



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 – 3rd Quarter 2016

In the third quarter of 2016 the SAES[®] Group achieved **consolidated net revenues** equal to **€41.5 million, slightly up (+0.4%)** compared to €41.3 million achieved in the corresponding period of 2015. The exchange rate effect was null and therefore the growth must be considered as **organic growth**.

The revenues of the quarter were penalized by the postponement of some deliveries in the gas purification sector, for an amount of about €2.4 million. The organic growth was driven by the **security and defense market** (Electronic & Photonic Devices Business and Sensors & Detectors Business), as well as by the **shape memory alloys (SMA) business for medical applications**.

Total revenues of the Group¹ were equal to **€44 million** in the third quarter of 2016, compared to €43.5 million in the third quarter of 2015: the **growth**, equal to **1.1%**, was due both to the slight increase in consolidated revenues (+0.4%) and to the revenues' growth of the joint venture Actuators Solutions (+3.5%), as well as to the consolidation of the new joint venture SAES RIAL Vacuum S.r.l.

Consolidated gross profit² was equal to **€19.3 million** in the third quarter of 2016, **up by 9.3%** compared to €17.7 million in the corresponding period of 2015. The growth was mainly driven by the increase in the **gross margin³** (from 42.8% in the third quarter of 2015 to **46.5%** in the current period), mainly driven by the gas purification sector and by the SMAs for medical applications.

Consolidated operating income amounted to **€6.2 million** (15% of consolidated revenues) in the current quarter, **up (+5.1%)** compared to €5.9 million in the corresponding quarter of the previous year (14.3% of consolidated revenues): the increase in the gross margin was partially offset by the increase of operating expenses (higher consultant costs for research and development activities and higher sales costs related to the different sales mix).

Consolidated EBITDA⁴ was equal to **€8.5 million** (20.5% as a percentage of revenues) in the third quarter of 2016, **up by 4.3%** compared to €8.1 million (19.7% of consolidated revenues) in the

¹ 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 Getters S.p.A. currently owns 49% of the share capital.

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

³ Calculated as the ratio between gross profit and consolidated net sales.

⁴ 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".

corresponding quarter of 2015, mainly driven by the gas purification sector, as well as by the SMA business for medical applications.

Consolidated net income amounted to **€3.6 million** (8.7% of consolidated revenues) in the third quarter of 2016, compared to a consolidated net income of €3.8 million (9.1% of consolidated revenues) in the third quarter of 2015.

The **net financial position** as at September 30, 2016 was negative and equal to **-€19.4 million**, compared to -€19.5 million as at June 30, 2016: the self-financing was partially absorbed by the increase in the working capital, mainly due to the increase in the stock of the gas purification sector, in anticipation of the sales of the fourth quarter of the year.

There is a strong satisfaction for the results of the quarter, marking a further increase, despite penalized by a remarkable effect due to goods in transit of the controlled company SAES Pure Gas. This event also had a negative impact on the quarterly cash flow generation. We expect the fourth quarter to be particularly strong, also thanks to the contribution of the newly acquired company Metalvuoto, which the Group will leverage on for its future growth.

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statement of profit or loss

Thousands of euro

	3 rd quarter 2016	3 rd quarter 2015
Total net sales	41,489	41,324
Cost of sales	(22,177)	(23,654)
Gross profit	19,312	17,670
R&D expenses	(3,493)	(3,095)
Selling expenses	(3,542)	(2,927)
G&A expenses	(6,110)	(5,758)
Total operating expenses	(13,145)	(11,780)
Other income (expenses), net	51	24
Operating income (loss)	6,218	5,914
Interest and other financial income, net	(282)	(332)
Income (loss) from equity method evaluated companies	(795)	(525)
Foreign exchange gains (losses), net	37	(6)
Income (loss) before taxes	5,178	5,051
Income taxes	(1,564)	(1,281)
Net income (loss) from continued operations	3,614	3,770
Income (loss) from assets held for sale and discontinued operations	0	0
Net income (loss) before minority interest	3,614	3,770
Net income (loss) pertaining to minority interest	0	0
Net income (loss) pertaining to the Group	3,614	3,770

Consolidated statement of other comprehensive income

Thousands of euro

	3 rd quarter 2016	3 rd quarter 2015
Net income (loss) for the period	3,614	3,770
Exchange differences on translation of foreign operations	(497)	(884)
Exchange differences on equity method evaluated companies	(61)	107
Total exchange differences	(558)	(777)
Total components that will be reclassified to the profit (loss) in the future	(558)	(777)
Total components that will not be reclassified to the profit (loss) in the future	0	0
Reversal of currency conversion reserve after the reduction of the share capital of the subsidiaries	0	0
Total components that have been reclassified to the profit (loss)	0	0
Other comprehensive income (loss), net of taxes	(558)	(777)
Total comprehensive income (loss), net of taxes	3,056	2,993
<i>attributable to:</i>		
- Equity holders of the Parent Company	3,056	2,993
- Minority interests	0	0

Consolidated statement of profit or loss by Business Unit

Thousands of euro

	Industrial Applications		Shape Memory Alloys		Business Development & Corporate Costs		TOTAL	
	3 rd quarter 2016	3 rd quarter 2015	3 rd quarter 2016	3 rd quarter 2015	3 rd quarter 2016	3 rd quarter 2015	3 rd quarter 2016	3 rd quarter 2015
Total net sales	23,368	23,341	17,862	17,773	259	210	41,489	41,324
Cost of sales	(11,513)	(12,670)	(10,436)	(10,675)	(228)	(309)	(22,177)	(23,654)
Gross profit (loss)	11,855	10,671	7,426	7,098	31	(99)	19,312	17,670
Operating expenses and other income (expenses)	(5,679)	(4,736)	(2,579)	(2,409)	(4,836)	(4,611)	(13,094)	(11,756)
Operating income (loss)	6,176	5,935	4,847	4,689	(4,805)	(4,710)	6,218	5,914

Consolidated Statement of Financial Position

Thousands of euro

	September 30, 2016	December 31, 2015
Property, plant and equipment, net	48,828	50,383
Intangible assets	50,247	52,322
Other non current assets	22,077	19,382
Current assets	95,342	91,092
Total Assets	216,494	213,179
Shareholders' equity	124,225	126,485
Minority interest in consolidated subsidiaries	0	3
Total Shareholders' Equity	124,225	126,488
Non current liabilities	40,300	43,570
Current liabilities	51,969	43,121
Total Liabilities and Shareholders' Equity	216,494	213,179

Consolidated Net Financial Position

Thousands of euro

	September 30, 2016	June 30, 2016	March 31, 2016	December 31, 2015
Cash on hands	22	22	24	23
Cash equivalents	20,728	28,291	26,697	24,021
Cash and cash equivalents	20,750	28,313	26,721	24,044
Related parties current financial assets	485	437	463	555
Other current financial assets	2,433	0	134	0
Current financial assets	2,918	437	597	555
Bank overdraft	(15,504)	(16,504)	(9,504)	(5,012)
Current portion of long term debt	(7,345)	(7,252)	(7,235)	(7,136)
Related parties financial liabilities	0	0	0	0
Other current financial liabilities	(610)	(801)	(460)	(1,957)
Current financial liabilities	(23,459)	(24,557)	(17,199)	(14,105)
Current net financial position	209	4,193	10,119	10,494
Related parties non current financial assets	4,349	1,449	500	600
Long term debt, net of current portion	(22,652)	(23,882)	(25,359)	(27,019)
Other non current financial liabilities	(1,264)	(1,271)	(1,296)	(1,355)
Non current liabilities	(23,916)	(25,153)	(26,655)	(28,374)
Non current net financial position	(19,567)	(23,704)	(26,155)	(27,774)
Net financial position	(19,358)	(19,511)	(16,036)	(17,280)

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.

During the third quarter of 2016 there were no changes in the scope of consolidation.

Please note that in July 2016 it was resolved to transfer the registered and operational office of E.T.C. S.r.l. from Bologna to Lainate, at the production site of the Parent Company. The completion of this transfer is expected by the end of 2016.

Further relevant events occurred in the third quarter of 2016

On July 28, 2016 SAES Nitinol S.r.l. signed a new loan contract in favor of Actuator Solutions GmbH, aimed at financially supporting the operating activities of the subsidiary Actuator Solutions Taiwan Co., Ltd. The first tranche of the financing, equal to €2 million, was paid by SAES Nitinol S.r.l. on the day of the signature of the contract (July 28, 2016), while the second tranche, equal to €1 million, was paid on September 28, 2016. 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%. The 50% of the loan is granted by a letter of patronage jointly signed by Alfmeier S.E. and SMA Holding GmbH, in favor of SAES Nitinol S.r.l.

On July 29, 2016 the related Board of Directors approved the corporate merger of the wholly owned subsidiary SAES Advanced Technologies S.p.A. into SAES Getters S.p.A. The resolutions related to the corporate merger had been made available to the public and deposited for their filing within the Italian Corporate Register of the two companies participating in the merger on August 24, 2016.

The transaction aims at optimizing the Group’s industrial policy, as part of an aggregating process aimed at improving and integrating the Group’s Italian manufacturing factories, simplifying their business processes and R&D activities. At the same time, the merger aims at the optimization of the financial flows and at the improvement of the equity structure, thanks to the streamlining of the corporate structure, as well as to the strengthening of the market presence and of the competitiveness of the Parent Company.

The merger will produce its legal effects starting from December 31, 2016. For fiscal and accounting purposes only, the merger operation will be backdated at January 1, 2016. The merger will produce no equity, economic or financial effect into the Group’s consolidated financial statements, nor will provide any share swap, being the incorporated company already wholly owned by SAES Getters S.p.A.

In late September it was approved the liquidation the 100% owned subsidiary Memry GmbH, active in the field of shape memory alloys, and the transfer of all its production and business activities into other Group’s companies. This decision is in line with the corporate and organizational streamlining plan in place, aimed at increasing the efficiency of the Group’s production activities on an international scale. This transaction, the details of which are currently being finalized, could result in

extraordinary restructuring charges both in the fourth quarter of 2016 and in the first quarter of 2017, expected to be overall equal to about €2 million. The completion of such transaction is expected by the end of the first half of 2017.

It should be noted that the interim management report on 3rd quarter 2016 is unaudited.

In order to manage the economic impact generated by the fluctuations in the exchange rates, primarily EUR/USD and EUR/JPY, the Group enters into forward contracts 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 September 30, 2016 the Group holds forward contracts on the Japanese yen which have a total notional value equal to JPY 89.4 million. The average forward exchange rate for these contracts is JPY 125.42 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 3.7 million. Their average forward exchange rate is USD 1.1224 against the euro and also all these contracts will extend throughout the remaining part of the fiscal year 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 September 30, 2016 no further forward contracts have been entered into.

Reclassifications on the income statement figures of the previous year

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 2015⁵ 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 details of these reclassifications on the income statement figures both of the third quarter of 2015 and as at September 30, 2015 are shown in the following tables.

⁵ In the third quarter of 2015 the royalties amounted to €372 thousand (of which €177 thousand deriving from lump-sums related to the technology transfer), compared to €384 thousand in the third quarter of 2016 (of which €182 thousand deriving from lump-sums related to the technology transfer).

In the first nine months of 2015 the royalties amounted to €703 thousand (of which €177 thousand deriving from lump-sums), compared to €991 thousand as at September 30, 2016 (of which €362 thousand deriving from lump-sums).

Thousands of euro

	3 rd quarter 2015	Royalties reclassification	Industrialization costs reclassification	3 rd quarter 2015 reclassified
Total net sales	40,952	372		41,324
Cost of sales	(23,465)		(189)	(23,654)
Gross profit	17,487	372	(189)	17,670
R&D expenses	(3,284)		189	(3,095)
Selling expenses	(2,927)			(2,927)
G&A expenses	(5,758)			(5,758)
Total operating expenses	(11,969)	0	189	(11,780)
Royalties	372	(372)		0
Other income (expenses), net	24			24
Operating income (loss)	5,914	0	0	5,914
Interest and other financial income, net	(332)			(332)
Income (loss) from equity method evaluated companies	(525)			(525)
Foreign exchange gains (losses), net	(6)			(6)
Income (loss) before taxes	5,051	0	0	5,051
Income taxes	(1,281)			(1,281)
Net income (loss) from continued operations	3,770	0	0	3,770
Income (loss) from assets held for sale and discontinued operations	0			0
Net income (loss) before minority interest	3,770	0	0	3,770
Net income (loss) pertaining to minority interest	0			0
Net income (loss) pertaining to the Group	3,770	0	0	3,770

Thousands of euro

	Industrial Applications			Shape Memory Alloys			Business Development & Corporate Costs			TOTAL		
	3 rd quarter 2015	Reclass.	3 rd quarter 2015 reclassified	3 rd quarter 2015	Reclass.	3 rd quarter 2015 reclassified	3 rd quarter 2015	Reclass.	3 rd quarter 2015 reclassified	3 rd quarter 2015	Reclass.	3 rd quarter 2015 reclassified
Total net sales	22,969	372	23,341	17,773		17,773	210		210	40,952	372	41,324
Cost of sales	(12,631)	(39)	(12,670)	(10,625)	(50)	(10,675)	(209)	(100)	(309)	(23,465)	(189)	(23,654)
Gross profit (loss)	10,338	333	10,671	7,148	(50)	7,098	1	(100)	(99)	17,487	183	17,670
Operating expenses and other income	(4,403)	(333)	(4,736)	(2,459)	50	(2,409)	(4,711)	100	(4,611)	(11,573)	(183)	(11,756)
Operating income (loss)	5,935	0	5,935	4,689	0	4,689	(4,710)	0	(4,710)	5,914	0	5,914

Thousands of euro

	September 2015	Royalties reclassification	Industrialization costs reclassification	September 2015 reclassified
Total net sales	122,440	703		123,143
Cost of sales	(69,875)		(605)	(70,480)
Gross profit	52,565	703	(605)	52,663
R&D expenses	(10,722)		605	(10,117)
Selling expenses	(9,994)			(9,994)
G&A expenses	(17,742)			(17,742)
Total operating expenses	(38,458)	0	605	(37,853)
Royalties	703	(703)		0
Other income (expenses), net	(106)			(106)
Operating income (loss)	14,704	0	0	14,704
Interest and other financial income, net	(1,103)			(1,103)
Income (loss) from equity method evaluated companies	(1,458)			(1,458)
Foreign exchange gains (losses), net	1,108			1,108
Income (loss) before taxes	13,251	0	0	13,251
Income taxes	(5,393)			(5,393)
Net income (loss) from continued operations	7,858	0	0	7,858
Income (loss) from assets held for sale and discontinued operations	0			0
Net income (loss) before minority interest	7,858	0	0	7,858
Net income (loss) pertaining to minority interest	0			0
Net income (loss) pertaining to the Group	7,858	0	0	7,858

Thousands of euro

	Industrial Applications			Shape Memory Alloys			Business Development & Corporate Costs			TOTAL		
	September 2015	Reclass.	September 2015 reclassified	September 2015	Reclass.	September 2015 reclassified	September 2015	Reclass.	September 2015 reclassified	September 2015	Reclass.	September 2015 reclassified
Total net sales	74,465	703	75,168	47,023		47,023	952		952	122,440	703	123,143
Cost of sales	(39,449)	(181)	(39,630)	(29,697)	(160)	(29,857)	(729)	(264)	(993)	(69,875)	(605)	(70,480)
Gross profit (loss)	35,016	522	35,538	17,326	(160)	17,166	223	(264)	(41)	52,565	98	52,663
Operating expenses and other income	(15,080)	(522)	(15,602)	(7,890)	160	(7,730)	(14,891)	264	(14,627)	(37,861)	(98)	(37,959)
Operating income (loss)	19,936	0	19,936	9,436	0	9,436	(14,668)	0	(14,668)	14,704	0	14,704

Net Sales by Business and by Geographic Location of Customers

Legend:

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	
Functional Polymer Composites	Innovative technologies that integrate getter materials in polymer matrices

Consolidated Net Sales by Business

Thousands of euro (except %)

Business	3 rd quarter 2016	3 rd quarter 2015	Total difference (%)	Organic change (%)	Exchange rate effect (%)
Electronic & Photonic Devices	3,843	3,423	12.3%	11.3%	1.0%
Sensors & Detectors	3,500	2,899	20.7%	21.7%	-1.0%
Light Sources	1,786	2,141	-16.6%	-18.4%	1.8%
Vacuum Systems	1,689	2,079	-18.8%	-19.9%	1.1%
Thermal Insulation	1,500	1,404	6.8%	3.9%	2.9%
Pure Gas Handling	11,050	11,395	-3.0%	-2.5%	-0.5%
Industrial Applications	23,368	23,341	0.1%	-0.1%	0.2%
SMA Medical Applications	15,800	15,406	2.6%	3.0%	-0.4%
SMA Industrial Applications	2,062	2,367	-12.9%	-12.8%	-0.1%
Shape Memory Alloys	17,862	17,773	0.5%	0.9%	-0.4%
Business Development	259	210	23.3%	23.6%	-0.3%
Total Net Sales	41,489	41,324	0.4%	0.4%	0.0%

Consolidated Net Sales by Geographic Location of Customer

Thousands of euro

Geographic Area	3 rd quarter 2016	3 rd quarter 2015
Italy	401	844
European countries	6,764	9,352
North America	20,840	19,668
Japan	1,595	1,720
South Korea	2,422	2,264
China	2,854	5,048
Rest of Asia	6,260	2,159
Rest of the World	353	269
Total Net Sales	41,489	41,324

In the third quarter of 2016 the SAES Group achieved **consolidated net revenues** equal to **€41.5 million, slightly up (+0.4%)** compared to €41.3 million achieved in the corresponding period of 2015. The exchange rate effect was null and therefore the growth must be considered as **organic growth**.

The revenues of the quarter were penalized by the postponement of some deliveries in the gas purification sector, for an amount of about €2.4 million. The organic growth was driven by the **security and defense market** (Electronic & Photonic Devices Business and Sensors & Detectors Business), as well as by the **shape memory alloys (SMA) business for medical applications**.

Total revenues of the Group were equal to **€44 million** in the third quarter of 2016, compared to €43.5 million in the third quarter of 2015: the **growth**, equal to **1.1%**, was due both to the slight increase in consolidated revenues (+0.4%) and to the revenues' growth of the joint venture Actuators Solutions (+3.5%), as well as to the consolidation of the new joint venture SAES RIAL Vacuum S.r.l.

Total revenues of the Group

Thousands of euro

	3 rd quarter 2016	3 rd quarter 2015	Difference
Consolidated sales	41,489	41,324	165
50% sales of the joint venture Actuator Solutions	2,468	2,384	84
49% sales of the joint venture SAES RIAL Vacuum S.r.l.	264	0	264
Intercompany eliminations and other adjustments	-215	-169	-46
Total revenues of the Group	44,006	43,539	467

Industrial Applications Business Unit

Consolidated revenues of the Industrial Applications Business Unit amounted to **€23.4 million** in the third quarter of 2016, substantially unchanged compared to the corresponding quarter of 2015 (€23.3 million). The trend of the euro against the major foreign currencies led to a positive exchange rate effect equal to +0.2%.

The businesses showing an organic growth were the Sensors and Detectors Business (+21.7%) and the Electronic & Photonic Devices Business (+11.3%), thanks to the investments in the security and defense sector. Also the thermal insulation products (Thermal Insulation Business) recorded an organic growth (+3.9%), mainly driven by the sales of getters for vacuum bottles, despite the negative trend in the refrigeration market and the weak demand of getter solutions for oil applications, penalized by the persistent low price of crude oil.

The gas purification sector (Pure Gas Handling Business), whose sales were driven by the investments in foundries and new generation semiconductor factories, was penalized by the postponement of some deliveries to the beginning of the fourth quarter of 2016.

In the Vacuum Systems Business the organic decrease was equal to -19.9%, due to the general stagnation in all the geographic areas of the sales of vacuum pumps to research laboratories.

The Light Sources Business showed a structural decrease (organic decrease equal to -18.4%) because of the growing penetration of the Solid State Lighting (LEDs) compared to fluorescent lamps.

The table below shows the revenues in the third 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	3 rd quarter 2016	3 rd quarter 2015	Total difference (%)	Organic change (%)	Exchange rate effect (%)
Electronic & Photonic Devices	3,843	3,423	12.3%	11.3%	1.0%
Sensors & Detectors	3,500	2,899	20.7%	21.7%	-1.0%
Light Sources	1,786	2,141	-16.6%	-18.4%	1.8%
Vacuum Systems	1,689	2,079	-18.8%	-19.9%	1.1%
Thermal Insulation	1,500	1,404	6.8%	3.9%	2.9%
Pure Gas Handling	11,050	11,395	-3.0%	-2.5%	-0.5%
Industrial Applications	23,368	23,341	0.1%	-0.1%	0.2%

Gross profit of the Industrial Applications Business Unit was equal to **€11.9 million** in the third quarter of 2016, up by 11.1% compared to €10.7 million in the corresponding quarter of 2015; the **gross margin** increased from 45.7% to **50.7%**. The growth, although facing unchanged sales, was due to a different product mix, as well as to the strong contribution of the gas purification business.

Operating income of the Industrial Applications Business Unit was equal to **€6.2 million**, compared to €5.9 million in the third quarter of 2015 (+4.1%); the **operating margin** increased from 25.4% to **26.4%**: the increase in gross margin was partly offset by the increased sales expenses (in particular, agent fees) related to the different product mix.

Shape Memory Alloys (SMA) Business Unit

Consolidated revenues of the Shape Memory Alloys Business Unit were equal to **€17.9 million** in the third quarter of 2016, showing an **organic increase of +0.9%**, compared to €17.8 million in the corresponding period of 2015. The exchange rate effect was negative and equal to -0.4%.

The medical SMA segment (SMA Medical Applications Business) recorded an organic growth equal to +3%, thanks to increased sales of Nitinol high value added components, compared to lower sales of raw materials. Instead, the industrial SMA segment (SMA Industrial Applications Business) recorded an organic decrease (-12.8%), mainly due to the temporary slowdown of sales in the luxury goods market, only partially offset by the increased sales in the automotive sector.

The table below shows the revenues in the third 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	3 rd quarter 2016	3 rd quarter 2015	Total difference (%)	Organic change (%)	Exchange rate effect (%)
SMA Medical Applications	15,800	15,406	2.6%	3.0%	-0.4%
SMA Industrial Applications	2,062	2,367	-12.9%	-12.8%	-0.1%
Shape Memory Alloys	17,862	17,773	0.5%	0.9%	-0.4%

Gross profit of the Shape Memory Alloys Business Unit was equal to **€7.4 million (41.6% of consolidated revenues)** in the third quarter of 2016, compared to €7.1 million (39.9% as a percentage of revenues) in the corresponding period of 2015. The increase was attributable to the SMA medical sector, and in particular to the higher sales of Nitinol high value added components.

Operating income of the Shape Memory Alloys Business Unit amounted to **€4.8 million (27.1% of consolidated revenues)**, up (+3.4%) compared to €4.7 million (26.4% of consolidated revenues) in the third quarter of 2015, thanks to the increased gross margin of the SMA medical sector.

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 third quarter of 2016 **consolidated revenues** amounted to **€0.3 million, up by 23.3%** compared to €0.2 million in the corresponding period of 2015, thanks to increased sales of moisture absorber functional polymers for the OLEDs applications, confirming the trend already recorded in the previous quarters. The exchange rate effect was negative and equal to -0.3%, net of which the revenues would have increased by +23.6%.

Gross profit was equal to **€31 thousand (12% of consolidated revenues)** in the third quarter of 2016, compared to a gross loss equal to -€99 thousand in the third quarter of 2015. The improvement was mainly due to the increased sales of functional polymers.

Operating result was negative and equal to **-€4.8 million**, compared to a negative figure equal to -€4.7 million in the third quarter of 2015; the difference was mainly due to higher consultant fees for research projects.

Consolidated gross profit amounted to **€19.3 million** in the third quarter of 2016, **up by 9.3%** compared to €17.7 million in the corresponding quarter of 2015. The growth was mainly due to the increase in **gross margin** (from 42.8% in the third quarter of 2015 to **46.5%** in the current period), mainly driven by the gas purification business and by the medical SMA segment.

Consolidated operating income amounted to **€6.2 million (15% of consolidated revenues)** in the quarter, **up (+5.1%)** compared to €5.9 million in the corresponding period of the previous year (14.3% of consolidated revenues): the increase in the gross margin was partially absorbed by the increase in operating expenses (in particular, increased consultant fees for research activities and higher selling expenses related to the different product mix).

Consolidated EBITDA was equal to **€8.5 million** (20.5% as a percentage of revenues) in the third quarter of 2016, **up by 4.3%** compared to €8.1 million (19.7% of consolidated revenues) in the corresponding quarter of 2015, mainly driven by the gas purification sector, as well as by the SMA business for medical applications.

EBITDA		
Thousands of euro		
	3rd quarter 2016	3rd quarter 2015
Operating income (loss)	6,218	5,914
Depreciation & Amortization	2,103	2,106
Write-down	0	98
Other	164	18
EBITDA	8,485	8,136
% on sales	20.5%	19.7%

The net balance of **financial income and expenses** was negative and equal to **-€0.3 million**, unchanged compared to the previous year, and it mainly included interest expenses on loans, both short and long term ones, held by the Parent Company and by the US subsidiary Memry Corporation, in addition to the bank fees related to the credit lines held by SAES Getters S.p.A.

The loss deriving from the **evaluation with the equity method** of the joint ventures totally amounted to **-€0.8 million** (compared to -€0.5 million in the corresponding period of the previous year) and was mainly attributable to the joint venture Actuator Solution (-€0.7 million), while the joint venture SAES RIAL Vacuum S.r.l. ended the quarter substantially at breakeven (-€0.1 million).

The sum of the **exchange rate differences** recorded a balance **close to zero** both in the third quarter of 2016 (+€37 thousand) and in the third quarter of 2015 (-€6 thousand).

Consolidated income before taxes amounted to **€5.2 million** in the third quarter of 2016, showing a slight increase (**+2.5%**) compared to an income before taxes of €5.1 million in the third quarter of 2015.

Income taxes amounted to **€1.6 million** in the quarter, compared to €1.3 million in the corresponding quarter of the previous year.

The third quarter of 2016 ended with a **consolidated net income** equal to **€3.6 million** (8.7% of revenues), in line with a consolidated net income equal to €3.8 million (9.1% of revenues) recorded in the corresponding period of the previous year.

The **net financial position** was negative and equal to **-€19.4 million** as at September 30, 2016, compared to -€19.5 million as at June 30, 2016.

Within the cash flow from operating activities (+€1.2 million), the self-financing was partially absorbed by the increase in the working capital, mainly due to an increase in the stock of the gas purification sector, in anticipation of the sales of the fourth quarter of the year. The outflows for investments in tangible and intangible assets were equal to -€0.9 million, while the exchange rate effect was substantially null in the current quarter.

January – September 2016

Consolidated revenues amounted to **€131.3 million** in the first nine months of 2016, **up by 6.6%** compared to €123.1 million in the corresponding period of 2015. The currency trend led to an **exchange rate effect equal to zero**.

Revenues of the Industrial Applications Business Unit were equal to €77.3 million, up by 2.8% compared to €75.2 million in the first nine months of 2015. The exchange rate effect was slightly positive, equal to +0.1%, net of which the organic growth was equal to 2.7%, driven by the security & defense market and by the gas purification sector, the latter showing an organic increase equal to 3.7%, despite it was penalized by the postponement of some deliveries for an amount of about €2.4 million.

The Shape Memory Alloys Business Unit ended the first nine months of 2016 with consolidated revenues equal to €53.3 million, up by 13.3% compared to €47 million in the first nine months of 2015 (with a slightly negative exchange rate effect equal to -0.2% and an organic growth of 13.5%). Both segments, the medical and industrial ones, recorded a significant organic growth, equal to +12.1% in the medical segment and to +23.3% in the industrial one.

Total revenues of the Group were equal to **€138.2 million** in the first nine months of 2016, compared to €129 million in the first nine months of 2015 (with an increase of 7.1%).

Consolidated gross profit amounted to **€59.3 million** in the first nine months of 2016, compared to €52.7 million in the corresponding period of 2015: the 12.5% increase was the result of both the increase in the volumes sold and of the improvement in the **gross margin** (from 42.8% to **45.1%**) in both the Business Units.

Consolidated operating income amounted to **€18.1 million (13.8% of consolidated revenues)** in the first nine months of 2016, up by 23.4% compared to €14.7 million in the corresponding period of the previous year (11.9% of consolidated revenues). The improvement in the operating indicators compared to the previous year was made possible by the increase in revenues and in the gross margin, with an unchanged incidence of the operating expenses compared to the previous year (30.7%).

Consolidated EBITDA amounted to **€24.6 million** in the first nine months of 2016 (**18.7% of revenues**) compared to €21.4 million in the same period of 2015 (equal to 17.4% of revenues).

By excluding the cost of €0.4 million⁶ following the signature of a settlement agreement for the definition of the environmental dispute regarding the compensation for the environmental damages and the water and below sediment purification of the Onondaga Lake (NY-USA), the **adjusted EBITDA**⁷ was equal to **€25 million**, equal to **19.1% of consolidated revenues**, thanks in particular to the strong contribution of the third quarter of 2016.

⁶ In addition to the accrual of €0.7 million accounted for at the end of 2015.

⁷ The term “adjusted EBITDA” means the EBITDA itself, further rectified in order to exclude non recurring amounts that in any case are not considered meaningful for the current operating performance by the Management. Since its determination is not regulated by the IFRS Standards, the method adopted by SAES Group could be non homogeneous, and therefore comparable, with that adopted by other groups.

EBITDA

Thousands of euro

	September 2016	September 2015
Operating income (loss)	18,144	14,704
Depreciation & Amortization	6,253	6,273
Write-down	37	109
Other	164	295
EBITDA	24,598	21,381
% on sales	18.7%	17.4%
Settlement agreement Onondaga Lake	431	n.a.
EBITDA adjusted	25,029	n.a.
% on sales	19.1%	

The balance of the **other net income (expenses)** was negative and equal to **-€0.8 million**, compared to -€0.1 million in the first nine months of 2015. The negative change was mainly due to the above mentioned cost related to the signature of a settlement agreement for the purification of the Onondaga Lake (€0.4 million) and to the cost related to the purchase, from Polyera Corporation, of a license on 50% of the OLET technology jointly developed by the Group with Polyera itself (€0.2 million).

The net balance of **financial income and expenses** was negative and equal to **-€1 million**, showing an improvement compared to -€1.1 million in the corresponding period of 2015 thanks to lower interest expenses on the short term loans held by the Parent Company, which decreased thanks to the progressive improvement of the consolidated net financial position.

The loss deriving from the **evaluation with the equity method** of the joint ventures totally amounted to **-€2 million** (compared to -€1.5 million in the corresponding period of the previous year). This loss was mainly attributable to the joint venture Actuator Solutions, while the joint venture SAES RIAL Vacuum S.r.l. ended the first nine months of 2016 substantially at breakeven.

The sum of the **exchange rate differences** recorded a negative balance of **-€0.2 million** in the first nine months of 2016, compared to a positive balance of +€1.1 million in the first nine months of 2015. The positive balance of the previous year was mainly due to the foreign exchange gains (€1.9 million) following the partial release into the income statement of the translation reserve generated by the consolidation of SAES Getters (Nanjing) Co., Ltd., following the partial reduction of the share capital of the Chinese subsidiary and its reimbursement to the Parent Company. These exchange rate gains were partially offset by both monetary and non-cash losses (for a total amount of -€0.9 million) related to the forward contracts entered to hedge commercial transactions in dollars and yen.

Income before taxes amounted to **€15 million** in the first nine months of 2016, **up by 12.9%** compared to € 13.3 million in the first nine months of 2015.

Income taxes amounted to **€5.9 million** in the first nine months of 2016, compared to €5.4 million in the corresponding period of 2015. The **Group's tax rate** was equal to **39.3%**, compared to 40.7% in the corresponding period of 2015: the slight improvement of the tax rate was the result of some tax refunds received by the Italian companies and related to taxes expensed in previous years.

Consolidated net income amounted to **€9.1 million (6.9% of consolidated revenues)** in the first nine months of 2016, **up by 15.6%** compared to a net income of €7.9 million in the first nine months of 2015.

In the first nine months of 2016 the net income per ordinary share amounted to €0.4064, while that per savings share was equal to €0.4230; in the first nine months of the previous year the net income amounted to €0.3508 per ordinary share and €0.3674 per savings share.

Consolidated statement of profit or loss

Thousands of euro

	September 2016	September 2015
Total net sales	131,321	123,143
Cost of sales	(72,049)	(70,480)
Gross profit	59,272	52,663
R&D expenses	(10,795)	(10,117)
Selling expenses	(10,727)	(9,994)
G&A expenses	(18,838)	(17,742)
Total operating expenses	(40,360)	(37,853)
Other income (expenses), net	(768)	(106)
Operating income (loss)	18,144	14,704
Interest and other financial income, net	(1,019)	(1,103)
Income (loss) from equity method evaluated companies	(1,973)	(1,458)
Foreign exchange gains (losses), net	(187)	1,108
Income (loss) before taxes	14,965	13,251
Income taxes	(5,881)	(5,393)
Net income (loss) from continued operations	9,084	7,858
Income (loss) from assets held for sale and discontinued operations	0	0
Net income (loss) before minority interest	9,084	7,858
Net income (loss) pertaining to minority interest	0	0
Net income (loss) pertaining to the Group	9,084	7,858

Consolidated statement of other comprehensive income

Thousands of euro

	September 2016	September 2015
Net income (loss) for the period	9,084	7,858
Exchange differences on translation of foreign operations	(2,524)	7,272
Exchange differences on equity method evaluated companies	(72)	6
Total exchange differences	(2,596)	7,278
Total components that will be reclassified to the profit (loss) in the future	(2,596)	7,278
Total components that will not be reclassified to the profit (loss) in the future	0	0
Reversal of currency conversion reserve after the reduction of the share capital of the subsidiaries	0	(1,877)
Total components that have been reclassified to the profit (loss)	0	(1,877)
Other comprehensive income (loss), net of taxes	(2,596)	5,401
Total comprehensive income (loss), net of taxes	6,488	13,259
<i>attributable to:</i>		
- Equity holders of the Parent Company	6,488	13,259
- Minority interests	0	0

Consolidated Income (Loss) per Share

Euro

	September 2016	September 2015
Net income (loss) per ordinary share	0.4064	0.3508
Net income (loss) per savings share	0.4230	0.3674

Consolidated Net Sales by Business

Thousands of euro (except %)

Business	September 2016	September 2015	Total difference (%)	Organic change (%)	Exchange rate effect (%)
Electronic & Photonic Devices	11,107	9,986	11.2%	10.8%	0.4%
Sensors & Detectors	10,897	8,274	31.7%	32.7%	-1.0%
Light Sources	5,753	7,161	-19.7%	-20.4%	0.7%
Vacuum Systems	5,150	6,169	-16.5%	-17.1%	0.6%
Thermal Insulation	3,942	4,553	-13.4%	-15.2%	1.8%
Pure Gas Handling	40,404	39,025	3.5%	3.7%	-0.2%
Industrial Applications	77,253	75,168	2.8%	2.7%	0.1%
SMA Medical Applications	46,281	41,348	11.9%	12.1%	-0.2%
SMA Industrial Applications	6,994	5,675	23.2%	23.3%	-0.1%
Shape Memory Alloys	53,275	47,023	13.3%	13.5%	-0.2%
Business Development	793	952	-16.7%	-16.6%	-0.1%
Total Net Sales	131,321	123,143	6.6%	6.6%	0.0%

Consolidated Net Sales by Geographic Location of Customer

Thousands of euro

Geographic Area	September 2016	September 2015
Italy	1,153	1,518
European countries	22,243	24,320
North America	63,040	56,463
Japan	4,297	4,331
South Korea	6,187	9,077
China	13,672	11,183
Rest of Asia	19,589	13,598
Rest of the World	1,140	2,653
Total Net Sales	131,321	123,143

Total revenues of the Group

Thousands of euro

	September 2016	September 2015	Difference
Consolidated sales	131,321	123,143	8,178
50% sales of the joint venture Actuator Solutions	6,962	6,336	626
49% sales of the joint venture SAES RIAL Vacuum S.r.l.	537	0	537
Intercompany eliminations and other adjustments	-571	-431	-140
Total revenues of the Group	138,249	129,048	9,201

Consolidated statement of profit or loss by Business Unit

Thousands of euro

	Industrial Applications		Shape Memory Alloys		Business Development & Corporate Costs		TOTAL	
	September 2016	September 2015	September 2016	September 2015	September 2016	September 2015	September 2016	September 2015
Total net sales	77,253	75,168	53,275	47,023	793	952	131,321	123,143
Cost of sales	(39,684)	(39,630)	(31,683)	(29,857)	(682)	(993)	(72,049)	(70,480)
Gross profit (loss)	37,569	35,538	21,592	17,166	111	(41)	59,272	52,663
Operating expenses and other income (expenses)	(17,364)	(15,602)	(7,992)	(7,730)	(15,772)	(14,627)	(41,128)	(37,959)
Operating income (loss)	20,205	19,936	13,600	9,436	(15,661)	(14,668)	18,144	14,704

Actuator Solutions

Actuator Solutions GmbH is 50% jointly owned by SAES and Alfmeier Präzision, a German group operating in the fields of electronics and advanced plastic materials. This joint venture, which consolidates its wholly owned subsidiary Actuator Solutions Taiwan Co., Ltd., is focused on the development, production and distribution of innovative actuators using shape memory alloys, in place of engines.

Actuator Solutions recorded net revenues equal to €13.9 million in the first nine months of 2016; its turnover, mainly attributable to the seat comfort business (valves based on the SMA technology and used in the lumbar control systems of car seats), increased by 9.9% compared to €12.7 million in the first nine months of 2015, thanks to the increasing use of lumbar control systems on an increasing number of car models. In addition, please note that in the third quarter of 2016 the AF (autofocus) system for application in high-end action cameras recorded its first sales. Revenues were still immaterial, however Actuator Solutions recently secured a contract for the delivery of some million units during the next twelve months.

The net result of the period was negative for -€3.6 million, compared to a loss of -€2.9 million as at September 30, 2015: the worsening was due both to the decreasing gross margin in the seat comfort sector (in turn, due not only to decreasing unit prices, but also to the still low yield of the new lines related to the expansion of the production capacity, as well as to the reduction of the production costs that were at full operating speed only since the last weeks of September) and to higher research, development and prototyping expenses for autofocus (AF) actuators, to be applied mainly in the mobile sector.

Thousands of euro

Actuator Solutions (100%)	September 2016	September 2015
Total net sales	13,924	12,672
Cost of sales	(15,026)	(13,106)
Gross profit	(1,102)	(434)
Total operating expenses	(3,804)	(2,904)
Other income (expenses), net	272	194
Operating income	(4,634)	(3,144)
Interests and other financial income, net	(190)	(246)
Foreign exchange gains (losses), net	174	(24)
Income taxes	1,034	498
Net income (loss)	(3,616)	(2,916)

The **share of the SAES Group** in the result of the joint venture amounted to **-€1.8 million** in the first nine months of 2016 (-€1.5 million in the corresponding period of the previous year).

Actuator Solutions - SAES Group interest (50%)

Thousands of euro

Statement of profit or loss	3rd quarter 2016	3rd quarter 2015
Total net sales	2,468	2,384
Cost of sales	(2,683)	(2,357)
Gross profit	(215)	27
Total operating expenses	(761)	(508)
Other income (expenses), net	69	57
Operating income	(907)	(424)
Interests and other financial income, net	(48)	(43)
Foreign exchange gains (losses), net	69	(111)
Income taxes	170	53
Net income (loss)	(716)	(525)
Exchange differences	(61)	107
Totale comprehensive income (loss) for the period	(777)	(418)
Statement of profit or loss	September 2016	September 2015
Total net sales	6,962	6,336
Cost of sales	(7,513)	(6,553)
Gross profit	(551)	(217)
Total operating expenses	(1,902)	(1,452)
Other income (expenses), net	136	97
Operating income	(2,317)	(1,572)
Interests and other financial income, net	(95)	(123)
Foreign exchange gains (losses), net	87	(12)
Income taxes	517	249
Net income (loss)	(1,808)	(1,458)
Exchange differences	(72)	6
Totale comprehensive income (loss) for the period	(1,880)	(1,452)
Statement of financial position	September 30, 2016	December 31, 2015
Non current assets	4,870	4,130
Current assets	2,208	2,448
Total Assets	7,078	6,578
Non current liabilities	3,167	740
Current liabilities	2,416	3,462
Total Liabilities	5,583	4,202
Capital Stock, Reserves and Retained Earnings	3,375	4,270
Net income (loss) for the period	(1,808)	(1,843)
Other comprehensive income (loss) for the period	(72)	(51)
Total Equity	1,495	2,376

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 research laboratories worldwide.

In particular, on December 23, 2015 SAES Getters S.p.A. acquired by Rodofil s.n.c. a first tranche, equal to 10% of the newco SAES RIAL Vacuum S.r.l., while the acquisition of a further 39% was finalized on January 19, 2016⁸.

The aim of the joint venture is to create an Italian technological and manufacturing hub of the highest level, for the design and production of integrated vacuum systems for accelerators and for the research field, as well as for industrial systems and devices. The joint venture will combine 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 of successfully competing in the international markets.

SAES RIAL Vacuum S.r.l. ended the first nine months of 2016 with sales equal to €1.1 million and a loss equal to -€0.3 million, the latter related to some organization and integration expenses that are typical of any company in its start-up phase.

Thousands of euro	
SAES RIAL Vacuum S.r.l. (100%)	September 2016
Total net sales	1,074
Cost of sales	(1,164)
Gross profit	(90)
Total operating expenses	(176)
Other income (expenses), net	(52)
Operating income (loss)	(318)
Interests and other financial income, net	0
Foreign exchange gains (losses), net	(12)
Income taxes	0
Net income (loss)	(330)

The **share of the SAES Group** in the result of this joint venture amounted to **-€0.2 million** in the first nine months of 2016.

⁸ Please note that percentage of 49% 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.

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

Thousands of euro

Statement of profit or loss	3rd quarter 2016
Total net sales	264
Cost of sales	(279)
Gross profit	(15)
Total operating expenses	(33)
Other income (expenses), net	(26)
Operating income	(74)
Interests and other financial income, net	1
Foreign exchange gains (losses), net	(6)
Income taxes	0
Net income (loss)	(79)
Statement of profit or loss	September 2016
Total net sales	537
Cost of sales	(582)
Gross profit	(45)
Total operating expenses	(88)
Other income (expenses), net	(26)
Operating income (loss)	(159)
Interests and other financial income, net	0
Foreign exchange gains (losses), net	(6)
Income taxes	0
Net income (loss)	(165)
Statement of financial position	September 30, 2016
Non current assets	80
Current assets	549
Total Assets	629
Non current liabilities	141
Current liabilities	432
Total Liabilities	573
Capital Stock, Reserves and Retained Earnings	221
Net income (loss) for the period	(165)
Total Equity	56

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	3 rd quarter 2016					
	Consolidated profit or loss	50% Actuator Solutions	Intercoy eliminations & other adjustments	49% SAES RIAL Vacuum S.r.l.	Intercoy eliminations & other adjustments	Total profit or loss of the Group
Total net sales	41,489	2,468	(196)	264	(19)	44,006
Cost of sales	(22,177)	(2,683)	196	(279)	19	(24,924)
Gross profit	19,312	(215)	0	(15)	0	19,082
Total operating expenses	(13,145)	(761)		(33)		(13,939)
Other income (expenses), net	51	69		(26)		94
Operating income (loss)	6,218	(907)	0	(74)	0	5,237
Interest and other financial income, net	(282)	(48)		1		(329)
Income (loss) from equity method evaluated companies	(795)		716		79	0
Foreign exchange gains (losses), net	37	69		(6)		100
Income (loss) before taxes	5,178	(886)	716	(79)	79	5,008
Income taxes	(1,564)	170		0		(1,394)
Net income (loss) from continued operations	3,614	(716)	716	(79)	79	3,614
Income (loss) from assets held for sale and discontinued operations	0	0		0		0
Net income (loss) before minority interest	3,614	(716)	716	(79)	79	3,614
Net income (loss) pertaining to minority interest	0					0
Net income (loss) pertaining to the Group	3,614	(716)	716	(79)	79	3,614

Total statement of profit or loss of the Group

Thousands of euro

Total statement of profit or loss of the Group Thousands of euro	September 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	131,321	6,962	(548)	537	(23)	138,249
Cost of sales	(72,049)	(7,513)	548	(582)	22	(79,574)
Gross profit	59,272	(551)	0	(45)	(1)	58,675
Total operating expenses	(40,360)	(1,902)		(88)	1	(42,349)
Other income (expenses), net	(768)	136		(26)		(658)
Operating income (loss)	18,144	(2,317)	0	(159)	0	15,668
Interest and other financial income, net	(1,019)	(95)		0		(1,114)
Income (loss) from equity method evaluated companies	(1,973)		1,808		165	0
Foreign exchange gains (losses), net	(187)	87		(6)		(106)
Income (loss) before taxes	14,965	(2,325)	1,808	(165)	165	14,448
Income taxes	(5,881)	517		0		(5,364)
Net income (loss) from continued operations	9,084	(1,808)	1,808	(165)	165	9,084
Income (loss) from assets held for sale and discontinued operations	0	0		0		0
Net income (loss) before minority interest	9,084	(1,808)	1,808	(165)	165	9,084
Net income (loss) pertaining to minority interest	0					0
Net income (loss) pertaining to the Group	9,084	(1,808)	1,808	(165)	165	9,084

Significant events occurred after the end of the quarter

Following the decease of Dr Pier Francesco Sportoletti, Dr Angelo Rivolta (formerly Minority Deputy Statutory Auditor) is the new Chairman of the Board of Statutory Auditors, according to the Company's By-Laws.

The new Board of Statutory Auditors of SAES Getters S.p.A. is composed by the following members: Dr Angelo Rivolta (Chairman of the Board of Statutory Auditors), Avv. Vincenzo Donnamaria (Effective Statutory Auditor), Dr Sara Anita Speranza (Effective Statutory Auditor), Dr Anna Fossati (Deputy Statutory Auditor). The next Shareholders' Meeting will be called to integrate the Board of Statutory Auditors as required by the current regulations, in order to be compliant with the principles of equitable representation of the minorities and according to the current regulations related to the gender balance in the corporate bodies of listed companies, as envisaged by the Law no.120/2011.

On October 10, 2016 SAES Getters S.p.A., following the agreement signed on July, 29, 2016, acquired from Mirante S.r.l. a 70% majority interest in the share capital of Metalvuoto S.p.A., based in the province of Monza Brianza, a well-established player in the field of advanced packaging, producing metalized and innovative plastic films for food preservation. Thanks to such acquisition, SAES, that already cooperated with Metalvuoto S.p.A. in testing the application of SAES' functional polymer composites on the plastic films for food preservation made by Metalvuoto S.p.A., aims at competing in the "smart" food packaging sector, entering the market with a complete and innovative range of products, thanks to the development of high performance active plastics, characterized by transparency, biocompatibility and a reduced environmental impact.

SAES Getters S.p.A. acquired 70% of Metalvuoto S.p.A. for a price based on a multiple of the EBITDA, adjusted according to predefined financial parameters (including the net financial position and the value of the finished goods inventory). Such price, which will be exactly calculated only once the financial statements at the date of the closing will be available, is estimated to be in the range of €5.5 million.

The initial advance payment, equal to €1.5 million, was already paid to Mirante S.r.l. by SAES on July 29, 2016, upon signature of the purchasing agreement; an additional €2 million had been paid at the closing date (October 10, 2016), while the balance will be paid within one month after the closing date, as soon as the financial statements at the closing date and the above mentioned adjustment parameters related to the price have been defined.

A *put* and *call* option between the shareholders have been provided, to be exercised starting from the twelfth month and within eighteen months from the date of the closing, for the acquisition of the remaining 30% of the share capital of Metalvuoto by SAES, for a predetermined price, calculated with a similar method as for the 70% first purchase. In case the option is not exercised in the agreed terms, SAES is committed to acquire the remaining 30% of the share capital of the company within twenty-four months.

As set out within the shareholders' agreements that govern the relationship between the parties of the company in its new shareholding structure, the new Board of Directors of Metalvuoto S.p.A is composed by three members, two of which nominated by the controlling company SAES, including the Managing Director; the minority shareholder, Mirante S.r.l., is represented by the third member, the Chairman of the Board itself, namely the founder Eng. Giovanni Ronchi.

Business outlook

We expect the fourth quarter of 2016 to be particularly strong, thanks also to the contribution of the newly acquired Metalvuoto S.p.A., whose revenues and results will be entirely consolidated.

The Group significantly relies on this acquisition to secure its future growth in the innovative market of active packaging.

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.

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

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

Lainate, Milan - Italy, November 10, 2016

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