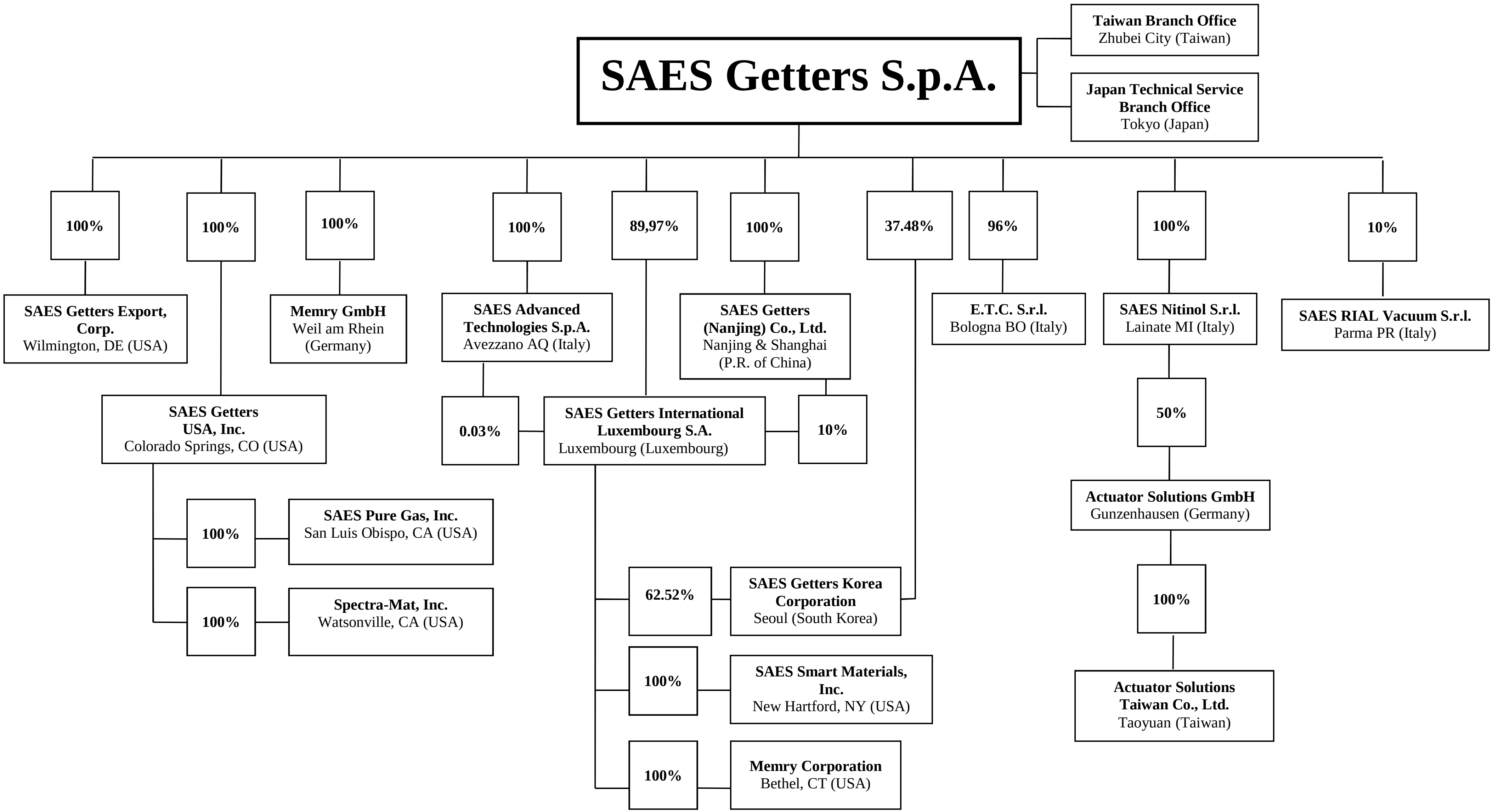
Consolidated Financial Statements 2015

saes group

2015


SAES Getters S.p.A.
Taiwan Branch Office
Zhubei City (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)
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)
100%
SAES Getters (Nanjing) Co., Ltd.
Nanjing & Shanghai (P.R. of China)
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)
10%
SAES RIAL Vacuum S.r.l.
Parma PR (Italy)

Consolidated Financial Statements 2015

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	Alessandra della Porta (1) Luigi Lorenzo della Porta (1) Andrea Dogliotti (1) Roberto Orecchia (1) (2) (5) (6) (7) Luciana Rovelli (1) (2) (4) (6) (8) PietroAlberico Mazzola (1) Adriano De Maio (1) (3) (4) Stefano Proverbio (1) (2) (5) (6) (8) Gaudiana Giusti (1) (2) (4) (5) (6) (8)

Board of Statutory Auditors

President	Pier Francesco Sportoletti
Statutory Auditors	Vincenzo Donnamaria (8) Sara Anita Speranza
Alternate Statutory Auditors	Angelo Rivolta Anna Fossati
Audit Firm	Deloitte & Touche S.p.A. (9)

Representative of holders of savings shares	Massimiliano Perletti (10) (e-mail: massimilano.perletti@roedl.it)

(1) Non-executive Director
(2) Independent Director, pursuant to the criteria of the Code of Conduct of the Italian Stock Exchange
(3) Independent Director, pursuant to the combined provisions of article 147-*ter*, paragraph 4, and article 148, paragraph 3, of Legislative Decree 58/1998
(4) Member of the Remuneration and Appointment Committee
(5) Member of the Audit and Risk Committee
(6) Member of the Committee for Transactions with Related Parties
(7) Lead Independent Director
(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 28, 2015, will expire on the same date of the Shareholders' Meeting in which the financial statements for the year ended December 31, 2017 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 28, 2015, 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,

There is an overall satisfaction for 2015, in which the Group met all its objectives. In particular, sales strongly increased, total revenues[1] recorded their top historical level and all the economic and financial indicators significantly improved. The most innovative components of the activity, in particular the shape memory alloys for medical and industrial applications, recorded the best results in terms of revenue growth and profitability.

All these results confirm the validity of the strategic choices made in the last recent years, matured in a very difficult economic environment, but in which we have always believed, defending them and keeping firmly the course we have undertaken.
The decision to develop new materials, in addition to the historical getters and purification media, has enabled the Group to enter new markets, while that of going downstream in the value chain, by developing and selling more complex devices, has led to a rapid increase in revenues and to exploit the core competencies and the competitive advantages of our materials at the best.

The Group, with the clear objective to grow, in the coming years will continue to develop this new business model, which is giving great satisfaction.

It is also important to point out that it was possible to achieve these results also thanks to the contribution of the more traditional segments, getters and gas purification systems, whose remarkable trend was favored by the recovery in some markets that had shown a slowdown in the past and by the favorable euro/dollar exchange rate.

The beginning of 2016 confirms the great success of the shape memory alloys, as well as the strong recovery of some historical areas of the Company.

In 2016 we will be strongly committed in the commercial and industrial development of the joint venture Actuator Solutions, which produces sophisticated electromechanical devices using shape memory alloys as engines for the movement and that is increasingly becoming a player in the huge market of components for mobile phones. In addition, we will be active in the development of the business of functional polymers that use nano-structured and micro-structured getters as functional elements, for applications in the field of active food packaging.

The continuous growth in revenues and the further improvement in profitability are the main objectives of the Group and all the management is oriented to achieve them.

I thank our Shareholders for believing in our company and I thank all the employees and partners that daily help us to maintain the level of prestige that has always distinguished our Company.

Dr Ing. Massimo della Porta
President

[1] Total revenues of the Group are calculated by incorporating the 50% joint venture Actuator Solutions with the proportional method.

Group financial highlights

GROUP FINANCIAL HIGHLIGHTS

(thousands of euro)

Income statement figures	**2015**	**2014**	**Difference**	**Difference %**
NET SALES				
- Industrial Applications	101,109	85,842	15,267	17.8%
- Shape Memory Alloys	63,680	44,460	19,220	43.2%
- Business Development	1,223	1,399	(176)	-12.6%
Total	**166,012**	**131,701**	**34,311**	**26.1%**
GROSS PROFIT (1)				
- Industrial Applications	47,496	41,856	5,640	13.5%
- Shape Memory Alloys	24,230	14,322	9,908	69.2%
- Business Development & Corporate Costs (2)	261	493	(232)	-47.1%
Total	**71,987**	**56,671**	**15,316**	**27.0%**
% on sales	*43.4%*	*43.0%*		
EBITDA (3)	**29,375**	**21,648**	**7,727**	**35.7%**
% on sales	*17.7%*	*16.4%*		
OPERATING INCOME (LOSS)	**20,499**	**13,012**	**7,487**	**57.5%**
% on sales	*12.3%*	*9.9%*		
Group NET INCOME (LOSS) from continued operations	**8,820**	**3,424**	**5,396**	**157.6%**
% on sales	*5.3%*	*2.6%*		
Group NET INCOME (LOSS) (4)	**8,820**	**4,836**	**3,984**	**82.4%**
% on sales	*5.3%*	*3.7%*		

Balance sheet and financial figures	**December 31, 2015**	**December 31, 2014**	**Difference**	**Difference %**
Tangible fixed assets	50,383	50,684	(301)	-0.6%
Group shareholders' equity	126,485	112,685	13,800	12.2%
Net financial position	(17,280)	(26,945)	9,665	35.9%

Other information	**2015**	**2014**	**Difference**	**Difference %**
Cash flow from operating activities	22,851	13,958	8,893	63.7%
Research and development expenses	14,620	14,375	245	1.7%
Number of employees as at December 31 (5)	1,004	964	40	4.1%
Personnel cost (6)	62,262	51,599	10,663	20.7%
Disbursement for acquisition of tangible assets	5,017	4,310	707	16.4%

(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) 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".

(thousands of euro)

	2015	**2014**
Operating income	20,499	13,012
Depreciation and amortization	8,511	8,556
Write-down of assets	311	0
Bad debt provision accrual (release)	54	80
EBITDA	**29,375**	**21,648**
% on sales	*17.7%*	*16.4%*

(4) In 2014 it includes a net income from assets held for sale and discontinued operations equal to 1,412 thousand euro.

(5) As at December 31, 2015 this item includes:
- employees for 962 units (913 units as at December 31, 2014);
- personnel employed with contract types other than employment agreements, equal to 42 units (51 units as at December 31, 2014).

This figure does not include the personnel (employees and temporary workers) of the joint ventures amounting, according to the percentage of ownership held by the Group, to 50 units as at December 31, 2015 (36 units at the end of the previous year, always according to the percentage of ownership held by the Group).

(6) As at December 31, 2015 the severance costs included in the personnel costs are equal to 137 thousand euro; the use of the social security provisions in the Italian Group's companies has led to a reduction in the personnel costs equal to 2,173 thousand euro.
In the year 2014 the costs for staff reduction amounted to 210 thousand euro, while the use of the social security provisions led to a reduction in the personnel costs equal to 2,139 thousand euro.

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 eleven facilities, a worldwide-based sales & service network, about 1,000 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	
Functional Polymer Composites	Innovative technologies that integrate getter materials in polymer matrices

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 most recently been joined by that of CapaciTorr® HV, high vacuum pumps that use an innovative alloy with a greater capacity to absorb gases and which have contributed to further strengthening 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.

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 (SMA) 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 to 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 – Functional Polymer Composites

The SAES Group has developed a new technology platform that integrates getter materials in polymer matrices, today mainly used in the field of OLED (Organic Light Emitting Diodes) displays and lamps. More recently, SAES has started to offer a new range of specific materials for flexible OLED applications that should represent the new development trend in the display field.

These functional polymer composites, initially developed for the OLED business, begin to find application also in other areas: that of implantable medical devices and diagnostic for the new solid-state images, in addition to food packaging, which should allow a further expansion of the current perimeter of use of this technology.

The functional polymer composites are proposed by SAES Group also 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 2015

The year 2015 was characterized by a sharp increase in revenues compared to the previous year, even excluding the positive effect generated by the strengthening of the dollar, and by the improvement of the economic and financial indicators.

In particular, the consolidated net revenues was equal to 166 million euro, up by 26.1% compared to 131.7 million euro achieved in 2014.
The organic growth, equal to +9.1%, was mainly driven by the shape memory alloys Business Unit (organic growth equal to +23.0%), confirming the success of the already made and ongoing investments. The success of the shape memory alloys (SMA) both for medical and industrial applications came along with the organic growth in the more traditional and established businesses of gas purification and of vacuum systems, which enabled the Industrial Applications Business Unit to end the year with an organic growth equal to 2.4%.
In the Shape Memory Alloys Business Unit both segments recorded a significant growth: the medical SMA segment (Nitinol raw materials and components) showed an organic growth of 17.9%, driven by the introduction of new and more sophisticated Nitinol-based medical devices in the market by some large customers who are leaders in this industry; also the industrial SMA segment recorded a significant growth and it almost doubled (organic growth equal to 69.5% or 3 million euro) thanks to the increase in sales of SMA springs and trained wires for automotive and consumer applications, as well as to the entry into the luxury goods market. This organic growth, in absolute terms, was even higher (3.9 million euro) consolidating, on a pro-forma basis, the revenues of the joint venture Actuator Solutions, achieved entirely with the sales of SMA devices for industrial applications.
In the Industrial Applications Business Unit the growth, driven by the positive exchange rate effect (+15.4%) and by higher volumes in the gas purification business (+10.0%) and in that of vacuum pumps (+15.6%), more than offset the organic decrease in the lamps segment (-22.0%), penalized by the competitive pressure of LEDs, as well as that in the segment of products for thermal insulation (-12.1%), due to a weaker demand in the oil drilling business and in the refrigeration market.

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 174.1 million euro up by 25.3% compared to 138.9 million euro in 2014, thanks both to the strong increase in consolidated revenues (+26.1%) and to the revenues' growth of the joint venture (+13.0%).

All the consolidated economic indicators showed a growth, driven by the increase in revenues. Namely, there has been a strong increase in the consolidated net income, almost doubled if compared to the previous fiscal year, together with the marked improvement in the EBITDA %, increased from 16.4% to 17.7%, mainly driven by the shape memory alloys sector.

Finally, please note the continuous improvement in the net financial position during the fiscal year 2015, related to the good operating performance. In addition, the rebalancing of the structure of the Group's financial debt has continued in 2015, with a progressive increase in the incidence of medium-long term loans compared to the short-term bank debt.

Here below the other significant events occurred in 2015.

At the end of 2014 Memry Corporation had officially signed an agreement with the State of Connecticut to obtain a soft financing in several tranches, for a total amount of 2.8 million USD. The loan has duration of ten years with an annual subsidized interest rate of 2% and is used to purchase new machinery and equipment necessary to expand the production plant in Bethel.
50% of the financing (1.4 million USD) might be converted into a non-refundable grant provided that, by November 2017, Memry Corporation has reached pre-defined employment objectives.
The first tranche of the soft financing, equal to 2 million USD, was paid by the State of Connecticut to the US subsidiary on February 20, 2015.

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

On May 12, 2015 the process to reduce the share capital of the Chinese subsidiary SAES Getters (Nanjing) Co., Ltd. from 13.6 million USD to 6.6 million USD was finalized, following the reduced required capitalization after the transformation of its activity from production into a commercial one, completed in 2014. This transaction generated a non-recurring exchange rate gain into the income statement (previously already included in the consolidated shareholders' equity in the item “Translation reserve”) of 1.9 million euro.

On May 27, 2015, following the decrease of the stake of S.G.G. Holding S.p.A. in SAES Getters S.p.A. below the threshold of 50%, the prerequisite to keep the tax consolidation program with S.G.G. Holding S.p.A. as consolidating company ended, as envisaged by the combined provisions of articles 117 and 120 of the Income Tax Code (“TUIR”).
On September 30, 2015, the option to join a new tax consolidation program between SAES Getters S.p.A., SAES Advanced Technologies S.p.A., E.T.C. S.r.l. and SAES Nitinol S.r.l., with the Parent Company as consolidator, was exercised, together with the submission of the tax return of the Parent Company SAES Getters S.p.A. This new tax consolidation program has been valid starting from January 1, 2015.

On May 31, 2015 the final tranche of the bank loan held by the US controlled company SAES Smart Materials, Inc., equal to 1.7 million USD, was reimbursed.

On June 10, 2015 SAES announced the signature of a loan with EIB (European Investment Bank) worth 10 million euro to support R&D projects in the field of vacuum technologies, shape memory alloys (SMAs) and Organic Light Emitting Transistor (OLET) solutions. The transaction is supported by the new generation of financial instruments of “InnovFin - EU Finance for Innovators”, dedicated to innovative and growing companies that make use of the financial support of the European Union under the project “Horizon 2020” (the European outline program for Research and Innovation, 2014-2020).
The medium-term loan consists of two tranches of the same amount, one secured by SACE, has a five-year term and is used to cover part of a research program for a total value of 45 million euro to be carried out in Italy, started in 2014 and that will end in 2017.
The loan provides for the compliance with the standard financial covenants for this type of transactions, calculated every six months on the consolidated economic and financial figures.

On July 24, 2015 SAES Getters S.p.A. signed a new multi-tranche loan for a total value of 11 million euro. The contract provides for an amortizing type tranche, amounting to 8 million euro and with a duration of five years, the repayment of which is established in semiannual fixed principal amounts and interests indexed to the six months Euribor, plus a spread of 2.25%. The second tranche, worth 3 million euro, is a revolving one, with duration of three years and its use based on the operational needs of the SAES Group. Please note that the last revolving tranche was not used during the fiscal year 2015.
On September 25, 2015, SAES Getters S.p.A. signed an IRS (Interest Rate Swap) contract on the first amortizing tranche with a notional value of 3.6 million euro expiring on July 31, 2020, that provides for the exchange of the six months Euribor with a fixed rate of 0.285%.
The loan provides for the activation of financial covenants that are standard for this type of transactions, calculated annually on consolidated economic and financial figures.

On October 15, 2015 SAES Nitinol S.r.l. made a capital contribution in favor of the joint venture Actuator Solutions GmbH equal to 0.5 million euro, in addition to the same payment made on July 15, 2015. The 50% joint partner Alfmeier, through the company SMA Holding GmbH, paid the same amounts.
On December 15, 2015 each of the two partners of the joint venture (SAES Nitinol S.r.l and SMA Holding GmbH) made a further 2 million euro capital contribution in favor of the joint venture; in the same date, Actuator Solutions GmbH provided the repayment of 1.5 million euro to each of the two shareholders, as anticipated reimbursement of the interest-bearing loan with an equal amount, granted in February 2014 and expiring on December 31, 2016.

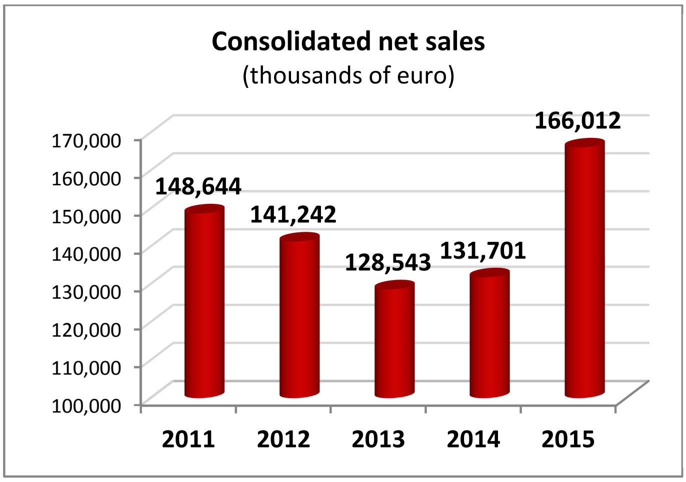
In November 2015 the share capital of the Korean subsidiary SAES Getters Korea Corporation was officially reduced from 10,497,900 thousand KRW to 524,895 thousand KRW, by reducing the nominal share value from KRW 10,000 to KRW 500 (for a total number of 1,049,790 shares).
Such operation has generated a non-recurring exchange rate gain in the income statement equal to 30 thousand euro (previously included in the consolidated shareholders' equity under the item "Translation reserve").

With reference to the loan subscribed by Memry Corporation in January 2009 and divided into two residual lines ('amortizing loan' and 'bullet loan') for a total value of 11 million USD, which had to be totally reimbursed within July 2017, on December 22, 2015 the US subsidiary signed an agreement with the financing institution, effective from December 31, 2015, in order to reschedule such repayment; in particular, the residual amount of the two lines was converted into an amortizing loan of the same amount (11 million USD) with a duration of 5 years, with a repayment plan consisting in six-month fixed tranches (starting from June 30, 2016 until December 31, 2020) equal to 1.1 million USD each. Interests will be paid every six months and benchmarked to the Libor rate, plus a spread equal to 2.70% (such spread will be reduced to 2.20% in case the ratio between the net financial position and the EBITDA of Memry Corporation is lower than 1.50).
A new set of covenants has also been defined, still to be calculated every six months, based not on consolidated figures, but on the economic and financial figures of Memry Corporation only.

On December 23, 2015 SAES Getters S.p.A. signed an agreement with the company Rodofil s.n.c., based in the province of Parma (Italy), for the commitment by the Parent Company to the acquisition, within the end of January 2016, of 49% of the company SAES RIAL Vacuum S.r.l. SAES RIAL Vacuum S.r.l. was established through the transfer by Rodofil of the 'Rial Vacuum' business (assets, trademark and customers list, as well as inventory and employed personnel), specialized in the design and manufacture of vacuum chambers for accelerators, synchrotrons and colliders, used in the major research laboratories worldwide.
On December 23, 2015 SAES Getters S.p.A. acquired the first tranche equal to 10% of the newco SAES RIAL Vacuum S.r.l., while the finalization of the acquisition of the further 39% was realized on January 19, 2016.
The total price of the 49% of the share capital is equal to approximately 1.6 million euro, of which 0.3 million euro paid in cash in 2015 and 1.3 million euro paid in January 2016.
The signed contract includes some shareholders' agreements that govern the relationship between the parties enabling to qualify SAES RIAL Vacuum S.r.l. as a joint venture. They also include a put and call option among the shareholders, according to an agreed schedule. In particular, Rodofil will have the right to exercise a put option, by selling to SAES a minimum of 2% up to a maximum of 51% of its shares of SAES RIAL Vacuum S.r.l., through a one-off operation between May 1, 2020 and May 31, 2020, at a predetermined price related to the performance of the new company at the date of the sale; if Rodofil does not exercise its put option, SAES will have the right to exercise a call option through a one-off operation between June 1, 2020 and June 30, 2020, for a percentage equal to 30% of the share capital, at a price calculated with similar method.
The aim of the agreement is the creation of an Italian technological and manufacturing hub of the highest level, for the design and production of integrated vacuum components and systems for accelerators, for the research, as well as for industrial systems and devices. The joint venture will combine at the highest level the competences of SAES in the field of materials, vacuum applications and innovation, with the experience of Rial and Rodofil in the design, assembling and fine mechanical productions, with the aim of offering absolutely excellent quality products and successfully competing in the international markets.

The use of social security provisions in the Italian subsidiary SAES Advanced Technologies S.p.A. continued in 2015.

Sales and economical results for the fiscal year 2015



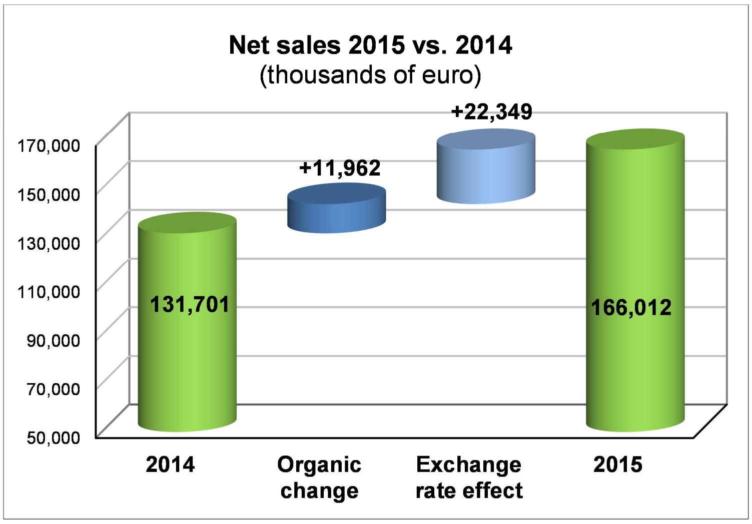
In the fiscal year 2015 **consolidated net revenues** were equal to 166,012 thousand euro, up by 26.1% compared to 131,701 thousand euro achieved in 2014.
The **exchange rate effect** was positive and equal to +17.0%, almost exclusively due to the strengthening of the US dollar against the euro, while the **organic growth** amounted to +9.1%, mainly driven by the shape memory alloys (SMA) businesses both for medical and industrial applications, by the businesses of gas purification and of vacuum systems.

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 174,087 thousand euro, up by 25.3% compared to 138,921 thousand euro in 2014, thanks both to the marked increase in consolidated revenues (+26.1%) and to the strong revenues' growth of the joint venture (+13.0%).

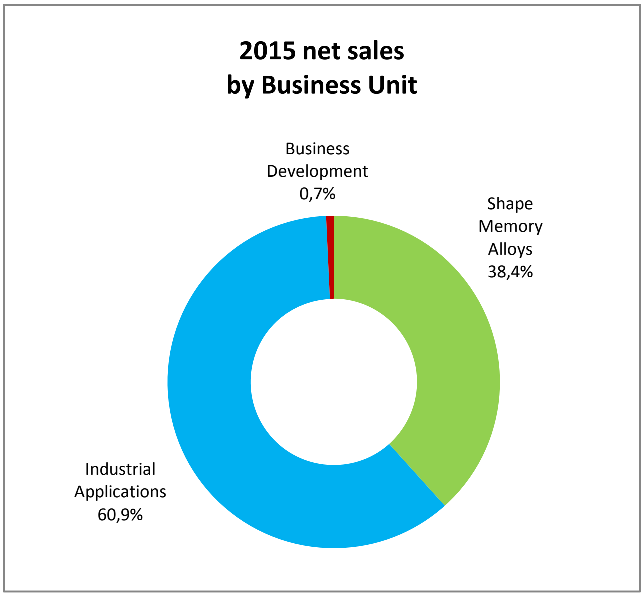
(thousands of euro)

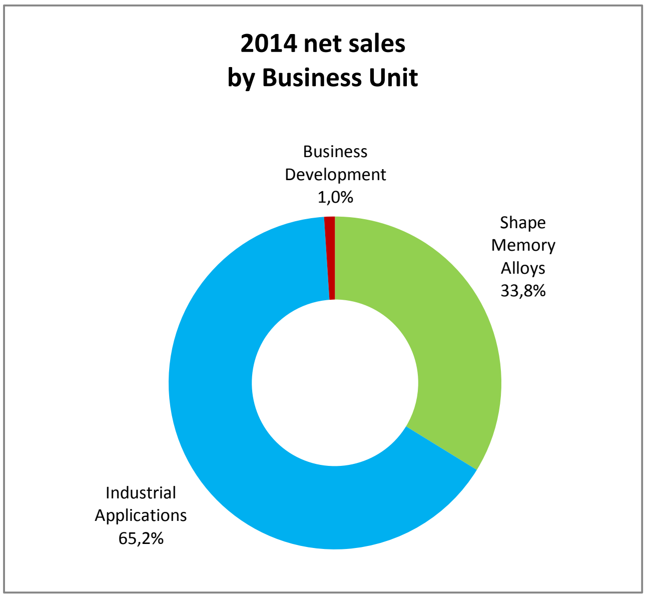
	2015	2014	Difference	Difference %
Consolidated net sales	**166,012**	**131,701**	**34,311**	**26.1%**
50% Actuator Solutions' sales	8,638	7,646	992	13.0%
Eliminations	(636)	(458)	(178)	-38.9%
Other adjustments	73	32	41	128.1%
Total revenues of the Group	**174,087**	**138,921**	**35,166**	**25.3%**

The following chart shows the increase of consolidated net sales during the year 2015, highlighting the effect of exchange rates and the variation due to the changes in selling prices and sales volumes.



Compared to the previous year, the significant sales' growth in both segments of the **SMA Business Unit** (+43.2% overall, compared to 2014), resulted in the increase of the percentage weight of this operating segment (from 33.8% to 38.4%), compared to that of the **Industrial Applications Business Unit** (down from 65.2% to 60.9%), the latter operating in more traditional business sectors.





The following table contains the breakdown of the consolidated net sales by business segment in 2015 and in 2014, along with the percent change at current and comparable exchange rates.

(thousands of euro)

Business	2015	2014	Difference	Difference %	Exchange rate effect %	Organic change %
Electronic & Photonic Devices	13,455	12,105	1,350	11.2%	13.4%	-2.2%
Sensors & Detectors	10,253	8,814	1,439	16.3%	11.4%	4.9%
Light Sources	9,234	10,989	(1,755)	-16.0%	6.0%	-22.0%
Vacuum Systems	8,593	7,015	1,578	22.5%	6.9%	15.6%
Thermal Insulation	6,382	6,456	(74)	-1.1%	11.0%	-12.1%
Pure Gas Handling	53,192	40,463	12,729	31.5%	21.5%	10.0%
Industrial Applications	**101,109**	**85,842**	**15,267**	**17.8%**	**15.4%**	**2.4%**
SMA Medical Applications	55,956	40,076	15,880	39.6%	21.7%	17.9%
SMA Industrial Applications	7,724	4,384	3,340	76.2%	6.7%	69.5%
Shape Memory Alloys	**63,680**	**44,460**	**19,220**	**43.2%**	**20.2%**	**23.0%**
Business Development	**1,223**	**1,399**	**(176)**	**-12.6%**	**10.3%**	**-22.9%**
Total net sales	**166,012**	**131,701**	**34,311**	**26.1%**	**17.0%**	**9.1%**

Consolidated revenues of the **Industrial Applications Business Unit** amounted to 101,109 thousand euro, up by 17.8% compared to 85,842 thousand euro in the previuos year. The currency trend recorded a positive exchange rate effect equal to +15.4%, net of which revenues would have organically increased by 2.4%.
The businesses showing a strong organic growth were the Pure Gas Handling Business (+10.0%), whose positive performance was linked to the increased investments in silicon foundries and in memories, as well as to the recovery of the display segment, and the Vacuum Systems Business (+15.6%), thanks to the increasing volumes of the traditional NEG pumps both for industrial applications and for the research field, as well as to the more and more increasing penetration of the recently introduced NEXTorr vacuum pumps. In the Sensors and Detectors Business the organic growth (+4.9%) was related to the increased sales of getter solutions for consumer and industrial applications in the surveillance and security sector.
In the Electronic & Photonic Devices Business it is worth noting the substantial stability of volumes (-2.2%), together with the positive exchange rate effect, allowing a +11.2% increase in revenues.

On the other hand, despite the favorable euro/dollar exchange rate effect, the following segments decreased: the Light Sources Business (with an organic decrease of -22.0%), penalized by the technological competition of the Solid State Lighting (LEDs) towards fluorescent lamps; the Thermal Insulation Business (-12.1%), in which the growth in the sales of the vacuum bottles business did not completely offset the weak demand of getter solutions for oil extraction (penalized by the decrease of the crude oil price), as well as the contraction of the sales in the refrigeration market (subjected to a more and more increasing competitive pressure).

Sales of the *Electronic & Photonic Devices Business* were equal to 13,455 thousand euro in 2015, compared to 12,105 thousand euro in 2014 (+11.2%). Excluding the positive exchange rate effect (+13.4%), the price/quantity effect was equal to -2.2%.

Sales of the *Sensors & Detectors Business* were equal to 10,253 thousand euro in 2015, up by 16.3% compared to 8,814 thousand euro in 2014. Excluding the positive exchange rate effect (+11.4%), the overall organic growth amounted to +4.9%.

Sales of the *Light Sources Business* amounted to 9,234 thousand euro, down by 16.0% compared to 10,989 thousand euro in 2014. Excluding the positive exchange rate effect (+6.0%), the lamps business showed an organic decrease of 22.0% compared to the previous year.

Sales of the *Vacuum Systems Business* were equal to 8,593 thousand euro in 2015, up by 22.5% compared to 7,015 thousand euro in 2014. Excluding the positive exchange rate effect (+6.9%), the overall organic growth was equal to +15.6%.

Sales of the *Thermal Insulation Business* were equal to 6,382 thousand euro in 2015, compared to 6,456 thousand euro in 2014 (-1.1%). The currency effect was positive and equal to +11.0%, while the overall organic decline amounted to -12.1%.

Sales of the purification sector (*Pure Gas Handling Business*) were equal to 53,192 thousand euro in 2015, compared to 40,463 thousand euro in 2014 (+31.5%). Excluding the positive exchange rate effect (+21.5%), the overall organic growth was equal to +10.0%.

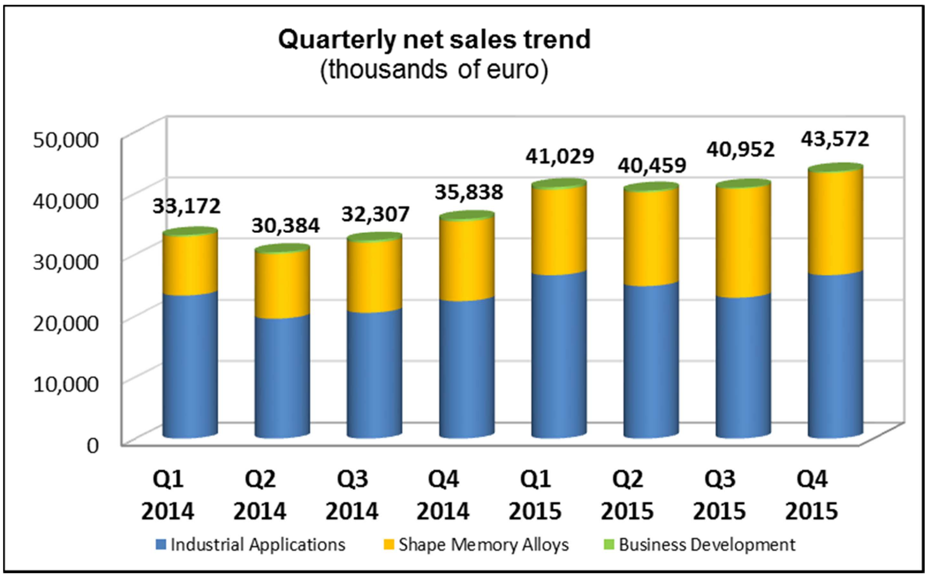
Consolidated revenues of the **Shape Memory Alloys Business Unit** were equal to 63,680 thousand euro, showing a significant increase (+43.2%) compared to 44,460 thousand euro in the previous year. The exchange rate effect was positive and equal to +20.2%, net of which the organic growth was equal to +23.0%. Both segments of this Business Unit recorded a strong growth.
The medical SMA segment (Nitinol raw materials and components) recorded an organic growth of 17.9%, driven by the introduction of new and more sophisticated Nitinol-based medical devices in the market, made by some important customers, leaders in this field. Also the industrial SMA segment recorded a strong organic growth (+69.5%), thanks to the increased sales of SMA springs and trained wires, across all the sectors in which the Group operates (automotive, consumer applications, luxury goods).

Sales of the *SMA Medical applications Business* were equal to 55,956 thousand euro, up by 39.6% compared to 40,076 thousand euro in 2014. Excluding the positive exchange rate effect (+21.7%), the overall organic growth was equal to +17.9%.

Sales of the *SMA Industrial applications Business* were equal to 7,724 thousand euro in 2015, up by 76.2% compared to 4,384 thousand euro in 2014. The exchange effect was positive and equal to +6.7%, while the price/quantity effect was equal to +69.5%.

The **Business Development Unit**, that includes projects of basic research or under development aimed at diversifying into innovative businesses, closed the year 2015 with revenues equal to 1,223 thousand euro (1,399 thousand euro in 2014), made almost exclusively of sales of functional polymers for OLED passive-matrix displays and for implantable medical devices. The exchange rate effect was positive and equal to +10.3%, net of which the organic decrease would have been equal to -22.9%.

The following chart shows the **quarterly trend of revenues** in 2015 and in 2014, with evidence of the breakdown by Business Unit.



The **quarterly trend** of consolidated revenues in 2015 showed for the **Shape Memory Alloys Business Unit** a progressive increase in the first three quarters, followed by a slight decrease (-6.3% was the decrease in the fourth quarter, compared to the third one) in the last part of the year; this decline was physiological, after the excellent performance of the previous quarter.

Within the **Industrial Applications Business Unit**, the slight sales' decrease in the 2015 central quarters was due to the weakness of the gas purification business, penalized by the postponement of some deliveries and by the typical cyclicality of this sector.

In the **Business Development Unit** the revenues of the second semester (481 thousand euro) recorded a slowdown compared to the first half of the year (742 thousand euro) because, despite the increase in sales of functional polymers for passive matrix OLED screens, those in the field of implantable medical devices have been penalized by the postponement of some purchase orders.

The following table contains the **quarterly net sales trend** in 2015 with evidence of the breakdown by Business.

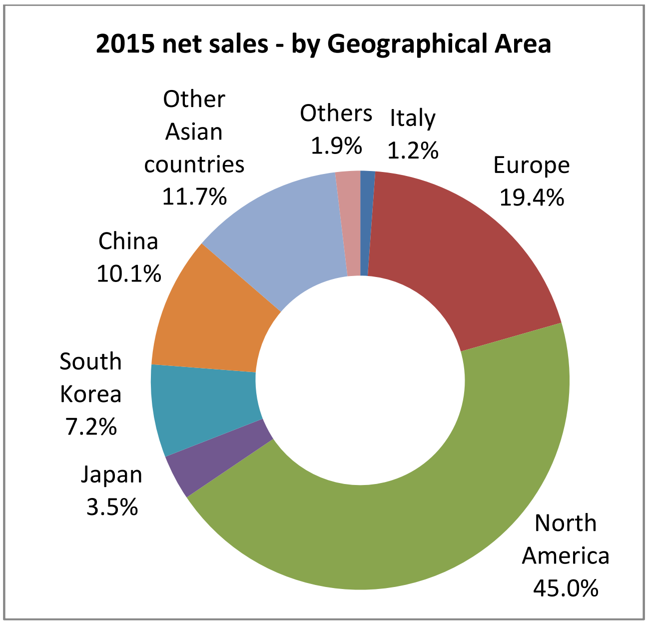
(thousands of euro)

Business	1st Quarter 2015	2nd Quarter 2015	3rd Quarter 2015	4th Quarter 2015
Electronic & Photonic Devices	3,177	3,386	3,423	3,469
Sensors & Detectors	2,481	2,563	2,527	2,682
Light Sources	2,499	2,521	2,141	2,073
Vacuum Systems	1,917	2,173	2,079	2,424
Thermal Insulation	1,534	1,615	1,404	1,829
Pure Gas Handling	15,029	12,601	11,395	14,167
Industrial Applications	**26,637**	**24,859**	**22,969**	**26,644**
SMA Medical Applications	12,492	13,450	15,406	14,608
SMA Industrial Applications	1,458	1,850	2,367	2,049
Shape Memory Alloys	**13,950**	**15,300**	**17,773**	**16,657**
Business Development	**442**	**300**	**210**	**271**
Total net sales	**41,029**	**40,459**	**40,952**	**43,572**

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

(thousands of euro)

Geographical area	2015	%	2014	%	Difference	Difference %
Italy	1,924	1.2%	2,073	1.6%	(149)	-7.2%
Europe	32,200	19.4%	26,934	20.5%	5,266	19.6%
North America	74,687	45.0%	61,451	46.7%	13,236	21.5%
Japan	5,815	3.5%	6,197	4.7%	(382)	-6.2%
South Korea	11,883	7.2%	5,525	4.2%	6,358	115.1%
China	16,832	10.1%	14,524	11.0%	2,308	15.9%
Other Asian countries	19,475	11.7%	12,347	9.4%	7,128	57.7%
Others	3,196	1.9%	2,650	1.9%	546	20.6%
Total net sales	**166,012**	**100.0%**	**131,701**	**100.0%**	**34,311**	**26.1%**



The main changes related to the **geographical distribution of revenues** refer to the gas purification sector, whose sales grew in the Asian market (in particular, South Korea, Taiwan, Singapore and China), while they decreased in the US market.
The revenues' growth in China (+15.9%) was also supported by the higher sales of getter solutions for civil and industrial applications in the surveillance field and in that of security (Sensors & Detectors Business).
Sales in North America increased (+21.5%), despite the decrease in revenues in the Pure Gas Handling Business, thanks to the aforementioned growth in the SMA medical segment.
To the latter, as well as to the increased sales both of SMA springs and trained wires for industrial applications and of vacuum systems, was due the increase in the revenues of the "Europe" geographical area.

Consolidated gross profit amounted to 71,987 thousand euro in the fiscal year 2015, compared to 56,671 thousand euro in 2014. The marked growth (+27.0%), also favored by the positive effect of the revaluation of the dollar against the euro, was mainly due to the increased revenues and to the slight increase in gross margin[2] (from 43.0% in the previous year to 43.4% in 2015), allowed by the higher margins in the Shape Memory Alloys Business Unit, which more than offset the lower margins of the gas purification business. For further details, please refer to the Business Unit analysis.

The following table shows the 2015 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)

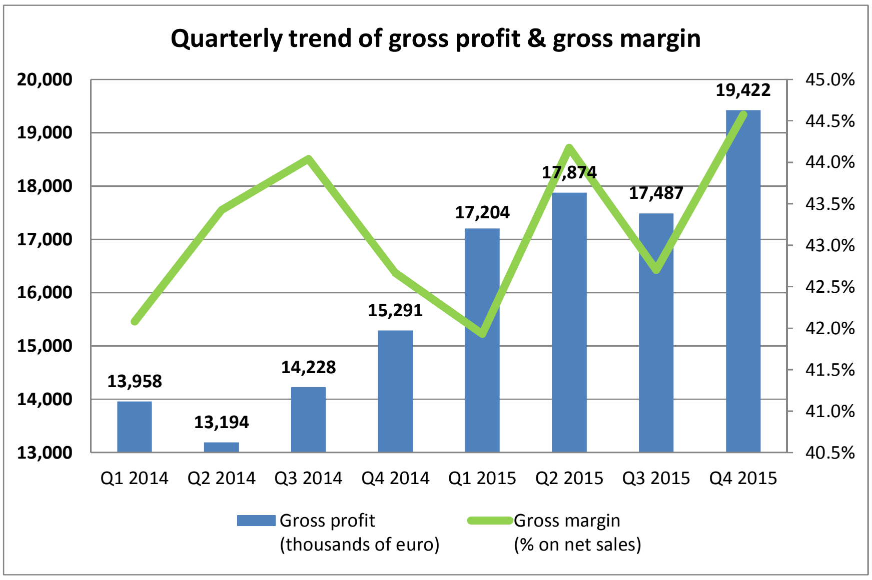
Business Unit	2015	2014	Difference	Difference %
Industrial Applications	47,496	41,856	5,640	13.5%
% on Business Unit net sales	*47.0%*	*48.8%*		
Shape Memory Alloys	24,230	14,322	9,908	69.2%
% on Business Unit net sales	*38.0%*	*32.2%*		
Business Development & Corporate Costs	261	493	(232)	-47.1%
% on Business Unit net sales	*21.3%*	*35.2%*		
Gross profit	**71,987**	**56,671**	**15,316**	**27.0%**
% on net sales	**43.4%**	**43.0%**		

Gross profit of the **Industrial Applications Business Unit** was equal to 47,496 thousand euro in 2015, increased by 13.5% if compared to 41,856 thousand euro in 2014: the increase in sales more than offset the decrease in profitability. Namely, the gross margin (47.0% compared to 48.8% in 2014) was penalized mainly by the increasing competitive pressure within the gas purification business in the Asian markets. Also the marginality of the vacuum pumps segment slightly decreased, penalized by a product mix with a higher absorption of raw materials, as well as that of the lamps business, suffering from the price pressure.

In the **Shape Memory Alloys Business Unit**, the increase in revenues allowed the significant growth in both the gross profit (+69.2%, from 14,322 thousand euro in 2014 to 24,230 thousand euro in 2015) and the gross margin (from 32.2% in 2014 to 38.0% in 2015). In particular, the gross margin improved in both the medical and industrial segments, as a result of greater economies of scale and of the increased efficiency of the new productions.

Gross profit of the **Business Development Unit & Corporate Costs** was equal to 261 thousand euro (21.3% of consolidated sales), compared to a gross profit equal to 496 thousand euro in the previous year (35.2% of consolidated sales). The decrease was mainly attributable to the lower sales, which in turn led to a higher incidence of manufacturing fixed costs.

The following chart shows the quarterly trend of both the consolidated gross profit and gross margin.
The continuous improvement both in the gross profit and in the gross margin during 2015, supported by the continued growth of the Shape Memory Alloys Business Unit, stopped only in the third quarter, in which the gas purification sector suffered from the postponement of some deliveries and from a higher pressure on prices, and then it has resumed in the last quarter of the year.



Consolidated operating income amounted to 20,499 thousand euro in 2015, with a strong increase (+7,487 thousand euro) compared to an operating income equal to 13,012 thousand euro in the previous year. In percentage terms, the operating margin was equal to 12.3%, compared to 9.9% in 2014.
The increase in revenues and in gross margin, together with the reduction of the operating expenses in percentage terms (from 34.4% to 31.1%), enabled the improvement in the operating indicators compared to the previous year.

The following table shows the operating result of the fiscal year 2015 by Business Unit, compared with the previous year.

(thousands of euro)

Business Unit	2015	2014	Difference	Difference %
Industrial Applications	27,460	24,829	2,631	10.6%
Shape Memory Alloys	13,561	5,603	7,958	142.0%
Business Development & Corporate Costs	(20,522)	(17,420)	(3,102)	-17.8%
Operating income (loss)	**20,499**	**13,012**	**7,487**	**57.5%**
% on net sales	**12.3%**	**9.9%**		

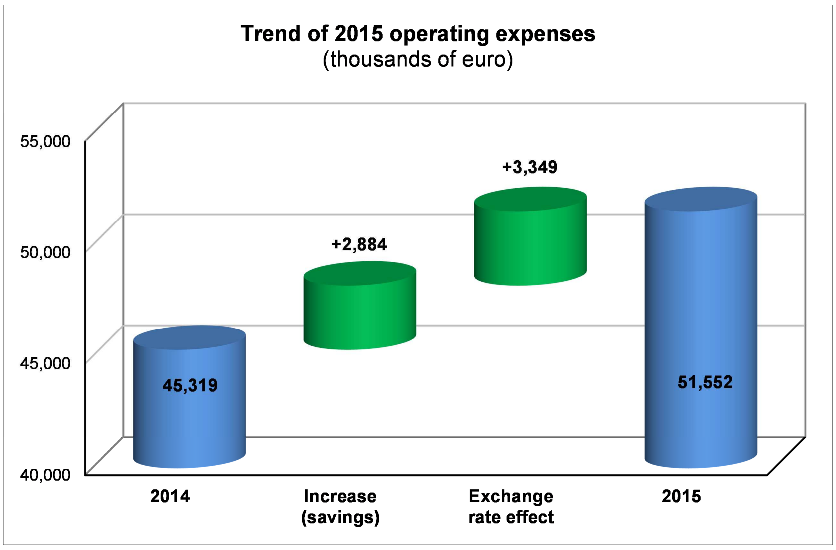
Operating income of the **Industrial Applications Business Unit** was equal to 27,460 thousand euro in 2015, up by 10.6% compared to 24,829 thousand euro in 2014: the increase in revenues and the subsequent increase in the gross profit more than offset the reduction of the royalties income on the licensing of the getter technology for MEMS (for further details please refer to the specific section below) and the increase in the operating expenses, in particular those items mostly related with the increased sales volumes, like commissions to agents and transport costs.

Operating income of the **Shape Memory Alloys Business Unit** amounted to 13,561 thousand euro, more than doubled (+142.0%) compared to the same figure recorded in the previous year equal to 5,603 thousand euro. The strong increase in sales and in the gross margin, together with the lower incidence of operating expenses (from 19.7% to 16.9%), favored the significant improvement in the operating margin, which rose from 12.6% to 21.3%.

The operating result of the **Business Development & Corporate Costs** was negative and equal to -20,522 thousand euro and it included both the result of the Business Development Unit and the costs that cannot be directly attributed or reasonably allocated to any business sector but refer to the Group as whole; this figure compares to an operating loss of -17,420 thousand euro in 2014. The worsening was mainly due to higher corporate general and administrative expenses (higher costs for fixed and variable remuneration to employees and to Executive Directors and higher consultant fees).

Consolidated operating expenses were equal to 51,552 thousand euro, compared to in 45,319 thousand euro in the previous year and showed a growth (+13.8%), partly physiological and related to the increase in sales and to inflation, partly due to the appreciation of the dollar against the euro.
Excluding the currency effect, the increase mainly regarded the ***general and administrative expenses***, in particular increased costs for the fixed and variable remuneration of the employees and of the Executive Directors, as well as higher consultant fees. Always net of the currency effect, ***selling expenses*** and ***R&D expenses*** were substantially in line with those of the previous year.

The following chart shows the trend of consolidated operating expenses in the fiscal year 2015.



In 2015 the total **labor cost** was equal to 62,262 thousand euro, compared to 51,599 thousand euro in 2014: excluding the exchange rate effect that led to an increase in labor costs of around 5.8 million euro, the growth was due both to the increase in the average number of the Group's employees concentrated in the gas purification business and in that of shape memory alloys and to wage increases aimed at the recovery of inflation, as well as to higher accruals for the variable components of salaries, estimated to grow in line with the trend of the economic performance.

The result of the year includes **depreciation and amortization** equal to 8,511 thousand euro, substantially in line with the previous year (8,556 thousand euro).
During 2015 the item benefited from a reduction (about 419 thousand euro) following the review, based on the appraisal of an independent third party, of the remaining useful life of the production plant and machinery, as well as of the tools and instruments used in the research department of the Parent Company. This reduction in amortization was offset by the upward variation in the US Group's Companies, attributable to the currency effect.

Consolidated EBITDA was equal to 29,375 thousand euro in 2015 (17.7% of consolidated revenues), up by 35.7% compared to 21,648 thousand euro in 2014 (16.4% of revenues). As shown in the following table, excluding the provision against legal risks, equal to 689 thousand euro, made by the Parent Company in 2015 (for further details please refer to the Note no. 31), the **adjusted EBITDA** would have been equal to 30,064 thousand euro in 2015, or 18.1% of consolidated revenues.
The following table shows an EBITDA detail for 2015, compared with the previous year.

(thousands of euro)

	2015	**2014**	**Difference**	**Difference %**
Operating income	20,499	13,012	7,487	57.5%
Depreciation and amortization	8,511	8,556	(45)	-0.5%
Write-down of assets	311	0	311	n.s.
Bad debt provision accrual (release)	54	80	(26)	-32.5%
EBITDA	**29,375**	**21,648**	**7,727**	**35.7%**
% on sales	*17.7%*	*16.4%*		
Provision against legal risks	689	0	689	n.s.
Adjusted EBITDA	**30,064**	**21,648**	**8,416**	**38.9%**
% on sales	*18.1%*	*16.4%*		

The **royalties** accrued for the licensing of the thin film getter technology for MEMS of new generation amounted to 902 thousand euro in 2015, compared to 1,843 thousand euro in 2014: the decrease (-51.1%) is due both to lower commissions for the year (due to the price erosion that is affecting the gyroscopes market, as well as to the decrease in volumes) and to lower lump-sums resulting from the signature of new licensing agreements. In relation to the last two signed agreements, please note that the technology transfer has not yet been finalized and therefore, as at December 31, 2015, such contracts have not matured any commission yet.

The balance of **other net income (expenses)** was negative and equal to 838 thousand euro, compared with a negative balance of -183 thousand euro in 2014: the decrease was mainly due to the already mentioned provision against legal claims, equal to 689 thousand euro, booked by the Parent Company in 2015.

The net balance of **financial income and expenses** was negative and equal to -1,528 thousand euro (compared to a negative figure of -1,620 thousand euro in 2014) 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.
Compared to the previous year, following the change in the financial indebtedness, with a higher percentage of medium-long term loans compared to short term bank debt, the increase in interests related to the signing of new long-term loans by the Parent Company was offset by lower costs on loans in the form of "hot money" and on the use of bank credit lines.

The loss deriving from the **evaluation with the equity method** of the joint venture Actuator Solutions amounted to -1,843 thousand euro, compared to a loss equal to -1,286 thousand euro in the previous year. For more details on the composition of such loss, please refer to the Note no. 9 and the Note no. 17.

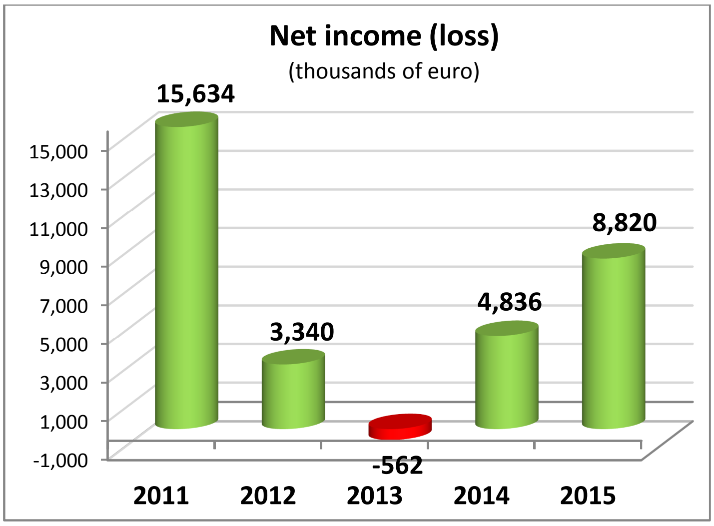
The sum of the **exchange rate differences** recorded a positive balance for 694 thousand euro in 2015, compared to a slightly positive balance of 147 thousand euro in 2014. The positive balance of 2015 was mainly due to foreign exchange gains (1,907 thousand euro) following the partial release into the income statement of the translation reserve generated by the consolidation of SAES Getters (Nanjing) Co., Ltd. and of SAES Getters Korea Corporation, following the partial reduction of the share capital of the two Asian subsidiaries. These exchange rate gains were partially offset by the losses realized on forward contracts entered to hedge commercial transactions in dollars and yen (-986 thousand euro), in addition to foreign exchange losses (around -0.5 million euro) generated in the last part of the fiscal year from the conversion of the financial credit denominated in euro of the Korean subsidiary versus the Parent Company, only partially hedged by forward contracts[3]. Please note that such financial credit was strongly reduced in November 2015, following the already mentioned reduction of the share capital of SAES Getters Korea Corporation.

Consolidated income before taxes amounted to 17,822 thousand euro, or 10.7% of consolidated revenues, showing a significant increase (+73.8%) compared to an income before taxes of 10,253 thousand euro in the previous year (7.8% of consolidated revenues).

Income taxes amounted to 9,002 thousand euro in 2015 and the Group tax rate was equal to 50.5% The taxes included a negative adjustment equal to 1,692 thousand euro, as a consequence of the redetermination of deferred tax assets and liabilities of the Group's Italian companies by applying the new IRES[4] tax rate, equal to 24%, which will come into force starting from 2017; net of such adjustment, the Group's tax rate would have been equal to 41.0%, strongly improved compared to 66.6% of the previous year, as a result of lower tax losses realized in the current year by the Group's Italian companies, on which deferred tax assets were

[3] In view of the reduction of the share capital of SAES Getters Korea Corporation through the partial use of the financial credit in euro that the Korean subsidiary has towards the Parent Company, at beginning of 2015 the Group, in order to limit the currency risk arising from the fluctuations of the Korean won on the balance of this financial credit, signed two different forward sales contracts, with different maturities. The first contract, with a notional value of 7 million euro, expired on September 30, 2015, while the second one, with a notional value of 1.5 million euro, expired on December 28, 2015.
[4] Article 1, paragraph 61-64, of the 2016 Italian Stability Law modified the corporate tax rate (IRES) of the Italian companies, providing for a reduction. Namely, paragraph 61 provides for a reduction of the IRES tax rate from the current 27.5% to 24%, effective from January 1, 2017.

prudentially not recognized, as well as of some positive effects related to the calculation of the taxes regarding the US subsidiaries.
It is finally worth mentioning that in 2014 income taxes were penalized by a provision against tax risk equal to 500 thousand euro, made by the Parent Company and related to the assessment on the 2005 Company's tax return; net of such provision, the tax rate would have been reduced to 61.7% in 2014.



Consolidated net income amounted to 8,820 thousand euro in 2015 (5.3% of consolidated revenues), almost doubled (+82.4%) compared to a 4,836 thousand euro in the previous year.
Please note that the 2014 result included an **income from assets held for sale and discontinued operations** equal to 1,412 thousand euro, 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 capital gain on the sale of the land use right and the building of the Chinese subsidiary (1,144 thousand euro).

Excluding this amount, the **net income from continuing operations** more than doubled (+157.6%), from 3,424 thousand euro in 2014 to 8,820 thousand euro in the current year.

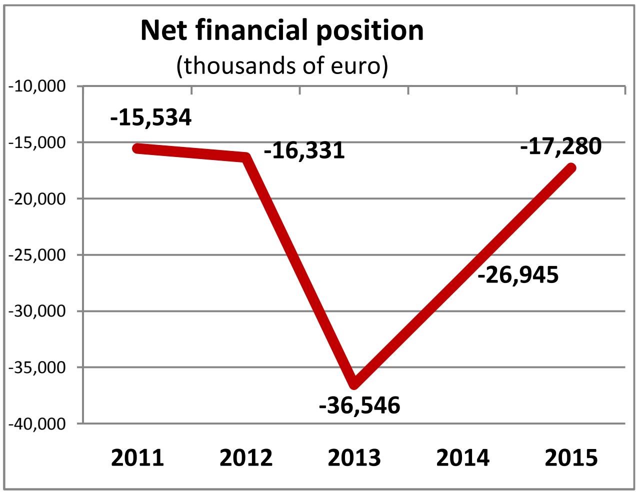
Net financial position – Investments – Other information

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

(thousands of euro)

	December 31, 2015	June 30, 2015	December 31, 2014
Cash on hands	23	21	19
Cash equivalents	24,021	19,315	25,583
Cash and cash equivalents	**24,044**	**19,336**	**25,602**
Related parties current financial assets	555	480	2,762
Other current financial assets	0	323	189
Current financial assets	**555**	**803**	**2,951**
Bank overdraft	(5,012)	(14,831)	(30,722)
Current portion of long term debt	(7,136)	(6,452)	(6,690)
Other current financial liabilities	(1,957)	(966)	(2,069)
Current financial liabilities	**(14,105)**	**(22,249)**	**(39,481)**
Current net financial position	**10,494**	**(2,110)**	**(10,928)**
Related parties non current financial assets	**600**	**2,300**	**0**
Long term debt, net of current portion	(27,019)	(23,310)	(14,689)
Other non current financial liabilities	(1,355)	(1,381)	(1,328)
Non current liabilities	**(28,374)**	**(24,691)**	**(16,017)**
Non current net financial position	**(27,774)**	**(22,391)**	**(16,017)**
Net financial position	**(17,280)**	**(24,501)**	**(26,945)**

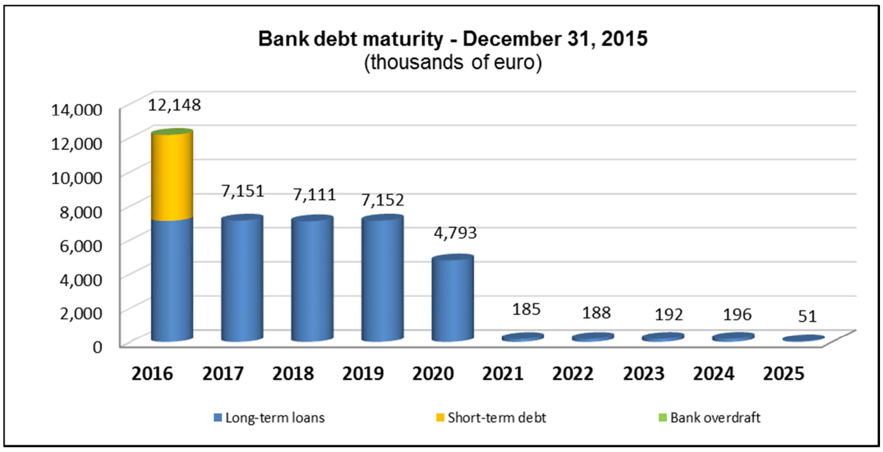
The **consolidated net financial position** as at December 31, 2015 was negative and equal to 17,280 thousand euro (cash equal to +24,044 thousand euro and net financial liabilities of -41,324 thousand euro), compared to a negative net financial position equal to 26,945 thousand euro as at December 31, 2014 (cash equal to +25,602 thousand euro and net financial liabilities of -52,547 thousand euro).

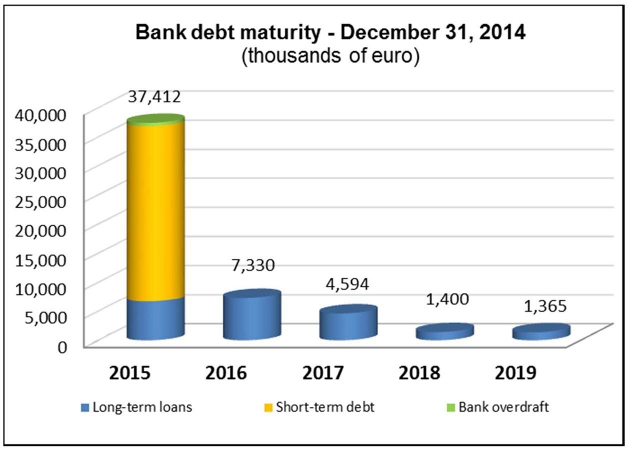


The strong improvement (+9,665 thousand euro in absolute value , equal to +35.9% compared to the net indebtedness as at December 31, 2014) was attributable to the cash-inflows generated by the operating activities and related to the increase in both revenues and economic results.
The capital expenditure for tangible and intangible assets, net of disposals, was equal to -4,903 thousand euro. The acquisition of 10% of SAES RIAL Vacuum S.r.l., with the commitment to acquiring a further 39% of the same company (-1,614 thousand euro), as well as the capital injection made in 2015 in favor of the joint venture Actuator Solutions GmbH (for a total amount of 2,900 thousand euro) must be also considered as an investing activity.
The cash-out for the payment of dividends amounted to €3.5 million (financing activity).

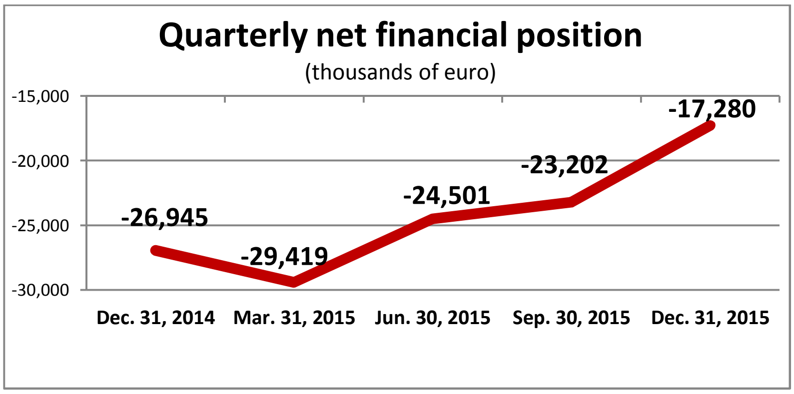
The exchange rate effect on the net financial position was slightly positive (+0.5 million euro): the negative effect generated by the revaluation of the US dollar on the debt denominated in dollars was more than offset by the positive effect on the cash denominated in that currency and held by the US subsidiaries.

Please note that the structure of the Group's financial indebtedness has changed during 2015 to gain a correct balancing, with a higher percentage of medium-long term loans compared to short-term bank debt.

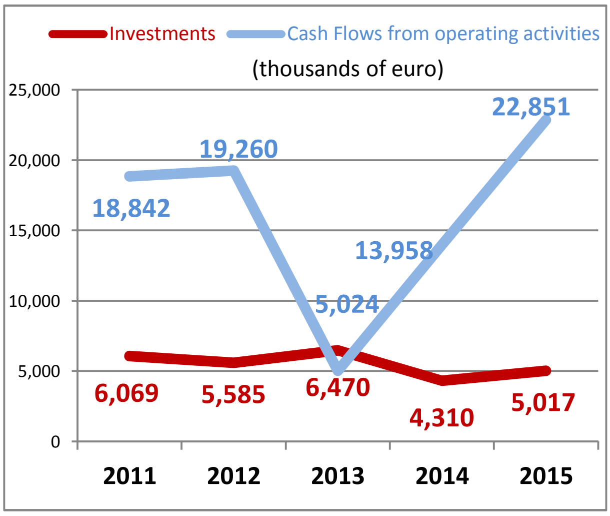




The chart below shows the quarterly amount of the net financial position during the year 2015.



Please note the continuous improvement in the net financial position during 2015, thanks to the quarterly self-financing, on which also the changes in the working capital have played a key role and that has more than offset the quarterly disbursements for investments. Finally, please note that also the dividends were paid during the second quarter.

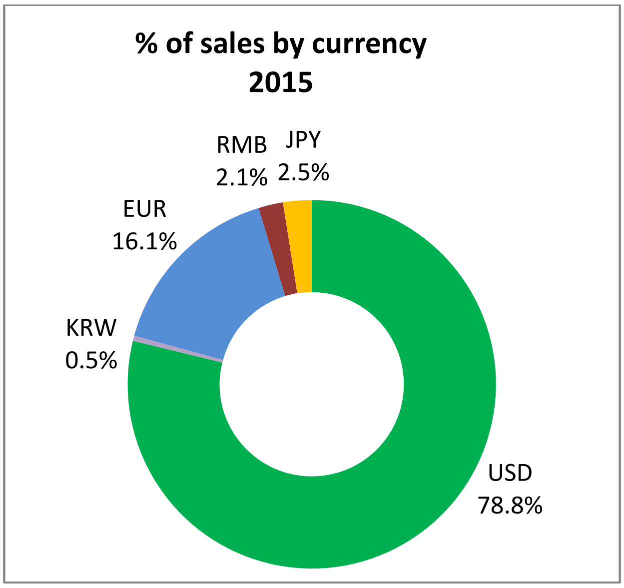


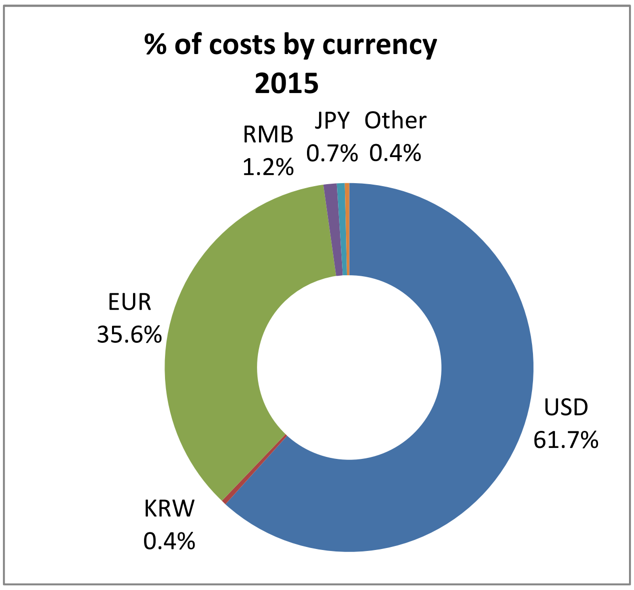
The **cash flow from operating activities** was positive and amounted to 22,851 thousand euro (13.8% of consolidated revenues), showing a significant increase (+63.7%) compared to 13,958 thousand euro in 2014 (10.6% of revenues): the 2015 cash flows are almost entirely attributable to the self-financing, while in the previous year the self-financing was partially offset by the negative change in the net working capital, which was penalized by the increase in the business volumes of the Pure Gas Handling Business and of the SMA one.

In 2015 the disbursements for **investments in tangible fixed assets** amounted to 5,017 thousand euro, compared with 4,310 thousand euro in the previous year. Instead, the investments in intangible assets were not significant (42 thousand euro, compared to 57 thousand euro in 2014). For more details on the capital expenditure of the year, please see the Notes no. 15 and no. 16.

Within the investment activities, please also note the disbursement of 1,884 thousand euro for the payment of the last tranche of the fixed amount and of the commissions related to the technological upgrade of the purification business carried out during 2013 but for which the payment has been deferred (cash-out equal to 1,813 thousand euro in the previous year). Finally, please note the acquisition of 10% of SAES RIAL Vacuum S.r.l.[5], for a consideration of 330 thousand euro, as well as the capital contributions made during the year in favor of the joint venture Actuator Solutions GmbH, for a total amount of 2,900 thousand euro.
As at December 31, 2014 the cash-out for investment activities was partially offset by the proceeds deriving from the sale of the use land right, the building and related appurtenances of the subsidiary SAES Getters (Nanjing) Co., Ltd. (+3,239 thousand euro), as well as from the disposal of other assets (+331 thousand euro) mainly belonging to the same Chinese factory.

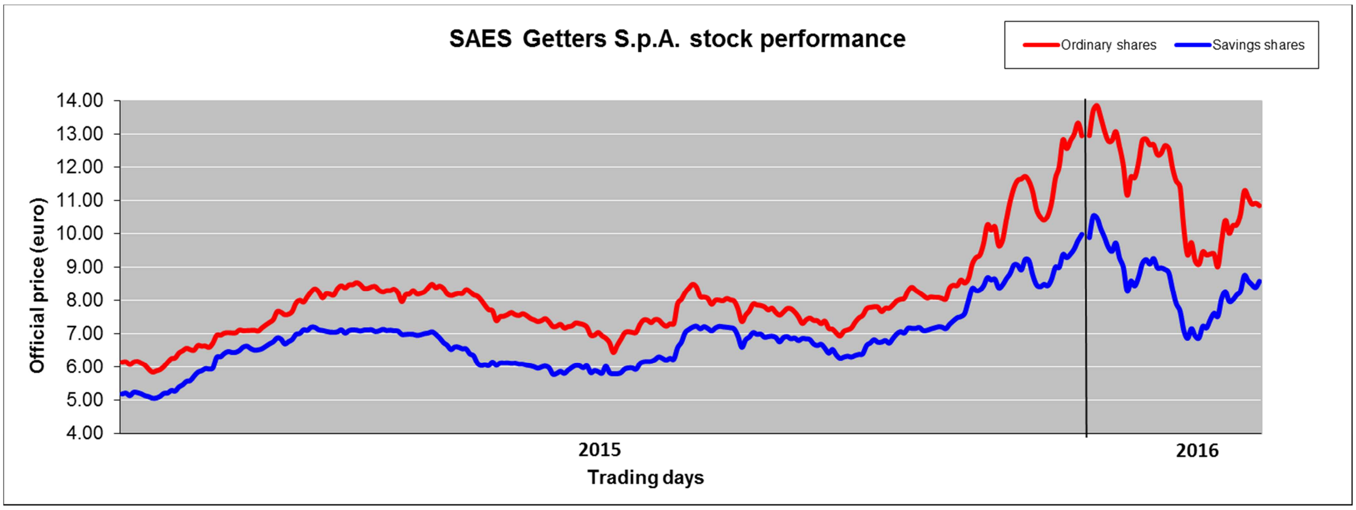
The composition of net sales and costs (cost of sales and operating expenses) by currency in 2015 is provided below.





The official price trend for ordinary and savings shares during the year 2015 and the first months of 2016 is given below.

[5] The commitment to acquire a further 39% of SAES RIAL Vacuum S.r.l. by the end of January 2016 for an amount of 1,284 thousand euro led to the recognition of a current financial debt of the same amount by the Parent Company, resulting in a reduction of the consolidated net financial position, but without any effect on the Group's cash and cash equivalents, since the payment is deferred to 2016.



The value of ordinary shares, listed on the STAR segment of Mercato Telematico Azionario of Borsa Italiana, has more than doubled (+110.9%) in 2015, while the saving shares recorded an increase in their value of +92.3%, compared with an increase of +12.0% and +38.2% recorded on the FTSE MIB and FTSE Italia Star indices respectively.

The following table shows the main ratios.

Ratios		2015	2014	2013 adjusted (**)	2013
Operating income/Total net sales	%	12.3	9.9	5.8	4.3
Income before taxes/Total net sales	%	10.7	7.8	4.2	2.7
Net income from continued operations/Total net sales	%	5.3	2.6	1.9	0.6
Net income from continued operations/Average shareholders' equity (ROAE)	%	7.8	3.3	2.5	0.8
Research expenses/Total net sales	%	8.8	10.9	11.5	11.6
Depreciation of tangible assets/Total net sales	%	4.3	5.4	6.0	6.0
Cash flows from operating activities/Total net sales	%	13.8	10.6	3.9	3.9
Taxes/Income before taxes	%	50.5	66.6	53.2	75.9
Total net sales/Average number of employees (*)	k euro	177	147	133	133
Accumulated depreciation/Tangible assets	%	71.1	69.8	70.0	70.0

(*) Calculated without considering the employees of the joint ventures, evaluated using the equity method.

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

Performance of SAES Getters S.p.A.'s subsidiaries in 2015

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

In 2015 the company achieved revenues equal to 33,676 thousand euro, up by +2.7% compared to 32,787 thousand euro in the previous year: the increase of revenues in the business of getter pumps for particle accelerators and the higher intercompany sales of getter alloys for purification systems to the subsidiary SAES Pure Gas, Inc. have more than offset the decrease of sales in the lamps business, penalized by the increasing competitive pressure of the LED lamps on the fluorescent ones.
The net income for the year amounted to 5,961 thousand euro, in line with that of the previous year (5,903 thousand euro): the increase in revenues, also favoured by the appreciation of the US dollar, and the shift in the sales mix towards products with a higher gross margin have more than offset the losses on forward contracts entered to hedge the volatility in exchange rates.

The use of defensive job-security agreements led to a reduction in personnel costs equal to -2,172 thousand euro in the 2015 (in 2014, the use of the social security provisions had allowed a reduction equal to 1,974 thousand euro).
Finally, please note that, in September 2015, the company, together with SAES Getters S.p.A., SAES Nitinol S.r.l. and E.T.C. S.r.l., has created a new tax consolidation with the Parent Company as consolidating company, with effect from January 1, 2015.

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

The company reported consolidated revenues equal to 79,515 thousand USD in 2015 (71,667 thousand euro at the average exchange rate of 2015), compared to 75,349 thousand USD (56,717 thousand euro) and a consolidated net income of 7,130 thousand USD (6,426 thousand euro), compared to a consolidated net income of 7,492 thousand USD in 2014 (5,639 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 13,831 thousand USD, compared to 15,660 thousand USD recorded in the previous year: the decrease is concentrated in the business of getter components for fluorescent lamps, caused by a discount policy resulting from the increasing technological competition of LEDs on fluorescent lamps.
The company ended the year with a net income of 7,130 thousand USD, slightly down compared to a net income of 7,492 thousand USD in 2014: the decrease of sales and of the gross margin, penalized by the price pressure, came along with 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.
These reductions were partially offset by some positive effects related to the final calculation of the taxes of the previous year (about 540 thousand USD), that allowed to reduce the tax rate of the US subsidiary from 32.3% to 29.3%.

The subsidiary ***SAES Pure Gas, Inc.*** based in San Luis Obispo, CA (USA) (active in the Pure Gas Handling Business) achieved sales of 58,582 thousand USD, up by 10.2% compared to 53,139 thousand USD in the previous year; the net income equal to 4,699 thousand USD compared with a net income of 5,426 thousand USD in 2014. Despite the growth in sales (favored by increased investments in the factories of microprocessors, as well as by the recovery of the investments in the display segment), the lower gross margin, penalized by the increasing competitive pressure in the Asian market, and the increased operating expenses (in particular, higher personnel costs), led to the decline in the net income compared to 2014.
Finally, please note that 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).

The subsidiary ***Spectra-Mat, Inc.***, Watsonville, CA (USA), operating in the Electronic & Photonic Devices Business, achieved revenues of 7,101 thousand USD in 2015, compared to 6,550 thousand USD in the previous year, and a net income of 365 thousand USD, compared to a loss of 60 thousand USD in 2014. The recovery of the US military spending, together with the strong demand for industrial goods, helped to boost (+8.4%) the sales of the year 2015; the increase in sales, together with a product mix with a lower absorption of direct and indirect labor, allowed to close the year with a positive result.

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 all US Group's companies. In particular, starting from 2015, SAES Getters Export, Corp. began to operate also on behalf of Memry Corporation and SAES Smart Materials, Inc. while in the past it had only managed the export activities of SAES Getters USA, Inc. and its subsidiaries.
In 2015 it achieved a net income of 12,567 thousand USD (11,327 thousand euro), up by 50.0% compared to 8,380 thousand USD (equal to 6,308 thousand euro) in the previous year, due to the higher commission

income[6] collected, following the above-mentioned extension of its services to Memry Corporation and SAES Smart Materials, Inc.

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

The company ceased its production activity during the second half of 2013 and it currently manages the commercial activities of the Group in the Republic of China.
In 2015, the share capital of the Chinese subsidiary SAES Getters (Nanjing) Co., Ltd. was reduced from 13.6 million USD to 6.6 million USD, following the lower capitalization required after the transformation of its activity from production into a commercial one.
SAES Getters (Nanjing) Co., Ltd. ended the year 2015 with a turnover of 30,035 thousand RMB (4,307 thousand euro), substantially in line with 30,162 thousands RMB (3,685 thousand euro) of the previous year: the higher sales in the Chinese market of getter solutions for civil and industrial applications in the surveillance and security sectors have offset the decrease in sales of getters for vacuum insulated panels for the refrigeration sector and of components for light sources. The company ended the year with a net income of 190 thousand RMB (27 thousand euro), compared to 15,564 thousand RMB (1,901 thousand euro) as at December 31, 2014: the decrease in the net income, despite the reduction in manufacturing fixed costs, was due to the lower dividends received by SAES Getters International Luxembourg SA (in which SAES Getters (Nanjing) Co., Ltd. owns a stake of 10%) and to the lower interest income earned on the cash and cash equivalents, decreased as a result of the partial repayment of the share capital to the Parent Company; in addition, the result of the previous year included the net gain[7] deriving from the sale of the land use right and the manufacturing plant equal to 12,040 thousand RMB.

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 2015 achieved sales equal to 7,573 thousand euro, with a strong growth (+68.8%) compared to 4,487 thousand euro in the previous year. The increase in sales of both Nitinol super-elastic wire for new consumer applications and semi-finished products SMA for medical applications, together with the shift in the sales mix towards products with a lower absorption of raw material allowed to increase the gross margin and, consequently, the net income, that more than doubled (+157.2%) compared to 2014 (1,386 thousand euro in 2015 compared to 539 thousand euro in the previous year).

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 the Notes no. 9 and no. 17 of the Consolidated financial statements).
SAES Nitinol S.r.l. ended the current year with a loss equal to 73 thousand euro (in 2014 the loss was equal to 107 thousand euro), primarily consisting in the cash pooling interest expenses charged by the parent company SAES Getters S.p.A., partially offset by the interest income on interest-bearing loans granted in 2014 to the joint venture Actuator Solutions GmbH (for further details on these loans please refer to the Note no. 20).
Please note that, on October 15, 2015 SAES Nitinol S.r.l. made a capital contribution in favor of the joint venture Actuator Solutions GmbH equal to 0.5 million euro, in addition to the same payment made on July 15, 2015. A further capital contribution equal to 2 million euro was made on December 15, 2015 and, in the same date, Actuator Solutions GmbH provided the anticipated reimbursement of the interest-bearing loan of 1.5 million euro granted in February 2014 and expiring on December 31, 2016.

[6] Being intercompany commissions, their increase has no relevance on the consolidated operating income.
[7] That means excluding the sale expenses.

Finally, please note that, in September 2015, the company, together with SAES Getters S.p.A., SAES Advanced Technologies S.p.A and E.T.C. S.r.l., has created a new tax consolidation with the Parent Company as consolidating company, with effect from January 1, 2015.

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

The company, founded as 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 2015 with a loss of 1,586 thousand euro[8], down by 20.6% compared to that of the previous year (equal to -1.998 thousand euro) thanks to higher grants on research projects in progress and lower consultant fees (the latter incurred directly and by the Parent Company and recharged to E.T.C. S.r.l.).
Please note that, on March 11, 2015, SAES Getters S.p.A. approved a capital contribution of 109 thousand euro in favor of E.T.C. S.r.l., equal to the difference between the loss made by the company in the fiscal year 2014 and that estimated for the same period at the beginning of the year and already covered by the Parent Company on March 13, 2014. Simultaneously, the Parent Company approved an additional capital contribution of 1,450 thousand euro aimed at covering the losses expected in the fiscal year 2015. The percentage of ownership of SAES Getters S.p.A. (96% of the share capital, as specified above) remained unchanged compared to December 31, 2014[9].
Finally, please note that, in September 2015, the company, together with SAES Getters S.p.A., SAES Advanced Technologies S.p.A and SAES Nitinol S.r.l., has created a new tax consolidation with the Parent Company as consolidating company, with effect from January 1, 2015.

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 2015, the company recorded a positive net income of 371 thousand euro, mainly including the foreign exchange gains deriving from the reduction of the share capital of the Korean subsidiary SAES Getters Korea Corporation, excluding the net loss realized on the two euro forward sale contracts, signed by the Parent Company and subsequently recharged to SAES Getters International Luxembourg S.A., to hedge the currency risk on the financial credit in euro of the Korean subsidiary (for further details please refer to the Note no.39). The previous year ended with a net income equal to 582 thousand euro.

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 November 2015 the share capital of the company was officially reduced from 10,497,900 thousand KRW, to 524,895 thousand KRW, by reducing the nominal share value from 10,000 KRW to 500 KRW (for a total number of 1,049,790 shares). Therefore, the percentages owned by SAES Getters S.p.A and SAES Getters International Luxembourg S.A. remained unchanged.
In 2015 SAES Getters Korea Corporation recorded revenues equal to 1,190 million KRW (947 thousand euro), down compared to 1,959 million KRW (1,401 thousand euro) following the lower sales in the field of thermal insulation products and in that of lamp devices, which mostly suffered from the increase in the

[8] Result of the reporting prepared for the consolidation purposes according to the International Accounting Standards.
[9] SAES Getters S.p.A. covered the losses also on behalf of the minority shareholder, maintaining unchanged its percentage of ownership.

competitive pressure. The 2015 ended with a net loss of 771 million KRW (-613 thousand euro), compared to a loss of 1,029 million KRW (-736 thousand euro) in 2014: despite the decrease in revenues, the lower foreign exchange losses deriving from the conversion of the financial receivable in euro that the Korean subsidiary holds in respect of the Parent Company, allowed to improve the result of the year (the related hedging contracts, instead of being held by the Korean subsidiary, has been entered into by the Parent Company SAES Getters S.p.A. and then recharged to SAES Getters International Luxembourg S.A.). Finally, please note that such intra-group financial credit was significantly lower at the end of the year, following the aforementioned reduction of the share capital of SAES Getters Korea Corporation.

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 17,506 thousand USD (15,778 thousand euro) in 2015, up by +5.4% when compared to 16,605 thousand USD (12,499 thousand euro) in 2014. The increase in sales and the shift in the sales mix towards products with a lower absorption of raw material allowed to end the year with a net income of 3,726 thousand USD (3,358 thousand euro), up by 37.5% compared to 2,709 thousand USD (2,039 thousand euro) in the previous year.
Finally, please note that on May 31, 2015 SAES Smart Materials, Inc. repaid the last installment (equal to 1.7 million USD) of the long-term loan obtained in 2008.

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 2015 with sales equal to 47,345 thousand USD (42,672 thousand euro) with a strong increase (+20.1%) compared to 39,429 thousand USD (29,680 thousand euro) in 2014, thanks to the contribution of both new products and new customers.
In 2015 the net income amounted to 2,654 thousand USD (2,392 thousand euro), also showing a strong increase (+38.9%) compared to a net income of 1,910 thousand USD (1,438 thousand euro) in 2014, thanks to the growth of sales, the associated reduction of the incidence of structural fixed costs and the shift in the sales mix towards products with a lower absorption of raw material, which allowed the improvement in the gross margin compared to the previous year.
Finally, please note that, on February 20, 2015, the State of Connecticut paid to Memry Corporation the first tranche, equal to 2 million USD, of the soft financing finalized to purchase new machinery and equipment necessary to expand the production plant in Bethel (for further details please refer to the section “Relevant events occurred in 2015” and to the Note no. 28).

Performance of the joint venture companies in 2015

ACTUATOR SOLUTIONS GmbH, Gunzenhausen (Germany)

Actuator Solutions GmbH, established in the second half of 2011, is headquartered in Gunzenhausen (Germany) and it is 50% jointly controlled by SAES and Alfmeier Präzision, a German group operating in the fields of electronics and advanced plastic materials.
The 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 consolidates its wholly owned subsidiary Actuator Solutions Taiwan Co., Ltd. (established on June 14, 2013), recorded net revenues equal to 17,275 thousand euro in 2015; these revenues, totally generated by the sales of valves used in lumbar control systems of the seats of a wide range of cars, increased by 13.0% compared to 15,291 thousand euro in 2014: the lumbar control system based on the SMA technology is recording a strong growth in volumes, notwithstanding falling unit prices.
Despite the increase in the revenues of the seat comfort business, the net result of the period was negative and equal to -3,687 thousand euro (-2,572 thousand euro in the previous year), due to the research, development and prototyping expenses in the various industrial sectors in which the company will be present with its SMA actuators, as well as to structure fixed costs. 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, the white goods sector and the medical one, some of which have already generated the first orders; instead, the Taiwanese subsidiary is focused on the development of devices for the mobile communication market, such as, in particular, actuators for the autofocus (AF systems) and the image stabilization (OIS systems) in mobile phones. The first AF device was introduced into the market in November 2015 and the tests made both for the device itself, as well as for the actuator mounted in a camera and in a mobile phone, have given positive results. We are confident that the first commercial order may be placed in the first months of 2016.

(thousands of euro)

Actuator Solutions	2015	2014
	100%	100%
Total net sales	17,275	15,291
Cost of sales	(17,728)	(15,205)
Gross profit	**(453)**	**86**
% on sales	*-2.6%*	*0.6%*
Total operating expenses	(4,237)	(3,589)
Other income (expenses), net	125	575
Operating income (loss)	**(4,565)**	**(2,928)**
% on sales	*-26.4%*	*-19.1%*
Interest and other financial income, net	(327)	(129)
Foreign exchange gains (losses), net	64	9
Income taxes	1,141	476
Net income (loss)	**(3,687)**	**(2,572)**

The share of the SAES Group in the result of the joint venture in 2015 amounted to -1,843 thousand euro (-1,286 thousand euro in the previous year).

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:

	2015					
(thousands of euro)	Consolidated statement of profit or loss	50% Actuator Solutions	Intercompany eliminations	Other adjustments	Investment elimination	Total Group's statement of profit or loss
Total net sales	**166,012**	**8,638**	**(636)**	**73**		**174,087**
Cost of sales	(94,025)	(8,864)	636	(73)		(102,326)
Gross profit	**71,987**	**(226)**	**0**	**0**	**0**	**71,761**
% on sales	*43.4%*					*41.2%*
Total operating expenses	(51,552)	(2,119)				(53,671)
Royalties	902	0				902
Other income (expenses), net	(838)	63				(775)
Operating income (loss)	**20,499**	**(2,282)**	**0**	**0**	**0**	**18,217**
% on sales	*12.3%*					*10.5%*
Interest and other financial income, net	(1,528)	(164)				(1,692)
Income (loss) from equity method evalueted companies	(1,843)	0			1,843	0
Foreign exchange gains (losses), net	694	32				726
Income (loss) before taxes	**17,822**	**(2,414)**	**0**	**0**	**1,843**	**17,251**
Income taxes	(9,002)	571				(8,431)
Net income (loss) from continued operations	**8,820**	**(1,843)**	**0**	**0**	**1,843**	**8,820**
Income (loss) from assets held for sale and discontinued operations	0	0				0
Net income (loss) before minority interest	**8,820**	**(1,843)**	**0**	**0**	**1,843**	**8,820**
Net income (loss) pertaining to minority interest	0					0
Net income (loss) pertaining to the Group	**8,820**	**(1,843)**	**0**	**0**	**1,843**	**8,820**

SAES RIAL VACUUM S.r.l., Parma, PR (Italy)

On December 23, 2015 the SAES Group signed an agreement with the company Rodofil s.n.c., based in the province of Parma, with the commitment of the Parent Company to acquire the 49% of the company SAES

RIAL Vacuum S.r.l. within the end of January 2016. SAES RIAL Vacuum S.r.l. was established through the transfer by Rodofil of the ‘Rial Vacuum’ business (assets, trademark and customers list, as well as inventory and employed personnel), specialized in the design and manufacture of vacuum chambers for accelerators, synchrotrons and colliders, used in the major worldwide research laboratories.
In particular, on December 23, 2015 SAES Getters S.p.A. acquired the first tranche equal to 10% of the newco SAES RIAL Vacuum S.r.l., while the finalization of the acquisition of the further 39% was realized on January 19, 2016.
The total price of the 49% of the share capital was equal to approximately 1.6 million euro, of which 0.3 million euro paid in cash during 2015 and 1.3 million euro paid in January 2016 and recorded as current financial liability as at December 31, 2015.
For the detail of the acquired net assets please refer to the Note no. 17.

The aim of the agreement is the creation of an Italian technological and manufacturing hub of the highest level for the design and production of integrated vacuum components and systems for accelerators, for the research, as well as for industrial systems and devices. SAES RIAL Vacuum S.r.l. will combine at the highest level the competences of SAES in the field of materials, vacuum applications and innovation, with the experience of Rial and Rodofil in the design, assembling and fine mechanical productions, with the aim of offering absolutely excellent quality products and successfully competing in the international markets.

The new company SAES RIAL Vacuum S.r.l. will be managed by a Board of Directors consisting of three members, of which two appointed by the Shareholder Rodofil s.n.c. and one appointed by SAES. Alessandro Zanichelli, current shareholder and chief executive officer of Rodofil, will cover the role of the new company's CEO.
The shareholders' agreement governing the relationship between the shareholders provide that the resolutions of the Board of Directors are adopted with the favorable vote of the majority of its members, except for some “confidential matters” for which the favorable vote of the minority shareholder SAES is required. Based on this agreement that governs the relationship between the shareholders, SAES RIAL Vacuum S.r.l. has been qualified as a joint venture and, therefore, is consolidated using the equity method.

In addition, the shareholders' agreement includes a put and call option between the shareholders, according to a predefined schedule, which, if exercised by SAES, would enable the Group to increase its stake in SAES RIAL Vacuum S.r.l. from 49% to 79% in 2020; for the option’s details, please see the Note no. 17.
Please note that, being the acquisition just finalized as at December 31, 2015, the Management did not have enough assessment elements and therefore this option was not valued.

Please note that as at December 31, 2015 the company SAES RIAL Vacuum S.r.l. was not yet operative.

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, 2015, 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 (Nanjing) Co., Ltd. – Nanjing & Shanghai (P.R. of China).

Research, Development and Innovation activities

In 2015 research and development expenses amounted to 14,620 thousand euro (8.8% of consolidated net revenues) and were substantially aligned, in absolute term, to those of 2014 amounting to 14,375 thousand euro (10.9% of consolidated net sales).

In 2015 the R&D laboratories were strongly committed in the scouting of new applications for the platform of Functional Polymer Composites (FPC); in particular, the activity was focused on the freezing definition of the specifications of the first product of the SAES Group for food packaging applications. With this regard, some preliminary collaborations have been started, that should lead to the development of new active packaging solutions with the aim of controlling the internal atmosphere of the package to extend the shelf life of the food inside it. A special working group was created, by combining the resources of the laboratories with those of other departments, to run a positioning study in the production chain of the active packaging. This study has highlighted two alternative business models for the SAES Group: the first one is to provide precursor materials, that means lacquers for the deposition of active films on the plastic materials (film coating) or compounds to be mixed with the plastic materials during their processing (extrusion or other processes); the second one is to produce functionalized plastic materials.
The second business model, in line with the Group's new strategy to go downstream in the value chain, might be possible through a partnership with an already consolidated manufacturer. In this direction, a collaboration with an Italian company leader in the sector has been started, the results of which are expected in the first half of 2016.

Always in the field of Functional Polymer Composites it is worth noting the launch of a test of a solution for the control of the evolution of carbon dioxide (CO_2) in lithium batteries at the world's leading manufacturer of Li-Ion batteries for auto-traction, whose first results should be available within the first months of 2016.
A positive result in such tests would pose SAES in a privileged position to design with the customer the optimal solution to the problems of security and stability of this type of batteries, with extremely interesting business prospects for the Group.

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. In particular, the first OLET monochrome demonstrator panel was realized.

Intense were also the activities of the Vacuum Systems development laboratory that, in the wake of the great success arisen by the presentation to the market of the new High Vacuum pump at the end of 2014, continued the development of the first two models already on sale in the market. Also thanks to the support of this laboratory, it was possible to finalize a supply contract for an important particle accelerator of over 100 different models of NEXTorr pumps.

The activities of the Getters & Dispensers development laboratory have focused in particular on the development of solutions both of gettering and dispensing within the LEDs of new generation.

The central laboratory has continued, with success, the activities of basic research in the field of Shape Memory Alloys (SMA) regarding new formulations of alloys and the improvement of existing production processes, to support applications in both the medical and the industrial segments. During 2015, thanks to the excellent work done by this laboratory, it was possible to introduce a new range of clean melt materials in the market that, thanks to a major review of the transformation process and a strict control of the production process parameters, ensures doubled shelf lives compared to standard materials. The new SMA wires had a major commercial success and have been qualified by a major customer operating in the mobile phone business. The research activities also focused on the development of new formulations that will allow raising the transformation temperature of the alloys up to about 200°C. A material able to operate at temperatures significantly higher than the current ones (the current limit is around 100°C) would open the way to new applications in the automotive field. The first results of this very important project should be visible in the first half of 2016 and the introduction of this new material would place SAES in a technological and commercial strength position of absolute importance.

The joint venture Actuator Solutions has continued its activities related to the development, prototyping and production of SMA actuators for different applications, and the activities for the development of autofocus (AF) systems for mobile phones have been particularly intense. The first AF model was introduced in the market in November 2015 and has been successfully tested by a manufacturer of mobile phone cameras. These tests have verified the functionality and reliability of the device, both in its own right, and when assembled in a working camera; then the tests continued in the phone and also in this case have given positive results. The tests will be repeated in early 2016, and in case of success, the first commercial negotiations will start. In parallel an infrared filter has been developed, a mini lens driven by a SMA engine, able to transform a normal camera in an infrared camera. This type of photo cameras enables the recognition of the iris through the phone, a function necessary to perform banking transactions safely. Finally, the development of devices for automotive and white good applications has continued.

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 2015, 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 fluorescent lamps, while the sales of getters for military applications showed a slight increase 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 (B2B, i.e. Business-to-Business), often as tier 2 or 3, and thus it does not sell to end consumers.
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, where possible and in accordance with the current regulations, long-term supply agreements are signed, through the development of new solutions and services, new products of higher quality have been offered and there has been a focus on the repositioning of the product range along several phases of the value chain.
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 ventures Actuator Solutions and SAES RIAL Vacuum S.r.l., 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 the 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. In particular, during the year, the market of fluorescent lamps, in which the getter solutions of the Group are used, has been under stress, penalized by the technological competition of the LED lamps.

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.

<u>Operational risks</u>

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 of the 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, also due to the uncertainties relating to the legal systems of 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 other industrial and commercial operators, 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 raw material and the medical SMA devices (stents). Instead, the training process of the SMA wires for their use in industrial applications is carried out exclusively in the factory of the Parent Company in Lainate.
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[10] has recognized deferred tax assets on its tax losses.
The maintenance of such deferred tax assets is motivated by the expected growth in the production activities of the Italian plants of the Group, together with any implementing decisions to rationalize the organizational structure, consistent with the assumptions of the business plan. 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 recoverability of the tax losses carried forward may fail by the Parent Company.

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 in the future years and the related assumptions are an integral part of the planning process and are subject to the specific approval by the Board of Directors.

Financial risks

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

[10] Please note that in 2014 and 2015 it has been prudently decided to suspend the recognition of deferred tax assets on the tax losses realized by the Parent Company.

- *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;
- *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. 39, to which the reader may also refer for the associated sensitivity analysis.

Subsequent events

On January 4, 2016 a new contract for forward sale of euros was entered into, in order to limit the currency risk 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.
Such contract has a notional value of 550 thousand euro, will expire on December 27, 2016 and provides for a forward exchange rate equal to 1,304.00 against the euro.

On January 12, 2016 SAES Getters S.p.A. granted a 49 thousand euro loan to the joint venture SAES RIAL Vacuum S.r.l., in order to financially support the newly established Company's operations. Such loan, which did not involve any predefined expiration date, but, according to the contract, allows for a flexible reimbursement upon formal request of SAES Getters S.p.A., will earn an interest indexed to the three months Euribor rate, plus a spread of 2.50%, to be paid by the joint venture on an annual basis.

On January 15, 2016 SAES Nitinol S.r.l. made a further capital injection in favor of the joint venture Actuator Solutions GmbH equal to 1 million euro to support its investments. The same amount was paid by the 50% joint partner Alfmeier, through the company SMA Holding GmbH.

In order to protect the results and the profitability from the fluctuation of the exchange rates, on January 18, 2016 and soon thereafter on February 29, 2016, some contracts for the forward sale of Japanese yen were entered into, for a total notional value of 340 million JPY; such contracts provide for an average forward exchange rate equal to 126.5850 against the euro and will be in force for the entire 2016. Similar contracts, for a notional value of 12,500 thousand USD, were entered into on February 18, 2016, with an average forward exchange rate equal to 1.1198 against the euro. Also these contracts will be in force for the entire 2016.

On January 19, 2016, as envisaged by the contract signed on December 23, 2015 between SAES Getters S.p.A. and Rodofil s.n.c., the Parent Company acquired a further 39% of the joint venture SAES RIAL Vacuum S.r.l., for a pre-determined price equal to 1.3 million euro. The total investment of SAES Getters S.p.A. in the joint venture is currently equal to 49% of its share capital.

On February 26, 2016 SAES Getters S.p.A. acquired the remaining 4% of the share capital of E.T.C. S.r.l. from the minority shareholder, for a consideration of 249 thousand euro.

Following such acquisition, SAES Getters S.p.A. is now the sole shareholder of E.T.C. S.r.l.

On March 3, 2016 the Extraordinary Shareholders' Meeting of SAES Getters S.p.A. approved the amendment to article 11 of the By-Laws, with the introduction of the increase of the voting right and the assignment of two votes for each ordinary share of the Company held for a period of at least 24 months on a continuous basis, according to law no. 116, dated August 11, 2014, and to article 127-*quinquies* of the TUF.
This increase is not extended to the holders of savings shares, as they do not have any voting right, or the right to attend the shareholders' meetings.
The introduction of the increase of the voting right will help to support the Company's growth by encouraging the medium-long term investment in the share capital of the Company and thus the stability of the shareholding structure, which has always been a strength and it is in line with the mid-long term interests of the Group.

On March 14, 2016 SAES Getters S.p.A. approved a capital contribution of 130 thousand euro in favor of E.T.C. S.r.l., equal to the difference between the loss made by the Company in 2015 (-1,580 thousand euro[11]) and that estimated for the same period at the beginning of the year and already covered by the Parent Company on March 11, 2015 (-1,450 thousand euro).
Simultaneously, the Parent Company approved a further capital contribution in favor of E.T.C. S.r.l., equal to 1,420 thousand euro, to cover the expected losses of 2016.

On March 14, 2016 SAES Getters S.p.A. approved a capital contribution equal to 30 thousand euro in favor of SAES Nitinol S.r.l. to cover the loss made by the Company in 2015 and to reconstitute its integrally eroded share capital.
Simultaneously, the Parent Company approved a further capital contribution in favor of SAES Nitinol S.r.l., equal to 140 thousand, to cover the Company's possible future losses.

Business outlook

In the **first two months of 2016**, **consolidated net revenues** were equal to 27,832 thousand euro, up by 23.8% compared to 22,474 thousand euro in the corresponding period of the previous year. The exchange rate effect was positive and equal to +4.5%, net of which the organic growth was equal to +19.3%.

(thousands of euro)

Business	Feb-16	Feb-15	Difference	Difference %	Organic change %	Exchange rate effect %
Electronic & Photonic Devices	2,242	1,997	245	12.3%	8.3%	4.0%
Sensors & Detectors	2,500	1,544	956	61.9%	58.7%	3.2%
Light Sources	1,291	1,619	(328)	-20.3%	-21.8%	1.5%
Vacuum Systems	1,356	1,203	153	12.7%	10.0%	2.7%
Thermal Insulation	911	1,122	(211)	-18.8%	-21.8%	3.0%
Pure Gas Handling	7,951	5,621	2,330	41.5%	35.3%	6.2%
Industrial Applications	**16,251**	**13,106**	**3,145**	**24.0%**	**19.7%**	**4.3%**
SMA Medical Applications	9,813	8,175	1,638	20.0%	14.9%	5.1%
SMA Industrial Applications	1,581	933	648	69.5%	67.6%	1.9%
Shape Memory Alloys	**11,394**	**9,108**	**2,286**	**25.1%**	**20.4%**	**4.7%**
Business Development	**187**	**260**	(73)	**-28.1%**	**-30.6%**	**2.5%**
Total net sales	**27,832**	**22,474**	**5,358**	**23.8%**	**19.3%**	**4.5%**

The Shape Memory Alloys Business Unit ended the first two months of 2016 with revenues equal to 11,394 thousand euro (9,108 thousand euro in the first two months of 2015), showing a significant organic growth both in the medical segment (+14.9%) and in the industrial one (+67.6%).

[11] Resulting from the financial statements prepared according to the National Accounting Principles.

Consolidated revenues of the Industrial Applications Business Unit were equal to 16,251 thousand euro, compared to 13,106 thousand euro in the corresponding period of 2015. The increase (+24.0%), also due to the exchange rate effect (+4.3%), was concentrated in the gas purification business and favored by the recovery in the security and defense sectors (Sensors & Detectors Business).

Total revenues of the Group were equal to 29,202 thousand euro in the **first two months of 2016**, up by 23.1% compared to 23,723 thousand euro in the corresponding period of 2015. The revenues of the joint venture Actuator Solutions increased by 8.2%, while the consolidated revenues increased by 23.8%, as previously mentioned.

We expect a very solid first semester, that allows us to be optimistic for the full year 2016.

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Please note that, following the completion of the transfer activity of the PageWafer® technology under the last contract signed at the end of fiscal year 2014, the technology licensing can be considered as a 'core business' of the Group; therefore, starting from January 1, 2016, the royalties accrued for the licensing of the thin film getter technology for MEMS of new generation were classified within the consolidated sales. The figures related to 2015[12] were reclassified accordingly, for a homogeneous comparison.

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 assets and, in particular, of the deferred tax assets recognized in the balance sheet.

Related party transactions

With regard to the Group's related party transactions, please note that they fall within the ordinary operations and are settled at market or standard conditions.
Complete disclosure on related party transactions incurred during the year is provided in the Note no. 41 of the consolidated financial statements.

Consob regulatory simplification process

Please note that, on November 13, 2012, the Board of Directors 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.

[12] In the first two months of 2015 the royalties amounted to 44 thousand euro and must be compared to 286 thousand euro as at February 29, 2016 (of which 180 thousand euro deriving from lump-sums related to the technology transfer).

Consolidated Financial Statements
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Consolidated statement of profit or loss

(thousands of euro)	Notes	2015	2014
Total net sales	3	**166,012**	**131,701**
Cost of sales	4	(94,025)	(75,030)
Gross profit		**71,987**	**56,671**
Research & development expenses	5	(14,620)	(14,375)
Selling expenses	5	(13,214)	(11,862)
General & administrative expenses	5	(23,718)	(19,082)
Total operating expenses		**(51,552)**	**(45,319)**
Royalties	6	902	1,843
Other income (expenses), net	7	(838)	(183)
Operating income (loss)		**20,499**	**13,012**
Interest and other financial income	8	293	486
Interest and other financial expenses	8	(1,821)	(2,106)
Share of result of investments accounted for using the equity method	9	(1,843)	(1,286)
Foreign exchange gains (losses), net	10	694	147
Income (loss) before taxes		**17,822**	**10,253**
Income taxes	11	(9,002)	(6,829)
Net income (loss) from continued operations		**8,820**	**3,424**
Net income (loss) from assets held for sale and discontinued operations	12	0	1,412
Net income (loss) for the period		**8,820**	**4,836**
Minority interests in consolidated subsidiaries		0	0
Group net income (loss) for the period		**8,820**	**4,836**
Net income (loss) per ordinary share	13	0.3944	0.2137
Net income (loss) per savings share	13	0.4111	0.2305

Consolidated statement of other comprehensive income

(thousands of euro)	Notes	2015	2014
Net income (loss) for the period		**8,820**	**4,836**
Exchange differences on translation of foreign operations	27	10,458	11,150
Exchange differences on equity method evaluated companies	27	(51)	(42)
Total exchange differences		10,407	11,108
Total components that will be reclassified to the profit (loss) in the future		**10,407**	**11,108**
Actuarial gain (loss) on defined benefit plans	27	(21)	(183)
Income taxes	27	(22)	50
Actuarial gain (loss) on defined benefit plans, net of taxes		(43)	(133)
Total components that will not be reclassified to the profit (loss) in the future		**(43)**	**(133)**
Reversal of currency conversion reserve after the reduction of the share capital of the subsidiaries	27	(1,907)	0
Total components that have been reclassified to the profit (loss)		**(1,907)**	**0**
Other comprehensive income (loss), net of taxes		**8,457**	**10,975**
Total comprehensive income (loss), net of taxes		**17,277**	**15,811**
attributable to:			
- Equity holders of the Parent Company		17,277	15,811
- Minority interests		0	0

Consolidated statement of financial position

(thousands of euro)	Notes	December 31, 2015	December 31, 2014
ASSETS			
Non current assets			
Property, plant and equipment, net	15	50,383	50,684
Intangible assets, net	16	52,322	48,705
Investments accounted for using the equity method	17	3,990	1,370
Deferred tax assets	18	14,064	15,725
Tax consolidation receivables from Controlling Company	19	272	571
Financial receivables from related parties	20	600	0
Other long term assets	21	456	917
Total non current assets		**122,087**	**117,972**
Current assets			
Inventory	22	32,534	29,719
Trade receivables	23	23,366	20,010
Prepaid expenses, accrued income and other	24	10,593	9,697
Derivative financial instruments evaluated at fair value	35	0	38
Cash and cash equivalents	25	24,044	25,602
Financial receivables from related parties	20	555	2,762
Other financial receivables from third parties	26	0	151
Total current assets		**91,092**	**87,979**
Total assets		**213,179**	**205,951**
EQUITY AND LIABILITIES			
Capital stock		12,220	12,220
Share issue premium		41,120	41,120
Legal reserve		2,444	2,444
Other reserves and retained earnings		42,826	41,510
Other components of equity		19,055	10,555
Net income (loss) of the period		8,820	4,836
Group shareholders' equity	27	**126,485**	**112,685**
Other reserves and retained eanings of third parties		3	3
Minority interests in consolidated subsidiaries		**3**	**3**
Total equity		**126,488**	**112,688**
Non current liabilities			
Financial debts	28	27,019	14,689
Other non current financial debts towards third parties	29	1,355	1,328
Deferred tax liabilities	18	6,526	6,190
Staff leaving indemnities and other employee benefits	30	7,856	7,425
Provisions	31	814	871
Total non current liabilities		**43,570**	**30,503**
Current liabilities			
Trade payables	32	13,675	11,047
Other payables	33	9,203	7,703
Accrued income taxes	34	1,060	387
Provisions	31	3,530	1,861
Derivative financial instruments evaluated at fair value	35	22	0
Current portion of medium/long term financial debts	28	7,136	6,690
Other current financial debts towards third parties	29	1,935	2,068
Bank overdraft	36	5,012	30,722
Accrued liabilities	37	1,548	2,282
Total current liabilities		**43,121**	**62,760**
Total equity and liabilities		**213,179**	**205,951**

Consolidated cash flow statement

(thousands of euro)	2015	2014
Cash flows from operating activities		
Net income (loss) from continued operations	8,820	3,424
Net income (loss) from discontinued operations	0	1,412
Current income taxes	7,244	5,383
Changes in deferred income taxes	1,758	1,446
Depreciation	7,147	7,163
Write-down (revaluation) of property, plant and equipment	123	0
Amortization	1,364	1,393
Write-down (revaluation) of intangible assets	188	0
Net loss (gain) on disposal of fixed assets	(95)	(1,372)
Interest and other financial (income) expenses, net	3,371	2,907
Other non-monetary costs (revenues)	(1,869)	(38)
Accrual for termination indeminities and similar obligations	1,037	656
Changes in provisions	1,390	456
	30,478	**22,830**
Working capital adjustments		
Cash increase (decrease)		
Account receivables and other receivables	(3,156)	(7,245)
Inventory	(46)	1,758
Account payables	2,628	1,788
Other current payables	357	102
	(217)	**(3,597)**
Payment of termination indemnities and similar obligations	(74)	(411)
Interests and other financial payments	(414)	(477)
Interests and other financial receipts	139	148
Taxes paid	(7,061)	(4,535)
Net cash flows from operating activities	**22,851**	**13,958**
Cash flows from investing activities		
Disbursements for acquisition of tangible assets	(5,017)	(4,310)
Proceeds from sale of tangible and intangible assets	156	3,570
Disbursements for acquisition of intangible assets	(42)	(57)
Cash paid for acquisition of third parties businesses	(1,884)	(1,813)
Consideration for the acquisition of investments in joint ventures	(330)	0
Capital injection into joint ventures	(2,900)	0
Net cash flows from investing activities	**(10,017)**	**(2,610)**
Cash flows from financing activities		
Proceeds from long term financial liabilities, current portion included	19,282	6,965
Dividends payment	(3,477)	(3,430)
Repayment of financial liabilities	(33,303)	(9,246)
Interests and other costs paid on financial liabilities	(1,185)	(1,324)
Financial receivables repaid (granted) from related parties	1,700	(2,700)
Interests receipts on financial receivables from related parties	62	0
Other financial payables	0	(245)
Other financial receivables	159	(151)
Payment of finance lease laibilities	(18)	(15)
Net cash flows from financing activities	**(16,780)**	**(10,146)**
Net foreign exchange differences	2,916	3,536
Net (decrease) increase in cash and cash equivalents	**(1,030)**	**4,738**
Cash and cash equivalents at the beginning of the period	**25,071**	**20,333**
Cash and cash equivalents at the end of the period	**24,041**	**25,071**

Consolidated statement of changes in equity as at December 31, 2015											
(thousands of euro)					Other components of equity						
	Capital stock	Share issue premium	Treasury shares	Legal reserve	Currency conversion reserve	Currency conversion reserve from discontinued operations	Other reserves and retained earnings	Net income (loss)	Group shareholders' equity	Minority interests	Total equity
December 31, 2014	**12,220**	**41,120**	**0**	**2,444**	**10,555**	**0**	**41,510**	**4,836**	**112,685**	**3**	**112,688**
Distribution of 2014 result							4,836	(4,836)	0		0
Dividends paid							(3,477)		(3,477)		(3,477)
Net income (loss)								**8,820**	**8,820**	**0**	**8,820**
Reversal of currency conversion reserve after the reduction of the share capital of the subsidiaries					(1,907)				(1,907)		(1,907)
Other comprehensive income (loss)					10,407		(43)		10,364		10,364
Total comprehensive income (loss)					**8,500**		**(43)**	**8,820**	**17,277**	**0**	**17,277**
December 31, 2015	**12,220**	**41,120**	**0**	**2,444**	**19,055**	**0**	**42,826**	**8,820**	**126,485**	**3**	**126,488**

Consolidated statement of changes in equity as at December 31, 2014											
(thousands of euro)					Other components of equity						
	Capital stock	Share issue premium	Treasury shares	Legal reserve	Currency conversion reserve	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**

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.[13], which does not exercise management and coordination activity.
The Board of Directors approved and authorized the publication of the 2015 consolidated financial statements in a resolution passed on March 14, 2016.

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, 2015 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 Regulation. 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 2014 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:

- 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;

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

- 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, it 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 consolidated statement of profit or loss by allocation, 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.

During the year 2015 the Group did not carry out any unusual or non-recurring transaction having a significant impact on the economic situation and the financial position.

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.

Segment information

The Group's financial reporting is broken down into the following business segments:

- Industrial Applications;
- Shape Memory Alloys.

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, 2015.

Company	*Currency*	*Capital Stock*	*% of Ownership Direct*	*Indirect*
Directly-controlled subsidiaries:				
SAES Advanced Technologies S.p.A. Avezzano, AQ (Italy)	EUR	2,600,000	100.00	-
SAES Getters USA, Inc. Colorado Springs, CO (USA)	USD	9,250,000	100.00	-
SAES Getters (Nanjing) Co., Ltd. Nanjing & Shanghai (P.R. of China)	USD	6,570,000***	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	524,895,000****	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 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.
*** In May 2015, after having obtained the proper authorization from the local Chinese authorities, the capital stock of the Chinese subsidiary SAES Getters (Nanjing) Co., Ltd. was reduced from 13,570 thousand USD to 6,570 thousand USD.
**** In November 2015 the share capital of the Korean subsidiary SAES Getters Korea Corporation was reduced from 10,497,900 thousand KRW to 524,895 thousand KRW, by reducing the nominal share value from 10,000 KRW to 500 KRW (for a total number of 1,049,790 shares).

The following table shows the companies included in the scope of consolidation according to the equity method as at December 31, 2015.

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**
SAES RIAL Vacuum S.r.l.				
Parma, PR (Italy)	EUR	200,000	49.00***	-

* % 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.).
*** This percentage, which has been used for consolidation purposes, is the substantial interpretation of the acquisition agreement signed on December 23, 2015. Please refer to the Note no. 17 for further details.

The changes occurred in the consolidation area compared to December 31, 2014 are listed below:

- in November 2015 the office of SAES Getters (Nanjing) Co., Ltd. in Shanghai was converted into a branch of the same company;
- on December 23, 2015 SAES Getters S.p.A. signed an agreement with the company Rodofil s.n.c. for the acquisition, within the end of January 2016, of 49% of the company SAES RIAL Vacuum S.r.l., established through the transfer by Rodofil of the 'Rial Vacuum' business (assets, trademark and customers list, as well as inventory and employed personnel), specialized in the design and manufacture of vacuum chambers for accelerators, synchrotrons and colliders, used in the major research laboratories worldwide. In particular, on December 23, 2015 SAES acquired 10% of the newco SAES RIAL Vacuum S.r.l., being committed to increase its shares in SAES RIAL Vacuum S.r.l. up to 49% by acquiring a further 39% within the end of January 2016.

Finally, the signed contract includes some shareholders' agreements that govern the relationship between the parties enabling to qualify SAES RIAL Vacuum S.r.l. as a joint venture (please refer to the Note no. 17). They also include a *put* and *call* option among the shareholders, according to an agreed schedule (for further details, please refer to the paragraph "Relevant events occurred in 2015" in the Consolidated report on operation).

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 possibility to use its own decision power to determine the "relevant activities" in the subsidiary.
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 in their total amount, 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 towards 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 into 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 a joint agreement on an 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, 2015		December 31, 2014	
	Average rate	Final rate	Average rate	Final rate
US dollar	1.1095	1.0887	1.3285	1.2141
Japanese yen	134.3100	131.0700	140.3060	145.2300
South Korean won	1,256.5000	1,280.8000	1,398.1400	1,324.8000
Renminbi (P.R. of China)	6.9733	7.0608	8.1857	7.5358
Taiwan dollar	35.2501	35.7908	40.2499	38.4133

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 into 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	3/15 years/duration of the contract
Concessions, licenses, trademarks and similar rights	3/25 years/duration of the contract
Other	5/15 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 into 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 into 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 into the statement of profit or loss. The minimum and maximum depreciation rates are listed below:

Buildings	2.5% - 20%
Plant and machinery	6% - 33%
Industrial and commercial equipment	3% - 25%
Other assets	3% - 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 into 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 into the statement of profit or loss as an impairment loss.
The impairment loss is charged into 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 5 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 into 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 into 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 into 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 into 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, if applicable, 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.
Annually 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 into 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 into 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, which 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.

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 into 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 into 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.

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 into 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 that 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, 2015

Accounting standards used to prepare the consolidated financial statements as at December 31, 2015 are consistent with those applied in the consolidated financial statements as at December 31, 2014, except for the adoption of new standards and interpretations applicable starting from January 1, 2015. The following accounting standards, amendments and interpretations are applicable for the first time from January 1, 2015.

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, contingent liabilities and contingent 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 had no impact on the Group's consolidated financial statements.

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 are excluded 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*. The amendment clarifies that the portfolio exception applies to all contracts included within the scope of IAS 39 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 or IAS 40, it is necessary to refer respectively to the specific indications provided by IFRS 3 o IAS 40.

The amendments are effective for annual periods beginning on or after January 1, 2015.
The adoption of these amendments had no impact on the Group's consolidated financial statements.

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

The following standards and amendments are approved by the European Union, but not yet mandatorily applicable and not yet adopted by the Group in advance as at December 31, 2015.

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 some 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 in a business combination classified as a financial asset or liability (differently from what envisaged for that classified as an equity instrument) 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 as such to allow their aggregation.
- 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 as a whole 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, the option of accounting current trade receivables and payables without detecting the effects of their discounting, where such effects are not significant, remains valid.
- 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.

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

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 over 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 11 - *Joint arrangements - accounting for acquisitions of interests in joint operations* (amendment)
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 interests 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* and **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, a condition that is instead required for the depreciation.
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 and specific 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.

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) for such reclassifications should be considered valid the same classification and evaluation criteria; (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, except 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 has to 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 these 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 a company should not obscure information by aggregating or disaggregating it and that materiality considerations apply to the primary financial statements, notes and any specific disclosure requirement of 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 an 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.
- Explanatory 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.

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.

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 continuing to recognize the amounts related to the rate regulation activities in accordance with the previous adopted accounting policies only to those who adopt IFRSs for the first time.
Not being the Group a first-time adopter, this standard is not applicable.

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, 2018, 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.
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 used by IAS 39) using concrete information, 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 to 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 model 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.

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.

At the moment, the IASB has suspended the application of this amendment.

The adoption of these 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 these 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.

IFRS 16 - *Leases*

On January 13, 2016 the IASB issued IFRS 16 – *Leases,* which is intended to replace IAS 17 - *Leases,* and the interpretations IFRIC 4 - *Determining whether an arrangement contains a lease*, SIC 15 - *Operating leases incentiv*es and SIC 27 - *Evaluating the substance of transactions involving the legal form of a lease.*

The new standard provides for a new definition of lease and introduces a criterion based on control (right of use) of an asset to distinguish the lease contracts from the contracts for services, by

identifying the following discriminating factors: the identification of the asset, the right to replace it, the right to substantially obtain all the economic benefits arising from the use of the asset and the right to direct the use of the underlying asset of the contract.
The standard establishes a single model of recognition and measurement of the lease agreements for the lessee which provides for the record of the lease asset, including an operating lease, among the assets with a financial debt as counterpart, while providing also the possibility not to recognize as leases those contracts which refer to "low-value assets" and those leases with a duration of the contract equal to or less than 12 months. In contrast, the standard does not include significant changes for the lessors.
The principle applies starting from January 1, 2019 but an early application is allowed, only for those companies that have chosen an early adoption of IFRS 15 - *Revenue from contracts with customers.*
It is expected that the application of IFRS 16 may have a significant impact on the accounting treatment of leases and the related disclosure reported in the Group's consolidated financial statements. However, it is not possible to provide a reasonable estimate of its effect until the Group has completed a detailed analysis of the related contracts.

3. NET SALES

In 2015 consolidated net sales were equal to 166,012 thousand euro, recorded a strong increase (+26.1%) compared to 131,701 thousand euro achieved in 2014. Excluding the positive exchange rate effect (+17.0%, resulting from the strengthening of US dollar against the euro), the organic growth was equal to +9.1% compared to the previuos year.

The following table shows a breakdown of revenues by Business.

(thousands of euro)

Business	2015	2014	Difference	Difference %	Exchange rate effect %	Organic change %
Electronic & Photonic Devices	13,455	12,105	1,350	11.2%	13.4%	-2.2%
Sensors & Detectors	10,253	8,814	1,439	16.3%	11.4%	4.9%
Light Sources	9,234	10,989	(1,755)	-16.0%	6.0%	-22.0%
Vacuum Systems	8,593	7,015	1,578	22.5%	6.9%	15.6%
Thermal Insulation	6,382	6,456	(74)	-1.1%	11.0%	-12.1%
Pure Gas Handling	53,192	40,463	12,729	31.5%	21.5%	10.0%
Industrial Applications	**101,109**	**85,842**	**15,267**	**17.8%**	**15.4%**	**2.4%**
SMA Medical Applications	55,956	40,076	15,880	39.6%	21.7%	17.9%
SMA Industrial Applications	7,724	4,384	3,340	76.2%	6.7%	69.5%
Shape Memory Alloys	**63,680**	**44,460**	**19,220**	**43.2%**	**20.2%**	**23.0%**
Business Development	**1,223**	**1,399**	**(176)**	**-12.6%**	**10.3%**	**-22.9%**
Total net sales	**166,012**	**131,701**	**34,311**	**26.1%**	**17.0%**	**9.1%**

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

4. COST OF SALES

The cost of sales amounted to 94,025 thousand euro in 2015, compared to 75,030 thousand euro in the previous year.

A breakdown of the cost of sales by category is provided below, compared with the actual figure of the previous year.

(thousands of euro)

Cost of sales	2015	2014	Difference
Raw materials	40,791	27,058	13,733
Direct labour	19,146	14,562	4,584
Manufacturing overhead	36,437	30,170	6,267
Increase (decrease) in work in progress and finished goods	(2,349)	3,240	(5,589)
Total cost of sales	**94,025**	**75,030**	**18,995**

Excluding the exchange rate effect which generated an increase in the cost of sales equal to around 11.8 million euro, the percentage change in the cost of raw materials (+8.2% also including the change in work in progress and finished goods) and of manufacturing overhead (+7.4%) is in line with the organic sales' change (+9.1%).
Instead, the direct labor costs increased more than proportionally compared to revenues (+16.8% excluding the exchange rate effect) as a result of the shift of the sales mix towards more technologically sophisticated products, characterized by a greater absorption of qualified direct labor, as well as of wage increases mainly aimed at the recovery of inflation.

5. OPERATING EXPENSES

Operating expenses were equal to 51,552 thousand euro in 2015, compared to 45,319 thousand euro in the previous year.

A breakdown by function of operating expenses, compared with the previous year, is given below.

(thousands of euro)

Operating expenses	2015	2014	Difference
Research & development expenses	14,620	14,375	245
Selling expenses	13,214	11,862	1,352
General & administrative expenses	23,718	19,082	4,636
Total operating expenses	**51,552**	**45,319**	**6,233**

Excluding the currency effect, mainly due to the appreciation of the US dollar on the euro that has caused an increase in operating expenses of approximately 3.3 million euro, the latter recorded an organic growth of 6.4%, concentrated in the **general and administrative expenses** (in particular, higher costs for both fixed and variable compensation to employees and to the Executive Directors, as well as higher consulting fees for special projects). Always excluding the exchange rate effect, the **selling expenses** were substantially in line with those of last year, while the **research and development expenses** were slightly down as a consequence of the lower depreciation related to the extension of the remaining useful life of the laboratory equipment of the Parent Company (please refer to the Note no. 15) and of the reduced use of external consultants for the OLET (Organic Light Emitting Transistor) research project.

A breakdown by nature of the total expenses included in the cost of sales and operating expenses, compared with the previous year, is given below.

(thousands of euro)

Total costs by nature	2015	2014	Difference
Raw materials	40,791	27,058	13,733
Personnel cost	62,262	51,599	10,663
Corporate bodies	3,218	1,754	1,464
Travel expenses	1,676	1,559	117
Maintenance and repairs	2,886	2,695	191
Various materials	8,175	6,216	1,959
Transports	1,868	1,497	371
Commissions	1,040	771	269
Licenses and patents	1,366	1,284	82
Consultant fees and legal expenses	4,585	4,723	(138)
Audit fees (*)	470	514	(44)
Rent and operating leases	2,127	1,792	335
Insurances	1,108	1,021	87
Promotion and advertising	427	415	12
Utilities	2,957	2,768	189
Telephones and faxes	412	408	4
General services (canteen, cleaning, vigilance, etc.)	1,314	1,202	112
Training	178	115	63
Depreciation	7,147	7,163	(16)
Amortization	1,364	1,393	(29)
Write-down of non current assets	311	0	311
Provision (release) for bad debts	54	80	(26)
Other	2,190	1,082	1,108
Total costs by nature	**147,926**	**117,109**	**30,817**
Increase (decrease) in work in progress and finished goods	(2,349)	3,240	(5,589)
Total cost of sales and operating expenses	**145,577**	**120,349**	**25,228**

(*) Of which 86 thousand euro as out of pocket expenses incurred in 2015 and -16 thousand euro as balance on out of pocket expenses related to the previous year (in 2014, the out of pocket expenses were 99 thousand euro and the recovery of out of pocket expenses related to the previuos year was 27 thousand euro).

The items "Raw materials", "Various materials", "Transports" and "Commissions", which are strictly connected to the production cycle, increased both for the exchange rate effect and for the increase in sales, mainly in the shape memory alloys business and in the purification sector.

The increase in "Personnel cost" was due, in addition to the currency effect, both to the growth in the average number of the Group's employees and to salary increases linked to meritocratic policies and to regulatory constraints, as well as to the higher accruals for the variable compensation of the employees, estimated to be growing in line with the trend of the economic results.

The item "Corporate bodies" included the remuneration of the members of the Board of Directors, both executive and non-executive, and of the Board of Statutory Auditors of the Parent Company. Please note that, starting from the end of April 2015, this remuneration was calculated according to the new standards defined with the three-year renewal of the corporate bodies. For the details on the 2015 remunerations and the comparison with the previous year, please refer to the Note no. 41 and to the Report on the remuneration.

The increase in "Rent and operating leases" and "General services" was linked to the expansion of the production facility of the subsidiary Memry Corporation located in Bethel (CT - USA).

The write-down of non-current assets was mainly related to the closure of a medical SMA production line, whose final device, disappeared from the market because technologically obsolete, has been replaced by a new and more sophisticated product. This item also included the devaluation of the know-how related to a specific getter for lamps, that is suffering a growing competitive pressure.

The item "Consultant fees and legal expenses", net of the exchange rate effect, decreased of 468 thousand euro following the above mentioned lower use of external consultants for the OLET (Organic Light Emitting Transistor) research project.

In 2015 the item "Depreciation" benefited from a reduction (about 419 thousand euro) following the review, based on an independent third party appraisal, of the remaining useful life of the production plant and machinery, as well as of the laboratory equipment and instruments used by the Parent Company in its research activities. This reduction in the depreciation was offset by an upward variation in the US companies of the Group attributable to the currency effect.

The increase of the item "Other" was mainly related to the higher costs for external manufacturing services linked to the new industrial SMAs productions.

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 2015 amounted to 902 thousand euro and compared with 1,843 thousand euro in 2014: the decrease is due both to lower commissions accrued in 2015 (-413 thousand euro due to the price erosion that is affecting the gyroscopes market, as well as to the decrease in volumes) and to lower lump-sums (-528 thousand euro) resulting from the signature of new licensing agreements.
In relation to the last two signed agreements, please note that the technology transfer has not yet been finalized and therefore, as at December 31, 2015, such contracts have not matured any commission yet.

7. OTHER INCOME (EXPENSES)

This item recorded a net loss of -838 thousand euro as at December 31, 2015, compared with -183 thousand euro in the previous year.
The breakdown is provided below.

(thousands of euro)

	2015	2014	Difference
Other income	370	424	(54)
Other expenses	(1,208)	(607)	(601)
Total other income (expenses)	**(838)**	**(183)**	**(655)**

The item "Other income" includes all those revenues that do not fall within the ordinary operations of the Group, such as, for example, the proceeds from the sale of scrap materials, and it is in line with the previous year.

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.

In the current year the item also includes the provision against legal claims, equal to 689 thousand euro, accounted by the Parent Company (for further details please refer to the Note no. 31) and to which is primarily due the increase compared to 2014.

8. FINANCIAL INCOME (EXPENSES)

The following table shows the financial income breakdown in the fiscal year 2015, compared to the previous year.

(thousands of euro)

Financial income	2015	2014	Difference
Bank interest income	101	145	(44)
Other financial income	192	92	100
Realized gains on IRS	0	0	0
Gains from IRS evaluation at fair value	0	249	(249)
Total financial income	**293**	**486**	**(193)**

The reduction of "Bank interest income" was due to the lower interest income accrued on the cash and cash equivalents of SAES Getters (Nanjing) Co., Ltd., decreased as a result of the partial repayment of the share capital of the Chinese subsidiary to the Parent Company.

The increase of the item "Other financial income" was due to the higher interest income matured on the interest-bearing loans granted by the subsidiary SAES Nitinol S.r.l. to the joint venture Actuator Solutions GmbH (for further details please refer to the Note no. 20).

The following table shows the breakdown of the financial expenses in the fiscal year 2015, compared to the previous year.

(thousands of euro)

Financial expenses	2015	2014	Difference
Bank interests and other bank expenses	1,618	1,730	(112)
Other financial expenses	181	120	61
Realized losses on IRS	0	256	(256)
Losses from IRS evaluation at fair value	22	0	22
Total financial expenses	**1,821**	**2,106**	**(285)**

The item "Bank interests and other bank expenses" 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.
Compared to 2014, following the different breakdown of the financial debt, with a progressive increase of the incidence of medium to long term loans, compared to the short-term bank debt, the increase in interests following the signature of new long term financing by the Parent Company was offset by lower costs for loans such as "hot money" and for the use of bank credit lines.

The item "Other financial expenses" is mainly composed by the effect into the income statement of the adjustment of the time horizon used in the calculation of the present value of the financial debt deriving from the acquisition of the business "hydrogen purifiers" from Power & Energy, Inc. (for further details please refer to the Note no. 29). In the previous year this adjustment was positive and equal to +26 thousand euro and it was included in the item "Other financial income" (please see the table above).

Instead, in the previous year the item “Other financial expenses” included 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.

The item “Losses from IRS evaluation at fair value” is the effect on the income statement of the fair value measurement of the interest rate swap (IRS) contract entered into on September 25, 2015 by the Parent Company to partially hedge the medium-long term bank loan received in the second half of 2015 (for further details on the loan agreement, please see the Note no. 28, while for the details on the IRS, please see the Note no. 35).
As at December 31, 2014, the item “Gains from IRS evaluation at fair value” represented 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” included 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. Please note that Actuator Solutions GmbH consolidates its wholly owned subsidiary Actuator Solutions Taiwan Co., Ltd.
In 2015 the loss deriving from the evaluation with the equity method amounted to -1,843 thousand euro, higher than the one recorded in the previous year (-1,286 thousand euro) despite the higher revenues in the seat comfort area (+13.0%), due to the increase of the development and prototyping expenses related to the systems for the image focus of smartphone; these actuators, based on the SMA technology, have successfully passed the functional and reliability tests and the first commercial order is expected to arrive in the first months of 2016.
For further details on the composition of this loss, please refer to the Note no. 17.

Please note that as at December 31, 2015 the joint venture SAES RIAL Vacuum S.r.l. was not yet operative and therefore it did not contribute to the result of the SAES Group.

10. FOREIGN EXCHANGE GAINS (LOSSES)

In 2015 the exchange rates management recorded an overall positive net balance equal to 694 thousand euro, compared to a balance closed to zero (positive for 147 thousand euro) in the previous year.

The breakdown of foreign exchange gains and losses as at December 31, 2015 compared to the previous year is given below.

(thousands of euro)

Foreign exchange gains and losses	2015	2014	Difference
Foreign exchange gains	3,164	1,346	1,818
Foreign exchange losses	(1,311)	(1,884)	573
Foreign exchange gains (losses), net	**1,853**	**(538)**	**2,391**
Realized exchange gains on forward contracts	35	656	(621)
Realized exchange losses on forward contracts	(1,156)	(8)	(1,148)
Gains (losses) from forward contracts evaluation at fair value	(38)	37	(75)
Gains (losses) on forward contracts	**(1,159)**	**685**	**(1,844)**
Total foreign exchange gains (losses), net	**694**	**147**	**547**

The item "Foreign exchange gains (losses), net" recorded a positive balance of +1,853 thousand euro, to be compared with a negative balance of -538 thousand euro in the previous year. The improvement compared to 2014 was due to the foreign exchange gains (1,907 thousand euro) resulting in the current year from the release into the income statement of part of the translation reserve generated by the consolidation of SAES Getters (Nanjing) Co., Ltd., and SAES Getters Korea Corporation following the partial reduction of the share capital of the two Asian commercial subsidiaries.
This item also included, in both years, the exchange losses deriving from the conversion of the financial credit in euro held by the Korean subsidiary towards the Parent Company, as a result of the appreciation of the Korean won against the euro (-462 thousand euro in 2015, compared to -729 thousand euro in 2014), only partially offset by the exchange gains related to the conversion of commercial items in dollars and yen.

The item "Gains (losses) on forward contracts" recorded a negative balance of 1,159 thousand euro, compared to a positive balance of 685 thousand euro as at December 31, 2014. This balance included both the gains or losses realised when forward contracts on transactions in dollars and yen are unwound, as well as the impact of their fair value evaluation in the income statement.
In both years this item also includes the realized gains or losses (-136 thousand euro in 2015 against +625 thousand euro in 2014) related to the forward sales contracts 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 the item "Foreign exchange gains (losses), net").

With reference to the exchange rate differences deriving from the translation of the financial credit of SAES Getters Korea Corporation, please note that, in anticipation of the reduction of the share capital of the Korean subsidiary through the partial use of this financial credit, at the beginning of 2015 the Group signed two different forward sales contracts, with different maturities. The first contract, with a notional value of 7 million euro, expired on September 30, 2015, while the second one, with a notional value of 1.5 million euro, expired on December 28, 2015. Therefore, the exchange rate losses accrued from October to the date of the repayment of the share capital (November 2015) were only partially hedged by the contract expiring at the end of the year.

11. INCOME TAXES

In 2015 income taxes amounted to 9,002 thousand euro, with an increase of 2,173 thousand euro compared to the previous year.

The related breakdown is given below.

(thousands of euro)

	2015	2014	Difference
Current taxes	7,244	5,383	1,861
Deferred taxes	1,758	1,446	312
Total	**9,002**	**6,829**	**2,173**

The increase in the tax expenses, compared to the previous year, is in line with the increase in the income before taxes.

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)

	2015		2014	
Income before taxes		**17,822**		**10,253**
Theorical tax rate and tax charges	**27.50%**	**4,901**	**27.50%**	**2,820**
Effect of different tax rates	12.14%	2,163	19.03%	1,951
Non deductible costs/non taxable income	-19.14%	(3,412)	-21.48%	(2,202)
Taxes on subsidiaries' accumulated profits	11.68%	2,081	9.88%	1,013
Unrecognition (recognition) of deferred tax assets on fiscal losses	9.85%	1,755	21.84%	2,239
Unrecognition (recognition) of deferred tax assets on temporary differences	0.70%	124	-0.15%	(15)
R&D credits and other tax credits	-3.11%	(554)	-5.69%	(583)
Redetermination of deferred tax assets and liabilities following the tax rate variation	9.49%	1,692	0.00%	0
Other permanent differences	-1.77%	(316)	8.97%	920
IRAP and other local taxes	3.19%	568	6.69%	686
Effective tax rate and tax charges	**50.51%**	**9,002**	**66.60%**	**6,829**

As already happened in the previous year, the Group's companies did not recognize deferred tax assets on the fiscal losses realized in 2015. These total fiscal losses were equal to 6,425 thousand euro, compared to tax losses equal to 9,086 thousand euro as at December 31, 2014: the decrease (-29.3%) of the fiscal losses on which deferred tax assets were not recognized allowed the improvement in the Group's tax rate, that decreased from 66.6% to 50.5%.
Instead, an opposite effect came from the negative adjustment equal to 1,692 thousand euro, as a consequence of the redetermination of deferred tax assets and liabilities of the Group's Italian companies, by applying the new IRES[14] tax rate equal to 24%, which will come into force starting from 2017.

Finally, please note that, in 2014, the taxes had been penalized by a provision for fiscal risks, amounting to 500 thousand euro, recorded by the Parent Company in connection with the investigation on the 2015 income tax return.

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

As at December 31, 2015 there were no revenues or costs arising from assets held for sale or discontinued operations; instead, in the previous year the income from assets held for sale and discontinued operations was equal to 1,412 thousand euro and it was composed by 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 cathode ray tubes. In the year 2014, this result also included the net capital

[14] Article 1, paragraphs 61-64, of the 2016 Italian Stability Law modified the corporate tax rate (IRES) of the Italian companies, providing for a reduction. Namely, paragraph 61 provides for a reduction of the IRES tax rate from the current 27.5% to 24%, effective from January 1, 2017.

gain[15] on the sale of the land use right and the building of the Chinese subsidiary (1,144 thousand euro), finalized at the end of October 2014, following the approval by the Chinese authorities.
For further details on the composition of this income please refer to the consolidated financial statements of the previous year.

13. EARNING (LOSS) PER SHARE

As indicated in the Note no. 27, 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 earning 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 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 2015, compared with the corresponding figure in 2014.

Earning (loss) per share	2015			2014		
	Ordinary shares	Savings shares	Total	Ordinary shares	Savings shares	Total
Profit (loss) attributable to shareholders (thousands of euro)			**8,820**			**4,836**
Theoretical preference dividends (thousands of euro)		1,022	1,022		1,022	1,022
Profit (loss) attributable to the different categories of shares (thousands of euro)	5,787	2,011	7,798	3,135	679	3,814
Total profit (loss) attributable to the different categories of shares (thousands of euro)	**5,787**	**3,033**	**8,820**	**3,135**	**1,701**	**4,836**
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)	**0.3944**	**0.4111**		**0.2137**	**0.2305**	
- from continued operations (euro)	*0.3944*	*0.4111*		*0.1497*	*0.1664*	(*)
- from discontinued operations (euro)	*0.0000*	*0.0000*		*0.0266*	*0.1385*	
Diluted earning (loss) per share (euro)	**0.3944**	**0.4111**		**0.2137**	**0.2305**	
- from continued operations (euro)	*0.3944*	*0.4111*		*0.1497*	*0.1664*	(*)
- from discontinued operations (euro)	*0.0000*	*0.0000*		*0.0266*	*0.1385*	

(*) 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).

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, 2015 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 two 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

[15] Net of the disposal expenses.

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 into 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	
	2015	2014	2015	2014	2015	2014	2015	2014
Total net sales	**101,109**	**85,842**	**63,680**	**44,460**	**1,223**	**1,399**	**166,012**	**131,701**
Gross profit	**47,496**	**41,856**	**24,230**	**14,322**	**261**	**493**	**71,987**	**56,671**
% on net sales	*47.0%*	*48.8%*	*38.0%*	*32.2%*	*21.3%*	*35.2%*	*43.4%*	*43.0%*
Total operating expenses	(21,021)	(18,872)	(10,764)	(8,753)	(19,767)	(17,694)	(51,552)	(45,319)
Royalties	902	1,843	0	0	0	0	902	1,843
Other income (expenses), net	83	2	95	34	(1,016)	(219)	(838)	(183)
Operating income (loss)	**27,460**	**24,829**	**13,561**	**5,603**	**(20,522)**	**(17,420)**	**20,499**	**13,012**
% on net sales	*27.2%*	*28.9%*	*21.3%*	*12.6%*	*n.s.*	*n.s.*	*12.3%*	*9.9%*
Interest and other financial income (expenses), net							(1,528)	(1,620)
Share of result of investments accounted for using the equity method							(1,843)	(1,286)
Foreign exchange gains (losses), net							694	147
Income (loss) before taxes							**17,822**	**10,253**
Income taxes							(9,002)	(6,829)
Net income (loss) from continued operations							**8,820**	**3,424**
Net income (loss) from discontinued operations							0	1,412
Net income (loss)							**8,820**	**4,836**
Minority interests in consolidated subsidiaries							0	0
Group net income (loss)							**8,820**	**4,836**

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, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014	Dec. 31, 2015	Dec. 31, 2014
Assets and liabilities										
Non current assets	36,888	36,242	60,814	54,914	24,385	26,816	0	0	122,087	117,972
Current assets	42,182	38,053	17,353	14,752	31,557	35,174	0	0	91,092	87,979
Total assets	**79,070**	**74,295**	**78,167**	**69,666**	**55,942**	**61,990**	**0**	**0**	**213,179**	**205,951**
Non current liabilities	6,407	6,117	756	833	36,407	23,553	0	0	43,570	30,503
Current liabilities	14,540	16,275	6,749	3,182	21,832	43,303	0	0	43,121	62,760
Total liabilities	**20,947**	**22,392**	**7,505**	**4,015**	**58,239**	**66,856**	**0**	**0**	**86,691**	**93,263**
Other segment information										
Capital expenditure	1,217	1,073	3,091	1,640	751	1,654	0	0	5,059	4,367
Depreciation & amortization	3,400	3,602	3,305	3,081	1,806	1,873	0	0	8,511	8,556
Other non cash expenses	212	73	124	7	29	0	0	0	365	80

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 (*)
2015	34,985	3,050	69,216	172	**107,423**
2014	36,141	2,653	63,299	154	**102,247**

(*) It includes: tangible fixed assets, intangible fixed 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 50,383 thousand euro as at December 31, 2015, with an increase of 301 thousand euro compared to December 31, 2014.

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, 2014	**3,758**	**21,418**	**22,623**	**2,885**	**50,684**
Additions	0	379	2,464	2,174	**5,017**
Disposals	(49)	0	(12)	0	**(61)**
Reclassifications	0	313	2,699	(3,012)	**0**
Reclassifications to assets held for sale	0	0	0	0	**0**
Depreciation	0	(1,389)	(5,758)	0	**(7,147)**
Write-downs	0	0	(102)	(21)	**(123)**
Revaluations	0	0	0	0	**0**
Translation differences	360	471	1,087	95	**2,013**
December 31, 2015	**4,069**	**21,192**	**23,001**	**2,121**	**50,383**
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**
December 31, 2015					
Historical cost	4,069	43,318	124,726	2,298	**174,411**
Accumulated depreciation and write-downs	0	(22,126)	(101,725)	(177)	**(124,028)**
Net book value	**4,069**	**21,192**	**23,001**	**2,121**	**50,383**

(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**

As at December 31, 2015 land and buildings were not burdened by mortgages or other guarantees.

In 2015 investments in tangible assets amounted to 5,017 thousand euro and they included the purchases made by the Parent Company of equipment for the improvement of the industrial SMA (Shape Memory Alloys) production lines, of laboratory equipment to be used in the OLET (Organic Light Emitting Transistor) research project, as well as the improvements to the water refrigeration systems of the production departments. Please also note the investments in the SMA area made by the subsidiaries Memry Corporation, SAES Smart Materials, Inc. and Memry GmbH, aimed both at increasing the production capacity of the existing lines and at creating new production departments both in the medical segment and in the industrial one. Finally, the investments included the improvements to the general equipment used by all the production departments and the purchase of new machinery for the expansion of the production line of vacuum pumps by the subsidiary SAES Advanced Technologies S.p.A.

The disposals (61 thousand euro in 2015) were mainly related to the sale of a part of an available land owned by SAES Advanced Technologies S.p.A.

The item "Depreciation", equal to 7,147 thousand euro, benefited from a reduction of approximately 419 thousand euro, as a result of the review of the remaining useful life of some plant and machinery, as well as of tools and instruments used in the laboratories of the Parent Company.
In particular, with the support of an independent third party appraisal, the state of the art of the technology, the state of maintenance and efficiency and the degree of the expected use of these assets have been subject to an audit; as a result of this appraisal, it was decided to lengthen the remaining useful life of the plant owned by SAES Getters S.p.A. of about 12 years on average and that of the remaining assets being evaluated of about 8 years.

The write-downs, equal to 123 thousand euro, were mainly related to the write-off of the residual value of some equipment and machinery owned by the US subsidiary Memry Corporation for the production of a product out of the market because replaced by a more innovative and sophisticated device.

The translation differences (+2,013 thousand euro) were related to assets of the US companies and linked to the revaluation of the US dollar as at December 31, 2015 compared to the exchange rate of December 31, 2014.

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

(thousands of euro)

	December 31, 2015			December 31, 2014		
	Owned assets	Finance leased assets	Total	Owned assets	Finance leased assets	Total
Land and building	25,261	0	25,261	25,176	0	25,176
Plant and machinery	22,994	7	23,001	22,601	22	22,623
Assets under construction and advances	2,121	0	2,121	2,885	0	2,885
Total	**50,376**	**7**	**50,383**	**50,662**	**22**	**50,684**

For further details on finance lease contracts, please refer to the Note no. 29.

16. INTANGIBLE ASSETS, NET

Intangible assets, net of accumulated amortization, were equal to 52,322 thousand euro as at December 31, 2015, and they recorded an increase of 3,617 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, 2014	**40,124**	**0**	**2,895**	**1,007**	**4,650**	**29**	**48,705**
Additions	0	0	0	0	2	40	**42**
Disposals	0	0	0	0	0	0	**0**
Reclassifications	0	0	23	17	0	(40)	**0**
Reclassifications to assets held for sale	0	0	0	0	0	0	**0**
Amortization	0	0	(403)	(436)	(525)	0	**(1,364)**
Write-downs	0	0	0	0	(160)	(28)	**(188)**
Revaluations	0	0	0	0	0	0	**0**
Translation differences	4,290	0	319	13	505	0	**5,127**
December 31, 2015	**44,414**	**0**	**2,834**	**601**	**4,472**	**1**	**52,322**
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**
December 31, 2015							
Historical cost	49,691	183	7,091	10,133	24,653	740	**92,491**
Accumulated amortization and write-downs	(5,277)	(183)	(4,257)	(9,532)	(20,181)	(739)	**(40,169)**
Net book value	**44,414**	**0**	**2,834**	**601**	**4,472**	**1**	**52,322**

(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**

The yearly increase was almost exclusively due to the translation differences (+5,127 thousand euro) related to the intangible assets of the US companies of the Group partially offset by the amortization of the period (-1,364 thousand euro).

The write-downs, equal to 188 thousand euro, were mainly related to the know-how of a specific model of getter for lamps, subject to a growing competitive pressure.

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 has been allocated.

(thousands of euro)

Business Unit	December 31, 2014	Additions	Write-downs	Other movements	Translation differences	December 31, 2015
Industrial Applications	5,308	0	0	0	503	5,811
Shape Memory Alloys	34,816	0	0	0	3,787	38,603
Not allocated	0	0	0	0	0	0
Total goodwill	**40,124**	**0**	**0**	**0**	**4,290**	**44,414**

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, 2015 and to December 31, 2014.

(thousands of euro)

Business Unit	December 31, 2015			December 31, 2014		
	Gross value	Write-downs	Net book value	Gross value	Write-downs	Net book value
Industrial Applications (*)	5,874	(63)	5,811	5,371	(63)	5,308
Shape Memory Alloys (*)	42,003	(3,400)	38,603	38,216	(3,400)	34,816
Not allocated	358	(358)	0	358	(358)	0
Total goodwill	**48,235**	**(3,821)**	**44,414**	**43,945**	**(3,821)**	**40,124**

(*) The difference between the gross value as at December 31, 2015 and the gross value as at December 31, 2014 is due to the translation differences on goodwill amounts denominated in currencies other than euro.

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 the 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 2016-2018 plan, developed by the top management and approved by the Board of Directors on February 18, 2016.
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 6.9%, 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	9 (*)	12

(*) Calculated as the average of:

- 12 years, assumed for Pure Gas Handling Business and Vacuum Systems Business;
- 10 years, assumed for Electronic & Photonic Devices Business and Sensors & Detectors
- 6 years, assumed for Thermal Insulation Business;
- 5 years, assumed for Light Sources Business.

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, 2015.

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, 2015 this item included the share of the net assets attributable to the Group in the joint venture Actuator Solutions GmbH[16] and in the joint venture SAES RIAL Vacuum S.r.l.

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, 2014	Additions	Capital payments	Share of the net result	Share of other comprehensive income (loss)	Dividends paid	Disposals	Other	December 31, 2015
Actuator Solutions	1,370	0	2,900	(1,843)	(51)	0	0	0	2,376
SAES RIAL Vacuum S.r.l.	0	1,614	0	0	0	0	0	0	1,614
Total	**1,370**	**1,614**	**2,900**	**(1,843)**	**(51)**	**0**	**0**	**0**	**3,990**

Actuator Solutions

The item "Capital payments" refers to the capital contributions made during the year by SAES Nitinol S.r.l. in favour of the joint venture Actuator Solutions GmbH, as detailed below.

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

Date	Currency	Value (thousands of euro)
July 2015	EUR	450
October 2015	EUR	450
December 2015	EUR	2,000
Total		**2,900**

Please note that the same amounts were paid by the 50% joint partner Alfmeier, through the company SMA Holding GmbH.

The item "Share of the net result" (negative for 1,843 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 2015.
The item "Share of other comprehensive income (loss)" (-51 thousand euro) 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.

(thousands of euro)

Actuator Solutions	December 31, 2015	December 31, 2014
Statement of financial position	**50%**	**50%**
Non current assets	4,130	3,614
Current assets	2,448	1,887
Total assets	**6,578**	**5,501**
Non current liabilities	740	2,435
Current liabilities	3,462	1,696
Total liabilities	**4,202**	**4,131**
Captal stock, reserves and retained earnings	4,270	2,698
Net income (loss) for the period	(1,843)	(1,286)
Other comprehensive income (loss) for the period	(51)	(42)
Total equity	**2,376**	**1,370**

(thousands of euro)

Actuator Solutions	2015	2014
Statement of profit or loss and of other comprehensive income	**50%**	**50%**
Net sales	8,638	7,646
Cost of sales	(8,864)	(7,603)
Gross profit	**(226)**	**43**
Total operating expenses	(2,119)	(1,795)
Other income (expenses), net	63	288
Operating income (loss)	**(2,282)**	**(1,464)**
Interest and other financial income, net	(164)	(65)
Foreign exchange gains (losses), net	32	5
Income taxes	571	238
Net income (loss)	**(1,843)**	**(1,286)**
Exchange differences	(51)	(42)
Total comprehensive income (loss)	**(1,894)**	**(1,328)**

Overall Actuator Solutions recorded net revenues equal to 17,275 thousand euro in 2015 to be compared with 15,291 thousand euro in the corresponding period of the previous year; these revenues, totally generated by the sale of valves used in lumbar control systems of the seats of a

wide range of cars, increased because the lumbar control system based on the SMA technology is recording a strong growth in volumes.
The net income of the period was negative and equal to -3,687 thousand euro compared with -2,572 thousand euro as at December 31, 2014: the increase of the loss compared to the previous year (-1,115 thousand euro), despite the increase in the revenues of the seat comfort business (+13.0%), was due to the increase of development and prototyping costs related to the systems for the image focus of the micro-cameras of the smartphones. For further details on the developments in Actuator Solutions, please see the paragraph dedicated to the joint venture in the Report on operations of Group.
Please note that the research expenses are charged directly in the income statement in the year in which they occurred.

As already mentioned before, the share of the SAES Group (equal to 50%) in the result of the joint venture amounted to -1,843 thousand euro in the 2015, to which also the other components of the comprehensive income must be added, also negative for to -51 thousand euro, represented by the conversion differences arising from the consolidation of Actuator Solutions Taiwan Co., Ltd. in Actuator Solutions GmbH.

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 (6.9%); also in this case there wasn't any criticality.

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

Actuator Solutions	**December 31, 2015**	**December 31, 2014**
	50%	**50%**
Managers	5	4
Employees and middle management	26	23
Workers	9	6
Total	**40**	**33**

The staff employed with contract types other than employment agreements was equal to 6 units (based on the percentage of ownership held by the Group) as at December 31, 2015 (3 units as at December 31, 2014).

SAES RIAL Vacuum S.r.l.

On December 23, 2015, SAES Group, through the Parent Company, acquired by the company Rodofil s.n.c. 10% of the company SAES RIAL Vacuum S.r.l., established on December 14, 2015 through the transfer by Rodofil of the 'Rial Vacuum' business (assets, trademark and customers list, as well as inventory and employed personnel), specialized in the design and manufacture of vacuum chambers for accelerators, synchrotrons and colliders, used in the major research laboratories worldwide. On December 23, 2015, the parties also committed to increase the share of SAES Getters S.p.A. up to 49% by acquiring a further 39% within the end of January 2016.

The Group's equity investment is accounted for using the equity method since the operation consists of a joint control agreement and, specifically, a joint venture. With this regard, please note that a key factor in qualifying the agreement is the subscription of shareholders' agreements that provide that the decisions on some significant activities are taken with the unanimous consent of the parties, irrespective of their ownership percentage in the share capital.

The aim of the joint venture is the creation of an Italian technological and manufacturing hub of the highest level, for the design and production of integrated vacuum components and systems for accelerators, for the research, as well as for industrial systems and devices. SAES RIAL Vacuum S.r.l. will combine at the highest level the competences of SAES in the field of materials, vacuum applications and innovation, with the experience of Rial and Rodofil in the design, assembling and fine mechanical productions, with the aim of offering absolutely excellent quality products and successfully competing in the international markets.

As at December 31, 2015 the value of the joint venture (1,614 thousand euro) was the total price for the acquisition of 49% of the share capital of SAES RIAL Vacuum S.r.l., inclusive of both the consideration paid in cash for the first 10% (330 thousand euro) and the financial debt incurred for the commitment for the acquisition of the remaining 39% (equal to 1,284 thousand euro). For further details on the latter, please refer to the Note no. 29.

The following table shows the historical net book value of the assets acquired.

(thousands of euro) December 23, 2015

SAES RIAL Vacuum S.r.l.	Book value	Book value
	100%	**49%**
Tangible fixed assets	96	47
Inventory	476	233
Other current assets	12	6
Total assets	**584**	**286**
Payables to employee	120	59
Other current liabilities	12	6
Equity	452	221
Total equity and liabilities	**584**	**286**
Goodwill arising on acquisition		1,393
Purchase consideration		**1,614**

The difference between the total consideration of the acquisition (1,614 thousand euro, including the commitment to purchase the remaining 39%) and the net value of the assets acquired on the basis of historical values at the acquisition date (221 thousand euro) represents the goodwill that is included in the carrying value of the investment. The allocation of this difference as goodwill has to be considered provisional and will be finalized within one year from the acquisition date.

Please note that as at December 31, 2015 the company SAES RIAL Vacuum S.r.l. was not yet operative and therefore it was not necessary to adjust the value of the investment for the share pertaining to the SAES Group in the 2015 income.
In addition, being the acquisition just finalized as at December 31, 2015 and since there weren't any objective indications of impairment, no impairment test was performed on the investment.

The contract signed in December 23, 2015 includes a put and call option among the shareholders, according to an agreed schedule. In particular, Rodofil will have the right to exercise, through a one-off operation, a put option, by selling to SAES Getters S.p.A. a minimum of 2% up to a maximum of 51% of its shares of SAES RIAL Vacuum S.r.l., again through a one-off operation between May 1, 2020 and May 31, 2020, at a predetermined price related to the performance of the new company at the date of the sale; if Rodofil does not exercise its put option, SAES Getters S.p.A. will have the right to exercise a call option through a one-off operation between June 1,

2020 and June 30, 2020, for a percentage equal to 30% of the share capital, at a price calculated with a similar method.
Please note that as at December 31, 2015 the Management did not have enough information in order to perform an accurate assessment of the fair value of the above options that, therefore, have not been valued as at December 31, 2015.

The following table provides the number of employees of the joint venture SAES RIAL Vacuum S.r.l. as at December 31, 2015 split by category, based on the percentage of ownership held by the SAES Group (49%).

SAES RIAL Vacuum S.r.l.	December 31, 2015
	49%
Managers	0
Employees and middle management	0
Workers	3
Total	**3**

18. DEFERRED TAX ASSETS AND LIABILITIES

As at December 31, 2015 the net balance of deferred tax assets and deferred tax liabilities was positive and equal to 7,538 thousand euro, with a decrease of 1,997 thousand euro compared to December 31, 2014.

The related details are provided below.

(thousands of euro)

Deferred taxes	December 31, 2015	December 31, 2014	Difference
Deferred tax assets	14,064	15,725	(1,661)
Deferred tax liabilities	(6,526)	(6,190)	(336)
Total	**7,538**	**9,535**	**(1,997)**

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 when appropriate, the following table shows deferred tax assets and liabilities before the offsetting process.

(thousands of euro)

Deferred taxes	December 31, 2015	December 31, 2014	Difference
Deferred tax assets	18,667	20,348	(1,681)
Deferred tax liabilities	(11,129)	(10,813)	(316)
Total	**7,538**	**9,535**	**(1,997)**

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

(thousands of euro)

Deferred tax assets	December 31, 2015 Temporary differences	December 31, 2015 Fiscal effect	December 31, 2014 Temporary differences	December 31, 2014 Fiscal effect
Intercompany profit eliminations	1,625	591	1,160	416
Differences on depreciation/amortization and write-downs	6,467	1,758	7,120	2,357
Bad debts	480	182	486	186
Inventory write-down	6,043	2,149	5,006	1,831
Provisions	4,051	1,378	3,014	1,145
Cash deductable expenses	6,367	1,823	4,418	1,375
Deferred taxes on recoverable losses	44,818	10,756	46,649	12,947
Exchange differences and other	114	30	132	91
Total		**18,667**		**20,348**

The decrease of deferred tax assets compared to the previous year (-1,681 thousand euro) was mainly due to the tax losses carried forward (on which deferred tax assets had been accrued) used by the US subsidiary SAES Getters USA, Inc. and to the redetermination of deferred tax assets recognized by the Parent Company on the tax losses carried forward, by applying the new IRES tax rate, equal to 24%, which will come into force starting from 2017.

The Group had 117,653 thousand euro in tax losses eligible to be carried forward as at December 31, 2015, 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 109,356 thousand euro as at December 31, 2014).
The tax losses eligible to be carried forward that were taken into account when determining deferred tax assets were equal to 44,818 thousand euro.

(thousands of euro)

Deferred tax liabilities	December 31, 2015 Temporary differences	December 31, 2015 Fiscal effect	December 31, 2014 Temporary differences	December 31, 2014 Fiscal effect
Tax due on distribution of earnings accumulated by the subsidiaries	(55,928)	(3,044)	(43,067)	(2,172)
Differences on depreciation/amortization and fair value revaluations	(23,128)	(7,933)	(23,311)	(8,509)
IAS 19 effect	(431)	(103)	(249)	(68)
Other	(66)	(49)	(233)	(64)
Total		**(11,129)**		**(10,813)**

The deferred tax liabilities recorded in the consolidated financial statements as at December 31, 2015 included not only the fiscal provision on the temporary differences on the plus-values identified during the purchase price allocation of the US companies acquired in the past years, but also taxes due in the event of distribution of the net income and of the reserves of the subsidiaries for which a distribution is expected in a foreseeable future.

The increase of the latter was the main reason for the increase in the deferred tax liabilities compared to December 31, 2014 (+316 thousand euro).

Please note that, applying the article 1, paragraph 61, of the 2016 Italian Stability Law that provides for a reduction of the IRES tax rate of the Italian Companies from the current 27.5% to 24%, effective from January 1, 2017, the Group's Italian companies restated the deferred tax assets and liabilities applying the new IRES tax rate to all temporary differences that will be brought forward after December 31, 2016. This restatement resulted in a negative adjustment on the deferred tax assets and liabilities recognized in the income statement equal to 1,692 thousand euro.

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

The Italian companies[17] of the Group, until December 31 2014, had joined the national tax consolidation program with S.G.G. Holding S.p.A. as consolidating company and the associated tax balance accrued up to that date but not yet paid was included in the item "Tax consolidation receivables from the Controlling Company". This receivable collectable after the end of the year has been classified among non-current assets.
The reduction of this receivable compared to December 31, 2014 (-299 thousand euro) was mainly due to the transfer of the IRES tax surplus resulting from the CNM 2015 statement (related to the fiscal year 2014) by the consolidating company S.G.G. Holding S.p.A. to SAES Getters S.p.A.; the latter used the credit received in compensation of the debts towards the Treasury due for other taxes and social security contributions, in accordance with Article 17 of the Legislative Decree no. 241 dated July 9, 1997.

On May 27, 2015, following the decrease of the stake of S.G.G. Holding S.p.A. in SAES Getters S.p.A. below the threshold of 50%, the prerequisite to access to the tax consolidation program with S.G.G. Holding S.p.A. as consolidating company ended, as envisaged by the combined provisions of articles 117 and 120 of the Income Tax Code ("TUIR"). The option to join a new tax consolidation program between the Italian companies of the Group with the Parent Company as consolidator has been exercised on September 30, 2015. This new tax consolidation will be valid starting from January 1, 2015. Since this new tax consolidation showed a tax loss as at December 31, 2015, SAES Getters S.p.A., SAES Nitinol S.r.l. and E.T.C. S.r.l. recognized as income the taxes on income (IRES) corresponding only to the taxable income generated by SAES Advanced Technologies S.p.A. and recoverable with the consolidation mechanism, while, prudently, the deferred taxes on the fiscal losses exceeding this amount have not been recognized. Following this, the new tax consolidation showed a net balance equal to zero, since receivables and payables were offset.

20. FINANCIAL RECEIVABLES FROM RELATED PARTIES

The item "Financial receivables from related parties" amounted to 1,155 thousand euro as at December 31, 2015 and included the two interest-bearing loans granted during the previous year by the subsidiary SAES Nitinol S.r.l. to Actuator Solutions GmbH.
The share whose repayment by the joint venture is expected within one year was included in the current assets, while the remaining portion was classified as non-current asset.
The related details are provided in the table below.

Description	Currency	Principal (thousands of euro)	Timing of capital reimbursement	Interest rate	Accrued interests during the year 2015 (thousands of euro)	Value as at December 31, 2015 (*) (thousands of euro)	Value as at December 31, 2014 (*) (thousands of euro)
Loan granted in February 2014	EUR	1,500	flexible, with maturity date December 2016 (***)	6% annual fixed rate	86	86	1,551
Loan granted in October 2014	EUR	1,200	flexible, with maturity date April 2018 (**)		69	1,069	1,211
Total		**2,700**			**155**	**1,155**	**2,762**

(*) Interests included.
(**) Extendable on an annual basis.
(***) Repaid in advance of the contractual due date in December 2015.

The loan granted in February 2014 was fully repaid in December 2015, in advance of the contractual due date. The related interest costs accrued during the 2015, will be paid by the joint venture in the first quarter of 2016, and, therefore, were classified as current assets.

[17] SAES Getters S.p.A., SAES Advanced Technologies S.p.A., SAES Nitinol S.r.l. and E.T.C. S.r.l.

Instead, the loan granted in October 2014 was still be partially opened as at December 31, 2015. Since the repayment is monthly for fixed principal amounts equal to 33 thousand euro, 400 thousand euro were classified as current assets, while the remaining 600 thousand euro were recorded as non-current. Again, the interests relating to 2015 will be paid within the first quarter of 2016 and fall within the current portion of the financial receivable in question.

21. OTHER LONG TERM ASSETS

The item "Other long term assets" amounted to 456 thousand euro as at December 31, 2015, compared to 917 thousand euro as at December 31, 2014 and includes the caution money given by the companies of the Group for their operating activities.

Please note that, as at December 31, 2014, the item also included the advance payment in dollars of the Parent Company towards Cambridge Mechatronics Limited (CML), amounting to 491 thousand euro; this receivable, which was considered no longer recoverable, has been written-off during the first semester 2015 and the decrease of this item compared to December 31, 2014 was mainly attributable to this transaction.

22. INVENTORY

Inventory amounted to 32,534 thousand euro as at December 31, 2015, with a increase of 2,815 thousand euro compared to December 31, 2014.

The following table shows the breakdown of inventory as at December 31, 2015 and December 31, 2014.

(thousands of euro)

Inventory	December 31, 2015	December 31, 2014	Difference
Raw materials, auxiliary materials and spare parts	13,856	14,585	(729)
Work in progress and semi-finished goods	14,682	11,318	3,364
Finished products and goods	3,996	3,816	180
Total	**32,534**	**29,719**	**2,815**

Excluding the positive exchange rate effect (equal to +2,769 thousand euro) mainly related to the US dollar revaluation, the inventory was substantially in line with the previous year (increase equal to 46 thousand euro): the decrease in the raw materials stock, due to an improved timing in the management of the Group's supplies, particularly at the subsidiary SAES Advanced Technologies S.p.A., was offset by the growth of the work in progress volumes in the pure gas handling business and in that of shape memory alloys, that were necessary to meet the increasing orders of products with delivery planned in the first months of 2016.

Inventory is stated net of any provision for depreciation, which, during the 2015, recorded the changes shown in the table below.

(thousands of euro)

Inventory provision	
December 31, 2014	**3,929**
Accrual	1,460
Release into income statement	(237)
Utilization	(584)
Translation differences	293
December 31, 2015	**4,861**

The accrual (+1,460 thousand euro) was mainly related to the write-down of the SMA semi-finished products/devices and of the raw materials/work in progress products to be used in the lamps business, characterized by slow-moving or no longer used in the production process.

The utilization (-584 thousand euro) was a consequence of the scrapping of some items already written-down in the previous years, in particular by the subsidiary SAES Advanced Technologies S.p.A.

23. TRADE RECEIVABLES

Trade receivables, net of bad debt provision, were equal to 23,366 thousand euro as at December 31, 2015 and were up by 3,356 thousand euro compared to the previous year.
The increase was mainly due to the exchange rate effect (about 2.1 million euro) as well as the growth recorded by the turnover in the last part of the year 2015, compared to the last months of the previous year, especially in the business of purification and in that of shape memory alloys.

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

(thousands of euro)

Trade receivables	December 31, 2015	December 31, 2014	Difference
Gross value	23,695	20,307	3,388
Bad debt provision	(329)	(297)	(32)
Net book value	**23,366**	**20,010**	**3,356**

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, 2015	December 31, 2014
Opening balance	**297**	**219**
Accrual	54	80
Release into income statement	0	0
Utilization	(51)	(35)
Translation differences	29	33
Closing balance	**329**	**297**

The accrual (+54 thousand euro) was mainly related to the write-down of some trade receivables of the Chinese subsidiary SAES Getters (Nanjing) Co., Ltd., estimated as not recoverable by the management.

The following table provides a breakdown of the trade receivables by those not yet due and past due as at December 31, 2015 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, 2015	23,695	18,236	3,325	748	603	366	88	329
December 31, 2014	20,307	16,066	2,886	761	147	129	21	297

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. The increase of this percentage compared to the previous year (from 5% to 8%) was mainly due to some specific receivables of the subsidiary SAES Pure Gas, Inc., the collection of which was finalized in early 2016.

Please refer to the Note no. 39 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.

24. 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 10,593 thousand euro as at December 31, 2015, compared to 9,697 thousand euro as at December 31, 2014.

A breakdown of this item is provided below.

(thousands of euro)

Prepaid expenses, accrued income and other	December 31, 2015	December 31, 2014	Difference
Income tax and other tax receivables	1,661	1,050	611
VAT receivables	5,816	5,694	122
Social security receivables	398	437	(39)
Personnel receivables	109	105	4
Receivables for public grants	714	640	74
Other receivables	153	142	11
Total other receivables	**8,851**	**8,068**	**783**
Accrued income	24	5	19
Prepaid expenses	1,718	1,624	94
Total prepaid expenses and accrued income	**1,742**	**1,629**	**113**
Total prepaid expenses, accrued income and other	**10,593**	**9,697**	**896**

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 compared to the previous year was mainly due to some tax credits claimed by the US subsidiaries and arose from the restatement of the previous year taxes made in 2015.

The slight increase in “VAT receivables” is due to the fact that the credit generated during the 2015, due to the excess of passive taxable transactions compared to active ones, was greater than the credit generated in previous years has been repaid or used to offset other taxes and contributions. With this regard, please note that, on October 29, 2015, the Parent Company has obtained a refund of the VAT credit for the year 2012 equal to 1,667 thousand euro.

The decrease in “Social security receivables” compared to December 31, 2014 was due to the lower use of social security provisions by the subsidiary SAES Advanced Technologies S.p.A. in the last quarter of the current year 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, 2015 as a result of contributions for outstanding research projects.
In 2015, income from government grants amounted to 300 thousand euro (409 thousand euro in the previous year).

The increase in the item “Prepaid expenses” compared to December 31, 2014 was mainly due to all the cost items (particularly, maintenance costs and assurance costs) which are paid in advance in the current year, but which refer to the following year.

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

25. CASH AND CASH EQUIVALENTS

The following table shows a breakdown of this item as at December 31, 2015 and December 31, 2014.

(thousands of euro)

Cash and cash equivalents	December 31, 2015	December 31, 2014	Difference
Bank accounts	24,021	25,583	(1,562)
Petty cash	23	19	4
Total	**24,044**	**25,602**	**(1,558)**

The item “Bank accounts” consists of short-term deposits with some leading financial institutions, denominated primarily in US dollars and euro.

The item includes the liquid funds mainly held by the US subsidiaries and by the Parent Company 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. 38).

As of December 31, 2015, the Group has unused credit lines equal to 40.0 million euro compared to 26.9 million euro as of December 31, 2014.
The increase was mainly the result of the reduced use by the Parent Company of short-term debt in the form of “hot money”, whose lines of credit are still available, following the signing of new medium-long term loans during the year.

26. OTHER FINANCIAL RECEIVABLES FROM THIRD PARTIES

The item “Other financial receivables from third parties” was equal to 151 thousand euro as at December 31, 2014 and it referred to the fixed deposit, for a period of 12 months, held by the subsidiary SAES Getters Korea Corporation and expired in April 2015. Please note that as at December 31, 2015 the Group has no time deposits with initial maturity longer than three months.

27. SHAREHOLDERS’ EQUITY

The Group shareholders' equity amounted to 126,485 thousand euro as at December 31, 2015, with an increase of 13,800 thousand euro compared to December 31, 2014, mainly due to the net income realized in the year (+8,820 thousand euro) and to the exchange rate differences arising from the translation of the financial statements in foreign currencies (+8,500 thousand euro), partially offset by the dividends distribution (3,477 thousand euro). A summary of the changes occurred is provided in the Statement of changes in the shareholders’ equity.
Please note that the result of the year included a foreign exchange gain (equal to 1,907 thousand euro) following the release into the income statement of part of the translation reserve generated by the consolidation of SAES Getters (Nanjing) Co., Ltd. and SAES Getters Korea Corporation, following the partial reduction of the share capital of the two Asian subsidiaries.

Capital stock

As at December 31, 2015 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, 2014.
The implicit book value per share was 0.554196 euro as at December 31, 2015, unchanged from December 31, 2014.

Please refer to the Report on corporate governance and ownership structure for all of 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, 2014.

Legal reserve

This item corresponds to the Parent Company's legal reserve of 2,444 thousand euro as at December 31, 2015 and it was unchanged compared to December 31, 2014, since the reserve had reached its legal limit.

Other reserves and retained earnings

This item includes:
- the reserves (totalling 2,615 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 (1,576 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 370 thousand euro;
- the other reserves of subsidiaries, the 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 the shareholders of the 2014 dividends, approved by the Parent Company’s Shareholders’ Meeting (3,477 thousand euro), the carry forward of the 2014 consolidated income equal to 4,836 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 (-43 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 19,055 thousand euro as at December 31, 2015, compared to a positive balance of 10,555 thousand euro as at December 31, 2014. The increase of 8,500 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 (10,458 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 (-51 thousand euro). Finally, please note the release into the income statement of part of the translation reserve generated by the consolidation of SAES Getters (Nanjing) Co., Ltd. (-1,877 thousand euro) and of part of the translation reserve generated by the consolidation of SAES Getters Korea Corporation (-30 thousand euro), following the partial reduction of the share capital of the two Asian subsidiaries.

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, 2015 and December 31, 2014 is set out below.

(thousands of euro)	December 31, 2015		December 31, 2014	
	Net income	Shareholders' equity	Net income	Shareholders' equity
SAES Getters S.p.A. - Parent Company	**5,859**	**69,716**	**1,477**	**67,799**
Shareholders' equity and net result of consolidated subsidiaries, net of dividends distribution and write-downs of investments in share capital	6,167	167,184	4,953	164,305
Book value of investments in share capital		(100,857)		(112,700)
Consolidation adjustments:				
Elimination of profit arising from intercompany transaltions, net of the related tax effect	(485)	(1,157)	197	(1,092)
Accrual of deferred taxes on equity distributable of consolidated subsidiaries	(872)	(3,044)	(184)	(2,172)
Equity evaluation of joint venture	(1,843)	(5,024)	(1,286)	(3,130)
Other adjustments	(6)	(333)	(321)	(325)
Consolidated financial statements	**8,820**	**126,485**	**4,836**	**112,685**

28. FINANCIAL DEBTS

As at December 31, 2015, the financial debts amounted to 34,155 thousand euro, with an increase of 12,776 thousand euro compared to December 31, 2014.
This increase was due to the new medium-long term financings signed during the year by the Parent Company and by the subsidiary Memry Corporation (for a total amount equal to about 19.3 million euro), in order to have a correct balance of the financial indebtedness, with a higher percentage of medium-long term loans, compared to short-term bank debt. To the subscription of the new loans, it must be added the fluctuations of the exchange rates which, as at December 31, 2015, generated an increase in the Group's financial debt equal to 1.6 million euro: almost 35% of the Group's financial debt is represented by loans denominated in US dollars, held by the subsidiary Memry Corporation, whose equivalent amount in euro has increased following the revaluation of the US dollar as at December 31, 2015 compared with the end of the previous year.
These increases were partially offset by the repayments of the principal amounts made during the year and equal to about 8.3 million euro.

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 under current liabilities among the "Current portion of medium/long term financial debts".

(thousands of euro)

Financial debt	December 31, 2015	December 31, 2014	Difference
Less than 1 year	7,136	6,690	446
Current portion of financial debt	**7,136**	**6,690**	**446**
Between 1 and 2 years	7,151	7,330	(179)
Between 2 and 3 years	7,111	4,594	2,517
Between 3 and 4 years	7,152	1,400	5,752
Between 4 and 5 years	4,793	1,365	3,428
Over 5 years	812	0	812
Non current financial debt	**27,019**	**14,689**	**12,330**
Total	**34,155**	**21,379**	**12,776**

The following table shows the details of the loans which were already signed as at December 31, 2014.

Description	Currency	Principal	Timing of capital reimbursement	Timing of covenants calculation	Interest rate	Effective interest rate	Value as at December 31, 2015 (thousands of euro)
Memry Corporation Amortising Loan	USD	11.0 (millions of USD)	half-yearly with maturity date December 31, 2020	Half -yearly	six-months USD Libor plus 2.70% spread (*)	3.53%	10,105
SAES Getters S.p.A.	EUR	7.0 (millions of euro)	quarterly with maturiry date December 31, 2019	Half-yearly	three-months Euribor plus 2.25% spread	2.57%	5,578

(*) The spread will be reduced to 2.20% in case the ratio between the net financial position and the EBITDA of Memry Corporation is lower than 1.50.

Please note that the loan held by Memry Corporation has been the subject to an agreement between the US company and the financing institution with the aim of revising it repayment plan.
In particular, with reference to the loan subscribed by Memry Corporation in January 2009 and divided into two lines ('amortizing loan' and 'bullet loan') for a total value of 11 million USD, which had to be totally reimbursed within July 2017, on December 22, 2015 the US subsidiary signed an agreement with the financing institution, effective from December 31, 2015, in order to reschedule such repayment; in particular, the residual amount of both lines was converted into a loan of the same amount (11 million USD) with a duration of 5 years, with a repayment plan consisting in six-month fixed tranches (starting from June 30, 2016 until December 31, 2020) equal to 1.1 million USD each. Interests will be paid every six months and benchmarked to the Libor rate, plus a spread equal to 2.70% (such spread will be reduced to 2.20% in case the ratio between the net financial position and the EBITDA of Memry Corporation is lower than 1.50). A new set of covenants has also been defined, still to be calculated every six months, based not on consolidated figures, but on the economic and financial figures of Memry Corporation only.

On May 31, 2015 the last instalment of the loan (equal to 1,373 thousand euro as at December 31, 2014) held by SAES Smart Materials, Inc., was repaid, according to the repayment plan.

The details of the new loans signed in 2015 are described below.

On February 20, 2015 the first tranche, equal to 2 million USD, of the soft financing granted by the State of Connecticut, for a total amount equal to 2.8 million USD, was paid to Memry Corporation. This loan, which has a duration of ten years and an annual subsidized fixed interest rate of 2%, will be used to purchase new machinery and equipment in order to expand the production plant in Bethel. The agreement provides for a monthly repayment, according to a French amortization schedule with increasing principal amounts. 50% of the financing might be converted into a non-refundable grant provided that, by November 2017, Memry Corporation increases its staff of at least 76 employees in Bethel and has kept the created jobs 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 the labour force increased of a number of units between 38 and 76 by the due date, the grant would be halved. Currently there is no basis for the recognition of this income, since the achievement of the above objectives is not certain.

Description	Currency	Principal	Timing of capital reimbursement	Timing of covenants calculation	Interest rate	Effective interest rate	Value as at December 31, 2015 (thousands of euro)
Memry Corporation Soft financing granted by the State of Connecticut	USD	2.0	monthly with maturity date March 1, 2025	n.a.	2%	2%	1,684

On May 29, 2015 the Parent Company received from EIB (European Investment Bank) a 10 million euro loan to support R&D projects in the field of vacuum technologies, shape memory alloys (SMAs) and Organic Light Emitting Transistor (OLET) solutions. The medium-term loan consists of two tranches of the same amount, one secured by SACE, it has a five-year term and it is part of the Horizon 2020 Program, aimed at supporting research and technology development projects, with the financial backing of the European Union. The loan will be used to cover part of a research program for a total value of 45 million euro to be carried out in Italy, started in 2014 and that will end in 2017.
The agreement provides for the reimbursement of the principal in half-yearly installments and, simultaneously, the payment of interests. The latter are calculated based on the six-month Euribor

plus a year-based 2.997 basis points for the first tranche; on the second tranche, secured by SACE, the Parent Company will pay an interest indexed to the six-month Euribor to EIB, plus a 3% running remuneration to SACE. The effective interest rate as at December 31, 2015 was equal to 4.67% and 4.75%, respectively for the first and the second tranche. The upfront fee and the transaction costs included in the calculation of the effective interest rate totaled 399 thousand euro.
The loan provides for the compliance with some financial covenants standard for transactions of this kind, calculated semi-annually on Group's economic and financial figures.

Description	Currency	Principal	Timing of capital reimbursement	Timing of covenants calculation	Interest rate	Effective interest rate	Value as at December 31, 2015 (thousands of euro)
SAES Getters S.p.A.							
EIB - Tranche A	EUR	5.0	half-yearly with maturity date May 29, 2020	Half-yearly	Six-months Euribor plus 2.997% spread	4.67%	4,359
EIB - Tranche B (secured by SACE)	EUR	5.0			Six-months Euribor plus 3% running remuneration to SACE	4.75%	4,347

Finally, as already mentioned, on July 24, 2015 the Parent Company signed with Intesa Sanpaolo S.p.A. a new multitranche loan for a total value of 11 million euro. This loan is composed by two tranches with different characteristics with regards to the amount, the timing, the capital reimbursement and the spreads applied:
- an "amortizing" tranche, amounting to 8 million euro, the repayment of which is established in semi-annual fixed principal amounts with the final maturity date on July 31, 2020; the interest rate applied is indexed to the six months Euribor, plus a spread of 2.25%;
- a "revolving" tranche, worth 3 million euro and maturity date on July 24, 2018, with withdraws and repayments for periods of 1,2 and 3 months based on the operational needs of the Parent Company; the interest rate applied is indexed to the six months Euribor, plus a spread of 2%.
The loan provides for the activation of financial covenants, calculated on consolidated figures and verified every year.

Description	Currency	Principal	Timing of capital reimbursement	Timing of covenants calculation	Interest rate	Effective interest rate	Value as at December 31, 2015 (thousands of euro)
SAES Getters S.p.A.							
Tranche Amortising	EUR	8.0	half-yearly with maturity date July 31, 2020	yearly	Six-months Euribor plus 2.25% spread	2.74%	8,002
Tranche Revolving	EUR	3.0	used according to the operational needs with maturity date July 24, 2018		Six-months Euribor plus 2% spread (or 0.7% if not used)	0.7% because not used	0

Please note that on September 25, 2015, SAES Getters S.p.A. signed an IRS (Interest Rate Swap) contract on the first amortising tranche with a notional value of 3.6 million euro expiring on July 31, 2020, that provides for the exchange of the six months Euribor with a fixed rate of 0.285%. For the IRS enhancement as at December 31, 2015 please refer to the Note no. 35.

Covenant

All the loans 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) or annually (on December 31).
As showed in the table below, as at December 31, 2015, all the covenants were met.

		Covenants	loan with a notional value of 7 million euro (*) Value as at December 31, 2015	loan EIB with a notional value of 10 million euro (**) Value as at December 31, 2015	tranche amortizing with a notional value of 8 million euro (***) Value as at December 31, 2015
Net equity	k euro	≥ 94,000	126,485	126,485	n.a.
Net financial position / Net equity	%	≤ 1.0	0.15	0.15	0.14
Net financial position / EBITDA	%	≤ 2.5	0.61	0.63	0.57
Total financial debt of the subsidiaries	k euro	≤ 25,000	n.a.	13,869	n.a.
EBITDA / Financial expenses	%	> 5	n.a.	n.a.	16.51

(*) Net financial position calculated excluding financial receivables from related parties and receivables (payables) for derivative financial instruments evaluated at fair value; adjusted EBITDA, net of non recurring items.

(**) Calculated excluding financial receivables from related parties and receivables (payables) for derivative financial instruments evaluated at fair value.

(***) Net financial position calculated excluding receivables (payables) for derivative financial instruments evaluated at fair value; adjusted EBITDA, net of non recurring items.

Instead, with regard to the loans held by Memry Corporation, please note that the soft financing granted by the State of Connecticut is not subject to the compliance with any covenant, while the amortizing loan financing provide for the compliance with the warranty provisions calculated on some economic and financial figures of the US company (instead of consolidated ones) and verified every semester (on June 30 and December 31 of each year).
The following table shows that all covenants were met at the reporting date.

		Covenants	Value as at December 31, 2015
Net financial position (°) / Net equity	%	≤ 1.0	0.12
Net financial position (°) / EBITDA	%	≤ 2.25	0.66

(°) Net financial position calculated excluding financial receivables from other Group's companies.

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 years.

29. OTHER FINANCIAL DEBTS TOWARDS THIRD PARTIES

As at December 31, 2015, the item “Other financial debts towards third parties” was equal to 3,290 thousand euro, compared to 3,396 thousand euro as at December 31, 2014, and it was split in a long-term portion (1,355 thousand euro, to be compared with 1,328 thousand euro) and a short-term portion (1,935 thousand euro, to be compared with 2,068 thousand euro).

The decrease compared to December 31, 2014 (-106 thousand euro) was mainly due to the reduction of the financial debt towards the US company Power & Energy, Inc. related to the amount still to be paid for the acquisition completed in the hydrogen purification business, following the payments made as envisaged by the contract (1,884 thousand euro[18]).
Please note that, following the revaluation of the dollar as at December 31, 2015 compared to December 31, 2014, the residual debt towards Power & Energy, Inc. has increased by 345 thousand euro; the adjustment made by applying the amortized cost in the calculation of the present value of the payments still to be paid has instead generated an increase of that debt of 129 thousand euro.

[18] This amount includes the payment of both the third and final tranche of the fixed fee (1,622 thousand euro) and the earn-out for the year 2015 (262 thousand euro).

The aforementioned decrease was partially offset by the inclusion of the financial debt (amounting to 1,284 thousand euro) related to the commitment of the Parent Company to acquire the remaining 39% of the share capital of the joint venture SAES RIAL Vacuum S.r.l. within January 2016; for more information on the acquisition, please refer to the Note no. 17.

The item "Other financial debts towards third parties" included also 57 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 includes the financial debt, equal to 51 thousand euro, related to the costs for the repayment plan revision of the loan held by the US subsidiary Memry Corporation (for further details please refer to the Note no. 28), as well as the debts related to the finance lease contracts signed during the previous years by Memry Corporation (8 thousand euro as at December 31, 2015).
The table below shows the future minimum payments related to these finance lease contracts.

(thousands of euro)

	December 31, 2015	December 31, 2014
Less than 1 year	8	16
Between 1 and 5 years	0	7
Over 5 years	0	0
Total	**8**	**23**

30. 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, 2014	**4,705**	**2,720**	**7,425**
Accrual (release)	82	955	1,037
Indemnities paid	(51)	(23)	(74)
Other changes	62	(713)	(651)
Translation differences	0	119	119
December 31, 2015	**4,798**	**3,058**	**7,856**

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

(thousands of euro)	2015	2014
Financial expenses	122	188
Current service cost	952	468
Release into the statement of profit (loss)	0	0
Expected return on plan assets	0	0
Recognized past service costs	(37)	0
Total cost	**1,037**	**656**

Starting from January 1, 2015 the tax on the revaluation of the staff indemnity leave has been increased from 11% to 17%, and this change has generated a positive past service cost on the income statement equal to 37 thousand euro in 2015.

The split between the obligations under defined-contribution and defined-benefit plans and the related changes occurred during the year 2015 are shown below.

(thousands of euro)

	December 31, 2014	Financial expenses	Current service cost	Benefits paid	Actuarial gains (losses)	Other changes	Recognized past service costs	Exchange differences	December 31, 2015
Present value of defined benefit obligations	6,591	122	883	(74)	21	(672)	(37)	22	6,856
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	**6,591**	**122**	**883**	**(74)**	**21**	**(672)**	**(37)**	**22**	**6,856**
Defined contribution obligations	834	0	69	0	0	0	0	97	1,000
Staff leaving indemnities and similar obligations	**7,425**	**122**	**952**	**(74)**	**21**	**(672)**	**(37)**	**119**	**7,856**

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 2016 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.

Please note that, when referred to the Group's Italian companies, the 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, 2015 and December 31, 2014, respectively.

	Italy			
	December 31, 2015			December 31, 2014
Average duration of the employees subject to actuarial evaluation	**> 10 years**	**7-10 years**	**1-3 years**	**> 10 years**
Discount rate	2.00%	1.35%	0.24%	2.00%
Inflation rate	1.50%			1.50%
Expected annual salary increase rate (*)	3.50%			3.50%

(*) Factor not considered in the actuarial appraisal of the staff leaving indemnity of SAES Getters S.p.A. and SAES Advanced Technologies S.p.A., both companies with more than 50 employees.

Please note that, regarding the choice of the discount rate, the reference index used is the one for the Eurozone *Iboxx Corporate AA*, with a term consistent with the average financial duration of the collective being evaluated at the end of 2015.
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 2% was used.

The item “Other employee benefits” includes the provision for long-term incentive plans, signed by the Executive Directors and 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
2017	0.02%	1.30%
2018	0.09%	-

The following table shows the breakdown of actuarial differences related to the year 2015.

(thousands of euro)	Staff leaving indemnities	Other defined benefit obligations Italy	Long term incentive plan	Total
Actuarial differences:				
Changes in financial assumptions	66	26	0	92
Changes in other assumptions (demographic assumptions, remuneration assumptions, etc.)	0	0	0	0
Other	(8)	(63)	0	(70)
Actuarial gains (losses)	**58**	**(37)**	**0**	**21**

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.

(thousands of euro)	Discount rate	
	+0.5%	-0.5%
Effect on the defined benefit obligation	(173)	183

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

Group's employees	December 31, 2015	December 31, 2014	Average 2015	Average 2014
Managers	77	78	78	81
Employees and middle management	370	364	365	361
Workers	515	471	494	453
Total (*)	**962**	**913**	**937**	**895**

(*) This item does not include the employees of the joint ventures Actuator Solutions and SAES RIAL Vacuum S.r.l., for which please refer to the Note no. 17.

The workforce amounted to 962 units (of which 541 were employed outside of Italy) as at December 31, 2015, and recorded an increase of 49 units compared to December 31, 2014, mainly related to the increase in the workforce engaged in production activities related to the SMA business (in particular, increase in the workforce in Memry Corporation and Memry GmbH) and to the gas purification business.
This figure does not include the personnel employed at the Group companies with contract types other than employment agreements, equal to 42 units (51 units as at December 31, 2014).

31. PROVISIONS

Provisions amounted to 4,344 thousand euro as at December 31, 2015.
The following table shows the composition of and the changes in these provisions compared to the previous year.

(thousands of euro)

Provisions	December 31, 2014	Increase	Utilization	Release into income statement	Reclassifications	Translation differences	December 31, 2015
Warranty provisions on product sold	435	198	(272)	0	24	46	431
Bonus	1,354	2,348	(1,531)	0	(6)	111	2,276
Other provisions	943	690	(43)	0	0	47	1,637
Total	**2,732**	**3,236**	**(1,846)**	**0**	**18**	**204**	**4,344**

The item “Bonus” includes the accrual of bonuses to the Group’s employees related to the year 2015. The change compared to December 31, 2014 was due to both the accrual of bonuses matured during the period and the payment of the bonuses of the previous year, settled during the first half of 2015. The increase compared to December 31, 2014, equal to 922 thousand euro, is aligned with the improvement in the consolidated results.

The increase of the item “Other provisions” was almost exclusively due the accrual (689 thousand euro) by the Parent Company for a litigation for an environmental damage in the US. In particular, 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 amount set aside is the best estimate of the expenditure required to settle the existing obligation at the balance sheet date. This provision has not been discounted since a resolution of the dispute is expected in the short term.

The item “Other provisions” includes 500 thousand euro related to the potential risk estimated in relation to the assessment on the 2005 income tax return of SAES Getters S.p.A.
Particularly, 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, at the end of 2014 confirmed almost entirely (regarding IRES) and partially (regarding IRAP) the findings contained in the notice of inspection while both appeals (IRAP and IRES) against the judgments of the CTP of Milan, discussed by the Regional Tax Commission (“RTC”) respectively on October 29, 2015 and on February 22, 2016, were accepted by the RTC with favourable judgements issued on January 20, 2016 (IRAP) and on February 29, 2016 (IRES). However, since the litigation started by the Company has not resulted in definitive judgments, although the course has been in favour of SAES so far, the risk provision of 500 thousand euro was unchanged from the previous year.

The item “Other provisions” also includes 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 (444 thousand euro). 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, 2015	Current provisions	Non current provisions	December 31, 2014
Warranty provisions on product sold	65	366	431	7	428	435
Bonus	2,276	0	2,276	1,354	0	1,354
Other provisions	1,189	448	1,637	500	443	943
Total	**3,530**	**814**	**4,344**	**1,861**	**871**	**2,732**

32. TRADE PAYABLES

Trade payables were equal to 13,675 thousand euro as at December 31, 2015, with an increase equal to 2,628 thousand euro compared to December 31, 2014.
This increase was mainly due to the effect of the appreciation of the US dollar against the euro (about 0.9 million euro), as well as the increase in the purchases made in the last period of the current year, mainly in the shape memory alloys business, in order to meet both the increase in sales in the last quarter of 2015 and the raw material needs for orders to be delivered in the first part of 2016.

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, 2015, 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, 2015	**13,675**	8,248	2,691	2,046	529	73	88
December 31, 2014	**11,047**	4,371	4,013	1,443	1,096	104	20

33. OTHER PAYABLES

The item “Other payables” includes amounts that are not classified as trade payables and amounted to 9,203 thousand euro as at December 31, 2015, compared to 7,703 thousand euro as at December 31, 2014.
The table below shows the detail of the other payables, compared with the previous year.

(thousands of euro)

Other payables	December 31, 2015	December 31, 2014	Difference
Employees payables (vacation, wages, staff leaving indemnity, etc.)	4,364	3,887	477
Social security payables	1,476	1,399	77
Tax payables (excluding income taxes)	1,134	1,014	120
Other	2,229	1,403	826
Total	**9,203**	**7,703**	**1,500**

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 2015.
The increase compared to December 31, 2014 was mainly due to the increase in the staff employed in production activities related to the SMA business, in addition to higher payables related to long-term incentive plans which expired at the end of the year but paid in the first half of 2016.

The item "Social security payables" includes 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 to the 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 increase was aligned with the increase in the employees payables commented previously.

Finally, the item "Other" mainly includes payables of the Parent Company for both fixed and variable Directors' compensations (1,077 thousand euro), for commissions to agents of the purification business (449 thousand euro) and for the down payment on public grants received for research activities (251 thousand euro).
The increase compared to the previous year was mainly due to higher payables for commissions to agents (mainly related to the purification business, following the increase of sales made in the Asian market) and to Executive Directors for variable component of the remuneration for the year.

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

34. ACCRUED INCOME TAXES

This item consists of payables for taxes associated with the Group's foreign subsidiaries and only the IRAP debt of the Italian companies. With reference to the IRES tax, the Italian companies have elected to participate in the national tax consolidation program with the Parent Company as consolidator but, since the latter shows a tax loss, the net debts towards the Treasury was equal to zero as at December 31, 2015, since the negative taxable income was offset by positive ones (please refer to the Note no. 19 for further information).

Accrued income taxes amounted to 1,060 thousand euro as at December 31, 2015 and included the tax obligations accrued in the year, net of advance payments.
The increase compared with December 31, 2014 (673 thousand euro) was mainly due to the higher taxable income of the year.

35. DERIVATIVE FINANCIAL INSTRUMENTS EVALUATED AT FAIR VALUE

As at December 31, 2015 the item "Derivate financial instruments evaluated at fair value" was negative for 22 thousand euro and it represents the fair value of the Interest Rate Swap contract, signed by Parent Company during the year in order to fix the interest rate on the amortising tranche of the loan signed on July 2015.
The IRS, signed on September 25, 2015 with a notional amount of 3.6 million euro, matures on July 31, 2020 and provides for the exchange of the six-month Euribor with a fixed rate of 0.285%.

The following table provides a summary of the contract and its fair value as at December 31, 2015.

	Subscription date	Currency	Notional amount (thousands of euro)	Maturity	Interest rate	Timing	Fair value December 31, 2015 (thousands of euro)
Interest Rate Swap (IRS)	September 25, 2015	EUR	3,600	July 31, 2020	Fixed rate paid: 0.285% Variable rate received: six-month Euribor	Half-yearly	22
Total							**22**

The fair value calculation, carried out by an independent third party, consists of discounting the future cash flows, both sure and estimated ones, using the zero-coupon rates derived from the market base curve. The pricing thus obtained was then corrected, in accordance with IFRS 13, using a component of Credit Value Adjustment (CVA, which is the correction related to the risk of the counterparty default) and of Debt Value Adjustment (DVA, that is the cost of the protection from the risk of default of the Company by the counterparty), calculated using the "Provision Model" method. In particular, for the purpose of determining the counterparty risk component in the fair value, for the calculation of the CVA, the rating issued by the rating agency Standard & Poor's issuer on the issuing financial institution (that is BBB) has been used. In order to determine the DVA, given the impossibility of assigning a rating to the SAES Group, the same rating of the financial institution has been applied.

With regards to such contract, the formal requirements to apply the hedge accounting method are not met, therefore it is evaluated at fair value and the profit or losses deriving from its evaluation are directly charged into the income statement.

No interest rate swap contract was in place as at December 31, 2014.

As can be seen from the table below, as at December 31, 2015 the Group did not have any hedging contract against the exposure to the variability of future cash flows arising from commercial and financial transactions denominated in currencies other than the euro.

Currency	December 31, 2015		December 31, 2014	
	Notional (local currency)	**Fair value** (thousands of euro)	**Notional** (local currency)	**Fair value** (thousands of euro)
thousands of JPY	0	0	300,000	38
	Total	**0**	**Total**	**38**

Please see the Consolidated financial statements of the prior year for the detail of the forward sale contracts on the Japanese yen as at December 31, 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 fair value reported may be observed, either directly or indirectly;
Level 3 – techniques that use inputs with a significant effect on the fair value reported that are not based on observable market data.
As at December 31, 2015 the only derivative instrument held by the Group belonged to Level 2: in fact, the fair value was calculated by an independent third party 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.

36. BANK OVERDRAFT

As at December 31, 2015 the bank overdraft amounted to 5,012 thousand euro and primarily consisted of short-term debts owed by the Parent Company in the form of "hot money" debt (5,009 thousand euro as at December 31, 2015 compared to 30,191 thousand euro as at December 31, 2014), whose average interest rate, spread included, was around 1.8%.
The difference consisted in the overdrafts on current bank accounts (3 thousand euro as at December 31, 2015, compared to 531 thousand euro at the end of the year 2014).

The decrease in the short-term bank debt (-25,710 thousand euro) was the result of the activity performed during the year aimed at obtaining a correct balance of the financial indebtedness, with a higher percentage of medium-long term loans, compared to short-term bank debt (for further details please refer to the Note no. 28) as wall as of the net cash flows generated during the year, with the consequent improvement in the consolidated net financial position.

37. ACCRUED LIABILITIES

Accrued expenses and deferred income were equal to 1,548 thousand euro as at December 31, 2015.
This item may be broken down as follows.

(thousands of euro)

Accrued liabilities	December 31, 2015	December 31, 2014	Difference
Accrued expenses	369	289	80
Deferred income	1,179	1,993	(814)
Total	**1,548**	**2,282**	**(734)**

The decrease compared to December 31, 2014 (-734 thousand euro) is mainly explained by lower commercial sales pertaining to future accounting periods received by customers during the current year compared to the previous year.

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

38. CASH FLOW STATEMENT

Cash flow from operating activities was positive and equal to 22,851 thousand euro with a strong growth (+63.7%) compared to 13,958 thousand euro in the previous year: the cash-in flows of the 2015 are almost entirely attributable to the self-financing, differently from what happened in the previous year when the self-financing was partially offset by the negative change in the net working capital, influenced by the increase in the volume of activities in the Pure Gas Handling Business and in the SMAs one.

Investing activities used liquidity for 10,017 thousand euro while 2,610 thousand euro was the cash absorption in the 2014.
In the 2015, the disbursements, net of the disposals, for purchases of tangible and intangible assets amounted to 4,903 thousand euro (797 thousand euro[19] as at December 31, 2014). Within the investment activities please note also the disbursement of 1,884 thousand euro for the payment of the last tranche of the fixed amount and of the fees matured during the year related to the investments carried out during 2013 and aimed at the technological strengthening of the Pure Gas Handling business, but for which the payment has been deferred (in 2014 this deferred payment had been equal to 1,813 thousand euro[20]), as well as the acquisition of the 10% of SAES RIAL Vacuum S.r.l. (consideration paid equal to 330 thousand euro) and the capital contributions made during the year in favor of the joint venture Actuator Solutions GmbH (for a total amount of 2,900 thousand euro).

The balance of financing activities was negative and equal to 16,780 thousand euro against a balance, always negative, of 10,146 thousand euro in the previous year.
The financial management of the period was characterized by the financial disbursements for the payment of dividends (equal to 3,477 thousand euro), by the repayments of both short-term and long-term loans and by the payment of the related interests. These cash-out were partially offset by the cash-in generated by the new long-term loans signed by the Parent Company and by the US subsidiary Memry Corporation (for further details please refer to the Note no. 28) and by the expiration of the time deposit with maturity equal to a period of 12 months, held by SAES Getters Korea Corporation (Note no. 26). Finally, please note the cash-in related to the repayment[21] of the loan granted to the joint venture Actuator Solutions GmbH as well as the collection of the previous year interests (for further details please refer to the Note no. 20).

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)

	2015	2014
Cash and cash equivalents	24,044	25,602
Bank overdraft	(5,012)	(30,722)
Cash and cash equivalents, net - statement of financial position	**19,032**	**(5,120)**
Short term debt	5,009	30,191
Cash and cash equivalents, net - cash flow statement	**24,041**	**25,071**

[19] In 2014, the disbursements for purchases of tangible and intangible assets (4,367 thousand euro) 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 of October 2014.
[20] This amount included the payment, according to the original contractual maturities, of the second tranche of the fixed consideration and the fees 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 aimed at the technological strengthening of the Pure Gas Handling business.
[21] Total repayment of the loan granted by SAES Nitinol S.r.l. to Actuator Solutions GmbH in February 2014 and partial repayment of the principal amount of the one granted in October 2014.

39. 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 2013 with the aim of strengthening the hydrogen purification business and the commitment for the acquisition a further 39% of the share capital of SAES RIAL Vacuum S.r.l. (of which SAES Getters S.p.A. already owned 10% as at December 31, 2015; for further details please refer to the Note no. 29). The main objective of this liability 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.

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 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 the Note no. 35, in order to fix the interest rate on the amortising tranche of the loan signed in late July by SAES Getters S.p.A., an IRS agreement has been signed on a part of such loan on September 25, 2015. The Group also 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 on the loans on which no hedging contract has been signed.
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 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.

		(%)	(thousands of euro)	(thousands of euro)
		Increase / Decrease	**Effect on result before taxes**	**Effect on net result and net equity**
2015	euro	+/- 1	+/- 50	+/- 41
	other currencies	+/- 1	+/- 193	+/- 145
2014	euro	+/- 1	+/- 23	+/- 19
	other currencies	+/- 1	+/- 175	+/- 138

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.

		(%)	(thousands of euro)	(thousands of euro)
		Increase / Decrease	**Effect on result before taxes**	**Effect on net result and net equity**
2015	Euribor	+/- 1	-/+ 333	-/+ 278
	Libor	+/- 1	-/+ 131	-/+ 80
2014	Euribor	+/- 1	-/+ 361	-/+ 311
	Libor	+/- 1	-/+ 162	-/+ 99

With regards to Interest Rate Swaps, the table below provides a breakdown of the sensitivity of the income before taxes assuming the stability of all the other variables, following the shift of one percentage point of the spot rate curve (and, consequently, the variation of the forward rate curve associated with the spot rates).

			(euro)	(euro)	(euro)	(euro)
Description	**Fair Value Dec 31, 2015** (euro)	**fixed rate** (%)	**Estimated FV +1%**	**Difference in FV +1%**	**Estimated FV -1%**	**Difference in FV -1%**
IRS with maturity date July 31, 2020 and notional value equal to 3.6 million euro	(21,767)	0.285%	69,405	91,172	(116,406)	(94,639)
Total	**(21,767)**		**69,405**	**91,172**	**(116,406)**	**(94,639)**

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 2015 around 83.9% of the Group's sales and only around 64.4% 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 versus the euro, primarily of the US dollar and of the Japanese yen, the Group has in place hedging contracts, 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 the 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 for the year 2015, the Group signed:
- at the beginning of the year (January 2015) forward contracts on the US dollars for a total notional value of 14.9 million dollars (average forward exchange rate USD/EUR equal to 1.1801);
- at the end of 2014 (October 2014), but to hedging the 2015 trade receivables in yen, forward contracts on the Japanese yen for a total notional value of 300 million JPY (average forward exchange rate YEN/EUR equal to 142.5674);
These contracts were all expired as at December 31, 2015.
Finally, on January 7, 2015 the Group signed two forward sale contracts in euro (for a notional value equal to 8.5 million euro and an average forward exchange rate KRW/EUR equal to 1,307.35) 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. Also these contracts were expired as at December 31, 2015.

For the hedging contracts on trade receivables in US dollars and yen for the year 2016, signed in January 2016, please refer the section "Subsequent events" of the Group report on operations. Please refer to the same document also for the forward contract signed in January 2016 in order to mitigate the exchange rate risk on the balance of the intercompany financial credit of SAES Getters Korea Corporation.

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.

	(%)	(thousands of euro)	(thousands of euro)
US dollar	**Increase / Decrease**	**Effect on result before taxes**	**Effect on net result and net equity**
2015	+ 5%	(84)	(53)
	- 5%	93	58
2014	+ 5%	(105)	(71)
	- 5%	116	79

	(%)	(thousands of euro)	(thousands of euro)
Japanese YEN	**Increase / Decrease**	**Effect on result before taxes**	**Effect on net result and net equity**
2015	+ 5%	(32)	(23)
	- 5%	35	25
2014	+ 5%	(34)	(24)
	- 5%	37	27

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

The following tables provide a sensitivity analysis of cash and cash equivalents and intercompany financial receivables /payables, including cash-pooling, 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.

	(%)	(thousands of euro)	(thousands of euro)
Euro	**Increase / Decrease**	**Effect on result before taxes**	**Effect on net result and net equity**
2015	+ 5%	31	34
	- 5%	(31)	(34)
2014	+ 5%	414	414
	- 5%	(414)	(414)

	(%)	(thousands of euro)	(thousands of euro)
US dollar	**Increase / Decrease**	**Effect on result before taxes**	**Effect on net result and net equity**
2015	+ 5%	(49)	(46)
	- 5%	54	51
2014	+ 5%	(26)	(24)
	- 5%	29	26

Given that all forward contracts were expired as at December 31, 2015, a sensitivity analysis is not provided; with regard to the analysis of the previous year, please refer to the 2014 financial statements.

With reference to the Net Financial Position (NFP), a depreciation of the US dollar by 5% would have had a negative impact of approximately 130 thousand euro on the net financial position as at December 31, 2015, whereas an appreciation of the same currency, always equal to 5%, would have had a positive impact of approximately 144 thousand euro.

	(%)	(thousands of euro)
	Increase / Decrease USD	**Effect on Net Financial Position**
December 31, 2015	+5%	(130)
	- 5%	144
December 31, 2014	+5%	72
	- 5%	(80)

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, 2015 and about the maturity date of these debts please refer to the Note no.28.

As at December 31, 2015 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 2015.
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.

40. 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, 2015	December 31, 2014	Difference
Guarantees	20,119	23,275	(3,156)

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, only partially offset by the new guarantees signed in favour of the joint venture Actuator Solutions (for the related amount, please refer to the Note no. 41).

The maturities of operating lease obligations outstanding as at December 31, 2015 are shown below.

(thousands of euro)

	Less than 1 year	1-5 years	Over 5 years	Total
Operating lease obligations	1,744	3,509	1,954	**7,207**

41. 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 debtor of SAES Advanced Technologies S.p.A. in relation to receivables for taxes transferred by the latter in relation to the national tax consolidation program in place until December 31, 2014[22].
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.
With regards to Actuator Solutions GmbH and its subsidiary Actuator Solutions Taiwan Co., Ltd., the SAES Group has a commercial relationship (sale of raw materials and semi-finished products) and performs various services (in particular, commercial activities, development services and legal services) that are recharged on the basis of a service contract. Finally, as already mentioned before, please note that, during the year 2015, SAES Nitinol S.r.l. made three capital contributions in favour of the joint venture Actuator Solutions GmbH for a total amounting to 2,900 thousand euro. In December 2015, in the same date of the last payment, the joint venture has executed the anticipated reimbursement to the SAES Group of the interest-bearing loan amounting to 1,500 thousand euro and granted at the beginning of the year 2014. Instead, the second interest-bearing loan, granted in October 2014, was still in place as at December 31, 2015 and it is reimbursed monthly on a straight-line basis over the originally agreed repayment plan (for further details please refer to the Note no. 20).
- **SAES RIAL Vacuum S.r.l.**, a joint venture between SAES Getters S.p.A. and Rodofil s.n.c., established at the end of 2015, with the aim of the creation of an Italian technological and manufacturing hub of the highest level, for the design and production of integrated vacuum components and systems for accelerators, for the research, as well as for industrial systems and devices, combining at the highest level the competences of SAES in the field of materials, vacuum applications and innovation, with the experience in the design, assembling and fine mechanical productions of Rodofil.
- **Dr. Michele Muccini**, partner of SAES Getters S.p.A. in E.T.C. S.r.l., with a percentage of the share capital equal to 4%. In particular, please note that SAES Getters S.p.A., until December 31, 2015, has covered all the losses of E.T.C. S.r.l., also on behalf of Dr. Muccini, maintaining his percentage of ownership unchanged.
On March 11, 2015, the capital contribution made by the Parent Company on behalf of Dr. Muccini was equal to about 62 thousand euro.
- **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 and the Group Administration, Finance and Control Manager are considered managers with strategic responsibilities[23].
Their close relatives are also considered related parties.

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[22] Please note that, on May 27, 2015, the tax consolidation program between SAES Getters S.p.A., SAES Advanced Technologies S.p.A., SAES Nitinol S.r.l., E.T.C. S.r.l. and S.G.G. Holding S.p.A., with the latter company as consolidating company, was interrupted starting from January 1, 2015, following the decrease of the stake of S.G.G. Holding S.p.A. in SAES Getters S.p.A. below the threshold of 50% which determined the loss of control under the rules of the national fiscal consolidation program.
[23] Please note that, with effect from February 2014 and until January 17, 2016, the role of Group Legal General Counsel was assumed *ad interim* by Dr Giulio Canale.

The following table shows the total values of the related party transactions undertaken in 2015 and 2014.

(thousands of euro)

	December 31, 2015										
	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 receivables from related parties
S.G.G. Holding S.p.A.									272	0	
Actuator Solutions GmbH	1,202	152 (*)	172 (*)	28 (*)	0	155	111	0			1,155
Actuator Solutions Taiwan Co., Ltd.	0	0	0	(7)	0	0	0	0			0
Total	**1,202**	**152**	**172**	**21**	**0**	**155**	**111**	**0**	**272**	**0**	**1,155**

(*) Costs recovery.

(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 receivables from related parties
S.G.G. Holding S.p.A.									2,907	(2,336)	
Actuator Solutions GmbH	883	323 (*)	127 (*)	28 (*)	0	62	138	0			2,762
Actuator Solutions Taiwan Co., Ltd.	0	0	0	(12)	0	0	0	(12)			0
Total	**883**	**323**	**127**	**16**	**0**	**62**	**138**	**(12)**	**2,907**	**(2,336)**	**2,762**

The following table shows the guarantees that the Group has granted to third parties (and, therefore, included in the detail reported in the Note no. 40) in favour of the joint venture Actuator Solutions.

(thousands of euro)

Guarantees	December 31, 2015	December 31, 2014	Difference
Guarantees in favour of the joint venture Actuator Solutions	2,984	1,234	1,750

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

(thousands of euro)

Total remunerations to key management	2015	2014
Short term employee benefits	3,137	2,438
Post employment benefits	0	0
Other long term benefits	490	156
Termination benefits	503	23
Total	**4,130**	**2,617**

As at December 31, 2015 payables to Managers with Strategic Responsibilities, as defined above, were equal to 3,120 thousand euro, to be compared with payables of 2,017 thousand euro as at December 31, 2014.

The increase, both in the income statement and in payables, was mainly due to the higher remuneration of the Executive Directors calculated, starting from the end of April 2015, on the basis of new contracts signed as a result of the three-year renewal of the corporate bodies (in particular, higher annual incentive and accrual for the three-year long-term incentive, in addition to the provision for the remuneration related to the end of their mandate that the Directors had given up in the previous year).

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 2015 all related-party transactions fell within ordinary operations and were settled at economic and financial standard market conditions.

42. 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.	83
Tax and legal advices	Parent Company auditor	SAES Getters S.p.A.	0
Other	Parent Company auditor	SAES Getters S.p.A.	0
Audit	Network of Parent Company auditor	SAES Getters S.p.A.	0
Tax and legal advices	Network of Parent Company auditor	SAES Getters S.p.A.	28
Other	Network of Parent Company auditor	SAES Getters S.p.A.	0
Audit	Parent Company auditor	Subsidiaries	150
Tax and legal advices	Parent Company auditor	Subsidiaries	0
Other	Parent Company auditor	Subsidiaries	0
Audit	Network of Parent Company auditor	Subsidiaries	167
Tax and legal advices	Network of Parent Company auditor	Subsidiaries	6
Other	Network of Parent Company auditor	Subsidiaries	0

Lainate (MI), March 14, 2016

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, 2015.

2. The following remarks apply to this situation:

<u>2.1 The Administrative and Accounting Control Model of the SAES Group</u>

- 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.

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

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 2014 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, 2015:

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 29, 2016

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,

The Board of Statutory Auditors, in its current composition, has been duly appointed by the Company's Shareholders' Meeting on April 28, 2015, also in compliance with article 22 of the By-laws, and it will end its mandate with the Meeting for the approval of the financial statements as at December 31, 2017.

During the year ended on December 31, 2015, the supervisory of the Board of Statutory Auditors 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 in the version approved with the resolution of April 15, 2015, as well as Consob communications concerning the corporate governance and the activities of the Board of Statutory Auditors and, in particular, the communication no. DEM/1025564 dated April 6, 2001 and its subsequent amendments.

In addition, the Board of Statutory Auditors, in his role pursuant to article 19 of the Legislative Decree no. 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 and that we have carried out during the year ended on December 31, 2015 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 no. 6 meetings of the Board of Statutory Auditors during the year (of which, two meetings held by the previous Board in office until the date of April 28, 2015), 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 and from the governing bodies of the Company 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 2015, the Statutory Auditors who have succeeded each other took part to no. 1 Shareholders' Meeting and to no. 14 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 net 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 no. 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 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 2015 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 at issue 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.

<u>Performance of the year</u>
As illustrated by the Directors in the Annual Report, 2015 results, as well as the forecast for 2016, continue to show the strong growth of the Group; the 2015 results show a strong increase in revenues and the improvement of all economic and financial indicators, thanks also to the positive trend recorded by the exchange rate euro/US dollar.
The most innovative components of the activity, with particular reference to the shape memory alloys for applications in the medical and industrial fields, have shown the best results as regards both the volume of sales and economic marginality.
In a strategic point of view, the choice to develop new materials and new applications arising from research and innovation enabled the Group to successfully develop new end markets.
Below the summary of the percentage changes on the main indicators taken from the 2015 consolidated figures compared to the corresponding figures of the previous year.

Net sales – total difference	+26.1%
Net sales – organic difference[1]	+9.1%
EBITDA	+1.3%, with reference to % on sales
Operating income	+2.4%, with reference to % on sales
Net income	+1.6%, with reference to % on sales
Cash flow from operating activities	+63.7%, with reference to % on sales
Net financial position	+35.9%

With reference to the net financial position, we highlight the effects of the balancing of the structure of the Group's financial indebtedness, which progressively show the increase of the percentage of medium-long term loans compared to short-term bank debt.

<u>Most significant transactions undertaken during the year</u>
Between the major transactions pointed out in the Report on operations, we highlight the following:

- Following the agreement signed in 2014 by Memry Corporation with the State of Connecticut to obtain a soft financing in several tranches, for a total amount of 2.8 million USD, to purchase new machinery and equipment necessary to expand the production plant in Bethel, in February 2015 the first tranche of this soft loan, amounting to 2 million USD, was collected.

- In January 2015 the third and final tranche of the fixed consideration for the acquisition of the hydrogen purifiers business was paid to Power & Energy, Inc. (1.8 million USD).

- On March 1, 2015 SAES Getters S.p.A. acquired by the subsidiary SAES Getters USA, Inc. the business dedicated to the production and to the development of the vacuum pumps "Inficon" and "MAP", for a consideration of 450 thousand USD.

[1] Excluding the exchange rate effect.

- On May 12, 2015 the process to reduce the share capital of the Chinese subsidiary SAES Getters (Nanjing) Co., Ltd. from 13.6 million USD to 6.6 million USD was finalized, following the reduced required capitalization after the transformation of its activity from production into a commercial one, completed in 2014. This transaction generated a non-recurring exchange rate gain into the income statement (previously already included in the consolidated shareholders' equity in the item “Translation reserve”) of 1.9 million euro.

- In May 2015, following the decrease of the stake of S.G.G. Holding S.p.A. in SAES Getters S.p.A. below the threshold of 50%, the prerequisite to keep the tax consolidation program with S.G.G. Holding S.p.A. as consolidating company ended, as envisaged by the combined provisions of articles 117 and 120 of the Income Tax Code (“TUIR”). In September 2015 the option to join a new tax consolidation program between SAES Getters S.p.A., SAES Advanced Technologies S.p.A., E.T.C. S.r.l. and SAES Nitinol S.r.l., with the Parent Company as consolidator, was exercised, together with the submission of the tax return of the Parent Company. This new tax consolidation program has been valid starting from January 1, 2015.

- In May 2015 the final tranche of the bank loan held by the US controlled company SAES Smart Materials, Inc., equal to 1.7 million USD, was reimbursed.

- On June 10, 2015 SAES announced the signature of a loan with EIB (European Investment Bank) worth 10 million euro, to support R&D projects in the field of vacuum technologies, shape memory alloys (SMAs) and Organic Light Emitting Transistor (OLET) solutions. The transaction is supported by the new generation of financial instruments of “InnovFin - EU Finance for Innovators”, dedicated to innovative and growing companies that make use of the financial support of the European Union under the project “Horizon 2020” (the European outline program for Research and Innovation, 2014-2020). The medium-term loan consists of two tranches of the same amount, one secured by SACE, has a five-year term and is used to cover part of a research program for a total value of 45 million euro to be carried out in Italy, started in 2014 and that will end in 2017. The loan provides for the compliance with standard financial covenants for this type of transactions, calculated every six months on the consolidated economic and financial figures.

- In July 2015 SAES Getters S.p.A. signed a new multi-tranche loan for a total value of 11 million euro. The contract provides for an amortizing type tranche, amounting to 8 million euro and with a duration of five years, the repayment of which is established in semiannual fixed principal amounts and interests indexed to the six months Euribor, plus a spread of 2.25%. The second tranche, worth 3 million euro, is a revolving one, with duration of three years and its use based on the operational needs of SAES Group. Please note that the last revolving tranche was not used during the fiscal year 2015. On September 25, 2015, SAES Getters S.p.A. signed an IRS (Interest Rate Swap) contract on the first amortizing tranche with a notional value of 3.6 million euro expiring on July 31, 2020, that provides for the exchange of the six months Euribor with a fixed rate of 0.285%. The loan provides for the activation of financial covenants that are standard for this type of transactions, calculated annually on consolidated economic and financial figures.

- On October 15, 2015 SAES Nitinol S.r.l. made a capital contribution in favor of the joint venture Actuator Solutions GmbH equal to 0.5 million euro, in addition to the same payment made on July 15, 2015. The 50% joint partner Alfmeier, through the company SMA Holding GmbH, paid the same amounts. On December 15, 2015 each of the two partners of the joint venture (SAES Nitinol S.r.l and SMA Holding GmbH) made a further 2 million euro capital contribution; in the same date, Actuator Solutions GmbH provided the repayment of 1.5 million euro to each of the two shareholders, as anticipated reimbursement of the interest-bearing loan with an equal amount, granted in February 2014 and expiring on December 31, 2016.

- In November 2015 the share capital of the Korean subsidiary SAES Getters Korea Corporation was officially reduced from 10,497,900 thousand KRW to 524,895 thousand KRW, by reducing the nominal share value from KRW 10,000 to KRW 500 (for a total number of 1,049,790 shares). Such operation has generated a non-recurring exchange rate gain in the income statement equal to 30 thousand euro (previously included in the consolidated shareholders' equity under the item "Translation reserve").

- With reference to the loan subscribed by Memry Corporation in January 2009 and divided into two residual lines ('amortizing loan' and 'bullet loan') for a total value of 11 million USD, which had to be totally reimbursed within July 2017, on December 22, 2015 the US subsidiary signed an agreement with the financing institution, effective from December 31, 2015, in order to reschedule such repayment; in particular, the residual amount of the two lines was converted into an amortizing loan of the same amount (11 million USD) with a duration of 5 years, with a repayment plan consisting in six-month fixed tranches (starting from June 30, 2016 until December 31, 2020) equal to 1.1 million USD each. Interests will be paid every six months and benchmarked to the Libor rate, plus a spread equal to 2.70% (such spread will be reduced to 2.20% in case the ratio between the net financial position and the EBITDA of Memry Corporation is lower than 1.50). A new set of covenants has also been defined, still to be calculated every six months, based not on consolidated figures, but on the economic and financial figures of Memry Corporation only.

- On December 23, 2015 SAES Getters S.p.A. signed an agreement with the company Rodofil s.n.c., based in the province of Parma (Italy), for the commitment by the Parent Company to the acquisition, within the end of January 2016, of 49% of the company SAES RIAL Vacuum S.r.l. SAES RIAL Vacuum S.r.l. was established through the transfer by Rodofil of the 'Rial Vacuum' business (assets, trademark and customers list, as well as inventory and employed personnel), specialized in the design and manufacture of vacuum chambers for accelerators, synchrotrons and colliders, used in the major research laboratories worldwide. On December 23, 2015 SAES Getters S.p.A. acquired the first tranche equal to 10% of the newco SAES RIAL Vacuum S.r.l., while the finalization of the acquisition of the further 39% was realized on January 19, 2016. The total price of the 49% of the share capital was equal to approximately 1.6 million euro, of which 0.3 million euro paid in cash in 2015 and 1.3 million euro paid in January 2016

- The use of social security provisions in the Italian subsidiary SAES Advanced Technologies S.p.A. continued during the year 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's 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 net assets.

<u>Atypical and/or unusual transactions, including infra-group and related-party transactions</u>
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 controlling company, which holds 6,943,047 ordinary shares as at December 31, 2015, representing 47.324% of the ordinary share capital with voting rights. With that company, in addition to the relationships arising from the distribution of dividends, must be added those arising from the agreement concerning the participation in the national tax consolidation program, in place until December 31, 2014 and discontinued with effect from January 1, 2015 following the decrease of the stake of S.G.G. Holding S.p.A. in SAES Getters S.p.A.
- the 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 the 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 the cameras of tablets and smartphones). The economic relationship includes proceeds from the sale of raw material and semi-finished products and various services (in particular, commercial activities, development services and legal services) that are recharged on the basis of a service contract. Finally, please note that, during the year 2015, SAES Nitinol S.r.l. made three capital contributions in favour of the joint venture Actuator Solutions GmbH for a total amounting to 2,900 thousand euro. In December 2015, in the same date of the last payment, the joint venture has executed the anticipated reimbursement to the SAES Group of the interest-bearing loan amounting to 1,500 thousand euro and granted at the beginning of the year 2014. Instead, the second interest-bearing loan, granted in October 2014, was still in place as at December 31, 2015 and it is reimbursed monthly on a straight-line basis over the originally agreed repayment plan.

- SAES RIAL Vacuum S.r.l., a joint venture between SAES Getters S.p.A. and Rodofil s.n.c., established at the end of 2015 with the aim of the creation of an Italian technological and manufacturing hub for the design and production of integrated vacuum components and systems for accelerators, for the research, as well as for industrial systems and devices, combining at the highest level the competences of SAES in the field of materials, vacuum applications and innovation, with the experience in the design, assembling and fine mechanical productions of Rodofil.
- Dr Michele Muccini, partner of SAES Getters S.p.A. in E.T.C. S.r.l., with a percentage of the share capital equal to 4%. In particular, please note that SAES Getters S.p.A., until December 31, 2015, has covered all the losses of E.T.C. S.r.l., also on behalf of Dr Muccini, maintaining his percentage of ownership unchanged. On March 11, 2015 the capital contribution made by the Parent Company on behalf of Dr Muccini was equal to about 62 thousand euro.

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[2], the Corporate Research Manager[3] 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 no. 15519 dated July 27, 2006, the explanatory notes to the financial statements bear information on the amounts of positions or transactions with related parties, highlighting them 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, 2015 and in the related notes 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 no. 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 and the substantial and procedural correctness of related-parties transactions, identified in accordance with the revised IAS 24.

The same report on the corporate governance, to which reference should be made, illustrates in detail

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[2] Please note that, with effect from February 2014 and until January 17, 2016, the role of Group Legal General Counsel was assumed ad interim by Dr Giulio Canale.
[3] With effect from June 10, 2013, in the view of containing costs and optimizing organizational processes, the role of Corporate Research Manager was removed and its related responsibilities were transferred to the Chief Technology Innovation Officer, in the person of Dr Eng. Massimo della Porta.

the composition of the corporate officers, directors, members of committees other than the executive ones, Supervisory Board, in addition to the function of the Manager responsible for the preparation of the corporate accounting documents and the manager for the Internal Audit, following the new corporate appointments that took place during the of Shareholders' Meeting of April 28, 2015.

Independent audit firm

Deloitte & Touche S.p.A., the independent audit company, issued the audit reports on March 29, 2016, in which they expressed a judgment containing no remarks on either the consolidated or the Parent Company accounts for 2015.

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 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 no. 39/2010, the report of the independent audit firm explaining the basic issues emerged during the 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 no. 39/2010, the confirmation of its independence, the indication of the services other than the 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 2015, 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's 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's 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 ("SCIGR"), 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 net assets, is managed and monitored by the Board of Directors, by the Director 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.
The SIGCR system adopted by the Company is in line with the components of the “CoSO Framework” model, internationally recognized as a benchmark best practice for the representation and evaluation of the internal control system. In addition, please note that the Chairman of the Board of Statutory Auditors joins the meetings of the Audit and Risk Committee, a non executive organ that, also in 2015, has promoted and supported, with regards to the decisions taken by the Board of Directors, the adoption of Risk Management instruments and methods aimed at identifying, analyzing and understanding the level of mitigation of the corporate risk within the Company and the Group. In addition to the aforementioned entities, also the Manager responsible for the preparation of the corporate accounting documents pursuant to the Legislative Decree no. 262/2005, the independent auditors and other internal control corporate functions 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 14, 2016, following the proposal of the Audit and Risk 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 14, 2016 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”, to which the Board of Directors has decided to adhere on February 23, 2012. The Board of Directors also approved, on March 14, 2016, the annual Report on corporate governance and ownership structure for the year 2015. 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 Remuneration 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 2015, the Board of Statutory Auditors verified the continuing satisfaction of the independence requirements on April 28, 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, 2015

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 European Regulation no. 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 statement of financial position, 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 statement of 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 no. 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.

Always 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:

(thousands of euro)

Statement of profit or loss	*Separate financial statements*	*Consolidated financial statements*
Net revenues	8,488	166,012
Operating income (loss)	(17,043)	20,499
Other income and expenses	22,869	(2,677)
Income before taxes	5,826	17,822
Net income (loss)	**5,859**	**8,820**
Total comprehensive income (loss)	**5,394**	**17,277**
	=====	=====
Statement of financial position		
Non-current assets	94,411	122,087
Current assets	28,067	91,092
Total assets	**122,478**	**213,179**
Non-current liabilities	21,939	43,570
Current liabilities	30,823	43,121
Shareholders' equity	69,716	126,488
Total liabilities and Shareholders' equity	**122,478**	**213,179**
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As at December 31, 2015, the Parent Company's cash flow statement showed net cash and cash equivalents of 3,400 thousand euro; at the same date, the consolidated cash flow statement showed net cash and cash equivalents of 24,041 thousand euro.

Intangible assets with finite useful lives, acquired or produced internally, have been classified among the assets in accordance with the IAS 38 when 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 impairment test at least annually in order to identify any devaluation.

Long-term equity investments, equal to 68,016 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 ventures Actuator Solutions GmbH (and its wholly owned subsidiary Actuator Solutions Taiwan Co., Ltd.) and SAES RIAL Vacuum S.r.l. to which the equity method has been applied.

The dividends collected by the Parent Company in 2015 amounted to 24,295 thousand euro, compared to 18,041 thousand euro in 2014.

Financial debts amounted to 37,181 thousand euro in the Parent Company's financial statements as at December 31, 2015 compared to 49,854 thousand euro in 2014.

Share Capital

As at December 31, 2015 the share capital, fully subscribed and paid, amounted to 12,220 thousand euro and consisted, as in the previous year, of no. 14,671,350 ordinary shares and no. 7,378,619 savings shares, for a total of no. 22,049,969 shares.

The shareholders' equity of the Parent Company, equal to 69,716 thousand euro, included, inter alia, the reserve of positive currency revaluation balances, following the application of the Laws no. 72/1983 and no. 342/2000 for a total amount of 1,727 thousand euro, the retained earnings reserve of 2,561 thousand euro, the IAS conversion reserve of 2,712 thousand euro, the reserve for capital gains on the sale of treasury shares in portfolio (negative for 589 thousand euro), 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 OPI1 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 subsidiaries SAES Advanced Technologies S.p.A. and SAES Getters USA, Inc., negative respectively for 344 thousand euro and 420 thousand euro, recorded as a reduction of the shareholders' equity in accordance with the same principle OPI1 issued by the Italian Association of Chartered Accountants.

Research, development and innovation expenses were equal to 8,097 thousand euro in the Parent Company's financial statements and equal to 14,620 thousand euro in the consolidated financial statements. These expenses were charged into 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 33 thousand euro for the Parent Company, consisting of 1,275 thousand euro in current taxes and 1,242 thousand euro as expenses for deferred taxes.
Current and deferred income taxes recorded a negative balance equal to 9,002 thousand euro in the consolidated financial statements.
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.

However, it is important for the Board of Statutory Auditors to recall the resolution passed in the Extraordinary Shareholders' Meeting of March 3, 2016, regularly convened in order to deliberate on the following proposal, examined the Explanatory Report of February 1, 2016 prepared by the Board of Directors and written pursuant to articles 125 *ter* of the Legislative Decree no. 58 and no. 72 dated February 24, 1998 of the Regulation adopted with the Consob resolution no. 11971 dated May 14, 1999 and subsequent amendments and additions:
"*Change of the article no. 11 of the By-laws with the introduction of the increase of the voting right pursuant to article 127 quinques of the TUF. Related and consequent resolutions*".
Following the regular course of the Meeting, in which we participated, the majority of the Shareholders present, as required by article no. 13 of the By-laws, resolved to amend the article no. 11 of the current By-laws as indicated in the Report of Board of Directors, allowed the President and the Managing Director, each of them separately, to take the necessary actions to implement the resolution adopted.

The Board of Statutory Auditors takes note of the proposal of the Board of Directors to entirely distribute the net income of the year, given the absence for 2015 of unrealized exchange rate gains pursuant to article 2426, paragraph 8-*bis*, of the Italian Civil Code, and therefore attributing a dividend of 0.276799 euro per savings share, including the preferred dividend of 0.138549 euro for the year 2015, as well as a dividend of 0.260173 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. The Board of Directors also proposed to distribute a portion of the available reserve "Retained earnings" equal to 2,642,181.64 euro, in equal measure to the ordinary shares and savings shares, giving a dividend of 0.119827 euro per savings share and per ordinary share.
In summary, the proposal of dividend distribution is as follows:

0.396626 euro per no. 7,378,619 savings shares	2,926,552.14 euro
0.380000 euro per no. 14,671,350 ordinary shares	5,575,113.00 euro
TOTAL	**8,501,665.14 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, 2015, as prepared by the Directors.

March 29, 2016

Pier Francesco SPORTOLETTI

Vincenzo DONNAMARIA

Sara Anita SPERANZA

Independent Auditors' report
on the consolidated financial statements

Deloitte.

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INDEPENDENT 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.

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of SAES Getters S.p.A. and its subsidiaries (the "SAES Getters Group"), which comprise the statement of financial position as of December 31, 2015, and the income statement, the statement of comprehensive income, the statement of changes in equity and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

The Company's Directors are responsible for the preparation of these consolidated financial statements that give a true and fair view 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing (ISA Italia) issued pursuant to art. 11, n° 3, of Italian Legislative Decree 39/10. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation that give a true and fair view of consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the consolidated financial statements.

Sede Legale: Via Tortona, 25 - 20144 Milano - Capitale Sociale: Euro 10.328.220,00 i.v.
Codice Fiscale/Registro delle Imprese Milano n. 03049560166 - R.E.A. Milano n. 1720239
Partita IVA: IT 03049560166

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the SAES Getters Group as at December 31, 2015, and of its financial performance and 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.

Report on Other Legal and Regulatory Requirements

Opinion on the consistency of the report on operations and of certain information included in the report on corporate governance with the consolidated financial statements

We have performed the procedures indicated in the Auditing Standard (SA Italia) n° 720B in order to express, as required by law, an opinion on the consistency of the report on operations and of certain information included in the report on corporate governance required by art. 123-bis, n° 4, of Italian Legislative Decree n° 58/98, which are the responsibility of the Directors of SAES Getters S.p.A., with the consolidated financial statements of the SAES Getters Group as at December 31, 2015. In our opinion the report on operations and the information included in the report on corporate governance referred to above are consistent with the consolidated financial statements of the SAES Getters Group as at December 31, 2015.

DELOITTE & TOUCHE S.p.A.

Signed by
Carlo Laganà
Partner

Milan, Italy
March the 29th, 2016

This report has been translated into the English language solely for the convenience of international readers.

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

FINANCIAL HIGHLIGHTS OF SAES GETTERS S.p.A.

(thousands of euro)

Income statement data	2015	2014	Difference	Difference %
NET SALES				
- Industrial Applications	3.722	3.707	15	0,4%
- Shape Memory Alloys	4.162	2.742	1.420	51,8%
- Advanced Materials & Corporate Costs	604	492	112	22,8%
Total	**8.488**	**6.941**	**1.547**	**22,3%**
GROSS PROFIT (1)				
- Industrial Applications	1.484	1.131	353	31,2%
- Shape Memory Alloys	1.210	645	565	87,5%
- Business Development & Corporate Costs (2)	(352)	(355)	3	0,8%
Totale	**2.342**	**1.421**	**921**	**64,8%**
% on sales	27,6%	20,5%		
EBITDA (3)	**(14.512)**	**(11.742)**	(2.770)	-23,6%
% on sales	-171,0%	-169,2%		
OPERATING LOSS	**(17.043)**	**(14.475)**	**(2.568)**	-17,7%
% on sales	-200,8%	-208,5%		
NET INCOME	**5.859**	**1.477**	**4.382**	296,7%
% on sales	69,0%	21,3%		

Balance Sheet and Financial data	2015	2014	Difference	Difference %
Property, plant and equipment, net	14.343	15.122	(779)	-5,2%
Shareholders'equity	69.716	67.799	1.917	2,8%
Net financial position	(26.324)	(39.498)	13.174	33,4%

Other information	2015	2014	Difference	Difference %
Cash flow from operating activities	(11.224)	(13.166)	1.942	14,8%
Research & development expenses (3)	8.097	8.771	(674)	-7,7%
Number of employees as at 31 December (4)	213	210	3	1,4%
Personnel cost (5)	15.703	14.719	984	6,7%
Purchase of property, plant and equipment	1.334	1.519	(185)	-12,2%

(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) 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". Here below we show EBITDA calculation, starting from the Operating Profit

(thousands of euro)

	2015	2014
Operating income	(17.043)	(14.475)
Depreciation and amortisation	2.479	2.732
Write down of assets	52	0
Bad debt provision accrual	0	0
EBITDA	**(14.512)**	**(11.742)**
% on sales	*-171,0%*	*-169,2%*

(4) It includes staff employed with contracts different from employment and personnel of SAES Getters S.p.A. – Taiwan *Branch* and SAES Getters S.p.A. – Japan *Branch*.

(5) In 2014, non-recurring severance costs included in the personnel costs were equal to 50 thousand euro whereas the use of the redundancy fund (Cassa Integrazione Guadagni) brought to a benefit to the personnel costs equal to 165 thousand euro.

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 (SMA). 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 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

Net sales in fiscal year 2015 were of 8,488 thousand euro, increasing (+22,3%, net of the positive exchange rate effect +16,8%) mainly due to the significant sales growth in Shape Memory Alloys (SMA) Business Unit, particularly in industrial applications sector.

The ability to achieve economies of scale in this industry, besides the improvement of the product mix within the Industrial Applications Business Unit, resulted in an increase of the **gross profit** (amounting to 2,342 thousand euro in 2015 compared to 1,421 thousand euro in the previous fiscal year), as well as of the total **gross margin** (increased from 20,5% to 27,6% during the fiscal year).

In spite of the gross profit improvement, operating profit has been negatively affected by the increase of operating expenses, by the significant decline of revenues for royalties deriving from third parties and by a provision for legal disputes risks, amounting to 689 thousand euro (further details can be found at Note nr. 26).

In 2015, the Company has reported an **operating loss** of -17,043 thousand euro (compared to -14,475 thousand euro of the previous fiscal year)

The **EBITDA** of the fiscal year has been negative for -14,512 thousand euro, compared to a negative value of -11,742 thousand euro of 2014.
Excluding the above mentioned provision for legal disputes risks, in 2015 EBITDA adjusted would amount to -13,823 thousand euro.

Dividends, net financial income, net foreign exchange gains and write-downs of investments in subsidiaries were equal to 22,869 thousand euro in 2015, up from 14,975 thousand euro in the previous year, mainly due to higher dividends received by the subsidiaries (equal to 24,295 thousand euro in 2015 compared to 18,041 thousand euro in 2014).

Fiscal year 2015 closed with an **income before taxes** of 5,826 thousand euro, compared with 500 thousand euro of the previous fiscal year.

Income taxes registered a total positive balance (revenue) equal to 33 thousand euro in 2015 that includes a negative adjustment of 1,563 thousand euro, due to the recalculation of the deferred tax assets and liabilities of the Company, by applying the new IRES tax rate, equal to 24%, which will come into force starting from 2017; Further details can be found at Note nr. 11.

The **net income** for 2015 was 5,859 thousand euro, compared to a net income of 1,477 thousand euro in 2014.

Net financial position as of December 31, 2015 stood at net debt of -26,324 thousand euro, significantly improved if compared to net debt of -39,498 thousand euro as of December 31, 2014. Besides a better operating management, positive variance is due to higher dividends received from the controlled subsidiaries and to the financial revenues deriving from the capital reduction of some Asiatic controlled companies (further details can be found at the 2015 significant events section)

Here below the other significant events occurred in 2015.

On March 1, 2015 the Company bought from SAES Getters USA Inc. subsidiary the branch dedicated to the production and the development of "Inficon" and "MAP" vacuum pump, for an amount of 450,000 US Dollars.

On May 12, 2015 the process to reduce the share capital of the Chinese subsidiary SAES Getters (Nanjing) Co., Ltd. from 13.6 million USD to 6.6 million USD was finalized, resulting from the reduced required capitalization after the transformation of its activity from productive into a commercial one, completed in 2014. This transaction generated a non-recurring foreign exchange rate gain into the income statement of 1.9 million euro.

On May 27, 2015, as a consequence of the decrease below the threshold of 50% of the stake of S.G.G. Holding S.p.A. in SAES Getters S.p.A., the condition to maintain the tax consolidation program with S.G.G. Holding S.p.A. as consolidating company stopped to exist, as provided by the combined provisions of articles 117 and 120 of the Income Tax Code ("TUIR").
On September 30, 2015, the option to join a new tax consolidation program between SAES Getters S.p.A., SAES Advanced Technologies S.p.A., E.T.C. S.r.l. and SAES Nitinol S.r.l., with the Company as consolidator, was exercised, together with the submission of the tax return of Company. This new tax consolidation came into force starting from January 1, 2015.

On April 1, 2015 the Company signed a loan with EIB (European Investment Bank) worth 10 million euro to support R&D projects in the field of vacuum technologies, shape memory alloys (SMAs) and Organic Light Emitting Transistor (OLET) solutions. The transaction is supported by the new generation of financial instruments of "InnovFin - EU Finance for Innovators", dedicated to innovative and growing companies that make use of the financial support of the European Union under the project "Horizon 2020" (the European outline program for Research and Innovation, 2014-2020). The medium-term loan consists of two tranches of the same amount, one secured by SACE, has a five-year term and will be used to cover part of a research program for a total value of 45 million euro to be carried out in Italy, started in 2014 and that will end in 2017.
The loan provides for compliance with the standard financial covenants for this type of transactions, calculated every six months on the consolidated economic and financial figures.

On July 24, 2015 SAES Getters S.p.A. signed a new multi-tranche loan for a total value of 11 million euro. The contract provides for an amortizing type tranche, amounting to 8 million euro and with a duration of five years, the repayment of which is established in semiannual fixed principal amounts and interests indexed to the six months Euribor, plus a spread of 2.25%. The second tranche, worth 3 million euro, is a revolving one, with a duration of three years and its use based on the operational needs of the SAES Group. On September 25, 2015, SAES Getters S.p.A. signed an IRS (Interest Rate Swap) contract on the first tranche amortizing

with a notional value of 3.6 million euro expiring on July 31, 2020, that provides for the exchange of the six months Euribor with a fixed rate of 0.285%.
The loan provides for the activation of financial covenants that are standard for this type of transactions, calculated annually on consolidated economic and financial figures.

In November 2015 the share capital of the Korean subsidiary SAES Getters Korea Corporation was officially reduced from 10,497,900 thousand KRW, to 524,895 thousand KRW, by reducing the nominal share value from KRW 10,000 to KRW 500 (for a total number of 1,049,790 shares).
Such operation has generated a non-recurring foreign exchange rate gain in the income statement equal to 0,5 million euro.

On December 23, 2015 SAES Getters S.p.A. signed an agreement with the company Rodofil s.n.c., based in the province of Parma (Italy), that provided for the commitment by theCompany to buy, within the end of January 2016, the 49% of the company SAES RIAL Vacuum S.r.l. It established through the transfer by Rodofil of the 'Rial Vacuum' business (assets, trademark and customers list, as well as inventory and employed personnel), specialized in the design and manufacture of vacuum chambers for accelerators, synchrotrons and colliders, used in the major research laboratories worldwide.
On December 23, 2015 SAES Getters S.p.A. acquired the first tranche equal to 10% of the newco SAES RIAL Vacuum S.r.l., while the finalization of the acquisition of the further 39% was realized on January 19, 2016.
The total price of the 49% of the share capital is equal to approximately 1.6 million euro of which 0.3 million euro paid in cash during 2015 and 1.3 million euro paid in January 2016.
The signed contract includes some shareholders' agreements that govern the relationship between the parties enabling to qualify SAES RIAL Vacuum S.r.l. as a joint venture. They also include a put and call option among the shareholders, according to an agreed schedule. In particular, Rodofil will have the right to exercise a put option, by selling to SAES a minimum of 2% up to a maximum of 51% of its shares of SAES RIAL Vacuum S.r.l., through a one-off operation between May 1, 2020 and May 31, 2020, at a predetermined price related to the performance of the new company at the date of the sale; if Rodofil does not exercise its put option, SAES will have the right to exercise a call option through a one-off operation between June 1, 2020 and June 30, 2020, for a percentage equal to 30% of the share capital, at a price calculated with similar method.
The aim of the agreement is the creation of an Italian technological and manufacturing hub of the highest level, for the design and production of integrated vacuum components and systems for accelerators, for the research, as well as for industrial systems and devices. The joint venture will combine at the highest level the competences of SAES in the field of materials, vacuum applications and innovation, with the experience of Rial and Rodofil in the design, assembling and fine mechanical productions, with the aim of offering absolutely excellent quality products and successfully competing in the international markets.

Research, Development and Innovation activities

In 2015 research and development expenses amounted to 8,097 thousand euro, in decrease if compared to the previous fiscal year (-7.7%), as a result of an increased focus on projects portfolio, as long as a slight increase of cost sharing charges to the subsidiaries: strategic role of research is confirmed for SAES Getters SpA.

In 2015 the R&D laboratories were strongly committed in the scouting of new applications for the platform of Functional Polymer Composites (FPC); in particular, the activity was focused on the freezing definition of the specifications of the first product of the SAES Group for food packaging applications. At this purpose, some preliminary collaborations have been started, that should lead to the development of new active packaging solutions with the aim of controlling the internal atmosphere of the package to extend the shelf life of the food inside it. A special working group was created, by combining the resources of the laboratories with those of other departments, to run a positioning study in the production chain of the active packaging. This study has highlighted two alternative business models for the Company: the first one is to provide precursors materials, that means lacquers for the deposition of active films on the plastic materials (film coating) or compounds to be mixed with the plastic materials during their processing (extrusion or other processes); the second is to produce functionalized plastic materials.
The second business model, in line with the Group's new strategy to go downstream in the value chain, might be possible through a partnership with an already consolidated manufacturer. In this direction, a collaboration with an Italian company leader in the sector has been started, the results of which are expected in the first half of 2016.

Always in the field of Functional Polymer Composites it is worth noting the launch of a test of a solution for the control of the evolution of carbon dioxide (CO2) in lithium batteries at the world's leading manufacturer of Li-Ion batteries for auto-traction, whose first results should be available within the first months of 2016.
A positive result in such tests would pose SAES in a privileged position to design with the customer the optimal solution to the problems of security and stability of this type of batteries, with extremely interesting business prospects

Intense were also the activities of the Vacuum Systems development laboratory that, in the wake of the great success arisen by the presentation to the market of the new High Vacuum pump at the end of 2014, continued the development of the first two models already on sale in the market. Also thanks to the support of this laboratory, it was possible to finalize a supply contract for an important particle accelerator of over 100 different models of NEXTorr® pumps.

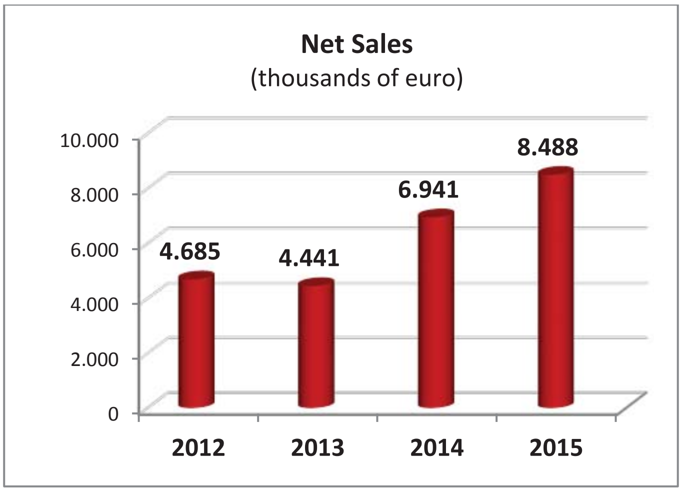
The activities of the Getters & Dispensers development laboratory have focused in particular on the development of solutions both of gettering and dispensing within the new LED generation.

The laboratory of the Company has continued, with success, the activities of basic research in the field of Shape Memory Alloys regarding new formulations of alloys and the improvement of existing production processes, to support applications in both the medical and the industrial segments.
During 2015, thanks to the excellent work done by the laboratory, it was possible to introduce a new range of clean melt materials in the market that, thanks to a major review of the transformation process and a strict control of the production process parameters, ensures doubled shelf lives compared to standard materials. The new SMA wires had a major commercial success and have been qualified by a major customer operating in the mobile phone business. The research activities also focused on the development of new formulations that allow to raise the transformation temperature of the alloys up to about 200°C. A material able to operate at temperatures significantly higher than the current ones (the current limit is around 100°C) would open the way to new applications in the automotive field. The first results of this very important project should be visible in the first half of 2016 and the introduction of this new material would place SAES in a technological and commercial strength position of absolute importance.

Please note that all basic research expenses incurred by the Company 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 2015

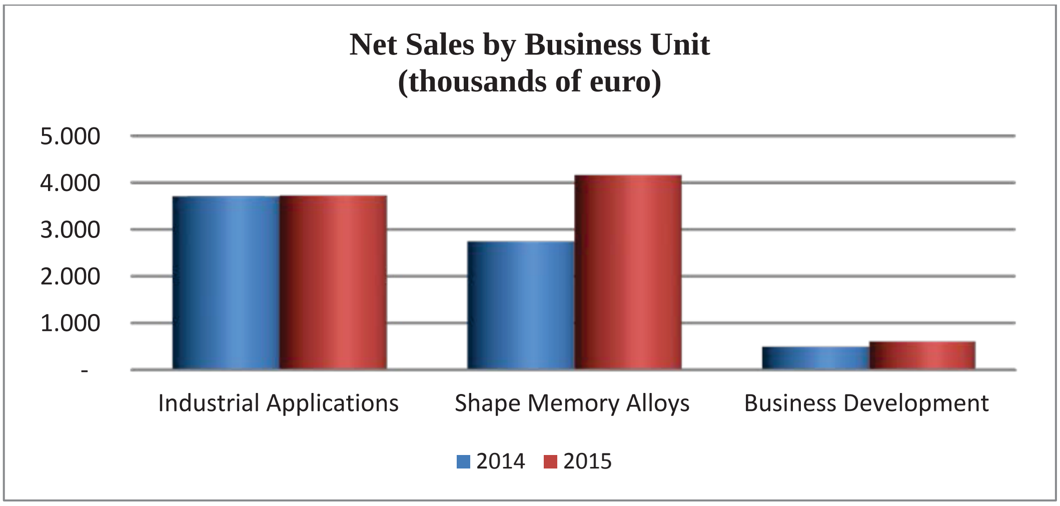
In 2015 **Net Sales** were of 8.488 thousand euro, increasing (+22,3%) from 6,941 thousand euro reported in 2014. Excluding exchange rate effect, positive for +5,5% and almost completely due to the US dollar appreciation against euro, the organic growth has been of +16,8%, mainly determined by the significant improvement of sales in shape memory alloys (SMA) field for industrial applications



The following table contains a breakdown of net sales in 2015 and 2014 by business segment, along with the percent variance at current and comparable exchange rates:

(thousands of euro)

Business Unit and Business	2015	2014	Difference	Difference %	Exchange rate effect	Price / quantity effect
Electronic & Photonic devices	48	44	4	9,1%	6,3%	2,8%
Sensors & Detectors	2.943	2.164	779	36,0%	9,3%	26,7%
Light Sources	0	4	(4)	-100,0%	0,0%	-100,0%
Vacuum Systems	375	754	(379)	-50,3%	4,9%	-55,2%
Thermal Insulation	83	134	(51)	-38,1%	4,8%	-42,9%
Pure gas Handling	273	607	(334)	-55,0%	0,0%	-55,0%
Subtotale Industrial Applications	**3.722**	**3.707**	**15**	**0,4%**	**8,0%**	**-7,6%**
SMA Medical Applications	6	0	6	600,0%		600,0%
SMA Industrial Applications	4.155	2.742	1.413	51,5%	2,1%	49,4%
Subtotale Shape Memory Alloys	**4.161**	**2.742**	**1.419**	**51,8%**	**2,1%**	**49,6%**
Business Development	**605**	**492**	**113**	**23,0%**	**16,5%**	**6,5%**
Total Net Sales	**8.488**	**6.941**	**1.547**	**22,3%**	**5,5%**	**16,8%**

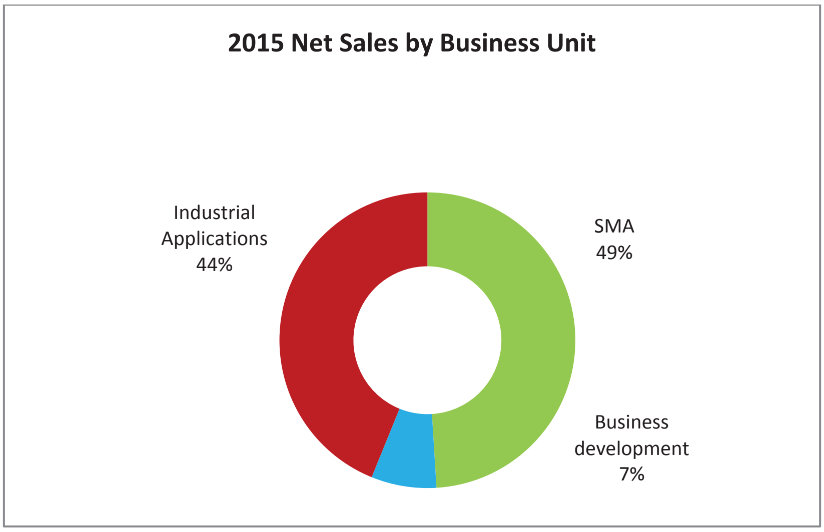


Revenues of the **Industrial Applications Business Unit** were of 3,722 thousand euro, aligned (+0,4%) to the previous year. Exchange rate effect has been positive and equal to +8%. Positive trend of Sensors & Detectors business, whose organic growth (+26.7%) is mainly due to the increased sales of a thin getter film that can be deposited directly on silicon slices used for the production of sensors for MEMS Market (PageWafer® technology) has balanced the reduction recorded in the other sectors, mainly in Vacuum Systems business and in the support after-sale services linked to the Pure Gas Handling technologies.

Revenues of the **Shape Memory Alloys Business Unit** were equal to 4,161 thousand euro, significantly increased (+51,8%, positive exchange rate effect +2.1% included) 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 605 thousand euro, up by 492 thousand euro compared to the previous year. Sales increase is almost fully due to OLED technology products – anyway still continuing at start up level due to the delay in the commercial development of OLED based TV technology.

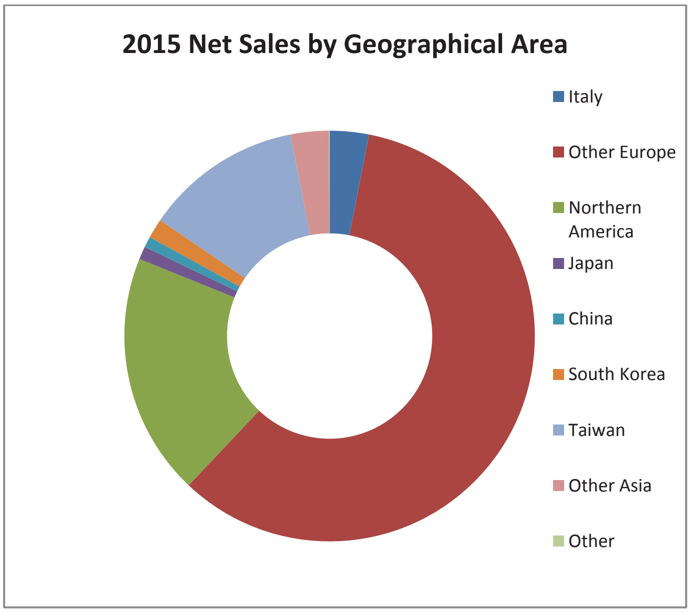
The following table shows the percentage of sales by Business Unit: strong increase in sales of Shape Memory Alloys Business Unit has determined that the incidence rate of this segment has exceeded the one of the Industrial Applications Business Unit



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

(thousands of euro)

Geographical Area	2015	%	2014	%	Difference	Difference %
Italy	**262**	3,1%	441	6,4%	(179)	-40,6%
Other EU and Europe	**5.005**	59,0%	3.770	54,3%	1.235	32,8%
North America	**1.619**	19,1%	1.431	20,6%	188	13,1%
Japan	**87**	1,0%	127	1,8%	(40)	-31,5%
P. R. of China	**72**	0,8%	66	1,0%	6	9,1%
South Korea	**131**	1,5%	63	0,9%	68	107,9%
Taiwan	**1.053**	12,4%	490	7,1%	563	114,9%
Other Asian	**255**	3,0%	549	7,9%	(294)	-53,6%
Other	**4**	0,0%	4	0,1%	0	0,0%
Total Net Sales	**8.488**	**100,0%**	**6.941**	**100,0%**	**1.547**	**22,3%**



The following table shows the gross profit by Business Unit in 2015 and 2014:

(thousands of euro)

Business Unit	2015	2014	Difference	Difference %
Industrial Applications	1.484	1.131	353	31,2%
Shape Memory Alloys	1.210	645	565	87,5%
Business Development & Corporate Costs	(352)	(355)	3	0,8%
Gross profit	**2.342**	**1.421**	**921**	**64,8%**

Gross profit was positive and equal to 2,342 thousand euro in 2015 compared to 1,421 thousand euro in 2014, thanks both to the positive impact of currency trends and to the improvement in the product mix.
We highlight how the industrial gross margin has increased from 20.5% to 27.6% during 2015

In the **Industrial Applications Business Unit**, the greater relative weight of the Sensors & Detectors business, characterized by products which are more profitable than other sectors of the Business Unit, has led to an increase in average margins (39.9% vs. 30.5%).

In the **Shape Memory Alloys Business Unit**, the significant sales growth has allowed the realization of positive economies of scale , with a gross profit almost doubled (1,210 thousand euro, compared to 645 in 2014) and gross margin increased from 23.5% to 29.1%.
The result of the **Business Development Business Unit** remained almost stable, recording a gross operating loss of -352 thousand euro: this data is consistent with the activities of this business, characterized by development projects and pilot production lines, with frequent interaction with research

The following table shows the operating income by Business Unit in 2015 and 2014:

(thousands of euro)

Business Unit	2015	2014	Difference	Difference %
Industrial Applications	(2.703)	(2.260)	(443)	-19,6%
Shape Memory Alloys	(438)	(924)	486	52,6%
Business Development & Corporate Costs	(13.902)	(11.291)	(2.611)	-23,1%
Operating Income (Loss)	**(17.043)**	**(14.475)**	**(2.568)**	**-17,7%**

The **operating loss** for 2015 was equal to -17,043 thousand euro, recording a decrease versus -14 475 thousand euro in 2014.

Despite the aforementioned improvement in gross profit, operating income was negatively impacted by higher operating expenses, by the significant reduction of royalty income from third parties, and finally by a provision for risks lawsuits (689 thousand euro) , made during the year 2015 (and for which further details please refer to Note no. 26).

The **research and development expenses** amounted in 2015 to 8,097 thousand euro, decreasing compared to the previous year (-7.7 %) as a result of a greater focus on the projects portfolio, as well as a slight increase in charge-backs to subsidiaries.
Both **selling and marketing expenses** and, to a greater extent, **general and administrative expenses** showed an increase, particularly concerning personnel cost - mainly as a result of wage increases aimed at the recovery of inflation - and the cost of the administrative bodies. Both items are relevantly impacted by higher accruals for the variable components of salaries and fees, estimated in growth, in line with the trend of economic performance.

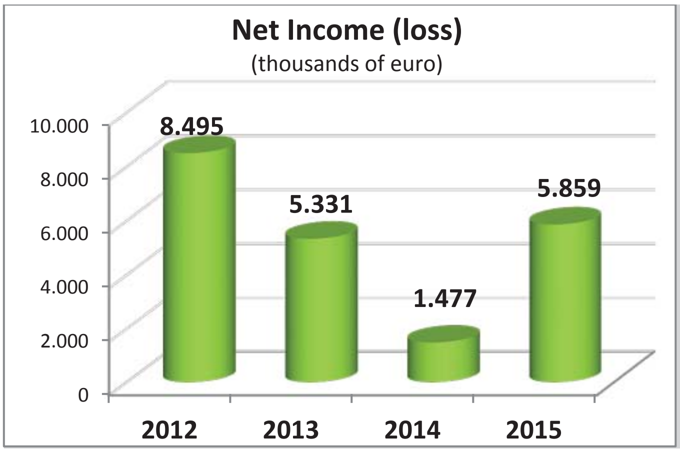
Dividends, net financial income, net foreign exchange gains and write-downs of investments in subsidiaries totally amounted to 22,869 thousand euro in 2015, showing an increase compared to 14,975 thousand euro in the previous year, mainly due to higher dividends collected by the subsidiaries (equal to 24,295 thousand euro in 2015 compared with 18,041 thousand euro in 2014).

The year 2015 closes therefore with a pre -tax profit of 5,826 thousand euro, compared with 500 thousand euro last year.

The **taxes** for the year of 2015 recorded a total surplus of 33 thousand euro, which compares with a total positive balance of 977 thousand euro in 2014.
The figure for 2015 includes a negative adjustment of 1,563 thousand euro, related to the restatement of deferred tax assets accrued by the Italian companies of the SAES Group, using the new corporate income tax IRES) rate of 24%, that will come into effect from 2017.
It is finally worth mentioning that income taxes were penalized by a provision against tax risk equal to 500 thousand euro in 2014, made by the Parent Company and related to the assessment on the 2005 Company's tax return.
We lastly highlight that the Company, according to the current Group organizational structure, has prudentially decided to suspend, as well as other Italian subsidiaries participating to the National Tax Group

Consolidation, the recognition of deferred tax assets on tax losses recorded in 2015, in line with what already happened in 2014. Please refer to Note no. 11 for more details.

Net Income (loss) is shown in the following chart:



Net Income for year 2015 was equal to 5,859 thousands of euro, compared to 1,477 thousands of euro in 2014. This increase is mainly due to higher dividends received from the subsidiaries compared with the previous year, more than compensating the variance in operating loss.

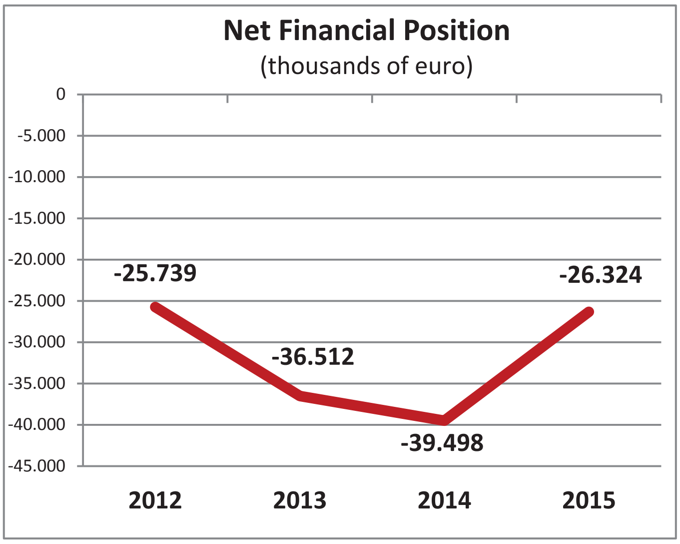
Net Financial Position – Investments – Other information

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

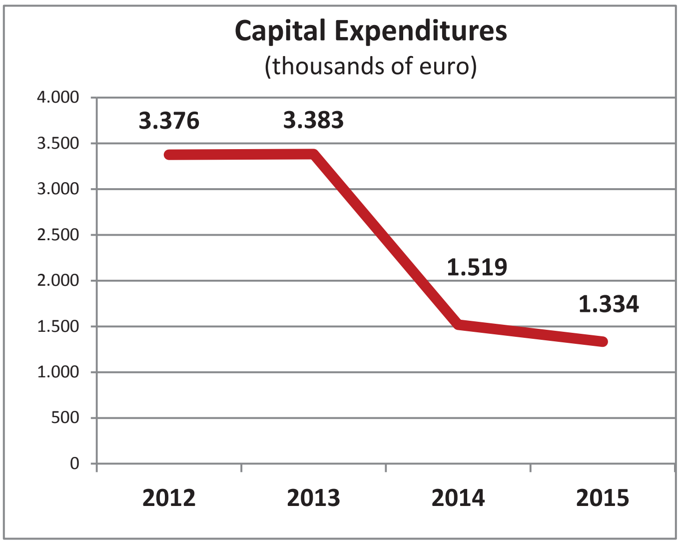
(thousands of euro)

	December 31 2015	December 31 2014	Difference
Cash on hand	8	5	3
Cash equivalents	3.392	315	3.077
Total cash and cash equivalents	**3.400**	**320**	**3.080**
Current financial assets*	**8.771**	**10.063**	**(1.292)**
Bank overdraft	(5.009)	(30.719)	25.710
Current portion of long term debt	(4.944)	(1.404)	(3.540)
Other current financial liabilities*	(9.908)	(12.165)	2.257
Other financial debt	(1.293)	(28)	(1.265)
Total current liabilities	**(21.154)**	**(44.316)**	**23.162**
Current net financial positions	**(8.983)**	**(33.933)**	**24.950**
Long term debt, net of current portion	(17.341)	(5.565)	(11.776)
Total non current liabilities	**(17.341)**	**(5.565)**	**(11.776)**
Net financial position	**(26.324)**	**(39.498)**	**13.174**

* current financial payables to and receivables from Group companies (including Actuator Solutions GmbH)

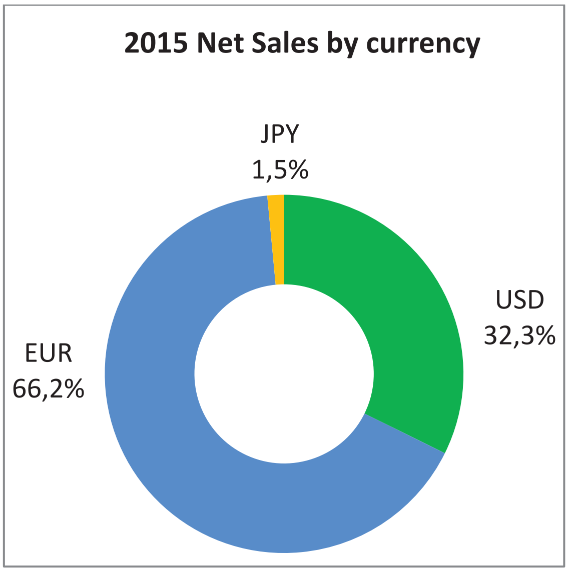


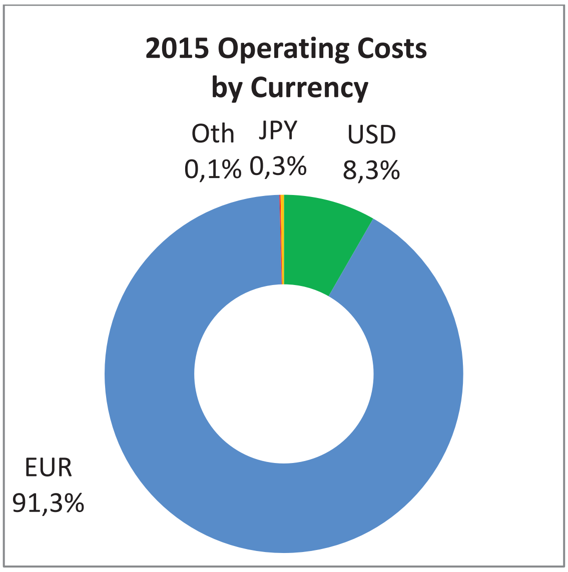
Net Financial position showed a negative amount of -26,324 thousand euro, as a result of cash and cash equivalents of 3,400 thousand euro and net financial liabilities of -29,724 thousand euro as of December 31, 2015 compared to net debt of -39.498 thousand euro as of December 31, 2014. The improvement compared to last year, beside the contribution of the operational management, is due to the increase in dividends received from the subsidiaries as well as financial income deriving from the share capital reduction of some subsidiaries (please, refer to the previous paragraph "Report on operations" for further details)



In 2015 increases in **property, plant and equipment** came to 1,334 thousand euro, in line with the total amount of 2014 of 1.519 thousand euro

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. Transactions 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
We highlight that on September 30, 2015, the option to join a new tax consolidation program between SAES Getters S.p.A., SAES Advanced Technologies S.p.A., E.T.C. S.r.l. and SAES Nitinol S.r.l., with the Parent Company as consolidator, was exercised. This new tax consolidation has been valid starting from January 1, 2015.

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 and revenue for the use of SAES brand and royalties for the licensing of the *PageLid®* and *PageWafer®* 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, including Audit costs and patent management.

SAES SMART MATERIALS, Inc., New York, NY (USA)
Revenues deriving from charge-back of centrally managed insurance costs; revenues on charge-back of centralized group services, including patent management.

SPECTRA-MAT. INC., Watsonville, CA (USA)
Revenues on charge-back of centralized group services; charge-back of centrally managed insurance and audit 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 2015, the Company ***has been*** renewed the mandate conferred 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, including management of patents. 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. We highlight that on September 30, 2015, the option to join a new tax consolidation program between SAES Getters S.p.A., SAES Advanced Technologies S.p.A., E.T.C. S.r.l. and SAES Nitinol S.r.l., with the Parent Company as consolidator, was exercised. This new tax consolidation has been valid starting from January 1, 2015.

SAES Nitinol S.r.l. – Lainate (Italy)
An interest-bearing cash-pooling agreement is existing with the Company. We highlight that on September 30, 2015, the option to join a new tax consolidation program between SAES Getters S.p.A., SAES Advanced Technologies S.p.A., E.T.C. S.r.l. and SAES Nitinol S.r.l., with the Parent Company as consolidator, was exercised. This new tax consolidation has been valid starting from January 1, 2015.

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 2015 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 2015	Payables 2015	Revenues 2015	Expenses 2015	Memorandum accounts 2015 *
SAES Advanced Technologies S.p.A.	1.723	144	3.607	426	0
SAES Getters USA, Inc.	413	28	1.735	189	4.000
SAES Getters America, Inc.	0	0	0	0	0
SAES Pure Gas, Inc.	932	16	1.092	133	0
SAES Smart Materials, Inc.	58	95	68	324	0
Spectra-Mat, Inc.	59	0	63	0	0
Memry Corporation	16	56	72	649	10.104
SAES Getters Korea Corporation	22	0	143	187	0
SAES Getters (Nanjing) Co.Ltd.	47	0	102	2	0
Memry GmbH	0	0	192	0	0
SAES Getters International S.A.	0	0	171	71	0
E.T.C. S.r.l.	1.593	0	1.308	1	7
SAES Nitinol S.r.l.	0	0	228	0	0
Actuator Solutions GmbH	233	0	0	0	2.531
Total	**5.096**	**339**	**8.781**	**1.982**	**16.642**

*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 6,943,047 ordinary shares, representing 47.324% 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 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 2015, no transactions were undertaken involving the purchase or sale of shares of the controlling company.

On May 27, 2015, following the decrease of the stake of S.G.G. Holding S.p.A. in SAES Getters S.p.A. below the threshold of 50%, the prerequisite to access to the tax consolidation program with S.G.G. Holding S.p.A. as consolidating company ended, as envisaged by the combined provisions of articles 117 and 120 of the Income Tax Code ("TUIR").

Debit/credit positions to S.G.G. Holding S.p.A. coming from the national fiscal consolidation have been completely settled during 2015.

- **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.
- **Actuator Solutions Taiwan Co., Ltd.**, a company based in Taiwan, wholly owned by the joint venture Actuator Solutions GmbH, aimed at the development and marketing of SMA devices for image focus and stabilization of tablet and smartphone cameras. The economics and financial transactions include income

from the sale of semi-finished goods; an agreement for charge-back of commercial services, research, development and administrative costs is in place.
- **SAES RIAL Vacuum S.r.l.**, a joint venture between SAES Getters S.p.A. and Rodofil snc, established at the end of 2015 with the aim of creating an Italian technological and manufacturing center of absolute level in the design and production of components and integrated vacuum systems for accelerators, in the research and industrial systems and devices, combining at the maximum level SAES expertise in the field of materials, of vacuum and innovation with Rodofil experience in designing, assembly and thin machining.

- **Dr. Michele Muccini**, shareholder of SAES Getters S.p.A. in E.T.C. S.r.l., with a percentage of share capital of 4%. In particular, we highlight that, until December 31, 2015, SAES Getters S.p.A. has fully repaid E.T.C. S.r.l. losses also on behalf of Dr. Muccini, maintaining unchanged his percentage of ownership. The capital contribution made by the Parent company on behalf of Dr. Muccini on March 11, 2015 was equal to about 62 thousand euro .

- **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, the Corporate Research Manager[1] 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 2015 and 2014:

(thousands of euro)

December 31, 2015	Net sales	Research and development expenses (*)	Selling expenses (*)	General and administrative expenses (*)	General and administrative expenses	Financial Income (expenses)	Trade receivables	Trade payable	Tax consolidation receivables from Controlling Company	Tax consolidation payables from Controlling Company
S.G.G. Holding S.p.A.										
Actuator Solutions GmbH	1.275	153	172	28			233			
Actuator Solutions Taiwan Co., Ltd.					3			3		
Total	**1.275**	**153**	**172**	**28**	**3**		**233**	**3**		

(*) costs recovery

(thousands of euro)

December 31, 2014	Net sales	Research and development expenses (*)	Selling expenses (*)	General and administrative expenses (*)	General and administrative expenses	Financial Income (expenses)	Trade receivables	Trade payable	Tax consolidation receivables from Controlling Company	Tax consolidation payables from Controlling Company
S.G.G. Holding S.p.A.									2.284	
Actuator Solutions GmbH	915	323	127	28			187			
Actuator Solutions Taiwan Co., Ltd.					(12)			(12)		
Total	**915**	**323**	**127**	**28**	**(12)**		**187**	**(12)**	**2.284**	

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

(thousands of euro)	2015	2014
Short term employee benefits	3.102	2.403
Post employment benefits	0	0
Other long term benefits	490	156
Termination benefits	503	23
Payments in shares	0	0
Other benefits	0	0
Total remuneration provided to managers with strategic responsibilities	**4.095**	**2.582**

On December 31, 2015 the amounts payable to Managers with strategic responsibilities as defined above displayed in the financial statement, was of 3,085 thousand euro, to be compared to a payable of 1,982 thousand euro as at December 31, 2014.
According to Consob notices of February 20, 1997 and February 28, 1998 and IAS 24 revised, we highlight that also in 2015 all related party transactions were performed within the Company's ordinary operations and at arm's-length conditions

[1]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 January 4, 2016 a new contract for forward sale of euros was entered into, in order to limit the currency risk 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 Company.
Such contract has a notional value of 550 thousand euro, will expire on January 27, 2016 and provides for a forward exchange rate equal to 1,304.00 against the euro.

On January 12, 2016 the Company granted a 49 thousand euro loan to the joint venture SAES RIAL Vacuum S.r.l., in order to financially support the newly established Company's operations. Such loan, which did not involve any predefined expiration date, but, according to the contract, allows for a flexible reimbursement upon formal request of the Company, will earn an interest indexed to the three months Euribor rate, plus a spread of 2.50%, to be paid by the joint venture on an annual basis.

In order to protect the results and the profitability from the fluctuation of the exchange rates, on January 18, 2016 and soon thereafter, on February 29, 2016, some contracts for the forward sale of Japanese yen were entered into, for a total notional value of 340 million JPY; such contracts provide for an average forward exchange rate equal to JPY 126.5850 against the euro and will be in force for the entire 2016. Similar contracts, for a notional value of 12.5 million USD, were entered into on February 18, 2016, with an average forward exchange rate equal to 1.1198 against the euro. Also these contracts will be in force for the entire 2016.

On January 19, 2016, as envisaged by the contract signed on December 23, 2015 with Rodofil s.n.c., the Company acquired a further 39% of the joint venture SAES RIAL Vacuum S.r.l., for a pre-determined price equal to 1.3 million euro. The total investment of the Company in the joint venture is currently equal to 49% of its share capital.

On February 26, 2016 the Company acquired the remaining 4% of the share capital of E.T.C. S.r.l. from the minority shareholder, for a consideration of 249 thousand euro.
Following such acquisition, SAES Getters S.p.A. is now the sole shareholder of E.T.C. S.r.l.

On March 3, 2016 the Extraordinary Shareholders' Meeting of the Company approved the amendment to art. 11 of the Company's By-laws, with the introduction of the increase of the voting right and the assignment of two votes for each ordinary share of the Company held for a period of at least 24 months on a continuous basis, according to law no. 116, dated August 11, 2014, and of art. 127-*quinquies* of the TUF. This increase is not extended to the holders of savings shares, as they do not have any voting right, or the right to attend the shareholders' meetings.
The introduction of the increase of the voting right will help to support the Company's growth by encouraging the medium-long term investment in the share capital of the Company and thus the stability of the shareholding structure, which has always been a strength and it is in line with the mid-long term interests of SAES Group.

On March 14, 2016 the Company approved a contribution of 130 thousand euro in favor of E.T.C. S.r.l., equal to the difference between the loss incurred in 2015 (-1,580 thousand euro[2]) and the estimated one for the same period at the beginning of the year and already covered by the Company on March 11, 2015 (-1,450 thousand euro). Simultaneously, the Company approved a further capital contribution in favor of E.T.C. S.r.l., equal to 1,420 thousand euro, to cover the expected losses of 2016.

On March 14, 2016 the Company approved a contribution equal to 30 thousand euro in favor of SAES Nitinol S.r.l. to cover the loss incurred by it in 2015 and to reconstitute its integrally eroded share capital. Simultaneously, the Company approved a further capital contribution in favor of SAES Nitinol S.r.l., equal to 140 thousand, to cover its possible future losses.

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 2015, 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, 2015, 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, 2015, which report a net income of 5,859,493.93 euro;

- to entirely distribute the net income of the year, for a total amount of 5,859,493.93 euro, subject to rounding, and therefore attributing to the satisfaction of the rights of the savings shares and of the

[2] Resulting from the Financial Statements prepared according to the National Accounting Principles.

ordinary shares, pursuant to Article 26 of the By-laws: (i) a dividend of 0.276799 euro per savings share, that includes the preferred dividend of 0.138549 euro for the year 2015, and (ii) a dividend of 0.260173 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 2,642,181.64 euro, in equal measure to the ordinary shares and savings shares, giving a dividend of 0.119827 euro per savings share and per ordinary share;

				euro
Net income for the period				**5.859.493,93**
(Net exchange gains - unrealised and undistributable)				0,00
Distributable Net income				**5.859.493,93**
From distributable Net income:				
To savings shares only, pursuant to art. 26 of the By-laws				
- euro		0,276799	(including the increase of euro 0,016626 and of euro 0,138549 as full recognition of preferred dividend for the year 2015) for each	
	n.	7.378.619	savings shares	2.042.394,36
To ordinary shares only pursuant to art. 26 of the By-laws				
- euro		0,260173	for each	
	n.	14.671.350	ordinary shares	3.817.089,14
- euro			roundings	10,43
				5.859.493,93
From Retained earnings:				
in equal measure to ordinary shares and savings shares				
- euro		0,119827	for each	
	n.	7.378.619	savings shares	884.157,78
- euro		0,119827	for each	
	n.	14.671.350	ordinary shares	1.758.023,86
				2.642.181,64
For a total dividend of:				
- euro		0,396626	for each	
	n.	7.378.619	savings shares	2.926.552,14
- euro		0,380000	for each	
	n.	14.671.350	ordinary shares	5.575.113,00
For a total maximum distribution of euro:				**8.501.665,14**

- to pay such amounts in favor of the entitled ordinary shares and savings shares that will be outstanding at the date of May 3, 2016 (Record date) with effect from May 4, 2016, with the detachment of the coupon no. 32; the share will trade ex-dividend starting from May 2, 2016;

- 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 14, 2016

per the Board of Directors

Dr Eng. Massimo della Porta
Chairman

Separate financial statements of the SAES Getters S.p.A. for the year ended December 31, 2015

Statement of Profit and Loss

(euro)	Notes	2015	2014
Third party net sales		6.905.654	5.942.404
Intercompany net sales		1.582.585	999.067
Total net sales	4	**8.488.239**	**6.941.471**
Third party cost of sales		(4.733.379)	(4.263.710)
Intercompany cost of sales		(1.413.344)	(1.256.276)
Total cost of sales	5	(6.146.723)	(5.519.986)
Gross profit		**2.341.516**	**1.421.485**
Research & development expenses	6	(8.097.034)	(8.770.991)
Selling expenses	6	(4.658.574)	(4.308.292)
General & administrative expenses	6	(12.757.644)	(10.169.277)
Total operating expenses		**(25.513.252)**	**(23.248.560)**
Royalties third party		902.330	1.842.736
Royalties Intercompany		1.565.193	1.382.193
Other third party income (expenses), net		(885.822)	(46.791)
Other intercompany income (expenses), net		4.547.183	4.174.399
Total other income (expenses), net	7	**6.128.884**	**7.352.537**
Operating income (loss)		**(17.042.852)**	**(14.474.538)**
Dividends	8	24.295.297	18.040.529
Third party financial income		33.529	1.121
Intercompany financial income		299.446	376.571
Total financial income	8	332.975	377.692
Third party financial expenses		(1.124.219)	(1.251.215)
Intercompany financial expenses		(222.787)	(267.296)
Total financial expenses	8	(1.347.006)	(1.518.511)
Foreign exchange gains (losses), net	9	1.173.001	73.215
Write down of intercompany investments	10	(1.585.233)	(1.998.128)
Income before taxes		**5.826.182**	**500.259**
Income taxes	11	33.312	976.986
Current taxes		1.274.936	1.025.031
Deferred taxes		(1.241.624)	(48.045)
Net income (loss) from continuing operations		**5.859.494**	**1.477.245**
Net income (loss) from discontinuing operations		0	0
Net income (loss)		**5.859.494**	**1.477.245**

Statement of comprehensive income

(euro)	Notes	2015	2014
Net income (loss) for the period		**5.859.494**	**1.477.245**
Income (loss) from transactions with Group Companies	23	(419.933)	0
Actuarial gain (loss) on defined benefit plans	25	(31.425)	(65.850)
Income tax		(14.450)	18.109
Actuarial gain (loss) on defined benefit plans, net of taxes		(45.875)	(47.741)
Total components that will not be reclassified to the profit (loss) in subsequent periods		**(465.808)**	**(47.741)**
Other comprehensive income (loss), net of taxes		**(465.808)**	**(47.741)**
Total comprehensive income (loss), net of taxes		**5.393.686**	**1.429.504**

Statement of financial position

(euro)	Notes	December 31 2015	December 31 2014
ASSETS			
Non Current Assets			
Property, plant and equipment, net	12	14.342.745	15.122.451
Intangible assets, net	13	555.012	958.107
Investments and other financial activities	14	68.015.584	74.241.997
Non current tax consolidation receivables	20	0	287.765
Deferred tax assets	15	11.448.464	12.704.538
Other long term assets	16	49.247	540.491
Total Non Current Assets		**94.411.052**	**103.855.349**
Current Assets			
Inventory	17	1.006.761	695.458
Third party trade receivables		1.378.519	1.509.157
Intercompany trade receivables		4.863.054	4.447.743
Trade receivables	18	6.241.573	5.956.900
Derivative instruments evalutated at fair value	31	0	1.890
Intercompany financial credits	19	8.770.851	10.063.378
Tax consolidation receivables	20	2.585.056	1.996.408
Prepaid expenses, accrued income and other	21	6.063.398	6.077.788
Cash and cash equivalents	22	3.399.569	319.662
Total Current Assets		**28.067.208**	**25.111.484**
Total Assets		**122.478.260**	**128.966.833**

(euro)	Notes	December 31 2015	December 31 2014
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		8.072.920	10.538.156
Net income (loss) for the period		5.859.494	1.477.245
Shareholders' Equity	23	**69.716.354**	**67.799.341**
Non Current Liabilities			
Non current financial liabilities	24	17.341.343	5.564.600
Staff leaving indemnity and other employee benefits	25	4.597.422	4.216.166
Total Non Current Liabilities		**21.938.765**	**9.780.766**
Current Liabilities			
Third party trade payables		2.912.540	2.225.611
Intercompany trade payables		338.238	388.097
Trade payables	27	3.250.778	2.613.708
Derivative instruments evalutated at fair value	31	21.767	
Intercompany financial payables	28	9.886.462	12.167.203
Other payables	30	4.058.138	3.481.000
Payables for income taxes	32	418.724	
Current provisions	26	1.941.546	973.552
Bank overdraft	33	5.008.897	30.718.798
Current portion of long term debt	24	4.944.312	1.403.879
Other Financial Debts	29	1.292.517	28.586
Total Current Liabilities		**30.823.141**	**51.386.726**
Total Liabilities and Shareholders' Equity		**122.478.260**	**128.966.833**

Cash Flow Statement

(euro)		2015		2014
Cash flows provided from operating activities				
Net income from continuing operations		5.859.494		1.477.245
Net income from discontinuing operations		0		0
Current income taxes		(1.274.936)		(1.025.031)
Change in deferred income taxes		1.241.624		48.045
Depreciation of property, plant and equipment		2.064.915		2.340.387
Amortization of intangible assets		414.168		392.089
Capital gains (losses) on sales of intangible assets		(34.691)		5.235
Write down of assets		52.226		0
Income (Cost) from investments		(22.710.064)		(16.042.401)
Financial revenues (expenses), net		(158.970)		1.067.604
Accrual for termination indemnities		693.726		390.219
Accrual (utilization) for risk and contingencies, net		941.471		260.836
		(12.911.037)		**(11.085.772)**
Change in operating assets and liabilities				
Cash increase (decrease) in :				
Account receivables and other receivables	220.961		(2.202.883)	
Inventory	(311.303)		(70.364)	
Trade account payables	637.070		(259.293)	
Other current payables	954.161		(231.977)	
		1.500.889		**(2.764.517)**
Payments of termination indemnities and similar obligations		(30.748)		(63.268)
Payments of debit interest and other financial expenses		(825.700)		(974.642)
Interest and other financial receipts		47		613
Income taxes received (paid)		1.042.955		1.830.151
Cash flows from operating activities		**(11.223.594)**		**(13.057.435)**
Cash flows used by investing activities				
Purchase of property, plant and equipment		(1.334.000)		(1.519.447)
Proceeds from sales of property, plant and equipment		37.399		1.604
Dividends received net of witholding tax		23.400.532		17.587.349
Purchase of intangible assets		(459.473)		(4.000)
Capital contributions to subisdiaries		6.033.871		(2.422.511)
Decrease (increase) of current financial assets		23.657		(1.890)
Cash flows from investing activities		**27.701.986**		**13.641.105**
Cash flows used by financing activities				
Proceeds from / (repayments of) short term financial debts		(23.715.673)		(2.823.900)
Proceeds from long term financial debts		17.513.472		7.000.000
Proceeds from short term financial debts		(2.400.000)		
Proceeds from / (repayments of) Intercompany financial debts		(988.214)		(1.694.595)
Interest paid on loans		(311.000)		
Dividends paid		(3.476.674)		(3.430.172)
Purchase of treasury shares		0		0
Repayments of financial debts		(20.396)		(8.195)
Cash flow from financing activities		**(13.398.485)**		**(956.862)**
Exchange gains (losses) from balances conversion into foreign currencies		0		0
Increase (decrease) in cash equivalents, net		3.079.907		(373.192)
Cash and equivalents at the beginning of the period		319.662		692.854
Cash and cash equivalent, net, at the end of the period		**3.399.569**		**319.662**

Statement of changes in the shareholders' equity as at December 31, 2015

(thousands of euro)

	Capital stock	Share issue premium	Treasury shares	Legal reserve	Sundry reserves and retained earnings					Net income (loss) for the period	Total shareholders' equity
					Reserve for treasury shares	Cash flow hedge reserve	Revaluation reserve	Other	Total		
Balance at December 31, 2014	**12.220**	**41.120**	**0**	**2.444**	**0**	**0**	**1.727**	**8.811**	**10.538**	**1.477**	**67.799**
Appropriation of 2013 result								1477	1477	(1477)	0
Dividends paid								(3.476)	(3.476)		(3.476)
Revocation of treasury shares									0		0
Income (loss) from transactions with Group companies								(420)	(420)		(420)
Net income for the period									0	5.859	5.859
Other comprehensive income (loss)								(46)	(46)		(46)
Balance at December 31, 2015	**12.220**	**41.120**	**0**	**2.444**	**0**	**0**	**1.727**	**6.346**	**8.073**	**5.859**	**69.716**

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

Summary of main data of subsidiaries' Financial Statements as of December 31,2015

	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	15.803	1.290.953	4.973	0
Intangible assets, net	0	16.078	0	0
Other non current assets	648	63.105.057	175.523	31.824
Current assets	12.275	11.499.091	3.045.514	5.559
Total Assets	**28.726**	**75.911.179**	**3.226.010**	**37.383**
Shareholders' equity	18.783	28.107.120	2.991.372	37.362
Non current liabilities	2.130	1.688.085	0	0
Current liabilities	7.814	46.115.974	234.638	21
Total Liabilities and Shareholders' Equity	**28.726**	**75.911.179**	**3.226.010**	**37.383**

	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	**33.676**	**13.831.248**	**1.189.829**	**0**
Cost of sales	(16.959)	(8.585.342)	(911.424)	0
Gross profit	**16.717**	**5.245.907**	**278.405**	**0**
Research & development expenses	(600)	(92.628)	0	0
Selling expenses	(710)	(1.799.897)	(190.056)	0
General &administrative expenses	(2.480)	(448.238)	(515.293)	(56)
Total operating expenses	(3.790)	(2.340.763)	(705.349)	(56)
Other income (expenses), net	(3.312)	144.054	(18.998)	0
Royalties	0	0	0	0
Operating income (loss)	**9.614**	**3.049.198**	**(445.942)**	**(56)**
Interest and other financial income (expenses), net	(71)	7.009.595	261.260	35
Foreing exchange gain (loss), net	(520)	22.063	(585.940)	405
Income before taxes	**9.023**	**10.080.855**	**(770.622)**	**384**
Income taxes	(3.062)	(2.951.260)	0	(13)
Net income (loss) from continuing operations	**5.961**	**7.129.595**	**(770.622)**	**371**
Net income (loss) from discontinuing operations	0	0	0	0
Net income (loss)	**5.961**	**7.129.595**	**(770.622)**	**371**

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)*
216.421	0	1.090	0	0
0	0	10	0	0
31.823.931	0	15	3	8.039
26.842.426	22.519.906	2.733	2.040	574
58.882.778	**22.519.906**	**3.848**	**2.043**	**8.613**
53.999.193	11.380.874	2.724	(59)	(20)
0	0	91	47	0
4.883.585	11.139.032	1.033	2.055	8.633
58.882.778	**22.519.906**	**3.848**	**2.043**	**8.613**

Subsidiaries				
SAES Getters (Nanjing) Co., Ltd.	***SAES Getters Export, Corp.***	***Memry GmbH***	***E.T.C. S.r.l.***	***SAES Nitinol S.r.l.***
(Renminbi Cinesi)	*(U.S. Dollars)*	*(Thousands of Euro)*	*(Thousands of Euro)*	*(Thousands of Euro)*
30.034.628	**0**	**7.573**	**0**	**0**
(20.390.598)	0	(3.916)	0	0
9.644.030	**0**	**3.657**	**0**	**0**
0	0	(268)	(655)	0
(6.224.821)	9.491.547	(440)	(0)	0
(3.622.818)	0	(805)	(70)	(8)
(9.847.639)	9.491.547	(1.512)	(726)	(8)
(826.270)	3.091.959	(173)	(1.179)	(0)
0	0	0	0	0
(1.029.879)	**12.583.506**	**1.972**	**(1.905)**	**(9)**
1.146.035	(16.194)	(18)	(1)	(73)
70.405	0	6	(0)	0
186.561	**12.567.312**	**1.960**	**(1.907)**	**(82)**
3.447	0	(574)	321	9
190.008	**12.567.312**	**1.386**	**(1.586)**	**(73)**
0	0	0	0	0
190.008	**12.567.312**	**1.386**	**(1.586)**	**(73)**

Certification of the Financial Statements of the Parent Company

CERTIFICATION OF THE FINANCIAL STATEMENTS OF THE PARENT COMPANY 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, 2015.

2. The following remarks apply to this situation:

<u>2.1 The Administrative and Accounting Control Model of the SAES Group</u>

- 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.

<u>2.2. Matrices of administrative and accounting controls of SAES Getters S.p.A.</u>

- 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 2015, with reference to the results of the monitoring activities related to the 2014 financial statements and to the abbreviated consolidated

financial statements at June 30 2015, 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, 2015:

a) have been prepared in accordance with applicable international accounting standards recognized within the European Union pursuant to Regulation (EC) 1602/2002 of the European Parliament and the Council;
b) correspond to the results of accounting records and books;
c) are suitable to providing a truthful, accurate representation of the issuer's earnings and financial position.

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

Lainate, (MI) Italy, March 14, 2016

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 art. 123-*ter* of the Consolidated Finance Act and art.84-*quater* of CONSOB resolution no.11971 of 14/05/1999, on item 2 of the agenda of the Ordinary Meeting of the Shareholders of SAES Getters S.p.A. convened on first call for 28 April 2016 at 10.30 at the registered office of the Company in Lainate, Viale Italia 77.

Remuneration Report pursuant to art.123-*ter*, paragraph 6 of Italian Legislative Decree no.58/1998 and art.84-*quater* of CONSOB resolution no.11971 of 14/05/1999 concerning the regulations for issuers.

Dear Shareholders,

This Remuneration Report, drawn up pursuant to art. 123-*ter* of Italian Legislative Decree no.58/1998 ("Consolidated Finance Act") and art.84-*quater* and related Annex 3A, Diagram 7-*bis* of CONSOB resolution no.11971 of 14/05/1999 concerning the regulations for issuers, aims to provide shareholders, investors and the market with a clear and complete illustration of the remuneration policy of the members of the Board of Directors, the Board of Statutory Auditors and the Managers with Strategic Responsibilities of the Company.

The Report was prepared in compliance with the abovementioned legal and regulatory provisions issued by CONSOB, as well as in compliance with the recommendations stated in the amended principles and application criteria of the Code of Conduct of listed companies, issued by the Corporate Governance Committee of Borsa Italian S.p.A. in July 2015.

We wish to inform you that the 2016 Remuneration Policy (which is represented by Section I) was approved by the Board of Directors on 18 February 2016.

On 14 March 2016, on the proposal of the Remuneration and Appointment Committee (which discussed the policy in turn in its meeting of 16/12/2015 and approved it in its meeting of 20/01/2016) the Board of Directors, having consulted the Board of Statutory Auditors, approved the Remuneration Report, which is divided into the following sections:

- Section I, which illustrates the Company's policy in relation to the remuneration of the members of its board of directors, the General Managers and the Managers with strategic responsibilities for the subsequent financial year (2016) and the procedures used for the adoption and implementation of this Policy;
- Section II, which provides an adequate representation of each of the items that make up the remuneration – according to the standard established by CONSOB – with an indication of the individual names for the remuneration paid to the Directors and Auditors, but in aggregate form for the remuneration paid to managers with strategic responsibilities; it analytically illustrates the remuneration

paid during the financial year of reference for any reason and in any form by the Company and by its subsidiary or associated companies, identifying any components of the aforesaid remuneration that concern activities carried out in years prior to the financial year of reference and also highlighting the remuneration to be paid in one or several subsequent financial years for the activities carried out during the financial year in question, with a possible indication of an estimated value for the components that are not objectively quantifiable in the financial year of reference.

Furthermore, Section II contains information on the shares held in the Company and in its subsidiaries by the members of the administration and control bodies, by managers with strategic responsibilities, by spouses who are not legally separated and by minor children, in compliance with the provisions of art.84-*quater*, paragraph 4, of the Regulations for Issuers.

The Report has been made available to the public at the registered office of the Company in Lainate, Viale Italia 77, as well as on the Company website, www.saesgetters.com/investor/policy-remuneration.

Finally, we wish to remind you that, pursuant to art.123-*ter* of the Consolidated Finance Act, the Board of Directors has summoned you, and the Meeting of Shareholders is called upon to pass resolution on the first section of the Remuneration Report, by casting a non-binding affirmative or negative vote.

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

"The Ordinary Meeting of the Shareholders of SAES Getters S.p.A.:

- having acknowledged the information received;

resolves

1. to approve the first section of the remuneration report drawn up pursuant to art. 123-ter of Italian Legislative Decree no.58/1998 ("Consolidated Finance Act") and art.84-quater and related Annex 3A, Diagram 7-bis of CONSOB resolution no.11971 of 14/05/1999 concerning the regulations for issuers;

2. to authorise the Chairman and the Vice-Chairman and Managing Director, jointly and severally, to complete the formalities required by the laws in force, as well as to take all the necessary action to fully implement the resolution stated above, granting them all the powers necessary and appropriate for this purpose, none excluded, as well as the powers to delegate tasks to third parties".

Lainate, 14 March 2016

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 Italian Legislative Decree no. 58/1998 and article 84-*quater* and related Annex 3A, Schedule 7-*bis* – section I of CONSOB resolution no. 11971/1999 on Regulations for Issuers.

SAES GETTERS S.P.A.
Remuneration Policy for Strategic Resources - 2016

Foreword

The remuneration of directors and other executives 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 defines the general policy on remuneration annually (the "Policy"), which summarizes the principles and procedures which the SAES Group (as defined hereafter) abides by, in order to:

- **Allow for the correct application** of remuneration practices as defined hereafter;
- guarantee an adequate level of **transparency** with regard to remuneration policies and the amounts paid out;
- favor the **proper involvement** of the competent Company bodies in the approval of the Remuneration Policy.

The Policy is drafted in light of the recommendations contained in art. 6 of the Self-Regulatory Code of Borsa Italiana S.p.A. - as amended on July 2015, adopted by SAES, and in keeping with the provisions of art. 123-*ter* of Italian Legislative Decree No. 58 of February 24, 1998, as amended (the "Consolidated Finance Act"), with art. 84-*quater* of the CONSOB Regulations, approved with resolution no.11971 of May 14, 1999, as amended (the "Regulations for Issuers"), and with Annex 3A to the Regulations for Issuers, 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 2015 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 Executives vested with special powers: the directors of SAES Getters S.p.A. holding the offices of President and Managing Director.

Non-executive and/or independent directors or directors without special powers: all the directors of SAES Getters S.p.A. appointed by the shareholders and directors in other companies of the Group SAES that are also directors of the Group.

Executives with Strategic Responsibilities: the persons vested with the powers and direct or indirect responsibilities over the planning, management, 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.

GAE: the fixed gross annual earnings component for employees.

MBO (Management by Objectives)*:* indicates the annual variable component of remuneration 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), based on the achievement of pre-defined business objectives for 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 Board of Statutory Auditors). Payment of such long-term component of variable remuneration is deferred by three years.

Variable Remuneration*:* remuneration 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/PFS and the LTI Plan constitute the total Variable Remuneration.

Yearly Total Direct Remuneration Target: indicates the sum (i) of the fixed gross annual earnings component, (ii) the variable gross annual earnings component that the executive would receive in case of achievement of objectives; (iii) the annualization of the medium/long term gross variable component (so-called LTI Plan) that the executive has a right to receive in case of the achievement of medium/long term objectives.

1. Principles and objectives

The Company defines and applies a Policy on remuneration every year.

This Policy has been formalized in order to attract, motivate, and retain the resources with the professional characteristics required to achieve the objectives set by the Group, which is operating in increasingly more complex, diverse, and highly competitive technological markets, while also taking into account the dynamics of the labor market.

In recent years the "business model" of the SAES Group has undergone considerable change. This has required and still requires a continuous alignment of its Remuneration Policies. More specifically, the Company operates through its Business Units in multiple international markets, in different technological environments and, although its headquarters are 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 has been defined in order to align the interests of the top management with those of the shareholders, and is designed to pursue the prime objective of creating sustainable assets in the medium/long term. A fundamental aspect of said objective is represented by the consistent and compliant observance, over time, of the core principles of this Policy.

Therefore, the most relevant aspect in determining remuneration is the creation of mechanisms that allow executives to identify with the Company, that are adequate for the global market of reference and that guarantee organizational stability.

2. Compensation and Appointment Committee

The Board of Directors, set up the "Compensation Committee" as part of the Board on December 17, 1999, now known as the Compensation and Appointment Committee, and it is responsible for consulting and proposition-oriented tasks. In particular, in compliance with art. 6 of the Self-regulatory Code entitled "Remuneration of Directors", the Compensation and Appointment Committee, as far as the management of remuneration issues is concerned:

1) draws up and defines a Remuneration Policy and submits it to the Board of Director for approval;
2) periodically evaluates the adequacy, the overall coherence and the practical application of the Policy on the remuneration of directors and executives with strategic responsibilities and provides the Board of Directors with proposals and opinions with regard to the policies adopted by the Company with regard to remuneration, based on the information provided by the executive officers, and suggesting improvements, where needed;
3) examines the proposals on the remuneration of executive officers and executives with strategic responsibilities;
4) expresses opinions or submits proposals to the Board of Directors on the remuneration of executives vested with special appointments, based on the Policy;
5) verifies the accuracy and correct application of remuneration criteria for the Company's executives with strategic responsibilities and their consistency over time;
6) proposes and collaborates in establishing objectives (targets) with regard to the variable remuneration plans for executive directors;
7) verifies the achievement of the variable remuneration target defined for executive officers;
8) verifies the application of the resolutions taken by the Board of Directors with regard to remuneration.

To date, the members of the Compensation and Appointment Committee, pursuant to art.6, para. 3 of the Self-Regulatory Code is composed of independent directors and non-executive directors, and more precisely by the following people: Ms. Guadiana Giusti (independent director), Ms. Luciana Rovelli (independent director) and Mr. Adriano De Maio (non-executive Director[1]).

All members of the Compensation and Appointment Committee possess extensive experience in economics / finance and remuneration, which is assessed by the Board of Directors at their 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 played a leading role.

The Board of Directors, as proposed by the Compensation and Appointment Committee, defines and approves the Policy.

The Compensation and Appointment Committee, in carrying out its tasks, ensures that there are 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 it requires.

The Chairman of the Board of 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 for 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 and keeping in mind the observations and proposals of the Compensation and Appointment Committee, reaches a final resolution on the Policy and approves the remuneration report detailed in the paragraph below.

The Compensation and Appointment Committee approved the proposed Policy for the year 2016 on January 20, 2016 (after having discussed it in the meeting of December 16, 2015). During this meeting the Committee evaluated the adequacy, the overall coherence and the practical application of the 2015 Policy compared to the measures implemented by the Company.

The Board of Directors approved the Policy for the year 2016 on February 18, 2016.

Based on the Policy, the following are approved:

[1] Qualify as independent director pursuant to the provisions of articles 147-ter, paragraph 4, and 148, paragraph 3, of the Consolidated Finance Act

- by the Board of Directors: the remuneration and contract proposals for executive directors upon conferral of their appointment, according to company practice, as well as any amendment or adjustment, if needed;

- by the Company's Human Resources Department, with the approval of executive officers: the remuneration adjustment proposals for the executives with strategic responsibilities (excluding regular members of the Board of Statutory Auditors);

- by the Shareholders: the remuneration of Statutory Auditors (please see paragraph 11 below in this regard).

4. Transparency

The Policy is part of the Remuneration Report to be submitted annually to the Meeting of the Shareholders pursuant to art. 123-*ter* of the Consolidated Finance Act, which must be drafted in compliance with the provisions of art. 84-*quater* of the Regulations for Issuers and with Schedule 7-*bis* and 7-*ter*, contained in Annex 3A to the Regulations for Issuers (the "**Remuneration Report**"). The Remuneration Report, in Section II, includes also: *(i)* an indication of the remuneration of the members of the control and management bodies, managing directors, if any, and, collectively, the executives with strategic responsibilities, and *(ii)* reports the shares owned by the members of the managing or control bodies, by managing directors and executives with strategic responsibilities in the Company and in the Group.
The Remuneration Report is made available to the public at the Company's registered offices, on the Company website, and on the authorized storage mechanism (1INFO STORAGE) at least 21 days before the annual Meeting of Shareholders, generally coinciding with the meeting for the approval of the financial statements, 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 made available to the public on the Company website no later than 5 days after the meeting has taken place.
The Remuneration Report remains at the disposal of the public on the Company website in compliance with current regulations.

5. Directors remuneration – general guidelines

In the Board of Directors it is possible to distinguish between:

(i) executive directors;

(ii) non-executive and/or independent directors.

The Board may also have executives with special appointments (members of the Compensation and Appointment Committee or the Audit and Risk Committee, the director forming part of the Supervisory Body pursuant to Italian 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:

- executive directors: 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 Proverbio, Luciana Rovelli, Adriano De Maio, Alessandra della Porta, Luigi Lorenzo della Porta, Andrea Dogliotti, Pietro Mazzola, Roberto Orecchia (Lead Independent Director) and Gaudiana Giusti.

The Meeting of the Shareholders of SAES of April 28, 2015, on occasion of the appointment of the Board of Directors, defined the total compensation to be paid out pursuant to art. 2389, paragraph 1, of the Italian Civil Code, as wages and remuneration for its directors, appointing the Board of Directors with the task of dividing said total amount among its members.

In particular, the overall gross annual earnings was established by the Shareholders at EUR 120,000.00, and was subdivided by the Board of Directors in the meeting following their appointment, as follows:

- EUR 10,000.00 per director; and
- EUR 20,000.00 for the Chairman of the Board of Directors.

The Shareholders also resolved to pay the following remuneration to the committees forming part of the Board of Directors:

- EUR 9000.00 per member of the Audit Committee, and EUR 16,000.00 for the Chairman of the Audit Committee;
- EUR 4000.00 per member of the Compensation and Appointment Committee and EUR 7000.00 for the Chairman of the Compensation and Appointment Committee.
- no additional remuneration was to be paid to the members of the Committee for Transactions with Related Parties.

The additional remuneration for executives vested with special appointments was determined by the Board of Directors.

The Board determined the following yearly remuneration:

- EUR 16,000.00 for the Independent Director forming part of the Supervisory Body;
- EUR 20,000.00 for the Lead Independent Director.

Directors are also entitled to the refund of all expenses incurred in the performance of their duties.

In line with best practices, 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 practices, non-executive directors are not entitled to a variable remuneration adjustment, nor are they entitled to any bond or stock-based remuneration plan.

6. Remuneration of Executive Directors (Chairman and Managing Director)

The Compensation and Appointment Committee submits proposals and/or opinions to the Board of Directors on the remuneration to be attributed to Executive Directors.

The remuneration of executive directors is comprised of the following elements:

- a fixed component of gross annual earnings;
- a variable component divided in two parts:
  - ✓ one payable annually (called MBO), to which directors are entitled upon the achievement of a specific company objective;
  - ✓ a medium/long term component with deferred payment (so-called LTI Plan).

The Company believes that remuneration should be connected with company performance. Nonetheless, the competitive aspect of remuneration should not be based on an excessive emphasis on short-term results alone, but rather on a balanced middle-ground between fixed and variable remuneration, 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 achieved due to causes beyond the control of the executive directors (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 remuneration and its single components, the Board of Directors keeps in mind the scope of the appointments conferred upon the executive directors. In particular, remuneration is determined based on the following criteria:

a) the fixed component weighs upon the Yearly Total 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 and the specific nature of the technological business in which SAES Group operates;

b) the (yearly) MBO target incentive, assigned to executive directors upon achieving company objectives, may represent a significant component of remuneration, but it may not exceed the total amount of the fixed gross annual earnings component (GAE);

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 for the following, 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 and the most correct market benchmarks:

- Directors' Severance Indemnity ("TFM") pursuant to art. 17, paragraph 1, letter c) of the Consolidated Text of the Laws on Income Tax ("T.U.I.R.") no. 917/1986, having similar characteristics to those typical of regular Severance Indemnity ("TFR") pursuant to art. 2120 of the Italian 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 Directors' Severance Indemnity was regularly instituted by the Shareholders of SAES Getters S.p.A. on April 27, 2006, and by the subsequent meetings for their appointment (April 21, 2009, April 24, 2012 and April 28, 2015). The Chairman and the Managing Director are entitled to such Severance Indemnity, as well as additional directors with operative/executive appointments, as indicated by the Board of Directors, after having examined the remuneration and social contribution status of each director.
  The institution of Directors' Severance Indemnity is aimed at obtaining, upon retirement, a sufficient retirement fund – in line with Italian and international standards, which is conventionally fixed at 50% of the last salary received.
  The resolutions relating to the Directors' Severance Indemnity were implemented by purchasing a Directors' Severance Indemnity insurance policy, with a leading insurance company, in the name of the Company, in compliance with the requirements of Law, funded by an annual premium of an amount equal to the provision for severance indemnity, in order to reach company objectives. Said provision is fixed at 20% of the fixed and variable remuneration paid to directors, as resolved by the Board of Directors pursuant to art. 2389 of the Italian 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 the request of the Compensation and Appointment Committee, may award discretional bonuses to executive for specific exceptional operations, in terms of strategic relevance and consequence that have an impact on the Group's results.

An analysis of the positioning, composition, and, more generally, of the competitiveness of the remuneration of executive director 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 expertise in the field, and ascertained independence.

7. MBO and LTI Plan

The annual variable component of remuneration ("**MBO"**) requires an evaluation of the executive'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 "EBITDA" parameter.

In particular, the amount of MBO awarded to executive directors may never amount to more than 100% the fixed component of gross annual earnings/GAE. In order to contribute to the attainment of medium/long term interests, in 2009 the Group adopted a medium/long term incentive system connected with the achievement of the objectives contained in the three-year strategic plan, i.e. the LTI Plan.

If the objectives of said three-year strategic plan are achieved, the executive officer participating in such objectives accrues an LTI incentive determined as a percentage of the fixed component of gross annual earnings/GAE 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 fixed component of gross annual earnings/GAE (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 fixed component of gross annual earnings/GAE.

Payment of this incentive is deferred to the last year of the three-year period. Payment is subject to the Shareholders' approval of the Financial Statements for the relevant year.

With regard to the variable components of the remuneration of executive directors please note that the Compensation and Appointment Committee draws up and presents the MBO objectives to the Board of Directors, on an annual basis, 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 of proposing the target goal of the LTI Plan to the Board of Directors, upon presentation and approval of the three-year plan, and on its expiry shall carry out a verification of the performance of the executive order to define the achievement of the LTI Plan.

In case the entitlement threshold of the objectives is not reached, the director in question receives no incentive, or even a pro-rata share, of the LTI Plan.

The LTI Plan is also aimed at promoting retention: in case of termination of the appointment, for any reason, before the end of the three-year period, directors cannot claim any right over the LTI Plan, and consequently the three-year incentive, and even a *pro*-rata share thereof, 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 end of term of office.

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 employment agreement upon the initiative of the director for just cause, such as, by way of example, a substantial modification to the role or powers of such director, and/or in case of a hostile take-over.

In such cases, the allowance is equal to 2.5 years of the annual gross earnings, meaning the sum of the total remuneration (fixed remuneration to which the average of the variable perceived in the previous two years must be added).

Said amount is defined with the purpose of guaranteeing uniform treatment among executive directors and executives with strategic responsibilities, and is in line with the prevailing market practices 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%) in relation to the results of comparable companies – in terms of size 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 completely revoked.

In case of non-renewal, remuneration equal to 2.0 years of the annual gross earnings is envisaged, meaning the sum of the total remuneration (gross annual earnings defined as the total of the fixed annual earnings 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 prevent an executive vested with special appointments from carrying out his duties, said director shall be entitled to receive, for a period not exceeding twelve (12) consecutive months, an indemnity equal to one year's basic salary. Once the said period has expired, the Company may choose to terminate the employment agreement with said director, with a three-month prior notice, paying an indemnity of EUR 1,500,000.00 gross.

9. Remuneration of Executives with Strategic Responsibilities (excluding regular members of the Board of Statutory Auditors)

In order to motivate and retain executives 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, thus excluding all regular members of the Board of Statutory Auditors), remuneration guidelines are as follows:

- a fixed component of gross annual earnings/GAE;
- 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 basic annual salary;
- a medium/long term variable component (LTI Plan) connected to specific objectives, with deferred payment and a maximum cap of one year's salary, calculated on the basic salary at the time of assignment of the incentive.

Basic salaries/GAE are verified, and, where needed, adjusted on an annual basis by the Human Resource Department, and approved by the executive officers, taking a number of factors into consideration, 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; and f) experience, competence, potential and 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 loyalty and motivation of key resources, based on a retribution structure with several modified components, 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, and thus obtaining managerial continuity and alignment with strategic company objectives also in the medium-term.

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 established an *ad hoc* program of non-monetary benefits called "Flexible Benefits" for executives with strategic responsibilities and other executives of the Company, the amount of which varies depending on the length of service of the executive (seniority calculated with exclusive reference to SAES) (EUR 2500 for managers with seniority working in SAES for over 6 years, EUR 1500 for the other managers) and has also been applied for the year 2016 (as was the case in the year 2015).

Executives with strategic responsibilities enjoy indemnities in case of termination of the employment relationship without just cause by the Company, pursuant to the National Collective Labor Agreement (CCNL Dirigenti Industria), which provides for quantitative limits and application procedures.

Executives with strategic responsibilities who hold positions on the Boards of Directors of subsidiaries or other corporate bodies (e.g. Supervisory Body) do not receive any remuneration in addition to the remuneration they receive as employees (the aforesaid paragraph is also applicable to all other executives of the Group that do not have strategic responsibilities).

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 for the payment of a sum related to remuneration 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 executives with strategic responsibilities, meaning the first line managers that are part of the Corporate Management Committee at the time of the event (i.e. charge of control), a bonus equal to 2.5 years of gross annual earnings is paid out in the event of termination of employment due to a change of control.

A "change of control" is defined as any event that directly or indirectly alters the ownership structure, the control chain of the Company and the Company's parent that may be exercised by the Company or by the executive as a better condition than the National Collective Labor Agreement for Industrial Managers (“CCNL Dirigenti Industria”) in force.

The aforesaid requirement fully replaces the provisions set forth in the National Collective Labor Agreement for the case in question (article 13 CCNL Dirigenti Industria).

11. Remuneration of the Board of Statutory Auditors

The remuneration to be awarded to the Board of Statutory Auditors is decided by the Shareholders upon the appointment of said board, and is proportionate to the commitment required and the importance of the role covered, as well as the company size and the sector in which it operates.

According to their participation in other control bodies (for example, in the Supervisory Board pursuant to Italian Legislative Decree 231/01), and within the limits provided for by the applicable laws, Statutory Auditors may be entitled to additional remuneration.

The present is the English translation of the Italian official report approved by the Board of Directors on March 14, 2016. 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 3 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, 2016 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 28, 2015, 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 2015 the Board has not made use of the authorization granted by the Shareholders on April 28, 2015, nor has it used, in the months prior said Meeting, the authorization previously granted by the Shareholders on their Meeting of April 29, 2014. 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 28, 2015, 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, the purchase of treasury shares will bring to a reduction of the same amount in the shareholders' equity, through the recognition in the liability side of the balance sheet of a specific item with negative sign; similarly, at the time of transfer of treasury shares, being ordinary or saving shares, the shareholders equity will be increased by a matching reduction of the liability side of the balance sheet.

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 relevant and applicable Law applicable.

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 28, 2015;*
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 authorize 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 authorize 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, that the purchase of treasury shares will bring to a reduction of the same amount in the shareholders' equity, through the recognition in the liability side of the balance sheet of a specific item with negative sign; to dispose that, similarly, at the time of transfer of treasury shares, being ordinary or saving shares, the shareholders equity will be increased by a matching reduction of the liability side of the balance sheet;*
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 14, 2016

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 14, 2016. 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 Law 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: 2015
Date of approval of the Report: 14 March 2016

CONTENTS

GLOSSARY

Code/ Corporate Governance Code: the Corporate Governance Code of listed companies as amended in July 2015 by the Corporate Governance Committee and promoted by Borsa Italiana S.p.A., ABI, Ania, Assogestioni, Assonime and Confindustria.

Civil Code: Italian Civil Code.

Board: the Board of Directors of the Company.

Company: SAES Getters S.p.A.

Financial Year: 2015 financial year (01.01.2015-31.12.2015).

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 report on corporate governance and ownership structures that companies are obliged to draw up pursuant to articles 123-*bis* of Italian Consolidated Finance Law and 89-*bis* CONSOB Regulations for Issuers.

Consolidated Finance Law: 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 and articles 147-*ter*, paragraph 4, and 148, paragraph 3, of Consolidated Finance Law.

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

Model 231: The organisational, management and control model pursuant to 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 Meeting of Shareholders of 3 March 2016).

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 eleven manufacturing plants, a worldwide commercial and technical assistance network and approximately 1000 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 and Board of Statutory 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 Statutory Auditors/Internal Control and Audit Committee called upon to supervise compliance with the law and the By-laws, among the other matters prescribed by the current laws in force, 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, with a particular focus on 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 Finance Law)

The information reported below, unless otherwise indicated, refers to the date of approval of this Report, i.e. 14 March 2016.

2.1. Share capital structure (pursuant to article 123-bis, paragraph 1, letter a), of Consolidated Finance Law)

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 voting 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 Euro 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 – through shareholders resolution - 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 Meeting of Shareholders 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 Meeting of Shareholders.

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.

On 3 March 2016 the Meeting of Shareholders approved the amendment to article 11 of the By-laws by introducing increased voting rights.

This system is permitted and provided for in art.127-*quinquies* of the Consolidated Finance Law as amended by Italian Law no.116 of 11 August 2014. With the introduction of this new system, the Italian law makers abolished the traditional “one share – one vote” principle and, with the intention of encouraging medium-long term shareholder investments and to reward “loyal” shareholders, permitted the by-laws of issuers to attribute increased voting rights, up to a maximum of two votes, for each share belonging to the same subject for an uninterrupted period of no less than twenty-four months.

New article 11 of the By-Laws sets forth that the holder of ordinary shares, registered in the special list drawn up by the Company (the “List”), will have two votes for each ordinary share held without interruption for at least twenty-four months (“Period”), starting from the time of their registration in the List. The increase in voting rights takes effect from the fifth trading day of the calendar month following the conclusion of the Period, under the condition that the notification of the intermediary reaches the Company by the third trading day of the calendar month following the conclusion of the Period. If the notification of the intermediary does not reach the Company by the aforesaid deadline, the vote increase will take effect from the fifth trading day of the calendar month subsequent to the month in which the notification has reached the Company.

Furthermore, in the event that a meeting of shareholders is called subsequent to the receipt of the notification of the intermediary but prior to the effectiveness of the increased voting rights (i.e. the fifth trading day of the calendar month following the conclusion of the Period), in order to attend this meeting, the effectiveness of the increased voting rights will be brought forward to the record date.

Please refer to the By-laws for the rules on how the new system works.

2.2. Restrictions on the transfer of shares (pursuant to article 123-bis, paragraph 1, letter b), of Consolidated Finance Law)

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 Finance Law)

S.G.G. Holding S.p.A. is the majority shareholder of the Company currently holding 6,943,047 SAES Getters S.p.A. ordinary shares, representative of 47.324% 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 Law and articles 152-*sexies* and 152-*octies* of the Regulations for Issuers.

The parties that hold voting rights exceeding 5% of the subscribed capital, represented by shares with voting rights, according to the results of the shareholders’ register updated on 31/12/2015 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.Holding S.p.A.	S.G.G.Holding S.p.A.	47,324	47.324
Giovanni Cagnoli	Carisma S.p.A.	5.80	5.80

2.4. Shares with special rights (pursuant to article 123-bis, paragraph 1, letter d), of Consolidated Finance Law)

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 Finance Law)

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 Finance Law)

There are no restrictions on voting rights.

2.7. Shareholder Agreements (pursuant to article 123-bis, paragraph 1, letter g), of Consolidated Finance Law)

The Company is unaware of any agreements stipulated by Shareholders pursuant to article 122 of the Consolidated Finance Law.

2.8. Change of control clauses (pursuant to article 123-bis, paragraph 1, letter h), of Consolidated Finance Law) 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 28.8 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 Law, 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 Law.

It is to be specified that the information on the existence of change of control clauses in relation to managers with strategic responsibilities is found in the Remuneration Report published in accordance with art.123-*ter* of the Consolidated Finance Law.

2.9. Authorisation to increase share capital and authorisations to purchase treasury shares (pursuant to article 123-bis, paragraph 1, letter n), of Consolidated Finance Law)

The extraordinary Meeting of Shareholders of 23 April 2013 granted the Board the power, pursuant to article 2443 of the 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 issuance of new shares (with a consequent increase in the implied book value of all shares already issued), 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 issuance of ordinary and/or savings shares, having the same characteristics as the corresponding shares already issued, 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 that of the shares issued at the time of the board resolution(s) to issue shares.

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 Meeting of Shareholders of 28 April 2015 (nor did it use, in the months prior to the Meeting of Shareholders, the authorisation previously granted by the Meeting of Shareholders of 29 April 2014).

As stated in parapgraph 2.1. of this Report, 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 Meeting of Shareholders of 28 April 2015, and the proposal to adopt a similar resolution is entered in the agenda of the upcoming Meeting of Shareholders, in ordinary session, planned for 28 April 2016.

Reference is to be made to the dedicated explanatory report for the Meeting of Shareholders 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 Meeting of Shareholders) at the registered office of the Company, as well as made available on the Company website www.saesgetters.com (Investor Relations/Meeting of Shareholders).

2.10. Management and Coordination (pursuant to article 2497 and subsequent of the Italian Civil Code)

The Company is not subject to management or coordination, pursuant to article 2497 *et seq.* of the 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 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.

Consequently, the Company considers itself to operate and to have always operated with full corporate and business autonomy from its majority shareholder. Relations with the latter are, in fact, limited exclusively:

- to the normal exercising on the part of S.G.G. Holding S.p.A. of its administrative and property rights due to its status as holder of voting rights (voting in the meeting of shareholders, collection of dividends, etc.);

- to the receipt, on the part of S.G.G. Holding S.p.A. of the information provided by the Company in compliance with the provisions of art. 2381, paragraph 5, Civil Code.

***

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 Law.

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 this Report dedicated to the Board of Directors (paragraph 4).

3. COMPLIANCE (pursuant to article 123-bis, paragraph 2, letter a), of Consolidated Finance Law)

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, 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 belief 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 Finance Law 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 Finance Law)

The Board is appointed by the Meeting of Shareholders, 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.

On the occasion of the Meeting of Shareholders called to renew the Board of Directors of the Company on 28 April 2015, the Company applied the relevant 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.

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, are filed by the Shareholders at the Company headquarters within the twenty-fifth day prior to the date of the Meeting of Shareholders 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 contains 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

[1]Meaning a Director that satisfies the requirements of independence prescribed by article 147-*ter*, paragraph 4 of the Consolidated Finance Law, as well as the further requirements of independence provided for in the Corporate Governance Code.

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 Meeting of Shareholders, 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 Meeting of Shareholders 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 Meeting of Shareholders, 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.

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 Meeting of Shareholders, the members of the Board of Directors are appointed by the Meeting of Shareholders with the majority requested by law, without prejudice to the obligation of the Meeting of Shareholders to appoint the minimum number of Independent Directors required.

The Company is not subject to special sector/market regulations regarding the composition of the Board of Directors.

The Meeting of Shareholders of 28 April 2015 resolved to fix 11 (eleven) members of the Board of Directors and appointed the following persons as directors: Mr. Giulio Canale, Mr. Adriano De Maio, Ms. Alessandra della Porta, Mr. Luigi Lorenzo della Porta, Mr. Massimo della Porta, Mr. Andrea Dogliotti, Ms. Gaudiana Giusti, Mr. Pietro Alberico Mazzola, Mr. Roberto Orecchia, Mr. Stefano Proverbio and Ms. Luciana Rovelli.

The Board in office was elected using the voting list system (introduced in the Extraordinary Meeting of Shareholders of 29 June 2007 in order to incorporate the amendments and additions to the election methods introduced *medio tempore* by the laws in force), and more specifically on the basis of a single list, filed and published by the majority shareholder S.G.G. Holding S.p.A., in compliance with the methods and time limits provided for by regulatory and statutory provisions. The list and accompanying documentation was also duly published on the Company website.

4.1.1. Succession Plans

Succession plans are temporary business continuity plans for managing situations in which the CEO and/or the Managing Director were to suddenly leave the Company, while awaiting and pending the implementation of standard regulatory mechanisms to replace the directors (already described in paragraph 4 of this Report).

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 current 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 (thus one being the successor/back-up of the other), and hence considered it unnecessary to setup ad hoc succession plans.

The Remuneration and Appointment Committee essentially drew this conclusion in its meeting of 25 February 2016, which was incorporated and confirmed by the Board of Directors upon the approval of this Report.

The Committee however recommended the definition of ideal and necessary features for an ideal profile to be proposed to the Shareholders Meeting in the event a succession of the Executive Directors should be needed; the regular and continuous identification and monitoring of internal or external resources, with a view to identifying the profile of an ideal manager, to be drawn in advance together with the CEO and the Managing director who would be in a position to suddenly take over apical positions –, and recommended, last but not least, to continue to promote the internal growth of talent that can be drawn on in case of need.

4.2. Composition (pursuant to article 123-bis, paragraph 2, letter d, of Consolidated Finance Law)

The current Board of Directors of the Company was appointed by the ordinary Meeting of Shareholders on 28 April 2015 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 95.50% 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 2017.

The current By-laws set forth that the Meeting of Shareholders may select a minimum of three (3) and a maximum of fifteen (15) Directors. The higher, maximum number of 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 and markets 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 deal with.

In compliance with articles 147-*ter*, paragraph 1-*ter*, and 148, paragraph 1-*bis*, of the Consolidated Finance Law, 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 31/12/2015 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 are provided below:

GIULIO CANALE - born in Genoa on 16 March 1961

Mr. Giulio Canale has been a member of the Board of Directors of SAES Getter S.p.A. since 29 April 1994. He was awarded a degree in Economics and Business from the Università degli Studi of Genoa.

He embarked upon his career at the Milan branch of a leading advertising company, IGAP S.p.A. (1984-1989).

He joined the SAES Getters Group in 1990. For his first six years of service he lived in Asia, holding various general management roles in the subsidiaries in South Korea and Japan.
When he returned to Italy, he was appointed Managing Director in 1997 and Group CFO in 2006.

Finally, he is a member of the Board of Directors of various companies of the SAES Getters Group.

He is a member of the Board of Directors of S.G.G. Holding S.p.A.

ALESSANDRA DELLA PORTA – born in Milan on 27 July 1963

Ms. Alessandra della Porta has been a member of the Board of Directors of SAES Getters S.p.A since 9 May 2013.

After graduating with a Law degree in March 1989 from the Università degli Studi of Milan, she became a member of the professional Association “Janni Fauda & Associates”.

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".

Ms. Della Porta specialises in civil law in general, with a particular focus on family law.

She deals with debt collection assisting a bank, is involved in civil and judicial activities and provides out-of-court assistance and advice on corporate matters.

She has been registered in the Register of Lawyers since 9 July 1992 and in the Register of Supreme Court Lawyers since 21 November 2007.

LUIGI LORENZO DELLA PORTA – born in Milan on 5 March 1954

Mr. Luigi Lorenzo dell Porta has been a member of the Board of Directors of SAES Getters S.p.A. since 24 April 2012.

He embarked upon his career in Rome in 1975 by 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 currently 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 all over the world.

MASSIMO DELLA PORTA - born in Pontremoli (MS) on 8 September 1960

Mr. Massimo della Porta has been a member of the Board of Directors since 29 April 1994.

He graduated with a degree in Mechanical Engineering from the Polytechnic of Rome in 1989. He wrote his dissertation in two years on "The Production and Control of amorphous powder with a Fe Nd B base" prepared at the ENEA (Rome).

He followed mini masters courses at the Università Bocconi in the areas of Strategy and Planning, Marketing and Company Management.

In April 1989, he began working at one of the companies of the SAES Getters Group, the SAES Metallurgia of Avezzano (AQ), as a researcher and with the specific task of creating an applied research laboratory at the SAES Metallurgia di Avezzano subsidiary.

In 1991, after having worked for approximately one year in a project to improve production processes, he was in charge of the management of production of SAES Metallurgia S.p.A.

In 1992 he took on the role of Technical Manager of the subsidiaries of Avezzano and started to coordinate projects on a Group level: the design and construction of the SAES

Advanced Technologies factory; the expansion of the Korean factory in Chinchon and the expansion of the SAES Pure Gas factory in California; Manager of the transfer of several production lines from Lainate to Avezzano, and Project Leader of various Innovation projects.

In 1996 he moved 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 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.

He has been Chairman, Group Chief Executive Officer and Group Chief Technology & Innovation Officer since 2009.

He is member of the Board of Directors of various companies within the SAES Getters Group.

He has been an independent director of Alto Partners SGR S.p.A. since December 2004.

He is a director of MGM S.r.l., a real estate company.

He is the Inventor and/or co-inventor of alloys and products for which patents have been obtained.

ADRIANO DE MAIO – born in Biella, on 29 March 1941

Mr. Adriano De Maio has been a member of the Board of Directors of SAES Getters S.p.A. since 4 May 2001.

He graduated with a degree in Electrical Engineering from the Milan Polytechnic in 1964.

He was a Full Professor of Corporate Management, Innovation Management and Management of Complex Projects at the Polytechnic of Milan 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 the Extraordinary Commissioner of the National Research Centre.

He is the former Chairman of various institutions: the European Centre of Nanomedicine Foundation (CEN); the Green and High-Tech District of Monza and Brianza; the Investment Committee of the Venture Capital Next Fund, and; the Alumni Association of the Ghislieri College of Pavia.

Mr. De Maio is a former director of Telecom Italia Media S.p.A., e-solutions S.p.A., EEMS S.p.A. and member of the Scientific Committees of the Italian Space Agency, the Fondazione Politecnico and the Fondazione Snaidero.

He is the author of numerous publications on corporate management and the governance of research and innovation.

Since 2012 he has been the Chairman of the Consortium for Scientific and Technological Research of Trieste (“AREA”).

Since 2014 he has been the Rector of the Università Link Campus of Rome.

ANDREA DOGLIOTTI - born in Genoa on 23 January 1950

Mr. Andrea Dogliotti has been a member of the Board of Directors of SAES Getters S.p.A. since 27 April 2006.

He was also a member of the Audit Committee from 2009 to 2015.

He studied classics at high school and was awarded an honours degree cum laude in Mechanical Engineering/Methods for Conducting Business in Genoa, February 1974, with top marks.

From 1974 to 1995 he worked at Italimpianti and became manager in 1981,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 IRI Group. He is 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. In the field of “Technology” he is involved in the design, patenting and development of innovative products with shape memory alloys and for individual mobility.

He has been a mediator-conciliator since June 2011.

GAUDIANA GIUSTI – born in Livorno on 14 July 1962

Ms. Gaudiana Giusti has been a member of the Board of Directors of SAES Getters S.p.A. since 28 April 2015.

She graduated with a law degree from the University of Pisa in 1987 and a *Licence speciale en droit européen* from the Université Libre de Bruxelles, Brussels, Belgium in 1989.
She has been practicing law in Italy since 1988.
Ms. Giusti specialises in corporate law, capital markets, and investment and banking services.

She has also accumulated considerable experience in corporate governance, compliance, rules of business conduct, control and remuneration systems and the extraordinary financial transactions of listed and/or regulated companies.
She currently holds the position of counsel in the Gianni, Origoni, Grippo, Capelli & Partners Firm, a firm that she worked for previously for 12 years until 2007.

Between 2007 and 2012 she worked at Credit Suisse (Italy) as Head of General Counsel Country Coverage. In this position, she acted as senior representative of the General Counsel division for Italy, responsible for the coordination of Legal and Compliance issues. She was a member of the Italian Management Committee, in charge of the strategic management of Italian business for the three divisions (Investment Banking, Private Banking and Asset Management). She also sat on the Diversity and Philanthropy Council for Italy.
She is an independent director and Chairwoman of the Remuneration and Appointment Committee of the Company, an independent director of Domus Italia S.p.A. and a member of the Supervisory Body, pursuant to Decree 231, of several bodies of the Credit Suisse group and SAES Getters S.p.A. She was also an independent director and chairwoman of the Risk Committee of Banca Farmafactoring and an independent director of Trevi Finanziaria S.p.A.

Ms. Giusti has participated in many conferences and has worked and still works as a lecturer for degree and specialisation courses at the Università Commerciale "Luigi Bocconi" and the Università LUISS "Guido Carli", as well as in seminars. She has also worked with Italian and foreign journals.

PIETRO MAZZOLA – born in Milan on 13 June 1960

Mr. Pietro Mazzola has been a member of the Board of Directors of SAES Getters S.p.A. since 13 February 2008.

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 is registered in the Register of Chartered Accountants, the Register of Auditors and member of the European Accounting Association and is also a senior lecturer of Strategy in the Management School of the Università L. Bocconi of Milan.

He has held various visiting positions and led seminars at: Jonköping University 2014; Sauders Business School, University of British Columbia, Vancouver, 2010; Helsinki School of Economics, 2009, and Cox Family Enterprise Center, Kennesaw State University, Atlanta, Georgia, 2006.

Mr. Mazzola is the co-author of the listing guide for the industrial plan prepared by Borsa Italiana S.p.A.

He has been an 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, and also a management consultant for several medium-sized Italian companies.

He is 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.

He is a co-founder of the company Partners – Consulenti e Professionisti Associati S.p.A.

He is the author and co-author of various national and international publications.

ROBERTO ORECCHIA – born in Turin on 19 September 1952

Mr. Roberto Orecchia has been a member of the Board of Directors of SAES Getters S.p.A. since 21 April 2009.

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 and Chairman of the Degree Course in Radiological Techniques etc.). He currently holds the position of Scientific Director of the European Oncology Institute (IEO) of Milan, Director of the Medical Imaging and Radiation Sciences department of the IEO, Scientific Director of the National Centre of Oncological Hadrontherapy of Pavia (CNAO) and Director of the Radiotherapy Department of the European Oncology Institute (IEO) of Milan.

He is the author of approximately 300 scientific publications in the most prestigious journals. The field which interests Mr. Orecchia most is breast, prostate and head and neck cancer.

He has coordinated and participated in many research collaborations with other universities, financed by various institutes such as the CNR (the national research council), MURST (the ministry of universities and research), the Ministry of Health, the Italian Cancer Association, the American-Italian Cancer Foundation (AICF) and the European Commission.

STEFANO PROVERBIO – born in Standerton (ZA) on 2 October 1956

Mr. Stefano Proverbio has been a member of the Board of Directors of SAES Getters S.p.A. since 29 April 2015.

He graduated with a degree in Nuclear Engineering from the Polytechnic of Milan.

2014 – to the present date: McKinsey Director Emeritus

2013 - to the present date: Board Member of Borusan, a Turkish conglomerate operating in steel, energy, automotive and logistics

2014 - to the present date: Chicco Artsana - Senior Advisor

2014 - to the present date: Oxy Capital and Attestor - Senior Advisor

2008 – to the present date: Ambienta - Advisory Board

1987 – 2013: McKinsey (Principal since 1992 and Director since 1998)

During his career with McKinsey, Mr. Proverbio has served clients in the industrial, telecom and energy sectors both in Italy and abroad (France, Turkey, Greece and Germany). In this context he has developed important skills in Strategy, Operations and Regulatory Affairs.
In particular, in the TMT (Telecom and Media and Technology) sector his most relevant experiences include: the operational turnaround of the Italian subsidiary (semiconductors) of a major German Group; the development of a strategic alliance between two leading producers of telecommunication equipment and the management of the cost reduction program for the resulting entity; the growth strategy for a major French-Italian semiconductor producer; the global product strategy for a leading French consumer electronics company; the support provided to a leading Italian Group in the development and execution of a strategy aimed at divesting the core electronics business and entering the telecom arena after the liberalisation of the market - an effort that led to the creation of the new leading market entrants in fixed and mobile telephony; the support from the start-up of operations to the sale of the leading attacker in fixed telephony; the continuous strategy and execution support provided to the Italian telecommunications incumbent in Italy and South America; the support given to a PE in the acquisition of the cable division of a major Italian Group, and; the valuation of new technology to develop fibre networks.

In the Industrial sector his most relevant experiences include: the development of a strategy aimed at exiting steel and entering energy for an highly indebted Italian private Group; the long term support provided to a major international group on strategy, organisation, growth and cost reduction initiatives; the development of the growth strategy for a large Turkish conglomerate which led to the doubling of its turnover in four years; the development of a growth strategy aimed at shifting the focus from commodity to premium segments for a large Italian tyre producer; several growth studies for producers of automotive/machinery components; the growth strategy (development and execution) for the Italian leading company in packaging, and; the turnaround strategy for a leading Italian steel producer.

In the Energy sector, Stefano Proverbio has served attackers and the Italian branches of foreign utilities, and his key experiences include: the growth strategy for a new entrant based on a new regulatory conditions in Italy; the turnaround and growth strategy in gas and electrical energy production for the Italian subsidiary of a French company; the development of the strategic plan and several cost reduction initiatives for a large municipal undertaking; several cost reduction studies for Italian and Turkish utilities, and the turnaround plan for a large Greek utility.

Mr. Proverbio has also led the McKinsey Supply Chain Practice from 1995 to 2000 and the Growth Practice from 2000 to 2012. From 2008 to 2012 he was also a member of the European Group advising the Managing Director of McKinsey and from 2000 to

2013 he was a member of the Partner evaluation and election committee.

1982-1987Accenture (at that time Arthur Anderson Consulting), Development of IT systems. Since 1985 Manager in charge of the Logistics service line.
1981-1982 Gruppo Zanussi (Zelton e Ducati). Industrial automation. At the same time research on the reliability of Z80 (one of the first microprocessors) with SGS Ates and the Polytechnic of Milan.

LUCIANA SARA ROVELLI – born in Legnano on 22 January 1973

Ms. Luciana Sara Rovelli has been a member of the Board of Directors of SAES Getters S.p.A. since 28 April 2015.

After graduating with a degree in Business Economics from the Università Luigi Bocconi in 1997, Ms. Rovelli gained 13 years' experience as the coordinator of various projects for leading Italian companies and international groups (Protiviti, Deloitte and Arthur Andersen), achieving the role of senior manager.

During her professional career she gained material expertise in Risk Management, Corporate Governance, Internal Auditing, the evaluation of internal control systems, and the design and implementation of organisation, management and control models pursuant to Italian Legislative Decree 231/2001.
In recent years, first as an executive manager for the "231 Division" in Protiviti and then as an independent consultant, she completed numerous projects for major Italian and international clients aimed at the development of organisation models, codes of conduct, training plans and auditing in collaboration with control bodies, as a project coordinator.

She is the co-founder and Managing Partner of RC Advisory S.r.l., a consultancy firm founded in 2010 by a team of experts with experience in Strategy and Risk Analysis Consultancy.

Ms. Rovelli is a member of the Supervisory Board of the Edison Group and the Gucci Group. She is Chairwoman of the Supervisory Board of Maire Tecnimont, Generali, Galbusera, Henry Shein, La Gardenia, Philips Saeco and in a subsidiary of Société Générale.

She is also a member of the Italian Association of Supervisory Bodies and the Italian Association of Internal Auditors.

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 maps 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 2015, as disclosed in the board meeting of 18 February 2016, are stated in Annex 1 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, since 2006 the Board has considered it appropriate to 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 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 Law other than the subsidiaries of the Company	25

Non-executive director in a company subject to the controls prescribed by the Consolidated Finance Law 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 Law 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 Law 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 Law 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 Law and not controlled by the Company with net shareholder's equity less than €100 million	5
Member of the Board of Statutory Auditors in listed companies, banking, financial and insurance companies, whether listed or not	17
Member of the Board of Statutory Auditors in unlisted companies, which are not controlled by the Company, but are subject to the controls prescribed by the Consolidated Finance Law	13
Member of the Board of Statutory Auditors in subsidiaries of the Company	10
Member of the Board of Statutory Auditors in unlisted companies, which are not subject to the controls prescribed by the Consolidated Finance Law 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, the principles of proper risk management and the legal framework of reference. Within the context of these activities, in order to encourage a more precise knowledge of the activities and dynamics of the Group, a day of meetings was organised on 8 June 2015, in which specific business topics were studied in depth and a presentation was given on the Company products and the main research and development activities being carried out f Furthermore, on 9 September 2015, with the support of a leading legal firm, a round table was organised for and with the Board of Directors and the Board of Statutory Auditors on the subject of corporate governance, with the aim of sharing several thoughts on the operating principles of the board of directors and board of statutory auditors.

4.3. Role of the Board of Directors (pursuant to article 123-bis, paragraph 2, letter d, of Consolidated Finance Law)

The Board of Directors meets 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 14 times, with an average attendance rate of 85.71% of the Directors (compared to 85.5% in the 2014 financial year). The attendance of the Executive Directors was 100% (as in the 2014 financial year), the attendance of non-executive Directors was on average 82.54% (compared to 82.2% in the 2014 financial year) and the attendance of the Independent Directors was on average 83.93% (compared to 86.7% in the 2014 financial year).

The board meetings lasted an average of approximately 3 hours.

For the 2016 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 2015 during the publication of the calendar of company events, made available on the Company website. In 2016, on the date of this Report, the Board had already met four times, on 21 January, 1 February, 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 documents and information necessary for enabling the Board to express an informed opinion on the topics under its consideration are made available with reasonable notice, where possible together with the notice to attend (generally sent at least seven days prior to the board meeting). With regard to the financial reports, these are made available at least two working days' notice, subject to the technical time required to prepare the documents. The documents are published in a Virtual Data Room (VDR) regulated by access controls. 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, but instead published in the VDR after the Board meeting.

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 Law 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 Financial Year, where appropriate and upon the invitation of the Chairman, a lawyer from a leading law firm also attended the meetings in order to provide legal explanations, as well as a tax expert to provide support in relation to the evaluations of the Board on the occasion of the Half-Year Report and a consultancy firm for the presentation of the results of an ERM (Enterprise Risk Management) evaluation project.

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 Statutory 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 Meeting of Shareholders.

Without prejudice to the exclusive jurisdiction in the subjects set forth in article 2381 of the Civil Code and the provisions of the By-laws, the Board, exclusively and in compliance with application standard 1.C.1 of the Code (as amended in July 2015):

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, including all the possible risks in its assessments that may be significant from the perspective of the medium to long-term sustainability of the business activities 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 Statutory 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 Meeting of Shareholders 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 for 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[2], 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 and managerial figures whose presence on the Board it might deem advisable;

l) reports to the Shareholders during the Meeting of Shareholders; 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 2016 calendar of Company events was communicated to the market on 14 December 2015;

n) is ultimately responsible for the operation and efficiency of the organisational, management and control model pursuant to Italian Legislative Decree 231/2001.

With reference to letter b) above, during the Financial Year, the Board evaluated the strategic plans/industrial plans in the meetings of 20 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. The Board passed resolution on the Enterprise Risk Management project

[2]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 2015, in compliance with the parameters stated above as well as together with business considerations, the following companies are considered to be significant: SAES Getters USA, Inc., SAES Getters Export, Corp SAES Getters (Nanjing) Co. Ltd., 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., SAES Advanced Technologies S.p.A., SAES Nitinol S.r.l., and SAES Getters Korea Corporation.

during the Financial Year on 8 April 2015, with the support of a specialised consultancy firm, under the supervision of the Internal Audit Function.

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 20 January 2015; in 2016, on 17 December 2015 and 21 January 2016.

With reference to letter e) above, in the Financial Year, the Board met for this purpose on 11 March, 13 May, 30 July and 12 November; in 2016, on 14 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 kept updated. Furthermore, except in the event of an emergency, the resolutions that would fall under the competence of the Executive Directors are also shared beforehand with the Board.

The Executive Directors are in any event obliged to report regularly to the Board of Directors and the Board of Statutory 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 exercise 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 using 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, 8 April and 28 April on the proposal of the Remuneration and Appointment Committee, which met on 4 February, 26 February and 28 April, in the Financial Year.

With reference to letter j) above, the Board of Directors met for this purpose on 14 March and, on the proposal of the Audit and Risk Committee, having consulted and obtained the approval of the Board of Statutory 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 2015 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. The Board, on the proposal of the Remuneration and Appointment Committee, appointed a leading consultancy firm to process the responses received and to interview each director individually in order to have a more structured self-evaluation.

The objective of the Board Review was to check overall operations and the functions of the Board and the Committees in order to highlight their strengths, weaknesses and possible areas of improvement.
The topics discussed in the Board Review were examined with the assistance of a questionnaire prepared by the Company itself and concerned mainly:

- the organisation of the Board, including the number of meetings and the length of the latter; the completeness and promptness of the information provided by the Board in preparation for board meetings; the operations of the Committees and the effectiveness of their support to the Board; the adequacy of the time dedicated by the Board to the discussion of all the subjects concerning the Company, including risk management, evaluation of the budget and investments, and long-term strategy;
- the composition and the structure of the Board also in terms of skills and number of Directors;
- the training of the Directors; their knowledge of the tasks and responsibilities related to their roles; their knowledge of the situation and dynamics of the Company and the Group;
- the decision-making process and the quality of the information made available to the Directors in preparation for board meetings, including the promptness in the receipt of the information itself; the degree of in-depth knowledge provided by the Committees in the report on the activities they carry out;
- the interaction between the Directors within the Board itself, including how the atmosphere inside the Board encourages comparison and debate; the role of the Chairman and the Managing Director in stimulating dialogue and debate within the board;
- the relationships with top management and the Directors' awareness of the latter.

Each Director was able to answer each question on the questionnaire by agreeing or disagreeing. The Board Review used the answers to the topics in the questionnaire as a basis for examining each one of them in more detail during the interviews, which were conducted individually with all the members of the Board.
The consultancy firm also arranged a benchmark with several Italian companies of reference listed on the Stock Exchange to back up the comments of the Board. The comparison with the companies taken as a benchmark concerned the composition of the related Boards, the number of executive directors and non-executive directors, the professional background of the non-executive directors, the nationality of the Board and other significant items, based on the data available, including the methods for conducting the respective Board Reviews.
After the responses were processed, the Board declared the evaluation successfully carried out in its meeting of 14 March 2016.
The interviews conducted and the results of the responses to the questions on the questionnaire demonstrate that the operations of the Board and the Committees of the Company are overall positive.

The percentage of topics on which a large majority of the Directors expressed a positive evaluation was 89%.

The key topics on which the majority of the Directors demonstrated a high level of agreement were:

- the current composition of the Board in terms of the diversification of skills, the use of the competences of each of the Directors and the correct ratio of executive to non-executive directors;
- the positive environment within the Board and the quality of debates within it;
- the quality of the preparation and planning of the board meetings, including their length and frequency;
- the completeness, promptness and qualitative level of the information made available to Board on the general performance of the Company and the most important transactions;
- the participation of the individual Directors in the decision-making process;
- the level of involvement of the Directors in the definition of strategic plans and the budget and in the evaluation of investments;
- the ease of access to the Managing Directors by the Directors outside board meetings;
- the commitment and activities of the Chairman and the Managing Director in the performance of their roles; the level of information provided by the Committees on the activities carried out and the degree of depth provided in the reports to the Board by these Committees;
- the quality of the recording of the meetings and the ease of access to the minutes by the Directors.

The Board then acknowledged and decided to implement some of the proposals of the Remuneration and Appointment Committee aimed at increasing the involvement of the newly-appointed non-executive Directors and the Board internal debate.

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 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 Meeting of Shareholders did not grant any general or prior authorisation for any derogations of the prohibition on competition provided for by article 2390 of the 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 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[3] 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 Meeting of Shareholders of 28 April 2015 met at the end of this meeting to allocate the company positions, to grant the various powers, and to appoint the Committees. As in 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 Meeting of Shareholders.

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 undertaking without limitation as to the cause or matter;

[3] See Note no.3

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 the management company of the markets, 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 Executive Directors 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 Statutory Auditors on the use 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 seven days prior to the board meeting), except in the event of necessity or emergency. The documents are made available to the Directors in a virtual data room, which is equipped and dedicated specially for this purpose. With regard to the financial reports, these are sent with at least two working days' notice, subject to 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.

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 28 April 2015 considered it appropriate to appoint Mr. Roberto Orecchia 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 updates on 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.

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 Statutory 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 Meeting of Shareholders of 28 April 2015, is made up of 11 (eleven) members, including two (2) Executive Directors and nine (9) non-Executive Directors, four (4) of which qualify as Independent Directors and one (1) qualify as Independent Director under the provisions of articles 147-*ter*, paragraph 4, and 148, paragraph 3, of Consolidated Finance Law (but not under the Code of Conduct), 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.

If the Meeting of Shareholders 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.

The new Board was appointed in April 2015 with the same number of directors as before (11).

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 for a Board of nine (9) to fourteen (14) directors.

However, the new Board, in office since 2015, has four Independent Directors (one more than the number of Independent Directors in the outgoing Board).

In particular, it is 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, aimed at creating value for shareholders in the medium to long-term 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 situations, although non-mandatory:

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[4] 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 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:

– 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 participation in 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;

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[4]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;

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 takes all the circumstances into consideration that may appear to compromise the independence of judgement and conduct 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 is 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 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 Statutory 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 2016, 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 Law), 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 Law, that the Directors Ms. Gaudiana Giusti, Mr. Stefano Proverbio, Mr. Roberto Orecchia and Ms. Luciana Rovelli 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 Law, 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 even abstractly referable to the cases identified by the Code as indicative of lacking independence. The four Directors filed suitable declarations before the Meeting of Shareholders stating that they satisfied the requirements of Independent Directors (as explained above). The Board, in the next meeting after the Meeting of Shareholders then accepted this qualification, communicating it to the market on the same date (28 April 2015).

Also for the purposes of application standard 3.C.5. of the Code, the Board of Statutory 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 2015 the Board of Directors and Board of Statutory 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. With reference to 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 did not consider it necessary however to meet again in the absence of the other Directors, considering the high quality of the information received from the delegated bodies, their active participation in the Board and their presence on the Committees, which enabled them to analyse the issues of interest to them in adequate depth.

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 28 April 2015 considered it appropriate to appoint the Independent Director Mr. Roberto Orecchia as Lead Independent Director. The non-executive Directors (and in particular the Independent Directors) refer to Mr. Orecchia 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. Roberto Orecchia is the Chairman of one of the two Committees set up within the Board, namely the Audit and Risk Committee.

5. PROCESSING OF COMPANY INFORMATION

On 24 March 2006, the Board acknowledged and put into practice to the new provisions of the Consolidated Finance Law, 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 Law, pursuant to and in accordance with article 115-*bis* of the Consolidated Finance Law 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 (as defined in the Internal Dealing Code) 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 the Consolidated Finance Law)

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 meetings of each committee are recorded and the minutes are made accessible to the Board of Statutory Auditors.

In relation to application standard 4.C.1. letter d) of the Code (as amended in July 2015), it is to be specified that it was not considered necessary for the Chairperson of each committee to give information on the work carried out to the next board meeting to be held thereafter: the Chairman of the Control and Risk Committee reports at least every six months to the Board on the work of this Committee and if he considers it appropriate he asks for specific issues to be tackled by adding them to the agenda of the Board. The Chairwoman of the Remuneration and Appointment Committee reports on the items to be added to the agenda of the Board whenever she considers it necessary and reports once a year on the work carried out by the Committee during the previous financial year.

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 of this Report.

6.2. Appointment Committee

On the basis of the recommendations of the Code, application standard 4.C.1., letter c), in 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 in consideration of the close correlation and mutual relevance of the subjects dealt with. Hence the Remuneration and Appointment Committee was set up.

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 paragraph 8 and to the Remuneration Report published by the Company, pursuant to article 123-*ter* of the Consolidated Finance Law.

6.5. Committee for transactions with related parties

The Committee is composed of 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), in 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 in consideration of the close correlation and mutual relevance of the subjects dealt with. Hence the Remuneration and Appointment Committee was set up.

8. REMUNERATION AND APPOINTMENT COMMITTEE

The Board of Directors set up the Compensation Committee - currently 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 three non-executive directors, of which two are independent and one 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[5]: Ms. Gaudiana Giusti (Independent Director) – Chairwoman 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 Consolidated Finance Law) and Ms. Luciana Rovelli (Independent Director). During the Financial Year the Committee met six times with an average attendance of 77.78% of its members and the meetings lasted an average of one hour and a half. On the invitation of the Chairwoman, the Group Legal Counsel and the Group HR Director attended the meetings. At least six meetings are planned for 2016, three of which have already been held on 20 January, and 2 and 25 February 2016. 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 are always attended by the Chairman of the Board of Statutory Auditors. 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 autonomously. 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 preparation for the appointment of the Board of Directors, which took place on 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 Law.

On 14 March 2016 the Chairwoman of the Committee reported to the Board on the activities carried out during the financial year. These activities concerned, among others, the approval of the Remuneration Policy, the analysis and approval of draft

[5] Until 28 April 2015 the members of the Committee were Mr. Emilio Bartezzaghi (Independent Director) – Chairman of the Committee, Mr. Adriano De Maio (non-executive and Independent Director pursuant to the combined provisions of articles 147-ter, paragraph 4, and 148, paragraph 3 of Consolidated Finance Law and Mr. Andrea Sironi (Independent Director and Lead Independent Director).

agreements for executive directors and the proposed target objectives of the Executive Directors. For some activities the Committee was assisted by an external professional.

The Committee supervised the Board Review process for the Financial Year, overseeing the work of the leading consultancy firm specially appointed by the Board to support its self-evaluation, and meeting to discuss the matter on 25 February 2016.

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 Law.

10. AUDIT AND RISK COMMITTEE (pursuant to article 123-*bis*, paragraph 2, letter d), of Consolidated Finance Law)

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 28 April 2015[6] the Board appointed the following Directors as members of the Audit and Risk Committee: Mr. Roberto Orecchia (Independent Director) – Chairman of the Committee, Ms. Gaudiana Giusti (Independent Director) and Mr. Stefano Proverbio (Independent Director).

At least one member of Committee has adequate experience in accounting and financial matters. In this case, this member is Mr. Stefano Proverbio.

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 executive directors do not normally participate in Committee meetings. The Chairman of the Board of Statutory Auditors or other Auditor appointed by the Chairman of the Board of Statutory 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 Statutory Auditors, the Internal Audit Manager and the Managing Director entrusted with the supervision of the operations of the Internal Control and Risk Management System.

[6] Until this date the members were: Mr. Roberto Orecchia (Independent Director) – Chairman of the Committee, Mr. Andrea Sironi (Independent Director) and Mr. Andrea Dogliotti (non-executive Director).

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 consulted the advisers who are supporting the Company in the implementation project of an Enterprise Risk Management process several times, as more widely described in paragraph 10 of this Report, providing methodological guidelines and discussion cues throughout the 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 Statutory Auditors, the Officer in Charge of the preparation of the Company's accounting documents, with the Internal Audit Manager and the Group Legal 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, in the corporate governance report, of the main characteristics of the internal control and risk management system and the coordination methods between the parties involved in the latter and whose overall adequacy is evaluated by the Board;
   v. the results reported by the audit firm 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 Statutory 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.

h) supporting, with adequate preparatory work, the evaluations and decisions of the Board of Directors on the management of risks originating from any detrimental circumstances brought to the attention of the Board.

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 2015 Financial Year the Committee met nine times (on 18 February, 10 March, 8 April, 11 and 13 May, 11 June, 30 July, 20 October and 16 December).
The average length of each meeting was approximately one hour. The average participation of members in the Committee meetings was about 92%. The meetings were regularly attended also by the Chairman of the Board of Statutory Auditors and the Internal Audit Function Manager.
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;

- presented the results of the Enterprise Risk Management project to the Board on 8 April 2015;
- reported to the Board (on 30 July 2015 and on 21 January 2016) on the activities carried out in the first and second six months of 2015 and on adequacy of the Internal Control and Risk Management System.

In the 2016 financial year the Control and Risk Committee met on 21 January and 12 February. On 14 March 2016 a plenary meeting of the control bodies was held, attended by the Committee itself, the Supervisory Body, the Audit Firm, the Board of Statutory Auditors, the Internal Audit Manager, the Director in charge of the Internal Control and Risk Management System, the Director in charge of drawing up the Company's accounting documents pursuant to Italian Legislative Decree no.262/05 and the legal department.

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 Statutory 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 14 March 2016, and, on the proposal of the Audit and Risk Committee, having consulted and obtained the approval of the Board of Statutory 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 2016-2018, in 2015 the Company performed a Risk Assessment of the 2016-2018 Strategic Plan within the context of the Enterprise Risk Management process, continuing the activities started in 2012 on a limited area (Business Area Medical SMA) and from 2014, on the entire Group. .A methodology for the identification and evaluation of the main Group risks, as well as the existing level of protection was developed within the context of the Enterprise Risk Management process, with the purpose of providing functional instruments for making decisions also based on the business risk profile. As anticipated above, there was a steady dialogue with the Audit and Risk Committee, which resulted in several ideas of methodological consideration and analysis.

The analysis was carried out parallel to the Strategic Planning process with a view to its gradual integration and the project lead to a report 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 2016-2018 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, always in steady coordination with the Audit and Risk Committee.

The Company's objective is to ensure that the Enterprise Risk Management project increasingly becomes an integral part of business processes.

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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, the market and also the corporate bodies can make informed decisions;
- the promptness 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.

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.

[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.

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 subsidiaries 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;
- matrixes of administrative and accounting controls (hereinafter also "matrixes");
- regular evaluation of the adequacy and effective application of the controls described in the matrixes;
- 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 *matrixes 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 matrixes 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 matrixes 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 matrixes*, 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 matrixes 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 Law.

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 SUBSIDIARIES 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 managers 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 matrixes 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 28 April 2015 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 Statutory Auditors;
e) promptly 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 and the Board, during the approval phase of this Report, took note thereof.

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 Statutory 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 Financial Year.

For the year 2016, instead, the activities of the Internal Audit department will be outsourced to the company Protiviti for the period from January to September 2016, under the guidance of Ms. E. Marcandalli, appointed with the formal role of Internal Audit Manager. Upon the end of the outsourcing period, Ms. Marsigli will return to her regular service as Internal Audit Manager.

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 changes in regulation that took place 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 copyright infringement - 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 fines the employer in the event of the employment of third-country nationals with unlawful residence permits.

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.

Finally, on 13 May 2015 the Board of Directors updated the Model and added Special Part I – the crimes of receiving, laundering and using money, goods or benefits of illegal origin, self-laundering and transnational crimes.

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 28 April 2015[8], 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 Statutory Auditors);
- Ms. Gaudiana Giusti (as Independent Director);
- Mr. Stefano Proverbio (as Independent Director);
- Ms. Luciana Rovelli (as Independent Director);
- Mr. Alessandro Altei (as Group Legal Counsel).

The Body has its own Regulations and also elected its Chairperson internally, namely Ms. Luciana Rovelli.

The Body shall remain in office until the approval of the financial statements for the 2017 financial year.

The Body met five times during the Financial Year (with the average attendance rate of 80% of its members at all the meetings). The minutes of the meetings of the body were duly recorded.

On 13 May 2015 the Company issued a regular certification on the basis and as required according to 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 Meeting of Shareholders resolved to

[8] Until 28 April 2015 the following were members of the Supervisory Body: Mr. Roberto Orecchia (as Independent Director), Mr. Vincenzo Donnamaria (as member of the Board of Statutory Auditors) and Mr. Alessandro Altei (as Group Legal Counsel).

entrust Deloitte & Touche S.p.A. with the auditing task pursuant to the Italian Legislative decree no. 39/2010 on the basis of the proposal of the Board of Statutory 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 28 April 2015 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 Statutory Auditors, pursuant to and in accordance with new article 154-*bis* of the Consolidated Finance Law, introduced by the Italian Savings Law.

Pursuant to article 24 of the Company By-laws, introduced with the resolution of the extraordinary Meeting of Shareholders 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 2017 financial year). He can be re-elected. Mr. Di Marco has been the Officer in Charge since 29 June 2007.

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 Law, 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 (the Board of Statutory Auditors) 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 Audit Firm, the Internal Audit 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 an opportunity to exchange views 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 2015, two meetings were held on 10 March and 23 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 international accounting standard IAS 24.

The Procedures define the transactions of "major significance" that must be approved in advance by the Board, with the motivated 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 Statutory 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 Statutory Auditors by presenting lists, was amended by the resolution of the extraordinary Meeting of Shareholders 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 Law, 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 Statutory 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 Statutory Auditors is appointed by the Meeting of Shareholders 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 Law; 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 Meeting of Shareholders 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 Consolidated Finance Law 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 head offices of the Company, 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 Law 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 Statutory 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 Statutory 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 Statutory 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 Meeting of Shareholders 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 Statutory Auditors will be the first candidate voted as statutory Auditor.

If no lists are submitted, the Board of Statutory Auditors and the Chairman are appointed by the Meeting of Shareholders 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 Civil Code, the Meeting of Shareholders appoints or replaces the Auditors in compliance with the principle of the necessary representation of minorities.

14. COMPOSITION AND OPERATION OF THE BOARD OF STATUTORY AUDITORS (pursuant to article 123-bis, paragraph 2, letter d), of the Consolidated Finance Law)

The Board of Statutory Auditors holding office was appointed by the Meeting of Shareholders on 28 April 2015[9] and will remain in office until the approval of the 2017 financial statements. The Board of Statutory Auditors, as shown in more detail in the following table, consists up of Mr. Pier Francesco Sportoletti, Chairman of the Board of Statutory Auditors (elected on the basis of a minority list), Mr. Vincenzo Donnamaria and Ms. Sara Anita Speranza, Statutory Auditors. The Board of Statutory Auditors holding office was appointed on the basis of two lists submitted to the Company by the majority Shareholder S.G.G. Holding S.p.A. and by the minority Shareholder Equilybra Capital Partners, 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 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 Law and application standard 8.C.1. of the Code. During the Financial Year, with reference to the 2014 financial year, this assessment was carried out on 18 February 2015. With reference to the 2015 financial year, this assessment was carried out on 18 February 2016.

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 Statutory 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 Meeting of Shareholders during the appointment phase of the Board of Statutory 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 Statutory 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 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.

[9] Until this date the members of the outgoing Board of Statutory Auditors were: Mr. Maurizio Civardi, Mr. Alessandro Martinelli and Mr. Vincenzo Donnamaria (Chairman of the Board of Statutory Auditors).

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 remuneration of the Board of Statutory Auditors is decided by the meeting of shareholders upon its appointment and is proportionate to the commitment required, the significance of the position held and the size and sector of the company. The auditors may receive additional remuneration for their participation in other control bodies (for example, the Supervisory Body), within the limits permitted by the laws in force.

The Board of Statutory 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 Meeting of Shareholders.

The Board of Statutory 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 Statutory Auditors verified the continuing satisfaction of the requirements of independence of its members in the first meeting after its appointment (on 28 April 2015) and during the Financial Year. In carrying out the assessments stated above the Board did not apply any further criteria for the independence of the Directors, but only laws and regulations.

The Board of Statutory 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 Statutory 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 Statutory 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.

The Board of Statutory 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 Statutory 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 Statutory Auditors or other Auditor appointed by the latter).

The Board of Statutory Auditors has access to the minutes of the meetings of the Committees and the Supervisory Body through the virtual data room.

During the Financial Year the Board of Statutory Auditors met six times with constant participation of all members. The meetings of the Board of Statutory Auditors last an average of 3 hours. Six meetings are planned for the 2016 financial year; one meeting was held on 3 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 Statutory Auditors.

The personal and professional information of each Auditor is provided below:

Pier Francesco SPORTOLETTI - born in Bologna on 27 October 1956

Mr. Sportoletti is registered in the professional accounting association of Certified Public Accountants, Auditors and Advisors (ODCEC) of Bologna under no. 386/A.

He has also been registered in the Register of Auditors under no. 55990 since its establishment.

He is the owner of a firm bearing the same name, which specialises in extraordinary transactions and internationalisation processes.

He has been the Chairman of the Board of Statutory Auditors of SAES Getters S.p.A. since 2015.

Vincenzo DONNAMARIA - born in Rome on 4 October 1955

Mr. Donnamaria graduated with a Law degree from the Università degli Studi of Rome in 1978.

He is a lawyer enrolled in the Bar of Rome (1994).

He has been registered in the Register of Auditors since its establishment (Italian Ministerial Decree 12 April 1995).

He is also a 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 300 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 1985 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 1998 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.

Still 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 was a Statutory Auditor of SAES Getters S.p.A. from 1997 until 2006. From 2006 until 2015 he held the position of Chairman of the Board of Statutory Auditors and in 2015 he was appointed Statutory Auditor.

Sara Anita SPERANZA - born in Luino (VA) on 12 January 1972

Ms. Speranza graduated with a degree in Economics from the Università Cattolica del Sacro Cuore of Milan in 1995.

She qualified to practice as a Chartered Accountant in 1999 and has also been registered in the Register of Chartered Accountants of Milan since 1999.

She is registered in the Register of Statutory Auditors – Decree of the general manager of civil affairs and the professions 19/004/2001, O.G. supplement no.36 – IV special series of 08.05.2001.

Ms. Speranza practices her profession at the Studio Cornelli Gabelli e Associati.

She has been a Statutory Auditor of SAES Getters S.p.A. since 2015.

15. INVESTOR RELATIONS

The Chairman and the 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 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 24 March 2015 and in London on 5 October 2015 respectively. For the current financial year the STAR Conference in Milan is planned for 15 and 16 March 2016, whereas the conference in London is planned for 7 October 2016.

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 Meeting of Shareholders, 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 Meeting of Shareholders are answered on the website of the Company or, at the latest, during the Meeting of Shareholders, 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. of the Code, 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. MEETING OF SHAREHOLDERS (pursuant to article 123-bis, paragraph 2, letter c), of the Consolidated Finance Law)

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 Meeting of Shareholders 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 standards 9.C.2. and 9.C.3. of the Code, the Chairman and the 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 Meeting of Shareholders in full cognition of the facts.

During the Financial Year, the Meeting of Shareholders was held on 28 April 2015 with the following agenda:

1. Report of the Board of Directors for the financial year ended 31 December 2014; financial statements as at 31 December 2014; related resolutions; presentation of Consolidated Financial statements as at 31 December 2014; distribution of the dividend;
2. Appointment of the Board of Directors; determination of the number of its members and their related remuneration pursuant to art. 2389 of the Civil Code;
3. Appointment of the Board of Statutory Auditors;
   3.1 Appointment of the Board of Statutory Auditors for the 2015-2017 financial years and its Chairperson;
   3.2 Determination of the remuneration of the statutory auditors;
4. Report on remuneration pursuant to article 123-*ter*, paragraph of Italian Legislative Decree no. 58/1998 and article 84-*quater* of CONSOB resolution no. 11971 of 14/5/1999 concerning the Regulations for Issuers;

5. Proposal for the authorisation of the Board of Directors pursuant to and in accordance with articles 2357 *et. seq*. of the 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;

In order to attend the Meeting of Shareholders, the Company requires the notification establishing the right to speak and to vote in the Meeting of Shareholders 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 only call of the Meeting of Shareholders.

In this regard, article 10 of the By-laws states:

"Attendance and representation at the Meeting of Shareholders 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 Meeting of Shareholders

In compliance of application standard 9.C.3. of the Code, on 13 March 2012 the Board proposed the adoption of specific regulations for Meeting of Shareholders, 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 Meeting of Shareholders of 24 April 2012 and updated, with the amendment of article 4, paragraph 7, by the Meeting of Shareholders 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 €1,100 per year).

16.3. Significant changes in the market capitalisation of shares

The ordinary shares listed on the Italian Electronic Stock Market (STAR segment) more than doubled in value (+110.9%) in 2015, whereas savings shares registered an increase of +92.3%, compared to an increase of +12% and +38.2%, 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 2015.

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, 14 March 2016

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 Law**	**Number of other offices**	**Attendance at BoD meetings**	**Audit and Risk Committee**	**Remuneration and Appointment Committee**
Chairman ◊	Massimo della Porta	1960	1997	28.04.15	Meeting of Shareholders for the approval of the 2017Financial Statements	M	X				3	14/14		
Vice-Chairman, Managing Director and Chief Financial Officer •	Giulio Canale	1961	1997	28.04.15	Meeting of Shareholders for the approval of the 2017 Financial Statements	M	X				1	14/14		
Director	Adriano De Maio	1941	2001	28.04.15	Meeting of Shareholders for the approval of the 2017 Financial Statements	M		X		X		12/14		2/6 M
Director	Alessandra della Porta	1963	2013	28.04.15	Meeting of Shareholders for the approval of the 2017 Financial Statements	M		X			-	12/14		
Director	Luigi Lorenzo della Porta	1954	2012	28.04.15	Meeting of Shareholders for the approval of the 2017 Financial	M		X			2	12/14		

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 Law**	**Number of other offices**	**Attendance at BoD meetings**	**Audit and Risk Committee**	**Remuneration and Appointment Committee**
					Statements									
Director	Andrea Dogliotti	1950	2006	28.04.15	Meeting of Shareholders for the approval of the 2017 Financial Statements	M		X			-	14/14	3/3 M	
Director	Gaudiana Giusti	1962	2015	28.04.15	Meeting of Shareholders for the approval of the 2017 Financial Statements	M		X	X	X	1	8/10	6/6 M	4/4 P
Director	Pietro Mazzola	1960	2008	28.04.15	Meeting of Shareholders for the approval of the 2017 Financial Statements	M		X			4	7/14		
Director	Stefano Proverbio	1956	2015	28.04.15	Meeting of Shareholders for the approval of the 2017 Financial Statements	M		X	X	X	1	10/10	6/6 M	
Director°	Roberto Orecchia	1952	2009	28.04.15	Meeting of Shareholders for the approval of the 2017 Financial Statements	M		X	X	X	-	11/14	7/9 P	
Director	Luciana Rovelli	1973	2015	28.04.15	Meeting of Shareholders for the approval of the 2017 Financial	M		X	X	X	-	8/10		4/4 M

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 Law**	**Number of other offices**	**Attendance at BoD meetings**	**Audit and Risk Committee**	**Remuneration and Appointment Committee**
					Statements									
Directors retired during the Financial Year														
Director	Stefano Baldi	1950	1987	24.04.12	Meeting of Shareholders for the approval of the 2014 Financial Statements	M		X			1	3/4		
Director°	Andrea Sironi	1964	2006	24.04.12	Meeting of Shareholders for the approval of the 2014 Financial Statements	M		X	X	X	-	3/4	1/3 M	2/2 M
Director	Emilio Bartezzaghi	1948	2012	24.04.12	Meeting of Shareholders for the approval of the 2014 Financial Statements	M		X	X	X	3	4/4		2/2 P

Number of meetings held during the Financial Year	**Board of Directors**	**Audit and Risk Committee**	**Remuneration and Appointment Committee**	**Appointment Committee**
	14	9	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 Law): 2.5%				

TABLE 2 – STRUCTURE OF THE BOARD OF STATUTORY 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
Pier Francesco Sportoletti	Chairman	1956	2015	28/04/15	Meeting of Shareholders for the approval of the 2017 Financial Statements	m	No	4/4	8
Vincenzo Donnamaria	Statutory Auditor	1955	1997	28/04/15	Meeting of Shareholders for the approval of the 2017 Financial Statements	M	No	5/6	23
Sara Anita Speranza	Statutory Auditor	1972	2015	28/04/15	Meeting of Shareholders for the approval of the 2017 Financial Statements	M	No	4/4	13
Angelo Rivolta	Substitute Auditor	1976	2015	28/04/15	Meeting of Shareholders for the approval of the 2017 Financial Statements	m	No	n.a.	n.a.
Anna Fossati	Substitute Auditor	1971	2015	28/04/15	Meeting of Shareholders for the approval of the 2017 Financial Statements	M	No	n.a.	n.a.
AUDITORS RETIRED DURING THE FINANCIAL YEAR									
Maurizio Civardi	Statutory Auditor	1959	2006	24/04/12	Meeting of Shareholders for the approval of the 2014 Financial Statements	M	No	2/2	n.a.
Alessandro Martinelli	Statutory Auditor	1960	2006	24/04/12	Meeting of Shareholders for the approval of the 2014 Financial Statements	M	No	2/2	n.a.
Fabio Egidi	Substitute Auditor	1963	2007	24/04/12	Meeting of Shareholders for the approval of the 2014 Financial Statements	M	No	n.a.	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 Law)							2.5 %		
Number of meetings during the Financial Year							6		

ANNEX 1 – 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***
Giulio Canale	S.G.G. Holding S.p.A.	Director
Adriano De Maio	-	-
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	-	-
Gaudiana Giusti	Domus Italia S.p.A.	Non-executive Director
Pietro Mazzola	Banca Popolare Commercio e Industria Berger Trust S.p.A. Fratelli Testori S.p.A. Buccellati Holding Italia S.p.A.	Chairman of the Board of Statutory Auditors Vice-Chairman of the Board of Directors Chairman of the Board of Statutory Auditors Director
Roberto Orecchia	-	-
Stefano Proverbio	Borusan Group – Turchia	Non-executive Director
Luciana Rovelli	-	-

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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