Interim Condensed Consolidated Financial Statements for the six months ended June 30, 2008

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

Structure of the Group as of June 30, 2008

saes getters

100%
SAES Getters Export, Corp.
Delaware, 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%
SAES Opto S.r.l.
Lainate MI (Italy)

90%
SAES Opto Materials S.r.l.
Cagliari (Italy)

100%
SAES Advanced Technologies S.p.A.
Avezzano AQ (Italy)

0,08%

50%
Dr. -Ing. Mertmann Memory-Metalle GmbH
Weil am Rhein (Germany)

100%
SAES Getters (GB) Ltd.
Daventry (Great Britain)

100%
SAES Getters (Deutschland) GmbH
Cologne (Germany)

SAES Getters S.p.A.

- 99,92% — **SAES Getters International Luxembourg S.A.** Luxembourg (Luxembourg)
  - 62,52% — **SAES Getters Korea Corporation** Seoul (South Korea)
  - 100% — **SAES Getters Technical Service (Shanghai) Co., Ltd.** Shanghai (P.R. of China)
  - 100% — **SAES Getters America, Inc.** Cleveland, OH (USA)
  - 51% — **Nanjing SAES Huadong Vacuum Material Co., Ltd.** Nanjing (P.R. of China)
  - 100% — **SAES Smart Materials, Inc.** New York, NY (USA)
  - 100% — **SAES Devices, Corp.** Wilmington, DE (USA)
- 37,48% — **SAES Getters Korea Corporation** Seoul (South Korea)
- 100% — **SAES Getters (Nanjing) Co., Ltd.** Nanjing (P.R. of China)
- 100% — **SAES Getters Japan Co., Ltd.** Tokyo (Japan)
- **Shanghai Representative Office** Shanghai (P.R. of China)
- **Taiwan Branch Office** Jhubei (Taiwan)
- **Moscow Representative Office** Moscow (Russia)
- 100% — **SAES Getters Singapore PTE, Ltd.** Singapore (Singapore)

Board of Directors

Chairman and President	Paolo della Porta
Vice President and Managing Director	Massimo della Porta
Managing Director	Giulio Canale
Directors	Stefano Baldi (1) (2) Evelina Christillin (2) Giuseppe della Porta (2) Adriano De Maio (1) (3) (4) Andrea Dogliotti (2) Andrea Gilardoni (2) Pietro Mazzola (2) (5) Giuseppe Rolando (2) (3) Andrea Sironi (1) (4) Gianluca Spinola (2) Renato Ugo (3) (4) (6)

(1) Members of the Compensation Committee.
(2) Non-executive directors
(3) Members of the Audit Committee
(4) Independent directors
(5) Pietro Mazzola in place of Roberto Berger starting from February 13, 2008
(6) Lead Independent Director

Board of Statutory Auditors

Chairman	Vincenzo Donnamaria
Statutory Auditors	Maurizio Civardi Alessandro Martinelli
Alternate Statutory Auditors	Piero Angelo Bottino Fabio Egidi

Audit Firm

Reconta Ernst & Young S.p.A.

The term of office of the Board of Directors and of the Board of Statutory Auditors, elected on April 27, 2006, expires at the Shareholders' Meeting in which the financial statements for the year ended December 31, 2008 are approved.

Powers

Pursuant to Article 20 of the Articles of Association, the Chairman, Vice President and Managing Directors are jointly and each of them severally entrusted with the legal representation of the Company, for the execution of Board of Directors' resolutions, within the limits of and to exercise the powers attributed to them by the Board itself.
By mean of the resolution adopted on April 27, 2006, the Board of Directors granted the President, the Vice-President and Managing Director and the 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' Meetings.
The Vice-President and Managing Director Massimo della Porta is also Chief Executive Officer of the Group. The Managing Director Giulio Canale is also Deputy Chief Executive Officer of the Group.

Index

Group financial highlights

Group financial highlights

(thousands of euro)

Income Statement data	1st Half 2008	1st Half 2007***	Difference	Difference %
NET SALES				
- Information Displays	46,564	51,057	(4,493)	-8.8%
- Industrial Applications	29,887	28,916	971	3.4%
- Advanced Materials	5,211	1,780	3,431	192.8%
Total	**81,662**	**81,753**	**(91)**	**-0.1%**
EBITDA*	**28,615**	**32,253**	**(3,638)**	**-11.3%**
% on sales	35.0%	39.5%		
OPERATING INCOME (LOSS)				
- Information Displays	23,284	24,847	(1,563)	-6.3%
- Industrial Applications	8,421	8,643	(222)	-2.6%
- Advanced Materials & Corporate Costs	(8,457)	(7,872)	(585)	7.4%
Total	**23,248**	**25,618**	**(2,370)**	**-9.3%**
% on sales	28.5%	31.3%		
NET INCOME	**18,490**	**18,436**	**54**	**0.3%**
% on sales	22.6%	22.6%		

Balance sheet and financial data	June 30, 2008	December 31, 2007	Difference	Difference %
Property, plant and equipment, net	62,937	60,317	2,620	4.3%
Shareholders' equity	134,121	146,811	(12,690)	-8.6%
Net financial position	28,273	69,123	(40,850)	-59.1%

Other informations	1st Half 2008	1st Half 2007	Difference	Difference %
Cash flow from operating activities	22,816	13,419	9,397	70.0%
Research and development expenses	9,024	8,306	718	8.6%
Number of employees as at June 30**	1,031	940	91	9.7%
Personnel cost	23,313	21,683	1,630	7.5%
Purchase of property, plant and equipment	5,407	6,000	(593)	-9.9%

* EBITDA is not deemed a measure of performance under International Financial Reporting Standards (IFRS) and must not be construed as an alternative indicator of the Group's operations. However, we believe that EBITDA is an important parameter for measuring the Group's performance. Since the calculation of EBITDA is not regulated by applicable accounting standards, the method applied by the Group may not be homogeneous with methods adopted by other groups. EBITDA is defined as operating income plus depreciation and amortisation of non-current assets.

** This figure includes personnel employed by Italian Group companies with contract types other than salaried employment agreements.

*** It is worth to mention that getter-related business figures for flat screens other than LCD displays (named as Other Flat Panel Business) – previously included in the Information Displays Business Unit – have been allocated to the Advanced Materials Business Unit. As a consequence, data related to the first half 2007 have been reclassified to ensure a consistent comparison.

Information on the management of the SAES Getters Group

Information on the management of the SAES Getters Group

A pioneer in the development of getter technology, the SAES® Getters Group leads the world in a wide range of scientific and industrial applications that require high vacuum conditions and ultra-pure gases. In over 60 years of operation, the Group's getter solutions have powered technological innovation in sectors including information display and illumination, complex high-vacuum systems, and thermal-vacuum isolation, drawing on technologies ranging from large vacuum power tubes to miniaturized devices such as microelectronic and micromechanical systems mounted on silicon wafers. The Group also leads the market in the ultra-pure gas purification systems for the semiconductor industry and other high-tech industries.

Since 2004, drawing on the skills it has acquired in special metallurgy and materials science, the SAES Getters Group has been expanding its sectors of operation to include the advanced materials market through the introduction of new product lines such as optical crystals and shape memory alloys.

With an overall production capacity spread out over twelve facilities on three continents, a commercial and technical support network with worldwide coverage, and more than 1,000 employees, the Group brings together multicultural skills and experience, making it a global firm in the full sense of the term.

The executive offices of SAES Getters are situated in the outskirts of Milan.

SAES Getters has been listed on the STAR Segment of the Italian Electronic Stock Exchange ("*Mercato Telematico Azionario*") since 1986.

Main events for the six months ended June 30, 2008

In the first six months of 2008 the SAES Group confirmed its net income of the previous period as well as its consolidated net sales, which came to €81,662 thousand in the first half of 2008, substantially unchanged from the €81,753 thousand of the first half of 2007 (-0.1%).

This result was achieved despite the negative impact of exchange rates on the Group's sales of 9% on the previous period. The first half of 2008 benefited from the acquisitions of Spectra-Mat, Inc., closed on February 22, 2008, and the Shape Memory Alloys (SMA) division of Special Metals Corporation (SMC) on January 3, 2008 by SAES Smart Materials, Inc., which contributed to keeping the Group's sales substantially in line with the previous year.

Within the same consolidation area, consolidated sales were down by 6.2%, primarily due to the negative exchange-rate effect. Sales increased by 2.8% compared to the first half 2007, excluding exchange rate effect in the same consolidation area.

Moreover, despite the factors reported above, consolidated gross margin came to €50,870 thousand, down slightly (-1.9%) from €51,847 thousand in the first half of 2007, and operating income for the first six months of 2008 came to €23,248 thousand, down from €25,618 thousand in the first six months of 2007.

In the first half of 2008, the Group's consolidated net income stood at €18,490 thousand, substantially equal to €18,436 thousand reported in the first half of 2007 and net income was equal to 22.6% of consolidated net sales for the period (a percentage which has remained unchanged with respect to the first half of 2007). This result was achieved in part due to the conversion into euro of cash and cash equivalents by the Korean subsidiary, which allowed the Group to avoid being penalized by the depreciation of the Korean won during the half-year.
Financial position as of June 30, 2008 showed €28,273 thousand net assets against €69,123 thousand at December 31, 2007. The decline is essentially attributable to the purchase of treasury shares and the payment of dividends. Cash flow provided by operating activities rose from €13,419 thousand to €22,816 thousand, primarily due to the lesser disbursement for taxes during the half-year than in the previous year, as commented below in the paragraph concerning the Cash Flows Statement.

Furthermore, during the half-year, innovation work continued according to the guidelines previously set forth in the Report on Operations that accompanied the 2007 Financial Statements, and the foundations were laid for a diversification of the product portfolio in order to react to the decline of the traditional getter market.

In this regard, important opportunities were seized on the U.S. market and the acquisitions of substantially all the assets of the Shape Memory Alloys (SMA) division of Special Metals Corporation (SMC), with an expenditure of €21,164 thousand, and of 100% of Spectra-Mat Inc., with a net expenditure of €3,994 thousand, were closed. These acquisitions, which were advantageous from the standpoint of cash flow due to the favorable euro/dollar exchange rate, were partially funded through the contracting of medium/long-term loans in U.S. dollars by the operating companies, thereby leaving the Group's cash and equivalents substantially unchanged.

In addition, SAES Opto S.r.l. acquired a 48% shareholding in SAES Opto Components S.r.l., thereby becoming the latter's sole shareholder, with the aim of strengthening the Group's presence in the advanced materials segment.

On June 24, 2008 SAES Getters S.p.A. announced the signature of a merger agreement for the acquisition of 100% of Memry Corporation's share capital, a U.S. company listed on the American Stock Exchange and operating in the business of medical devices made in shape-memory alloys. The price of purchase was set at USD 2.51 per share, corresponding to a total amount of about USD 77.7 million (refer to the paragraph "Subsequent events to the end of the interim period", which illustrates the increase of the price per share of USD 0.02 negotiated on August 14, 2008). The operation will be closed in September 2008. Closing this deal will allow the Group to improve its position in various segments of the value chain for the Shape Memory Alloys (SMA) market, which is viewed as strategic due to its higher potential than traditional markets.
Memry acquisition, in addition to the previously closed U.S. acquisitions, will also foster the balancing of the Group's currency situation, particularly in terms of revenue denominated in U.S. dollars, nature hedging of which will increase significantly being the costs denominated in the same currency.

SAES Getters Group organizational structure

The Group's organizational structure is divided into three Business Units: Information Displays, Industrial Applications and Advanced Materials.

The following table illustrates the Group's organizational structure:

Information Displays Business Unit	
Liquid Crystal Displays	Getters and metal dispensers for liquid crystal displays
Cathode Ray Tubes	Barium getters for cathode ray tubes
Industrial Applications Business Unit	
Lamps	Getters and metal dispensers used in discharge lamps and fluorescent lamps
Electronic Devices	Getters and metal dispensers for electron vacuum devices
Vacuum Systems and Thermal Insulation	Pumps for vacuum systems and getters for thermal insulated devices
Semiconductors	Gas purifier systems for the semiconductor industry and other industries
Advanced Materials Business Unit	
Advanced Materials	Dryer for OLED displays, getters for microelectronic and micromechanical systems, optical crystals, shape memory alloys

Sales and Income for the period ended June 30, 2008

Consolidated net sales for the first half of 2008 amounted to €81,662 thousand, substantially unchanged from €81,753 thousand in the first half of 2007. Net of the exchange-rate effect, which heavily penalized all business units, resulting in a 9% decrease in revenue, consolidated sales were up by 8.9%, primarily due to the recent acquisitions commented upon above.

Consolidated sales on a comparable basis were down by 6.2% on the first half of 2007, whereas they were up 2.8% excluding the exchange-rate effect.

In further detail, net of the exchange-rate effect, increased sales were reported across all business, with the exception of the Cathode Ray Tubes business (the decline in which may be attributed to the long-recognized contraction of the cathode ray tube market) and the Semiconductors business (penalized by the postponement of somel deliveries to the second half of 2008). Also noteworthy is the considerable increase in revenue earned by the Advanced Materials Business Unit, which was mostly attributable to the recent acquisition of the SMA division of SMC.

The following table provides a breakdown of sales by business in the first half of 2008 and 2007:

(thousands of euro)

Business	1 st Half 2008	1 st Half 2007	Total Difference	Total Difference %	Consolidation area difference %	Price/ quantity effect %	Exchange rate effect %
Liquid Crystal Displays	40,967	41,510	(543)	-1.3%	0.0%	8.8%	-10.1%
Cathode Ray Tubes	5,597	9,547	(3,950)	-41.4%	0.0%	-33.5%	-7.9%
Subtotal Information Displays (*)	**46,564**	**51,057**	**(4,493)**	**-8.8%**	**0.0%**	**0.9%**	**-9.7%**
Lamps	6,145	5,940	205	3.5%	0.0%	7.0%	-3.5%
Electronic Devices	11,560	8,755	2,805	32.0%	17.6%	20.4%	-6.0%
Vacuum Systems and Thermal Insulation	2,691	2,406	285	11.8%	0.0%	19.9%	-8.1%
Semiconductors	9,491	11,815	(2,324)	-19.7%	0.0%	-7.7%	-12.0%
Subtotal Industrial Applications	**29,887**	**28,916**	**971**	**3.4%**	**5.3%**	**6.2%**	**-8.1%**
Subtotal Advanced Materials (*)	**5,211**	**1,780**	**3,431**	**192.8%**	**193.0%**	**3.1%**	**-3.3%**
Total Net Sales	**81,662**	**81,753**	**(91)**	**-0.1%**	**6.1%**	**2.8%**	**-9.0%**

(*) Starting from January 1st, 2008 sales related to business figures for flat screens other than LCD displays (named as Other Flat Panel Business) – previously included in the Information Displays Business Unit – have been allocated to the Advanced Materials Business Unit. As a consequence, data related to the first half 2007 have been reclassified to ensure a consistent comparison.

Net sales in the **Information Displays Business Unit** were €46,564 thousand, down by €4,493 thousand (-8.8%) on the first half of 2007. The trend of the euro against the major foreign currencies brought about a negative exchange rate effect of -9.7%.
Net of the exchange-rate effect, revenues increased by 0.9%. Increase may be attributed to greater sales of mercury dispensers used in cold cathode fluorescent lamps for liquid crystal display backlighting, partially offset by the contraction of the cathode ray tube market. Furthermore, sales in the liquid-crystal display business in the first half of 2008 were penalized by consistent pressure on prices and the tendency to reduce the number of fluorescent lamps used in each display, as a consequence of technological development and the cost streamlining by display manufacturers.

Net sales in the **Industrial Applications Business Unit** were €29,887 thousand, up €971 thousand (+3.4%) on the first half of 2007. The trend of the euro against the major foreign currencies brought about a negative exchange rate effect of -8.1%. The increase in sales, despite the strong negative exchange-rate effect (+11.5% net of the currency effect), was due to the general increase in sales across nearly all businesses, in particular getters for solar collectors and getters for hydrogen absorption in military applications (the Electronic Devices business), getters and dispensers for discharge and fluorescent lamps (the Lamps business), and pumps for vacuum systems (the Vacuum Systems and Thermal Insulation business). Only the Semiconductors business was in decline (-7.7% net of the exchange-rate effect), primarily due to the postponement of somel deliveries to the second half of the year. Net sales of getters for solar collectors (included in the Electronic Devices business) were €2,005 thousand, compared to €1,254 thousand in the first half of 2007 (+59.9%). Lastly, net sales by the Industrial Applications Business Unit came to €28,348 thousand on a same consolidation basis, considering the acquisition of Spectra-Mat, Inc. as closed on February 22, 2008.

The **Advanced Materials Business Unit** reported net sales of €5,211 thousand, up sharply (+192.8%) compared with the first half of 2007 (€1,780 thousand). The increase of €3,431 thousand is mainly due to the recent acquisition of the SMA division of SMC in the Shape-Memory Alloy business and of Spectra-Mat, Inc. in the Optoelectronics business. Net of change in the consolidation area, net sales were €1,775 thousand.

A breakdown of net sales by geographical location of customers is given below:

(thousands of euro)

Geographic Area	1st Half 2008	%	1st Half 2007	%	Total difference	Total difference %
Italy	621	0.8%	554	0.7%	67	12.1%
Europe	12,149	14.9%	9,948	12.2%	2,201	22.1%
North America	12,870	15.8%	9,392	11.5%	3,478	37.0%
Japan	21,297	26.1%	18,610	22.8%	2,687	14.4%
South Korea	12,231	15.0%	16,407	20.1%	(4,176)	-25.5%
China	7,232	8.9%	11,679	14.3%	(4,447)	-38.1%
Other Asian Countries	14,984	18.3%	14,379	17.6%	605	4.2%
Other	278	0.2%	784	1.0%	(506)	-64.5%
Total Net Sales	**81,662**	**100.0%**	**81,753**	**100.0%**	**(91)**	**-0.1%**

As shown above, consolidated net sales were severely penalized by the negative exchange-rate effect, which had an impact on sales in both North America and the Far East. However, as mentioned above and commented upon in further detail in the Notes, the Group converted a current account in which the Korean subsidiary held its cash into euro in order to limit the effects of the depreciation of the Korean currency. This contributed to keeping the result in line with expectations and the figure for the previous period, inasmuch as the income statement benefited from approximately €2 million in financial income, which offset the depreciation of the Korean currency.

Consolidated gross profit amounted to €50,870 thousand in the first half of 2008, compared to €51,847 thousand in the first half of 2007. Gross industrial margin, expressed as a percentage of net sales, came to 62.3%, compared to 63.4% in the first half of 2007. This decline is primarily due to the unfavorable impact of exchange rates and to the different sales mix.

In the first half of 2008 gross industrial profit was penalized by non-recurring expenses of €356 thousand related to the write-down of goodwill originating from the acquisition of the Opto division from Scientific Materials Europe S.r.l. and the acquisition of a 48% shareholding in SAES Opto Components S.r.l. The first half of 2007 had been influenced by restructuring costs and other extraordinary expenses totaling €1,673 thousand and related to action take to react to the decline of the traditional cathode ray tube market.

The following table shows gross profit in the first half of the years 2008 and 2007 according to Business Unit:

(thousands of euro)

	1st Half 2008	1st Half 2007	Total difference	Total difference %
Information Displays	35,195	36,487	(1,292)	-3.5%
Industrial Applications	15,364	15,402	(38)	-0.2%
Advanced Materials & Corporate Costs	311	(42)	353	840.5%
Gross profit	**50,870**	**51,847**	**(977)**	**-1.9%**

As commented upon above, in addition to net sales, cost of sales and operating expenses associated with the getter business for flat screens other than LCDs (the Other Flat Panels Business), which were previously included in the Information Displays Business Unit, were allocated to the Advanced Materials Business Unit. As a consequence, the figures from the first half of 2007 have been restated to ensure a consistent comparison.

Consolidated EBITDA, which was penalized by the negative exchange-rate effect, was €28,615 thousand in the first half of 2008 compared with €32,253 thousand in the first half of 2007. Expressed as a percentage of net sales, EBITDA was 35% in the first half of 2008, compared with 39.5% in the first half of 2007.

Operating income came to €23,248 thousand in the first six months of 2008, down from €25,618 thousand in the same period of 2007. This decrease was largely due to the drop in gross profit and increased operating expenses, primarily attributable to the change in the consolidation area.

The following table shows operating income in the first half of the years 2008 and 2007 according to Business Unit:

(thousands of euro)

	1st Half 2008	1st Half 2007	Total difference	Total difference %
Information Displays	23,284	24,847	(1,563)	-6.3%
Industrial Applications	8,421	8,643	(222)	-2.6%
Advanced Materials & Corporate Costs	(8,457)	(7,872)	(585)	7.4%
Operating Income (Loss)	**23,248**	**25,618**	**(2,370)**	**-9.3%**

Personnel cost totaled €23,313 thousand, up from €21,683 thousand in the first half of 2007, due to the increase in the Group's average number of employees following the change in the consolidation area.

Operating expenses came to €27,492 thousand in the first half of 2008, up slightly from €26,898 thousand in the first half of 2007, primarily due to the change in the consolidation area. If this effect is eliminated, operating expenses come to €26,443 thousand, down by €455 thousand compared with the first half of 2007, due to the decline in general and administrative expenses (in particular legal and consulting fees), partly offset by the increase in research and development expenses.

Other income (expenses) had a negative balance of €130 thousand compared with a positive balance of €669 thousand in the first half of 2007. Operating income in the first half of 2007 had benefited from non-recurring income related to the change in the accounting treatment of hedging derivatives (€492 thousand).

The net balance of financial income (expenses) was €662 thousand compared with €1,113 thousand in the first six months of 2007. In particular, financial income totaled €1,411 thousand, down from the figure of €1,616 thousand reported in the first half of 2007, primarily due to the decrease in interest income on the lesser cash balances of the Parent Company's current accounts. Financial expenses amounted to €749 thousand compared with €503 thousand in the first half of 2007. The increase was primarily due to interest expenses on loans issued to the U.S. companies (refer to Note

No. 25 for further details).
Moreover, the application of IFRS 5 to non-current assets held for sale related to the Chinese subsidiary SAES Getters Technical Service (Shanghai) Co., Ltd. had resulted in €553 in income in the first half of 2007.

The algebraic sum of the exchange-rate differences during the first half of the year came to a positive balance of €3,107 thousand, compared to a positive balance of €2,330 thousand in the first half of 2007. The increase is primarily attributable to the positive effect of the conversion of cash and equivalents and cash-pooling financial receivables denominated in euro and claimed by the Group's foreign companies (particularly SAES Getters Korea Corporation), following on the appreciation of the euro against the other currencies, and to the greater profits earned at the closing out of forward currency contracts, partially offset by the lesser positive impact of the fair value measurement of outstanding derivative contracts on the income statement.
Income taxes totaled €8,583 thousand compared with €11,183 thousand in the first half of 2007. As a percentage of EBIT, taxes fell from 37.8% in the first half of 2007 to 31.8% in the first half of 2008. The decrease is mainly due to tax credits for research and development introduced by Italian legislation in 2007, in addition to the decrease in the tax rate in Italy (from 37.25% to 31.4%).

The Group's consolidated net income in the first half of 2008 was €18,490 thousand, compared with €18,436 thousand in the first half of 2007, or 22.6% of consolidated net sales, in line with the first six months of 2007.

The result for the first half of the year includes depreciation of tangible assets and amortization of intangible assets totaling €4,985 thousand compared with €5,836 thousand in the first six months of 2007. Research and development expenses, charged to the Income Statement for the period as they do not meet the criteria laid down in IAS 38 for compulsory capitalization, totaled €9,024 thousand (11% of consolidated net sales), compared with €8,306 thousand in the first half of 2007 (10.2% of consolidated net sales).

Financial position - Investments - Other information

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

(thousands of euro)

	June 30, 2008	December 31, 2007	June 30, 2007
Cash on hand	24	10	27
Cash equivalents	46,947	70,655	69,081
Cash and cash equivalents	**46,971**	**70,665**	**69,108**
Current financial assets	**1,091**	**1,769**	**1,787**
Bank overdraft	2,153	184	150
Current portion of long term debt	1,117	857	842
Other current financial liabilities	0	0	0
Current financial liabilities	**3,270**	**1,041**	**992**
Current net financial position	**44,792**	**71,393**	**69,903**
Long term debt, net of current portion	16,519	2,270	2,915
Non current financial liabilities	**16,519**	**2,270**	**2,915**
Net financial position	**28,273**	**69,123**	**66,988**

Net financial position shows net cash of €28,273 thousand at June 30, 2008, compared to net cash of €69,123 thousand at December 31, 2007. The decrease with respect to December 31, 2007 is primarily due to the following:

- the expenditure for the purchase of treasury shares (€3,335 thousand);
- the distribution of dividends (€21,950 thousand);
- the payment of taxes (€7,852 thousand);
- the net expenditures for the acquisitions of Spectra-Mat, Inc. and the SMA division of SMC (€3,994 thousand and €21,164 thousand, respectively);
- the expenditures for consultancies on the new ERP system and the future acquisition of the Memry Corporation.

These effects were partially offset by financial resources generated by self-financing.

The cash flow from operating activities is €22,816 thousand, equivalent to 27.9% of net sales, compared with €13,419 thousand in the first half 2007, equivalent to 16.4% of net sales. The increase is primarily due to the lesser taxes paid in the first half of 2008.

In the first six months of 2008, investments in property, plant and equipment (net of inter-company transactions) amounted to €5,407 thousand (€6,000 thousand in the first half of 2007) and were primarily related to investments by Italian Group companies to purchase special machinery and equipment to build new production lines and improve and enhance already existing lines.

Performance of subsidiaries

SAES GETTERS S.p.A., Lainate, MI (Italy)
In the first half of 2008, the Parent Company reported sales of €14,673 thousand (export sales accounted for 98%), down by €2,124 thousand on the first half of 2007 (€16,797 thousand). The decrease is primarily attributable to the fall in sales by the Cathode Ray Tubes business due to the contraction of the traditional cathode ray tubes market, which was only partially offset by the increased sales reported by the Liquid Crystal Displays business. The Parent Company reported net income of €38,017 thousand for the period, compared to €36,125 thousand as at June 30, 2007. The increase in net income was primarily due to increased net dividends collected from subsidiaries.

SAES ADVANCED TECHNOLOGIES S.p.A., Avezzano, AQ (Italy)
In the first half of the year, the company reported net sales of €38,886 thousand, up from €35,995 thousand in the first half of 2007. Exports accounted for 77% of net sales. The increase in net sales, achieved despite the negative exchange-rate effect, is primarily due to greater sales of mercury dispensers, getters for solar collectors, and vacuum pumps for special projects. The company closed the half-year with net income of €13,537 thousand, compared with €12,233 thousand in the first half of 2007. The improvement in net income is due both to the increase in net sales with a more favorable sales mix and the decrease in the incidence of taxes (related to tax credits for research and development activities and the reduction of Italian tax rate), partially offset by the increase in operating expenses and the decrease in income on derivative instruments.

In addition, the company had benefited from non-recurring income in the first half of 2007 related to the change in the accounting treatment of hedging derivatives.

SAES GETTERS USA, INC., Colorado Springs, CO (USA)
The company reported consolidated net sales of $22,076 thousand in the first half of 2008 (€14,426 thousand at the average exchange rate for the first half of 2008), compared with $19,266 thousand (€14,495 thousand at the average exchange rate for the first half of 2007) and a consolidated net income of $4,379 thousand (€2,862 thousand), compared with a consolidated net income of $4,331 thousand (€3,259 thousand) in the first half of 2007.

Further comments are given below.

The US parent company SAES Getters USA, Inc. (which primarily operates in the Industrial Applications Business Unit) reported sales of $5,581 thousand, compared to $4,303 thousand in the first half of 2007. The increase in net sales is primarily due to greater sales of getters for military applications by the Electronic Devices business. The company ended the first half of the year with a net income of $1,834 thousand, compared with a net income of $1,483 thousand in the first half of 2007. The increase in the net income for the period was primarily due to the increase in sales and a more favorable sales mix.

The subsidiary SAES Pure Gas, Inc., based in San Luis Obispo, California (USA) (operating in the Semiconductors business), reported net sales of $13,815 thousand ($14,963 thousand in the first half of 2007) and a net income of $2,350 thousand (compared to net income of $2,848 thousand in the first half of 2007). The decrease in both net sales and net income is primarily due to the postponement of some deliveries to the second half of 2008.

On February 22, 2008 SAES Getters USA, Inc. closed the acquisition of Spectra-Mat, Inc., based in Watsonville, California (USA), and engaged primarily in the manufacturing and marketing of vacuum components for the telecommunications, medical and military markets, devices for capital equipment for semiconductor industry, and advanced materials for the industrial laser market (Electronic Devices and Advanced Materials business).
From the date of acquisition through June 30, 2008, Spectra-Mat, Inc. reported net sales of $2,680 thousand and net income of $195 thousand.

SAES GETTERS JAPAN CO., LTD., Tokyo (Japan)
The company reported sales of JPY 3,324 million (€20,703 thousand at the average exchange rate for the first half of 2008), up on the first half of 2007 (JPY 3,038 million, equivalent to €19,032 thousand at the average exchange rate for the first half of 2007), and a net income of approximately JPY 164 million (€1,019 thousand), compared with approximately JPY 190 million in the first half of 2007 (€1,193 thousand). Despite the increase in net sales (concentrated primarily in the Liquid Crystal Displays business), net income decreased due to the effect of a less favorable sales mix and lesser exchange gains realized on the conversion of the cash-pooling financial receivable denominated in euro.

SAES GETTERS SINGAPORE PTE, LTD., Singapore (Singapore)
The company reported net sales of $658 thousand (€430 thousand at the average exchange rate in the first half of 2008), down from the first half of 2007 ($1,911

thousand, equivalent to €1,438 thousand at the average exchange rate for the first half of 2007). The fall in net sales was due to the decrease in sales in the Cathode Ray Tubes business following the decline in the traditional cathode-ray tubes market. The company ended the first half of the year with a net loss of $120 thousand (€78 thousand), compared to a net income of $79 thousand (€59 thousand) in the first half of 2007. The decline was primarily due to the decrease in net sales.

SAES GETTERS (DEUTSCHLAND) GmbH, Cologne (Germany)
Net sales were €454 thousand in the first half of 2008, down slightly compared with the first half of 2007 (€495 thousand). Net income for the period was €158 thousand, substantially unchanged from the €159 thousand in the first half of 2007. Please note that the company operates exclusively as a distribution agent for the Group's products, receiving commissions.

SAES GETTERS (GB), LTD., Daventry (Great Britain)
The company reported net sales of GBP 59 thousand (€76 thousand at the average exchange rate for the first half of 2008), compared with GBP 36 thousand in the first half of 2007 (€54 thousand at the average exchange rate for the first half of 2007). The company ended the period with a net loss of GBP 43 thousand (-€55 thousand), compared with a net loss of GBP 55 thousand in the first half of 2007 (-€82 thousand). The company operates exclusively as distribution agent for the Group's products, receiving commissions.

SAES GETTERS (NANJING) CO., LTD., Nanjing (P.R. of China)
The company reported net sales of RMB 45,644 thousand in the first half of 2008 (€4,227 at the average exchange rate for the period), down from the first half of 2007 (RMB 48,811 thousand, equivalent to €4,759 thousand at the average exchange rate for the period) due both to the decline in the traditional cathode ray tube getter market and decreased commissions collected from the associate SAES Pure Gas, Inc. on the latter's sales of purifiers for the semiconductor industry in Chinese territory. The company ended the period with a net income of RMB 6,645 thousand (€615 thousand at the average exchange rate for the period), down on the first half of 2007 (RMB 10,590 thousand, equivalent to €1,032 thousand). The decrease in net income was caused by the drop in sales and the rise in certain operating expenses compared to the same period of 2007 (particularly costs of sales and general and administrative expenses).

DR. -ING. MERTMANN MEMORY-METALLE GmbH, Weil am Rhein (Germany)
The company, which is 50% owned by SAES Getters S.p.A. and markets semi-finished goods and components of shape-memory alloys for medical and industrial applications (Advanced Materials Business Unit), reported sales of €768 thousand, down from the first half of 2007 (€905 thousand) and a net loss of €74 thousand, compared to a net income of €75 thousand in the first half of 2007. The decline in the net result is primarily due to the decrease in net sales and the slight increase in operating expenses.

SAES OPTO S.r.l., Lainate, MI (Italy)
The company was incorporated in the first half of 2007 (May 15, 2007) and operates in the optoelectronics industry (Advanced Materials Business Unit), primarily marketing the products of the subsidiary SAES Opto Materials S.r.l.
In the first half of 2008 it reported sales of €237 thousand and a net loss of €493

thousand. Said loss includes the write-down of the equity investment in SAES Opto Materials S.r.l. (€273 thousand).

The subsidiary SAES Opto Materials S.r.l., based in Cagliari, incorporated on April 3, 2007, and currently 90% owned by SAES Opto S.r.l., acquired the Opto going concern from Scientific Materials Europe S.r.l. on May 10, 2007.
In the first half of 2008 SAES Opto Materials S.r.l. reported sales of €398 thousand (€52 thousand in the first half of 2007) and a net loss of €566 thousand (a net loss of €50 thousand in the first half of 2007). The result in the first half of 2008 was penalized by non-recurring expenses of €341 thousand related to the write-down of the goodwill recognized following the aforementioned acquisition of the Opto going concern.

The subsidiary SAES Opto Components S.r.l., based in Lainate, Milan, Italy, and 100% owned by SAES Opto S.r.l., ended on May 9, 2008, through merger by incorporation in SAES Opto s.r.l., following the aforementioned acquisition of the 48% shareholding.

SAES GETTERS EXPORT CORP., Delaware, DE (USA)
SAES Getters Export Corp., a U.S. corporation fully owned and directly controlled by SAES Getters S.p.A., based in Delaware (USA), with the object of managing the exports of U.S. companies, was incorporated on March 31, 2008. At present, the company is not operational.

SAES GETTERS INTERNATIONAL LUXEMBOURG S.A., Luxembourg (Luxembourg)
The company's main objects are the management of acquisitions and investments, optimal cash management, the issue of infra-group loans and the coordination of Group services. In the first half of 2008 the company reported net income of €10,544 thousand, compared with a net loss of €55 thousand at June 30, 2007. The considerable improvement in the net income is due to the net dividends collected from the subsidiary SAES Getters Korea Corporation and the joint venture SAES Huadong Vacuum Material Co., Ltd.

The following are comments on the performance of the subsidiaries of SAES Getters International Luxembourg S.A.
The subsidiary SAES Getters Korea Corporation, Seoul (South Korea) (62.52% owned by SAES Getters International Luxembourg S.A., whereas the remaining stake in capital is directly held by the Parent Company, SAES Getters S.p.A.), which operates primarily in the manufacturing of components for liquid-crystal displays (Liquid Crystal Displays business) and the marketing of other Group products, particularly getters intended for the cathode-ray tube market (it should be recalled that production in the Cathode Ray Tubes Business was discontinued at the end of 2006), reported net sales of KRW 17,159 million in the first half of 2008 (€11,347 thousand at the average exchange rate for the period), compared with net sales of KRW 20,793 million (€16,751 thousand at the average exchange rate for the period) in the first half of 2007. The decline is due both to the contraction of the cathode ray tubes market and the negative effect of the greater discounts granted on mercury dispensers (Liquid Crystal Displays business) in response to increasing pressure on prices. The half-year closed with net income of KRW 10,193 million (€6,741 thousand), compared to KRW 9,447 million (€7,611 thousand) in the first half of 2007, increasing despite the decline in net sales, primarily thanks to the positive exchange differences arising from the conversion of cash and cash-pooling

financial receivables denominated in euro, following the appreciation of the euro against the KRW.

The subsidiary SAES Getters America, Inc., based in Cleveland, OH (USA), reported net sales of $4,587 thousand in the first half of 2008 (€2,998 thousand at the average exchange rate for the period), up from the first half of 2007 ($4,187 thousand, equivalent to €3,150 thousand at the average exchange rate for the first half of 2007). The increase in net sales is due to greater sales by the Industrial Applications Business Unit, partially offset by lesser sales by the Cathode Ray Tubes business due to the contraction of the market. The company ended the half-year with a net income of $350 thousand (€228 thousand), compared to a net income of $709 thousand (€533 thousand) in the first half of 2007. The decline in net income, despite the increased net sales, is primarily due to the reduction of gross margin.

The subsidiary SAES Getters Technical Service (Shanghai) Co., Ltd., based in Shanghai (P.R. of China), whose object was the provision of technical support services to semiconductor companies, suspended production in the first half of 2006 and is currently in liquidation. The company closed the first half of 2008 with a net income of RMB 130 thousand (€12 thousand at the average exchange rate for the period), compared to a net income of RMB 4,995 thousand (€487 thousand) in the first half of 2007. The income statement for the previous year included non-recurring income deriving from the fair value measurement of non-current assets held for sale (€553 thousand).

The company Nanjing SAES Huadong Vacuum Material Co., Ltd., based in Nanjing (P.R. of China), is considered a jointly controlled company (and consequently consolidated on a proportional basis) since SAES Getters International Luxembourg S.A., despite owning 51% of capital stock, does not exercise control as defined by International Accounting Standards.
The company, which manufactures and markets components for displays and industrial applications, reported sales of RMB 44,885 thousand in the first half of 2008 (€4,157 thousand at the average exchange rate for the period) and a net income of RMB 16,076 thousand (€1,489 thousand at the average exchange rate for the period), compared with net sales of RMB 24,449 thousand (€2,384 thousand) and a net income of RMB 7,029 thousand (€686 thousand) in the first half of 2007. The increase in net income is due to greater net sales and a more favorable sales mix (particularly the considerable increase in sales of mercury dispensers, which higher margins).
Please note that, as a result of contractual agreements entered into at the time of purchase, minority-interest shareholders in the joint venture are entitled to a fixed annual dividend until 2013, with the consequences that the Group's share of the company's profits differs from its share of equity.
For further information, refer to Note No. 7 on "Net financial income (expense)".

On January 3, 2008 SAES Smart Materials, Inc., 100% owned by SAES Getters International Luxembourg S.A. and based in New York, NY (USA), closed the acquisition of the near entirety of the assets of the Shape Memory Alloys (SMA) division of the Special Metals Corporation (SMC), which develops, manufactures and sells custom shape-memory allows and special high-purity alloys (Advanced Materials Business Unit).
In the first half of 2008 the company reported sales of $4,999 thousand (€3,267

thousand at the average exchange rate for the period) and a net loss of $201 thousand (-€131 thousand).

SAES Devices Corp, based in Wilmington, Delaware (USA), was set up on June, 2008, as vehicle for the acquisition of Memry Corporation. The company is entirely and indirectly owned by SAES Getters S.p.A., through SAES Getters International S.A.

Research, development and innovation activities

Innovation activities continued throughout the first six months of the year in the areas previously highlighted in the 2007 Annual Report.
Research and development expenses amounted to €9,024 thousand in the first half of 2008, up from the figure for the first half of 2007.
The first half of the year witnessed the implementation of an internal reorganization of research laboratories to bring the organization more fully into line with the business's needs.
Activities were focused on the large projects that have previously been illustrated in the 2007 Annual Report s as well as several new development projects.
In further detail, in the OLED field, organic getters are under development; in the OPTO field, work continues to complete the plan to grow lithium niobate crystals, and secure the first results of the growth of alexandrite crystals. In addition, research on new, higher performance alloys for solar-collector applications continues.

Subsequent events

On June 24, 2008 SAES Getters S.p.A. and Memry Corporation (AMEX:MRY), an American Stock Exchange listed company focused on next generation products for medical device industry, made in shape memory alloy based on nitinol and special plastic materials – announced the signature of a merger agreement, for the acquisition of 100% of Memry Corporation's share capital. The initially announced purchase price – $2.51 per share – correspondend to a total amount of about $77.7 million.

On August 14, 2008 SAES Getters S.p.A. announced that the merger agreement for 100% acquisition of Memry Corporation's corporate capital will be carried out based on $2.53 consideration for each Memery Corporation's share (instead of $2.51) for a total amount of about $78.4 million. This modification was approved following the settlement agreements entered by Memry in connection with the Memry Corporation v. Kentucky Oil Technology, N.V., et al. litigation. The price adjustment was negotiated to take into account this discharge of potential liabilities for Memry.

The operation will be closed in September 2008. The acquisition will be executed through a US law company set up in Delaware (SAES Getters International Luxembourg S.A.'s 100% subsidiary company) that will be merged with Memry. Memry Corporation's shares will no longer be listed in the American Stock Exchange after the closing.

In July 2008, as related to the acquisition of Memry Corporation, in order to hedge the exchange rate risk, SAES Getters International Luxembourg S.A. signed a forward contract to buy an amount of $30 million at a forward exchange equal to 1.5706 dollars to euro.

On July 29, 2008 the shareholders' meeting of SAES Getters International Luxembourg S.A. authorized a share issue of €20 million: said share issue was fully underwritten and paid up by SAES Getters S.p.A. (bringing the latter's stake to 99.97%; the remaining 0.03% is held by SAES Advanced Technologies S.p.A.).

On August 25, 2008 SAES Getters International Luxembourg S.A. contributed $30 million in capital to SAES Devices Corp.

We further report that no additional forward currency agreements for trade receivables in U.S. dollars or Japanese yen were entered into subsequent to June 30, 2008.

On July 1, 2008 Spectra-Mat, Inc. entered into an Interest Rate Swap (IRS) with a notional value of $1 million and maturity date as of November 30, 2010. The company will pay a fixed interest rate of 4.36% and will receive the six-month USD LIBOR BBA from the bank.

Business outlook

In the second half of 2008, the liquid crystal displays market will be influenced by stock adjustments, by persistent pressure on prices and by tendency to reduce the number of fluorescent lamps used for each display, as a consequence of technological development and cost streamlining.

In the second half of the year, we foresee that the revenues of the traditional cathode ray tubes segment will continue to decline due to the industry's maturity. However, the Group has taken all action planned to meet this situation.

The Industrial Applications market should record a stability trend, if compared to the first half 2008.

Growth will continue in all segments of advanced materials sector, already recorded in the first half 2008. More specifically, the shape memory alloy sector will benefit from Memry Corporation strategic integration, consolidating Group's presence in the medical SMA sector, characterized by a strong stability if compared to economic trends.

The Company confirms its capacity to generate cash and this guarantees financial soundness and value creation.

The Group' economic result will be influenced by the exchange rate trends of the Euro against the main foreign currencies. In order to protect the Group's margins against fluctuations in exchange rates, forward contracts have been undertaken.

Furthemore, the Group has introduced Interest Rate Swap (IRS) related to fixed rate in order to protect itself against interest rate fluctuations with reference to financing contracts based on variable rates.

Related party transactions

The Group reports that its dealings with related parties fall within ordinary operations and are settled at market conditions.
Complete disclosure of related-party transactions during the half-year is provided in Note No.36 to the Interim Condensed Consolidated Financial Statements.

saes getters

Interim Condensed Consolidated Financial Statements for the six months ended June 30, 2008

Interim Consolidated Income Statement

(thousands of euro)

		1st Half 2008			1st Half 2007		
	Notes	**Continuing operations**	**Discontinuing operations**	**Total**	**Continuing operations**	**Discontinuing operations**	**Total**
Total net sales	**3**	**81,662**	**0**	**81,662**	**81,749**	**4**	**81,753**
Cost of sales	4	(30,792)	0	(30,792)	(29,904)	(2)	(29,906)
Gross profit		**50,870**	**0**	**50,870**	**51,845**	**2**	**51,847**
Research & development expenses	5	(9,024)	0	(9,024)	(8,306)	0	(8,306)
Selling expenses	5	(6,427)	0	(6,427)	(6,076)	0	(6,076)
General & administrative expenses	5	(12,003)	(38)	(12,041)	(12,382)	(134)	(12,516)
Total operating expenses		**(27,454)**	**(38)**	**(27,492)**	**(26,764)**	**(134)**	**(26,898)**
Other income (expenses), net	6	(181)	51	(130)	603	66	669
Operating income		**23,235**	**13**	**23,248**	**25,684**	**(66)**	**25,618**
Interest and other financial income	7	1,411	0	1,411	1,615	1	1,616
Interest and other financial expenses	7	(749)	0	(749)	(503)	0	(503)
Net income (loss) on discontinuing operations	12	0	0	0	0	553	553
Foreign exchange gains (losses), net	8	3,108	(1)	3,107	2,331	(1)	2,330
Income before taxes		**27,005**	**12**	**27,017**	**29,127**	**487**	**29,614**
Income taxes	9	(8,583)	0	(8,583)	(11,183)	0	(11,183)
Net income (loss)		**18,422**	**12**	**18,434**	**17,944**	**487**	**18,431**
Minority interest in consolidated subsidiaries		(56)	0	(56)	(5)	0	(5)
Group net income (loss)		**18,478**	**12**	**18,490**	**17,949**	**487**	**18,436**
Net income per ordinary shares	10	0.8416		0.8421	0.7952		0.8170
Net income per savings share	10	0.8416		0.8421	0.8113		0.8330

Interim Consolidated Balance Sheet

(thousands of euro)

	Notes	June 30, 2008	December 31, 2007
ASSETS			
Non current assets			
Property, plant and equipment, net	13	62,937	60,317
Intangible assets, net	14	24,222	6,150
Deferred tax assets	15	5,726	6,697
Other long term assets	16	908	893
Total non current assets		**93,793**	**74,057**
Current assets			
Inventory	17	21,620	16,189
Trade receivables	18	26,810	27,148
Tax consolidation receivables from Controlling Company	19	10,549	8,360
Prepaid expenses, accrued income and other	20	7,900	5,410
Derivative financial instruments evaluated at fair value	21	1,091	1,769
Cash and cash equivalents	22	46,971	70,665
Non current assets held for sale		0	0
Total current assets		**114,941**	**129,541**
Total assets		**208,734**	**203,598**
SHAREHOLDER'S EQUITY AND LIABILITIES			
Capital stock		12,220	12,220
Share issue premium		39,659	42,994
Treasury shares		(11,638)	(8,303)
Legal reserve		2,444	2,444
Sundry reserves, retained earnings and accumulated losses		72,946	74,901
Net income (loss) for the period		18,490	34,869
Interim dividend		0	(12,314)
Group shareholders' equity	**23**	**134,121**	**146,811**
Capital stock and sundry reserves of third parties		(2)	20
Net income (loss) for the period of third parties		(56)	(26)
Minority interest in consolidated subsidiaries		(58)	(6)
Total shareholders' equity		**134,063**	**146,805**
Non curent liabilities			
Non current financial liabilities	25	16,519	2,270
Deferred tax liabilities	26	1,714	4,564
Staff leaving indemnities and other employee benefits	27	9,403	9,338
Non current provisions	28	1,212	1,058
Other payables		19	19
Total non current liabilities		**28,867**	**17,249**
Current liabilities			
Trade payables	29	12,803	10,049
Tax consolidation payable from Controlling Company	19	13,023	7,525
Other payables	30	10,962	13,311
Accrued income taxes	31	3,739	4,312
Current provisions	28	1,237	2,408
Bank overdraft	32	2,153	184
Current portion of long term debt	25	1,117	857
Accrued liabilities	33	770	898
Total current liabilities		**45,804**	**39,544**
Total liabilities and shareholders' equity		**208,734**	**203,598**

Consolidated Cash Flows Statements

(thousands of euro)

	1st Half 2008	1st Half 2007
Cash flows provided from operating activities		
Net income	18,434	18,431
Current income taxes	10,874	9,934
Changes in deferred taxes	(2,291)	1,248
Depreciation of property, plant and equipment	4,756	5,222
Write down (revaluation) of property, plant and equipment	26	(558)
Amortization of intangible assets	229	614
Write down (revaluation) of intangible assets	356	804
Net loss (gain) on disposal of property, plant and equipment	(10)	(39)
Interest and other financial income, net	(662)	(1,113)
Accrual for terminiation indemnities and similar obligations	446	926
Accrual (utilization) for risks and contingencies	(971)	(3,625)
	31,187	**31,844**
Change in operating assets and liabilities		
Cash increase (decrease) in		
Account receivables and other receivables	(472)	(2,156)
Inventories	(1,081)	354
Trade account payables	2,432	(970)
Other payables	(1,824)	(932)
	(945)	**(3,704)**
Payments of termination indemnities and similar obligations	(294)	(1,287)
Interest and other financial payments	(411)	(199)
Interest and other financial receipts	1,131	1,616
Income taxes paid	(7,852)	(14,851)
Cash flows from operating activities	**22,816**	**13,419**
Cash flows used by investing activities		
Purchase of property, plant and equipment	(5,407)	(6,000)
Proceeds from sales of property, plant and equipment	73	53
Purchase of intangible assets	(3,655)	(961)
Proceed from sales of investments in subsidiaries, net of cash disposed of	0	191
Price paid for acquisition of shareholding in subsidiaries and divisions, net of cash acquired	(25,158)	0
Price paid for minority interests	(10)	0
Cash flows from investing activities	**(34,157)**	**(6,717)**
Cash flows used by financing activities		
Proceeds from long term debts	14,461	0
Dividends paid	(21,950)	(31,507)
Purchase of treasury shares	(3,335)	0
Repayment of financial debt	0	(129)
Interest paid on long term debts	(290)	0
Change in minority interest in consolidated subsidiaries	(1)	20
Cash flows from financing activities	**(11,115)**	**(31,616)**
Effect of exchange rate differences	(3,207)	(973)
Increase (decrease) in cash and cash equivalents	(25,663)	(25,887)
Cash and cash equivalents at beginning of the year	**70,481**	**94,845**
Cash and cash equivalents at the end of the period	**44,818**	**68,958**

Statements of changes in the Consolidated Shareholders'Equity during the period ended June 30, 2008

(thousands of euro)	Capital stock	Share premium reserves	Treasury shares	Legal reserve	Sundry reserves and retained earnings		Net profit (loss) for the period	Shareholders' equity	Minority in consolidated subsidiaries	Total shareholders' equity
					Currency translation reserve	Sundry reserves, retained earnings and accumulated losses				
Balance at December 31, 2007	**12,220**	**42,994**	**(8,303)**	**2,444**	**(7,134)**	**82,035**	**22,555**	**146,811**	**(6)**	**146,805**
Appropriation of 2007 income:						22,555	(22,555)	0		0
Dividends paid:										
- Euro 1,000 for each of the 7,460,619 savings shares (of which treasury shares 82,000)						(7,379)		(7,379)		(7,379)
- Euro 1,000 for each 15,271,350 ordinary shares (of which treasury shares 700,000)						(14,571)		(14,571)		(14,571)
Exchange rate differences from conversion of financial statements denominated in foreign currencies					(5,895)			(5,895)		(5,895)
Purchase of treasury shares		(3,335)	(3,335)			3,335		(3,335)		(3,335)
Change in minority interest in consolidated subsidiaries								0	4	4
Net income for the period							18,490	18,490	(56)	18,434
Balance at June 30, 2008	**12,220**	**39,659**	**(11,638)**	**2,444**	**(13,029)**	**85,975**	**18,490**	**134,121**	**(58)**	**134,063**

Statements of changes in the Consolidated Shareholders'Equity during the period ended June 30, 2007

(thousands of euro)

	capital stock	Share premium reserves	Treasury shares	Legal reserve	Sundry reserves and retained earnings		Net profit (loss) for the period	Shareholders' equity	Minority in consolidated subsidiaries	Total shareholders' equity
					Currency translation reserve	Sundry reserves, retained earnings and accumulated losses				
Balance at December 31, 2006	**12,220**	**48,679**	**(2,618)**	**2,444**	**219**	**76,720**	**31,391**	**169,055**	**0**	**169,055**
Appropriation of 2006 income:						31,391	(31,391)	0		0
Dividends paid:										
- Euro 1.400 for each 15,271,350 ordinary shares (of which treasury shares 302.028)						(20,957)		(20,957)		(20,957)
- Euro 1.416 for each 7,460,619 savings shares (of which treasury shares 10,013)						(10,550)		(10,550)		(10,550)
Reserve for cash flow hedge (IAS 39)						(257)		(257)		(257)
Exchange rate differences from conversion of financial statements denominated in foreign currencies					(1,466)			(1,466)		(1,466)
Changes in minority interest in consolidated subsidiaries									20	20
Net income for the period							18,436	18,436	(5)	18,431
Balance at June 30, 2007	**12,220**	**48,679**	**(2,618)**	**2,444**	**(1,247)**	**76,347**	**18,436**	**154,261**	**15**	**154,276**

1. Group profile

SAES Getters S.p.A., the parent company, and its subsidiaries operate both in Italy and abroad in the development, production and marketing of getters and other components for cathode ray tubes and flat panel displays as well as getters and other components for industrial applications, and in the gas purification industry. The Group also operates in the field of advanced materials, particularly in the development of getters for microelectronic and micromechanical systems, optical crystals and shape memory alloys. The business is not characterized by cyclical or seasonal circumstances.
The parent company SAES Getters S.p.A. is controlled by S.G.G. Holding S.p.A., that doesn't exercise direction or coordination activities. The publication of the Interim Condensed Consolidated Financial Statements for the six month ended June 30, 2008 was authorized by the Board of Directors resolution dated August 28, 2008.
The following table shows the companies included in the scope of consolidation according to the full consolidation method as of June 30, 2008:

Company	Currency	Capital Stock	% 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 Japan Co., Ltd., Tokyo (Japan)	JPY	20,000,000	100.00	-
SAES Getters (GB), Ltd., Daventry (Great Britain)	GBP	20,000	100.00	-
SAES Getters (Deutschland) GmbH, Cologne (Germany)	EUR	52,000	100.00	-
SAES Getters Singapore Pte, Ltd., Singapore (Singapore)	SGD	300,000	100.00	-
SAES Getters (Nanjing) Co., Ltd., Nanjing (P. R. of China)	USD	13,570,000	100.00	-
SAES Getters International Luxembourg S.A., Luxembourg (Luxembourg)	EUR	11,312,777	99.92	0.08*
SAES Opto S.r.l., Lainate, MI (Italy)	EUR	100,000*	100.00	-
SAES Getters Export Corp., Delaware, DE (USA)	USD	2,500	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 Opto S.r.l.: SAES Opto Materials S.r.l., Cagliari (Italy)	EUR	100,000**	-	90.00
Through SAES Getters International Luxembourg S.A.: SAES Getters Korea Corporation, Seoul (South Korea)	KRW	10,497,900,000	37.48	62.52
SAES Getters Technical Service (Shanghai) Co., Ltd., Shanghai (P. R. of China)	USD	4,100,000	-	100.00
SAES Getters America, Inc., Cleveland, OH (USA)	USD	23,500,000	-	100.00
SAES Smart Materials, Inc., New York, NY (USA)	USD	15,000,000	-	100.00
SAES Devices Corp., Wilmington, DE (USA)	USD	10	-	100.00

* % held by SAES Advanced Technologies S.p.A.
** We report that the shareholders of SAES Opto S.r.l have made payments towards a capital increase (€1,500,000 in 2007 and €1,000,000 in 2008), part of which has already been used to cover the company's past losses. The residual balance of the capital increase account is €2,156,511.
*** We report that the shareholders of SAES Opto Materials S.r.l. have made a payment of €2,450,000 towards a capital increase part of which has already been used to cover the company's past losses. The residual balance of the capital increase account is €2,176,813.

The following table shows the companies included in the scope of consolidation according to the proportionate consolidation method as of June 30, 2008:

Company	Currency	Capital stock	% Ownership	
			Direct	Indirect
Dr. -Ing. Mertmann Memory-Metalle GmbH, Weil am Rhein (Germany)	EUR	330,000	50.00	-
Nanjing SAES Huadong Vacuum Material Co., Ltd., Nanjing (P. R. of China)	RMB	14,650,000	-	51.00

With respect to December 31, 2007 the following changes in the consolidation area occurred:

- on February 22, 2008 it has been finalized the acquisition of Spectra-Mat, Inc., located in Watsonville, California (USA) and mainly operating as manufacturer of vacuum components for the telecommunication, medical and military markets, devices for capital equipment for the semiconductors industry, together with advanced materials for the industrial laser market. The acquisition was made through the controlled Company SAES Getters USA, Inc;
- on January 23, 2008 SAES Opto S.r.l. purchased the minority shareholding, equals to 48% in SAES Opto Components S.r.l. as a consequence, SAES Opto S.r.l. became the sole shareholder of SAES Opto Components S.r.l.
- on March 6 and 7, 2008, Boards of Director of SAES Opto Components S.r.l. and SAES Opto S.r.l., approved the merger through incorporation of SAES Opto Components S.r.l. into the SAES Opto S.r.l., as provided by art.2501 ter and 2505 of Italian Civil.Code.
  Shareholders meeting of both companies, convened in extraordinary session on March 26, 2008, approved the merger project, subsequently registered at the Register of Businesses on March 31, 2008.
  The Merger act has become effective on May 9, 2008, with retrospective effect to January 1, 2008;
- on March 31, 2008 has been set up SAES Getters Export Corp., an American Company solely shareholded by SAES Getters S.p.A. and having its registered office in the Delaware. The aim of the Company is to centralize the sales abroad of the other North-American companies (SAES Getters USA, Inc. and SAES Pure Gas, Inc.). For the moment the company is not operational;
- on June 20, 2008 has been formed the company SAES Devices Corp, having its registered office in Wilmington, Delaware, as vehicle for the acquisition of Memry Corporation. The Company is entirely and indirectly owned by SAES Getters S.p.A., through SAES Getters International S.A.

It is to be noted that on January 3, 2008 the acquisition of substantially all the assets of the Shape Memory Alloys (SMA) division of Special Metals Corporation (SMC) was closed. The purchase was closed through SAES Smart Materials, Inc., 100% owned by SAES Getters International Luxembourg S.A. The SMA Division, situated in New Hartford, New York, USA, develops manufactures and sell custom Nitinol alloys and special high purity alloys.

2. Main accounting principles

Following the entry into force of EC Regulation no. 1606/2002, the SAES Getters Group adopted IAS/IFRS accounting standards as from January 1, 2005. 2008 Interim Condensed Consolidated financial statements were prepared according to IAS/IFRS accounting standards adopted by the European Union.

The Interim Condensed Consolidated Financial Statements for the period ended June 30, 2008 was prepared according to IAS 34 Interim Financial Reporting, applicable to interim reporting, and therefore it does not include the disclosure required for an annual financial statements prepared according to IAS/IFRS and has therefore to be read jointly to the consolidated financial statements as of December 31, 2007. The adoption of mandatory amendments for annual periods beginning on January 1, 2008 or later had no impact on net income or financial position of the Group.

Accounting standards used to prepare the Interim Condensed Consolidated financial statements for the six months ended June 30, 2008 are consistent with those applied in the consolidated financial statements as of December 31, 2007.

New accounting standards pending application

- On November 30, 2006, the IASB issued accounting standard IFRS 8 – Operating Segments, which replaces IAS 14 – Segment Reporting, and will be applied from January 1, 2009. This new accounting standard requires companies to base their segment reporting on the same components which management uses to make decisions on operational matters and, therefore, requires that reporting segments be based on the internal reports regularly reviewed by management for the purposes of allocating resources to the various segments and analyzing performances.
- On March 29, 2007 the IASB issued a revised version of IAS 23 – Borrowing Costs, which will be applicable from January 1, 2009. The standard has been amended to require the capitalization of borrowing costs when such costs refer to assets that require a significant period of time in order to be ready for the expected use or for sale.
- IAS 1 Revised – Presentation of Financial Statements. The revised version of IAS 1 – Presentation of Financial Statements was approved in September 2007 and will enter into force on January 1, 2009. The standard distinguishes changes to shareholders' equity attributable to shareholders and non-shareholders. The statement of changes in shareholders' equity will include only a breakdown of transactions with shareholders, whereas all changes associated with transactions with non-shareholders will be presented in a single line. Furthermore, the standard introduces the comprehensive income statement, which contains all cost and revenue items attributable to the period recognized on the income statement, in addition to all other cost and revenue items recognized. The comprehensive income statement may be presented in the form of a single statement or in two related statements.
- IFRS 3R – Business Combinations and IAS 27R – Consolidated and Separate Financial Statements. The two revised standards were approved in January 2008 and will enter into force on January 1, 2010. IFRS 3R introduces several changes to the accounting treatment of business combinations that will have an effect on the amount of goodwill recognized, on the net income for the year of the acquisition and on net income for subsequent years. IAS 27R requires that changes to the equity interest in a subsidiary be treated as a capital transaction. As a consequence, such changes will not have an impact on goodwill, nor will they give rise to net income or losses. Moreover, the revised standards introduce changes to the accounting treatment of a loss incurred by a subsidiary and the loss of control over a subsidiary. The changes introduced by the standards IFRS 3R and IAS 27R

must be applied prospectively and will have an impact on future acquisitions and transactions with minority-interest shareholders.

- IFRS 2 Share-based Payments – Vesting Conditions and Cancellations. This amendment to IFRS 2 – Share-based Payments was published in January 2008 and will enter into force on January 1, 2009. The standard restricts the definition of "vesting conditions" to a condition that includes an explicit or implicit obligation to provide a service. All other conditions are "non-vesting conditions" and must be considered in determining the fair value of the instrument representing the capital assigned. If the premium is not vested as a consequence of the failure to fulfill a "non-vesting condition" under the control of the entity or the counterparty, this circumstance must be recognized as a cancellation. The Group has not undertaken share-based payment transactions and consequently does not foresee that these amendments will have an impact on its financial statements.
- Amendments to IAS 32 and IAS 1 – Puttable Instruments. The amendments to IAS 32 and IAS 1 were approved in February 2008 and will enter into force on January 1, 2009. The amendment to IAS 32 requires that certain puttable instruments and obligations that arise upon liquidation be classified as capital instruments if certain conditions are satisfied. The amendment to IAS 1 requires that the explanatory notes include information concerning puttable instruments classified as capital. The Group does not foresee that these amendments will have an impact on its financial statements.

The Group is assessing the possible impact of the application of the above new interpretations.

On May 22, 2008 the IASB issued a group of amendments to IFRS ("improvements"). The following section cites those indicated by the IASB as variations that will entail changes to the presentation, recognition, and valuation of financial statement items, and neglects those that will result solely in terminological variations or editorial changes with minimum effects in accounting terms. The Group is assessing the possible impact of the application of these changes to its financial statements.

- IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations: the amendment must be applied from January 1, 2010. If a company has committed to a disposal plan that entails the loss of control over an investee company, all the subsidiary's assets and liabilities must be reclassified as assets held for sale, even if the company will continue to hold a minority-interest shareholding in the subsidiary subsequent to the disposal.
- IAS 1 – Presentation of Financial Statements (already revised in 2007): the amendment, which must be applied from January 1, 2009, requires that assets and liabilities arising from derivative instruments not held for trading be classified by distinguishing between current and non-current assets and liabilities.
- IAS 16 – Property, Plant and Equipment: the amendment must be applied from January 1, 2009. Companies that, in the course of ordinary operations, sell tangible assets that have been the object of lease agreements must reclassify assets in inventory that cease to be leased and become held for sale. Consequently, the consideration obtained for the disposal thereof must be recognized as revenue. On the cash flow statement, the cost paid to build or acquire assets to be leased to others, and the consideration received for the subsequent sale of such assets, constitute cash flow from operating activities (and not investing activities).
- IAS 19 – Employee Benefits: this amendment must be applied prospectively from January 1, 2009 to changes in employee benefits subsequent to said date. The

amendment clarifies the definition of cost/income associated with past employment services. When a plan is reduced, the effect to be entered immediately to the income statement may only include the reduction of benefits pertinent to future periods. The Board has also reformulated the definition of short-term and long-term benefits and amended the definition of the return on assets, establishing that this item must be stated net of any administrative expenses that have not already been included in the value of the obligation.

- IAS 20 – Accounting for Government Grants and Disclosure of Government Assistance: this amendment, which must be applied prospectively from January 1, 2009, establishes that the benefits of government loans issued at interest rates far below those of the market must be accounted for as government assistance and therefore follow the recognition rules set out in IAS 20. Such loans must be valued on the basis of the provisions of IAS 39 – Financial Instruments.
- IAS 23 – Borrowing Costs: this amendment, which must be applied from January 1, 2009, revised the definition of borrowing costs.
- IAS 28 – Investments in Associates: this amendment, which must be applied from January 1, 2009, establishes that the impairment of investments valued at shareholders'equity method must not be allocated to the individual assets (and, in particular, to any goodwill) that comprise the carrying value of the investment, but rather to the investee company's overall value. As a consequence, where conditions for subsequent write-backs are satisfied, such write-backs must be recognized in full.
- IAS 27 – Consolidated and Separate Financial Statements – This amendment must be applied from January 1, 2009. When an entity drafts separate financial statements, it must account for investments in subsidiaries, joint ventures and associates at cost or in accordance with IAS 39. Investments valued at cost and held for sale must be accounted in accordance with the provisions of IFRS 5. By the same token, the valuation of investments accounted in accordance with IAS 39 does not change where these are held for sale.
- IAS 28 – Investments in Associates and IAS 31 – Investments in Joint Ventures: these amendments, which must be applied from January 1, 2009, call for the provision of additional information for investments in associates and joint ventures evaluated at fair value under IAS 39. IFRS 7 – Financial Instruments: Disclosures and IAS 32 – Financial Instruments: Presentation have been amended accordingly.
- IAS 29 – Financial Reporting in Hyperinflationary Economies: the previous version of this standard did not reflect the fact that certain assets and liabilities may be measured on the basis of their current values instead of their historical cost. The amendment introduced to account for this possibility must be applied from January 1, 2009.
- IAS 36 – Impairment of Assets: the amendment, which must be applied from January 1, 2009, requires the provision of additional information where a company determines the recoverable value of cash-generating units by using the discounted cash flow method.
- IAS 38 – Intangible Assets: this amendment must be applied from January 1, 2009 and establishes the recognition of promotional and advertising costs on the income statement. Furthermore, it establishes that when companies incur expenses associated with future economic benefits without recognizing intangible assets, such assets must be entered to the income statement when the company is entitled to access to the asset, where assets are at issue, or when the service is rendered, where services are at issue. Furthermore, the standard was amended to allow companies to adopt the unit production method to determine the amortization of intangible assets with a definite useful life.

- IAS 39 – Financial Instruments: Recognition and Measurement. The amendment must be applied from January 1, 2009. It defines the effective rate of return of a financial instrument at the conclusion of a fair value hedge. It also prohibits the reclassification of hedging derivatives as financial instruments with adjustment to fair value through the income statement.

Accounting schemes

The balance sheet layout conforms to the minimum content required by International Accounting Standards and is based on a distinction between current and non-current assets and liabilities depending on whether these items are realized within or after twelve months of the balance sheet date. The income statement is based on a cost allocation structure.
The accounting schemes are consistent with the reports prepared for the internal organizational and management structure. The statement of cash flows layout is based on the indirect method.

Use of estimates

The preparation of the Interim Condensed Consolidated Financial Statements requires the use of estimates and assumptions that have an effect on the values of revenues, costs, assets and liabilities and the disclosure of contingent assets and liabilities as at the balance sheet date. If such estimates and assumptions, which are based on the best evaluation currently available, should in the future differ from the actual circumstances, they will be modified accordingly during the period in which said circumstances change.
In particular, estimates are used to recognize bad debt provisions, the inventory allowance, depreciation and amortization, write-downs of assets, employee benefits, taxes and accruals to provisions.
Estimates and assumptions are reviewed periodically and the effects of all changes are reflected on the income statement.
Moreover, we report that some valuation processes, particularly the most complex, such as the determination of impairment of non-current assets, are generally conducted in complete form solely for the preparation of the annual report, when all required information is available, except in circumstances where there are indicators of impairment that necessitate an immediate assessment of impairment.
In a like manner, the actuarial valuations required to determine the provisions for employee benefits are normally conducted for the preparation of the annual report.

Criteria for converting items expressed in foreign currency

Consolidated financial statements are prepared in euro. Group companies establish the functional currency for their financial statements. Foreign currency items are initially booked at the exchange rate (related to the functional currency) on the date of the transaction. Monetary assets and liabilities expressed in foreign currency are converted into the functional currency at the exchange rate on the balance sheet date. Any exchange difference is booked in the income statement. Non monetary items measured at historical cost expressed in foreign currency are converted by using the foreign exchange rate on the date of first recognition of the transaction.

The following table shows the exchange rate applied in converting foreign financial statements:

EXPRESSED IN FOREIGN CURRENCY (for 1 euro)

Currency	June 30, 2008		December 31, 2007		June 30, 2007	
	Average rate	Final rate	Average rate	Final rate	Average rate	Final rate
US Dollars	1.530	1.576	1.371	1.472	1.329	1.351
Japanese Yen	160.541	166.440	161.253	164.930	159.607	166.630
Korean Won	1,512.144	1,652.220	1,272.990	1,377.960	1,241.302	1,247.730
Renminbi (People's Republic of China)	10.798	10.805	10.418	10.752	10.257	10.282
New Taiwan Dollars	47.409	47.850	45.010	47.752	43.893	44.324
UK Pounds	0.775	0.792	0.684	0.733	0.675	0.674

Business combinations

On January 3, 2008 the purchase of substially all the assets of the Shape Memory Alloys division of Special Metals Corporation was closed. The purchase was closed through SAES Smart Materials, Inc., 100% owned by SAES Getters International Luxembourg S.A. The SMA division, located in New Hartford, New York (USA), develops, manufactures and sells custom Nitinol alloys and special high-purity alloys.

On February 22, 2008 it has been finalized the acquisition of Spectra-Mat, Inc., based in Watsonville, California (USA) mainly operating in the manufacturing and marketing of vacuum components for the telecommunications, medical and military markets, devices for capital equipment for the semiconductor industry and advanced materials for the industrial laser market. The acquisition was made through the controlled company SAES Getters USA, Inc.

The following is a statement of the provisional accounting values attributed to the assets and liabilities associated with the acquisition of the SMA division of Special Metals Corporation and of Spectra-Mat, Inc. (in application of IFRS 3, the fair value of said assets and liabilities is currently being defined and any adjustments to the temporary values will be recognized within twelve months since the date of acquisition):

(thousands of euro)

	SMA division of Special Metals Corporation	Spectra-Mat, Inc,
Land and building	1,168	143
Plant and machinery	1,195	439
Inventory	4,664	633
Trade receivables	0	596
Other trade	0	72
Cash and cash equivalents	0	918
	7,027	**2,801**
Trade payables	0	(194)
Deferred liabilities	0	(12)
Other debt	0	(159)
	0	**(365)**
Assets/liabilites net, acquired	7,027	2,436
Goodwill	14,137	2,476
Cost of purchase	**21,164**	**4,912**

The item “Price paid for acquisition of shareholding in subsidiary and divisions, net of cash acquired”, included in the consolidated cash flow statement as at June 30, 2008, was broken down as follows:

(thousands of euro)

	SMA division of Special Metals Corporation	Spectra-Mat, Inc,	Total
Purchase price	20,589	4,888	25,477
Additional cost	575	24	599
Net of cash acquired	0	918	918
Net of cash used	**21,164**	**3,994**	**25,158**

Notes to the financial statements

All figures stated in the Notes and Financial Statements are expressed in thousands of euro unless otherwise specified.

3. Net sales

Consolidated net sales for the first half of 2008 amounted to €81,662 thousand, substantially unchanged from €81,753 thousand in the first half of 2007. Net of the exchange-rate effect, consolidated net sales were up by 8.9%.

On a comparable basis in terms of consolidation area, consolidated net sales were down by 6.2% on the first half of 2007, considering the incorporation of SAES Smart Materials, Inc. in October 2007 and the subsequent acquisition of the SMA division of SMC (January 3, 2008), in addition to the acquisition of Spectra-Mat, Inc., closed on February 22, 2008. Net of the exchange-rate effect, net sales on a like-for-like consolidation basis were up by 2.8% on the first half of 2007.

In further detail, net of the exchange-rate effect (-9%), increased sales were reported across all business segments, with the exception of the Cathode Ray Tubes business (the decline in which may be attributed to the long-recognized contraction of the cathode ray tube market) and the Semiconductors business (penalized by the postponement of some deliveries to the second half of 2008). The considerable increase in revenue earned by the Advanced Materials Business Unit is primarily attributable to the recent acquisition in the Shape-Memory Alloy business of the SMA division of SMC.

A breakdown of net sales by Business Unit and Business is provided below:

(thousands of euro)

Business	1st Half 2008	1st Half 2007	Difference	Difference %
Liquid Crystal Displays	40,967	41,510	(543)	-1.3%
Cathode Ray Tubes	5,597	9,547	(3,950)	-41.4%
Subtotal Information Displays	**46,564**	**51,057**	**(4,493)**	**-8.8%**
Lamps	6,145	5,940	205	3.5%
Electronic Devices	11,560	8,755	2,805	32.0%
Vacuum Systems and Thermal Insulation	2,691	2,406	285	11.8%
Semiconductors	9,491	11,815	(2,324)	-19.7%
Subtotal Industrial Applications	**29,887**	**28,916**	**971**	**3.4%**
Subtotal Advanced Materials	5,211	1,780	3,431	192.8%
Total Net Sales	**81,662**	**81,753**	**(91)**	**-0.1%**

Legend:

Information Displays Business Unit	
Liquid Crystal Displays	Getters and metal dispensers for Liquid Crystal Displays
Cathode Ray Tubes	Barium getters for cathode ray tubes
Industrial Applications Business Unit	
Lamps	Getters and metal dispensers used in discharge lamps and fluorescent lamps
Electronic Devices	Getters and metal dispensers for electron vacuum devices
Vacuum Systems and Thermal Insulation	Pumps for vacuum systems and products for thermal insulation
Semiconductors	Gas purifiers systems and products for thermal insulation
Advanced Materials Business Unit	
Advanced Materials	Dryers for OLED screens, getters for microelectronic and micromechanical systems and shape memory alloys

4. Cost of sales

Consolidated gross profit amounted to €50,870 thousand in the first half of 2008, compared to €51,847 thousand in the first half of 2007. Gross industrial margin, expressed as a percentage of net sales, came to 62.3%, compared to 63.4% in the first half of 2007.

A breakdown of the cost of sales according to Business Unit is given below:

(thousands of euro)

	1st Half 2008	1st Half 2007	Difference
Information Displays	11,369	14,570	(3,201)
Industrial Applications	14,523	13,514	1,009
Advanced Materials & Corporate Costs	4,900	1,822	3,078
Cost of sales	**30,792**	**29,906**	**886**

The cost of sales in the Information Displays Business Unit in the first half of 2007 was influenced by restructuring costs and other extraordinary expenses totaling €1,673 thousand and related to the persistent decline in the traditional cathode ray tubes market. Net of said non-recurring expenses, the cost of sales comes to €12,897 thousand.
A comparison of the cost of sales in the first half of 2008 with the figure for the first half of 2007, net of the non-recurring effects, shows a decline of €1,528 thousand, which may be attributed to the decrease in net sales and the differing sales mix featuring a larger share of LCDs with better margins.

The cost of sales in the Industrial Applications Business Unit increased by €1,009 thousand due to the increase in net sales and the differing sales mix featuring a larger share of products with lower margins.
The cost of sales of the Advanced Materials Business Unit is influenced by €356 thousand in non-recurring costs related to the write-down of the goodwill that arose from the acquisition of the Opto going concern from Scientific Materials Europe S.r.l. and the remaining 48% shareholding in SAES Opto Components S.r.l. The increase on the first half of 2007 may be attributed to non-recurring costs, in addition to the change in the consolidation area.

A breakdown of the cost of sales according to category is given below:

(thousands of euro)

	1st Half 2008	1st Half 2007	Difference
Raw materials	12,263	10,203	2,060
Direct labour	5,833	5,894	(61)
Manufacturing overhead	13,328	13,634	(306)
Increase (decrease) in inventory	(632)	175	(807)
Cost of sales	**30,792**	**29,906**	**886**

The increase in the item "Raw materials", partially offset by the decline in the item "Increase (decrease) in inventory", is primarily due to the change in the Group's consolidation area (the acquisition of the Shape Memory Alloys division of the Special Metals Corporation and of Spectra-Mat, Inc.), partially compensated by the decreased consumption of raw materials ensuing from the fall in net sales on comparable basis and the differing sales mix.

Eliminating the effect of the aforementioned non-recurring costs, the item "Direct labour" was up by €638 thousand, primarily due to the change in the consolidation area and the increase in direct labour costs incurred by the subsidiary SAES Advanced Technologies S.p.A. against increased output.

Net of non-recurring costs, the item "Manufacturing overhead" was up by €312 thousand, primarily due to the change in the consolidation area.

5. Operating expenses

Operating expenses totaled €27,492 thousand (€26,898 thousand in the first half of 2007), broken down into the following categories:

(thousands of euro)

	1st Half 2008	1st Half 2007	Difference
Research and development expenses	9,024	8,306	718
Selling expenses	6,427	6,076	351
General and administrative expenses	12,041	12,516	(475)
Total operating expenses	**27,492**	**26,898**	**594**

The increase in research and development expenses on the first half of 2007 is attributable to higher personnel costs due to the change in the consolidation area and the decreased capitalization of research projects.
The increase in the cost of sales, in addition to the change in the consolidation area, is primarily attributable to the Group company Opto, incorporated in the second quarter of 2007, and operational since the second half of 2007.
The decrease in general and administrative expenses is primarily due to the decline in the costs of external consulting and lesser legal fees.

A breakdown of total expenses included in the cost of sales and in operating expenses is given below:

(thousands of euro)

	Total costs by nature		
	1st Half 2008	1st Half 2007	Difference
Personnel cost	23,313	21,683	1,630
Travel expenses	1,101	891	210
Maintenance and repairs	1,903	1,688	215
Utilities	1,852	1,696	156
Depreciation	4,756	5,222	(466)
Amortization	229	614	(385)
Write down of non current assets	382	799	(417)
Corporate bodies	1,781	1,918	(137)
Office material	3,303	2,842	461
General duties (canteen, cleaning, vigilance)	729	706	23
Insurance services	600	577	23
Promotion and advertising	294	158	136
Provision for bad debts	(26)	(29)	3
Consultant fees and legal expenses	1,429	2,566	(1,137)
Licenses and patents	808	737	71
Energy, telephone, fax etc…	353	304	49
Transport, insurance and freight	801	846	(45)
Recovery of transport, insurance and freight	(124)	(363)	239
Other recovery	(753)	(350)	(403)
Other expenses	3,922	3,921	1
Total costs by nature	**46,653**	**46,426**	**227**

On the whole, the item "Personnel cost" came to €23,313 thousand, up from €21,683 thousand in the first half of 2007, primarily due to the expansion of the Group's consolidation area (the acquisition of the SMA division led to an increase of 20 employees, and that of Spectra-Mat, Inc. an increase of 59 employees).

The decrease in the item "Consultant fees and legal expenses" on the first half of 2007 is primarily due to lesser costs for external consulting of a strategic and legal nature.

The item "Corporate bodies" includes the compensation due to Directors (which fell from €1,838 thousand in the first half of 2007 to €1,702 thousand in the first half of 2008), the Statutory Auditors (which decreased from €37 thousand in the first half of 2007 to €36 thousand in the first half of 2008), the Audit Committee (€17 thousand, unchanged from the first half of 2007) and the Oversight Committee (€26 thousand, unchanged from the first half of 2007).

6. Other income (expenses), net

The decrease of €799 thousand on the first half of 2007 is primarily attributable to the fact that in the first half of 2007 the item included €492 thousand in non-recurring income arising from the change in the accounting treatment of derivative instruments, which since the first half of 2007 have been measured at fair value and recognized directly on the Income Statement instead of through application of the cash flow hedge method.

7. Net financial income (expenses)

The item is broken down as follows:

(thousands of euro)

	1st Half 2008	1st Half 2007	Difference
Bank interest income	1,079	1,607	(528)
Bank interest and other expenses	(635)	(59)	(576)
Bank interest income (expenses), net	**444**	**1,548**	**(1,104)**
Other financial income	207	9	198
Other financial expenses	(114)	(444)	330
Other financial income (expenses), net	**93**	**(435)**	**528**
Gains from financial instruments evaluated at fair value (IRS)	125	0	125
Net financial income (expenses)	**662**	**1,113**	**(451)**

The decrease in the item "Bank interest income (expenses), net" is due to the combined effect of lesser interest income, due to the decrease in the amount of cash available in bank current accounts, and greater interest expenses on loans issued to the U.S. companies (refer to Note No.25 for further details).

The increase in "Other financial income (expenses), net" was due to contractual agreements entered into at the time of acquisition of the joint venture Nanjing SAES Huadong Vacuum Material Co., Ltd., according to which minority-interest shareholders in the company are entitled to a fixed annual dividend until 2013. To account for this clause, which entails that the Group's share of the company's earnings differs from its share of equity, €155 thousand in consolidated financial income were charged to the accounts in the first half of 2008, compared to €304 thousand of financial expenses in the first half of 2007.

The item "Gains from financial instruments at fair value (IRS)" represents the impact on the Income Statement of the valuation of new interest rate swap (IRS) contracts entered into by SAES Smart Materials, Inc. in the first half of 2008 (for further details, refer to Note No. 21).

8. Foreign exchange gains (losses), net

This item shows a total increase of €777 thousand compared to the first half of 2007 and is broken down as follows:

(thousands of euro)

	1st Half 2008	1st Half 2007	Difference
Foreign exchange (gains) losses	**1,954**	**(1)**	**1,955**
Income (losses) realized on forward contracts on foreign currency	1,952	932	1,020
Income (losses) on evaluation at fair value of forward contracts on foreign currency	(799)	1,399	(2,198)
Income (losses) on forward contracts on foreign currency	**1,153**	**2,331**	**(1,178)**
Foreign exchange (gains) losses, net	**3.107**	**2.330**	**777**

It should be noted that the item "Foreign exchange gains (losses), net" includes realized and unrealized gains (losses) on the translation of items in foreign currency during the period. The increase in net foreign exchange gains is primarily attributable to the positive effect of the conversion of cash and cash-pooling financial receivables denominated in euro by the Group's foreign companies (in particular SAES Getters Korea Corporation) following the appreciation of the euro against other currencies.

The item "Income (losses) on forward contracts" includes both the gains or losses realized when forward contracts on transactions in foreign currencies (U.S. dollars and Japanese yen) are closed out and the economical impact of the fair value measurement of outstanding contracts.

9. Income taxes

This item, which includes current taxes and provisions for deferred taxes (including the tax effect of consolidation adjustments) is broken down as follows:

(thousands of euro)

	1st Half 2008	1st Half 2007	Difference
Current income taxes	10,874	9,934	940
Deferred taxes	(2,291)	1,249	(3,540)
Total	**8,583**	**11,183**	**(2,600)**

In further detail, the item "Current income taxes" increased, rising from €9,934 thousand in the first half of 2007 to €10,874 thousand in the first half of 2008.
Said increase is due to the combined effect of greater taxes on the dividends collected by the Parent Company and SAES Getters International Luxembourg S.A., offset by tax credits for research and development activities benefiting Italian companies, the decrease in the tax rate in Italy, and the lower taxes on SAES Getters Korea Corporation and SAES Getters USA, Inc., due to the drop in their taxable income.

The net amount of "Deferred taxes" rose from a negative balance of €1,249 thousand in the first half of 2007 to a positive balance of €2,291 thousand in the first half of 2008. The change is primarily due to the greater release of deferred taxes on distributable reserves (which offsets the aforementioned increase in current income taxes on dividends) and the positive effect of the elimination of deferred tax liabilities due to the alignment of fiscal values with the statutory values in accordance with the current Italian tax code.

Tax rate fell from 37.8% of pre-tax income in the first half of 2007 to 31.8% in the period ending on June 30, 2008, primarily due to the effect of tax credits for research and development activities under Italian legislation and the decrease in the tax rate in Italy.

It should be noted that, by notice sent to the Revenue Agency by the Controlling Company S.G.G. Holding S.p.A. on June 12, 2008, the companies participating in the national tax consolidation program (except for SAES Opto S.r.l., for which the three-year period will expire in 2009) have renewed the Group taxation agreement set out in articles 117 et seq. of the Income Tax Consolidation Act (TUIR) for a further three years.

Lastly, we report that the Revenue Agency is current conducting an assessment on SAES Getters S.p.A 2005 income tax returns. Being the assessment still in its preliminary stage, the Company does not currently have a basis for estimating the possible liability, and consequently no provision for risks has been recognized, inasmuch as it is also not believed that said assessment will result in significant liabilities for the Company.

10. Earnings per share

Earnings per share were calculated by dividing the period income of the SAES Getters Group by the average number of shares in issue in the first six months of 2008:

Earnings per share	**1st Half 2008**	**1st Half 2007**
Number of ordinary shares:	15,271,350	15,271,350
Number of savings shares:	7,460,619	7,460,619
Total number of shares:	**22,731,969**	**22,731,969**
Average number of ordinary shares:	693,321	302,028
Average number of savings shares:	81,633	10,013
Average number of treasury shares:	**774,954**	**312,041**
Average number of oustanding ordinary shares:	14,578,029	14,969,322
Average number of oustanding savings shares:	7,378,986	7,450,606
Average number of oustanding shares:	**21,957,015**	**22,419,928**
Earnings attributable to ordinary shares from continuing operations	12,268	11,904
Earnings attributable to savings shares from continuing operations	6,210	6,045
Earnings attributable to shareholders from continuing operations (€/000)	**18,478**	**17,949**
Earnings (losses) attributable to ordinary shares from discontinuing operations	8	325
Earnings (losses) attributable to savings shares from discontinuing operations	4	162
Earnings (losses) attributable to ordinary shares from discontinuing operations (€/000)	**12**	**487**
Earnings attributable to ordinary shares	12,276	12,229
Earnings attributable to savings shares	6,214	6,207
Earnings attributable to shareholders (€/000)	**18,490**	**18,436**
Earnings per shares from continuing operations (€):		
- ordinary shares	0.8416	0.7952
- savings shares	0.8416	0.8113
Earnings (losses) per shares from discontinuing operations (€):		
- ordinary shares	0.0005	0.0218
- savings shares	0.0005	0.0216
Earnings per shares (€):		
- ordinary shares	0.8421	0.8170
- savings shares	0.8421	0.8330

11. Segment reporting

The values shown in the following analytical statements are broken down by primary business segments in accordance with IAS 14.

There are two primary business segments identified on the basis of the products developed and sold: Information Displays and Industrial Applications. The column "Not allocated" includes corporate income statement figures and income statement figures relating to research and development projects undertaken to achieve diversification in the area of advanced materials, as well as any other income statement figures that cannot be allocated to primary segments. The presentation shown reflects the Group's organizational structure and the internal reporting structure.

The main income statement figures relating to the primary business segments identified are as follows:

(thousands of euro)

	Continuing operations						Discontinuing operations		Total	
	Information Displays		Industrial Applications		Not allocated		Industrial Applications			
	1st Half 2008	1st Half 2007	1st Half 2008	1st Half 2007	1st Half 2008	1st Half 2007	1st Half 2008	1st Half 2007	1st Half 2008	1st Half 2007
Total net sales	**46,564**	**51,057**	**29,887**	**28,912**	**5,211**	**1,780**	**0**	**4**	**81,662**	**81,753**
Gross profit (loss)	**35,195**	**36,487**	**15,364**	**15,400**	**311**	**(42)**	**0**	**2**	**50,870**	**51,847**
% on net sales	75.6%	71.5%	51.4%	53.3%	6.0%	-2.4%	n.a.	50.0%	62.3%	63.4%
Total operatig expenses	(11,856)	(12,159)	(6,980)	(6,768)	(8,618)	(7,837)	(38)	(134)	(27,492)	(26,898)
Other income (expenses), net	(55)	519	24	77	(150)	7	51	66	(130)	669
Operating income (loss)	**23,284**	**24,847**	**8,408**	**8,709**	**(8,457)**	**(7,872)**	**13**	**(66)**	**23,248**	**25,618**
% on net sales	50.0%	48.7%	28.1%	30.1%	-162.3%	-442.2%	n.a.	-1650.0%	28.5%	31.3%
Net income (loss) on discontinuing operations								553	0	553
Interest and other financial income, net									662	1,113
Foreign exchange gains (losses), net									3,107	2,330
Income before taxes									**27,017**	**29,614**
Income taxes									(8,583)	(11,183)
Net income									**18,434**	**18,431**
Minority interest in consolidated subsidiaries									(56)	(5)
Net income									**18,490**	**18,436**

The following table shows an analysis of net sales by geographical location of customers:

(thousands of euro)

	1st Half 2008	1st Half 2007	Difference
Italy	621	554	67
Europe	12,149	9,948	2,201
North America	12,870	9,392	3,478
Japan	21,297	18,610	2,687
South Korea	12,231	16,407	(4,176)
China	7,232	11,679	(4,447)
Other Asian Countries	14,984	14,379	605
Other	278	784	(506)
Total net sales	**81,662**	**81,753**	**(91)**

In Europe, revenues increased primarily due to greater sales of getters for solar collectors and other products associated with the Electronic Devices business.

Revenues in North America rose primarily due to the change in the Group's consolidation area ensuing from the aforementioned acquisition of the SMA division of Special Metals Corporation and of Spectra-Mat, Inc.

Sales of mercury dispensers used in cold-cathode fluorescent lamps for liquid crystal displays backlighting (Liquid Crystal Display business) increased in Japan but fell in South Korea. Moreover, we report that sales on the Korean market were penalized by the higher discounts granted in response to increasing pressure on prices.

The decrease of revenues in China is related to the long-recognized contraction of the cathode ray tubes market.

12. Discontinued operations

As part of its strategy of divesting itself of non-synergetic businesses and focusing on profitable activities, in previous years the Group took action aimed at disposing of the assets of the subsidiary SAES Getters Technical Service (Shanghai) Co., Ltd. (SGT) in order to proceed with liquidation of the company (currently in progress).

In application of IFRS 5, the column "Discontinuing operations" on the Income Statement includes the values of SAES Getters Technical Service (Shanghai) Co., Ltd. for the period.

We report that in 2007 the item "Net income (loss) on discontinuing operations" included €553 thousand corresponding to the increase in the net carrying value of the assets held for sale of the Chinese subsidiary, following the previously recognized impairment losses that where fully covered by their fair value (determined by referring to the price of sale, net of accessory expenses).

The net income (loss) on discontinuing operations for the first half of 2008 and 2007 may be analyzed as follows:

(thousands of euro)

	1st Half 2008	1st Half 2007
Net result of SGT	12	(66)
Reversal of prior year write-downs	0	553
Net income (loss) on discontinuing operations	**12**	**487**

A summary of SGT's cash flow statement for the first half of 2008 and 2007 is provided below:

(thousands of euro)

	1st Half 2008	1st Half 2007
Cash flows from operating activities	(35)	322
Cash flows from investing activities	0	5
Cash flows from financing activities	0	0
Increase (decrease) in cash and cash equivalents	**(35)**	**327**

Non-current assets

13. Property, plant and equipment

Property, plant and equipment, net of accumulated depreciation, came to €62,937 thousand at June 30, 2008 and €60,317 thousand at December 31, 2007.

The changes occurring during the period are shown below:

(thousands of euro)

Net book value	Lands	Buildings	Lands and buildings	Plants and machineries	Assets under construction and advances	Total
Balance at December 31, 2007	**1,571**	**25,861**	**27,432**	**30,183**	**2,702**	**60,317**
Additions	8	126	134	2,635	2,638	5,407
Disposals	0	0	0	(1)	(1)	(2)
Reclassifications	0	116	116	189	(189)	116
Depreciations	0	(655)	(655)	(4,155)	0	(4,810)
Write downs and reversal of write downs	0	0	0	(26)	0	(26)
Changes in consolidation area	153	1,158	1,311	1,617	17	2,945
Conversion differences	(91)	(482)	(573)	(425)	(12)	(1,010)
Balance at June 30, 2008	**1,641**	**26,124**	**27,765**	**30,017**	**5,155**	**62,937**
Balance at December 31, 2007						
Historical cost	1,571	39,704	41,275	119,619	2,702	163,596
Accumulated depreciations and write downs	0	(13,843)	(13,843)	(89,436)	0	(103,279)
Net book value	**1,571**	**25,861**	**27,432**	**30,183**	**2,702**	**60,317**
Balance at June 30, 2008						
Historical cost	1,641	40,641	42,282	124,197	5,155	171,634
Accumulated depreciations and write downs	0	(14,517)	(14,517)	(94,180)	0	(108,697)
Net book value	**1,641**	**26,124**	**27,765**	**30,017**	**5,155**	**62,937**

The line "Changes in consolidation area" includes increases in property, plant and equipment due to the acquisition of the Shape Memory Alloys (SMA) division of Special Metals Corporation (SMC) and of Spectra-Mat, Inc.

The item "Land and buildings" includes assets redeemed by the Group's Italian companies at the conclusion of finance leases with a net book value of €3,968 thousand at June 30, 2008 (compared with €4,062 thousand as at December 31, 2007). There are no finance leases currently in progress.

The increase in the item "Plant and machinery" is primarily due to the investments undertaken by the Parent Company and the subsidiary SAES Advanced Technologies S.p.A. to acquire specific plant and machinery for new production lines and to improve and enhance existing lines.

The increase in the item "Assets under construction and advances" is primarily due to the investments undertaken by the Parent Company, for improvements to plant and machinery, and by SAES Advanced Technologies S.p.A., for new production lines, which are to be completed by the end of 2008.

14. Intangible assets

Total intangible assets, net of accumulated amortization and write-downs, came to €24,222 thousand at June 30, 2008 and €6,150 thousand at December 31, 2007.

The changes occurring during the period are shown below:

(thousands of euro)

Net book value	Goodwill	Research & development costs	Industrial and other patent rights	Concession, licences, trademerks and similar rights	Other intangible assets	Assets under development and advances	Total
Balance at December 31, 2007	**2,110**	**146**	**431**	**918**	**648**	**1,897**	**6,150**
Additions	0	0	58	47	4	3,546	3,655
Disposals	0	0	0	(5)	0	(56)	(61)
Reclassifications	488	0	0	(80)	(36)	(488)	(116)
Amortization	0	(18)	(82)	(57)	(88)	0	(245)
Write downs and reversal of write downs	(356)	0	0	0	0	0	(356)
Changes in consolidation area	16,140	0	0	0	0	0	16,140
Conversion differences	(926)	0	(11)	(6)	(1)	(1)	(945)
Balance at June 30, 2008	**17,456**	**128**	**396**	**817**	**527**	**4,898**	**24,222**
Balance at December 31, 2007							
Historical cost	2,938	183	2,109	5,645	6,583	2,548	20,006
Accumulated amortizations and write downs	(828)	(37)	(1,678)	(4,727)	(5,935)	(651)	(13,856)
Net book value	**2,110**	**146**	**431**	**918**	**648**	**1,897**	**6,150**
Balance at June 30, 2008							
Historical cost	18,641	183	2,144	5,575	6,526	5,561	38,630
Accumulated amortizations and write downs	(1,185)	(55)	(1,748)	(4,758)	(5,999)	(663)	(14,408)
Net book value	**17,456**	**128**	**396**	**817**	**527**	**4,898**	**24,222**

The item "Goodwill" stood at €17,456 thousand at June 30, 2008, compared to €2,110 thousand at December 31, 2007. The increase is almost entirely attributable to the goodwill arising from the initial consolidation of the Shape Memory Alloys division of Special Metals Corporation and Spectra-Mat, Inc. (the reader is referred to the paragraph on business combinations in Note No. 2 for further details).
This value also includes the reclassification of €488 thousand associated with accessory legal and consulting fees directly attributable to the aforementioned acquisitions and included in the item "Assets under development" at December 31, 2007.

It should be noted that in application of IFRS 3 "Business Combinations" the Group is measuring all assets and liabilities associated with the recent acquisitions (SMA division of SMC and Spectra-Mat, Inc.) at their fair value, drawing on the possibility of allocating the temporarily calculated value of goodwill within twelve months of the date of acquisition.

Write-downs, which stood at €356 thousand, are primarily due to the impairment of goodwill recognized by SAES Opto Materials S.r.l. and arising from the acquisition of

the Opto division from Scientific Materials Europe S.r.l. in 2007 (€341 thousand). This write-down was undertaken as the carrying value could not be maintained due to the recoverable value calculated on the basis of expected cash flows.
The increases in the item "Assets under development" are primarily due to the Parent Company's capitalization of the costs of the current process to implement a new integrated information technology system (ERP) and legal and consulting fees associated with the acquisition of the Memry Corporation, as well as those associated with new research projects.

All intangible assets, except for goodwill, are considered to have finite useful lives, and are systematically amortized each year to account for their expected residual use. Goodwill is not subject to amortization; rather, its recoverable value is periodically reviewed on the basis of the expected cash flows of the relative cash generating unit (impairment testing). In consideration of prospective and final cash flows, no impairment testing was conducted at June 30, 2008 as the requirements had not been satisfied.

15. Deferred tax assets

As of June 30, 2008, this item posted a balance of €5,726 thousand compared with €6,697 thousand as at December 31, 2007 and reflected the net balance of deferred taxes pertaining to the temporary differences between the value ascribed to assets or liabilities in accordance with statutory criteria and the value ascribed for fiscal purposes, as well as the effect of tax losses that may be carried forward and consolidation adjustments.
The decrease in deferred tax assets with respect to December 31, 2007 is primarily due to the use of previously allocated deferred tax assets against the reversal of surplus values arising from intragroup transfers of divisions and the reversal of margins on intragroup sales (both of which are considered consolidation adjustments).
Tax losses that may be carried forward totaled €49,225 thousand at June 30, 2008 and the conditions of their use are established by the law of the countries in which the executive offices of the relative subsidiaries are located (primarily the United States, China and Luxembourg). Tax losses that may be carried forward without time restrictions totaled €38,441 thousand and pertained almost exclusively to the subsidiary SAES Getters International Luxembourg S.A. Of the total potential deferred tax assets resulting from total tax losses that may be carried forward (€15,599 thousand), only €254 thousand was recognized due to their type and the uncertainty surrounding their recoverability.

16. Other long term assets

The item may be broken down as follows:

(thousands of euro)

	June 30, 2008	December 31, 2007	Difference
Guarantee deposits	322	323	(1)
Other	586	570	16
Total	**908**	**893**	**15**

The item "Other" mainly consists of investments made by U.S. subsidiaries in relation to local agreements with employees concerning supplementary pension allowances.

Current assets

17. Inventory

The item in question is broken down as follows:

(thousands of euro)

	June 30, 2008	December 31, 2007	Difference
Raw materials, auxiliary materials and spare parts	9,271	7,743	1,528
Work in progress and semi-finished goods	6,882	3,040	3,842
Finished products and goods	5,467	5,406	61
Total	**21,620**	**16,189**	**5,431**

Inventory values are expressed net of the inventory allowance (€2,595 thousand as of at June 30, 2008 compared with €2,453 thousand as of at December 31, 2007) in order to bring them into line with their estimated realizable value.
During the period, inventory write-downs of €237 thousand were charged to the income statement.

The increase in the items "Raw materials, auxiliary materials and spare parts" and "Work in progress and semi-finished goods" with respect to December 31, 2007 is primarily due to the change in the consolidation area (which contributed €4,854 thousand).

18. Trade receivables

At June 30, 2008 the item in question is broken down as follows:

(thousands of euro)

	Gross value June 30, 2008	Bad debt provision June 30, 2008	Net value June 30, 2008	Net value December 31, 2007	Difference
Trade receivables	27,266	(456)	26,810	27,148	(338)

Trade receivables (which do not bear interest and are all due within one year) relate to ordinary sales transactions. The change in the consolidation area contributed €1,767 thousand to the change in trade receivables.
This effect was offset by the decrease in the receivables claimed by several associates, particularly SAES Pure Gas, Inc., due to the aforementioned postponement of some deliveries to the second half of 2008.
The bad debt provision shown above reflects an adjustment made to bring the value of receivables in line with their estimated realizable value.

19. Tax consolidation receivables from controlling company
Tax consolidation payables to controlling company

It should be noted that, by notice sent to the Revenue Agency by the Controlling Company S.G.G. Holding S.p.A. on June 12, 2008, the companies participating in the national tax consolidation program (except for SAES Opto S.r.l., for which the three-year

period will expire in 2009) have renewed the Group taxation agreement set out in articles 117 et seq. of the Income Tax Consolidation Act (TUIR) for a further three years.
The item “Tax consolidation receivables from the Controlling Company" includes the receivables claimed by SAES Getters S.p.A. and SAES Opto S.r.l. arising from adherence to the national tax consolidation program; the item "Tax consolidation payables to the Controlling Company" includes the payable due from SAES Advanced Technologies S.p.A. arising from adherence to the national tax consolidation program.
The increase in receivables and payables at June 30, 2008 is due to the fact that these items still include the balances of associates at December 31, 2007 inasmuch as the financial settlement thereof with the Controlling Company S.G.G Holding S.p.A. occurred on July 16, 2008, the date on which the latter concurrently made payment of the IRES balance for the previous year and the first IRES advance payment for the current year.

20. Other receivables, prepaid expenses and accrued income

This item, which includes current non-trade receivables from third parties, along with prepaid expenses and accrued income, shows a balance of €7,900 thousand as at June 30, 2008, compared with €5,410 thousand as at December 31, 2007.

The balances are broken down as follows:

(thousands of euro)

	June 30, 2008	December 31, 2007	Difference
Income taxes receivables	1,583	233	1,350
VAT receivables	3,397	3,023	374
Social security and insurance receivables	606	220	386
Personnel receivables	49	34	15
Receivables in respect of public grants	692	585	107
Other	678	329	349
Total other receivables	**7,005**	**4,424**	**2,581**
Accrued income	26	173	(147)
Prepaid expenses	869	813	56
Total prepaid expenses and accrued income	**895**	**986**	**(91)**
Total other receivable, prepaid expenses and accrued income	**7,900**	**5,410**	**2,490**

The change in the item “Income tax receivables” is primarily due to the tax credit for research and development activities under the 2007 Finance Act (article 1, paragraphs 280-284, of Law No. 296 of December 27, 2006), from which the Group’s Italian companies benefited. The tax credit amounted to a total of €1,034 thousand in 2007 and has been estimated at €429 thousand for the first half of 2008. In accordance with the regulation of applicable legislation, the tax credit for 2007 was recognized on the 2008 financial statements, given the lack of implementation rules in the pertaining year, as such rules were issued in March 2008 (Ministerial Decree No. 76 of March 28, 2008).

The increase in the item “Social security and insurance receivables” is primarily due to the Parent Company’s payment of advances to insurance companies.
The item "Receivables in respect of public grants" includes the amounts accrued as at June 30, 2008 by the Parent Company (€417 thousand compared with €309 thousand as at December 31, 2007), principally in relation to grants to cover the operating expenses of research projects in progress, and the residual sums claimed by the subsidiary SAES Advanced Technologies S.p.A. from the Ministry of Treasury, Budget

and Economic Planning (€275 thousand, unchanged since December 31, 2007) in relation to the incentives outlined in the "Territorial Agreement for the Marsica Area". The increase with respect to December 31, 2007 is primarily due to the obtainment of new public grants by the Parent Company.

The item "Other" includes the receivable of €194 thousand claimed by the subsidiary SAES Advanced Technologies S.p.A. from the Region of Abruzzo for training activities funded by the Region.

21. Derivative financial instruments evaluated at *fair value*

The asset and liability items include, respectively, the assets and liabilities arising from the fair value measurement of hedging contracts with respect to the exposure to the variability of future cash flows arising from sales transactions denominated in currencies other than the euro expected during the current year and the coming year, as well as the fair value measurement of the interest rate swap (IRS) contracts entered into during the period to protect the Company against fluctuations in interest rates.
These contracts did not satisfy the requirements for accounting treatment under the hedge accounting method, they have been measured at fair value with an impact on the Income Statement for the period (the reader is referred to Note No. 7 for further details).

The following table provides a breakdown of derivative transactions entered into by the Group at June 30, 2008, with separate indication of the relative fair values on the basis of the contract type:

(thousands of euro)

	Fair value **June 30, 2008**	***Fair value*** **December 31, 2007**
Interest rate swap	121	0
Forward contracts on foreign currency	970	1,769
Total	**1,091**	**1,769**

At June 30, 2008, the Group had entered into forward contracts on the U.S. dollar and Japanese yen to hedge receivables claimed on the balance sheet date and future receivables related to sales transacted in U.S. dollars and Japanese yen, in order to deal with the risk of the fluctuation in the current exchange rates. The average forward exchange rate for contracts on the U.S. dollar (which have a total notional value of $15.9 million) is 1.5307 dollars to the euro. These contracts will extend throughout 2008 and the first two months of 2009. The average forward exchange rate for contracts on the Japanese yen (which have a total notional value of JPY2,088 million) is 154.54 yen to the euro. These contracts will extend throughout 2008 and the first two months of 2009.

At June 30, 2008 the Group had two outstanding interest rate swap (IRS) contracts entered into by SAES Smart Materials Inc., the details of which are provided below:

- an IRS with a notional value of $10 million entered into on March 13, 2008 and maturity date on May 31, 2012. The Company will pay a fixed rate of 3.65% and receive a floating rate of the six-month LIBOR USD BBA from the bank. At June 30, 2008 the contract's fair value stood at a positive €114 thousand;
- an IRS with a notional value of $10 million entered into on May 12, 2008 and maturity date on November 30, 2009. The Company will pay a fixed rate of 3.38%

and receive a floating rate of the six-month LIBOR USD from the bank. At June 30, 2008 the contract's fair value stood at a positive €7 thousand.

22. Cash and cash equivalents

The balances are broken down as follows:

(thousands of euro)

	June 30, 2008	December 31, 2007	Difference
Bank deposits	46,947	70,655	(23,708)
Cash on hand	24	10	14
Total	**46,971**	**70,665**	**(23,694)**

The item "Bank deposits" mainly consists of short-term deposits held by the Parent Company and by the subsidiaries SAES Getters (Nanjing) Co., Ltd. and SAES International Luxembourg S.A. with leading credit institutions.

The cash and cash equivalents held by the Group as of June 30, 2008 were denominated mainly in euro.

In the first half of 2008 SAES Getters S.p.A. entered into agreements for lines of credit totaling €100 million to fund acquisitions, with the aim of ensuring access to financial resources to support the Group's expansion.
A breakdown of the items making up consolidated net financial position is provided below:

(thousands of euro)

	June 30, 2008	December 31, 2007
Cash on hand	24	10
Cash equivalents	46,947	70,655
Cash and cash equivalents	**46,971**	**70,665**
Current financial assets	**1,091**	**1,769**
Bank overdraft	2,153	184
Current portion of long term debt	1,117	857
Other current financial liabilities	0	0
Current financial liabilities	**3,270**	**1,041**
Current net financial position	**44,792**	**71,393**
Long term debt, net of current portion	16,519	2,270
Non current financial liabilities	**16,519**	**2,270**
Net financial position	**28,273**	**69,123**

Net financial position shows net assets of €28,273 thousand at June 30, 2008, compared to €69,123 thousand at December 31, 2007. The decrease with respect to December 31, 2007 is primarily due to the following:
- the expenditure for the purchase of treasury shares (€3,335 thousand);
- the distribution of dividends (€21,950 thousand);
- the payment of taxes (€7,852 thousand);
- the net expenditures for the acquisitions of Spectra-Mat, Inc. and the SMA division of SMC (€3,994 thousand and €21,164 thousand, respectively);
- the expenditures for consultancies on implementation of the new ERP system and the future acquisition of the Memry Corporation.

These effects were partially offset by financial resources generated by self-financing.

23. Group shareholder's equity

As of June 30, 2008, Group shareholders' equity amounted to €134,121 thousand, down by €12,690 thousand on December 31, 2007. The changes that occurred during the period are described in the statement of changes in shareholders' equity.

The Consolidated Financial Statements include provisions for any taxes owed in the event of the distribution of the profits accumulated in previous years by the subsidiaries, excluding those associated with taxable temporary differences that are not expected to be settled in the foreseeable future in the form of a dividend distribution.

Capital stock

At June 30, 2008, capital stock, fully subscribed and paid-up, amounted to €12,220 thousand and comprised 15,271,350 ordinary shares and 7,460,619 savings shares, for a total of 22,731,969 shares. The composition of capital stock is unchanged from December 31, 2007.

The implicit par book value per share was €0.537569 as of June 30, 2008.

The Parent Company's ordinary and savings shares are listed on the STAR segment of the *Mercato Telematico Azionario* dedicated to small-caps and mid-caps that meet specific requirements with regard to transparency of reporting, liquidity and corporate governance.

Share issue premium

This item includes amounts paid by shareholders in excess of the par value of new shares of the Parent Company underwritten in capital issues.
As of June 30, 2008, this amounts to €39,659 thousand compared to €42,994 thousand as of December 31, 2007. The decrease of €3,335 thousand is entirely attributable to the use of this reserve to establish an unavailable reserve associated with the transaction to repurchase treasury shares undertaken by SAES Getters S.p.A. in the first half of 2008. In this regard, refer to the comment on treasury shares provided below.

Treasury shares

During the first half of the year the Parent Company undertook transactions to repurchase treasury shares for a total of €3,335 thousand.
The transaction falls under the authorization to repurchase treasury shares conferred on the Board of Directors by the Shareholders' Meeting of May 9, 2007 and initiated by the Board of Directors on October 25, 2007. Between January 7, 2008 and February 8, 2008 SAES Getters S.p.A. purchased a total of 161,136 ordinary shares at an average price of €18.661 per share, resulting in a total expenditure of €3,007 thousand, and 20,605 savings shares at an average price of €15.935 per share, resulting in a total expenditure of €328 thousand.

At June 30, 2008 SAES Getters S.p.A. held a total of 700,000 ordinary treasury shares, or 4.58% of the total ordinary shares issued, and a total of 82,000 savings treasury shares, or 1.10% of total non-convertible savings shares issued.

SAES Getters ordinary shares held in the Company's portfolio as of June 30, 2008 had an implicit par book value of €376 thousand and represented 3.08% of capital stock (4.58% of ordinary shares).

SAES Getters savings shares held in the Company's portfolio as of June 30, 2008 had an implicit par book value of €44 thousand and represented 0.36% of capital stock (1.10% of savings shares).

Legal reserve

This item corresponds to the Parent Company's legal reserve of €2,444 thousand as of June 30, 2008 and is unchanged from December 31, 2007, as the reserve has reached the legal limit.

Other reserves and retained earnings

This item includes:

- the reserve for treasury shares, which had a balance of €11,638 thousand at June 30, 2008, equal to the book value of SAES Getters ordinary and savings shares at the end of the period. The increase with respect to December 31, 2007 (€3,335 thousand) is entirely due to the treasury share repurchase transaction commented above;
- the reserves (totaling €2,264 thousand) formed from the monetary revaluation credit balances resulting from the application of Law No. 72 of March 19, 1983 (€574 thousand) and Law No. 342 of November 21, 2000 (€1,690 thousand) by the Group's Italian companies. Pursuant to Law No. 342 of 2000, the revaluation reserve has been stated net of €397 thousand in substitute taxes. These reserves are unchanged with respect to December 31, 2007;
- the other reserves of subsidiaries, retained earnings, other equity items related to the Group's companies not eliminated as part of the consolidation process and the exchange gains or losses arising from the conversion of financial statements expressed in foreign currencies. The translation reserve had a negative balance of €13,029 thousand as at June 30, 2008, a decrease of €5,895 thousand on €7,134 thousand recorded on December 31, 2007. This decrease is due to the overall impact on consolidated shareholders' equity caused by translating the financial statements of foreign subsidiaries expressed in foreign currencies into euro, as well as by the respective consolidation adjustments.
  The change in the item "Other reserves and retained earnings" with respect to December 31, 2007, may be attributed, in addition to the change in translation reserves, to the payment by SAES Getters S.p.A. to its shareholders of the balance of the 2007 dividend (€21,950 thousand).

We report 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 profits or losses generated by the consolidation of

foreign subsidiaries as at January 1, 2004. Consequently, the translation reserve only includes the translation gains or losses generated after the date of transition to IAS/IFRS.
The only income and expenses that were recognized directly in shareholders' equity in the first half of 2008 were the decrease in the translation reserve by €5,895 thousand.

24. Investments in jointly controlled entities

The Group's share of the assets, liabilities, revenues and costs of the joint ventures Dr. -Ing. Mertmann Memory Metalle GmbH and Nanjing SAES Huadong Vacuum Material Co., Ltd. included in the consolidated financial statements (50% and 51%, respectively) is shown below:

(thousands of euro)

	Dr. -Ing. Mertmann Memory Metalle GmbH (50%)	**Nanjing SAES Huadong Vacuum Material Co., Ltd. (51%)**
Non current assets	119	302
Current assets	265	2,696
Total assets	**384**	**2,998**
Shareholder's equity	226	1,703
Non current libilities	64	0
Current liabilities	94	1,295
Total liabilities and shareholder's equity	**384**	**2,998**
Total net sales	384	2,120
Cost of sales	(224)	(1,142)
Total operating expenses	(141)	(52)
Other income (expenses), net	(55)	(42)
Non operating income (expenses), net	(1)	(4)
Income before taxes	**(37)**	**880**
Income taxes	0	(121)
Net income	**(37)**	**759**

Non-current liabilities

25. Financial liabilities

The maturities of financial liabilities are shown below:

(thousands of euro)

	June 30, 2008	December 31, 2007	Difference
Less than 1 year	1,117	857	260
Between 1 and 2 years	3,356	862	2,494
Between 2 and 3 years	3,190	657	2,533
Between 3 and 4 years	3,132	630	2,502
Between 4 and 5 years	2,612	78	2,534
Over 5 years	4,229	43	4,186
Total	**17,636**	**3,127**	**14,509**

It should be noted that debt with maturity of less than 1 year is included in the item "Current portion of long-term debt".

The item "Financial liabilities" consists primarily of €12,727 thousand associated with a loan denominated in U.S. dollars taken out by SAES Smart Materials, Inc. in January 2008.
The loan agreement calls for the repayment of fixed half-yearly principal installments (beginning on November 30, 2009), plus interest calculated on the half-yearly U.S. dollar Libor benchmark. The rate, including the spread, came to 3.75% as of June 30, 2008.

It should be noted that the loan agreement contains covenants, including in particular compliance with financial ratios (calculated on the Company's figures) such as Net debt/EBITDA, Net debt/Shareholders' equity, and EBITDA/Financial expenses, which must be measured and met at the end of each fiscal year.
If any of these ratios are not met with respect to the values set out in the loan agreement, the spread applied to the interest rate increases by 0.10% for the first six months and 2% should the covenants continue to be breached thereafter.

The item "Financial liabilities" also includes €1,909 thousand associated with the loan denominated in U.S. dollars contracted by Spectra-Mat, Inc. in May 2008. The loan agreement calls for the repayment of fixed half-yearly principal installments, plus interest calculated on the half-yearly U.S. dollar Libor benchmark. The rate, including the spread, came to 3.85% as of June 30, 2008. The first deadline for the repayment of principal is May 31, 2009.
It should be noted that the loan agreement contains covenants including fulfillment of annual Company sales objectives of at least $6,500,000.

Lastly, the item "Financial liabilities" includes subsidized loans provided by the special fund for applied research issued to the Parent Company by the Ministry of Production Activities through Intesa SanPaolo S.p.A., the average interest rate on which was 1% in the first half of 2008.

26. Deferred tax liabilities

This item consists of the provision for deferred taxes owed in the event of the distribution of the profits and reserves of the subsidiaries, excluding those relating to profits and reserves that are not considered likely to be distributed in the foreseeable future.

The decrease is chiefly due to the greater use of the provision in relation to dividends distributed by the subsidiaries compared to the newly allocated sums generated during the first half of 2008.

27. Staff leaving indemnity and other employee benefits

The item includes liabilities to employees under the defined-contribution plans and defined-benefit plans of the Group's Italian companies.

Changes during the period were as follows:

(thousands of euro)

	Staff leaving indemnity	**Other employee benefits**	**Total**
Balance at December 31, 2007	**7,577**	**1,761**	**9,338**
Provision	0	297	297
Revaluation	149	0	149
Indemnities paid during the period	(294)	0	(294)
Other movements	0	0	0
Conversion differences	(14)	(73)	(87)
Balance at June 30, 2008	**7,418**	**1,985**	**9,403**

Following the entry into force of the 2007 Finance Law and associated implementation decrees the staff leaving indemnity accrued since January 1, 2007 was allocated to pension funds or the treasury fund managed by the INPS (Italy's social-security agency). This portion of staff leaving indemnity is considered a defined-contribution plan inasmuch as the Company's obligation consists solely of the payment of contributions to the pension funds or INPS. The liability associated with the previous staff leaving indemnity (i.e. that accrued prior to January 1, 2007) continues to be considered a defined-benefit plan to be measured using actuarial techniques.
Under defined-benefit plans, obligations are valued annually by independent actuarial consultant according to the projected unit credit method.
The number of employees as of June 30, 2008 was 993 (of which 441 are employed outside Italy). This reflects an increase in headcount of 103 compared with June 30, 2007 and 78 compared with December 31, 2007. The latter change is primarily due to the variation in the consolidation area due to the acquisition of the SMA division of Special Metals Corporation (which added 20 resources) and of Spectra-Mat, Inc. (which added 59 resources).

The number of employees, broken down by category, is as follows:

	June 30, 2008	December 31, 2007	Average 1st Half 2008	Average 1st Half 2007
Managers	73	71	73	73
Employees and middle management	437	398	429	377
Workers	483	446	494	436
Total	**993**	**915**	**996**	**886**

The increase is nearly entirely due to the acquisitions undertaken during the year.

28. Provisions for contingencies and obligations

The composition of these provisions and the related changes are set out below:

(thousands of euro)

	December 31, 2007	Provisions	Utilizations and other movements	Conversion differences	June 30, 2008
Provision for warranty on products sold	213	15	(23)	(14)	191
Other provisions	3,253	1,113	(2,076)	(32)	2,258
Total	**3,466**	**1,128**	**(2,099)**	**(46)**	**2,449**

The item "Other provisions" primarily includes sums allocated by the Italian subsidiary SAES Advanced Technologies S.p.A. to account for a dispute with social security institutions concerning contribution benefits granted and sums allocated by various Group companies for staff bonuses pertaining to the first half of 2008. The utilizations of the item "Other provisions" are primarily due to the payment of bonuses pertaining to 2007, which were set aside in 2007 but paid out in the first half of 2008.

The table below distinguishes between provisions included amongst current and non-current liabilities:

(thousands of euro)

	Current provisions	Non-current provisions	Total June 30, 2008	Current provisions	Non-current provisions	Total December 31, 2007
Provision for warranty on products sold	0	191	191	0	213	213
Other provisions	1,237	1,021	2,258	2,408	845	3,253
Total	**1,237**	**1,212**	**2,449**	**2,408**	**1,058**	**3,466**

Current liabilities

29. Trade payables

As of June 30, 2008 these amounted to €12,803 thousand, marking an increase of €2,754 thousand compared with December 31, 2007. The increase with respect to the previous period, in addition to the change in the consolidation area, is primarily due to the increase in payables owed by SAES Getters S.p.A. in the form of costs associated with the project to implement a new integrated information technology system (ERP) and consulting costs associated with acquisitions.

Trade payables do not bear interest and are due within one year.

30. Other payables

The item "Other payables" includes amounts that are not strictly classified as "trade payables" and amounted to €10,962 thousand as at June 30, 2008, compared with €13,311 thousand as of December 31, 2007.

These are broken down as follows:

(thousands of euro)

	June 30, 2008	December 31, 2007	Difference
Payables to employee (holidays, wages and staff leaving)	5,492	4,820	672
Social security payables	1,735	1,653	82
Tax payables (excluding income taxes)	1,239	3,025	(1,786)
Other	2,496	3,813	(1,317)
Total	**10,962**	**13,311**	**(2,349)**

The item "Payables to employees" include interim accruals for unused accumulated holidays, extra monthly wages and wages and salaries for the month of June 2008.

The item “Social security payables” essentially consists of amounts payable by the Group’s Italian companies to the INPS (Italian social security system) as employer’s contributions. It also includes amounts payable by the Group’s Italian companies to the INPS treasury fund and pension funds due to the changes in the law concerning staff leaving indemnity regulations brought on by the 2007 Finance Law (for further details, refer to Note No. 27).

The decrease in “Tax payables (excluding income taxes)” is primarily due to the fact that the item at December 31, 2007 included tax witholding (€1,313 thousand) on dividends distributed in December 2007 by the subsidiary SAES Getters Korea Corporation, which were then paid in January 2008.

The change in the item “Other” is primarily due to the fact that at December 31, 2007 it included the Parent Company’s liabilities for variable compensation of Directors for all of 2007, which were then paid in 2008, whereas in 2008 it only includes the accrual for the first half of the year.

The increase is further explained by the fact that in 2007 the item included the liability arising from contractual agreements entered into concurrent with the acquisition of the joint venture Nanjing SAES Huadong Vacuum Material Co., Ltd., the minority-interest shareholders of which are entitled to a fixed annual dividend until 2013. At June 30, 2008 the Group is owed a receivable inasmuch as the net income of the Chinese joint venture will cover the distribution of the aforementioned fixed dividend to minority-interest shareholders. For further details, refer to the Report on Operations and Note No. 7.
These payables do not bear interest and are all due within one year.

31. Accrued income taxes

As at June 30, 2008 this item amounted to €3,739 thousand, down €573 thousand from December 31, 2007. The decrease was primarily due to the payment of taxes for last year, which exceeded the amount accrued in the first half of 2008.

The balance is stated net of IRAP advances (regional production tax) of €1,020 thousand paid by the subsidiary SAES Advanced Technologies S.p.A., whereas IRES advances (corporate income tax) of €2,080 thousand were paid by the Controlling Company, S.G.G. Holding S.p.A., as part of the tax consolidation program, in July. The reader may refer to Note No. 19 for further details.

All accrued income taxes are due within one year.

32. Bank overdraft

This item consists of liabilities arising from overdrafts on current accounts held with banks.

At June 30, 2008 the item included €1,903 thousand associated with the use by SAES Getters USA, Inc. of a short-term line of credit. The use of this line of credit bears interest at a rate benchmarked on the USD Libor according to the period of use. The interest rate, including spread, is 2.655% at June 30, 2008.

33. Accrued liabilities

These are broken down as follows:

(thousands of euro)

	June 30, 2008	December 31, 2007	Difference
Accrued expenses	339	310	29
Deferred income	431	588	(157)
Total accrued liabilities	**770**	**898**	**(128)**

The item "Deferred income" includes the share pertaining to future years (€411 thousand) of the capital contribution granted by the Ministry of the Treasury, Budget and Economic Planning to SAES Advanced Technologies S.p.A. in relation to investments made in previous years. The decrease in this item since December 31, 2007 was principally due to the reduction in deferred income reported on the portion of contribution provided in the first half 2008.

34. Cash flow statement

The cash flow statement is presented using the indirect method.
The funds generated by operating activities were €22,816 thousand, up sharply from €13,419 thousand in the first half of 2007. The increase is primarily due to the decrease in taxes paid.

The funds used in investment activities totaled €34,157 thousand, up from €6,717 thousand in the first half of 2007. The change is primarily due to the fact that the first half of 2008 includes expenditures for the acquisitions of the SMA division of Special Metals Corporation (SMC) and Spectra-Mat, Inc., which were partially covered by the contracting of new loans, as discussed above.

Funds used in financing activities fell from €31,616 thousand in the first half of 2007 to €11,115 thousand in the first half of 2008, primarily due to the impact of the lesser dividends distributed with respect to the first six months of 2007 (it should be recalled that in May 2008 the balance of the 2007 dividend was distributed, whereas an advance had already been distributed in December 2007) and the increase in cash and cash equivalents due to the contracting of new long-term loans. These effects were partially offset by the use of cash to repurchase treasury shares (€3,335 thousand).

Net cash and cash equivalents are stated net of bank overdraft, insofar as the latter falls under the category of liabilities to be repaid at the bank's request. The following is a reconciliation of cash and cash equivalents shown in the balance sheet and the cash flow statement.

(thousands of euro)

	June 30, 2008
Cash and cash equivalents	46,971
Bank overdraft	(2,153)
Cash and cash equivalents, net	**44,818**

35. Potential liabilities and commitments

Guarantees for third parties amounted to €32,224 thousand as at June 30, 2008 (€15,568 thousand as at December 31, 2007) and primarily include guarantees for the VAT Office totaling €8,336 thousand (€8,130 thousand as at December 31, 2007) securing refunds obtained. The increase with respect to December 31, 2007 is primarily due to the contracting of new guarantees by the Parent Company on loans issued to associates.

The due dates for operating lease obligations in existence at June 30, 2008 are shown below:

	Less than 1 year	Between 1 and 5 years	Over 5 years	Total
Operating lease obligations	122	114	0	236

Guarantees provided by the Group in respect of credit facilities, in the interest of subsidiaries, which were not utilized on the reporting date, totaled €8,339 thousand as of June 30, 2008 (against €6,309 thousand as of December 31, 2007).

36. Related party transactions

IAS 24 is followed in identifying Related Parties.

In this case, the Related Parties include:

- **S.G.G. Holding S.p.A.**, the Controlling Company, which is both creditor and debtor of the SAES Getters Group as a result of the adherence by the Group's Italian companies to the national tax consolidation program.
- **KStudio Associato**, tax, legal and financial consultancy firm whose founding member is Vicenzo Donnamaria, Chairman of the Board of Statutory Auditors of SAES Getters S.p.A. It provides tax, legal and financial consultancy services.
- **Managers with strategic responsibilities**: these include the members of the Board of Directors, including non-executive members, the Corporate Human Resources Manager, the Corporate Commercial Manager and the Corporate Operations Manager.
- **The Board of Statutory Auditors.**

The following table shows the total values of the related party transactions undertaken in the years 2008 and 2007.

(thousands of euro)

	Costs		Revenues		Payables		Receivables	
	1st Half 2008	1st Half 2007	1st Half 2008	1st Half 2007	June 30, 2008	December 31, 2007	June 30, 2008	December 31, 2007
S.G.G. Holding S.p.A.	0	0	0	0	13,023	7,525	10,549	8,360
KStudio Associato	14	46	0	0	5	66	0	0

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

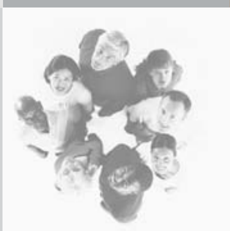
(thousands of euro)

	1st Half 2008	1st Half 2007
Short-term employee benefits	1,711	1,545
Post-employment benefits	0	0
Other long-term benefits	0	0
Termination benefits	413	644
Share-based payments	0	0
Total compensation to key management personnel	**2,124**	**2,189**

Pursuant to Consob communications of February 20, 1997 and February 28, 1998 and IAS 24, we report that in the first half of 2008 all related party transactions were undertaken at financial conditions in line with market conditions and no atypical, unusual or non-standard related party transactions were undertaken.

Lainate (MI) - Italy, August 28, 2008

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



Certification of the interim condensed consolidated financial statements for the six months ending June 30, 2008

Certification of the interim condensed consolidated financial statements for the six months ended June 30, 2008 pursuant to article 81-*ter* of CONSOB Regulation No. 11971 of May 14, 1999, as amended

1. The undersigned, Giulio Canale, in his capacity as Managing Director and Chief Financial Officer, and Michele Di Marco, in his capacity of 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, subsections 3 and 4, of Legislative Decree No. 58 of February 24, 1998:

   - the adequacy in relation to the Company characteristics and

   - the effective application

   of the administrative and accounting procedures for the formation of the Interim Condensed Consolidated Financial Statements during the period from January 1 to June 30, 2008.

2. The following remarks apply to this situation:

   - On the subject of the SAES Getters Group's Administrative and Accounting Control Model and the implementation thereof, we confirm the contents of paragraph 2 of the Certification of the Consolidated Financial Statements of the SAES Getters Group for the year ended on December 31, 2007, inasmuch as no changes have occurred.

     In regard to the results of the internal certification process for the accounting period from January 1 to June 30, 2008, we confirm that the procedures illustrated in the paragraph cited above were also applied to the Interim Condensed Consolidated Financial Statements and that the associated controls were performed.

   - As regards the results of the internal certification process, we confirm that, as of today's date, the Officer Responsible for the preparation of the corporate financial reports has received all of the requested representation letters, signed by the General Managers/Financial Controllers of the subsidiaries involved in the selected processes as significant on the basis of risk assessment. All "Activity Control Matrixes" (ACMs), duly completed, were also signed following verification of the controls described therein.
     The result of the process was substantially positive and no anomalies were reported.

   - The proper application of the administrative and accounting control system has been confirmed by the positive outcome of the assessments conducted by the Internal Control Officer in support of the Officer Responsible for the preparation of the corporate financial reports, concerning:
     . the consistency of summary reporting with the results of accounting records and books;
     . the application of the procedures and the effective application of the associated controls at several subsidiaries, or, in particular, company Functions.

3. Furthermore, we report that:

    3.1. the Interim Condensed Consolidated Financial Statements at June 30, 2008:

        a) have been prepared in accordance with applicable International Accounting Standards recognized within the European Union pursuant to EC Regulation No. 1602/2002 of the European Parliament and the Council of July 19, 2002, and, in particular, IAS 34 – Interim Financial Statements;

        b) correspond to the results of accounting records and books;

        c) have been drafted in compliance with the provisions of the Italian Civil Code and, to the best of our knowledge, are suitable to providing a truthful, accurate representation of the earnings and financial position of the issuer and the companies included in the consolidation area.

    3.2. the Half-yearly Report on Operations of the SAES Group includes a reliable analysis of performance and income, as well as the situation of the issuer and the companies included in the consolidation area, along with a description of the primary risks and uncertainties to which they are exposed.

Lainate (MI) - Italy, August 28, 2008

Managing Director
Chief Financial Officer
Dr Giulio Canale

Internal Control Officer
Dr Michele Di Marco

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