

# The SAES<sup>®</sup> Getters Group

## Full Year 2008 Consolidated Results

*Conference Call – March 13, 2008*

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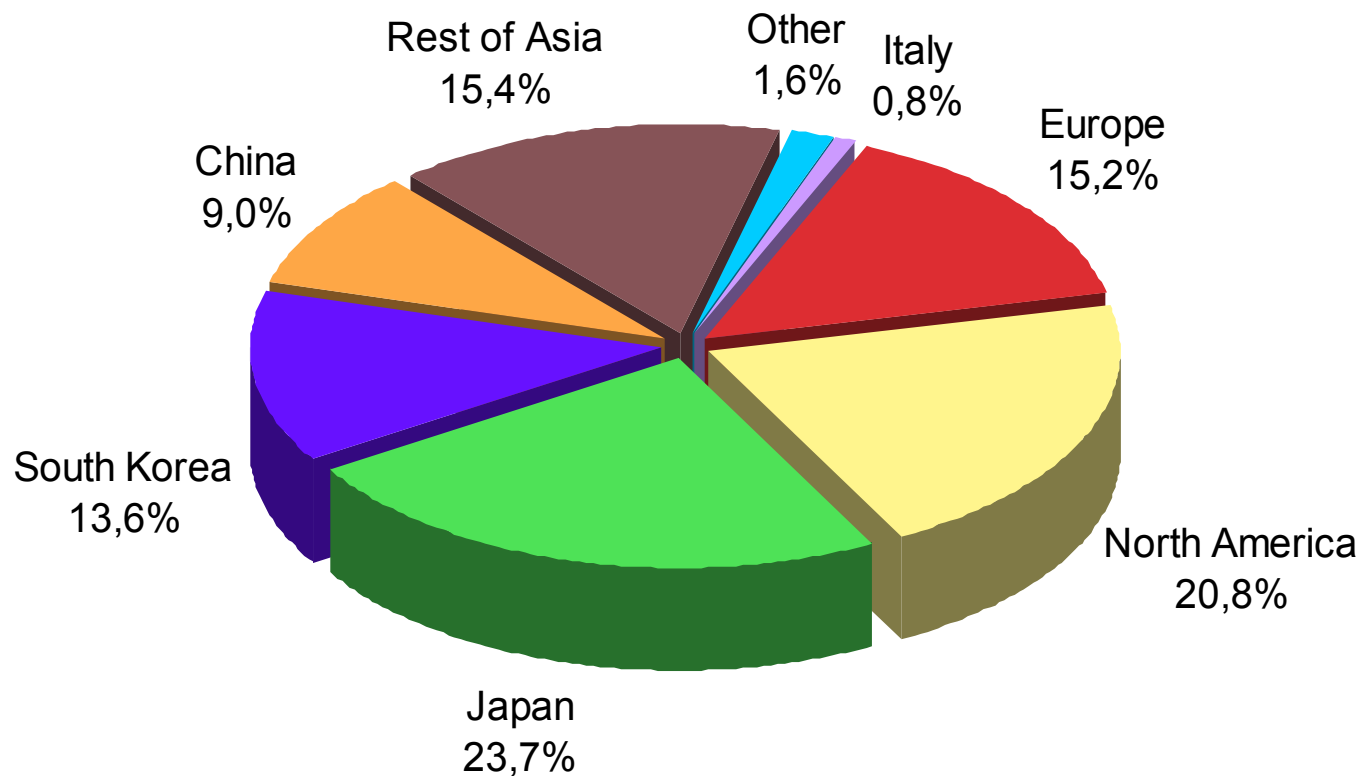
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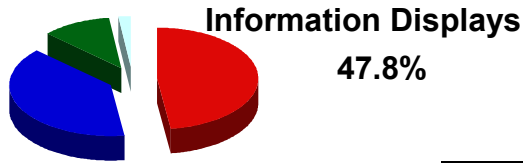
# Highlights

- **Sales** equal to €157.1 million, down by 6% compared to €167.2 million in 2007; -5% is the negative exchange rate effect, while +12.3% is the contribution due to the change of consolidation perimeter (acquisitions)
- In the first half, turnover and net profit in line with the corresponding period of 2007 (despite the negative exchange rate effect that hit all sectors of the business); second part of the year affected by the world economic slowdown particularly in the LCD market
- The acquisition of **Memry Corporation** is the achievement of SAES Group's main strategic objective, announced several times to the market: acquire a high tech company complementary to our activities, reducing the excessive dependence of turnover from the Information Displays market, cyclical and facing strong price pressure
- Sales of the Industrial Applications Business Unit not affected by the recession (+10.8% in 2008). All business segments showed an increase in turnover, with the exception of the Semiconductors Business, strongly impacted by the exchange rate effect (-5.7%)
- **Gross profit** equal to €90.1 million compared to €102.5 million in 2007
- **Operating income** equal to €30.4 million compared to €49.3 in 2007 and **Net income** equal to €20.3 million compared to €34.9 million in 2007
- A **dividend** of **€0.800** per ordinary share and of **€0.816** per savings share has been proposed
- Closed the previously announced **sale** of **Putnam Plastics**, the non-core polymer division of Memry Corporation, in February 2009 for a price of \$25 million, allowing both to generate cash and improve the net financial position

# Full Year 2008 Consolidated Sales By Geographic Area



# Information Displays BU Sales



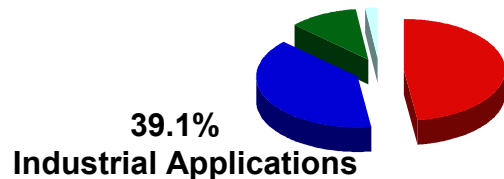
All figures in M€, unless otherwise stated

|                             | FY2008      | FY2007       | Total difference | Consolid. Area difference | Price-quantity effect | Exchange rate effect |
|-----------------------------|-------------|--------------|------------------|---------------------------|-----------------------|----------------------|
| Liquid Crystal Displays     | 64.6        | 90.0         | -28.2%           | 0.0%                      | -21.6%                | -6.6%                |
| Cathode Ray Tubes           | 10.4        | 18.4         | -43.5%           | 0.0%                      | -42.2%                | -1.3%                |
| <b>Information Displays</b> | <b>75.0</b> | <b>108.4</b> | <b>-30.8%</b>    | <b>0.0%</b>               | <b>-25.1%</b>         | <b>-5.7%</b>         |

✓ CRTs continue to decline

✓ The decrease in volumes in the LCD business (begun in the third quarter of the year and continued also in the last quarter), was caused by several reasons. In addition to the previously announced factors, sales of our products were impacted by the negative economic cycle, which increased the time-to-destock along the supply chain

# Industrial Applications BU Sales



All figures in M€, unless otherwise stated

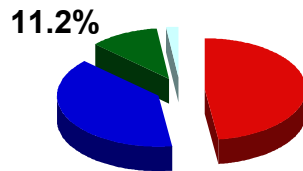
|                                       | FY2008      | FY2007      | Total difference | Consolid. Area difference | Price-quantity effect | Exchange rate effect |
|---------------------------------------|-------------|-------------|------------------|---------------------------|-----------------------|----------------------|
| Lamps                                 | 11.5        | 11.2        | 3.0%             | 0.0%                      | 4.0%                  | -1.0%                |
| Electronic Devices                    | 23.9        | 17.1        | 39.2%            | 18.1%                     | 24.0%                 | -2.9%                |
| Vacuum Systems and Thermal Insulation | 5.6         | 4.3         | 28.9%            | 0.0%                      | 32.3%                 | -3.4%                |
| Semiconductors                        | 20.6        | 22.9        | -10.0%           | 0.0%                      | -4.3%                 | -5.7%                |
| <b>Industrial Applications</b>        | <b>61.5</b> | <b>55.5</b> | <b>10.8%</b>     | <b>5.6%</b>               | <b>8.9%</b>           | <b>-3.7%</b>         |

- ✓ Increase in the sales of all businesses, except for Semiconductors affected by negative exchange rate effect and lower investments in new factories, especially in China and in the United States
- ✓ Increase mainly in sales of:
  - porous getters and hydrogen absorption getters for military applications (*Electronic Devices Business*);
  - pumps for vacuum systems (*Vacuum Systems and Thermal Insulation Business*);
  - getters for solar collectors (*Electronic Devices Business*)

# Shape Memory Alloys BU Sales

All figures in M€, unless otherwise stated

## Shape Memory Alloys

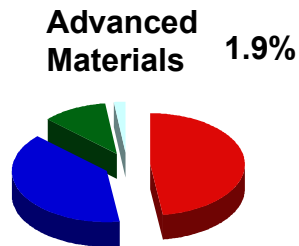


|                     | FY2008 | FY2007 | Total difference | Consolid. Area difference | Price-quantity effect | Exchange rate effect |
|---------------------|--------|--------|------------------|---------------------------|-----------------------|----------------------|
| Shape Memory Alloys | 17.6   | 0.9    | 1880.2%          | 1879.2%                   | 1.3%                  | -0.3%                |

- ✓ Newly established business unit
- ✓ Revenues generated by the acquisitions completed during the year:
  - SMC's SMA division (closed on January 3 by SAES Smart Materials, Inc.);
  - Memry Corporation (September 29);
  - Dr.-Ing Mertmann Memory-Metalle GmbH (previously 50% owned by SAES Getters S.p.A.) following the acquisition of an additional 10% on December 16, 2008

# Advanced Materials BDU Sales

All figures in M€, unless otherwise stated



|                    | FY2008 | FY2007 | Total difference | Consolid. Area difference | Price-quantity effect | Exchange rate effect |
|--------------------|--------|--------|------------------|---------------------------|-----------------------|----------------------|
| Advanced Materials | 3.0    | 2.4    | 24.0%            | 28.6%                     | -3.1%                 | -1.5%                |

- ✓ The acquisition of Spectra-Mat, Inc. on February 22, 2008 and its partial consolidation into this BU (€0.7 million turnover) contributed to the growth in revenues
- ✓ On a comparable consolidation basis, increased sales of getter films for MEMS applications offset by a reduction in revenues in optoelectronics

# Information Displays Margins

*All figures in M€, unless otherwise stated*

|                         | FY2008      | FY2007       | Total difference |
|-------------------------|-------------|--------------|------------------|
| <b>NET SALES</b>        | <b>75.0</b> | <b>108.4</b> | <b>-33.4</b>     |
| <b>GROSS PROFIT</b>     | <b>54.6</b> | <b>76.8</b>  | <b>-22.2</b>     |
| Gross Margin            | 72.8%       | 70.8%        |                  |
| <b>OPERATING INCOME</b> | <b>35.1</b> | <b>52.8</b>  | <b>-17.7</b>     |
| Operating Margin        | 46.8%       | 48.7%        |                  |

|  | 1Q08  | 2Q08  | 3Q08  | 4Q08  |
|--|-------|-------|-------|-------|
|  | 24.3  | 22.3  | 17.4  | 11.1  |
|  | 18.3  | 16.9  | 11.6  | 7.8   |
|  | 75.2% | 76.0% | 66.9% | 70.1% |
|  | 12.5  | 10.8  | 7.1   | 4.7   |
|  | 51.3% | 48.6% | 40.6% | 42.8% |

- ✓ Decrease in gross profit mainly due to drop of sales, unfavorable currency trend and increasing price pressure
- ✓ Operating margin decreased mainly for the reduction of the gross profit



# Industrial Applications Margins

All figures in M€, unless otherwise stated

|                         | FY2008 | FY2007 | Total difference | 1Q08  | 2Q08  | 3Q08  | 4Q08  |
|-------------------------|--------|--------|------------------|-------|-------|-------|-------|
| <b>NET SALES</b>        | 61.5   | 55.5   | 6.0              | 16.0  | 13.9  | 15.5  | 16.1  |
| <b>GROSS PROFIT</b>     | 30.4   | 27.9   | 2.5              | 8.3   | 7.1   | 7.5   | 7.5   |
| Gross Margin            | 49.5%  | 50.4%  |                  | 51.7% | 51.1% | 48.5% | 46.9% |
| <b>OPERATING INCOME</b> | 14.1   | 15.2   | -1.1             | 4.8   | 3.6   | 4.0   | 1.7   |
| Operating Margin        | 22.9%  | 27.4%  |                  | 30.2% | 25.8% | 26.0% | 10.4% |

- ✓ Gross profit increased by 8.9% from €28 million to €30.4 million
- ✓ Gross margin stable in percentage on revenues if excluding 2008 non recurring expenses
- ✓ Lower operating income because of increase in operating costs partially motivated by the expansion of the perimeter of consolidation

# Shape Memory Alloys Margins

All figures in M€, unless otherwise stated

|                         | FY2008 | FY2007  | Total difference |
|-------------------------|--------|---------|------------------|
| <b>NET SALES</b>        | 17.6   | 0.9     | 16.7             |
| <b>GROSS PROFIT</b>     | 5.7    | -0.7    | 6.4              |
| Gross Margin            | 32.3%  | -80.9%  |                  |
| <b>OPERATING INCOME</b> | -1.6   | -3.1    | 1.5              |
| Operating Margin        | -9.2%  | -346.4% |                  |

|  | 1Q08   | 2Q08   | 3Q08   | 4Q08  |
|--|--------|--------|--------|-------|
|  | 1.8    | 2.0    | 2.0    | 11.8  |
|  | 0.3    | 0.3    | 0.5    | 4.5   |
|  | 18.9%  | 15.9%  | 27.2%  | 38.0% |
|  | -0.5   | -0.7   | -0.4   | 0.0   |
|  | -26.2% | -36.9% | -20.6% | 0.1%  |

- ✓ Increase in gross profit and gross margin due to the change in the consolidation area (new acquisitions)
- ✓ Increase in operating costs due to the increased scope of consolidation

# Advanced Materials BDU & Corporate Costs

All figures in M€, unless otherwise stated

|                         | FY2008       | FY2007       | Total difference | 1Q08        | 2Q08        | 3Q08        | 4Q08        |
|-------------------------|--------------|--------------|------------------|-------------|-------------|-------------|-------------|
| <b>NET SALES</b>        | <b>3.0</b>   | <b>2.4</b>   | <b>0.6</b>       | <b>0.6</b>  | <b>0.8</b>  | <b>0.8</b>  | <b>0.7</b>  |
| <b>GROSS PROFIT</b>     | <b>-0.6</b>  | <b>-1.5</b>  | <b>0.9</b>       | <b>0.1</b>  | <b>-0.4</b> | <b>0.2</b>  | <b>-0.4</b> |
| Gross Margin            | -20.0%       | -64.1%       |                  | 10.4%       | -50.7%      | 22.0%       | -57.6%      |
| <b>OPERATING INCOME</b> | <b>-17.1</b> | <b>-15.7</b> | <b>-1.5</b>      | <b>-3.7</b> | <b>-3.5</b> | <b>-4.0</b> | <b>-5.9</b> |
| Operating Margin        | -579.5%      | -657.5%      |                  | -660.1%     | -431.4%     | -479.1%     | -794.7%     |

- ✓ Improved gross profit although still negative, due to non recurring expenses (€0.7 million), net of which the 2008 gross profit would have been positive (€0.1 million)
- ✓ On a comparable consolidation basis and excluding non-recurring expenses, operating costs increased from €12.4 million to €14.1 million, mainly due to higher costs for research and development

# Consolidated Income Statements

|   | FY2008       | FY2007       | Total difference |
|---|--------------|--------------|------------------|
| <b>NET SALES</b>                              | <b>157.1</b> | <b>167.2</b> | <b>-10.1</b>     |
| <b>GROSS PROFIT</b>                           | <b>90.1</b>  | <b>102.5</b> | <b>-12.4</b>     |
| Gross Margin                                  | 57.4%        | 61.3%        |                  |
| <i>R&amp;D expenses</i>                       | 17.7         | 17.8         | -0.1             |
| <i>Selling expenses</i>                       | 14.1         | 12.7         | 1.4              |
| <i>G&amp;A expenses</i>                       | 28.2         | 23.7         | 4.5              |
| Total Operating expenses                      | 60.0         | 54.2         | 5.8              |
| Other income (expenses), net                  | 0.3          | 1.0          | -0.7             |
| <b>OPERATING INCOME</b>                       | <b>30.4</b>  | <b>49.3</b>  | <b>-18.9</b>     |
| Operating Margin                              | 19.4%        | 29.5%        |                  |
| Interest and other financial income, net      | -0.4         | 2.5          | -2.9             |
| Foreign exchange gains (losses), net          | 0.5          | 5.4          | -4.9             |
| <b>INCOME BEFORE TAXES</b>                    | <b>30.5</b>  | <b>57.2</b>  | <b>-26.7</b>     |
| Income Taxes                                  | 10.7         | 22.5         | -11.8            |
| <b>NET INCOME on continuing operations</b>    | <b>19.8</b>  | <b>34.7</b>  | <b>-14.9</b>     |
| Net Margin                                    | 12.6%        | 20.8%        |                  |
| Net income (loss) on discontinuing operations | 0.5          | 0.1          | 0.4              |
| <b>NET INCOME</b>                             | <b>20.3</b>  | <b>34.8</b>  | <b>-14.5</b>     |
| Net Margin                                    | 12.9%        | 20.8%        |                  |

|  | Q1 08       | Q2 08       | Q3 08       | Q4 08       |
|--|-------------|-------------|-------------|-------------|
|  | <b>42.6</b> | <b>39.1</b> | <b>35.8</b> | <b>39.6</b> |
|  | <b>26.9</b> | <b>24.0</b> | <b>19.9</b> | <b>19.3</b> |
|  | 63.2%       | 61.3%       | 55.6%       | 48.7%       |
|  | 4.5         | 4.5         | 4.5         | 4.2         |
|  | 3.3         | 3.1         | 3.3         | 4.4         |
|  | 6.1         | 5.9         | 5.8         | 10.4        |
|  | 13.9        | 13.6        | 13.5        | 19.0        |
|  | 0.0         | -0.1        | 0.3         | 0.1         |
|  | <b>13.1</b> | <b>10.2</b> | <b>6.7</b>  | <b>0.4</b>  |
|  | 30.7%       | 26.1%       | 18.7%       | 1.1%        |
|  | 0.5         | 0.2         | 0.1         | -1.2        |
|  | 1.9         | 1.2         | -0.9        | -1.7        |
|  | <b>15.5</b> | <b>11.5</b> | <b>5.9</b>  | <b>-2.4</b> |
|  | 5.9         | 2.7         | 2.7         | -0.6        |
|  | <b>9.6</b>  | <b>8.9</b>  | <b>3.2</b>  | <b>-1.8</b> |
|  | 22.5%       | 22.6%       | 8.9%        | -4.5%       |
|  | 0.0         | 0.0         | 0.0         | 0.5         |
|  | <b>9.6</b>  | <b>8.9</b>  | <b>3.2</b>  | <b>-1.3</b> |
|  | 22.5%       | 22.6%       | 8.9%        | -3.3%       |

All figures in M€, unless otherwise stated

# Net Financial Position

*All figures in M€, unless otherwise stated*

|  | 31 Dec 08     | 31 Dec 07   | Difference    | 30 Jun 08   |
|--|---------------|-------------|---------------|-------------|
| Cash and cash equivalents                | 37.3          | 70.7        | (33.3)        | 47.0        |
| Current financial assets                 | 0.0           | 1.8         | (1.7)         | 1.1         |
| Current financial liabilities            | 40.2          | 1.0         | 39.1          | 3.3         |
| <b>Current net financial position</b>    | <b>(2.8)</b>  | <b>71.4</b> | <b>(74.2)</b> | <b>44.8</b> |
| <b>Non current financial liabilities</b> | <b>17.5</b>   | <b>2.3</b>  | <b>15.2</b>   | <b>16.5</b> |
| <b>NET FINANCIAL POSITION</b>            | <b>(20.3)</b> | <b>69.1</b> | <b>(89.4)</b> | <b>28.3</b> |

- ✓ Negative NFP mainly due to disbursements for the acquisitions (€76.8 million); dividends (€21.9 million); purchase of treasury shares (€3.3 million); interests on loans to finance acquisitions (€1.1 million) and to investments (€11 million), partially offset by funds generated from the operational activities
- ✓ Cash provided by operating activities to €33.7 million against €44 million in 2007; decrease mainly due to the contraction in sales caused by the recession
- ✓ Positive contribution in early 2009 due to the already mentioned sale of Putnam Plastics

# Business Outlook

- ❑ **Consolidated turnover** in the **first two months of 2009** equals to €24 million compared to €28.2 million in the corresponding period of 2008 (+10.7% the exchange rate effect), with a very good contribution of SMA BU (€8.8 million)
- ❑ **Uncertainty** in the present world economy makes it difficult to forecast with the same level of reliability as in past years the trends of the 2009 fiscal year
- ❑ The **Information Displays** market will remain weak, at least in the first half of 2009 as shown by the figures of first two months of 2009, because of the well known factors: slow-down of demand in the end user market, price pressure affecting SAES Getters' products and purchasing policies of our clients. We expect Q2 to be improving on Q1
- ❑ The **Industrial Applications** market would show a trend of higher stability, thanks to the growth in the businesses connected with the military applications and with the solar collectors. Slowdown is forecasted within the Lamps Business and the Semiconductors Business, more linked with the economic cycle
- ❑ The **SMA Business Unit** will significantly contribute to sustain Group's sales and margins, thanks to the introduction of new products in all business segments and to the medical and healthcare industry's lesser dependence on the economic cycle
- ❑ Efforts will continue to correctly balance the Group's structure with the final product demand, as well as to subsequently **reduce fixed costs** (target is higher than the previously announced €5 million) and **maximize cash generation**

# 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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