



SAES GETTERS S.p.A.

Capital Stock Euro 12,220,000 fully paid-in
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Registered with the Milan Court Companies Register no. 00774910152

Interim Management Report – 3rd Quarter 2014

In the third quarter of 2014, the SAES Group achieved **consolidated net revenues** equal to €32.3 million, up (+6.1%) compared to €30.5 million achieved in the corresponding period of 2013. The organic growth (+6.4%) was mainly concentrated in the business of shape memory alloys for medical applications, supported by a recovery in the demand both in the US and in Europe. Also the industrial SMA business improved, driven by the sales of both SMA springs for automotive applications and of educated wires for consumer electronic applications. Finally, the military sector, which had been heavily penalized in the third quarter of 2013 by the effects of the budget sequestration in the US, showed a recovery. Only the gas purification business decreased, due to lower investments in the display sector.

The trend of growth is confirmed also by the comparison with the second quarter of 2014 (+6.3%), supported also by the positive exchange rate effect (+2.8%).

In particular, the growth of the shape memory alloys both for medical applications (+3.4% excluding the exchange rate effect) and for industrial applications (the organic growth was +23.1%) was confirmed. The Industrial Applications Business Unit returned to grow, driven by the trend reversal in the gas purification business (with a growth of +3.6% excluding the exchange rate effect) and by the growth in the vacuum pumps sector (with an organic growth of +81.5%). The positive trend in the Electronic and Photonic Devices Business continued (+13.6% excluding the currency effect), driven by the night vision and image intensifier applications.

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 €34.3 million in the third quarter of 2014. The increase, compared to the same period of 2013 where total revenues of the Group amounted to €31.7 million, was equal to 8%. Compared to the second quarter of 2014, where total revenues amounted to €32.1 million, revenues were up by 6.8%.

Consolidated gross profit¹ was equal to €14.2 million in the third quarter of 2014, up when compared to both the actual figure of the corresponding period in 2013 (€11.5 million), and to the same figure adjusted for the restructuring expenses (€12.5 million).

The gross margin recorded a significant growth, increasing from 37.7% (the same adjusted figure was equal to 41.1%) to 44% thanks to the improved product mix and to the effects of the organizational rationalization implemented in the second half of 2013.

¹ Calculated as the difference between net revenues and industrial costs directly and indirectly attributable to the products sold.

Consolidated operating income amounted to €3.9 million (or 12% of revenues) in the third quarter of 2014 compared to €0.3 million (the same adjusted figure was equal to €2.3 million) in the corresponding quarter of 2013; the growth was mainly due to higher sales and to the improvement in the gross margin.

Consolidated EBITDA² was equal to €6 million (18.6%), with a significant increase compared to €3 million (10%) in the corresponding quarter of 2013 (the adjusted figure was equal to €4.7 million or 15.4% in 2013).

Consolidated income before taxes was equal to €3 million, compared with an adjusted income before taxes equal to €1.9 million in the third quarter of 2013 (the actual loss including non-recurring expenses was equal to -€0.1 million).

Consolidated net income amounted to €1.2 million (3.7% of consolidated revenues) in the third quarter of 2014, compared to a net loss equal to €1.6 million in the third quarter of 2013. Please note that the net income of the third quarter of 2013 included a **loss from discontinued operations** equal to €0.7 million related to the final exit of the Group from the CRT business (the result from discontinued operations in the current quarter was essentially equal to zero), as well as non-recurring expenses equal to €1.7 million.

The results of the quarter confirm what expected and already announced. The same positive trend will continue in the next months.

² 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".

CONSOLIDATED FINANCIAL STATEMENTS**Consolidated statement of profit or loss**

Thousands of euro

	3rd quarter 2014	3rd quarter 2013	
Total net sales	32,307	30,453	
Cost of sales	(18,079)	(18,970)	
Gross profit	14,228	11,483	
	R&D expenses	(3,339)	(3,293)
	Selling expenses	(2,742)	(2,845)
	G&A expenses	(4,518)	(5,675)
Total operating expenses	(10,599)	(11,813)	
Royalties	258	487	
Other income (expenses), net	(2)	152	
Operating income (loss)	3,885	309	
Interest and other financial income, net	(487)	(288)	
Income (loss) from equity method evaluated companies	(479)	(199)	
Foreign exchange gains (losses), net	50	60	
Income (loss) before taxes	2,969	(118)	
Income taxes	(1,809)	(697)	
Net income (loss) from continued operations	1,160	(815)	
Income (loss) from assets held for sale and discontinued operations	34	(745)	
Net income (loss) before minority interest	1,194	(1,560)	
Net income (loss) pertaining to minority interest	0	0	
Net income (loss) pertaining to the Group	1,194	(1,560)	

Consolidated statement of other comprehensive income

Thousands of euro

	3rd quarter 2014	3rd quarter 2013
Net income (loss) for the period	1,194	(1,560)
Exchange differences on translation of foreign operations	6,857	(2,039)
Exchange differences on equity method evaluated companies	(34)	0
Total exchange differences	6,823	(2,039)
Total components that will be reclassified to the profit (loss) in the future	6,823	(2,039)
Total components that will not be reclassified to the profit (loss) in the future	0	0
Other comprehensive income (loss), net of taxes	6,823	(2,039)
Total comprehensive income (loss), net of taxes	8,017	(3,599)
<i>attributable to:</i>		
- Equity holders of the Parent Company	8,017	(3,599)
- Minority interests	0	0

Consolidated statement of profit or loss by Business Unit

Thousands of euro

	Industrial Applications		Shape Memory Alloys		Business Development & Corporate Costs		TOTAL	
	3 rd quarter 2014	3 rd quarter 2013	3 rd quarter 2014	3 rd quarter 2013	3 rd quarter 2014	3 rd quarter 2013	3 rd quarter 2014	3 rd quarter 2013
Total net sales	20,531	21,109	11,379	9,163	397	181	32,307	30,453
Cost of sales	(10,311)	(12,887)	(7,558)	(5,870)	(210)	(213)	(18,079)	(18,970)
Gross profit (loss)	10,220	8,222	3,821	3,293	187	(32)	14,228	11,483
Operating expenses and other income (expenses)	(4,043)	(4,568)	(2,024)	(2,191)	(4,276)	(4,415)	(10,343)	(11,174)
Operating income (loss)	6,177	3,654	1,797	1,102	(4,089)	(4,447)	3,885	309

Consolidated Statement of Financial Position

Thousands of euro

	September 30, 2014	December 31, 2013
Property, plant and equipment, net	50,745	51,473
Intangible assets	47,503	44,721
Other non current assets	18,784	20,628
Current assets	76,026	71,328
Assets held for sale	2,201	2,038
Total Assets	195,259	190,188
Shareholders' equity	107,226	100,304
Minority interest in consolidated subsidiaries	3	3
Total Shareholders' Equity	107,229	100,307
Non current liabilities	23,542	15,938
Current liabilities	64,488	73,943
Liabilities held for sale	0	0
Total Liabilities and Shareholders' Equity	195,259	190,188

Consolidated Net Financial Position

Thousands of euro

	September 30, 2014	June 30, 2014	March 31, 2014	December 31, 2013
Cash on hands	22	20	20	17
Cash equivalents	16,974	17,494	19,186	20,317
Cash and cash equivalents	16,996	17,514	19,206	20,334
Related parties financial assets	1,528	762	502	0
Other current financial assets	666	397	42	0
Current financial assets	2,194	1,159	544	0
Bank overdraft	(35,186)	(36,710)	(35,775)	(33,371)
Current portion of long term debt	(6,475)	(15,625)	(5,681)	(18,283)
Related parties financial liabilities	0	0	0	0
Other current financial liabilities	(5,340)	(4,894)	(816)	(2,471)
Current financial liabilities	(47,001)	(57,229)	(42,272)	(54,125)
Current net financial position	(27,811)	(38,556)	(22,522)	(33,791)
Long term debt, net of current portion	(8,803)	(80)	(11,057)	(80)
Other non current financial liabilities	(1,344)	(1,242)	(2,674)	(2,675)
Non current liabilities	(10,147)	(1,322)	(13,731)	(2,755)
Net financial position	(37,958)	(39,878)	(36,253)	(36,546)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Accounting Principles, Methods and Structure of the Group

The Interim Management Report has been prepared applying the international accounting standards (IFRS) and in accordance with article 154-ter of “Financial Consolidation Act”, introduced by the Legislative Decree 195/2007, through which the Italian Lawyer has given execution to the Directive 2004/109/CE on subject of periodical information. This article substituted the article 82 (“Quarterly reports”) and the Annex 3D (“Guidance for the editing of Quarterly Reports”) of the Issuers Regulations.

The Interim Management Report is consistent with the accounting principles that govern the preparation of the annual and consolidated financial statements, insofar as they are applicable. Evaluation procedures adopted in the Interim Management Report are substantially similar to those usually applied to prepare the annual and consolidated financial statements.

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

It should be noted that the Interim Management Report on 3rd quarter 2014 is unaudited.

In order to manage the economic impact generated by the fluctuations in the exchange rates, primarily EUR/USD and EUR/JPY, the Group enters into hedges on current and future receivables related to the sale transactions denominated in currencies other than the euro of the main Group Italian companies. Particularly, as at September 30, 2014 the Group has entered into forward contracts on the Japanese yen which have a total notional value equal to JPY 75 million. The average forward exchange rate for these contracts is JPY 138.69 to the euro and they will extend throughout the remaining part of the fiscal year 2014.

Furthermore, the Group signed a forward sale contract in euros in order to limit the risk of fluctuation of the exchange rate of the Korean won on the balance of the financial credit in euro which the Korean subsidiary holds in respect of the Parent Company. Such contract (with a notional value equal to 7.5 million of euro) expires on December 29, 2014 and provides for a forward exchange rate equal to 1,456.00 against the euro.

After September 30, 2014, and more precisely on November 10, 2014 the Group has entered some further forward sale contracts on the yen for a notional amount of JPY 300 million. These contracts provide for an average forward exchange rate equal to 142.5674 against the euro and they will extend for the full year 2015.

Restatement on September 30, 2014 income statement figures

Please note that the figures as of September 30, 2013, shown for comparative purposes, have been restated to enable a homogeneous comparison with 2014. In particular, at the date of the preparation of the Interim Management Report on 3rd quarter 2013, the process of allocating the purchase price of the “hydrogen purifiers” business was still in a provisional phase, and the consideration was provisionally recorded as goodwill; in accordance with IFRS 3, the comparative figures as at September 30, 2013 have been restated to reflect the effects arising from the identification of the intangible assets acquired following the completion of the business combination. Please note that these effects were already taken into account in the consolidated financial statements as at December 31, 2013.

The following tables show the effects of this restatement on the consolidated statement of profit (loss) as at September 30, 2013 and on the consolidated statement of profit (loss) for the third quarter 2013:

Consolidated statement of profit or loss

Thousands of euro

	September 30, 2013	Restatement	September 30, 2013 restated
Total net sales	99,560		99,560
Cost of sales	(59,777)		(59,777)
Gross profit	39,783	0	39,783
R&D expenses	(11,177)		(11,177)
Selling expenses	(9,096)		(9,096)
G&A expenses	(16,125)	(135)	(16,260)
Total operating expenses	(36,398)	(135)	(36,533)
Royalties	1,559		1,559
Other income (expenses), net	247		247
Operating income (loss)	5,191	(135)	5,056
Interest and other financial income, net	(749)		(749)
Income (loss) from equity method evaluated companies	(550)		(550)
Foreign exchange gains (losses), net	66		66
Income (loss) before taxes	3,958	(135)	3,823
Income taxes	(2,535)	51	(2,484)
Net income (loss) from continued operations	1,423	(84)	1,339
Income (loss) from assets held for sale and discontinued operations	(1,243)		(1,243)
Net income (loss) before minority interest	180	(84)	96
Net income (loss) pertaining to minority interest	0		0
Net income (loss) pertaining to the Group	180	(84)	96

Consolidated statement of profit or loss

Thousands of euro

	3rd quarter 2013	Restatement	3rd quarter 2013 restated
Total net sales	30,453		30,453
Cost of sales	(18,970)		(18,970)
Gross profit	11,483	0	11,483
R&D expenses	(3,293)		(3,293)
Selling expenses	(2,845)		(2,845)
G&A expenses	(5,608)	(67)	(5,675)
Total operating expenses	(11,746)	(67)	(11,813)
Royalties	487		487
Other income (expenses), net	152		152
Operating income (loss)	376	(67)	309
Interest and other financial income, net	(288)		(288)
Income (loss) from equity method evaluated companies	(199)		(199)
Foreign exchange gains (losses), net	60		60
Income (loss) before taxes	(51)	(67)	(118)
Income taxes	(722)	26	(696)
Net income (loss) from continued operations	(773)	(42)	(815)
Income (loss) from assets held for sale and discontinued operations	(745)		(745)
Net income (loss) before minority interest	(1,518)	(42)	(1,560)
Net income (loss) pertaining to minority interest	0		0
Net income (loss) pertaining to the Group	(1,518)	(42)	(1,560)

Please note that, always in order to enable a homogeneous comparison with the current year, as a result of the continuous technological evolution in the *Organic Light Emitting Diodes* business and of the delays in the commercial launch of OLED TVs, revenues and expenses as at September 30, 2013 of this segment have been reclassified within the Business Development Unit. Similarly, the figures related to the *Energy Devices* business, that doesn't have significant trade volumes, have been reclassified within the Business Development Unit. In this way, the Group can continue its research activities in both areas without any short-term commercial constraint, with the possibility to deepen its know-how in the field of hybrid getter and its potential applications.

Finally, the operating revenues and expenses related to the *LCD* business, that no longer have significant values, have been reclassified within the Light Sources Business (Industrial Applications Business Unit).

For more details on these reclassifications, please refer to the following tables:

Consolidated statement of profit or loss by Business Unit

Thousands of euro

	Industrial Applications			Shape Memory Alloys			Information Displays			Business Development & Corporate Costs			TOTAL		
	September 30 2013 restated	Reclassifications	June 30 2013 reclassified	September 30 2013 restated	Reclassifications	June 30 2013 reclassified	September 30 2013 restated	Reclassifications	June 30 2013 reclassified	September 30 2013 restated	Reclassifications	June 30 2013 reclassified	September 30 2013 restated	Reclassifications	June 30 2013 reclassified
Total net sales	69,197	(331)	68,866	29,788		29,788	552	(552)	0	23	883	906	99,560	0	99,560
Cost of sales	(39,286)	497	(38,789)	(19,842)		(19,842)	(405)	405	0	(244)	(902)	(1,146)	(59,777)	0	(59,777)
Gross profit	29,911	166	30,077	9,946	0	9,946	147	(147)	0	(221)	(19)	(240)	39,783	0	39,783
Total operating expenses	(15,720)	95	(15,625)	(7,024)		(7,024)	(1,530)	1,530	0	(12,259)	(1,625)	(13,884)	(36,533)	0	(36,533)
Royalties	1,559		1,559	0		0	0	0	0	0	0	0	1,559	0	1,559
Other income (expenses), net	283		283	20		20	6	(6)	0	(62)	6	(56)	247	0	247
Operating income (loss)	16,033	261	16,294	2,942	0	2,942	(1,377)	1,377	0	(12,542)	(1,638)	(14,180)	5,056	0	5,056
Interest and other financial income, net													(749)		(749)
Income (loss) from equity method evaluated companies													(550)		(550)
Foreign exchange gains (losses), net													66		66
Income (loss) before taxes													3,823	0	3,823
Income taxes													(2,484)		(2,484)
Net income (loss) from continued operations													1,339	0	1,339
Income (loss) from assets held for sale and discontinued operations													(1,243)		(1,243)
Net income (loss) before													96	0	96
Net income (loss) pertaining to minority interest													0		0
Net income (loss) pertaining to the Group													96	0	96

Consolidated statement of profit or loss by Business Unit

Thousands of euro

	Industrial Applications			Shape Memory Alloys			Information Displays			Business Development & Corporate Costs			TOTAL		
	3rd quarter 2013 restated	Reclassifications	3rd quarter 2013 reclassified	3rd quarter 2013 restated	Reclassifications	3rd quarter 2013 reclassified	3rd quarter 2013 restated	Reclassifications	3rd quarter 2013 reclassified	3rd quarter 2013 restated	Reclassifications	3rd quarter 2013 reclassified	3rd quarter 2013 restated	Reclassifications	3rd quarter 2013 reclassified
Total net sales	21,115	(6)	21,109	9,163		9,163	193	(193)	0	(18)	199	181	30,453	0	30,453
Cost of sales	(12,988)	101	(12,887)	(5,870)		(5,870)	(80)	80	0	(32)	(181)	(213)	(18,970)	0	(18,970)
Gross profit	8,127	95	8,222	3,293	0	3,293	113	(113)	0	(50)	18	(32)	11,483	0	11,483
Total operating expenses	(5,282)	(7)	(5,289)	(2,166)		(2,166)	(280)	280	0	(4,085)	(273)	(4,358)	(11,813)	0	(11,813)
Royalties	487		487	0		0	0	0	0	0	0	0	487	0	487
Other income (expenses), net	234		234	(25)		(25)	1	(1)	0	(58)	1	(57)	152	0	152
Operating income (loss)	3,566	88	3,654	1,102	0	1,102	(166)	166	0	(4,193)	(254)	(4,447)	309	0	309
Interest and other financial income, net													(288)		(288)
Income (loss) from equity method evaluated													(199)		(199)
Foreign exchange gains (losses), net													60		60
Income (loss) before taxes													(118)	0	(118)
Income taxes													(696)		(696)
Net income (loss) from													(815)	0	(815)
Income (loss) from assets held for sale and discontinued operations													(745)		(745)
Net income (loss) before													(1,560)	0	(1,560)
Net income (loss) pertaining to minority interest													0		0
Net income (loss) pertaining to the Group													(1,560)	0	(1,560)

Please note that, following the reclassifications that have affected the OLED business, the progressive resetting to zero of LCD revenues and the shutdown of the last factory dedicated to the CRT production, the Information Displays operating segment has ceased to exist.

Finally please note the new segmentation of the Industrial Applications Business Unit and of the Shape Memory Alloys Business Unit and the new denomination of some business areas, applied in order to better respond to the current organizational structure of the Group.

Non recurring income and expenses as at September 30, 2013

The following tables show the Adjusted consolidated statement of profit or loss (net of non-recurring income and expenses) as of September 30, 2013 and of the third quarter 2013:

Consolidated statement of profit or loss

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

(thousands of euro)

	September 2013	of which: non recurring items	September 2013 adjusted
Total net sales	99,560	0	99,560
Cost of sales	(59,777)	(475)	(59,302)
Gross profit (loss)	39,783	(475)	40,258
Research & development expenses	(11,177)	(160)	(11,017)
Selling expenses	(9,096)	(324)	(8,772)
General & administrative expenses	(16,260)	(1,037)	(15,223)
Total operating expenses	(36,533)	(1,521)	(35,012)
Royalties	1,559	0	1,559
Other income (expenses), net	247	0	247
Operating income (loss)	5,056	(1,996)	7,052
Interest and other financial income	291	0	291
Interest and other financial expenses	(1,040)	0	(1,040)
Share of result of investments accounted for using the equity method	(550)	0	(550)
Foreign exchange gains (losses), net	66	0	66
Income (loss) before taxes	3,823	(1,996)	5,819
Income taxes	(2,484)	297	(2,781)
Net income (loss) from continued operations	1,339	(1,699)	3,038
EBITDA	12,717	(1,641)	14,358

Consolidated statement of profit or loss

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

(thousands of euro)

	3rd quarter 2013	of which: non recurring items	3rd quarter 2013 adjusted
Total net sales	30,453	0	30,453
Cost of sales	(18,970)	(1,025)	(17,945)
Gross profit (loss)	11,483	(1,025)	12,508
Research & development expenses	(3,293)	(20)	(3,273)
Selling expenses	(2,845)	(8)	(2,837)
General & administrative expenses	(5,675)	(957)	(4,718)
Total operating expenses	(11,813)	(985)	(10,828)
Royalties	487	0	487
Other income (expenses), net	152	0	152
Operating income (loss)	309	(2,010)	2,319
Interest and other financial income	84	0	84
Interest and other financial expenses	(372)	0	(372)
Share of result of investments accounted for using the equity method	(199)	0	(199)
Foreign exchange gains (losses), net	60	0	60
Income (loss) before taxes	(118)	(2,010)	1,892
Income taxes	(697)	319	(1,016)
Net income (loss) from continued operations	(815)	(1,691)	876
EBITDA	3,033	(1,655)	4,688

Below the details of non recurring income and expenses:

Non recurring items - September 2013

(thousands of euro)	Income	Expenses	Total
Cost of sales			
Write down of assets	0	(4)	(4)
Write down of inventory	0	(327)	(327)
Personnel restructuring	781 (*)	(925)	(144)
Total effect on cost of sales	781	(1,256)	(475)
Operating expenses			0
Write down of assets	0	(351)	(351)
Write down of inventory	0	0	0
Personnel restructuring	245 (*)	(1,415)	(1,170)
Total effect on operating expenses	245	(1,766)	(1,521)
Total effect on income (loss) before taxes	1,026	(3,022)	(1,996)
Income taxes			297
Net income (loss) from continued operations			(1,699)

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

Non recurring items - 3rd quarter 2013

(thousands of euro)	Income	Expenses	Total
Cost of sales			
Write down of assets	0	(4)	(4)
Write down of inventory	0	(327)	(327)
Personnel restructuring	190 (*)	(884)	(694)
Total effect on cost of sales	190	(1,215)	(1,025)
Operating expenses			0
Write down of assets	0	(351)	(351)
Write down of inventory	0	0	0
Personnel restructuring	83 (*)	(717)	(634)
Total effect on operating expenses	83	(1,068)	(985)
Total effect on income (loss) before taxes	273	(2,283)	(2,010)
Income taxes			319
Net income (loss) from continued operations			(1,691)

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

Net Sales by Business and by Geographic Location of Customers**Consolidated Net Sales by Business**

Thousands of euro (except %)

Business	3 rd quarter 2014	3 rd quarter 2013	Total difference (%)	Price- Quantity effect (%)	Exchange rate effect (%)
Electronic & Photonic Devices	3,461	2,833	22.2%	22.5%	-0.3%
Sensors & Detectors	2,301	2,003	14.9%	15.0%	-0.1%
Light Sources	2,427	2,430	-0.1%	0.5%	-0.6%
Vacuum Systems	1,841	1,809	1.8%	2.8%	-1.0%
Thermal Insulation	1,513	1,417	6.8%	7.3%	-0.5%
Pure Gas Handling	8,988	10,617	-15.3%	-15.2%	-0.1%
Industrial Applications	20,531	21,109	-2.7%	-2.4%	-0.3%
SMA Medical Applications	10,241	8,448	21.2%	21.3%	-0.1%
SMA Industrial Applications	1,138	715	59.2%	59.3%	-0.1%
Shape Memory Alloys	11,379	9,163	24.2%	24.3%	-0.1%
Business Development	397	181	119.3%	123.5%	-4.2%
Total Net Sales	32,307	30,453	6.1%	6.4%	-0.3%

Index:

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	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

Consolidated Net Sales by Geographic Location of Customer

Thousands of euro

Geographic Area	3 rd quarter 2014	3 rd quarter 2013
Italy	582	470
European countries	7,388	5,817
North America	16,960	15,433
Japan	1,842	2,118
South Korea	795	597
China	2,565	2,866
Rest of Asia	2,040	2,953
Rest of the World	135	199
Total Net Sales	32,307	30,453

In the third quarter of 2014, the SAES Group achieved **consolidated net revenues** equal to €32.3 million, up (+6.1%) compared to €30.5 million achieved in the corresponding period of 2013. The organic growth (+6.4%) was mainly concentrated in the business of shape memory alloys for medical applications, supported by a recovery in the demand both in the US and in Europe. Also the industrial SMA business improved, driven by the sales of both SMA springs for automotive applications and of educated wires for consumer electronic applications. Finally, the military sector, which had been heavily penalized in the third quarter of 2013 by the effects of the budget sequestration in the US, showed a recovery. Only the gas purification business decreased, due to lower investments in the display sector.

The trend of growth is confirmed also by the comparison with the second quarter of 2014 (+6.3%), supported also by the positive exchange rate effect (+2.8%).

In particular, the growth of the shape memory alloys both for medical applications (+3.4% excluding the exchange rate effect) and for industrial applications (the organic growth was +23.1%) was confirmed. The Industrial Applications Business Unit returned to grow, driven by the trend reversal in the gas purification business (with a growth of +3.6% excluding the exchange rate effect) and by the growth in the vacuum pumps sector (with an organic growth of +81.5%). The positive trend in the Electronic and Photonic Devices Business continued (+13.6% excluding the currency effect), driven by the night vision and image intensifier applications.

Consolidated Net Sales by Business

Thousands of euro (except %)

Business	3 rd quarter 2014	2 nd quarter 2014	Total difference (%)	Price-Quantity effect (%)	Exchange rate effect (%)
Electronic & Photonic Devices	3,461	2,979	16.2%	13.6%	2.6%
Sensors & Detectors	2,301	2,488	-7.5%	-9.1%	1.6%
Light Sources	2,427	2,931	-17.2%	-18.7%	1.5%
Vacuum Systems	1,841	1,004	83.4%	81.5%	1.9%
Thermal Insulation	1,513	1,774	-14.7%	-17.3%	2.6%
Pure Gas Handling	8,988	8,390	7.1%	3.6%	3.5%
Industrial Applications	20,531	19,566	4.9%	2.2%	2.7%
SMA Medical Applications	10,241	9,597	6.7%	3.4%	3.3%
SMA Industrial Applications	1,138	910	25.1%	23.1%	2.0%
Shape Memory Alloys	11,379	10,507	8.3%	5.1%	3.2%
Business Development	397	311	27.7%	24.6%	3.1%
Total Net Sales	32,307	30,384	6.3%	3.5%	2.8%

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 €34.3 million in the third quarter of 2014. The increase, compared to the same period of 2013 where total revenues of the Group amounted to €31.7 million, was equal to 8%. Compared to the second quarter of 2014, where total revenues amounted to €32.1 million, revenues were up by 6.8%.

Total revenues of the Group

Thousands of euro

	3 rd quarter 2014	3 rd quarter 2013	Difference	2 nd quarter 2014	Difference
Consolidated sales	32,307	30,453	1,854	30,384	1,923
50% Actuator Solutions sales	2,097	1,364	733	1,845	252
Eliminations	-110	-89	-22	-105	-5
Total revenues of the Group	34,294	31,729	2,566	32,124	2,170

Industrial Applications Business Unit

Revenues of the Industrial Applications Business Unit were equal to €20.5 million in the third quarter of 2014, down by 2.7% compared to €21.1 million in the corresponding quarter of 2013. The currency trend recorded a negative exchange rate effect equal to -0.3%, net of which revenues would have decreased by 2.4%.

The recovery of the *Electronic and Photonic Devices Business*, driven by the products for night vision and image intensifier applications, as well as of the *Sensors and Detectors Business*, supported by the products for infrared sensors, together with the increased sales of getter solutions for vacuum bottles and for vacuum panels for the refrigeration industry (*Thermal Insulation Business*), was not enough to offset the decrease in the gas purification business (*Pure Gas Handling Business*), mainly due to the decrease in the investments in the display sector.

The table below shows the revenues in the third quarter of 2014 related to the various business areas, with evidence of the exchange rate effect and of the organic change compared to the corresponding period of 2013:

Thousands of euro (except %)

Business	3rd quarter 2014	3rd quarter 2013	Total difference (%)	Price- Quantity effect (%)	Exchange rate effect (%)
Electronic & Photonic Devices	3,461	2,833	22.2%	22.5%	-0.3%
Sensors & Detectors	2,301	2,003	14.9%	15.0%	-0.1%
Light Sources	2,427	2,430	-0.1%	0.5%	-0.6%
Vacuum Systems	1,841	1,809	1.8%	2.8%	-1.0%
Thermal Insulation	1,513	1,417	6.8%	7.3%	-0.5%
Pure Gas Handling	8,988	10,617	-15.3%	-15.2%	-0.1%
Industrial Applications	20,531	21,109	-2.7%	-2.4%	-0.3%

Compared to the second quarter of 2014, whose revenues were equal to €19.6 million, the Industrial Applications Business Unit showed a turnaround, with consolidated revenues up by 4.9%, supported also by the strengthening of the dollar against the euro (the exchange rate effect was equal to +2.7%).

In particular, please note the gradual growth of the *gas purification business* (+3.6% excluding the exchange rate effect), driven by the increase in the investments in the semiconductor sector and in that of LEDs for lighting. Also the *Vacuum Systems Business* (thanks to higher sales in the field of particle accelerators and in that of big research laboratories) and the *Electronic and Photonic Devices Business* showed a significant growth.

The table below shows the revenues in the third quarter of 2014 related to the various business areas, with evidence of the exchange rate effect and of the organic change compared to the second quarter of 2014:

Thousands of euro (except %)

Business	3 rd quarter 2014	2 nd quarter 2014	Total difference (%)	Price-Quantity effect (%)	Exchange rate effect (%)
Electronic & Photonic Devices	3,461	2,979	16.2%	13.6%	2.6%
Sensors & Detectors	2,301	2,488	-7.5%	-9.1%	1.6%
Light Sources	2,427	2,931	-17.2%	-18.7%	1.5%
Vacuum Systems	1,841	1,004	83.4%	81.5%	1.9%
Thermal Insulation	1,513	1,774	-14.7%	-17.3%	2.6%
Pure Gas Handling	8,988	8,390	7.1%	3.6%	3.5%
Industrial Applications	20,531	19,566	4.9%	2.2%	2.7%

The following table shows the **gross profit** and the **operating income** of the Industrial Applications Business Unit in the third quarter of 2014, compared with the corresponding figures, actual and adjusted, of the third quarter of 2013:

Thousands of euro	Industrial Applications			
	3 rd quarter 2014	3 rd quarter 2013	of which: non recurring items	3 rd quarter 2013 adjusted
Total net sales	20,531	21,109	0	21,109
Cost of sales	(10,311)	(12,887)	(1,019)	(11,868)
Gross profit (loss)	10,220 49.8%	8,222 39.0%	(1,019)	9,241 43.8%
Operating expenses and other income (expenses)	(4,043)	(4,568)	(650)	(3,918)
Operating income (loss)	6,177 30.1%	3,654 17.3%	(1,669)	5,323 25.2%

Please note the increase in the gross margin, which increased from 43.8% (adjusted figure) to 49.8%: excluding the restructuring expenses that penalized the year 2013, the gross margin appears to be growing in almost all the segments of the Industrial Applications Business Unit, thanks both to the shift in the sales mix towards products with higher margins, and as a result of the rationalization of the production structure implemented in the second half of last year. The improvement in margins, together with the reduction of general and administrative expenses, led to a considerable increase in the operating income (+16.1% compared to the adjusted figure of the third quarter of 2013), despite the decrease in revenues. The quarter ended with an operating margin equal to 30.1%.

Business Unit Shape Memory Alloys (SMA)

Revenues of the Shape Memory Alloys Business Unit were equal to €11.4 million in the third quarter of 2014, compared to €9.2 million in the corresponding period of 2013. The increase (+24.3% excluding the exchange rate effect) was due to the growth of both the *medical segment*, supported by the recovery in the demand in the US and in Europe, and the *industrial* one, driven by the sales of SMA springs for automotive applications and of educated wires for consumer electronic applications.

The table below shows the revenues in the third quarter of 2014 related to the various business areas, with evidence of the exchange rate effect and of the organic change compared to the corresponding period of 2013:

Thousands of euro (except %)

Business	3 rd quarter 2014	3 rd quarter 2013	Total difference (%)	Price-Quantity effect (%)	Exchange rate effect (%)
SMA Medical Applications	10,241	8,448	21.2%	21.3%	-0.1%
SMA Industrial Applications	1,138	715	59.2%	59.3%	-0.1%
Shape Memory Alloys	11,379	9,163	24.2%	24.3%	-0.1%

Compared to the second quarter of 2014, consolidated revenues of the Shape Memory Alloys Business Unit recorded an increase of 8.3%, or of 5.1% excluding the positive currency effect. The *medical SMA business* increased by +3.4% (excluding the exchange rate effect) and confirms the positive trend recorded in the previous quarters of the current year; also the *industrial SMA business* confirmed its progressive growth (the organic growth was equal to +23.1% compared to the second quarter of 2014).

The table below shows the revenues in the third quarter of 2014 related to the various business areas, with evidence of the exchange rate effect and of the organic change compared to the second quarter of 2014:

Thousands of euro (except %)

Business	3 rd quarter 2014	2 nd quarter 2014	Total difference (%)	Price-Quantity effect (%)	Exchange rate effect (%)
SMA Medical Applications	10,241	9,597	6.7%	3.4%	3.3%
SMA Industrial Applications	1,138	910	25.1%	23.1%	2.0%
Shape Memory Alloys	11,379	10,507	8.3%	5.1%	3.2%

The following table shows the **gross profit** and the **operating income** of the Shape Memory Alloys Business Unit in the third quarter of 2014, compared with the corresponding figures, actual and adjusted, of the third quarter of 2013:

Thousands of euro

	3 rd quarter 2014	Shape Memory Alloys		
		3 rd quarter 2013	of which: non recurring items	3 rd quarter 2013 adjusted
Total net sales	11,379	9,163	0	9,163
Cost of sales	(7,558)	(5,870)	(8)	(5,862)
Gross profit (loss)	3,821 33.6%	3,293 35.9%	(8)	3,301 36.0%
Operating expenses and other income (expenses)	(2,024)	(2,191)	(11)	(2,180)
Operating income (loss)	1,797 15.8%	1,102 12.0%	(19)	1,121 12.2%

The gross margin, which slightly decreased compared to that of the third quarter of 2013 because penalized by some start-up expenses related to the start of new productions in both the medical segment and in the industrial one, gradually improved during the year 2014 (26.8% in the first quarter of 2014 and 32.9% in the second quarter of 2014).

The increase in revenues and the continued control of operating expenses (substantially unchanged compared to the third quarter of 2013) led to an improvement in the operating margin from 12% to 15.8%.

Business Development Unit & Corporate Costs

The Business Development Unit & Corporate Costs includes projects of basic research or under development, aimed at diversifying into innovative businesses, in addition to corporate costs (costs that cannot be directly attributed or reasonably allocated to any business sector but that refer to the Group as a whole).

In the third quarter of 2014 **revenues** amounted to €0.4 million (€0.2 million in the corresponding period of 2013 and €0.3 million in the second quarter of 2014), made exclusively of OLED revenues.

Gross profit was positive and equal to €0.2 million in the third quarter of 2014, compared to a gross loss of €32 thousand in the same quarter of 2013 (the 2013 figure was substantially unchanged excluding restructuring expenses).

Operating income was negative and equal to €4.1 million, in line with the adjusted figure of the third quarter of 2013 (-€4.4 million the actual operating loss in 2013).

Consolidated gross profit amounted to €14.2 million in the third quarter of 2014, up when compared to €11.5 million in the third quarter of 2013. The increase was confirmed also by the comparison with the adjusted gross profit, equal to €12.5 million.

The gross margin was equal to 44%, compared to a gross margin of 37.7% (the adjusted gross margin was equal to 41.1%) in the third quarter of 2013.

Consolidated operating income amounted to €3.9 million (12% of consolidated revenues) in the third quarter of 2014, compared to an operating income equal to €0.3 million (1% of consolidated revenues) and an adjusted operating income of €2.3 million in the corresponding quarter of 2013 (7.6% of consolidated revenues).

Total **consolidated operating expenses** were equal to €10.6 million, down (-2.1%) compared to the adjusted figure of the corresponding period in 2013 (€10.8 million). In particular, general and administrative expenses decreased from €4.7 million to €4.5 million.

Thousands of euro	Total Business Units			
	3 rd quarter 2014	3 rd quarter 2013	of which: non recurring items	3 rd quarter 2013 adjusted
Total net sales	32,307	30,453	0	30,453
Cost of sales	(18,079)	(18,970)	(1,025)	(17,945)
Gross profit (loss)	14,228 44.0%	11,483 37.7%	(1,025)	12,508 41.1%
Operating expenses and other income (expenses)	(10,343)	(11,174)	(985)	(10,189)
Operating income (loss)	3,885 12.0%	309 1.0%	(2,010)	2,319 7.6%

The **royalties** accrued in the third quarter of 2014 for the licensing of the thin film getter technology for MEMS of new generation amounted to €0.3 million, down compared to €0.5 million in the corresponding quarter of 2013.

The balance of **other net income (expenses)** was substantially equal to zero, compared with an income of €0.2 million in the third quarter of 2013 related to a penalty paid by a customer following the cancellation of some orders.

Consolidated EBITDA amounted to €6 million, compared to €3 million in the corresponding quarter of 2013 (the adjusted figure was equal to €4.7 million in the third quarter of 2013). As a percentage of revenues, EBITDA was equal to 18.6% in the current quarter, up compared to 10% in 2013, rising to 15.4% by excluding the restructuring expenses.

EBITDA

Thousands of euro

	3 rd quarter 2014	3 rd quarter 2013
Operating income (loss)	3,885	309
Depreciation & Amortization	2,137	2,425
Write-down	0	353
Other	0	(54)
EBITDA	6,022	3,033
% on sales	18.6%	10.0%

The net balance of **financial income and expenses** was negative and amounted to €0.5 million (compared to -€0.3 million in the corresponding period of 2013) and it mainly included interest expenses on loans, both short and long term ones, held by the Parent Company and by the U.S. subsidiaries and bank fees related to the credit lines held by SAES Getters S.p.A.

The loss deriving from the **evaluation with the equity method** of the joint venture Actuator Solutions amounted to €0.5 million, compared to €0.2 million in the corresponding period of the previous year.

The sum of the **exchange rate differences** recorded a slightly positive balance (equal to €50 thousand) in the third quarter of 2014, substantially unchanged compared to a positive balance of €60 thousand in the corresponding period of 2013, guaranteed by the same hedging policy adopted by the Group.

The third quarter of 2014 ended with a **consolidated income before taxes** equal to €3 million, showing a significant increase (+56.9%) compared to an adjusted income before taxes of €1.9 million in the third quarter of 2013. The non-adjusted loss before taxes was equal to €0.1 million in the third quarter of 2013.

Consolidated net income amounted to €1.2 million (3.7% of revenues) in the third quarter of 2014, compared to a net loss of €1.6 million in the previous year.

Please note that the 2013 result included a loss from discontinued operations equal to €0.7 million, related to the final exit of the Group from the CRT (cathode ray tubes) business. The impact from discontinued operations was almost equal to zero in the third quarter of 2014 (+€34 thousand).

The **consolidated net financial position** as at September 30, 2014 was negative and equal to €38 million (cash equal to €17 million and net financial liabilities equal to -€55 million), compared to a negative net financial position equal to €39.9 million (cash equal to €17.5 million and net financial liabilities equal to €57.4 million) as at June 30, 2014.

The improvement, due only to the cash-flow generated from the operating activities in the quarter (+€3.8 million), would have been even more significant excluding the penalizing effect of the revaluation of the dollar on the Group's indebtedness denominated in foreign currencies (-€0.6 million).

The outflows for investment activities, both in tangible and intangible assets, amounted to -€1.3 million in the quarter.

Please note that the net financial position as at September 30, 2014 does not include the collection deriving from the sale of the land use right and the building of the Chinese subsidiary SAES Getters (Nanjing) Co., Ltd., that was finalized at the end of October 2014. If including such amount, the net financial position would have improved by around €3.7 million.

January – September 2014

Consolidated revenues were equal to €95.9 million the first nine months of 2014, down by 3.7% compared to €99.6 million in the corresponding period of 2013. The currency trend led to a negative exchange rate effect equal to -2.4%, net of which the organic decrease in the revenues would have been equal to -1.3%.

Revenues of the *Industrial Applications Business Unit* amounted to €63.4 million, compared to €68.9 million in the first nine months of 2013 (with a negative exchange rate effect of -2.3% and an organic decrease of -5.6%): the strong growth in the sales of products for thermal insulation was not enough to offset the decrease in the gas purification business, whose decline is due to lower investments in new production facilities in the display sector and in that of semiconductors.

The *Shape Memory Alloys Business Unit* ended the first nine months of 2014 with consolidated revenues equal to €31.4 million, up by 5.6% compared to €29.8 million in the first nine months of 2013 (with a negative exchange rate effect of -2.7% and an organic growth equal to 8.3%). Please note the consolidation of the recovery in the medical segment (+5.8% excluding the currency effect) and the steady improvement of the industrial one (with an organic growth of +42.9%).

Total revenues of the Group, achieved by incorporating the 50% joint venture Actuator Solutions with the proportional method instead of the equity method, amounted to €101.1 million, compared to €103.1 million in first nine months of 2013. Please note the strong revenue growth of Actuator Solutions in the automotive sector (+48.1%).

Consolidated gross profit amounted to €41.4 million in the first nine months of 2014, compared to an adjusted figure (net of non-recurring restructuring expenses) of €40.3 million in the corresponding period of 2013 and a non-adjusted figure (including restructuring expenses) equal to €39.8 million. Despite the decrease in revenues, please note the improvement of the gross margin that increased from 40% (the corresponding adjusted figure was 40.4%) to 43.2%.

Consolidated operating income amounted to €9.1 million in the first nine months of 2014, up compared to an adjusted operating income equal to €7.1 million (the non-adjusted figure was equal to €5.1 million) in the corresponding period of 2013, thanks to an improved product mix and to the reduction of operating expenses, especially general and administrative expenses, despite the decrease in the revenues deriving from royalties (-€0.3 million).

Consolidated EBITDA amounted to €15.5 million in the first nine months of 2014 (16.1% of revenues) compared to €12.7 million in the corresponding period of 2013 (equal to 12.8% of revenues). Excluding restructuring expenses, the adjusted EBITDA was equal to €14.4 million or 14.4% of consolidated revenues in the first nine months of 2013.

Income before taxes was equal to €6.8 million in the first nine months of 2014, compared to an adjusted income before taxes (excluding restructuring expenses) equal to €5.8 million in the corresponding period of 2013 and an actual figure including restructuring expenses equal to €3.8 million: the increase in the operating income was partially offset by higher financial interests of the Parent Company and by a higher loss resulting from the evaluation of Actuator Solutions using the equity method.

Income taxes amounted to €4.6 million in the first nine months of 2014, compared to €2.5 million in the corresponding period of 2013. The tax rate for the first nine months of 2014 was equal to 67%:

please note that, given the current organizational structure of the Group, it has been prudently decided to suspend the recognition of deferred tax assets on the tax losses realized in the period by the Italian companies of the Group participating in the national tax consolidation program. The fiscal income prudentially not recognized amounted to €1.5 million and its inclusion would have reduced the Group's tax rate to 44.3%.

In the first nine months of 2013, the tax rate, equal to 65%, was mainly due to non-recurring restructuring expenses for which the Chinese subsidiary had ended the period with a tax loss on which any deferred tax asset had not been recognized.

Consolidated net income amounted to €2.5 million in the first nine months of 2014 (€0.1 million in the first nine months of 2013) and included an income from discontinued operations equal to €0.3 million related to the remaining proceeds deriving from the sale of the plant of SAES Getters (Nanjing) Co., Ltd. and to the final exit of the Group from the CRT business (compared to a negative figure of €1.2 million in the first nine months of 2013).

In the first nine months of 2014, the net income per ordinary share was equal to €0.1018, and the net income per savings share was equal to €0.1385; in the first nine months of the previous year, the net income per savings share was equal to €0.0130 and the net income per ordinary share was zero.

Consolidated statement of profit or loss

Thousands of euro

	September 2014	September 2013	
Total net sales	95,863	99,560	
Cost of sales	(54,483)	(59,777)	
Gross profit	41,380	39,783	
	R&D expenses	(10,643)	(11,177)
	Selling expenses	(8,793)	(9,096)
	G&A expenses	(14,081)	(16,260)
Total operating expenses	(33,517)	(36,533)	
Royalties	1,301	1,559	
Other income (expenses), net	(88)	247	
Operating income (loss)	9,076	5,056	
Interest and other financial income, net	(1,353)	(749)	
Income (loss) from equity method evaluated companies	(1,030)	(550)	
Foreign exchange gains (losses), net	124	66	
Income (loss) before taxes	6,817	3,823	
Income taxes	(4,568)	(2,484)	
Net income (loss) from continued operations	2,249	1,339	
Income (loss) from assets held for sale and discontinued operations	266	(1,243)	
Net income (loss) before minority interest	2,515	96	
Net income (loss) pertaining to minority interest	0	0	
Net income (loss) pertaining to the Group	2,515	96	

Consolidated statement of other comprehensive income

Thousands of euro

	September 2014	September 2013
Net income (loss) for the period	2,515	96
Exchange differences on translation of foreign operations	7,874	(1,987)
Exchange differences on equity method evaluated companies	(37)	0
Total exchange differences	7,837	(1,987)
Total components that will be reclassified to the profit (loss) in the future	7,837	(1,987)
Total components that will not be reclassified to the profit (loss) in the future	0	0
Other comprehensive income (loss), net of taxes	7,837	(1,987)
Total comprehensive income (loss), net of taxes	10,352	(1,891)
<i>attributable to:</i>		
- Equity holders of the Parent Company	10,352	(1,891)
- Minority interests	0	0

EBITDA

Thousands of euro

	September 2014	September 2013
Operating income (loss)	9,076	5,056
	0	0
Depreciation & Amortization	6,389	7,364
Write-down	0	374
Other	(4)	(77)
EBITDA	15,461	12,717
<i>% on sales</i>	<i>16.1%</i>	<i>12.8%</i>

Consolidated Income (Loss) per Share

Euro

	September 2014	September 2013
Net income (loss) per ordinary share	0.1018	0.0000
Net income (loss) per savings share	0.1385	0.0130

Consolidated Net Sales by Business

Thousands of euro (except %)

Business	September 2014	September 2013	Total difference (%)	Price-Quantity effect (%)	Exchange rate effect (%)
Electronic & Photonic Devices	9,246	9,676	-4.4%	-2.4%	-2.0%
Sensors & Detectors	6,929	6,712	3.2%	4.7%	-1.5%
Light Sources	8,656	8,918	-2.9%	-0.6%	-2.3%
Vacuum Systems	4,559	4,722	-3.5%	-1.0%	-2.5%
Thermal Insulation	5,031	3,994	26.0%	29.6%	-3.6%
Pure Gas Handling	29,002	34,844	-16.8%	-14.5%	-2.3%
Industrial Applications	63,423	68,866	-7.9%	-5.6%	-2.3%
SMA Medical Applications	28,677	27,825	3.1%	5.8%	-2.7%
SMA Industrial Applications	2,767	1,963	41.0%	42.9%	-1.9%
Shape Memory Alloys	31,444	29,788	5.6%	8.3%	-2.7%
Business Development	996	906	9.9%	15.1%	-5.2%
Total Net Sales	95,863	99,560	-3.7%	-1.3%	-2.4%

Consolidated Net Sales by Geographic Location of Customer

Thousands of euro

Geographic Area	September 2014	September 2013
Italy	1,693	1,627
European countries	20,291	19,006
North America	44,694	48,972
Japan	4,486	4,968
South Korea	3,886	2,236
China	10,532	11,974
Rest of Asia	9,587	10,138
Rest of the World	694	639
Total Net Sales	95,863	99,560

Total revenues of the Group

Thousands of euro

	September 2014	September 2013	Difference
Consolidated sales	95,863	99,560	-3,697
50% Actuator Solutions sales	5,569	3,762	1,807
Eliminations	-285	-245	-40
Total revenues of the Group	101,147	103,077	-1,930

Consolidated statement of profit or loss by Business Unit

Thousands of euro

	Industrial Applications		Shape Memory Alloys		Business Development & Corporate Costs		TOTAL	
	September 2014	September 2013	September 2014	September 2013	September 2014	September 2013	September 2014	September 2013
Total net sales	63,423	68,866	31,444	29,788	996	906	95,863	99,560
Cost of sales	(32,164)	(38,789)	(21,608)	(19,842)	(711)	(1,146)	(54,483)	(59,777)
Gross profit (loss)	31,259	30,077	9,836	9,946	285	(240)	41,380	39,783
Operating expenses and other income (expenses)	(13,120)	(13,783)	(6,151)	(7,004)	(13,033)	(13,940)	(32,304)	(34,727)
Operating income (loss)	18,139	16,294	3,685	2,942	(12,748)	(14,180)	9,076	5,056

Actuator Solutions

Actuator Solutions GmbH is headquartered in Gunzenhausen (Germany) and it is 50% jointly owned 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 in turn consolidates its wholly owned subsidiary Actuator Solutions Taiwan Co., Ltd. (established on June 14, 2013), recorded net revenues equal to €11.1 million in the first nine months of 2014; these revenues, totally generated by the sales of valves used in lumbar control systems of the seats of a wide range of cars, increased compared to €7.5 million in the first nine months of 2013 (+48.1%) because the lumbar control system based on the SMA technology is gaining more and more market share.

The net result of the period was negative and equal to €2.1 million, due to the research and development expenses in the various industrial sectors where the company will be present with its SMA actuators. In particular, Actuator Solutions GmbH, with the support of the laboratories in Lainate, is focused on the development of SMA actuators for the vending industry, the automotive sector, for the white goods sector and for the medical one, some of which have already generated the first orders; instead, the Taiwanese subsidiary is focused on the development of products for the consumer electronic market, such as those for the image focus and stabilization of mobile phones, which have found an increasing interest in the market and are currently subject to the qualification by some potential users.

Thousands of euro

Actuator Solutions (100%)	September 2014	September 2013
Total net sales	11,138	7,524
Cost of sales	(11,002)	(6,984)
Total operating expenses	(2,697)	(2,410)
Other income (expenses), net	116	248
Operating income	(2,445)	(1,622)
Interests and other financial income, net	(90)	46
Income taxes	475	480
Net income (loss)	(2,060)	(1,096)

The share of the SAES Group in the loss of the joint venture amounted to -€1 million in the first nine months of 2014, higher than that of the corresponding period of 2013 (-€0.5 million), despite the higher revenues in the automotive sector (+48.1%), due to the costs related to the Taiwan-based subsidiary Actuator Solutions Taiwan Co., Ltd., established only at the end of the first half of 2013.

Actuator Solutions - SAES Group interest (50%)

Thousands of euro

Statement of financial position	September 30, 2014	December 31, 2013
Non current assets	3,417	2,958
Current assets	2,326	1,672
Total Assets	5,743	4,630
Non current liabilities	1,681	216
Current liabilities	2,430	1,716
Total Liabilities	4,111	1,932
Capital Stock, Reserves and Retained Earnings	2,699	3,407
Net income (loss) for the period	(1,030)	(712)
Other comprehensive income (loss) for the period	(37)	3
Total Equity	1,632	2,698

Statement of profit or loss	September 2014	September 2013
Total net sales	5,569	3,762
Cost of sales	(5,501)	(3,492)
Total operating expenses	(1,349)	(1,205)
Other income (expenses), net	58	124
Operating income	(1,223)	(811)
Interests and other financial income, net	(45)	23
Income taxes	238	240
Net income (loss)	(1,030)	(548)
Exchange differences	0	0
Totale comprehensive income (loss) for the period	(1,030)	(548)

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.

Total statement of profit or loss of the Group

Thousands of euro

	September 2014			
	Consolidated profit or loss	50% Actuator Solutions	Eliminations	Total profit or loss of the Group
Total net sales	95,863	5,569	(285)	101,147
Cost of sales	(54,483)	(5,501)	285	(59,699)
Gross profit	41,380	68	0	41,448
Total operating expenses	(33,517)	(1,349)		(34,866)
Royalties	1,301			1,301
Other income (expenses), net	(88)	58		(30)
Operating income (loss)	9,076	(1,223)	0	7,854
Interest and other financial income, net	(1,353)	(45)		(1,398)
Income (loss) from equity method evaluated companies	(1,030)		1,030	0
Foreign exchange gains (losses), net	124			124
Income (loss) before taxes	6,817	(1,268)	1,030	6,580
Income taxes	(4,568)	238		(4,331)
Net income (loss) from continued operations	2,249	(1,030)	1,030	2,249
Income (loss) from assets held for sale and discontinued operations	266			266
Net income (loss) before minority interest	2,515	(1,030)	1,030	2,515
Net income (loss) pertaining to minority interest	0			0
Net income (loss) pertaining to the Group	2,515	(1,030)	1,030	2,515

Events subsequent to the end of the quarter

On October 13, 2014 the SAES Group, through its subsidiary SAES Nitinol S.r.l., signed an agreement with the joint venture Actuator Solutions GmbH for the granting of a loan up to a maximum value of €1.2 million, which is reduced of an amount of €33 thousand on a monthly basis starting from April 2015. The money supply can take place in one or more tranches, depending on the actual requirements of the joint venture. The contract provides for a flexible repayment of the principal amount within the due date (April 2018) and the recognition of a fixed annual interest of 6%.

On October 30, 2014 the sale of the land use right and of the building of the Chinese subsidiary SAES Getters (Nanjing) Co., Ltd. was completed; at the same time, the last tranche of the consideration provided for in the sale agreement signed in April 2014 has been collected.

Business performance outlook

In the next months we expect the current positive trend to continue.

In particular, the positive trend of the gas purification business will continue, as well as the one of the medical segment and of the industrial segment of the shape memory alloys business.

The net financial position will benefit from the positive impact of the operating activities' trend and from the closing of the transaction regarding the Chinese subsidiary SAES Getters (Nanjing) Co., Ltd. (approximately €3.7 million, at current exchange rates).

Consob regulatory simplification process

Please note that, on November 13, 2012, the Board of Directors has approved, pursuant to Art. no. 3 of Consob resolution no.18079/2012, to adhere to the opt-out provisions as envisaged by Art. 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.

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 article 154-*bis*, 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

Lainate, Milan - Italy, November 13, 2014

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