareholders.

If only one list is submitted, the Shareholders' Meeting votes on this list and if it obtains the majority of the voters, without taking abstentions into account, 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 is made up by more than seven members, a second Independent Director is elected, in addition to the Independent Director that must be listed among the first seven candidates.

[1]Meaning a Director that satisfies the requirements of independence prescribed by article 147-*ter*, paragraph 4 of the Consolidated Finance Act, as well as the further requirements of independence provided for in the Corporate Governance Code.

If no list is submitted, or if the number of Directors elected on the basis of the lists is lower than the number established by the Shareholders' Meeting, the members of the Board of Directors are appointed by the Shareholders' Meeting with the majority requested by law, without prejudice to the obligation of the Shareholders' Meeting to appoint the minimum number of Independent Administrators required.

The company is not subject to special regulations of the sector regarding the composition of the Board of Directors.

The shareholders' meeting convened on 24 April 2012 resolved to fix 11 (eleven) members of the Board of Directors and appointed the following persons as directors: Mr. Stefano Baldi, Mr. Emilio Bartezzaghi, Mr. Giulio Canale, Mr. Adriano De Maio, Ms. Carola Rita della Porta[2], Mr. Luigi Lorenzo della Porta, Mr. Massimo della Porta, Mr. Andrea Dogliotti, Mr. Pietro Alberico Mazzola, Mr. Roberto Orecchia and Mr. Andrea Sironi.

The term of the mandate of the Board of Directors, which was appointed on 24 April 2012, expires after a three-year period with the approval of the financial statements regarding the financial year closed as at December 31, 2014. The Shareholders' Meeting to be called, then, will be required to take a resolution on the appointment of the Board of Directors, after determining the number of its members. Reference is made to the report prepared by the Directors on the subjects in the Meeting's agenda, which will be filed at the company's registered office, in the 1Info system at www.1info.it and also made available on the Company's website www.saesgetters.com, section Investor Relations/Assemblea degli Azionisti, by the terms established by the laws in force.

4.1.1. Succession Plans

In its meeting of 19 February 2013, the Board of Directors, having consulted the Remuneration and Appointment Committee that met to discuss this subject on 15 February 2013, assessed how the structure of the body of shareholders was characterised by the presence of a stable majority shareholder, as well as the existence of powers of representation of ordinary and extraordinary administration equally granted to both the executive directors and thus, on the present date, considers it unnecessary to setup ad hoc succession plans.

4.2. Composition (pursuant to article 123-bis, paragraph 2, letter d, of Consolidated Financial Act)

The current Board of Directors of the Company was appointed by the ordinary Shareholders' Meeting on 24 April 2012 using the slate system pursuant to article 14 of the Company By-laws. It is to be noted that only one list was submitted by the majority shareholder S.G.G. Holding S.p.A., which obtained 95.24% of the voting capital. The Board of Directors elected through this system shall remain in office until the approval of the financial statements as at 31 December 2014.

The current By-laws set forth that the Shareholders' Meeting may select a minimum of three (3) and a maximum of fifteen (15) Directors. The higher, maximum number of

[2]Resigned from her position in office on 24 April 2013 and on 9/05/2013 the Board of Directors co-opted Ms. Alessandra della Porta to replace the resigning Director.

Directors reflects the need to structure the Board in a way that is more suited to the needs of the Company, also in relation to the number of its subsidiaries and the various business areas in which the group operates. Furthermore, it allows the company to procure a range of professionals from different areas and to integrate different skills and experience in order to respond better to current and future demands, maximising value for Shareholders. The complex and broad range of interests of the Company and the Group make it increasingly necessary to have different professions, experience and expertise within the administrative body. When the Board has a higher number of members it is in a position to guarantee better internal communication and to carry out its responsibilities more efficiently, with the necessary skill and authority, responding promptly to the increasingly complex subjects that the Company has to confront.

In compliance with articles 147-*ter*, paragraph 1-*ter*, and 148, paragraph 1-*bis*, of Italian Legislative Decree no. 58 of 1998, as amended by Italian Law 12 July 2011 no. 120 on the subject of equality of access to the administration and control bodies of companies listed in regulated markets, the Board amended articles 14 and 22 of its By-laws to ensure the presence of both genders in the administration and control bodies of the Company.

On 31/12/2014 the Board of Directors was composed of eleven Directors, as indicated in Table 1 annexed to this Report.

The personal and professional information of each Director is provided below:

Stefano BALDI -born in Trieste on 26 May 1950

He graduated with a Law degree from the Università degli Studi of Trieste in 1975.

In 1977 he held the position of export manager at Acciaierie Waissenfels S.p.A. in Fusine (UD), a leading company in the industrial and snow chains sector.

In 1978 he started to work as product manager in Laboratori DON BAXTER S.p.A. in Trieste, a pharmaceutical company.

In 1983 he was employed as associate sales manager and then as marketing manager by GEFIDI S.p.A. of Trieste, a company promoting financial products and Italian mutual funds.

From 1986 to 1988 he was employed as a marketing manager in HAUSBRANDT S.p.A., a company operating in the coffee sector.

Subsequently, up to 1990, he held the position of inspector in Friuli-Venezia Giulia for ASSICURAZIONI GENERALI S.p.A.

He has been a Director of SAES Getters S.p.A. since 1987.

Emilio BARTEZZAGHI –born in Milan on 1 5 January 1948

He graduated with a degree in Electronic Engineering in 1971 from the Politecnico di Milano.

He is currently Full Professor of Business Management at the Department of Management Engineering of the Politecnico di Milano, where he is an Organisational Systems lecturer.

He is vice-chairman of the Fondazione Politecnico di Milano and member of the assessment Group of the University of Verona.

From 2004 to 2008 he was appointed Rector for Internationalisation of the Politecnico di Milano.

He is a member of the Committee for the Protection of Impartiality and Product Quality and Certiquality, and is independent administrator of the Boards of Directors of the Artemide Group and SAES Getters.

He has contributed to the development of Management Engineering in Italy, not only as a lecturer and researcher, but by carrying out intense organisational and cultural activities: in fact he was Director of the Department of Management Engineering of the Politecnico di Milano from 1993 to 2000 and Chairman of the MIP - Business School of the Politecnico di Milano from 2000 to 2004.

He was Chairman of the Italian Association of Management Engineering, member of the board of the European Operations Management Association and Professor of EIASM - European Institute for Advanced Studies in Management of Brussels.

His interest in research concerns the management of innovation and organisational change, operations and supply chain management, and capital organisation and management. From the beginning of his career he has combined research and teaching with consultancy for both companies and public bodies.

He has been a Director of SAES Getters S.p.A. since 2012.

Giulio CANALE -born in Genoa on 16 March 1961

He graduated with a degree in Economics and Business from the Università degli Studi of Genoa.

From 1984 to 1989 he embarked upon his career at the Milan branch of a leading advertising company, IGAP S.p.A. There he held various positions, finally reaching the position of Sales Manager.

He joined the SAES Getters Group in 1990. His first position, after a brief acclimatisation period at SAES Getters S.p.A., the central headquarters of the SAES Getters Group, was as representative of the interests of the Group at SAES Getters Korea (known at that time as Hankuk Getters Corporation), where he remained for four years. The last position he held at SAES Getters Korea was as Representative Director, a position equivalent to that of Managing Director of an Italian Company. To the present date he is still Chairman of SAES Getters Korea.

In 1994 he moved to the Tokyo office of SAES Getters Japan, taking on the delicate role of Asian Markets Coordinator. In this position he promoted the international expansion of the Group, managing workgroups responsible for the incorporation of new companies in Singapore, Taiwan and China and coordinating all the activities of the Asian Companies of the Group existing at that time (SAES Getters Japan, SAES Getters Korea, SAES Getters Singapore and its Branch in Taiwan, SAES Getters Representative Office in Shanghai, PRC). In particular, he also held the position of Chief Negotiator of the SAES Group delegation that negotiated the setting-up of a Joint Venture in Nanjing, PRC, with a Chinese partner: this joint venture was inaugurated in November 1997.

In 1997 he returned to SAES Getters S.p.A. in Lainate, Milan, being appointed vice Managing Director, and holding the position of SAES Group Subsidiaries Director. His responsibilities as Managing Director were those typically associated with the position pursuant to Italian legislation. In his role as Subsidiaries Director, he was responsible for ensuring that the strategic and operational instructions of the SAES Getters Group were correctly transferred and followed precisely at the Subsidiaries, in coordination with the other company Management departments involved from time to time. Among the other activities assigned to the role, he supervised the drafting of the Business Plan of the Subsidiaries, suggested possible local reorganisation and restructuring, coordinated the activities required for the opening of new companies or acquisitions, and proposed SAES Getters presence strategy in new market areas, especially in emerging and prospective future markets.

In 2003 he was reconfirmed Managing Director and appointed Group Deputy Chief Executive Officer.

In 2006 he was confirmed Managing Director and appointed Group Deputy Chief Executive Officer, as well as Group Chief Financial Officer.

In 2009 he was appointed Vice Chairman and Managing Director and appointed Group Deputy Chief Executive Officer, as well as Group Chief Financial Officer.

In 2012 he was reconfirmed Vice Chairman and Managing Director, Chief Deputy Executive Officer and Group Chief Financial Officer.

Finally, he is a member of the Board of Directors of various companies of the SAES Getters Group. In particular he is the Chairman of ETC S.r.l., SAES Getters Export Corp., SAES Pure Gas Inc., SAES Smart Materials Inc., Chairman di SAES Getters Korea and Vice-Chairman of SAES Getters International Luxembourg.

He is also a Director of S.G.G. Holding S.p.A.

Alessandra DELLA PORTA –born in Milan on 27 July 1963.

She was awarded a Law degree in March 1989fromUniversità degli Studi of Milan

Profession:

She is registered in the Register of Lawyers on 9 July 1992

She is registered in the Register of Court of Cassation Lawyers on 21 November 2007

She was a member of the professional Association “Janni Fauda e associate” from July 1999 to July 2009

She was a member of the professional Association “NCTM” from July 2009 to June 2010

Currently she is a partner in the Professional Association “Studio DPC”

Specialisation:

Civil law in general with particular specialisation in family Law.

She has been a Director of SAES Getters S.p.A. since 2013.

Luigi Lorenzo DELLA PORTA –born in Milan on 5 March 1954.

He embarked upon his career in Rome in 1975by founding the first private radio station of the capital with other partners, which he managed until 1979 when he opened the RAM production centre that produces and distributes news and current affairs programmes to private radio stations in Italy.

From 1979 he managed the Soram company, the owner of large recording studios studies, which he sold in 1983, the year in which he founded the Delven company, which he is still manages today and which markets historical military finds from 1500 to 1945.

In 1997 he took over a business together with a partner in the centre of Rome offering various collectible items -an activity that has made the shop famous allover the world.

He has been a Director of SAES Getters S.p.A. since 2012.

Massimo DELLA PORTA -born in Pontremoli (MS) on 8 September 1960

He graduated with a degree in Mechanical Engineering from the Politecnico di Roma in 1989.

In April 1989, he began working at one of the companies of the SAES Getters Group, the SAES Metallurgia of Avezzano (AQ), as a researcher and with the specific task of creating an applied research laboratory at the SAES Metallurgia di Avezzano subsidiary. In this role, he was also responsible for the activities carried out in Avezzano (southern area) as part of a project funded by IMI and concerning the "Super-purification of gas”.

In 1991, after having worked for approximately one year in a project to improve production processes, he was involved in the management of production of SAES Metallurgia S.p.A.

In 1992 he took on the role of Technical Manager of the subsidiaries of Avvezzano, responsible for the coordination of applied research and production activities of the two companies, SAES Metallurgia and SAES Engineering.

From 1993 to 1985 he personally followed the construction (and partial design) of a new plant in Avezzano, the SAES Advanced Technologies factory, and travelled regularly to Korea to follow the construction of the second plant in Chinchon and the USA plant, SAES Pure Gas.

During the same period he worked as a project leader in several innovative projects of the Group with the responsibility of industrialising new products developed by the Central Research and Development department within the SAES 2001 project. In this role he co-ordinated multi-disciplinary and multi-national workgroups whose mission was to design, build and launch mass production plants.

In 1995 he followed the start-up of new production lines at the new SAES Advanced Technologies plant, as well as the transfer of several production lines from the factory in Lainate. Furthermore, in his role as Technical Manager, he followed the ISO 9001 certification of the companies in Avezzano.

In 1996 he moved with his family to Milan in order to take on the role of Group Innovation Manager at the parent company SAES Getters S.p.A., while simultaneously maintaining his previous responsibilities at the production sites in Avezzano.

In 1997 he took up the position of Vice Chairman and Managing Director of SAES Getters S.p.A. In the same year he was appointed Chief Technology and Innovation Officer of the Group and was in charge of IT Systems at a Group level.

In 1998 he launched and coordinated a global project for the creation of a corporate intranet system, the linking of all the subsidiaries of the Group and the development of support applications supporting the local and Group management activities.

In 2003 he was reconfirmed Vice Chairman and Managing Director, Chief Technology & Innovation Officer of the Group and was appointed Group Chief Executive Officer.

In 2009 he was appointed Chairman and reconfirmed Group Chief Executive Officer and Chief Technology & Innovation Officer of the Group.

In 2012 he was reconfirmed Chairman and Group Chief Executive Officer and Group Chief Technology& Innovation Officer.

He is member of the Board of Directors of various companies within the SAES Getters Group. He is also the Chairman of SAES Advanced Technologies and Director of SAES Nitinol S.r.l., Chairman of Spectra-Mat, Memry Corp., SAES Getters International Luxembourg S.A. and Actuator Solutions GmbH.

He is a director of S.G.G. Holding S.p.A..

He has been an independent director of Alto Partners SGR S.p.A. since December 2004.

He is a manager of MGM Srl.

He is the Inventor and/or co-inventor of alloys and products for which patents have been obtained.

Member of EIRMA (European Industrial Research Management Association).

Adriano DE MAIO –born in Biella, on 29 March1941.
He graduated with a degree in Electrical Engineering from the Politecnico di Milano in 1964.

He was Full Professor of Corporate Management, Innovation Management and Management of Complex Projects at the Politecnico di Milano from 1969 until 2012, and was Rector from 1994 to 2002. He was a Full Professor of Economics and corporate innovation management at the Università Luiss Guido Carli, of which he was Rector from 2002 until 2005 and Chairman of the IReR (Research Institute of Lombardy) from 1996 to 2010. In 2003-2004 he was Extraordinary Commissioner of the National Research Centre.

He has been Chairman of the CEN European Centre of Nanomedicine Foundation since its incorporation in 2009. He has also been Chairman of the Science Park Area of

Trieste since February 2012. He currently sits on the Scientific Committees of the Italian Space Agency, the Fondazione Politecnico and the Fondazione Tronchetti Provera and is a member of the Board of Directors of Saes Getters S.p.A., Telecom Italia Media S.p.A., TXT e-solutions S.p.A. and EEMS S.p.A.. He is member of the board of Unitech, an international programme that groups together top multi-national universities, and has received an honorary degree in Engineering from the École Centrale de Paris.

He is the author of numerous publications in national and international scientific journals.

He has been a Director of SAES Getters S.p.A. since 2001.

Andrea DOGLIOTTI -born in Genoa on 23 January 1950, married, one daughter.

He studied classics at high school and graduated with an honours degreecum laude in Mechanical Engineering/Methods for Conducting Business in Genoa, February 1974, with top marks. He has excellent knowledge of English, French, economy, law and computer science.

From 1974 to 1995 he worked at Italimpianti and became manager in1981,where he was involved in the setting up and assessment of projects and investment plans in Italy and abroad. He managed major industrial logistics projects in Italy. He also dealt with industry strategies and the organisational approach of the company and the IRI Group. He is the member of the Board of Directors of various operating companies.
From 1995 to 2005 he was the " Logistics Development Manager" of a leading Italian international shipping and logistics company. He managed and developed logistics planning, project management, IT systems and quality systems.
From 2005 to 2010 he was the Chairman of Fos Progetti S.r.l., a consultancy company based in Genoa. He followed organisation, IT, innovative technologies and internationalisation projects.

He has been working as a freelance consultant in "Technology, Processes and Strategies" since 2010.

Has been a member of the Board of Directors of SAES Getters S.p.A. since 2006, as well as a member of the Audit Committee since 2009.

Pietro Alberico MAZZOLA – born in Milan on 13 June 1960

He is Full Professor of "Business strategy and policy" at the Università IULM of Milan and Adjunct Professional Professor of "Financial Statements" at the Università L. Bocconi of Milan.

He also holds the following positions:

- senior lecturer of Strategy in the Management School of the Università L. Bocconi of Milan;

- member of the Board of Directors of the Italian Society of Engineering and Business Economics Lecturers;

-member of the editorial board of the Family Business Review, Journal of Family Business Strategy and Financial Reporting journals;

- registered in the Register of Chartered Accountants, the Register of Auditors and member of the European Accounting Association;

- expert consultant in several civil and criminal proceedings pending before the public judicial authorities or arbitration boards, in determining the damage or value of companies and company branches;

- management consultant for several medium-sized Italian companies;

- co-founder of Partners - Consulenti e Professionisti Associati S.p.A.;

- co-author of the listing guide for the industrial plan prepared by Borsa Italiana S.p.A.;

- member of the examining board for the CONSOB public tender, held in 2005, based on qualifications and examinations, to ten positions of assistant on a trial basis in the operational career of permanent personnel, for economics graduates;

- author and co-author of various national and international publications (H-Index database Scopus: 7) among which:

- Is Corporate Board More Effective Under IFRS or “It’s just an Illusion?”, Journal of Accounting, Auditing & Finance, 2014;

- The Influence of the institutional context on corporate illegality, Accounting, Organizations and Society, 2013;

- Family Management and Entrepreneurial Orientation: Exploring linear and non-linear effects, Entrepreneurship: Theory and Practice, 2013;

- A Note on the Non-Linear Effects of Family Sources of Power on Performance, Journal of Business Research, 2013;

- Board monitoring and Earnings management pre and post-IFRS, The International Journal of Accounting, 2011;

- Earnings Management for Income Smoothing in Family-Controlled Companies, Corporate Governance: An International Review, 2011;

- Family involvement in ownership and management: exploring non-linear effects on performance, Family Business Review, 2008;

- Strategic Planning in Family Business: a powerful developmental tool for the next generation, Family Business Review, 2008;

- Building reputation on financial markets, Long Range Planning, 2006;

- The “Thresholds of Punishability” in new regulations on false corporate notices: several problems in application, in Business Jurisprudence, 2004

- The industrial plan. Design and communication of corporate strategies, Milan, Egea, 2003;

- The Role of Going Public in Family Business’ Long-Lasting Growth: A study of Italian IPOs, in Family Business Review, 2002.

He has been a Director of SAES Getters S.p.A. since 2008.

Roberto ORECCHIA –born in Turin on 19 September 1952

He graduated with a degree in Medicine and Surgery from the University of Turin in 1980.

He specialised in three areas: Radiotherapy, Medical Oncology and Medical Imaging.

From 1980 to 1994 he conducted his medical and scientific activities as a Doctor and as University Researcher at the Radiotherapy Division of the Radiology Institute of the University of Turin. In 1994 he became Full Professor of Radiotherapy at the Università degli Studi in Milan and Director of the Radiotherapy Division of the European Oncology Institute (IEO) of Milan. In recent years has held various scientific positions (Chairman of the Italian Therapeutic Radiation Association (AIRO), Director of the School of Specialisation in Radiotherapy, Chairman of the Degree Course in Radiological Techniques etc.). He currently holds the position of Director of the Medical Imaging and Radiation Sciences department and is Scientific Co-Director of the European Oncology Institute of Milan, Scientific Director of the National Centre of Oncological Hadrontherapy of Pavia (CNAO) and Chairman of the Italian Therapeutic Radiation Association (AIRO) of Lombardy. He is the author of approximately 300 scientific publications in the most prestigious journals. The field which interests Mr. Orecchia most is advanced radiotherapy, radiotherapy in breast and prostate neoplasia, and hadrontherapy.

He has been a Director of SAES Getters S.p.A. since 2009.

Andrea SIRONI - born in Milan on 13 May 1964

He was awarded an honours degree cum laude with top marks in Political Economy in March 1989,specialising in "International Economics", from the Università Commerciale L. Bocconi.

He has been Rector of the Università Bocconi since October 2012 and is a professor of Economics of Financial Intermediaries at the same University. He was previously pro-rector to international relations and Dean of the graduate school.

He has been the Chairman of CEMS, the global alliance of management schools, since November 2014.

He was a visiting scholar at the Department of Finance of the Stern School of Business of New York University and visiting professor at the Division of Research and Statistics of the Federal Reserve Board of Washington.

He was an independent director of the Banco Popolare.

He was Vice-Chairman of Banca Aletti SpA until September 2012.

From 1989 to 1990 he was a financial analyst at the Chase Manhattan Bank of London.

His research mainly concerns the measurement and management of risk in financial institutions and the regulation of markets and financial institutions.

He has published various articles in international scientific journals and numerous Italian and international books.

He has been a Director of SAES Getter S.p.A. since 2006.

4.2.1. Maximum number of positions held in other companies

In compliance with principle 1.P.2. of the Code, the Directors of the Company act and pass resolution in full cognition of the facts and independently, pursuing the objective of creating value for the Shareholders. In compliance with application standard 1.C.2. of the Code, the Directors accept the office when they believe they can dedicate the time necessary to diligently perform their duties, also taking into consideration the number of positions as director or auditor held in other companies listed in regulated markets, even abroad, in financial, banking, insurance companies or large companies.

The Board reveals and reports the positions of director or auditor held by the Directors in listed companies and in the other companies listed above in the Corporate Governance Report. The offices of director or auditor held by each Director in other companies listed in regulated markets, even abroad, in financial, banking, insurance companies or large companies as at 31 December 2014, as disclosed in the board meeting of 18 February 2015, are stated in Annex 2 of this Report.

The Board believes that the accumulation of an excessive number of positions in boards of directors or boards of auditors in companies, whether listed or not, may compromise or risk the efficient performance of the position of Director in the Company.

In compliance with application standard 1.C.3 of the Code, the Board defined some general principles regarding the maximum number of administration and control positions in other companies that may be considered compatible with the efficient performance of the role of Director of the Company, taking into account the participation of the directors in the committees set-up within the Board itself.

In particular, in the meeting of 21 December 2006 the Board considered it appropriate to assign a score to each position, different from the one assigned to the office of member of the Board of the Company. The score differs based on the commitment related to the type of office (executive/non-executive director), as well as in relation to the type and size of the companies in which the position is held. The Board also decided to 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 constitutes a just cause to remove the Director from his/her office.

The Board believes that 100 points constitutes the maximum threshold beyond which the office of Director of the Company cannot be performed with the due efficiency.

The Board of the Company reserves the right to amend and supplement the general principles stated above, taking into account changes in regulations, experience and the best practice gained in this field.

The current 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 company, 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 committee of the listed issuer (Appointment Committee, Control and Risk 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 the controls prescribed by the Consolidated Finance Act other than the subsidiaries of the Company	25
Non-executive director in a company subject to the controls prescribed by the Consolidated Finance 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 unlisted companies, which are not subject to the controls prescribed by the Consolidated Finance Act and not controlled by the Company with net shareholder's equity exceeding €100 million	20
Non-executive Director in unlisted companies, which are not subject to the controls prescribed by the Consolidated Finance Act and not controlled by the Company with net shareholder's equity exceeding €100 million	7
Executive Director in unlisted companies, which are not subject to the controls prescribed by the Consolidated Finance Act and not controlled by the Company with net shareholder's equity less than €100 million	18
Non-executive Director in unlisted companies, which are not subject to the controls prescribed by the Consolidated Finance Act and not controlled by the Company with net shareholder's equity less than €100 million	5
Member of the Board of Auditors in listed companies, banking, financial and insurance companies, whether listed or not	17
Member of the Board of Auditors in unlisted companies, which are not controlled by the Company, but are subject to the controls prescribed by the Consolidated Finance Act	13
Member of the Board of Auditors in subsidiaries of the Company	10
Member of the Board of Auditors in unlisted companies, which are not subject to the controls prescribed by the Consolidated Finance Act and are not controlled by the Company	10
Member of a Supervisory Body	5
Owner (or co-owner) of the management department in a trust	7

In compliance with application standard 2.C.2. of the Code, the Directors are obliged to be aware of the duties and responsibilities concerning their office. The Chairman of the Board ensures that, subsequent to the appointment and during their mandate, the Directors and Auditors are able to participate in initiatives aimed at providing them with an adequate knowledge of the business sector in which the Issuer operates, as well as company trends and development, and the legal framework of reference.

4.3. Role of the Board of Directors (pursuant to article 123-bis, paragraph 2, letter d, of Consolidated Financial Act)

The Board of Directors convenes on a regular basis to examine management trends and business results, as well as all significant transactions. The By-laws provide that the Board is to meet at least every three months.

During the Financial Year the Board met 10 times, with an average attendance rate of 85.5% of the Directors (compared to 83.3% in the 2013 financial year). The attendance of the Executive Directors was 100% (as in the 2013 Financial Year), the attendance of non-executive Directors was on average 82.2% (compared to 79.6% in the 2013 financial year) and the attendance of the Independent Directors was on average 86.7% (compared to 88.9% in the 2013 financial year).

The board meetings lasted an average of approximately 3 hours.

For the 2015 financial year the Board expects to meet at least eleven times, four of which to approve the periodic results. The latter dates were already communicated to Borsa Italiana S.p.A. in December 2014 during the publication of the calendar of company events, made available on the Company website. In 2015, on the date of this Report, the Board had already met three times, on 20 January, 18 February and on the date of approval of this report.

On the occasion of the board meetings the Chairman does his utmost to ensure that the Directors are provided with the documents and information necessary for enabling the Board to express an informed opinion on the topics under its consideration with reasonable notice, where possible together with the notice to attend (generally sent ten days prior to the board meeting). With regard to the financial reports, these are sent with at least two working days' notice, depending on the technical time required to prepare the documents. As an exception, in light of the nature of the resolutions to be passed and due to confidentiality requirements, such as, for example, with regard to strategy plans, with the consent of the Directors, the material may not be forwarded to them or the documents may be made available to the Directors in a data room, which is prepared and dedicated specially for this purpose at the registered office of the Company.

Each Director is entitled to propose topics for discussion at subsequent Board meetings.

The Chairman, with the agreement of those present, may invite persons that are not members of the Board to attend the meetings, as speakers or to provide support. The Officer in Charge of the preparation of the Company's accounting documents pursuant to article 154-*bis* of the Consolidated Finance Act is invited to participate in all the meetings of the Board of Directors regarding the approval of the interim management report, the half-year financial report, the financial statements and the consolidated financial statements, and whenever the agenda of the Board of Directors includes the approval of resolutions that require the issuing of a certificate by the Officer in Charge, and each time that it is considered appropriate by the Chairman, also on the proposal of the Managing Director, when there are items on the agenda of the Board of Directors that may have an impact on the accounting information of the Company or the Group.

The Group General Counsel, who usually acts as Secretary of the Board, may also attend Board meetings.

During the meetings, and in all cases at least once every quarter, pursuant to article 19 of the By-laws, the Board of Directors and the Board of Auditors are informed by the Chairman and the Managing Director, also in relation to subsidiaries, of the activities undertaken, the general business trends, their foreseeable development and the most significant economic, financial and equity-related transactions in terms of size or characteristics, including, where relevant transactions in which Board members have a direct or third party interest.

The Directors examine the information received from the Executive Directors, and are responsible for requesting the latter for any clarifications, explanations or additional information considered necessary or appropriate for a complete and correct assessment of the facts brought to the attention of the Board.

The Board plays a central role in the Corporate Governance system of the Company, being vested with the most extensive powers for the ordinary and extraordinary administration of the Company, with the power to carry out all acts considered necessary for the implementation and the achievement of corporate purposes, with the exclusion of powers that are reserved by law and without exception for the Shareholders' Meeting.

Without prejudice to the exclusive jurisdiction in the subjects set forth in article 2381 of the Italian Civil Code and the provisions of the By-laws, the Board, exclusively and in compliance with application standard 1.C.1 of the Code:

a) defines, applies and updates the corporate governance rules, in conscious accordance with the regulations in force; defines the guidelines of the corporate governance of the Company and the Group it controls;

b) examines and approves the strategic, industrial and financial plans of the Company and the Group it controls;

c) defines the nature and level of risk that is compatible with the strategic objectives of the Company;

d) assesses and approves the annual budget and the investment plan of the Company and the Group it controls;

e) assesses and approves the regular reporting documents provided for by the regulations in force;

f) awards and revokes powers within the Board (and within the Executive Committee, if appointed) defining the limits, methods of exercise and frequency, usually at least every three months, with which such bodies must report to the Board on the activities carried out in the exercising of the powers granted to them; please refer to paragraph 4.4.1 for more information;

g) once the proposals of the Remuneration and Appointment Committee have been examined and the Board of Auditors has been consulted, determines the remuneration of Executive Directors and the other Directors that hold special offices, as well as the division of the total remuneration due to the individual members of the Board, if the Shareholders' Meeting has not already taken care of this matter;

h) monitors and evaluates general management trends, including any conflicts of interest, taking the information received from the Executive Directors, the Remuneration and Appointment Committee and the Audit and Risk Committee into consideration, in particular, as well as regularly comparing the results achieved with planned results;

i) examines and approves significant transactions and transactions with related parties; please refer to paragraph 12 more information;

j) evaluates the adequacy of the organisational, administrative and general accounting structure, as well as the structure of the Company and the subsidiary companies with strategic significance[3], with particular reference to the Internal Control and Risk Management System; please refer to paragraph 11 for more information;

k) evaluates the size, composition and functioning of the Board itself and its Committees, expressing opinions on any professional figures whose presence on the Board it might deem advisable;

l) reports to the Shareholders during the Shareholders' Meeting; provides information in the corporate governance report and, in particular, on the number of meetings of the Board held during the financial year and the related attendance rate of each Director;

m) at the end of each financial year prepares a calendar of the company events for the subsequent financial year; the 2015 calendar of company events was communicated to the market on 9 December 2014;

n) is ultimately responsible for 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 evaluated the strategic plans in the meetings of 22 January and 18 February.

With reference to letter c) above, the Board defined the nature and level of risk that is compatible with the strategic objectives of the Company, as specified in more detail in paragraph 11;

With reference to letter d) above, during the Financial Year, the Board approved the budget of the Company and the Group in the meeting of 22 January 2014; in 2015, on 20 January.

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[3]Intended as a "significant" company in accounting terms (with assets exceeding 2% of the assets in the consolidated financial statements or revenues exceeding 5% of the consolidated revenues) or more generally in terms of the market and the business (therefore a newly incorporated company may also be considered "significant"). On the basis of the updated evaluations at the end of 2014, in compliance with the parameters stated above as well as together with business considerations, the following companies are considered to be significant: SAES Advanced Technologies S.p.A., SAES Nitinol S.r.l., 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. On the contrary, while still complying with the parameters stated above, as a result of business considerations, the following companies are not considered to have strategic significance: SAES Getters International Luxembourg S.A. and SAES Getters Export, Corp.

With reference to letter e) above, in the Financial Year, the Board met for this purpose on 13 March, 13 May, 31 July and 13 November; in 2015, on 11 March.

With reference to letter f) above, the Board did not consider it necessary to fix any limit of power, considering it is adequate to reserve the significant transactions to the Board. Moreover it is to be noted that, in the past, as well as during the Financial Year, the Directors with proxies used the powers assigned to them wisely, only for the normal management of the business, and on which the Board was regularly and promptly updated. The Executive Directors are in fact obliged to report regularly to the Board of Directors and the Board of Auditors on the exercising of the delegated powers, providing adequate information on the actions carried out and, in particular, on any abnormal, atypical or unusual transactions carried out in the exercising of the aforesaid powers. During the Financial Year, the delegated bodies reported regularly to the Board in its subsequent meeting on the activities carried out while exercising the powers granted to them. Please see paragraph 4.4.1 for further information.

With regard to letter g) above, the Board passed resolution on this matter on 18 February, 13 March and 29 April on the proposal of the Remuneration and Appointment Committee, which met on 4 and 18 February.

With reference to letter j) above, the Board of Directors met for this purpose on 11 March and, on the proposal of the Audit and Risk Committee, having consulted and obtained the approval of the Board of Auditors (which met together with the Audit Firm, the Director in charge of the internal control and risk management system, the Officer in Charge of the preparation of the Company's accounting documents and the Group General Counsel), considered the organisational, administrative and general accounting structure to be adequate, as well as the structure of the Company and the subsidiary companies with strategic significance, with particular reference to the Internal Control and Risk Management System.

With reference to the letter k) above, in line with international best practices, the Board carried out a self-assessment on the composition and activities of the Board of Directors and the Board Committees for the fourth consecutive year. In December 2014 a series of responses to a questionnaire sent by the Company Secretary's office aimed at the formalisation of the self-assessment by the Board was collected. After the responses were processed in an aggregated and anonymous manner, the Board carried out this assessment successfully in the meeting of 18 December 2014.

In particular, an improvement was highlighted in involved subjects' perception in connection with the attendance at the Board of Directors meetings of subjects belonging to the Management and the support functions; with the involvement of the Board of Directors in the definition of the rules of the corporate direction; with its knowledge of the Group and the information flow by the Supervisory Body.
An improvement, although not a significant one, was registered of involved subjects' perception of the possibility to access minutes; of the utility of conference calls for participating in the meeting of the Board, and of the level of elaboration of the Control and Risk Committee.
Moreover, there surfaces the need of a greater involvement of the company's management also through elaboration meetings on specific subjects (R&D, commercial,

single BU, foreign subsidiaries), with contacts also with the company's top and middle management involved in the management of the above-mentioned subjects.

The By-Laws award the Board, without prejudice to the limits imposed by law, the powers to pass resolution on the proposals regarding:

1. merger resolutions in cases pursuant to Articles 2505 and 2505-*bis* of the Civil Code, also as referred to for demergers pursuant to Article 2506-*ter*, final paragraph of the Civil Code, where the said regulations are applicable;
2. the establishment or closure of secondary offices and branches;
3. the awarding of powers of representation to Directors;
4. any reduction in capital in the event of withdrawal of a shareholder;
5. the amendment of the By-laws in order to comply with legal provisions;
6. the transfer of registered offices within Italy.

The Shareholders' Meeting did not grant any general or prior authorisation for any derogations of the prohibition on competition provided for by article 2390 of the Italian Civil Code.

The Board of Directors of 13 November 2012 decided to comply with the opt-out system set forth in articles 70, paragraph 8, and 71, paragraph 1-*bis*, of the CONSOB Regulations on Issuers, by making use of the right to derogate from the obligation to publish information required on the occasion of significant mergers, demergers, capital-increase by non-cash contributions, acquisitions and transfers.

4.4. Delegated Bodies

4.4.1. Managing Directors

In compliance with application standard 2.C.1. of the Code, the following persons are considered Executive Directors of the Company:

– the Managing Directors of the Company or the strategically significant[4] subsidiary, therein including the related Chairpersons when they are vested with individual management powers when they have a specific role in the formation of company strategies;

– the Directors that called managerial offices in the Company or in a subsidiary company that is strategically significant, or in the parent company when the office also concerns the Company;

The granting of vicarious powers or powers only in the event of an emergency to Directors that are not vested with operational authorisation does not make them Executive Directors, per se, unless these powers are, in fact, used with considerable frequency.

Two of the Directors in office are Executive Directors. The Board appointed by the Shareholders' Meeting of 24 April 2012 met at the end of this meeting to allocate the company positions, to grant the various powers, and to appoint the Committees. As in

[4]See Note no.3

the past, the Board adopted a proxy model that provides for the granting of extensive operating powers to the Chairman and the Managing Director. Consequently, the Chairman and Chief Executive Officer (namely, Mr. Massimo della Porta) and the Managing Director and Group Chief Financial Officer (Mr. Giulio Canale) were granted the powers of ordinary and extraordinary administration, acting severally, with the exclusion of the powers reserved exclusively for the Board or those reserved by law for the Shareholders' Meeting.

The powers granted to the Chairman and the Managing Director are identical and do not differ in value and competence.

In particular, Mr. Massimo della Porta and Mr. Giulio Canale, acting severally and with individual signature rights, were vested with the following powers (by way of example, but not limited to):

a) appointing and revoking proxies for individual acts or categories of acts, establishing their powers and remuneration;

b) representing the Company in any dealings with third parties, public administrations and public bodies, as well as with other companies of the Group, by signing the related deeds and agreements and undertaking commitments of any kind and nature;

c) purchasing, exchanging and transferring assets when running the company business; stipulating, with all the appropriate clauses, amending and cancelling 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) demanding the fulfilment of third-party obligations or obligations from third parties to the Company;

e) opening bank and/or post office accounts, making payments, via bank transfer and by cheque, making withdrawals from bank and post office accounts, carrying out debit and credit transactions on the current account of the Company at banks and post offices, uncovered or otherwise, always in interest of the Company, as well as issuing and requesting the issue of bank cheques and bank drafts;

f) negotiating and stipulating all the documents required to obtain bank credit and loans of any kind in favour of the Company and negotiating the terms and conditions related or connected to the granting of credit facilities or loans; stipulating factoring agreements for the assignment of credits of the Company;

g) carrying out transactions with the railway and customs Administrations, regarding the shipment, clearance and collection of all kinds of goods;

h) issuing relevant certificates and declarations for tax purposes, extracts from the payrolls regarding the personnel for Social Security, Insurance and National Health Insurance Bodies, and for other Bodies and individuals, signing all declarations prescribed by tax legislation;

i) taking-on and dismissing employees and personnel, of all categories and levels, including managers, signing the related agreements and fixing the employment conditions and subsequent wages increases;

j) representing the Company before all the Authorities of the Italian Republic and foreign countries; representing the Company as either plaintiff or defendant in any civil, criminal or administrative proceedings and at any instance and level of jurisdiction; appointing and revoking, if necessary, lawyers, attorneys *ad litem* and expert consultants, granting them the most extensive powers;

k) representing the Company before the Banca d'Italia, CONSOB and management company of the market, negotiating and defining all practices regarding these parties;

l) reaching compromises and settling disputes of the Company with third parties, appointing arbitrators also for amicable settlements, and signing the corresponding settlement deeds;

m) representing the Company in insolvency procedures against third parties with all the necessary powers.

The Board did not consider it necessary to fix any limit of power, considering it is adequate to reserve the significant transactions to the Board and pointing out that in the past, as well as during the Financial Year, the Directors with proxies used the powers assigned to them wisely, only for the normal management of the business, and on which the Board was regularly and promptly updated.

The Executive Directors are in fact obliged to report regularly to the Board of Directors and the Board of Auditors on the exercising of the delegated powers, providing adequate information on the deeds carried out and, in particular, on any abnormal, atypical or unusual transactions carried out in the exercising of the aforesaid powers. During the Financial Year, the delegated bodies reported regularly to the Board in the subsequent meeting on the activities carried out while exercising the powers granted to them.

4.4.2. Chairman of the Board of Directors

The Chairman, Mr. Massimo della Porta, coordinates and organises the activities of the Board. He is responsible for ensuring that it runs smoothly, serves as a link between the Executive and Non-Executive Directors, defines the agenda, and leads the related meetings.

The Chairman does his utmost to ensure that the Directors are provided with the documents and information necessary for enabling the Board to express an informed opinion on the topics under its consideration with reasonable notice, where possible together with the notice to attend (generally sent ten days prior to the board meeting), except in case of need or emergency. With regard to the financial reports, these are sent with at least two working days' notice, depending on the technical time required to prepare the documents. As an exception, in light of the nature of the resolutions to be passed and due to confidentiality requirements, such as, for example, with regard to strategy plans, with the consent of the Directors, the material may not be forwarded to them or the documents may be made available to the Directors in a data room, which is prepared and dedicated specially for this purpose at the registered office of the Company.

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, Mr.

Giulio Canale. Both are on a list of Directors submitted to the Majority Shareholder of the Company (S.G.G. Holding S.p.A.).

In accordance with principle 2.P.5 of the Code, it is to be noted that the Board considered it appropriate to grant proxies to the Chairman equal to those granted to the Managing Director, in such a way that Mr. Massimo della Porta, former Managing Director for the 2006-2008 three-year period, could continue to act efficiently and to provide the strategic impulse he always provided as Managing Director in previous board mandates (as from April 1997). The granting of proxies and the concentration of offices held by Mr. Massimo della Porta is considered to be consistent with the organisational structure of the Company.

In compliance with application standard 2.C.3. of the Code, the Board assessed the possibility of appointing an Independent Director as Lead Independent Director in order to strengthen the impartiality and equilibrium that are required of the Chairman of the Board, as the latter is the main person responsible for the management of the company and has operational authorisations. Therefore, the Board of 24 April 2012 considered it appropriate to appoint Mr. Andrea Sironi as Lead Independent Director and informed the market, on the same date, in accordance with the provisions of the Regulations for Issuers.

The Chairman and the Managing Director do their utmost to ensure that the Board is kept informed on the main new laws and regulations that concern the Company and the company bodies.

Should the Directors require explanations and information from the management of the Company, they must send a request to the Chairman, who takes care of the matter, by gathering the necessary information or by putting the Directors in contact with the management concerned. The Directors may request the Chairman and/or the Managing Director for business representatives of the Company and the Group to attend board meetings in order that they may provide the appropriate insight into the topics on the agenda.

The Officer in Charge of the preparation of the Company's accounting documents pursuant to article 154-*bis* of Consolidated Financial Act is invited to participate in all the meetings of the Board of Directors regarding the approval of the interim management report, the half-year financial report, the financial statements and the consolidated financial statements, and whenever the agenda of the Board of Directors includes the approval of resolutions that require the issuing of a certificate by the Officer in Charge, and each time that it is considered appropriate by the Chairman, also on the proposal of the Managing Director, when there are items on the agenda of the Board of Directors that may have an impact on the accounting information of the Company or the Group.

The Group General Counsel, who usually acts as Secretary of the Board, may also attend Board meetings.

4.4.3. Reporting to the Board

The delegated bodies are obliged to report regularly to the Board of Directors and to the Board of Auditors on the exercising of the delegated powers, providing adequate information on the actions carried out and, in particular, on any abnormal, atypical or unusual transactions carried out in the exercising of the aforesaid powers. During the

Financial Year, the delegated bodies reported regularly to the Board in the subsequent meeting on the activities carried out while exercising the powers granted to them.

4.5. Other Executive Directors

At present, there are no other executive directors apart from the Chairman and the Managing Director.

4.6. Independent Directors

The Board in office, elected by the Shareholders' Meeting of 24 April 2012, is made up of 11 (eleven) members, including two (2) Executive Directors and nine (9) non-Executive Directors, three (3) of which qualify as Independent Directors and one (1) qualify as Independent Director pursuant to the provisions of articles 147-*ter*, paragraph 4, and 148, paragraph 3, of Italian Legislative Decree 58/1998, who do not have, nor have recently had, direct or indirect relations with the Company or subjects related to the latter that currently influence their independence of judgement.

With reference to principle 3.P.1. and application standard 3.C.3. of the Code, the Company believes that three (3) non-Executive Directors should be appointed.

It is also believed that with this composition, the number, expertise, availability of time and authoritativeness of the non-Executive Directors contribute to the enrichment of the board discussions and guarantee that their opinion carries considerable weight in the making of well thought-out, informed board decisions.

Non-Executive Directors contribute their specific expertise to board discussions, contributing to the making of sound decisions, in compliance with the interests of the company and paying special attention to areas where conflicts of interest may arise.

In compliance with application standard 3.C.1. of the Code, the Board takes the independence of its non-executive members into account, placing more emphasis on substance than form. Moreover, in principle, within this assessment, the Board tends to consider a Director as non-Independent, as a rule, in the following non-mandatory situations:

a) if the Director is the holder of a quantity of shares, either directly or indirectly, also through subsidiary companies, trust companies or third parties, that enable the Director to exercise control or to have considerable influence over the Company, or is party to a shareholder agreement through which one or more parties may exercise control or have considerable influence over the Company;

b) if the Director is, or has been in the previous three financial years, a significant figure[5] in the Company, of one of its strategically-significant subsidiaries or a company under common control with the Company, or a company or body that, together with others controls the Company or is in a position to exercise a considerable influence over the Company through a shareholder agreement;

c) if the Director directly or indirectly (for example through subsidiary companies or

[5]In compliance with application standard 3.C.2 of the Code, the Chairman of the Board of Directors, the Executive Directors and Managers with Strategic Responsibilities are considered to be "significant figures" of the Company;

companies in which he/she is a significant figure, or as partner of a professional company or consultancy firm) has, or has had in the previous financial year, a significant commercial, financial or professional relationship[6]:

– with the Company, one of its subsidiaries, the parent company or with any of the related significant figures;

– with a party that, also together with others through a shareholders agreement, or with the related significant figures, controls the Company;

or is, or has been an employee of one of the aforesaid parties in the previous three financial years;

d) if the Director receives, or has received in the previous three financial years, significant additional remuneration to the "fixed" remuneration of the non-Executive Director of the Company and the remuneration for the participation on the committees, also in the form of incentive plans linked to company performance, based on shares or otherwise, from the Company or one of its subsidiaries or the parent company;

e) if the Director has been a Director of the Company for more than nine years in the last twelve years;

f) if the Director holds the office of Executive Director in another company in which an Executive Director of the Company holds the office of Director;

g) if the Director is a shareholder or Director of a company or body belonging to the network of the company entrusted with the statutory audit of the Company;

h) if the Director is a close relative of a person in one of the situations described in the previous points and in particular if the Director is the spouse that is not legally separated, common law spouse, relative or relative by marriage up to fourth degree of kinship of a Director of the Company or the companies controlled by the latter or the parent company/companies or those subjected to common control or parties in the situations described in the previous points.

The possibilities listed above are not mandatory. During its evaluation the Board must take all the circumstances into consideration that may appear to compromise the independence of the Director.

Evaluation: The Independent Directors are obliged to promptly inform the Board if an event considered likely to change the "independent" status of a Director occurs.

The independence of the Directors and the relationships that may be or appear to compromise the independent opinion of a Director are evaluated annually by the Board, taking into account the information supplied by the individuals concerned or in any case available to the Company. The outcome of the evaluations of the Board are duly communicated to the market at the time of the appointment of the Independent Directors, as well as within the context of the corporate governance report.

If the Board is entirely certain that the requirement of independence is satisfied even in the presence of situations that are abstractly referable to non-independent cases, the

[6]The relationships stated above are certainly significant when: (i) trade or financial relationships exceed 5% of the turnover of the supplier or the beneficiary company; or (ii) the professionals services exceed 5% of the income of the Director or EUR 100,000".

Board will provide adequate information to the market on the outcome of the evaluation, without prejudice to the verification of the adequacy of the related reason on the part of the Board of Auditors.

More restrictive legal provisions or provisions established by the By-laws that set forth the expiry of the office of the Director in the event that he/she loses any of the independence requirements shall prevail.

In compliance with principle 3.P.2 and application standard 3.C.4. of the Code, in the meeting of 18 February 2015, as every year, the Board reported the degree of independence of its Directors pursuant to the laws in force (article 147-*ter* of the Consolidated Finance Act), confirming, on the basis of the requirements set forth in the Corporate Governance Code and articles 147-*ter*, paragraph 4, and 140 paragraph 3, of the Consolidated Finance Act, that the Directors Mr. Emilio Bartezzaghi, Mr. Roberto Orecchia, Mr. Andrea Sironi qualified as "Independent", and on the basis of the individual independence requirements set forth in articles 147-*ter*, paragraph 4, and 140, paragraph 3, of the Consolidated Finance Act, that Mr. Adriano De Maio qualified as "Independent". The Board did not make use of additional or different criteria, as there were no situations that were abstractly referable to the cases identified by the Code as indicative of lacking independence. The three Directors filed suitable declarations before the Shareholders' Meeting stating that they satisfied the requirements of Independent Directors (as explained above). The Board, in the next meeting after the Shareholders' Meeting then accepted this qualification, communicating it to the market on the same date (24 April 2012).

Also for the purposes of application standard 3.C.5 of the Code, the Board of Auditors checked that criteria adopted by the Board to evaluate the independence of its members had been applied correctly, acknowledging the declarations issued by the individuals.

On 13 May 2014 the Board of Directors and Board of Auditors issued a regular certificate ex article 2.2.3, paragraph 3, letter L) of the Market Regulations organised and managed by Borsa Italiana S.p.A. (verification of the degree of independence and correct application of evaluation criteria).

Meetings. In compliance with application standard 3.C.6 of the Code, the Independent Directors usually meet once a year in the absence of the other Directors (also in the light of the number of persons attending the meetings of the Board and the various Committees). The meeting may also be held informally via audio or video conferencing.

During the Financial Year the Independent Directors met in the absence of the other Directors on 4 February 2014, in order to discuss proposals for the further improvement in the management of the Board, aimed at making the directors even more involved in the dynamics of the company.

The Independent Directors did not consider it necessary to meet again in the absence of the other Directors, considering the high quality of the information received from the delegated bodies and their active participation in the Board and in the Committees, which enabled them to analyse the issues of interest to them in adequate depth.

Number. If the Shareholders' meeting resolves to amend the number of members of the Board, it is advisable that the following proportions are respected:

- Board composed of up to eight (8) members: at least two (2) Independent Directors;

- Board composed of nine (9) to fourteen (14) members: at least three (3) Independent Directors;

- Board composed of fifteen (15) members: at least four (4) Independent Directors.

4.7. Lead Independent Director

As illustrated in paragraph 4.4.2 above, as the Chairman of the Board has also operational powers, holding the office of Chief Executive Officer, although he is not the sole person responsible for the management of the company, in compliance with application standard 2.C.3. of the Code, the Board of 24 April 2012 considered it appropriate to appoint the Independent Director Mr. Andrea Sironi as Lead Independent Director. The non-executive Directors (and in particular the Independent Directors) refer to Mr. Sironi for a better contribution to the activities and operation of the Board. The Lead Independent Director collaborates (as he has collaborated during the Financial Year) with the Chairman in order to guarantee that the Directors are the recipients of complete and timely information flows. The Lead Independent Director is also granted the power, *inter alia*, to call special meetings with Independent Directors in order to discuss the issues considered to be of interest to the operations of the Board of Directors or the management of the company, either independently or on the request of the other Directors.

Mr. Andrea Sironi is a member of two Committees set up within the Board: the Audit and Risk Committee and the Remuneration and Appointment Committee.

5. PROCESSING OF COMPANY INFORMATION

On 24 March 2006, the Board adapted itself to the new provisions of the Consolidated Finance Act, the Regulations for Issuers, as supplemented by CONSOB resolution no. 15232 of 29 November 2005, as well as the Market Regulations organised and managed by Borsa Italiana S.p.A and related Instructions, as amended following the Italian Savings Law, in transposing the EC directive on market abuse, introducing ad hoc internal procedures or amending and updating those already existing on this matter.

More precisely, the Board adopted:

- the *Procedure for Managing Inside Information*: also for the purposes of the application standard 1.C.1., letter j) of the Code, which defines the behaviour of Directors, Auditors, managers and employees in relation to the internal management and disclosure to the market of inside information, i.e. precise information that has not been made public, concerning, directly or indirectly, one or more issuers of financial instruments or one or more financial instruments, which, if made public, could have a considerable influence on the prices of these financial instruments.

The procedure stated above, available on the Company website www.saesgetters.com (Investor Relations/Corporate Governance/Policies and Procedures/Inside Information section) has been drawn up for the purpose of ensuring that information regarding the Company that is disclosed externally is in full compliance with the principles of correctness, clarity, transparency, timeliness, and broad and equal disclosure in order to guarantee equal treatment, completeness, comprehensibility and continuity of information, in a complete and adequate manner and, in any case, through the institutional channels and according to the terms established by the Company, as well as to ensure that internal management of information in particular is in compliance with the obligations of confidentiality and lawfulness;

- the Insiders Register: set-up effectively from 1 April 2006, identified the persons that, due to their working or profession or the tasks carried out, have access to the information indicated in article 114, paragraph 1 of the Consolidated Finance Act, pursuant to and in accordance with article 115-*bis* of the Consolidated Finance Act and articles 152-*bis*, 152-*ter*, 152-*quater* and 152-*quinquies* of the Regulations for Issuers.

The Board also approved the Code of Conduct for Internal Dealing (hereinafter also "Internal Dealing Code"), which regulates the information disclosure requirements that the Significant Persons and/or in the Persons Closely Associated to the Significant Persons, as identified in the Code itself, are obliged to observe in relation to the transactions they carry out on financial instruments of the Company or other financial instruments related to them. The Internal Dealing Code also regulates the obligations that the Company is obliged 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 provides for black-out periods, i.e. predetermined periods (the 15 calendar days preceding the Board meetings to approve the accounting data for the period and the 24 hours subsequent to the issuance of the related press release) during which the persons subject to the provisions of the Code may not carry out transactions on SAES Getters financial instruments or on financial instruments related to them.

The Chairman and the Managing Director may prohibit, or restrict, the performance of transactions by Significant Persons and Closely Associated Persons in other periods of the year when particular events are taking place.

In this case the Officer In Charge will be responsible for informing the Significant Persons (who have not already been informed on account of their position) of the start and finish dates of the period during which the Transactions are prohibited.

On the proposal of the Executive Directors and granting special proxies in this regard if necessary, the Board reserves the right to make all further amendments or adjustments to the procedures that are considered necessary or that are advisable following changes in laws or regulations.

During the Financial Year transactions carried out by Significant Persons were reported to the market and to the competent authorities. The related filing models as well as the Code of Conduct for Internal Dealing, as amended by the Board of Directors on 28 August 2008 and on 23 February 2012 to comply with new legal provisions, can be consulted on the Company website www.saesgetters.com (Investor Relations/Corporate Governance/Policies and Procedures/Internal Dealing section).

The Directors and Auditors are obliged to keep the documents and information acquired throughout the performance of their duties confidential and to comply with the procedures adopted for the internal management and external disclosure of these documents and information.

The information disclosed outside the company must be uniform and transparent. The Company must be accurate and consistent in communicating with mass media. Relations with the mass media are reserved exclusively to the Chairman and the Managing Director, or to the business departments in charge of these matters.

6. COMMITTEES WITHIN THE BOARD (pursuant to article 123-bis, paragraph 2, letter d), of Consolidated Financial Act)

In order to perform its duties more efficiently, the Board set up the Audit and Risk Committee and the Remuneration and Appointment Committee within the Board, whose functions are described in the following sections.

The Chairman of each Committee reports regularly to the Board on the work of this Committee.

Both the Committees are composed exclusively of non-Executive Directors, who are predominantly Independent.

The Board does its upmost to ensure an adequate rotation within the Committees, unless for any reason and cause it is considered appropriate to confirm one or more Directors beyond the established terms and conditions.

The Board has the power to setup one or more further Committees within it with to act in an advisory or consultative capacity, which shall be defined in practical terms in the board resolution concerning the formation of the aforesaid Committees.

In relation to application standard 4.C.1., letter e) of the Code, it is specified that the existing Committees (Remuneration and Appointment Committee and the Audit and Risk Committee) are provided with annual predetermined expenses budgets that are considered adequate for the performance of their activities.

6.1. Audit and Risk Committee

For all information regarding the Audit and Risk Committee please refer to paragraph 10.

6.2. Appointment Committee

On the basis of the recommendations of the Code, application standard 4.C.1., letter c), on the occasion of the renewal of the Board during the meeting of 24 April 2012, the Board assessed the possibility of grouping the functions provided for the Appointment Committee (application standard 5.C.1., letters a) and b)) into a single Committee - the Remuneration and Appointment Committee - in consideration of the close correlation and mutual relevance of the subjects dealt with.

6.3. Executive Committee

The Board did not consider appropriate to setup an Executive Committee within the Board, as already explained in paragraph 4.5

6.4. Remuneration and Appointment Committee

For all information on the Remuneration and Appointment Committee please refer to the Report on remuneration published by the Company, pursuant to article 123-*ter* of the Consolidated Finance Act.

6.5. Committee for transactions with related parties

The Committee is composed of 3 unrelated directors that satisfy the requirements of independence and is chaired by the Lead Independent Director. The Committee meets whenever any resolution on the transactions with related parties is to be passed pursuant to the Procedure on transactions with related parties published on the Company websitewww.saesgetters.com (Investor Relations/Corporate Governance/Policy and Procedures/Related Parties section).

7. APPOINTMENT COMMITTEE

On the basis of the recommendations of the Code, application standard 4.C.1., letter c), on the occasion of the renewal of the Board during the meeting of 24 April 2012, the Board assessed the possibility of grouping the functions provided for the Appointment Committee (application standard 5.C.1., letters a) and b)) into a single Committee - the Remuneration and Appointment Committee - in consideration of the close correlation and mutual relevance of the subjects dealt with.

8. REMUNERATION AND APPOINTMENT COMMITTEE

The Board of Directors set up the Compensation Committee now the Remuneration and Appointment Committee within the Board on 17 December 1999 with consulting and proposal functions. The Remuneration and Appointment Committee is composed of 3 non-executive directors, of which2 are independent and 1 has considerable knowledge and experience in accounting and finance matters. The Committee has its own Regulations, approved by the Board of Directors on 20 December 2012, which regulates its composition and appointment, the tasks and operating procedures of the Committee itself, in compliance with the principles and application criteria contained in the Corporate Governance Code of listed companies.

Its current members are: Mr. Emilio Bartezzaghi (Independent Director) – Chairman of the Committee, Mr. Adriano De Maio (non-executive Director and Independent Director pursuant to the combined provisions of articles 147-*ter*, paragraph 4, and 148, paragraph 3, of Italian Legislative Decree 58/1998) and Mr. Andrea Sironi (Independent

Director and Lead Independent Director). During the Financial Year the Committee met six times with the attendance of all its members. The meetings lasted approximately two hours. On the invitation of the Chairman, the Group General Counsel and the Group HR Director attended the meetings. At least four meetings are planned for 2015, two of which have already been held on 4 and 26 February 2015. Minutes of the meetings of the Committee are duly recorded.

Executive directors do not usually participate in the meetings of the Remuneration and Appointment Committee, which, instead, can be attended by the Chairman of the Board of Auditors, who is always invited to meetings. The Committee has the right to access the information and the company departments required for the performance of its duties and, if it is considered appropriate, may make use of external consultants, to be selected by self-appointment. This power was exercised during the financial year in the Remuneration Policy analysis and updating process and also in the process for the definition of the executive directors' collaboration agreements in view of the next appointment of the Board of Directors, scheduled for 28 April 2015.

In compliance with application standard 4.C.1. of the Code, it is to be specified that the Remuneration and Appointment Committee has an annual predetermined expenses budget that is considered adequate for the performance of its activities.

For all information on the Remuneration and Appointment Committee please refer to the Policy on remuneration published by the Company pursuant to article123-*ter* of the Consolidated Finance Act.

9. REMUNERATION OF THE DIRECTORS

For all information on the remuneration of the directors please refer to the Policy on remuneration published by the Company pursuant to article 123-*ter* of the Consolidated Finance Act.

10. AUDIT AND RISK COMMITTEE (pursuant to article 123-bis, paragraph 2, letter d), of Consolidated Financial Act)

10.1. Composition and operation of the Audit and Risk Committee

Composition and Operation. By virtue of principle 7.P.4. of the Code, the Board set up an Audit and Risk Committee (Committee replacing the Internal Control Committee), composed of three (3) non-Executive Directors, the majority of whom are independent. On 24 April 2012 the Board appointed the following Directors as members of the Audit and Risk Committee: Mr. Roberto Orecchia (Independent Director) – Chairman of the Committee, Mr. Andrea Sironi (Independent Director) and Mr. Andrea Dogliotti (non-executive Director).

At least one member of Committee has adequate experience in accounting and financial matters. In this case, this member is Mr. Andrea Sironi.

The Committee has its own Regulations, which regulates its composition and appointment, the tasks and operating procedures of the Committee itself, in compliance with the principles and application criteria contained in the Corporate Governance Code of listed companies.

The Audit and Risk Committee is chaired and meets on the initiative of the Chairman. The minutes of the Committee meetings are duly recorded. The Chairman of the Board of Auditors or other Auditor appointed by the Chairman of the Board of Auditors attends the Committee meetings. On invitation of the Committee, the Internal Audit Manager also attends.

The Committee carries out its duties, listed under paragraph 10.2, in collaboration with the Board of Auditors, the Internal Audit Manager and the Managing Director entrusted with the supervision of the operations of the Internal Control and Risk Management System.

In the performance of its tasks, the Audit and Risk Committee has the right to access the information and Company departments required for the performance of its duties, and may make use of external consultants, at the expense of the Company. During the Financial Year the Audit and Risk Committee accessed the information and made contact with the company departments made available by the Company.

The Audit and Risk Committee confronted several times with the advisers who are supporting the Company in the implementation project of an Enterprise Risk Management process, as more widely described in paragraph 10., providing methodological guidelines and discussion cues during the whole project

The Committee may invite non-members to attend its meetings on the invitation of the Committee itself, with reference to each item on the agenda. The Chairman of the Audit and Risk Committee reports regularly to the Board on the work of the Committee. During the Financial Year the Audit and Risk Committee performed its duties by also making appropriate contact with the auditing company, the Chairman of the Board of Auditors, the Officer in Charge of the preparation of the Company’s accounting documents, with the Internal Audit Manager and the Group General Counsel.

10.2. Tasks assigned to the Audit and Risk Committee

In the meeting of 23 February 2012, the Board of Directors decided to adjust the tasks of the Audit and Risk Committee to the recommendations contained in article 7 of the Code. Therefore, the Audit and Risk Committee is responsible for:

a) expressing opinions to the Board of Directors with regard to:

  i. the definition of the guidelines of the internal control and risk management system;
  ii. the adequacy of the internal control and risk management system compared to the characteristics of the company and its risk profile, as well as on its effectiveness, at least every year;
  iii. the formulation of the work plan prepared by the Internal Audit Manager, approved annually by the Board of Directors;

iv. the description of the main characteristics of the internal control and risk management system in the corporate governance report, whose overall adequacy is evaluated by the Board;
v. the results reported by the statutory auditor in the suggestion letter, if any, and in the report on the fundamental issues emerging during the statutory audit;
vi. the appointment, cancellation and definition of the remuneration of the Internal Audit Manager.

b) evaluating the correct use of the accounting principles and their consistency for the purpose of the drafting of Consolidated Financial statements together with the Officer in Charge of the preparation of the Company's accounting documents and after having consulted the statutory auditor and the Board of Auditors;

c) expressing opinions on specific aspects related to the identification of the main business risks;

d) examining the regular reports on the assessment of the internal control and risk management system, and those of particular relevance prepared by the Internal Audit Manager;

e) monitoring the independence, adequacy, effectiveness and efficiency of the Internal Audit Department;

f) requesting the Internal Audit Department to inspect specific operational areas;

g) the task of reporting to the Board of Directors regarding the activities carried out and on the adequacy of the internal control and risk management system.

Following the entry into force of Italian Legislative Decree 39/2010, the Audit and Risk Committee is even more focused on its main task of preparing the relevant issues to be submitted to the Board of Directors in order to enable the latter to make adequate choices and decisions on the internal control and risk management system issues.

The role of the Audit and Risk Committee, as an investigation body and analysis and study centre of proposals in preparation for the resolutions of the Board of Directors and aimed at putting the necessary conditions in place for enabling the administrative body to make adequate choices and decisions on internal control and risk management system issues, is in perfect harmony with the new provisions on statutory auditing introduced in the system by the provisions of Italian Legislative Decree 39/2010.

During the Financial Year the Committee met four times (on 22 January, 12 March, 25 June, and 13 November).
The average length of each meeting was approximately one hour. The average participation of members in the Committee meetings was 92%. The meeting were regularly attended also by the Chairman of the Board of Auditors and the Internal Audit Function Manager.
For the current financial year the outgoing Audit and Risk Committee (because of the renewal of the corporate boards) met on 18 February and 10 March 2015. On 10 March a meeting was also held that was one of the regular meetings between the Committee,

the Internal Control and Audit Committee, the Audit Firm, the Internal Audit Manager, the Director in charge of the internal control and risk management System and the Officer in Charge of the preparation of the Company's accounting documents pursuant to Italian Legislative Decree 262/05.

During the financial year the Audit and Risk Committee:

- assisted the Board in determining the guidelines of the internal control and risk management system, in the regular assessment of its adequacy and its actual operation;
- monitoring the progress of the audit plan implemented by the Internal Audit Department, as well as the implementation of the recommendations issued from time to time;
- evaluating the correct use of the accounting principles and their consistency for the purpose of the drafting of Consolidated Financial statements together with the Officer in Charge and the audit firm;
- reported to the Board (on 31 July 2014 and on 18 February 2015) on the activities carried out in the first and second six months of 2014 and on adequacy of the Internal Control and Risk Management System.

11. INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

In compliance with principle 7.P.1. of the Code, and the Internal Control and Risk Management System is defined as the set of rules, procedures and organisational structures aimed at enabling the identification, measurement, management and monitoring of the main risks. An efficient Internal Control and Risk Management System helps to ensure the protection of company assets, the efficiency and effectiveness of corporate transactions, the reliability of financial information and compliance with laws and regulations.

The Internal Control and Risk Management System is operated and monitored by the following parties within the company, which are involved in various capacities and with different responsibilities in the Internal Control and Risk Management System. Each one has specific duties, as described below:

- Board of Directors;
- Director in charge of the Internal Control and Risk Management System;
- Board of Auditors;
- Supervisory Body;
- Audit and Risk Committee;
- Internal Audit Department.

In addition to the parties mentioned above, other parties are involved, in various capacities and with different levels of responsibility in the management of the Internal Control and Risk Management System:

- Officer in Charge of the preparation of the Company's accounting documents pursuant to Italian Legislative Decree 262/05;
- Audit firm;
- other internal control departments (Quality, Safety, etc.);
- other bodies prescribed by different regulations (ISO certification bodies).

The Board of Directors believes that the current division of the parties involved in the Internal Control and Risk Management System and the interrelationship between the control bodies and departments guarantee an adequate level of reliability on the capacity of the system itself to achieve its goals.

The evaluation, insofar as it refers to the Internal Control and Risk Management System in its entirety, reflects the limitations inherent in such a system. Even if it is well-conceived and functional, this System, in fact, can only guarantee with reasonable probability that Company objectives are achieved.

The Board of Directors met on 11 March 2015, and, on the proposal of the Audit and Risk Committee, having consulted and obtained the approval of the Board of Auditors (which met together with the Audit Firm, the Director in charge of the internal control and risk management system, the Officer in Charge of the preparation of the Company's accounting documents and the Group General Counsel) considered the internal control and risk management system to be adequate.

In order to be able to define the risk profile of the Group, considering the strategic objectives defined for the three-year period 2015-2017, the company started an Enterprise Risk Management process implementation project in 2014, continuing the activities started in 2012 on a limited area (Business Area Medical SMA) and expanding the analyses carried out to the entire Group.

The objective of the project was the development of a methodology for the identification and evaluation of the main Group risks and the existing level of protection with the purpose of providing functional instruments for taking decisions also based on the business risk profile. As anticipated above, there was a steady confrontation with the Audit and Risk Committee, which resulted in several ideas of methodological consideration and analysis.

The project lead to a reporting on the main risk areas of the Group and on the events and scenarios that might potentially jeopardize the achievement of planned objectives. Each risk was evaluated using qualitative and quantitative scales (where possible, a risk scenario was generated, and the likeability of occurrence in the three-year period 2015-2017 and the impact on consolidated business results were measured). For each risk event, the existing countermeasures were also clarified and, where it was held necessary, additional mitigation actions were defined, which will be submitted to the Board of Directors' consideration on 8 April 2014, always in steady coordination with the Audit and Risk Committee.

The Company's objective is having the Enterprise Risk Management become an integral part of the business processes starting from 2015.

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The information on the main characteristics of the Internal Control System for the purposes of financial reporting and the risk management system in place in relation to the financial reporting process, including the consolidated reporting process, is given below.

THE INTERNAL CONTROL SYSTEM FOR THE PURPOSES OF THE FINANCIAL REPORTING PROCESS AND RISK MANAGEMENT.

Introduction

The changes in regulations in recent years have regulated different aspects of the internal control and risk management system, and as a consequence there has been a proliferation of control models and different bodies called upon in various capacities to provide a level of reliability on these models. Within this context the Administrative and Accounting Control Model (hereinafter also referred to as the “Accounting Control Model”) is defined as a document describing the Internal Control System with reference to the financial reporting process.

The Internal Control System related to the financial reporting process is an integral part of the internal control and risk management system of the SAES Group, and contributes to the ensuring of the achievement of the objectives stated above.

More specifically, for the purposes of the financial reporting process, this System is aimed at ensuring:

- the reliability of the reporting, its correctness and compliance with accounting standards and legal requirements;
- the accuracy of the reporting, its neutrality and precision;
- the reliability of the reporting, which must be clear and complete so that investors can make informed investment decisions;
- the timeliness of the reporting, with particular reference to the observance of the deadlines prescribed for its publication according to applicable laws and regulations.

The task of monitoring the implementation of the above Accounting Control Model was assigned, by the Board of Directors, to the Officer in Charge of the preparation of the Company’s accounting documents (hereinafter also “Officer in Charge”), and the Managing Director.

The guidelines taken as a reference in the planning, implementation, monitoring and updating of the Accounting Control Model, even if not explicitly indicated, are the guidelines set forth in the CoSO Report[7].

Reference is to be made to the subsequent paragraphs for in the specific details on the Accounting Control Model and the tasks assigned to the Officer in Charge.

[7] Report of the Treadway Commission of the Committee of Sponsoring Organisations (CoSO) of 1992, considered as the best practice of reference for the structure of the Internal Control Systems and the Enterprise Risk Management Framework, published in September 2004.

Furthermore, in order to ensure the integration of the internal control System for the purposes of the financial reporting process with the more general Internal Control And Risk Management System of business risks, the Officer in Charge closely collaborates with the Internal Audit Department and orders regular independent checks aimed at analysing compliance with administrative and accounting procedures.

These checks, by selecting specific processes among those consider important following the risk assessment process described below, are always included in the more general inspection of the actions of the Internal Control Department at the subsidiary companies of the SAES Group.

ADMINISTRATIVE AND ACCOUNTING CONTROL MODEL

On 14 May 2007 the Board of Directors of the Company approved the accounting control model, adopted also in light of the provisions introduced by the Savings Law, with a special reference to the obligations on the drafting of corporate accounting documents and all documents and communications of a financial nature intended for the market.

This Accounting Control Model, which represents the set of company rules and procedures aimed at achieving the Company's objectives of truthfulness and correctness in its reporting through the identification and management of the main risks associated with the preparation and the disclosure of financial information, was subjected to a revision process that led to the issue of a new release approved by the Board of Directors on 20 December 2012.

Components of the Accounting Control Model

The Accounting Control Model is made up of the following elements:

- general control environment;
- administrative and accounting risk assessment;
- counterfoils of administrative and accounting controls (hereinafter also "counterfoils");
- regular evaluation of the adequacy and effective application of the controls described in the counterfoils;
- internal certification process, functional to the external certifications required by law.

The *control environment* is the basis of an effective internal control and risk management system. The main documents formalising its essential characteristics are: the Code of Ethics and Business Conduct, the set of governance rules contained in the Report on corporate governance and ownership structures, the organisation chart and the organisational provisions, and the system of proxies.

The administrative and accounting *risk assessment* is the process of identifying and assessing the risks related to accounting and financial reporting. The risk assessment is conducted on an entity level as well as on a single process level. The criteria set forth in

Italian Legislative Decree 61/2001 are followed when determining the materiality threshold.

This process is repeated and updated every year by the Officer in Charge with the support of the Internal Audit Department and subsequently shared with the Managing Director, and requires:

- the identification, using quantitative criteria (size) and qualitative (significance) criteria, of the balance sheet items/financial information that are highly volatile or that imply the risk of error, with reference to the financial statements of the Company, the consolidated financial statements and the financial statements of the subsidiaries;
- the identification of the related input account processes/flows and the related controls to protect the identified risks for each significant balance sheet item/piece of financial information;
- the communication to the departments involved in the intervention areas with regard to which it is necessary to monitor the efficiency and operation of the controls.

If the checks carried out on the risk areas selected as result of the regular risk assessment are not properly documented or formalised, the person in charge of the process or the accounting flow, with the support of the Officer in Charge and, if necessary, the Internal Audit Department, will be responsible for preparing appropriate documentary evidence in order to allow the checks existing in the analysed area to be assessed.

The *counterfoils of administrative and accounting* of SAES Getters are documents that describe the control standards in place for each administrative and accounting flow process selected following the regular risk assessment, with an indication of the control objectives regarding the preparation of the financial statements and the related controls existing in addition to the responsibilities and the frequency of the implementation of the control itself.

These counterfoils are used as a tool to identify the specific controls in place for each relevant process in each subsidiary company, with the identification of the controls to be tested in order to evaluate the adequacy of the Administrative and Accounting Control System. The counterfoils are subject to constant revision by the related Department Managers, with the support of the Internal Audit Department of the Group.

With regard to the *regular evaluation of the adequacy and effective application of the controls described in the counterfoils*, the Department Managers and the subsidiary companies involved in the training and management process of accounting and financial reporting are responsible for the correct operation and updating of the Internal Administrative and Accounting Control System with reference to all the related accounting processes/flows, and must continually assess the correct application of the administrative and accounting control procedures, their adequacy to the existing processes and updating of the related counterfoils of the controls.

Furthermore, the Internal Administrative and Accounting Control System is subject to an *independent assessment* by the Internal Audit Department, aimed at assessing the adequacy of the project and the actual effectiveness of the existing controls. The assessment is integrated in the general annual audit plan prepared by the Manager of the

Internal Audit Department, confirmed by the Audit and Risk Committee and approved by the Board of Directors.

The Officer in Charge regularly monitors the adequacy and effectiveness of the internal administrative and accounting control system on the basis of the reports received from the Department Managers and the subsidiary companies and the reports on the activities of the Internal Audit Department.

All the documents on the control activities carried out and their results are made available to the company entrusted with the audit in order that it may carry out the necessary verifications for the purposes of certification.

Finally, with regard to the *internal certification process, functional to the external certifications required by law*, this process consists of a series of subsequent certifications aimed at ensuring that announcements made externally are consistent with the definitions of article 154-*bis* of the Consolidated Finance Act.

Depending on the type of financial announcement to the market, different certifications are identified:

- Annual Financial Statements and Half-year Report produced with reference to the separate Financial Statements of SAES Getters S.p.A., the Consolidated financial statements of SAES Getters and to the half-year condensed Consolidated Financial Statements of the SAES Getters Group;
- Certifications to interim management reports and other final accounting reports or produced with reference to other documents such as, for example, price sensitive press releases containing economic and financial information on final data, interim or otherwise; final accounting data included in the presentations delivered regularly to shareholders and financial community or published presentations.

THE INTERNAL ADMINISTRATIVE AND ACCOUNTING 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 subsidiary companies, namely the local Administrative Directors and/or Controllers, together with their general managers, are responsible for:

- ensuring that the activities and the controls in place in the input process of the accounting reporting are consistent with the principles and objectives defined on a Group level;
- continuously monitoring the relevant identified controls, in order to ensure their operating and effectiveness;
- promptly and regularly informing the Managing Director or the Officer in Charge of the following:
    - significant changes to the Internal Administrative and Accounting Control System in order to identify the specific controls to be implemented;
    - any anomalies or findings that may generate significant errors in the accounting report.

Considering that the control structures in the majority of the subsidiaries are small, the Company decided not to issue specific procedures on the processes that influence the input of the accounting reporting of these companies, and detailed control counterfoils were prepared for the processes selected as a result of the risk assessment, which are verified by the Administrative Directors/Controllers of the individual subsidiaries.

11.1. Executive Director in charge of the Internal Control and Risk Management System

On 24 April 2012 the Managing Director Mr. Giulio Canale was appointed by the Board as the Director responsible for the internal control and risk management system (hereinafter "Appointed Director") who in particular, in compliance with application standard 7.C.4. of the Code:

a) is responsible for identifying the main business risks, taking into account the characteristics of the activities carried out by the issuer and its subsidiaries, and subjects them on a regular basis to the Board;
b) implements the guidelines defined by the Board of Directors, by designing, implementing and managing the internal control and risk management system and constantly checking its adequacy and effectiveness;
c) is responsible for adapting this System to the trend of operating conditions and the legal and regulatory framework;
d) may request the Internal Audit Department to carry out inspections on specific operational areas and on compliance with internal rules and procedures in the performance of business transactions, simultaneously informing the Chairman of the Board of Directors, the Chairman of the Audit and Risk Committee and the Chairman of the Board of Auditors;
e) duly reports to the Audit and Risk Committee (or the Board of Directors) on the problems and critical aspects emerging during the operations of the system or that comes to his knowledge, so that the Committee (or the Board) may take the appropriate action.

The Appointed Director, with the support of the Internal Audit Department continuously verifies the effectiveness of the operations of the implemented Internal Control and Risk Management System. It is also acknowledged that, in relation to application standard 7.C.4. of the Code, the Officer in Charge constantly verified the overall adequacy, efficiency and effectiveness of the internal control and risk management system. In its meeting of 13 March 2013, the Board of Directors made a positive evaluation on this matter.

A description of the business risks is included in the Management Report, which is among the documents contained in the financial statements for the Financial Year.

11.2. Internal Audit Manager

In addition, with reference to the Internal Audit Manager, the Company, always in the meeting of 23 February 2012, resolved to adopt application standard 7.C.1. of the Code.
The Internal Audit Manager is appointed and removed by the Board, on the proposal of the Appointed Director and after having consulted the Audit and Risk Committee. In the same meeting, the Board, on the proposal of Mr. Giulio Canale and with the approval of

the Audit and Risk Committee, in consideration of the aforesaid application standard, appointed Ms. Laura Marsigli as Internal Audit Manager.
With reference to application standard 7.C.1. of the Code, the Board of Directors defined the remuneration received by the Internal Audit Manager to be consistent with the company policies normally applied and provided her with an adequate budget for the performance of her responsibilities.

As defined by the Board and in compliance with principle 7.P.3. of the Code, the Internal Audit Manager is responsible for ensuring the operation and adequacy of the Internal Control and Risk Management System and its basic compliance with application standard 7.C.5. of the Code, and in particular:

a) verifies the effectiveness and adequacy of the internal control and risk management system on the basis of an annual plan: the audit plan for the 2015 Financial Year was submitted to the Board on 18 December 2014 for approval in compliance with application standard 7.C.1;

b) is not in charge of any operational area and hierarchically depends on the Board;

c) has direct access to all the information useful for the performance of her activities;

d) prepares regular reports containing adequate information on her activities, the procedures according to which risk management is performed, as well as on compliance with the plans defined to minimise risk. The regular reports contain an opinion on the suitability of the internal control and risk management system based on the results of the actions taken;

e) prepares timely reports on particularly significant events;

f) sends the periodical reports to the chairpersons of the Board of Auditors, the Audit and Risk Committee and the Board of Directors, as well as to the Officer in Charge;

g) assesses the reliability of the IT systems within the audit plan, including the accounting systems.

In compliance with application standard 7.C.6. of the Code, the Internal Audit Department, as a whole or by operational segments, may be entrusted to subjects outside the Company, provided that they possess the requirements of professional standing and independence. This organisational choice was not adopted by the company during the 2014 financial year.

11.3. Organisational Model pursuant to Italian Legislative Decree 231/2001

Italian Legislative Decree no. 231 of 8 June 2001, which lays down the "*Rules on the administrative liability of legal entities, companies and associations, also deprived of legal status*", introduced an administrative liability system of companies for offences committed in the interest or to the advantage of the companies themselves, by a directors, managers or employees, into the Italian legal system.

The Board, with resolution of 22 December 2004, approved and adopted its own "Organisational, Management and Control Model" pursuant to and in accordance with

Italian Legislative Decree no. 231/2001 (“Model 231”) and simultaneously the “Code of Ethics and Business Conduct” that form an integral part of the Model, in order to clearly define the set of values that the SAES Getters Group recognises, accepts and shares, as well as the set of rules of conduct and the principles of legality, transparency and correctness to be applied in the performance of its business and in its various dealings with third parties.

The General Part of the Model, and the Code of Ethics can be found on the Company website www.saesgetters.com (Investor Relations/Corporate Governance section).

With its resolution of 13 February 2007, the Board approved the revision of Model 231 in light of the entry into force of the regulations implementing the EC regulations on the prevention of market abuse, as well as within the regular verification pursuant to article 7, paragraph 4, letter a) of Italian Legislative Decree no. 231/2001.

With its resolutions of 18 March 2008 and 23 April 2008, the Board then approved the revision of Model 231 in order to adapt it to the legal amendments that were made in 2007 aimed at extending the range of offences protected ex Italian Legislative Decree no. 231/2001. In particular, the following offences were introduced:

- the offences of receiving, laundering or using money, goods or benefits of illegal origin (article 25-*octies* of Italian Legislative Decree no. 231/2001) introduced by Italian Legislative Decree of 16 November 2007 in implementation of 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, related to the offences connected to the violation of safety and accident-prevention regulations. Reference is made to the possible offence of manslaughter or gross/very gross negligent injury committed in violation of accident-prevention regulations and the protection of occupational health and safety.

On 8 May 2008 the Board updated the Code of Ethics and Business Conduct of the Company.

In the last quarter of the 2009 financial year the Company set up the revision and adjustment plan of the Model to Italian Legislative Decree no. 231/2001, following the inclusion of the following significant offences on the list:

- (article 24-*ter*) organised crime offences - Italian Law 15 July 2009, no. 94,

- (article 25-*bis*) crimes against the industry and commerce - Italian Law 23 July 2009, no. 99,

- (article 25-*novies*) crimes related to the violation of copyright - Italian Law 23 July 2009, no. 99,

in addition to the offence of incitement to withhold statements from or issue false statements to the judicial authority - Italian Law of 3 August 2009, no. 116.

In this regard the activities carried out by each company department were mapped in order to check in particular the existence of any significant business activities for the purposes of Italian Legislative Decree no. 231/2001, as updated, as well as the adequacy of the supervision controls implemented for the prevention of crime.

The updated Model was submitted to and approved by the Board of Directors during the meeting of 27 April 2010.

During this verification it was considered appropriate to arrange a new procedure on patents, the "Procedure for the management of new corporate IP assets":

The objective of this procedure is to explain the operating methods that SAES must follow when managing relations with Patents Firms, Patent Offices, the Judicial Authority, Third Parties and the Supervisory Authorities in relation to the obligations prescribed for the protection of industrial property rights, in compliance with the laws of reference and the principles of maximum transparency, timeliness and collaboration, as well as asset traceability.

The procedure was drawn up in compliance with the principles set forth in the Model and with those specifically identified in Special Parte A – "Offences against the public administration" and F – "Offences against the 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 distributed to all company staff, also through training courses organised internally by the company departments with the support of consultants specialising in these matters.

The Model was updated by the Board of Directors on 20 December 2011 in order to transpose the introduction of the environmental crimes among the cases of predicate offence set forth in Italian Legislative Decree 231/2001. The update included the introduction of a new Special Part G – "environmental offences".

On 20 December 2012 the Board of Directors updated the Model by introducing a new Special Part H – "Offences relating to the employment of foreign workers" containing protocols of conduct for the prevention of the potential commission of the criminal conduct referable to the cases of predicate offence set forth in article 22, paragraph 12-*bis* of Italian Legislative Decree 109/2012, which penalises the employer in the event of the employment of third-country nationals with unlawful residence permits.

Finally, on 19 December 2013 the Board of Directors updated the Model following the entry into force of Italian Law 190/2012, which introduced new offences, such as private bribery and extortion by persuasion, into the Italian legal system.

The 231 Model was adopted by the Board in the firm belief that the establishment of an "organisational, management and control model", in addition to being a valid tool for raising the awareness of all those that operate on behalf of the Company so that they behave correctly in the performance of their activities, is also an indispensable for preventing the risk of the commission of the offences set forth in Italian Legislative Decree no. 231/2001. With the adoption and the effective implementation of the Model, the Company aspires to take advantage of the so-called justification in the unlikely event of their involvement for the relevant types of offences.

The Document describing the Model is divided into a "*General Part*", which, after a brief explanation of the essential contents of Italian Legislative Decree no. 231/2001, describes the activities carried out for defining the 231 Model of the Company and its illustrates its components, and the " *Special Part*" prepared for the different types of offence set forth in Italian Legislative Decree no. 231/2001 (if relevant for the Company) that form an integral and essential part of the Model.

11.4. Supervisory Body

The Company has a supervisory body whose tasks are identified in Italian Legislative Decree 231/2001, as specified in Model 231 formalised by the Company, such as supervising the operation, effectiveness, compliance and revision of the Model as well as preparing the operating procedures to ensure its correct functioning.

On 24 April 2012, subsequent to the Meeting for the appointment of the Board in office, the latter appointed the following persons as members of the Supervisory Body:

- Mr. Vincenzo Donnamaria (as member of the Board of Auditors);
- Ms. Laura Marsigli (Internal Audit Manager);
- Mr. Roberto Orecchia (as Independent Director).

Ms. Laura Marsigli, because of the increase in the business duties she is involved in because of her position as the Internal Audit Manager, resigned from his position as a member of the Supervisory Body on 4 July 2014, but remained available to carry out targeted checks on inputs of this Body, compatibly with the other audit activities assigned to her.

On 31 July 2014, the Board of Directors awarded the task of member of the Supervisory Body to the Group Legal Counsel Mr. Alessandro Altei, as a substitute for Ms. Marsigli.

The Body has its own Regulations and also elected its Chairman internally, namely Mr. Vincenzo Donnamaria.

The Body shall remain in office until the approval of the financial statements for the 2014 financial year.

The Body met three times during the Financial Year (with the average attendance rate of 83% of its members at all the meetings).

On 13 May 2014 the Company issued a regular certification ex article I.A.2.10.2 of the Instructions accompanying the Regulations of Borsa Italiana S.p.A. (Adequacy of the 231 Model and its compliance, and composition of the Supervisory Body).

The Board of Directors, taking also account of the activities of the Supervisory Board, assigns the latter an annual expense budget for the performance of its activities, in full economic and managerial autonomy. The aforesaid budget is updated from time to time in accordance with the specific requirements that will be determined by the Supervisory Body. If any budget overrun due to specific requirements shall be communicated by the Supervisory Board to the Board of Directors.

11.5. Audit Firm

The statutory audit is carried out by an appointed audit firm that operates in accordance with the provisions of law. On 23 April 2013, the Shareholders' meeting resolved to entrust Deloitte & Touche S.p.A. with the auditing task pursuant to the Italian Legislative decree 39/2010 on the basis of the proposal of the Board of Auditors:

- for the auditing of the financial statements of the Company and the consolidated financial statements of the SAES Getters Group;

- for the verification of the regular bookkeeping and the correct registration of the management facts in the accounting records

- for the limited audit of the half-year report of the Company on a consolidated basis,

11.6. Officer in Charge of the preparation of the Company's accounting documents and other corporate roles and functions

On 24 April 2012 the Board appointed Mr. Michele Di Marco as *Group Administration, Finance & Control Manager* and *Deputy Chief Financial Officer*, confirming him, to be the Officer in Charge of the preparation of the Company's accounting documents, after having consulted the Board of Auditors, pursuant to and in accordance with new article 154-*bis* of the Consolidated Finance Act, introduced by the Italian Savings Law.

Pursuant to article 24 of the Company By-laws, introduced with the resolution of the extraordinary Shareholders' meeting of 29 June 2007, the Officer in Charge of the preparation of the Company's accounting documents must satisfy the professional requirements characterised by qualified experience of at least three years in the performance of administration, accounting and/or control activities, or as a manager or consultant on finance, administration, accounting and/or control activities, within listed companies and/or associated groups, or within companies, entities and enterprises of significant size and relevance, even with reference to the drafting and control of corporate accounting documents.

The office of Officer in Charge expires at the end of the mandate of the Board that appointed him (approval of the financial statements for the 2014 financial year). He can be re-elected. Mr. Di Marco was appointed Officer in Charge on 29 June 2007, confirmed on 24 April 2009 and his appointment was renewed on 24 April 2012.

The Officer in Charge has autonomous spending and signature rights. The Board ensures that Mr. Di Marco is provided with adequate powers and means to perform the duties assigned to him pursuant to article 154-*bis* of the Consolidated Finance Act, those assigned to him by the Board upon his appointment, and supervises his effective compliance with administrative and accounting procedures.

On 14 May 2007, the Board approved the first version of the document describing the Accounting Control Model, described in paragraph 11, and an update on 20 December 2012, in order to ensure a higher level of reliability of the financial reporting disclosed to the market and the effectiveness of the Officer in Charge. In particular, the document:

- describes the components of the Accounting Control Model;
- indicates the responsibilities, means and powers of the Officer in Charge;
- regulates the rules of conduct, the roles and responsibilities of the company organisational structures involved in various capacities;
- defines the (formal and internal) certification process on financial reporting.

11.7. Coordination of the subjects involved in the check of the Internal Control and Risk Management System

In observance of principle 7.P.3. of the Code and considering the regulatory and procedural provisions introduced by Legislative Decree no. 39 of 27 January 2010, in order to facilitate a steady information flow among the several business bodies and functions that enables the Internal Control and Audit Committee to carry out suitable supervision as required by the law, periodical meetings are planned, among the other activities carried out by the Committee in the fulfillment of its functions, of the Community, the Audit and Risk Committee, the Auditing Company, the Internal Audit Function Manager, the Manager in charge with drawing up corporate accounting documents according to Legislative Decree no. 262/05 and the Group General Counsel. Such meetings focus on the analysis and discussion of the financial information process and the application of accounting principles, as well as the relevant controls, the effectiveness of the internal control system, internal audit and risk management, the legal auditing of yearly accounts and consolidated accounts, the independence of the legal auditing company, particularly in connection with the performance of non-auditing services to the entity subject to legal auditing.

These meetings are also a confrontation opportunity on specific projects regarding the activities of the involved bodies, like, by way of example, in this financial year, the above-mentioned Enterprise Risk Management process implementation project.

During 2014, two meetings were held on 12 March and 25 September.

12.INTERESTS OF DIRECTORS AND TRANSACTIONS WITH RELATED PARTIES

On 21 December 2010 the Board of Directors, having consulted and obtained the approval of the Independent Directors Committee, adopted the Procedures for transactions with related parties (the “Procedures”) in compliance with the provisions of CONSOB Regulation no. 17221 of 12 March 2010 (hereinafter “Regulations”) and CONSOB Communication of 24 September 2010 (hereinafter “Communication”), aimed at ensuring the transparency and the substantial and procedural correctness of the transactions with related parties, identified pursuant to the revised international accounting standard IAS 24.

The Procedures define the transactions of “ major significance” that must be approved in advance by the Board, with the reasoned and binding opinion of the Committee for Transactions with Related Parties.

The other transactions, unless they fall within the residual category of transactions of minor value - transactions of less than €250,000 - are defined as “of minor significance” and may be carried out subject to the reasoned and non-binding opinion of the aforesaid Committee. Furthermore, the Procedures identify cases of exemption to 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 associated companies, provided that the other related parties of the Company have no significant interest in them, and transactions of minor value.

The Procedures came into force on 1 January 2011 and are published in the Company website www.saesgetters.com. (Investor Relations / Corporate Governance)

13. APPOINTMENT OF AUDITORS

The appointment of the Board of Auditors is expressly regulated by the By-laws, which set forth an appointment procedure using a slate system, without prejudice to the application of different and further mandatory legal or regulatory provisions.

The Board believes that the Auditors, in the same way as the Directors, ought also to be appointed according to a transparent procedure, as described below.

Article 22 of the current By-laws, which already provided for the election of the Board of Auditors by presenting lists, was amended by the resolution of the extraordinary Shareholders' Meeting of 27 June 2007 in order to transpose the amendments and additions to the election procedures introduced in the meantime to the regulations in force.

In particular, the amendments were introduced in compliance with the provisions of article 148, paragraph 2 and 2-*bis*, as well as article 148-*bis* of the Consolidated Finance Act, as amended by Italian Legislative Decree 29 December 2006 no. 303, and article 144-*sexies* of the Regulations for Issuers as modified by CONSOB resolution no. 15915 of 3 May 2007, which establishes that an active member of the Board of Auditors must be elected by the minority Shareholders that are not directly or indirectly related to the Shareholders that have submitted or voted that obtained the most votes, with reference to the definition of relations between current Shareholders and minority Shareholders contained in the Regulations for Issuers; that the Chairman of the Board of Auditors is appointed by the Shareholders' meeting from among the Auditors appointed by the minority shareholders; that the By-laws may require the Shareholder or Shareholders that submit the list are owners, at the time of submission of the list, of a shareholding that does not exceed the one stated in article 147-*ter*, paragraph 1, of the Consolidated Finance Act; that the list must be lodged at the company headquarters, accompanied with a series of documents specified by the regulations, at least 25 days prior to the date fixed for the Shareholders' Meeting convened to pass resolution on the appointment of Auditors; that the lists must be made available to the public at the company headquarters, the management company of the market and on the website of the issuing companies within the time limits and using the methods provided for by law; that the By-laws can establish the criteria to identify the candidate to be elected if the lists are equal.

Current article 22 of the By-laws sets forth that the minority - that are not party of a relevant connection, even indirectly, as per article 148, paragraph 2 of Italian Law no.

58/98 and related regulatory rules - are entitled to the appointment of one statutory Auditor, who is the Chairman of the Board, and of one substitute Auditor.

The election of the Auditors by the minority Shareholders takes place at the same time as the election of the other members of the control body (with the exception of cases of replacement).

Only those shareholders who, with reference to the shares registered in their account on the day of deposit of the lists at the Company offices alone or together with other shareholders, own voting shares representing at least the percentage in the voting capital equal to the one determined by CONSOB, pursuant to article 148 paragraph 2 of the Consolidated Finance Act and in compliance with the Regulations for Issuers, are entitled to present lists for the appointment of Auditors. On the date of this Report, the requested share is 2.5% of the share capital with voting rights.

A Shareholder cannot submit or vote for more than one list, even through third parties or through trust companies.

Shareholders that are part of the same group and shareholders who entered a shareholder agreement concerning the shares of the Company cannot submit nor vote for more than one list, even through intermediaries or trust companies. Each candidate may enrol in only one list, under penalty of ineligibility.

The lists, to be signed by all those that submitted them, must be lodged at the head offices of the Company within twenty-five days prior to the Meeting convened to resolve upon the appointment of the Board of Auditors. The Company makes the lists available to the public on its website www.saesgetters.com, at the company offices (Viale Italia, 77, Lainate (Milano), at the 1Info system at www.1info.it, within the time limits and using the methods established by applicable laws.

The lists must contain the names of one or more candidates for the position of Statutory Auditor and of one or more candidates for the position of Substitute Auditor. The names of the candidates are marked in each section (Statutory Auditors section, Substitute Auditors section) by a progressive number and in numbers not exceeding the members to be elected.

The lists also contain, as an annex:

a) information on the identity of the Shareholders that have submitted the lists, with the information on the total percentage of the overall shareholding owned: this indication must be approved by a special certificate issued by the intermediary to be submitted also subsequent to the deposit of the list, but in any case within the time limits provided for the publication of the lists by the issuer;

b) a declaration of the Shareholders other than those that hold, even jointly, a controlling or majority shareholding, certifying the absence of the relationships provided for by article 144-*quinquies* of the Regulations for Issuers with the latter;

c) an exhaustive report on the personal and professional characteristics of the candidates accompanied by the list of the management and control positions held in other companies;

d) a declaration of the candidates certifying that non-existence of causes for ineligibility and incompatibility, as well as the possession of the requirements provided for by *pro tempore* laws and regulations in force, and their acceptance of the candidature;

e) any other further or different declaration, information and/or document provided for by law and applicable regulations.

If upon the expiry of the deadline to submit the lists, only one list has been lodged, or only lists by inter-related Shareholders pursuant to the applicable regulations, lists may be submitted up to the fifth day subsequent to this date. In this case the minimum threshold above required for submitting the lists are reduced by half. The failure to submit minority lists, the extension of the deadline for the submission of the latter and the reduction of the thresholds are disclosed within the time limits and using the methods provided for by applicable laws.

Members of the Board of Auditors are elected as follows: (i) 2 statutory Auditors and 1 substitute Auditor are selected from the list that has obtained the highest number of votes ("Majority List"), in the order of priority they appear on the list; (ii) 1 statutory Auditor, who will be the Chairman of the Board of Auditors ("Minority Auditor), and 1 substitute Auditor ("Minority Substitute Auditor") are selected from the second list that has obtained the highest number of votes and that is not connected directly or indirectly with the Shareholders that have submitted or voted for the Majority List pursuant to the applicable provisions ("Minority List"), in the order of priority they appear on the list.

In the event that the lists obtain an equal number of votes, the list submitted by Shareholders owning the larger shareholding at the time of submission of the list prevails, or, subordinately, the one submitted by the higher number of Shareholders.

If only one list is presented, the Shareholders' Meeting will vote on this list and if it obtains the majority of voters, without taking abstentions into account, the candidates listed for these positions will be elected statutory and substitute Auditors. In this case, the Chairman of the Board of Auditors will be the first candidate voted as statutory Auditor.

If no lists are submitted, the Board of Auditors and the Chairman are appointed by the Shareholders' meeting with the ordinary majorities required by law.

If, for any reason, the Majority Auditor is no longer available, he/she is replaced by the Substitute Auditor selected from the Majority List.

If, for any reason, the Minority Auditor is no longer available, he/she is replaced by the Minority Substitute Auditor.

As set forth in article 2401, paragraph 1, of the Italian Civil Code, the Shareholders' Meeting appoints or replaces the Auditors in compliance with the principle of the necessary representation of minorities.

14. COMPOSITION AND OPERATION OF THE BOARD OF AUDITORS (pursuant to article 123-bis, paragraph 2, letter d), of the Consolidated Finance Act)

The Board of Auditors holding office was appointed by the Shareholders' Meeting on 24 April 2012 and will remain in office until the approval of the 2014 financial statements. The Board of Auditors, as shown in more detail in the following table, consists up of Mr. Vincenzo Donnamaria, Chairman of the Board of Auditors, Mr. Maurizio Civardi and Mr. Alessandro Martinelli, statutory Auditors. The Board of Auditors holding office was appointed on the basis of a single list submitted to the Company by the majority Shareholder S.G.G. Holding S.p.A., in compliance with the methods and within the time limits prescribed by regulations and the By-laws.

The list and the accompanying documents were also promptly published on the Company website.

The term of the mandate of the Board of Auditors, which was appointed on 24 April 2012, expires after a three-year period with the approval of the financial statements regarding the financial year closed as at December 31, 2014. The Shareholders' Meeting to be called, then, will be required to take a resolution on the appointment of the Board of Auditors. Reference is made to the report prepared by the Directors on the subjects in the Meeting's agenda, which will be filed on the Company's website www.saesgetters.com, section Investor Relations/Assemblea degli Azionisti, made available at the company's registered office (Viale Italia, 77, Lainate (Milano), and filed in the 1Info system at www.1info.it by the terms established by the laws in force.
The Board carries out an annual inspection on the continuance of the professionalism and integrity requirements that the Auditors must satisfy pursuant to the Decree of the Ministry of Justice of 30 March 2000, no. 162, as well as that of independence pursuant to art.148 of the Consolidated Finance Act and application standard 8.C.1. of the Code. During the Financial Year, with reference to the 2013 financial year, this inspection was carried out on 18 February 2014. With reference to the 2014 financial year, this inspection was carried out on 18 February 2015.

In addition to the requirements prescribed by the applicable regulations, the Auditors of the Company must also have proven skills and expertise in 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.

In derogation from application standard 8.C.1. of the Code, the Board did not consider it necessary to specifically provide that the Auditors should be chosen from among persons that qualify as independent on the basis of the criteria indicated for the Directors, as they considered legal provisions to be sufficient. The Shareholders submitting the lists for the appointment of the Board of Auditors are requested to indicate the possible suitability of the candidates to qualify as independent, leaving the evaluation of the importance of this qualification to the Shareholders' Meeting during the appointment phase of the Board of Auditors.

In compliance with application standard 8.C.2. of the 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 Auditors informed CONSOB of the management and control positions held at the companies set forth in Book V, Chapters V, and VI, VII of the Italian Civil Code, pursuant to and in accordance with article 144-*quaterdecies* of the Regulations for Issuers.

Also in compliance with the principle 8.P.1. of the Code, the Auditors operate autonomously and independently also from the Shareholders that elected them.

The Auditor that, personally or on account of third parties, has an interest in a particular transaction of the Company immediately informs the other Auditors and the Chairman of the Board providing exhaustive details on the nature, terms, origins and extent of the interest, also pursuant to application standard 8.C.3. of the Code.

The Board of Auditors, within the context of the tasks assigned to it by law, supervises the methods of implementing corporate governance rules and ensures (as it did during the Financial Year) that the criteria and procedures to ascertain the independence of its members adopted by the Board of Directors has been correctly applied. The result of these checks is announced to the market within the context of this Report or the Auditors' Report to the Shareholders' Meeting.

The Board of Auditors also oversees (as it did during the Financial Year) the conditions for the independence and the autonomy of its members, informing the Board thereof in a timely manner with respect to the drafting of this Report. The Board of Auditors verified the continuing satisfaction of the requirements of independence of its members in the first meeting after its appointment (on 24 April 2012) and during the Financial Year. In carrying out the inspections stated above the Board did not apply any further criteria for the independence of the Directors, but only laws and regulations.

The Board of Auditors is responsible for evaluating the proposals formulated by the audit firms in order to be entrusted with the related task, as well as the plan prepared for the audit and the results shown in the report and in the suggestion letter. The Board of Directors also supervises the effectiveness of the auditing process and the independence of the audit firm, also checking its compliance with legal provisions, as well as the nature and size of the services other than the auditing services provided to the Company and its subsidiaries by the aforesaid audit firm and the entities belonging to its network.

During the Financial Year, the Board of Auditors supervised the independence of the audit firm, checking its compliance with legal provisions in these matters, as well as the nature and size of the services other than the auditing services provided to the Company and its subsidiaries.

Furthermore, by virtue of the provisions contained in Italian Legislative Decree 39/2010, the Board of Auditors also acts 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 statutory audit of annual accounts and the consolidated accounts and the independence of the external audit firm.

Reference is to be made to subsequent paragraph “17. Additional Corporate Governance Practices” for further details.

The Board of Auditors may ask the Internal Audit Department to carry out specific inspections on operational areas or corporate transactions in the performance of its tasks, as indicated in application standard 8.C.4. of the Code.

In accordance with application standard 8.C.5. of the Code, the Board of Auditors and the Audit and Risk Committee duly exchanged important information for the performance of their respective tasks, for example on the occasions of the meetings of the Board of Directors or Audit and Risk Committee (in which, it is to be remembered, are attended by the Chairman of the Board of Auditors or other Auditor appointed by the latter).

During the Financial Year the Board of Auditors met six times with constant participation of all members. The meetings of the Board of Auditors last an average of 3 hours. Five meetings are planned for the 2015 financial year; 1 meeting was held on 11 March.

In relation to principle 8.P.2. of the Code, the Company believes it has adopted adequate measures to guarantee the effective performance of the tasks of the Board of Auditors.

The personal and professional information of each Auditor is provided below:

Maurizio CIVARDI - born in Genoa on 30 July 1959

Chartered Accountant - Partner of STUDIO ROSINA e ASSOCIATI

- Registered in the Register of Auditors (Italian Ministerial Decree 12/4/1995 O.G. 31 *bis* – IV special series of 21/4/1985)
- Official Receiver
- Expert appointed by the Court (pursuant to Article 2343 of the Italian Civil Code) for the evaluation of complex businesses
- Liquidator
- Tax and company advisor of several companies, also offering assistance in corporate reorganisation transactions, company organisation and requests for admission to insolvency proceedings
- former Member of the Research Committee for Direct Taxes within the Italian National Board of Chartered Accountants
- former 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 has been a Statutory Auditor of SAES Getters S.p.A. since 2006.

Vincenzo DONNAMARIA -born in Rome on 4 October 1955

He graduated with a Law degree from the Università degli Studi of Rome in 1978.

Lawyer enrolled in the Bar of Rome (94).

Registered in the Register of Auditors since its formation (Italian Ministerial Decree 12 April 1995).

Court of Cassation lawyer, registered in the Special Register of Cassation Lawyers since 2003.

Mr. Vincenzo Donnamaria is a founding member and national manager of Studio Associato di Consulenza Legale e Tributaria KStudio Associato (law firm). The Firm, which has more than 3000 professionals, lawyers, chartered accountants and auditors, is associated with the international network of KPMG.

From November 1978 to April 1985 he advanced his career in Arthur Andersen, reaching the office of ordinary member of the Tax and Corporate Consultancy Firm.

From May 95 to September 1988 he was the founding member of the Studio Consulenti Associati Di Paco, Donnamaria, Guidi, (KPMG) and was responsible for the Rome office.

He participated as a lecturer of teaching courses in the field of direct and indirect taxation and as a speaker at conferences on topics related to tax.

In 1985 he published the book “Disciplina fiscale degli ammortamenti” (Tax regulations on amortisation),together with Mr. Francesco Rossi Ragazzi for the IPSOA publishing house.

He is a member of ANTI (Associazione Nazionale Tributaristi Italiani, National Association of Italian Tax Advisors).

During 1988 he was appointed Consultant of the Authority for Communication Guarantees within the preparation of the Regulations concerning the organisation and the 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 proceedings initiated by the Judicial Authority against the former General Management personnel of the Construction of naval weapons and arms.

He has been a statutory Auditor of SAES Getters S.p.A. since 2006. In 2006 he was appointed Chairman of the Board of Auditors.

Alessandro MARTINELLI - born in Milan on 5 July 1960

Registered in the Register of Chartered Accountants and Accounting Experts of Milan, roll section A, since 20 September 1987.

Registered in the Register of Statutory Auditors O.G. no. 31 of 21/04/1995 Italian Decree 12/04/25.

After an apprenticeship at the leading accountancy firm of Milan, he embarked upon his career in 1987 in his family Firm, active since 1920, mainly dealing mainly with tax consultancy, corporate consultancy and tax-related lawsuits.

As manager, he also followed the administrative and accounting management of clients of the Firm.

He has been statutory Auditor of SAES Getters S.p.A. since 2006.

15. INVESTOR RELATIONS

The Chairman and Managing Director, in compliance with procedure for the management of inside information, do their utmost to establish constant dialogue with the Shareholders, the institutional investors and the market in order to guarantee the systematic distribution of a complete and timely report on its activities. Disclosure to investors, the market and the press is guaranteed by press releases, regular meetings with institutional investors and with the financial community.

Also in compliance with application standard 9.C.1. of the Code, the dialogue with the institutional investors, the Shareholders as a whole and the analysts is entrusted to a specific dedicated department, called Investor Relations, in order to ensure continuous and professional relations, as well as the correct, constant and complete exchange of information.

The management of relations with the Shareholders is entrusted to Ms. Emanuela Foglia, Investor Relations Manager, under the supervision of the Group Chief Financial Officer and the Managing Director, Mr. Giulio Canale.

During the Financial Year meetings and conference calls on the regular economic and financial reporting were organised. During the Financial Year, the Company also participated in the STAR Conference organised by Borsa Italiana S.p.A. in Milan on 25 and 26 March 2014 and in London on 2 October 2014 respectively. For the current financial year the STAR Conference in Milan is planned for 25 March 2015.

The presentations used during the meetings planned with the financial community were made public through publication on the Company website at the addresswww.saesgetters.com/it/investor/presentation, in addition to being sent in advance via e-mail to CONSOB and Borsa Italiana S.p.A.

The e-mail address for collecting requests for information and providing explanations and clarifications to the Shareholders on the transactions carried out by the Company is: investor_relations@saes-group.com.

Furthermore, the Company, in order to facilitate the attendance of the Shareholders in the Shareholders’ Meeting, allows the Shareholders to ask questions on the items on the agenda, also before the Meeting, by sending a registered letter with acknowledgement of receipt to the company headquarters via certified e-mail to the 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.

Special attention is to be paid to the Company website (www.saesgetters.com), where financial and economic information (such as financial statements, half-yearly and quarterly reports), as well as data and documents of interest to the Shareholders as a whole (press releases, presentations to the financial community, calendar of corporate events) can be found in Italian and English.

Also in compliance with application standard 9.C.2., the Company provides the necessary or appropriate information in the special Investor Relations section of the Company website so that the Shareholders can make informed decisions while exercising their rights, with particular reference to the methods provided for the participation and exercising of voting rights in the Meeting, as well as to the documents related to the topics on the agenda, therein including the list of candidates for the positions of Director and Auditor with the indication of their personal and professional characteristics.

The admission and the permanence of the Company in the STAR ("Segmento Titoli con Alti Requisiti" - segment of securities with high requirements) of Borsa Italiana S.p.A. also represent an indicator of the ability of Companies to satisfy the high information disclosure standards that constitute one of its essential requirements.

16. SHAREHOLDERS' MEETINGS (pursuant to article 123-bis, paragraph 2, letter c), of the Consolidated Finance Act)

The Meetings, duly constituted, represent all the Shareholders, and its resolutions, passed in compliance with the law, are binding upon Shareholders even if they are absent or dissenting. The meeting is held in ordinary and/or extraordinary session, according to law, at the company headquarters or another location, even abroad, provided that it is within the countries of the European Union.

The Shareholders' Meeting is regulated by articles 8, 9, 10, 11, 12 and 13 of the By-laws, which can be found on the Company website at the address www.saesgetters.com/it/investor/company-bylaws.

In sharing principles 9.P.1. and 9.P.2. as well as application standard 9.C.2. and 9.C.3. of the Code, the Chairman and Managing Director do their utmost to encourage the widest possible attendance at the Shareholders in the Meetings, as an actual moment of communication and connection between the Company and its investors. As a rule, all the Directors attend the Meetings. The Board does its utmost to reduce the constraints and obligations that render it difficult and burdensome for the Shareholders to attend Meetings and exercise their voting rights. Moreover, no complaints to this effect were received from the Shareholders.

The Meetings are also an occasion for providing the Shareholders with information on the Company, in compliance with the regulations on inside information.

In particular, in the Meetings the Board reports on the activities carried out and those that are planned and does its utmost to ensure that the Shareholders are provided with adequate information on the necessary topics so that they may make the decisions reserved for the Shareholders' Meeting in full cognition of the facts.

During the Financial Year, the Shareholders' Meeting was held on 29 April 2014 with the following agenda:

1. Reports of the Board of Directors for the financial year ended 31 December 2013; financial statements as at 31 December 2013; related resolutions; presentation of Consolidated Financial statements as at 31 December 2013; distribution of the dividend;

2. Report on remuneration pursuant to article 123-*ter* of Italian Legislative Decree no. 58/1998 and article 84-*quater* of CONSOB resolution no. 11971 of 14/5/1989 concerning the regulations for issuers;

3. Proposal for the authorisation of the Board of Directors pursuant to and in accordance with articles 2357 *et. seq*. of the Italian Civil Code and 132 of Italian Legislative Decree no. 58/1988, to purchase and dispose of up to a maximum of 2,000,000 treasury shares; related and consequent resolutions;

4. Appointment of a director.

In order to attend the Shareholders' Meeting, the Company requires the notification establishing the right to speak and to vote in the Shareholders' Meeting to be sent by the intermediary on the basis of records at the end of the accounting day of the seventh day of open market before the date fixed for the Shareholders' Meeting on first and only call.

In this regard, article 10 of the By-laws states:

"Attendance and representation at the Shareholders' meeting are governed by the Law.

Voting rights holders will have the right to attend the Meetings providing that their capacity to attend the meeting is certified according to the modalities and within the terms provided by the regulations and laws in force.

The electronic notice of the delegation to attend the Meetings may be pursued by means of related link on the Company website, according to the methods set forth by the notice of calling, or, alternatively, by means of certified email sent to the email address indicated in the notice of calling.

The Chairman of the Meeting, also through appointees, shall be responsible for verifying the validity of the meeting's establishment, the identity and legitimacy of those present, and for regulating the meeting's progress, establishing the methods of discussion and voting (which shall in all cases be transparent), and announcing the results of votes."

16.1. Regulations for Shareholders' Meetings

In compliance of application standard 9.C.3. of the Code, on 13 March 2012 the Board proposed the adoption of specific regulations for Shareholders' Meetings, indicating the procedure to be followed in order to enable the orderly and functional performance of the meetings, guaranteeing, at the same time, the right of each shareholder to take the floor on the points under discussion. These regulations were approved and adopted by the Shareholders' Meeting of 24 April 2012 and updated, with the amendment of article 4, paragraph 7, by the Shareholders' Meeting of 23 April 2013.

The regulations can be found on the Company website at the address: www.saesgetters.com/it/investor/shareholders'-meeting-regulations.

16.2. Special Meeting of holders of Saving shares

The special meeting of holders of savings shares convenes in accordance with the law, at the company headquarters or another location, even abroad, provided that it is within the countries of the European Union
The last meeting of holders of savings shares was held on 29 April 2014 in order to appoint the Common Representative, since his mandate had expired. The special meeting confirmed Mr. Massimiliano Perletti as Common Representative of the holders of savings shares for in the 2014-2016 financial years (e-mail address: massimiliano. perletti@roedl.it), fixing his remuneration (at €1100 per year).

16.3. Significant changes in the market capitalisation of shares

The ordinary and savings shares listed on the Italian Electronic Stock Market (STAR segment) registered a decrease in value by -12.3% and -20.9%, respectively, in 2014 against an increase by +0.4% and +8.5%, 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 the financial year 2014.

17. ADDITIONAL CORPORATE GOVERNANCE PRACTICES

No corporate governance practices exist that have been implemented by the Company in addition to those already indicated in the sections above.

18. CHANGES AFTER THE REPORTING PERIOD

There were no changes in the Corporate Governance structure subsequent to the closing date of the Financial Year.

Lainate, 11 March 2015

for the Board of Directors

Mr. Massimo della Porta
Chairman

ANNEXES

TABLE 1 – STRUCTURE OF THE BOARD OF DIRECTORS AND COMMITTEES

BOARD OF DIRECTORS														
Position	**Members**	**Year of Birth**	**Year of First Appointment**	**In office since**	**In office until**	**List (M/m)**	**Exec.**	**Non exec.**	**Indep. based on Code**	**Indep. based on Consolidated Finance Act**	**Attendance at BoD meetings**	**Number of other offices**	**Audit and Risk Committee**	**Remuneration and Appointment Committee**
Chairman	Massimo della Porta	1960	1997	24.04.12	Shareholders' Meeting for the approvalof the 2014FinancialStatements	M	X				3	10/10		
Vice-Chairman, Managing Director and Chief Financial Officer	Giulio Canale	1961	1997	24.04.12	Shareholders' Meeting for the approval of the 2014 Financial Statements	M	X				2	10/10		
Director	Stefano Baldi	1950	1987	24.04.12	Shareholders' Meeting for the approval of the 2014 Financial Statements	M		X			1	6/10		
Director	Emilio Bartezzaghi	1948	2012	24.04.2012	Shareholders' Meeting for the approval of the 2014 Financial Statements	M		X	X	X	3	9/10		6/6 P
Director	Adriano De Maio	1941	2001	24.04.12	Shareholders' Meeting for the approval of the 2014 Financial Statements	M		X		X	2	7/10		6/6 M
Director	Alessandra della Porta	1963	2013	09.05.13	Shareholders' Meeting for the approval of the 2014 Financial Statements	M		X			-	10/10		

BOARD OF DIRECTORS														
Position	**Members**	**Year of Birth**	**Year of First Appointment**	**In office since**	**In office until**	**List (M/m)**	**Exec.**	**Non exec.**	**Indep. based on Code**	**Indep. based on Consolidated Finance Act**	**Attendance at BoD meetings**	**Number of other offices**	**Audit and Risk Committee**	**Remuneration and Appointment Committee**
Director	Luigi Lorenzo della Porta	1954	2012	24.04.2012	Shareholders' Meeting for the approval of the 2014 Financial Statements	M		X			2	7/10		
Director	Andrea Dogliotti	1950	2006	24.04.12	Shareholders' Meeting for the approval of the 2014 Financial Statements	M		X			-	10/10	4/4 M	
Director	Pietro Mazzola	1960	2008	24.04.12	Shareholders' Meeting for the approval of the 2014 Financial Statements	M		X			7	7/10		
Director	Roberto Orecchia	1952	2009	24.04.12	Shareholders' Meeting for the approval of the 2014 Financial Statements	M		X	X	X	-	9/10	3/4 P	
Director	Andrea Sironi	1964	2006	24.04.12	Shareholders' Meeting for the approval of the 2014 Financial Statements	M		X	X	X	-	8/10	4/4 M	6/6 M
Directors retired during the Financial Year														
No director retired during the Financial Year														

Number of meetings held during the Financial Year	**Board of Directors**	**Audit and Risk Committee**	**Remuneration and Appointment Committee**	**Appointment Committee**
	10	4	6	N/A
Quorum required for the submission of the lists by minorities for the election of one or more members (pursuant to article 148 of the Consolidated Finance Act)				

TABLE 2 – STRUCTURE OF THE BOARD OF AUDITORS

Position	Members	Year of Birth	Year of First Appointment	In office since	In office until	List M/m	Indep. based on Code	Attendance at BoD meetings	Other positions
Vincenzo Donnamaria	Chairman	1955	1997	24/04/12	Shareholders' Meeting for the approval of the 2014 Financial Statements	M	No	6/6	23
Maurizio Civardi	Statutory Auditor	1959	2006	24/04/12	Shareholders' Meeting for the approval of the 2014 Financial Statements	M	No	6/6	63
Alessandro Martinelli	Statutory Auditor	1960	2006	24/04/12	Shareholders' Meeting for the approval of the 2014 Financial Statements	M	No	5/6	9
Fabio Egidi	Substitute Auditor	1963		24/04/12	Shareholders' Meeting for the approval of the 2014 Financial Statements	M	No	n.a.	n.a.
Piero Angelo Bottino	Substitute Auditor	1949		24/04/12	Shareholders' Meeting for the approval of the 2014 Financial Statements	M	No	n.a.	n.a.
AUDITORS RETIRED DURING THE FINANCIAL YEAR									
No auditor retired during the Financial Year									
Quorum required for the submission of the lists by minorities for the election of one or more members (pursuant to article 148 of the Consolidated Finance Act)							2.5 %		
Number of meetings during the Financial Year							6		

ANNEX1 – POSITIONS AS DIRECTOR OR AUDITOR HELD IN OTHER COMPANIES LISTED IN REGULATED MARKETS, EVEN ABROAD, IN FINANCIAL, BANKING, INSURANCE OR LARGE COMPANIES

NAME	**POSITIONS**	
	Company	***Position***
Stefano Baldi	S.G.G. Holding S.p.A.	Non-executive Director
Emilio Bartezzaghi	Artemide Group S.p.A. Polimilano Educational Consulting Fondazione Universitaria Politecnico di Milano	Independent non-executive Director, Member of ARC Non-executive Director Non-executive Director
Giulio Canale	S.G.G. Holding S.p.A. Telima Italia S.r.l.	Director Non-executive Director
Adriano De Maio	Telecom Italia Media S.p.A. Persidera S.p.A.	Non-executive Director Non-executive Director
Alessandra della Porta	-	-
Luigi Lorenzo della Porta	S.G.G.Holding S.p.A. DELVEN S.n.c.	Non-executive Director Executive Director
Massimo della Porta	S.G.G. Holding S.p.A. Alto Partners SGR S.p.A. MGM S.r.l.	Director Independent Director Executive Director
Andrea Dogliotti	-	-
Pietro Mazzola	Banca Popolare Commercio e Industria Berger Trust S.p.A. Fratelli Testori S.p.A. Valvitalia S.p.A. Valvitalia Finanziaria S.p.A	Chairman of the Board of Auditors Vice-Chairman of the Board of Directors Chairman of the Board of Auditors Chairman of the Board of Auditors Chairman of the Board of

	Generali S.p.A. Buccellati Holding Italia S.p.A.	Auditors Member of Supervisory Body Director
Roberto Orecchia	-	-
Andrea Sironi	-	-

It is to be noted that, among the companies stated above, only S.G.G. Holding S.p.A belongs to the SAES Getters Group, as the ultimate parent company of the latter.

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