

# The SAES<sup>®</sup> Getters Group

## First Half 2008 Consolidated Results

*Conference Call – August 28, 2008*

---

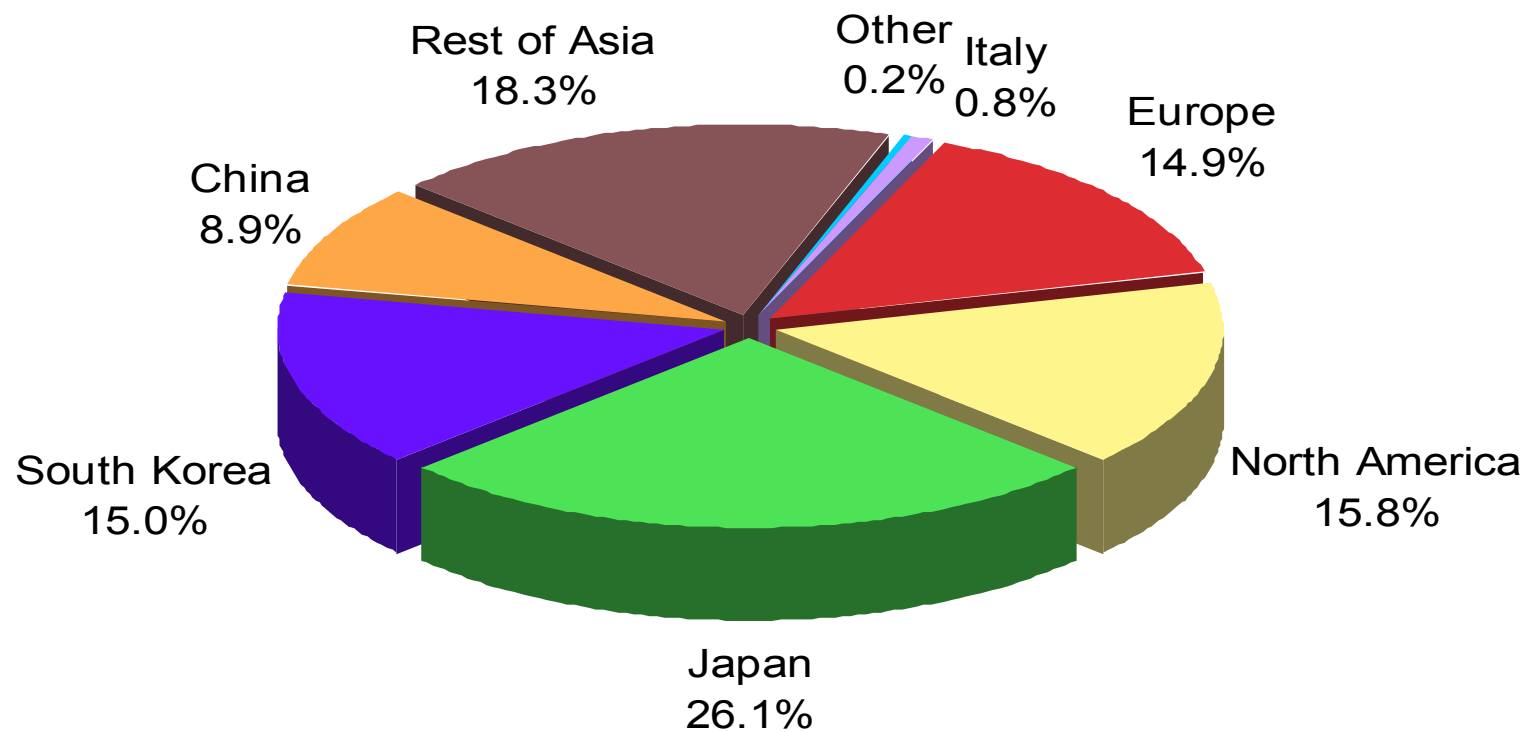
we support your **innovation**

**saes**  
getters

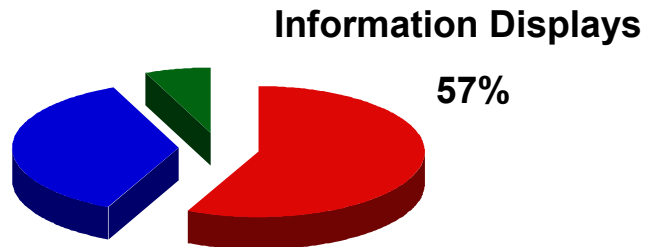
# First Half 2008 Highlights

- Sales equal to €81.7 million, very close to €81.8 million sales of 1H07, but increasing by 8.9% excluding the exchange rate effect.
- Persisting strong penalization due to the negative impact of the exchange rate, both at revenue and margins level.
- Acquisitions finalized in the first half 2008 (SMA Division of SMC and Spectra-Mat, Inc.) had positively contributed to 1H08 sales (+6.1%).
- Gross profit equal to €50.9 million (-1.9% compared to €51.8 million in 1H07, mainly due to exchange rate effect).
- Advanced Materials Business Unit reaching a positive industrial margin for the first time.
- Operating expenses increased by €0.6 million in 1H08, mainly for the extension of the consolidation basis as opposed to G&A expenses reduction.
- Operating income equal to €23.2 million, or 28.5% of revenues (€25.6 million, or 31.3% of revenues in 1H07); 2007 benefited from non recurring gain related to a change in derivatives accounting technique (€0.5 million).
- Foreign exchange gains to €3.1 million (€2.3 million in 1H07).
- Income taxes decreased in percentage to 31.8% from 37.8%, mainly for the decreased tax-rate in Italy and for the tax receivables for R&D activities.
- Net income equal to €18.5 slightly increasing if compared to €18.4 million in 1H07 (+0.3%).
- Net financial position of €28.3 million (€69.1 million on Dec 31, 2007). Main disbursements for buy back, dividends and acquisitions. Operating cash flows generated equal to €22.8 million, growing from €13.4 million of 1H07.
- Recently announced acquisition of Memry Corporation to contribute to SAES Getters presence in advanced materials.

# First Half 2008 Consolidated Sales By Geographic Area



# Information Displays BU Sales



	1H2008	1H2007	Total difference	Price-quantity effect	Exchange rate effect
Liquid Crystal Displays	41.0	41.5	-1.3%	8.8%	-10.1%
Cathode Ray Tubes	5.6	9.5	-41.4%	-33.5%	-7.9%
<b>Information Displays</b>	<b>46.6</b>	<b>51.1</b>	<b>-8.8%</b>	<b>0.9%</b>	<b>-9.7%</b>

- ✓ Sales in Liquid Crystal Displays Business strongly affected by the persistent negative exchange rate effect (-10.1%)
- ✓ Continuing decline in the CRT market

*All figures in M€, unless otherwise stated*

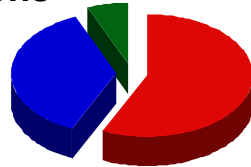
we support your **innovation**

# Industrial Applications BU Sales

All figures in M€, unless otherwise stated

## Industrial Applications

36,6%

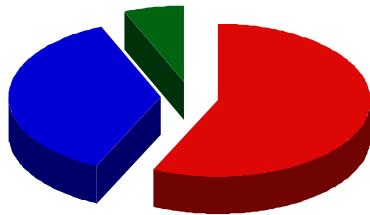


	1H2008	1H2007	Total difference	Price-quantity effect	Exchange rate effect
Lamps	6.1	5.9	3.5%	7.0%	-3.5%
Electronic Devices	11.6	8.8	32.0%	38.0%	-6.0%
Vacuum Systems and Thermal Insulation	2.7	2.4	11.8%	19.9%	-8.1%
Semiconductors	9.5	11.8	-19.7%	-7.7%	-12.0%
<b>Industrial Applications</b>	<b>29.9</b>	<b>28.9</b>	<b>3.4%</b>	<b>11.5%</b>	<b>-8.1%</b>

- ✓ Increase in the sales of all businesses, mainly of:
  - getters and dispensers for lamps, both discharge and fluorescent (*Lamps Business*)
  - getters for solar collectors and hydrogen dryers for military applications (*Electronic Devices Business*)
  - pumps for vacuum systems (*Vacuum Systems and Thermal Insulation Business*)
- ✓ Decrease in Semiconductors Business due to postponing of some deliveries to Q308
- ✓ Negative exchange rate effect is still strong (-8.1%); +11.5% revenues at constant exchange rate

# Advanced Materials BU Sales

Advanced Materials 6,4%



	1H2008	1H2007	Total difference	Price-quantity effect	Exchange rate effect
Advanced Materials	5.2	1.8	192.8%	196.1%	-3.3%

- ✓ Very strong increase in sales, mainly shape memory alloys (SMA)
- ✓ Sales of SMC's SMA division recently acquired equal to €3.2 million in 1H08

*All figures in M€, unless otherwise stated*

# Information Displays Margins

All figures in M€, unless otherwise stated

	1H2008	1H2007	Total difference	1Q2008	1Q2007	2Q2008	2Q2007
<b>NET SALES</b>	<b>46.6</b>	<b>51.1</b>	<b>-4.5</b>	<b>24.3</b>	<b>25.4</b>	<b>22.3</b>	<b>25.6</b>
<b>GROSS PROFIT</b>	<b>35.2</b>	<b>36.5</b>	<b>-1.3</b>	<b>18.3</b>	<b>18.7</b>	<b>16.9</b>	<b>17.8</b>
Gross Margin	75.6%	71.5%		75.2%	73.7%	76.0%	69.3%
<b>OPERATING INCOME</b>	<b>23.3</b>	<b>24.8</b>	<b>-1.6</b>	<b>12.5</b>	<b>13.7</b>	<b>10.8</b>	<b>11.2</b>
Operating Margin	50.0%	48.7%		51.3%	53.7%	48.6%	43.7%

- ✓ Increased percentage in gross margin, despite the slow-down in revenues and negative exchange rate effect, due to a different sales mix in favor of LCD
- ✓ Operating Income: non recurring gain in 1H07 (€0.5 million) for a change in accounting methods related with derivative financial instruments with hedging purposes
- ✓ Successful cost reduction in operating costs (-2.5%), despite the R&D expenditure remains the same

# Industrial Applications Margins

	1H2008	1H2007	Total difference	1Q2008	1Q2007	2Q2008	2Q2007
<b>NET SALES</b>	<b>29.9</b>	<b>28.9</b>	<b>1.0</b>	<b>16.0</b>	<b>14.2</b>	<b>13.9</b>	<b>14.7</b>
<b>GROSS PROFIT</b>	<b>15.4</b>	<b>15.4</b>	<b>0.0</b>	<b>8.3</b>	<b>7.6</b>	<b>7.1</b>	<b>7.8</b>
Gross Margin	51.4%	53.3%		51.7%	53.5%	51.1%	53.1%
<b>OPERATING INCOME</b>	<b>8.4</b>	<b>8.6</b>	<b>-0.2</b>	<b>4.8</b>	<b>4.3</b>	<b>3.6</b>	<b>4.4</b>
Operating Margin	28.2%	29.9%		30.2%	30.2%	25.8%	29.6%

- ✓ Lower gross margin because of a different sales mix; persisting negative effect of the exchange rate impacting on margins too
- ✓ Increase in operating expenses (+1.7%), mainly due to the variation in the consolidation basis, affecting the operating margin

*All figures in M€, unless otherwise stated*



# Advanced Materials & Corporate Costs

	1H2008	1H2007	Total difference
<b>NET SALES</b>	<b>5.2</b>	<b>1.8</b>	<b>3.4</b>
<b>GROSS PROFIT</b>	<b>0.3</b>	<b>0.0</b>	<b>0.4</b>
Gross Margin	6.0%	-2.4%	
<b>OPERATING INCOME</b>	<b>-8.5</b>	<b>-7.9</b>	<b>-0.6</b>
Operating Margin	-162.3%	-442.2%	

- ✓ Sales expenses affected by non recurring cost (€0.4 million) related to a goodwill write off in the Optoelectronics Business
- ✓ Positive gross profit (separating the aforementioned non recurring cost, gross margin equal to 12.8%)
- ✓ Increase in operating expenses (+€0.8 million), mainly due to the variation in the consolidation basis, partially counter-balanced by a reduction in G&A expenses

# Consolidated Income Statements

	1H2008	1H2007	Total difference
<b>NET SALES</b>	<b>81.7</b>	<b>81.8</b>	<b>-0.1</b>
<b>GROSS PROFIT</b>	<b>50.9</b>	<b>51.8</b>	<b>-1.0</b>
Gross Margin	62.3%	63.4%	
<i>R&amp;D expenses</i>	9.0	8.3	0.7
<i>Selling expenses</i>	6.4	6.1	0.4
<i>G&amp;A expenses</i>	12.0	12.5	-0.5
Total Operating expenses	27.5	26.9	0.6
Other income (expenses), net	-0.1	0.7	-0.8
<b>OPERATING INCOME</b>	<b>23.2</b>	<b>25.6</b>	<b>-2.4</b>
Operating Margin	28.5%	31.3%	
Interest and other financial income, net	0.7	1.1	-0.5
Income from discontinued operations	0.0	0.6	-0.6
Foreign exchange gains (losses), net	3.1	2.3	0.8
<b>INCOME BEFORE TAXES</b>	<b>27.0</b>	<b>29.6</b>	<b>-2.6</b>
Income Taxes	8.6	11.2	
<b>NET INCOME</b>	<b>18.4</b>	<b>18.4</b>	<b>-2.6</b>
Net Margin	22.6%	22.5%	

All figures in M€, unless otherwise stated

# Net Financial Position

	30 Jun 08	31 Dec 07	Difference	31 Mar 08
Cash and cash equivalents	47.0	70.7	-23.7	65.4
Current financial assets	1.1	1.8	-0.7	0.6
Current financial liabilities	3.3	1.0	2.2	1.5
<b>Current net financial position</b>	<b>44.8</b>	<b>71.4</b>	<b>-26.6</b>	<b>64.6</b>
<b>Non current financial liabilities</b>	<b>16.5</b>	<b>2.3</b>	<b>14.2</b>	<b>14.9</b>
<b>NET FINANCIAL POSITION</b>	<b>28.3</b>	<b>69.1</b>	<b>-40.9</b>	<b>49.7</b>

- ✓ Buy back amounted to €3.3 million; dividends to €21.9 million
- ✓ Investment in tangible assets amounted to €5.4 million
- ✓ €4 million paid for the acquisition of Spectra-Mat, Inc., net of cash acquired and €21.2 million paid for the acquisition of the SMA division from SMC
- ✓ Growth of the operating cash flows to €22.8 million - after €7.9 million of taxes paid (€13.4 million in 1H07)

*All figures in M€, unless otherwise stated*

we support your **innovation**



# Business Outlook

- No radical changes other than what announced at the end of Q108 in the **Information Displays Business Unit**
- **LCDs** still affected by price pressure, negative exchange rate effect and progressive reduction of the number of fluorescent lamps used for each display, as a consequence of technological development and cost streamlining
- Trend of stability confirmed in the market of **Industrial Applications**
- Forecasted growth in the **Advanced Materials** sector. More specifically, the SMA sector will benefit from **Memry Corporation** strategic integration, thus consolidating the Group's presence in the medical SMAs, characterized by a strong stability if compared to general economy trends
- Confirmed the Company's **capacity to generate cash**
- The Group's economic results will be influenced by the **exchange rate trends** of the Euro with the main foreign currencies

# Disclaimer and Attestation

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

\*\*\*

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

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

Thanks  
for your attention

Visit us at  
[www.saesgetters.com](http://www.saesgetters.com)

*E-mail: [investor\\_relations@saes-group.com](mailto:investor_relations@saes-group.com)*

SAES® Getters is a registered trademark of SAES Getters S.p.A.

we support your innovation

