

# The SAES<sup>®</sup> Getters Group

## Third Quarter 2008 Consolidated Results

*Conference Call – November 12, 2008*

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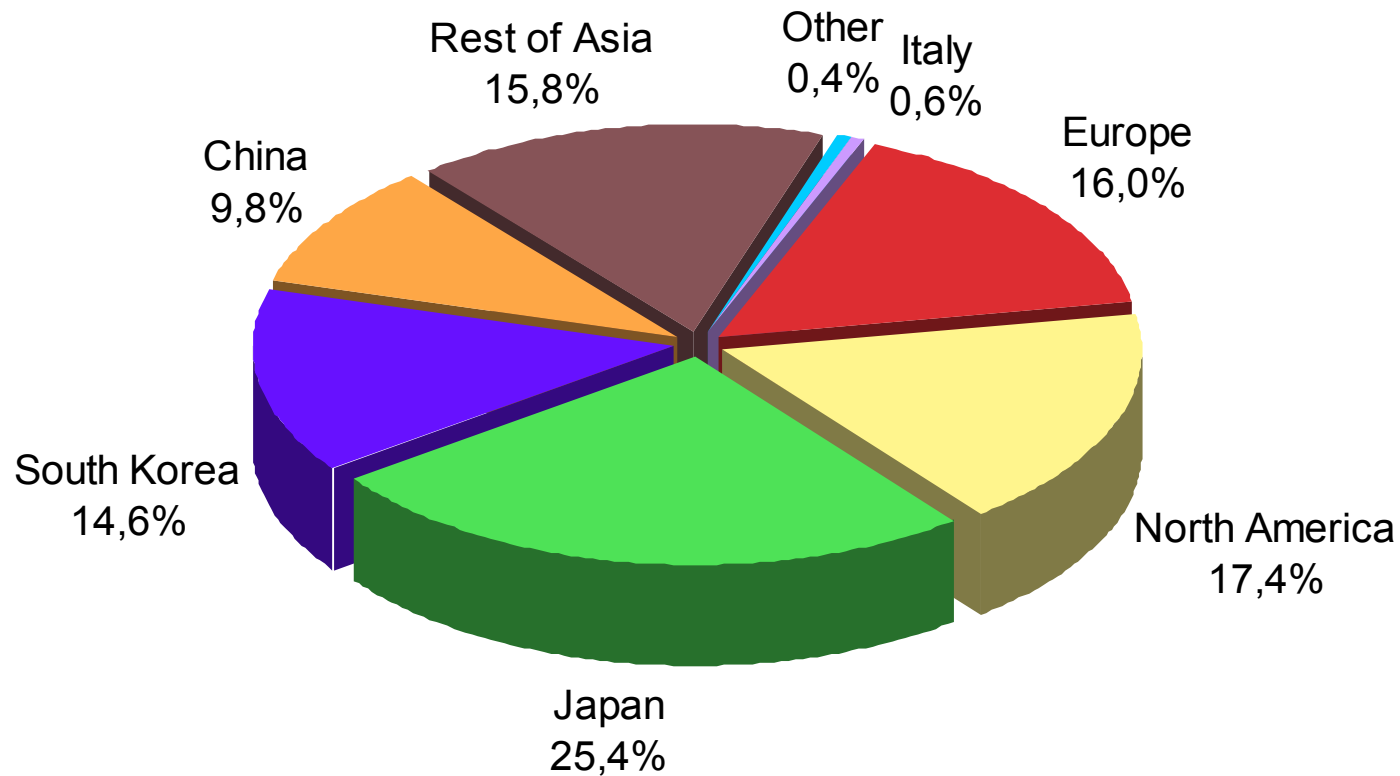
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# Third Quarter 2008 Highlights

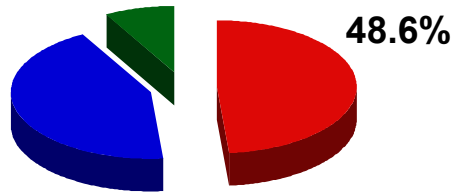
- **Sales** equal to €35.8 million, down by 16.3% compared to €42.7 million in 3Q2007. Exchange rate effect: -7%.
- The turnover decreased only in the Information Displays BU: persisting decline of CRTs and a sudden slow down in LCDs after a long period of growth. Such decrease is due to a conjunctural crisis caused by the international recession, which will continue in the next months.
- Strong growth in all the other SAES Getters Businesses: Industrial Applications +21.9% to €15.5 million; Advanced Materials turnover 3 times as much higher, to €2.8 million, mainly thanks to SMAs.
- **Gross profit** equal to €19.9 million compared to €27.9 million in 3Q2007.
- **Operating income** equal to €6.7 million, against €14.3 million in 3Q2007 and **Net income** equal to €3.2 decreasing from €9 million in 3Q2007.
- The BoD approved a **saving plan to cut operating expenses** for at least €5 million within 2009, to overcome slowdown in margins.
- The acquisition of **Memry Corporation** closed on Sep. 29 to accomplish the plan started early 2008 with the acquisition of SMC's SMA Division, aimed at creating a BU dedicated to Shape Memory Alloys, with the objective of becoming a global leader for SMA in the non cyclical medical sector and to develop a SMA industrial application market.
- Decision to sell **Putnam Plastics** (the polymer division of Memry Corporation) in line with such strategy of concentrating resources and investments in the core SMA business.

# Third Quarter 2008 Consolidated Sales By Geographic Area



# Information Displays BU Sales

## Information Displays



All figures in M€, unless otherwise stated

	3Q2008	3Q2007	Total difference	Price-quantity effect	Exchange rate effect
Liquid Crystal Displays	14.6	24.4	-40.1%	-31.9%	-8.2%
Cathode Ray Tubes	2.7	4.8	-42.6%	-38.0%	-4.6%
<b>Information Displays</b>	<b>17.4</b>	<b>29.2</b>	<b>-40.5%</b>	<b>-32.9%</b>	<b>-7.6%</b>

✓ CRTs continue to decline.

✓ Sales in LCD Business suddenly down after growing for a long time. This is due to a combined effect of structural and not structural factors:

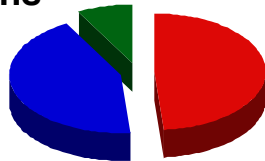
- economic crisis, particularly in the wide screen segment;
- extension to the 3Q2008 of the rundowns of pre-Olympic extra inventory based on more favorable market forecast;
- cost cutting process, accelerating the optimization in the use of dispensers and the reduction in CCFLs used for each display;
- strong price pressure in the supply chain upstream, orienting the demand towards lower cost components and shifting SAES Getters sales mix to less added-value products.

# Industrial Applications BU Sales

All figures in M€, unless otherwise stated

## Industrial Applications

43.4%



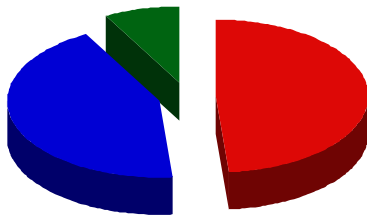
	3Q2008	3Q2007	Total difference	Price-quantity effect	Exchange rate effect
Lamps	2.6	2.5	4.7%	7.4%	-2.7%
Electronic Devices	6.2	4.0	54.7%	59.4%	-4.7%
Vacuum Systems and Thermal Insulation	1.3	1.1	16.6%	23.4%	-6.8%
Semiconductors	5.4	5.1	5.8%	14.3%	-8.5%
<b>Industrial Applications</b>	<b>15.5</b>	<b>12.7</b>	<b>21.9%</b>	<b>27.9%</b>	<b>-6.0%</b>

- ✓ Increase in the sales of all businesses, mainly of:
  - getters for solar collectors and hydrogen getters for military applications (*Electronic Devices Business*);
  - pumps for vacuum systems (*Vacuum Systems and Thermal Insulation Business*).
- ✓ Negative exchange rate effect is still strong (-6%); +27.9% revenues at constant exchange rate.

# Advanced Materials BU Sales

All figures in M€, unless otherwise stated

Advanced Materials 8%



	3Q2008	3Q2007	Total difference	Price-quantity effect	Exchange rate effect
Advanced Materials	2.8	0.8	259.4%	261.2%	-1.8%

- ✓ Very strong increase in sales, mainly shape memory alloys (SMA).
- ✓ Sales of SMC's SMA division acquired in early 2008 equal to €1.9 million in 3Q2008.
- ✓ The closing of the acquisition of Memry Corporation occurred on Sep. 29: the new acquired company will contribute to SAES Getters sales and results starting from 4Q2008.

# Information Displays Margins

*All figures in M€, unless otherwise stated*

	3Q2008	3Q2007	Total difference	Jan-Sep 2008	Jan-Sep 2007
<b>NET SALES</b>	17.4	29.2	-11.8	64.0	80.3
<b>GROSS PROFIT</b>	11.6	21.4	-9.8	46.8	57.9
Gross Margin	66.9%	73.2%		73.2%	72.1%
<b>OPERATING INCOME</b>	7.1	15.6	-8.5	30.4	40.4
Operating Margin	40.6%	53.4%		47.5%	50.4%

- ✓ Decreased in gross margin mainly due to sales decrease, unfavorable currency trend, price pressure and to a different and unfavorable sales mix.
- ✓ Operating margin decreased mainly for decrease in gross margin, despite the cost reduction in operating expenses, mainly in G&A costs (operating expenses from €5.9 million to €4.6 million).

# Industrial Applications Margins

*All figures in M€, unless otherwise stated*

	3Q2008	3Q2007	Total difference	Jan-Sep 2008	Jan-Sep 2007
<b>NET SALES</b>	15.5	12.7	2.8	45.4	41.7
<b>GROSS PROFIT</b>	7.5	6.6	1.0	22.9	22.0
Gross Margin	48.5%	51.4%		50.4%	52.7%
<b>OPERATING INCOME</b>	4.0	3.4	0.7	12.5	12.6
Operating Margin	26.0%	26.5%		27.4%	30.2%

- ✓ Lower gross margin because of a different sales mix; persisting negative effect of the exchange rate impacting on margins too.
- ✓ Operating margin remains stable in percentage on revenues.



# Advanced Materials & Corporate Costs

All figures in M€, unless otherwise stated

	3Q2008	3Q2007	Total difference	Jan-Sep 2008	Jan-Sep 2007
<b>NET SALES</b>	2.8	0.8	2.0	8.0	2.6
<b>GROSS PROFIT</b>	0.7	-0.1	0.8	1.0	-0.1
Gross Margin	25.6%	-7.5%		12.9%	-3.9%
<b>OPERATING INCOME</b>	-4.4	-4.7	0.2	-12.9	-12.6
Operating Margin	-156.7%	-594.9%		-160.3%	-489.1%

- ✓ Increase in costs of goods sold, mainly due to extension of the consolidation basis.
- ✓ Positive gross margin (25.6% on revenues).
- ✓ Increase in operating expenses (€5.2M in 3Q2008 from €4.6M in 3Q2007), mainly due to an increase in R&D expenses and in Selling expenses (subsequent to the variation in the consolidation basis), partially counter-balanced by a reduction in G&A expenses.

# Consolidated Income Statements

	3Q2008	3Q2007	Total difference	Jan-Sep 2008	Jan-Sep 2007
<b>NET SALES</b>	<b>35.8</b>	<b>42.7</b>	<b>-7.0</b>	<b>117.4</b>	<b>124.5</b>
<b>GROSS PROFIT</b>	<b>19.9</b>	<b>27.9</b>	<b>-8.0</b>	<b>70.8</b>	<b>79.7</b>
Gross Margin	55.6%	65.2%		60.3%	64.0%
<i>R&amp;D expenses</i>	4.5	3.9	0.5	13.5	12.2
<i>Selling expenses</i>	3.3	2.6	0.7	9.8	8.7
<i>G&amp;A expenses</i>	5.8	7.2	-1.4	17.8	19.7
Total Operating expenses	13.5	13.7	-0.2	41.0	40.6
Other income (expenses), net	0.3	0.1	0.2	0.2	1.3
<b>OPERATING INCOME</b>	<b>6.7</b>	<b>14.3</b>	<b>-7.6</b>	<b>29.9</b>	<b>40.5</b>
Operating Margin	18.6%	33.4%		25.5%	32.5%
Interest and other financial income, net	0.1	0.8	-0.7	0.8	1.9
Foreign exchange gains (losses), net	-0.9	0.4	-1.3	2.2	2.7
<b>INCOME BEFORE TAXES</b>	<b>5.9</b>	<b>15.4</b>	<b>-9.6</b>	<b>32.9</b>	<b>45.0</b>
Income Taxes	2.7	6.4	-3.7	11.3	17.6
<b>NET INCOME</b>	<b>3.2</b>	<b>9.0</b>	<b>-5.8</b>	<b>21.7</b>	<b>27.5</b>
Net Margin	8.9%	21.1%		18.5%	22.1%

All figures in M€, unless otherwise stated

# Net Financial Position

*All figures in M€, unless otherwise stated*

	30 Sep 08	30 Jun 08	Difference	31 Dec 07
Cash and cash equivalents	34.7	47.0	-12.3	70.7
Current financial assets	0.0	1.1	-1.1	1.8
Current financial liabilities	38.7	3.3	35.5	1.0
<b>Current net financial position</b>	<b>-4.0</b>	<b>44.8</b>	<b>-48.8</b>	<b>71.4</b>
<b>Non current financial liabilities</b>	<b>18.6</b>	<b>16.5</b>	<b>2.1</b>	<b>2.3</b>
<b>NET FINANCIAL POSITION</b>	<b>-22.7</b>	<b>28.3</b>	<b>-50.9</b>	<b>69.1</b>

- ✓ Negative NFP mainly due to disbursements occurred for the acquisition of Memry Corporation, closed on September 29, 2008.
- ✓ Investment in tangible assets amounted to €2.2 million.
- ✓ Cash provided by operating activities in 3Q2008 were €5.9 million.

# Business Outlook

## Outlook on 4Q2008:

- ❑ The trend highlighted in the third quarter in **LCD sector** will continue. In **CRT** market, a further slowdown is forecasted.
- ❑ **Industrial Applications** market will keep the present growth trend.
- ❑ Growth will also continue in the **Advanced Materials** segment, sustained by the integration of Memry Corporation.

## Outlook on 2009:

- ❑ In 2009 a **growth in revenues** is expected compared to 2008, but with a different sales mix that includes a greater portion of **lower marginality** products.
- ❑ The expected reduction in operating income and net income will be partially counterbalanced by the announced **plan of cost reduction** by at least €5 million within 2009, allowing to maintain good profitability even in a negative overall market scenario.
- ❑ In addition, **Short term savings on Memry Corporation** to increase marginality of this business: reduction of operating expenses by \$2.8 million (\$1.2 million due to the delisting savings and \$1.6 million coming from synergies and efficiencies from the integration of Memry into SAES Getters, particularly for corporate services).
- ❑ The announced **sale of Putnam Plastics** will increase cash flow and improve **net financial position**.

# Disclaimer and Attestation

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

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

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

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for your attention

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