



## SAES GETTERS S.p.A.

Capital Stock Euro 12,220,000 fully paid-in  
Address of Principal Executive Offices:  
Viale Italia, 77 – 20020 Lainate (Milan), Italy  
Registered with the Milan Court Companies Register no. 00774910152

### Interim Management Report – 1<sup>st</sup> Quarter 2016

In the first quarter of 2016 the SAES<sup>®</sup> Group achieved **consolidated net revenues** equal to **€45.7 million**, up by 10.9% compared to €41.2 million achieved in the corresponding period of 2015. The **exchange rate effect** was positive (**2.0%**), mainly thanks to the strengthening of the US dollar compared to the first quarter of 2015; the **organic growth** amounted to **+8.9%**, mainly driven by the **Shape Memory Alloys (SMA) Business Unit**. In particular, both segments of this operating unit recorded a strong growth in percentage terms: the medical SMAs segment (Nitinol raw material and components) recorded an organic growth of 21.0%, thanks to the increased sales of both consolidated products, as well as of recently introduced innovative devices; in the industrial SMAs segment the organic growth amounted to +61.8%, thanks to the increase in sales of springs, wires and other SMA components, across all the sectors in which the Group operates (particularly, the automotive and the luxury goods markets).

In the **Industrial Applications Business Unit**, in addition to the positive exchange rate effect (1.8%), please note the strong organic growth of the Sensors & Detectors Business (+38.0%) and of the Electronic & Photonics Business (+5.5%) driven by the recovery in the security and defense sectors.

**Total revenues of the Group**<sup>1</sup> were equal to **€47.9 million**, up by 11.1% compared to €43.1 million in the first quarter of 2015.

**Consolidated gross profit**<sup>2</sup> was equal to **€20.0 million** in the first quarter of 2016, up by 16.8% compared to €17.2 million in the corresponding period of 2015, thanks to the increase in revenues and in the gross margin, with the latter mainly driven by the SMA segment. Particularly, the **gross margin**<sup>3</sup> increased from 41.7% in the first quarter of 2015 to **43.9%** in the current quarter, favored also by a different product mix.

**Consolidated operating income** amounted to **€6.5 million** in the first quarter of 2016, compared to €4.5 million in the first quarter of the previous year (+45.8%). In percentage terms, the **operating margin** was equal to **14.3%**, up when compared to 10.8% in the first quarter of 2015, thanks to the improvement in the gross margin and to the lower incidence of the operating expenses following the increase in revenues.

<sup>1</sup> Total revenues of the Group are achieved by incorporating with the proportional method, instead of the equity method, the 50% joint venture Actuator Solutions, as well as the new joint venture SAES RIAL Vacuum S.r.l., of which SAES currently owns 49% of the share capital.

<sup>2</sup> Calculated as the difference between net sales and industrial costs directly and indirectly attributable to the products sold.

<sup>3</sup> Calculated as the ratio between gross profit and consolidated revenues.

**Consolidated EBITDA<sup>4</sup>** was equal to **€8.5 million**, compared to €6.5 million in the corresponding quarter of 2015. As a percentage of revenues, **EBITDA%** increased from 15.9% in the first quarter of 2015 to **18.7%** in the current quarter.

**Consolidated net income** amounted to **€3.0 million**, almost four times as much (+257.3%) compared to a consolidated net income of €0.9 million in the corresponding quarter of the previous year.

The first quarter of 2016 confirms the excellent trend of the shape memory alloys business in both the medical and the industrial segments, and records also the significant recovery in some application areas of the most traditional getters. These results contribute to the further strong improvement of the economic and financial indicators, in line with the Group's forecasts.

This trend is expected to continue also in the remaining part of 2016. In addition, to be noted also the first commercial successes of the telecom business of Actuator Solutions, which will consolidate in the next few months. Also the development of the initiative in the field of functional polymers has experienced an acceleration and will mature in the second half of the year.

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<sup>4</sup> EBITDA is not deemed as an accounting measure under International Financial Reporting Standards (IFRSs); however, we believe that EBITDA is an important parameter for measuring the Group's performance and therefore it is presented as an alternative indicator. Since its calculation is not regulated by applicable accounting standards, the method applied by the Group may not be homogeneous with the ones adopted by other Groups. EBITDA is calculated as "Earnings before interests, taxes, depreciation and amortization".

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

Thousands of euro

|   | <b>1<sup>st</sup> quarter<br/>2016</b> | <b>1<sup>st</sup> quarter<br/>2015</b> |
|---|--|--|
| <b>Total net sales</b>  | <b>45,662</b>                          | <b>41,176</b>                          |
| Cost of sales   | (25,615)                               | (24,010)                               |
| <b>Gross profit</b>   | <b>20,047</b>                          | <b>17,166</b>                          |
| R&D expenses  | (3,528)                                | (3,666)                                |
| Selling expenses  | (3,609)                                | (3,692)                                |
| G&A expenses  | (6,348)                                | (5,244)                                |
| Total operating expenses  | (13,485)                               | (12,602)                               |
| Other income (expenses), net  | (47)                                   | (97)                                   |
| <b>Operating income (loss)</b>                                      | <b>6,515</b>                           | <b>4,467</b>                           |
| Interest and other financial income, net                            | (355)                                  | (380)                                  |
| Income (loss) from equity method evaluated companies                | (473)                                  | (276)                                  |
| Foreign exchange gains (losses), net                                | (60)                                   | (997)                                  |
| <b>Income (loss) before taxes</b>                                   | <b>5,627</b>                           | <b>2,814</b>                           |
| Income taxes  | (2,590)                                | (1,964)                                |
| <b>Net income (loss) from continued operations</b>                  | <b>3,037</b>                           | <b>850</b>                             |
| Income (loss) from assets held for sale and discontinued operations | 0                                      | 0                                      |
| <b>Net income (loss) before minority interest</b>                   | <b>3,037</b>                           | <b>850</b>                             |
| Net income (loss) pertaining to minority interest                   | 0                                      | 0                                      |
| <b>Net income (loss) pertaining to the Group</b>                    | <b>3,037</b>                           | <b>850</b>                             |

**Consolidated income (loss) per share**

Euro

|                                      | <b>1<sup>st</sup> quarter<br/>2016</b> | <b>1<sup>st</sup> quarter<br/>2015</b> |
|--------------------------------------|--|--|
| Net income (loss) per ordinary share | 0.1322                                 | 0.0000                                 |
| Net income (loss) per savings share  | 0.1488                                 | 0.1152                                 |

**Consolidated statement of profit or loss by Business Unit**

Thousands of euro

|  | <b>Industrial Applications</b>         |  | <b>Shape Memory Alloys</b>             |  | <b>Business Development &amp;<br/>Corporate Costs</b> |  | <b>TOTAL</b>                           |  |
|--|--|--|--|--|---|--|--|--|
|  | <b>1<sup>st</sup> quarter<br/>2016</b> | <b>1<sup>st</sup> quarter<br/>2015</b> | <b>1<sup>st</sup> quarter<br/>2016</b> | <b>1<sup>st</sup> quarter<br/>2015</b> | <b>1<sup>st</sup> quarter<br/>2016</b>                | <b>1<sup>st</sup> quarter<br/>2015</b> | <b>1<sup>st</sup> quarter<br/>2016</b> | <b>1<sup>st</sup> quarter<br/>2015</b> |
| <b>Total net sales</b>                         | <b>27,587</b>                          | <b>26,784</b>                          | <b>17,799</b>                          | <b>13,950</b>                          | <b>276</b>  | <b>442</b>                             | <b>45,662</b>                          | <b>41,176</b>                          |
| Cost of sales                                  | (14,311)                               | (14,356)                               | (11,149)                               | (9,318)                                | (155)   | (336)                                  | (25,615)                               | (24,010)                               |
| <b>Gross profit (loss)</b>                     | <b>13,276</b>                          | <b>12,428</b>                          | <b>6,650</b>                           | <b>4,632</b>                           | <b>121</b>  | <b>106</b>                             | <b>20,047</b>                          | <b>17,166</b>                          |
| Operating expenses and other income (expenses) | (5,771)                                | (5,676)                                | (2,903)                                | (2,642)                                | (4,858)   | (4,381)                                | (13,532)                               | (12,699)                               |
| <b>Operating income (loss)</b>                 | <b>7,505</b>                           | <b>6,752</b>                           | <b>3,747</b>                           | <b>1,990</b>                           | <b>(4,737)</b>  | <b>(4,275)</b>                         | <b>6,515</b>                           | <b>4,467</b>                           |

**Consolidated Statement of Financial Position**

Thousands of euro

|   | <b>March 31,<br/>2016</b> | <b>December 31,<br/>2015</b> |
|---|---------------------------|------------------------------|
| Property, plant and equipment, net                | 49,143                    | 50,383                       |
| Intangible assets                                 | 49,867                    | 52,322                       |
| Other non current assets                          | 19,845                    | 19,382                       |
| Current assets                                    | 90,936                    | 91,092                       |
| Assets held for sale                              | 0                         | 0                            |
| <b>Total Assets</b>                               | <b>209,791</b>            | <b>213,179</b>               |
| Shareholders' equity                              | 124,885                   | 126,485                      |
| Minority interest in consolidated subsidiaries    | 0                         | 3                            |
| <b>Total Shareholders' Equity</b>                 | <b>124,885</b>            | <b>126,488</b>               |
| Non current liabilities                           | 42,387                    | 43,570                       |
| Current liabilities                               | 42,519                    | 43,121                       |
| Liabilities held for sale                         | 0                         | 0                            |
| <b>Total Liabilities and Shareholders' Equity</b> | <b>209,791</b>            | <b>213,179</b>               |

**Consolidated Net Financial Position**

Thousands of euro

|   | <b>March 31, 2016</b> | <b>December 31, 2015</b> | <b>March 31, 2015</b> |
|---|-----------------------|--------------------------|-----------------------|
| Cash on hands                                       | 24                    | 23                       | 23                    |
| Cash equivalents                                    | 26,697                | 24,021                   | 22,712                |
| <b>Cash and cash equivalents</b>                    | <b>26,721</b>         | <b>24,044</b>            | <b>22,735</b>         |
| Related parties financial assets                    | 463                   | 555                      | 2,740                 |
| Other current financial assets                      | 134                   | 0                        | 873                   |
| <b>Current financial assets</b>                     | <b>597</b>            | <b>555</b>               | <b>3,613</b>          |
| Bank overdraft                                      | (9,504)               | (5,012)                  | (30,094)              |
| Current portion of long term debt                   | (7,235)               | (7,136)                  | (6,093)               |
| Related parties financial liabilities               | 0                     | 0                        | 0                     |
| Other current financial liabilities                 | (460)                 | (1,957)                  | (1,619)               |
| <b>Current financial liabilities</b>                | <b>(17,199)</b>       | <b>(14,105)</b>          | <b>(37,806)</b>       |
| <b>Current net financial position</b>               | <b>10,119</b>         | <b>10,494</b>            | <b>(11,458)</b>       |
| <b>Related parties non current financial assets</b> | <b>500</b>            | <b>600</b>               | <b>0</b>              |
| Long term debt, net of current portion              | (25,359)              | (27,019)                 | (16,470)              |
| Other non current financial liabilities             | (1,296)               | (1,355)                  | (1,491)               |
| <b>Non current liabilities</b>                      | <b>(26,655)</b>       | <b>(28,374)</b>          | <b>(17,961)</b>       |
| <b>Non current net financial position</b>           | <b>(26,155)</b>       | <b>(27,774)</b>          | <b>(17,961)</b>       |
| <b>Net financial position</b>                       | <b>(16,036)</b>       | <b>(17,280)</b>          | <b>(29,419)</b>       |

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS****Accounting Principles, Methods and Structure of the Group**

The Interim Management Report has been prepared applying the international accounting standards (IFRS) and in accordance with article 2.2.3, paragraph 3, of the Regulation of the Markets organized and managed by Borsa Italiana S.p.A. Concerning the content, please make reference to the pre-existing article 154-ter, paragraph 5, of “Financial Consolidation Act”, also in the light of what clarified by ESMA in the Q&A on the Directive 2004/109/CE.

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

Here below the changes occurred in the consolidation area during the first quarter of 2016.

- On January 19, 2016, as envisaged by the contract signed on December 23, 2015 between SAES Getters S.p.A. and Rodofil s.n.c., the Parent Company acquired a further 39% of the joint venture SAES RIAL Vacuum S.r.l. for a pre-determined price equal to €1.3 million. The total investment of SAES Getters S.p.A. in the joint venture is currently equal to 49%<sup>5</sup> of its share capital.
- On February 26, 2016 SAES Getters S.p.A. acquired the remaining 4% of the share capital of E.T.C. S.r.l. from the minority shareholder, for a consideration of €249 thousand. Following such acquisition, SAES Getters S.p.A. is now the sole shareholder of E.T.C. S.r.l.

### **Further relevant events occurred in the first quarter of 2016**

On January 12, 2016 SAES Getters S.p.A. granted a €49 thousand loan to the joint venture SAES RIAL Vacuum S.r.l., aimed at financially supporting the newly established company's operations. This loan, that doesn't have any predefined expiration date, but, based on the contract, allows for a flexible reimbursement upon formal request of SAES Getters S.p.A., earns an interest indexed to the three months Euribor rate, plus a spread of 2.50%, to be paid by the joint venture on an annual basis.

On January 15, 2016 SAES Nitinol S.r.l. made a further capital injection in favor of the joint venture Actuator Solutions GmbH equal to €1.0 million to support its investments. The 50% joint partner Alfmeier paid the same amount through the company SMA Holding GmbH.

On March 29, 2016 SAES Getters S.p.A. signed an IRS (Interest Rate Swap) contract on the long-term loan obtained by Unicredit S.p.A. at the end of 2014. This contract, whose amortization plan and expiration date are aligned with the hedged long-term loan, provides for the exchange of the three months Euribor (either positive or negative) with a fixed rate of 0.0%. In case of a negative three months Euribor, the contract provides for a floor equal to -2.25% (equal to the spread applied to the loan).

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It should be noted that the interim management report on 1<sup>st</sup> quarter 2016 is unaudited.

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In order to manage the economic impact generated by the fluctuations in the exchange rates, primarily EUR/USD and EUR/JPY, the Group enters into hedges on current and future receivables related to the sales transactions denominated in currencies other than the euro of the main Group Italian companies. Particularly, as at March 31, 2016 the Group holds forward contracts on the Japanese yen which have a total notional value equal to JPY 268.2 million. The average forward exchange rate for these contracts is JPY 125.44 against the euro and all these contracts will extend throughout the remaining part of the fiscal year 2016. Furthermore, the Group holds forward contracts on the US dollar which have a total notional value of USD 11.3 million. Their average forward exchange rate is USD 1.1202 against the euro and also all these contracts will extend throughout the remaining part of the fiscal year 2016.

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<sup>5</sup> Please note that this percentage had already been used for consolidation purposes as at December 31, 2015, representing the substantial interpretation of the purchase agreement signed on December 23, 2015, which provided for the mutual commitment of the parties to increase the investment of SAES Getters S.p.A. in SAES RIAL Vacuum S.r.l. of an additional 39% by the end of January 2016.

Finally, the Group signed a forward sale contract in euros in order to limit the currency risk on the Group resulting from the effect of the oscillation of the Korean won on the balance of the financial credit in euro that SAES Getters Korea Corporation held towards the Parent Company. This contract, with a notional value of €550 thousand, will expire on December 27, 2016 and provides for a forward exchange rate of the Korean won equal to 1,304.00 against the euro.

Subsequent to March 31, 2016 no further forward contracts have been entered into.

### **Reclassifications of the income statement figures of the first quarter 2015**

Please note that, following the completion of the transfer of the PageWafer® technology related to the last contract signed at the end of 2014, the technology licensing activity can be considered as a core business of the Group; therefore, starting from January 1, 2016, the royalties for the licensing of the thin film getter technology for MEMS of new generation are classified within the consolidated revenues. The figures related to 2015<sup>6</sup> have been reclassified accordingly, for a homogeneous comparison.

Furthermore, following a change in the organizational structure of the Parent Company, as well as for a better representation of the costs by allocation, starting from 2016 the engineering and industrialization costs of the new products are classified as cost of sales, instead of being recorded as operating expenses. Also the figures related to the previous year, presented for comparative purposes, have been reclassified.

The detail of these reclassifications on the income statement figures of the first quarter of 2015 is shown in the following tables.

Thousands of euro

|   | 1 <sup>st</sup> quarter 2015 | Royalties<br>reclassification | Industrialization<br>costs<br>reclassification | 1 <sup>st</sup> quarter 2015<br>reclassified |
|---|------------------------------|-------------------------------|--|--|
| <b>Total net sales</b>  | <b>41,029</b>                | <b>147</b>                    |  | <b>(178)</b>                                 |
| Cost of sales   | (23,825)                     |                               | (185)  | (24,010)                                     |
| <b>Gross profit</b>   | <b>17,204</b>                | <b>147</b>                    | <b>(185)</b>                                   | <b>(24,188)</b>                              |
| R&D expenses  | (3,851)                      |                               | 185  | (3,666)                                      |
| Selling expenses  | (3,692)                      |                               |  | (3,692)                                      |
| G&A expenses  | (5,244)                      |                               |  | (5,244)                                      |
| Total operating expenses  | (12,787)                     | 0                             | 185  | (12,602)                                     |
| Royalties   | 147                          | (147)                         |  | 0  |
| Other income (expenses), net  | (97)                         |                               |  | (97)   |
| <b>Operating income (loss)</b>                                      | <b>4,467</b>                 | <b>0</b>                      | <b>0</b>                                       | <b>(36,887)</b>                              |
| Interest and other financial income, net                            | (380)                        |                               |  | (380)  |
| Income (loss) from equity method evaluated companies                | (276)                        |                               |  | (276)  |
| Foreign exchange gains (losses), net                                | (997)                        |                               |  | (997)  |
| <b>Income (loss) before taxes</b>                                   | <b>2,814</b>                 | <b>0</b>                      | <b>0</b>                                       | <b>(38,540)</b>                              |
| Income taxes  | (1,964)                      |                               |  | (1,964)                                      |
| <b>Net income (loss) from continued operations</b>                  | <b>850</b>                   | <b>0</b>                      | <b>0</b>                                       | <b>(40,504)</b>                              |
| Income (loss) from assets held for sale and discontinued operations | 0                            |                               |  | 0  |
| <b>Net income (loss) before minority interest</b>                   | <b>850</b>                   | <b>0</b>                      | <b>0</b>                                       | <b>(40,504)</b>                              |
| Net income (loss) pertaining to minority interest                   | 0                            |                               |  | 0  |
| <b>Net income (loss) pertaining to the Group</b>                    | <b>850</b>                   | <b>0</b>                      | <b>0</b>                                       | <b>(40,504)</b>                              |

<sup>6</sup> In the first quarter of 2015 the royalties amounted to €147 thousand and must be compared to €400 thousand as at March 31, 2016 (of which €180 thousand deriving from lump-sums related to the technology transfer).

Thousands of euro

|                                     | Industrial Applications      |          |   | Shape Memory Alloys          |          |   | Business Development & Corporate Costs |          |   | TOTAL                        |          |   |
|-------------------------------------|------------------------------|----------|---|------------------------------|----------|---|--|----------|---|------------------------------|----------|---|
|                                     | 1 <sup>st</sup> quarter 2015 | Reclass. | 1 <sup>st</sup> quarter 2015 reclassified | 1 <sup>st</sup> quarter 2015 | Reclass. | 1 <sup>st</sup> quarter 2015 reclassified | 1 <sup>st</sup> quarter 2015           | Reclass. | 1 <sup>st</sup> quarter 2015 reclassified | 1 <sup>st</sup> quarter 2015 | Reclass. | 1 <sup>st</sup> quarter 2015 reclassified |
| Total net sales                     | 26,637                       | 147      | 26,784                                    | 13,950                       |          | 13,950                                    | 442                                    |          | 442                                       | 41,029                       | 147      | 41,176                                    |
| Cost of sales                       | (14,310)                     | (46)     | (14,356)                                  | (9,266)                      | (52)     | (9,318)                                   | (249)                                  | (87)     | (336)                                     | (23,825)                     | (185)    | (24,010)                                  |
| Gross profit (loss)                 | 12,327                       | 101      | 12,428                                    | 4,684                        | (52)     | 4,632                                     | 193                                    | (87)     | 106                                       | 17,204                       | (38)     | 17,166                                    |
| Operating expenses and other income | (5,575)                      | (101)    | (5,676)                                   | (2,694)                      | 52       | (2,642)                                   | (4,468)                                | 87       | (4,381)                                   | (12,737)                     | 38       | (12,699)                                  |
| Operating income (loss)             | 6,752                        | 0        | 6,752                                     | 1,990                        | 0        | 1,990                                     | (4,275)                                | 0        | (4,275)                                   | 4,467                        | 0        | 4,467                                     |

## Net Sales by Business and by Geographic Location of Customers

| Industrial Applications Business Unit   |   |
|---|---|
| Electronic & Photonic Devices           | Getters and metal dispensers for electronic vacuum devices  |
| Sensors & Detectors                     | Getters for microelectronic and micromechanical systems (MEMS)  |
| Light Sources                           | Getters and metal dispensers used in discharge lamps and fluorescent lamps  |
| Vacuum Systems                          | Pumps for vacuum systems  |
| Thermal Insulation                      | Products for thermal insulation   |
| Pure Gas Handling                       | Gas purifier systems for semiconductor industry and other industries  |
| Shape Memory Alloys (SMA) Business Unit |   |
| SMA Medical applications                | Nitinol shape memory alloys for the biomedical sector   |
| SMA Industrial applications             | SMA actuator devices for the industrial sector (domotics, white goods industry, consumer electronics and automotive sector) |
| Business Development Unit               |   |
| Business Development                    | Innovative technologies that integrate getter materials in polymer matrices   |

## Consolidated Net Sales by Business

Thousands of euro (except %)

| Business                       | 1 <sup>st</sup> quarter 2016 | 1 <sup>st</sup> quarter 2015 | Total difference (%) | Organic change (%) | Exchange rate effect (%) |
|--------------------------------|------------------------------|------------------------------|----------------------|--------------------|--------------------------|
| Electronic & Photonic Devices  | 3,411                        | 3,177                        | 7.4%                 | 5.5%               | 1.9%                     |
| Sensors & Detectors            | 3,653                        | 2,628                        | 39.0%                | 38.0%              | 1.0%                     |
| Light Sources                  | 2,081                        | 2,499                        | -16.7%               | -17.6%             | 0.9%                     |
| Vacuum Systems                 | 1,948                        | 1,917                        | 1.6%                 | 0.3%               | 1.3%                     |
| Thermal Insulation             | 1,390                        | 1,534                        | -9.4%                | -11.1%             | 1.7%                     |
| Pure Gas Handling              | 15,104                       | 15,029                       | 0.5%                 | -1.6%              | 2.1%                     |
| <b>Industrial Applications</b> | <b>27,587</b>                | <b>26,784</b>                | <b>3.0%</b>          | <b>1.2%</b>        | <b>1.8%</b>              |
| SMA Medical Applications       | 15,427                       | 12,492                       | 23.5%                | 21.0%              | 2.5%                     |
| SMA Industrial Applications    | 2,372                        | 1,458                        | 62.7%                | 61.8%              | 0.9%                     |
| <b>Shape Memory Alloys</b>     | <b>17,799</b>                | <b>13,950</b>                | <b>27.6%</b>         | <b>25.2%</b>       | <b>2.4%</b>              |
| <b>Business Development</b>    | <b>276</b>                   | <b>442</b>                   | <b>-37.6%</b>        | <b>-38.4%</b>      | <b>0.8%</b>              |
| <b>Total Net Sales</b>         | <b>45,662</b>                | <b>41,176</b>                | <b>10.9%</b>         | <b>8.9%</b>        | <b>2.0%</b>              |

**Consolidated Net Sales by Geographic Location of Customer**

Thousands of euro

| Geographic Area        | 1 <sup>st</sup> quarter<br>2016 | 1 <sup>st</sup> quarter<br>2015 |
|------------------------|---------------------------------|---------------------------------|
| Italy                  | 410                             | 265                             |
| European countries     | 7,476                           | 6,713                           |
| North America          | 22,493                          | 17,896                          |
| Japan                  | 1,524                           | 1,383                           |
| South Korea            | 2,256                           | 4,460                           |
| China                  | 4,080                           | 3,054                           |
| Rest of Asia           | 6,910                           | 7,086                           |
| Rest of the World      | 513                             | 319                             |
| <b>Total Net Sales</b> | <b>45,662</b>                   | <b>41,176</b>                   |

In the first quarter of 2016 the SAES Group achieved **consolidated net revenues** equal to **€45.7 million**, up by 10.9% compared to €41.2 million achieved in the corresponding period of 2015. The **exchange rate effect** was positive (**2.0%**), mainly thanks to the strengthening of the US dollar compared to the first quarter of 2015; the **organic growth** amounted to **+8.9%**, mainly driven by the **Shape Memory Alloys (SMA) Business Unit**. In particular, both segments of this operating unit recorded a strong growth in percentage terms: the medical SMAs segment (Nitinol raw material and components) recorded an organic growth of 21.0%, thanks to the increased sales of both consolidated products, as well as of recently introduced innovative devices; in the industrial SMAs segment the organic growth amounted to +61.8%, thanks to the increase in sales of springs, wires and other SMA components, across all the sectors in which the Group operates (particularly, the automotive and the luxury goods markets).

In the **Industrial Applications Business Unit**, in addition to the positive exchange rate effect (1.8%), please note the strong organic growth of the Sensors & Detectors Business (+38.0%) and of the Electronic & Photonics Business (+5.5%) driven by the recovery in the security and defense sectors.

**Total revenues of the Group** were equal to **€47.9 million**, up by 11.1% compared to €43.1 million in the first quarter of 2015.

**Total revenues of the Group**

Thousands of euro

|  | 1 <sup>st</sup> quarter 2016 | 1 <sup>st</sup> quarter 2015 | Difference   |
|--|------------------------------|------------------------------|--------------|
| <b>Consolidated sales</b>                              | <b>45,662</b>                | <b>41,176</b>                | <b>4,486</b> |
| 50% sales of the joint venture Actuator Solutions      | 2,225                        | 2,063                        | 162          |
| 49% sales of the joint venture SAES RIAL Vacuum S.r.l. | 176                          | 0                            | 176          |
| Intercompany eliminations and other adjustments        | -181                         | -136                         | -45          |
| <b>Total revenues of the Group</b>                     | <b>47,882</b>                | <b>43,103</b>                | <b>4,779</b> |

**Industrial Applications Business Unit**

**Consolidated revenues** of the Industrial Applications Business Unit amounted to **€27.6 million** in the first quarter of 2016, up by 3.0% compared to €26.8 million in the corresponding quarter of 2015.

The trend of the euro against the major foreign currencies led to a positive exchange rate effect equal to +1.8%, net of which revenues organically increased by 1.2%.

Compared to the first quarter of 2015, please note the strong increase in the sales of the Sensors and Detectors Business (organic growth of +38.0%), as well as of the Electronic & Photonic



Devices Business (organic growth of +5.5%), thanks to the recovery of the security and defense sector. Also the Vacuum Systems Business showed a slight organic growth (organic growth equal to +0.3%), traditionally linked to the trend of large research projects.

The gas purification sector (Pure Gas Handling Business) showed a substantial stability (+0.5%): the positive exchange rate effect was equal to 2.1%, but this segment showed an organic decrease equal to -1.6%, with its quarterly sales linked both to the construction of new plant, as well as to the retrofit of existing ones.

In line with the last periods of 2015, the following segments decreased, despite the favorable euro/dollar exchange rate effect: the Light Sources Business (with an organic decrease of -17.6%), penalized by the technological competition of LEDs towards fluorescent lamps, and the Thermal Insulation Business (organic decrease of -11.1%), that suffered from the weak sales of getters for insulation panels in the refrigeration market.

The table below shows the revenues in the first quarter of 2016 related to the various business areas, with evidence of the exchange rate effect and of the organic change compared to the corresponding period of 2015.

Thousands of euro (except %)

| Business                       | 1 <sup>st</sup> quarter<br>2016 | 1 <sup>st</sup> quarter<br>2015 | Total<br>difference<br>(%) | Organic<br>change<br>(%) | Exchange rate<br>effect<br>(%) |
|--------------------------------|---------------------------------|---------------------------------|----------------------------|--------------------------|--------------------------------|
| Electronic & Photonic Devices  | 3,411                           | 3,177                           | 7.4%                       | 5.5%                     | 1.9%                           |
| Sensors & Detectors            | 3,653                           | 2,628                           | 39.0%                      | 38.0%                    | 1.0%                           |
| Light Sources                  | 2,081                           | 2,499                           | -16.7%                     | -17.6%                   | 0.9%                           |
| Vacuum Systems                 | 1,948                           | 1,917                           | 1.6%                       | 0.3%                     | 1.3%                           |
| Thermal Insulation             | 1,390                           | 1,534                           | -9.4%                      | -11.1%                   | 1.7%                           |
| Pure Gas Handling              | 15,104                          | 15,029                          | 0.5%                       | -1.6%                    | 2.1%                           |
| <b>Industrial Applications</b> | <b>27,587</b>                   | <b>26,784</b>                   | <b>3.0%</b>                | <b>1.2%</b>              | <b>1.8%</b>                    |

**Gross profit** of the Industrial Applications Business Unit was equal to **€13.3 million** in the first quarter of 2016, up by 6.8% compared to €12.4 million in the corresponding quarter of 2015. As a percentage of revenues, the **gross margin** increased from 46.4% to **48.1%**. The growth was mainly driven by a different sales mix, with an increased incidence of products with higher margins.

**Operating income** of the Industrial Applications Business Unit was equal to **€7.5 million**, up by 11.2% compared to €6.8 million; the **operating margin** increased from 25.2% to **27.2%**. The improvement was mainly due to the increase in revenues and in the gross profit.

#### **Shape Memory Alloys (SMA) Business Unit**

**Consolidated revenues** of the Shape Memory Alloys Business Unit were equal to **€17.8 million** in the first quarter of 2016, showing a significant increase (+27.6%) compared to €13.9 million in the corresponding period of 2015. The exchange rate effect was positive and equal to +2.4%, net of which the organic growth was equal to +25.2%.

Both segments of this Business Unit recorded a strong growth compared to the first quarter of 2015. The medical SMAs segment (Nitinol raw material and components) recorded an organic growth of 21.0%, continuing the positive trend that has characterized the previous year, driven by the increased sales of both consolidated products, as well as of the more sophisticated Nitinol-based medical devices recently introduced.

Also the industrial SMAs segment recorded a strong growth (organic growth equal to +61.8%), thanks to the increased sales of springs, wires and other SMA components, across all the sectors in which the Group operates (in particular, the automotive and the luxury goods markets).

The table below shows the revenues in the first quarter of 2016 related to the various business areas, with evidence of the exchange rate effect and of the organic change compared to the corresponding period of 2015.

Thousands of euro (except %)

| Business                    | 1 <sup>st</sup> quarter<br>2016 | 1 <sup>st</sup> quarter<br>2015 | Total<br>difference<br>(%) | Organic<br>change<br>(%) | Exchange rate<br>effect<br>(%) |
|-----------------------------|---------------------------------|---------------------------------|----------------------------|--------------------------|--------------------------------|
| SMA Medical Applications    | 15,427                          | 12,492                          | 23.5%                      | 21.0%                    | 2.5%                           |
| SMA Industrial Applications | 2,372                           | 1,458                           | 62.7%                      | 61.8%                    | 0.9%                           |
| <b>Shape Memory Alloys</b>  | <b>17,799</b>                   | <b>13,950</b>                   | <b>27.6%</b>               | <b>25.2%</b>             | <b>2.4%</b>                    |

**Gross profit** of the Shape Memory Alloys Business Unit was equal to **€6.7 million (37.4% of consolidated revenues)** in the first quarter of 2016, compared to €4.6 million (33.2% as a percentage of revenues) in the corresponding period of 2015. This increase was the result of the greater economies of scale following the sales' increase and of the improved efficiency of the new productions.

**Operating income** of the Shape Memory Alloys Business Unit amounted to **€3.7 million**, showing a significant increase (+88.3%) compared to €2 million in the first quarter of 2015. The strong increase in sales and in the gross margin, together with the lower incidence of operating expenses (from 19.0% to 16.6%), favored the significant improvement in the operating income and in the **operating margin**, which rose from 14.3% to **21.1%**.

#### **Business Development Unit & Corporate Costs**

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

In the first quarter of 2016 **consolidated revenues** amounted to **€0.3 million**, compared to €0.4 million in the corresponding period of 2015. The exchange rate effect was positive and equal to +0.8%, while the organic decrease was equal to -38.4%.

Revenues were substantially in line with the figure recorded in the fourth quarter of 2015, while their decrease compared to the first quarter of 2015 was due to lower sales of alkaline metal dispensers for OLED displays, following the decision of a technological repositioning taken by the main customer, only partially offset by the sales of moisture absorber functional polymers for the same applications.

**Gross profit** was equal to **€0.1 million** in the first quarter of 2016, unchanged when compared to the corresponding quarter of 2015.

**Operating result** was negative and equal to **-€4.7 million**, compared to a negative figure equal to -€4.3 million in the first quarter of 2015. This worsening was mainly due to higher corporate general and administrative expenses (namely, higher consultant fees).

**Consolidated gross profit** amounted to **€20.0 million** in the first quarter of 2016, up by 16.8% compared to €17.2 million in the first quarter of 2015. As a percentage of revenues, the **gross margin** increased from 41.7% to **43.9%**, mainly thanks to the contribution of the Shape Memory Alloys Business Unit.

**Consolidated operating income** amounted to **€6.5 million (14.3% of consolidated revenues)**, showing a significant increase (+45.8%) compared to €4.5 million in the first quarter of 2015 (10.8% of consolidated revenues): the increase in revenues and in the gross margin, as well as the slight reduction of the operating expenses in percentage terms (from 30.6% to 29.5%) enabled the strong improvement in the operating indicators compared to the previous year.

**Consolidated EBITDA** amounted to **€8.5 million**, compared to €6.5 million in the corresponding quarter of 2015. As a percentage of revenues, the **EBITDA%** increased from 15.9% in the first quarter of 2015 to **18.7%** in the current quarter, supported by the improvement of the margins mainly in the SMA business.

#### EBITDA

Thousands of euro

|                                | 1 <sup>st</sup> quarter<br>2016 | 1 <sup>st</sup> quarter<br>2015 |
|--------------------------------|---------------------------------|---------------------------------|
| <b>Operating income (loss)</b> | <b>6,515</b>                    | <b>4,467</b>                    |
| Depreciation & amortization    | 2,062                           | 2,073                           |
| Write-down                     | (33)                            | 0                               |
| Other                          | 0                               | 0                               |
| <b>EBITDA</b>                  | <b>8,544</b>                    | <b>6,540</b>                    |
| <b>% on sales</b>              | <b>18.7%</b>                    | <b>15.9%</b>                    |

The balance of the **net financial expenses** was negative and equal to **-€0.4 million**, substantially in line with the first quarter of 2015.

The sum of the **exchange rate differences** recorded a balance close to zero in the first quarter of 2016, compared to a negative balance equal to -€1.0 million in the first quarter of 2015, with the latter mainly due to non-cash losses related to the fair value evaluation of forward contracts entered into to hedge the exchange rates.

The loss deriving from the **evaluation with the equity method** of the joint ventures amounted to **-€0.5 million** (-€0.3 million in the first quarter of 2015). This loss was almost exclusively attributable to the joint venture Actuator Solutions, while the joint venture SAES RIAL Vacuum S.r.l. ended the quarter substantially at breakeven.

**Consolidated income before taxes** amounted to **€5.6 million** in the first quarter of 2016, doubled when compared to an income before taxes of €2.8 million in the first quarter of 2015.

The strong improvement in the Group's tax rate (decreased from 69.8% to 46.0%) enabled to end the first quarter of 2016 with a **consolidated net income** equal to **€3.0 million**, almost four times as much compared to €0.9 million in the corresponding quarter of 2015.

The net income per ordinary share and per savings share amounted respectively to €0.1322 and €0.1488 in the first quarter of 2016; this figure compares with a net income per savings share equal to €0.1152 in the first quarter of 2015, while the net income per ordinary share was equal to zero.

The **consolidated net financial position** was negative and equal to **-€16.0 million** as at March 31, 2016 (cash equal to +€26.7 million and net financial liabilities of -€42.7 million), compared to -€17.3 million as at December 31, 2015 (cash equal to +€24.0 million and net financial liabilities of -€41.3 million). The improvement, continuing the positive trend of 2015, was attributable to the incoming cash-flow generated from the operating activities and related to the increase in both revenues and economic results.

With regard to investment activities, the outflows for investments in fixed assets were equal to around €1.3 million, plus the acquisition of the minority interest of E.T.C. S.r.l. (€0.2 million), as well as the capital injection made in favor of the joint venture Actuator Solutions GmbH (€1.0 million).

The exchange rate effect on the net financial position was close to zero: the positive effect of the devaluation of the US dollar compared to December 31, 2015 on the debt denominated in dollars was offset by the negative effect on the cash denominated in that currency and held by the US subsidiaries.

### **Actuator Solutions**

Actuator Solutions GmbH is 50% jointly owned by SAES and Alfmeier Präzision. This joint venture is focused on the development, production and distribution of innovative actuators using shape memory alloys, in place of engines.

Actuator Solutions GmbH, which consolidates its wholly owned subsidiary Actuator Solutions Taiwan Co., Ltd., recorded **net revenues** equal to **€4.4 million** in the first quarter of 2016; its turnover, still totally generated by the sales in the seat comfort business, increased by 7.9% compared to €4.1 million in the first quarter of 2015.

The **net income** of the quarter still continued to be negative (**-€0.9 million**, compared to -€0.6 million in the corresponding period of 2015) because of the research, development and prototyping expenses mainly related to the mobile communication sector (actuators for the image focus and stabilization of mobile phones). The first commercial order for the autofocus system (AF), although involving small volumes, was placed in the first quarter of 2016 and its revenues have been accounted for in April 2016.

Thousands of euro

| <b>Actuator Solutions (100%)</b>          | <b>1<sup>st</sup> quarter<br/>2016</b> | <b>1<sup>st</sup> quarter<br/>2015</b> |
|---|--|--|
| Total net sales                           | 4,450                                  | 4,126                                  |
| Cost of sales                             | (4,544)                                | (4,190)                                |
| <b>Gross profit</b>                       | <b>(94)</b>                            | <b>(64)</b>                            |
| Total operating expenses                  | (1,143)                                | (914)                                  |
| Other income (expenses), net              | 260                                    | 64                                     |
| <b>Operating income (loss)</b>            | <b>(977)</b>                           | <b>(914)</b>                           |
| Interests and other financial income, net | (39)                                   | (76)                                   |
| Foreign exchange gains (losses), net      | (92)                                   | 309                                    |
| Income taxes                              | 245                                    | 130                                    |
| <b>Net income (loss)</b>                  | <b>(863)</b>                           | <b>(551)</b>                           |

The share of the SAES Group in the result of the joint venture Actuator Solutions in the first quarter of 2016 amounted to -€0.4 million (-€0.3 million in the corresponding period of 2015).

**Actuator Solutions - SAES Group interest (50% )**

Thousands of euro

| <b>Statement of financial position</b>           | <b>March 31,<br/>2016</b> | <b>December 31,<br/>2015</b> |
|--|---------------------------|------------------------------|
| Non current assets                               | 4,260                     | 4,130                        |
| Current assets                                   | 2,825                     | 2,448                        |
| <b>Total Assets</b>                              | <b>7,084</b>              | <b>6,578</b>                 |
| Non current liabilities                          | 713                       | 740                          |
| Current liabilities                              | 3,387                     | 3,462                        |
| <b>Total Liabilities</b>                         | <b>4,100</b>              | <b>4,202</b>                 |
| Capital Stock, Reserves and Retained Earnings    | 3,378                     | 4,270                        |
| Net income (loss) for the period                 | (432)                     | (1,843)                      |
| Other comprehensive income (loss) for the period | 39                        | (51)                         |
| <b>Total Equity</b>                              | <b>2,985</b>              | <b>2,376</b>                 |

  

| <b>Statement of profit or loss</b>                      | <b>1<sup>st</sup> quarter<br/>2016</b> | <b>1<sup>st</sup> quarter<br/>2015</b> |
|---|--|--|
| Total net sales   | 2,225                                  | 2,063                                  |
| Cost of sales   | (2,272)                                | (2,095)                                |
| <b>Gross profit</b>                                     | <b>(47)</b>                            | <b>(32)</b>                            |
| Total operating expenses                                | (572)                                  | (457)                                  |
| Other income (expenses), net                            | 130                                    | 32                                     |
| <b>Operating income (loss)</b>                          | <b>(489)</b>                           | <b>(457)</b>                           |
| Interests and other financial income, net               | (20)                                   | (38)                                   |
| Foreign exchange gains (losses), net                    | (46)                                   | 155                                    |
| Income taxes  | 123                                    | 65                                     |
| <b>Net income (loss)</b>                                | <b>(432)</b>                           | <b>(276)</b>                           |
| Exchange differences                                    | 39                                     | (138)                                  |
| <b>Total comprehensive income (loss) for the period</b> | <b>(393)</b>                           | <b>(414)</b>                           |

**SAES RIAL Vacuum S.r.l.**

SAES RIAL Vacuum S.r.l. was established at the end of 2015 through the transfer by Rodofil s.n.c. of the 'Rial Vacuum' business (assets, trademark and customers list, as well as inventory and employed personnel), specialized in the design and manufacture of vacuum chambers for accelerators, synchrotrons and colliders, used in the major worldwide research laboratories.

In particular, on December 23, 2015 SAES Getters S.p.A. acquired the first tranche equal to 10% of the newco SAES RIAL Vacuum S.r.l., while the finalization of the acquisition of the further 39% was realized on January 19, 2016.

The aim of the joint venture is the creation of an Italian technological and manufacturing hub of the highest level for the design and production of integrated vacuum components and systems for accelerators, for the research, as well as for industrial systems and devices, combining at the highest level the competences of SAES in the field of materials, vacuum applications and innovation, with the experience of Rial and Rodofil in the design, assembling and fine mechanical productions, with the aim of offering absolutely excellent quality products and successfully competing in the international markets.

SAES RIAL Vacuum S.r.l. ended the first quarter of 2016 substantially at breakeven.

The table below shows the share of the SAES Group in the result of the joint venture in the first quarter of 2016.

**SAES RIAL Vacuum S.r.l. - SAES Group interest (49% )**

Thousands of euro

| <b>Statement of profit or loss</b>        | <b>1<sup>st</sup> quarter 2016</b> |
|---|------------------------------------|
| Total net sales                           | 176                                |
| Cost of sales                             | (190)                              |
| <b>Gross profit</b>                       | <b>(15)</b>                        |
| Total operating expenses                  | (25)                               |
| Other income (expenses), net              | 0                                  |
| <b>Operating income (loss)</b>            | <b>(40)</b>                        |
| Interests and other financial income, net | (1)                                |
| Foreign exchange gains (losses), net      | 0                                  |
| Income taxes                              | 0                                  |
| <b>Net income (loss)</b>                  | <b>(41)</b>                        |

The following table shows the **Total Group's statement of profit or loss**, achieved by incorporating with the proportional method, instead of the equity method, the 50% joint venture Actuator Solutions, as well as the new joint venture SAES RIAL Vacuum S.r.l., of which SAES currently owns 49% of the share capital.

**Total statement of profit or loss of the Group**

Thousands of euro

| Thousands of euro   | 1 <sup>st</sup> quarter 2016 |                        |   |                             |   | Total profit or loss of the Group |
|---|------------------------------|------------------------|---|-----------------------------|---|-----------------------------------|
|   | Consolidated profit or loss  | 50% Actuator Solutions | Intercoy eliminations & other adjustments | 49% SAES RIAL Vacuum S.r.l. | Intercoy eliminations & other adjustments |                                   |
| Total net sales   | 45,662                       | 2,225                  | (178)                                     | 176                         | (3)                                       | 47,882                            |
| Cost of sales   | (25,615)                     | (2,272)                | 178                                       | (190)                       | 1   | (27,898)                          |
| Gross profit  | 20,047                       | (47)                   | 0   | (14)                        | (2)                                       | 19,984                            |
| Total operating expenses  | (13,485)                     | (572)                  |   | (25)                        | 2   | (14,080)                          |
| Other income (expenses), net  | (47)                         | 130                    |   | (1)                         |   | 82                                |
| Operating income (loss)   | 6,515                        | (489)                  | 0   | (40)                        | (0)                                       | 5,986                             |
| Interest and other financial income, net                            | (355)                        | (20)                   |   | (1)                         |   | (376)                             |
| Income (loss) from equity method evaluated companies                | (473)                        |                        | 432                                       |                             | 41  | 0                                 |
| Foreign exchange gains (losses), net                                | (60)                         | (46)                   |   |                             |   | (106)                             |
| Income (loss) before taxes  | 5,627                        | (555)                  | 432                                       | (41)                        | 41  | 5,504                             |
| Income taxes  | (2,590)                      | 123                    |   |                             |   | (2,467)                           |
| Net income (loss) from continued operations                         | 3,037                        | (432)                  | 432                                       | (41)                        | 41  | 3,037                             |
| Income (loss) from assets held for sale and discontinued operations | 0                            |                        |   |                             |   | 0                                 |
| Net income (loss) before minority interest                          | 3,037                        | (432)                  | 432                                       | (41)                        | 41  | 3,037                             |
| Net income (loss) pertaining to minority interest                   | 0                            |                        |   |                             |   | 0                                 |
| Net income (loss) pertaining to the Group                           | 3,037                        | (432)                  | 432                                       | (41)                        | 41  | 3,037                             |

**Significant events occurred after the end of the quarter**

At the end of April 2016 SAES Nitinol S.r.l. granted an additional €1.0 million loan to Actuator Solutions GmbH, aimed at financially supporting the operating activities of the joint venture. The loan expires on April 30, 2019 and provides for a flexible repayment schedule within the maturity date and a fixed annual interest rate equal to 6%. A loan of the same amount and conditions was granted by the 50% joint partner Alfmeier, through the company SMA Holding GmbH.

**Business outlook**

For the remainder of 2016 we expect the current trend to continue, at constant exchange rates. The next few months will see the consolidation of the first commercial successes in the telecom sector of Actuator Solutions and the maturation of the new initiative in the field of functional polymers.

### **Consob regulatory simplification process**

Please note that, on November 13, 2012, the Board of Directors has approved, pursuant to article no. 3 of Consob resolution no.18079/2012, to adhere to the opt-out provisions as envisaged by article no.70, paragraph 8, and no. 71, paragraph 1-*bis* of the Consob Regulation related to Issuer Companies, and it therefore avails itself of the right of making exceptions to the obligations to publish information documents required in connection with significant mergers, spin-offs and capital increases by contributions in kind, acquisitions and disposals.

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

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

Lainate, Milan - Italy, May 12, 2016

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