2003 Interim Consolidated Financial Statements for the Six Months Ending June 30, 2003

SAES Getters S.p.A.
Capital Stock Euro 12,220,000 fully paid-in

Corporate Headquarters:
Viale Italia, 77 – 20020 Lainate (Milan) – ITALY

Registered with the Milan Court
Companies Register no. 00774910152

Summary

Letter to Shareholders

Dear Shareholders,

Over the last fifty years we have built our global leadership in all applications related to vacuum technology, gas purification and analysis. Our leadership is built on elements, unique to our company, such as original research, strong intellectual property protection, fine ethics in the entrepreneurial management and, particularly, deep scientific and technological knowledge in a global approach always careful to customers' needs.

Nowadays contingent factors such as the unfavorable trend of some exchange rates, compounded with the crisis of some markets we supply, are offsetting our results. Nevertheless, our sound financial position in addition to our scientific and human assets let us have confidence in our future.

The knowledge so far developed is so wide that it allows us to expand our interests into new markets and applications beyond the vacuum technology. It's by taking advantage of our competences that we can broaden the field of our activities and grant the growth to the SAES Getters Group. In this background we have carefully studied new strategies and conceived a new Vision:

"To expand our business and become global leader in niches of advanced material market exploiting our core competences in metallurgy and other sophisticated material science technologies".

In line with this new vision we have launched new projects for business diversification, which enables us to enter, with advanced components, into markets with high technological contents, with high added value and with a high growth potential such as the photonic, the automotive and the communication industries.

Lainate (Milan), September 24, 2003

Massimo della Porta
Vice President, Managing Director
and Group CEO

Notes to the Consolidated Financial Statements for the Six Months Ending June 30, 2003

General Information on Operations

Sales and Economic Results for the Period Ended on June 30, 2003

Consolidated net sales for the first half of 2003 amounted to €60,350 thousand, compared to €70,730 thousand in the same period of the previous year (-14.7%). This decrease was mainly due to the strengthening of the euro against other major currencies (-16.2%), which was only offset in part by the positive price/quantity effect (+1.5%). In particular, we should mention the increases registered in terms of price/quantity principally within the *Light Sources*, *Electronic Devices & Flat Panels* and *Facilities Technologies* Business Areas, partially counteracted by decreases in sales within the *Display Devices*, *Vacuum System & Thermal Insulation*, *Pure Gas Technologies* and *Analytical Technologies* Business Areas.

The table below provides a breakdown of 2003 and 2002 interim sales, broken down by *Aggregate* and by *Business Area*.

Business Area (thousands of euro)	June 30, 2003	June 30, 2002	Total difference (%)	Price/ Quantity effect (%)	Exchange rate effect (%)
Display Devices	23,454	30,598	(23.3%)	(6.2%)	(17.1%)
Light Sources	14,971	13,525	10.7%	23.0%	(12.3%)
Electronic Devices & Flat Panels	6,032	6,124	(1.5%)	10.2%	(11.7%)
Vacuum Systems & Thermal Insulation	2,329	3,493	(33.3%)	(17.3%)	(16.0%)
Subtotal Components Aggregate	**46,786**	**53,740**	**(12.9%)**	**1.9%**	**(14.8%)**
Pure Gas Technologies	5,223	7,253	(28.0%)	(8.4%)	(19.6%)
Analytical Technologies	3,020	5,157	(41.4%)	(20.3%)	(21.1%)
Facilities Technologies	5,192	4,476	16.0%	39.0%	(23.0%)
Subtotal Equipment Aggregate	**13,435**	**16,886**	**(20.4%)**	**0.9%**	**(21.3%)**
Other sales	129	104	24.0%	27.9%	(3.9%)
Total net sales	**60,350**	**70,730**	**(14.7%)**	**1.5%**	**(16.2%)**

The Group's Components Aggregate recorded net sales of €46,786 thousand, down €6,954 thousand (-12.9%) compared to the first half of 2002. This decrease was due primarily to a negative exchange rate effect triggered by the strengthening of the euro against other major currencies (-14.8%). We should also highlight the decline in sales of getters used by the cathode ray tube market. This was mainly due to the liquid crystal displays replacement in the computer monitor segment and to economic slowdown, as well as to a falloff in sales within the Vacuum Systems & Thermal Insulation Business Area, which in the first half of the year 2002 included sales relating to an order of supply getter pumps for particle accelerators. On the other hand, we should highlight the rise in sales volumes of mercury dispensers for cold cathode fluorescent lamps for back-lighting of liquid crystal displays (used for both TV and computer monitors), which encouraged a rise in turnover for the Light Sources Business Area. Also worthy of mention was the sales increase recorded for products used for applications contained in electronic devices and new flat displays.

Net sales of the Equipment Aggregate totalled €13,435 thousand, showing a decrease of €3,451 thousand (-20.4%) compared to the first half of 2002. The decrease was primarily due to the lower sales of gas purification systems and gas analysers seen following limited investments within the semiconductor industry, due to the industry's failure to get back off the ground. The strengthening of the euro relative to the US dollar caused a negative exchange rate equal to 21.3%.

There was a €1,727 thousand difference between production value and production costs in the first half of 2003, which was down on the €4,714 thousand reported for the same period of the year 2002. This decrease was mainly imputable to a contraction in turnover (in turn due essentially to the strengthening of the euro), which was seen in both Aggregates and only partially made good by more effective cost control measures. We must also mention the increase undergone by legal costs relating to the lawsuit with Aeronex, Inc., which was subsequently resolved with the approval of a settlement agreement, as referred to in the section "Events subsequent to the Date of the Financial Statements. Business Performance Outlook".

The positive net balance between financial income and financial charges increased from €332 thousand in the first half of 2002 to €947 thousand in the first half of 2003. In particular, financial income, net of positive exchange difference, totalled €1,007 thousand in the first half of 2003, which was slightly lower than €1,158 thousand recorded for the same period of 2002 due to lower interest rates. Financial charges, net of exchange-rate differences, amounted to €325 thousand in the first half of 2003, down compared to €511 thousand recorded for the same period of the previous year, thanks to lower interest rates and lower levels of borrowing.

During the first half of the year, the net exchange position registered a positive balance of €265 thousand, against a negative balance of €315 thousand in the first half of 2002. In order to protect margins from possible fluctuations in exchange rates, a number of Group companies took out hedging contracts.

In the first half of 2003, no adjustments were made to the value of financial assets. In the first half of 2002, a negative balance of €35 thousand was instead reported.

Net extraordinary losses amounted to €603 thousand, compared with €2 thousand in the first half of 2002. Please note the inclusion, during the first half of 2003, of extraordinary charges relating to the parent company's entering into a tax amnesty to the order of €786 thousand.

Income taxes amounted to €1,698 thousand, compared to €1,209 thousand in the first half of 2002. Taxes increased from 24.1% of pre-tax profits in the first half of the year 2002 to 82.0% in the first half of the year 2003, principally due to a change in contributions from loss-making Group companies: deferred tax assets were not set aside in respect of some of these companies, due to uncertainty as to their actually being recovered. Please also note that there was a rise in the tax rate for some Group companies.

Consolidated net profit for the first half of 2003 amounted to €373 thousand, against €3,800 thousand for the same period of 2002, or 0.6% of consolidated sales.

The result posted for the first half of 2003 included depreciation of tangible assets and amortization of intangible assets totalling €7,506 thousand versus €7,374 thousand in the first half of 2002 and research costs amounting to €8,520 thousand (14.1% of net sales) versus €6,734 thousand in the first half of 2002 (9.5% of net sales). Research costs were expensed as incurred during the period. Please note that research costs include expenses relating to the lawsuit with Aeronex, Inc. for the protection of intellectual property.

The parent company arranged for the independent auditing firm PricewaterhouseCoopers S.p.A. to carry out limited auditing of the consolidated accounts and explanatory notes accompanying them, as included in the report for the first half of the year 2003.

<u>Cash Flow – Financial Position – Investments</u>

Net profit reported for the period, in addition to tangible assets depreciation and intangible assets amortization, generated cash flow of €7,879 thousand (€11,174 thousand in the first half of 2002), equal to 13.1% of sales. The decrease was mainly due to the reduction of net profit.

The table below breaks down the various items making up the Group's consolidated financial position (thousands of euro):

	June 30, 2003	December 31, 2002	June 30, 2002
Financial assets:			
Cash and banks	74,461	78,759	67,825
Short term investments	5,196	5,261	7,587
Total current assets	**79,657**	**84,020**	**75,412**
Total medium/long term assets	**0**	**0**	**0**
Total financial assets	**79,657**	**84,020**	**75,412**
Financial liabilities:			
Bank loans	24,065	26,176	25,964
Current portion of medium/long term debt	227	1,218	50
Total current liabilities	**24,292**	**27,394**	**26,014**
Medium/long term debt, net of current portion	1,265	1,336	2,699
Total medium/long term liabilities	**1,265**	**1,336**	**2,699**
Total financial liabilities	**25,557**	**28,730**	**28,713**
Net financial position	**54,100**	**55,290**	**46,699**

The financial position showed a net liquid surplus of €54,100 thousand as of June 30, 2003, comprising financial assets amounting to €79,657 thousand and financial liabilities of €25,557 thousand, against a net liquid surplus of €55,290 thousand as of December 31, 2002.

In the first six months of 2003, investments in tangible assets (net of inter-company transactions) amounted to €4,644 thousand (€7,071 thousand for the same period of 2002). Such investments related in particular to the expansion of productive capacity, improvements to productive efficiency, an increase in laboratory equipment and the revamping of information-system hardware.

Performance of the Parent Company and Subsidiaries

SAES GETTERS S.p.A. – Lainate, Milan (Italy)

In the first half of 2003, the parent company posted turnover of €15,683 thousand (exports accounted for 88%), down €360 thousand from the level recorded in the same period of the previous year (€16,043 thousand). This decrease was principally attributable to the decrease in turnover generated from getters used by cathode ray tube market, due in turn to the strengthening of the euro. The parent company posted a net result for the period of €7,226 thousand, compared to €9,803 thousand as at June 30, 2002 (-26%). The decrease in net profit was mainly attributable to the rise in operating costs and fall in turnover. Please note the inclusion of extraordinary charges following the parent company's entering into a tax amnesty to the order of €786 thousand. Income taxes amounted to €3,695 thousand, equal to 33.8% of the pre-tax result: higher than the 20.9% seen in the first half of 2002, due in part to the presence of non-deductible costs.

SAES ADVANCED TECHNOLOGIES S.p.A. – Avezzano, L'Aquila (Italy)

During the first half of the year, the company generated turnover of €20,466 thousand, compared with €20,578 thousand in the first half of 2002 (-0.5%). Export sales accounted for 87% of total turnover. Worthy of note is the growth in sales for products pertaining to the *Light Sources* Business Area*,* which was offset by the negative exchange rate effect stemming from the strengthening of the euro and the downturn in revenues from the sale of semi-processed items largely used in the production of getters for the cathode ray tube market within the parent company and other production sites within the Group. The company ended the first half with a net profit of €4,321 thousand, compared with €3,756 thousand in the same period of the year 2002. Please note the inclusion, in the first half of 2003, of grants received under a special Territorial Agreement for Marsica area totalling €215 thousand (€88 thousand in the first half of the year 2002).

SAES GETTERS USA, INC. - Colorado Springs (USA)

In the first half of 2003, the company posted consolidated sales of $12 million (€11 million, calculated at the average exchange rate seen in the first half of 2003), against $17 million in the same period of 2002, and a consolidated net profit (based on Italian accounting standards) of $237,000, against a loss of $770,000 in the first half of 2002.

Further comments are provided below.

The US parent company Saes Getters USA, Inc. (products relating to the *Components Aggregate*) generated sales of $7.6 million, compared with sales of US$ 9.9 million in the first half of 2002. The reduction seen was mainly due to a falloff in turnover from the distribution of products pertaining to the *Display Devices* Business Area. The company ended the first half of the year with a net profit of around $379,000, against a net profit of $196,000 in the first half of 2002. The increase seen in interim profits was mainly due to the decrease in operating costs following the restructuring exercises carried out during the first half of 2002, as well as to extraordinary income arising from the computation of amounts receivable from the US tax authorities for refunds due in respect of taxes paid in previous years ($113,000).

The subsidiary company Saes Pure Gas, Inc., based in San Luis Obispo, California (USA) (*Equipment Aggregate*) realised sales of $4.6 million, which represented a sharp decrease on the first half of 2002 ($7.1 million), due to the crisis afflicting the semiconductor industry remaining an ongoing problem. The company ended the first half of 2003 with a net loss of approximately $142,000, after posting a net loss of $966,000 in the same period of the year 2002. The reduction in this loss was due above all to a decrease in staff costs, achieved under the restructuring and reorganization exercise undergone by the *Equipment Aggregate.* Please note also the inclusion of extraordinary income resulting from the computation of amounts receivable from the US tax authorities for refunds due in respect of taxes paid in previous years, amounting to approximately $452,000.

SAES GETTERS JAPAN CO. LTD. - Tokyo (Japan)

First-half net sales totalled yen 1,902 million (€14,503 thousand, based on the average exchange rate seen in the first half of 2003). This was higher than yen 1,665 million recorded in the first half of 2002. Net profit was yen 81 million (approximately €620 thousand), compared with yen 52 million in the same period of 2002. This increase in net profit was mainly due to the increase in turnover. During the first half of 2002, the liquidation of the subsidiary Japan Getters Inc. was completed.

SAES GETTERS SINGAPORE PTE LTD. - Singapore

First-half net sales totalled S$9.5 million (€4,902 thousand, based on the average exchange rate seen in the first half of 2003). This was lower than S$10.4 million recorded in the first half of 2002. The decrease was primarily due to a decrease in the *Display Devices* Business Area. The company posted a net profit for the period of S$264,000 (€137 thousand), which was higher than S$168,000 recorded in the first half of 2002. The rise registered was mainly due to the decrease in selling costs, thanks in part to the restructuring and reorganization undergone by the *Equipment Aggregate* during the course of 2002. Please note that the figures reported include (among other things) amounts pertaining to the branch owned by the company in Hsin Chu (Taiwan).

SAES GETTERS (DEUTSCHLAND) GmbH – Cologne (Germany)

Net sales totalled €3,129 thousand, with a decrease from the first half of 2002 (€4,056 thousand). This decrease was due principally to a lack of turnover from the *Equipment Aggregate,* following the reorganization of the latter's commercial activities in Europe. Net profit for the period amounted to around €110 thousand, compared with €135 thousand in the first half of 2002. Please note that since July 1, 2003, the company has been operating exclusively as an agent for the distribution of products pertaining to the *Components Aggregate*.

SAES GETTERS (GB) LTD. – Daventry (GB)

The company realised sales of GBP 1 million (€1,453 thousand, calculated at the average exchange rate seen in the first half of the year 2003), against GBP 1.5 million in the first half of the year 2002. This decrease was due to the decline undergone by turnover from the *Display Devices* Business Area, as well as to a lack of turnover from the *Equipment Aggregate,* following the reorganization of the latter's commercial activities in Europe. It ended the first half with a net profit of around GBP 64,000 (€93 thousand), against GBP 62,000 in the first half of the year 2002. The rise undergone by net profit was mainly due to the decrease in selling costs, following the restructuring and reorganization undergone by the *Equipment Aggregate* during the course of 2002. Please note that since July 1, 2003, the company has been operating exclusively as an agent for the distribution of products pertaining to the *Components Aggregate*.

SAES GETTERS FRANCE S.a.r.l. - Paris (France)

The above company realised turnover of €1,788 thousand, up on the level reported for the first half of 2002 (€1,352 thousand), thanks to greater sales being generated by the *Components Aggregate* and despite the lack of turnover from the *Equipment Aggregate,* following the reorganization of the latter's commercial activities in Europe. The company posted a net profit for the first six months of the year of approximately €62 thousand, after posting a net profit of around €17 thousand for the same period of 2002. The increase in net profit was mainly attributable to higher turnover. Please note that since July 1, 2003, the company has been operating exclusively as an agent for the distribution of products pertaining to the *Components Aggregate*.

SAES GETTERS INTERNATIONAL LUXEMBOURG S.A. - Luxembourg

During the first half of 2003, the above company - whose main purposes include managing the Group's acquisitions and shareholdings, managing the Group's liquidity in an optimal manner, providing inter-group loans and co-ordinating services for the Group - posted revenues from services of €228 thousand (against €318 thousand in the first half of the year 2002), and a net profit (based on Italian accounting standards) of €3,151 thousand (compared with a net profit of €3,042 thousand in the period to June 30, 2002

The following are comments on the subsidiary companies of Saes Getters International Luxembourg S.A

The subsidiary company Saes Getters Korea Corporation based in Seoul (62.52% owned - rest of capital is held directly by the parent company Saes Getters S.p.A.), mainly operating in the production of getters for the cathode ray tube market, posted turnover for the first half of the year 2003 of Won 12,307 million (€9,247 thousand converted at average exchange rate for the period), compared with turnover of Won 14,484 million in the same period of 2002 (-15%). The first half of 2003 registered net profit, based on Italian accounting standards, of Won 2,958 million (€2,222 thousand), against the net profit of Won 4,224 million seen for the same period of 2002. The decrease undergone by net profit was largely the result of lower turnover, and in part due to a rise in the incidence of taxes on earnings.

The subsidiary Saes Getters Technical Service (Shanghai) Co., Ltd. provides technical support services to companies that operate within the semiconductor industry and use systems for the analysis and monitoring of gases, and also assembles a number of products pertaining to the *Equipment Aggregate*. It ended the period to June 30, 2003 with turnover of RMB 4.1 million (€453 thousand), an improvement on the same period of the year 2002 (RMB 1.1 million). The first half of 2003 ended with a loss, based on Italian accounting standards, of RMB 7,923,344 (€866 thousand), compared with a loss of RMB 4,671,317 for the same period of the year 2002. This greater loss was due to the structure being stronger than it had been during the same period of the previous year, as well as to the costs incurred in getting productive activities up and running. Please note that during the second quarter of the current year, as a result of the deep-rooted crisis that continues to afflict the semiconductor market and the consequent contraction in investment activities, the production of systems for the distribution of pure gases used mainly in the semiconductor industry was put on hold. The company will continue to provide analytical and technical support services for hi-tech industries.

The corporate purposes of the subsidiary company FST Consulting International, Inc., based at San Luis Obispo (California), are to provide insurance and quality control services to the semiconductor industry. The company realised turnover of \$5.7 million (€5,200 thousand, calculated at the average exchange rate seen in the first half of 2003) - compared with \$4.1 million in the same period of the year 2002 - and ended the first half of 2003 with a net loss, based on Italian accounting standards, of roughly \$981,000 (€887 thousand) against a net profit of \$7,000 in the first half of 2002. Although it saw its turnover increase, the company saw its profitability erode, which was principally imputable to a less favourable combination of services provided, which led to a rise in the cost of goods sold and operating expenses. We wish to point out that the profit and loss account for the period includes costs (equal to US\$ 232,000) in respect of the amortization of the goodwill that emerged following the acquisition of the company.

The subsidiary company Molecular Analytics, Inc., based in Sparks, Maryland (USA), is involved in the manufacture and sale of gas impurity analysers, which are used in particular in the semiconductor industry and in a number of industrial processes. During the first half of 2003, the company realised sales of $1.9 million (€1,724 thousand, calculated at the average exchange rate seen in the first half of 2003 - in line with the level recorded for the first half of 2002), ending the period with a loss, based on Italian accounting standards, of around $1,272,000 (€1,152 thousand), against a loss of $897,000 in the first half of 2002. Please note that the profit and loss account for the period includes costs (totalling $464,000) in respect of the amortization of the goodwill that emerged following the acquisition of this company, Trace Analytical, Inc. and PCP, Inc., which have now been incorporated into Molecular Analytics, Inc. itself.

The main purpose of the Dublin-based subsidiary Saes Getters Ireland Limited, which was established on August 2, 2002 and has a share capital of €100 thousand, is to manage the Group's liquidity as efficiently as possible. It ended the first half of 2003 with a net loss of €9 thousand.

NANJING SAES HUADONG GETTERS CO. LTD. – Nanjing (People's Republic of China)

We should remind you that since the first half of 1998, after manufacturing activities got underway, the above company, which produces barium getters for the cathode ray tube market, has been included in the Group's consolidated accounts by the proportional method of accounting. The Group holds a 65% stake in said company. The company is considered a jointly controlled company, since Saes Getters S.p.A. (although it owns 65% of share capital) does not exercise control (pursuant to the provisions of Article 2359 of the Italian Civil Code). During the first half of 2003, the company realised net sales of RMB 47.7 million (€5,214 thousand, based on the average exchange rate seen for the period) – showing an increase compared to RMB 45 million recorded in the same period of the previous year. The company posted a net profit of RMB 16.7 million (€1,831 thousand), compared to the net profit of RMB 15 million posted in the first half of 2002. The increase in net profit is related to the increase of sales linked to the cathode ray tube market.

Research, Development and Innovation Activities

R&D's Corporate Laboratory, situated at the headquarters in Lainate, has continued to engage in the activities already embarked upon in 2002 and broadly described in the year-end report and accounts.

Under the usual co-operation arrangements established with customers, the Corporate Laboratory continued with its study of new displays, in the form of both OLED displays (Organic Light Emitting Diodes), which continue to show the most promising development in the field of flat screens, and PDP displays (Plasma Display Panel), for which a new getter has been developed, assuring customers of improvements from a process perspective. Furthermore, again with regard to the *Electronic Devices & Flat Panels* Business Area, activities continued with the development of new getters placed on silicon wafers for use in MEMS (Micro Electro Mechanical Systems), employed in both the automobile industry and telecoms.

As part of the activities of the *Light Sources* Business Area, co-operation is continuing with large industrial groups for the development of both new fluorescent lamps and amalgams for compact fluorescent lamps.

Thanks to the activities undertaken within the field of analytical instruments, the Group is able to offer a complete range of products. Within the area of purification, operations have continued to support the US-based production unit of SAES Pure Gas, Inc. in the re-engineering of a line of purifiers, the aim being to reduce costs while leaving their functional features unchanged.

In keeping with the new group-wide strategy, intense activities are underway within the following areas for advanced materials:

- materials used in the automotive industry. In particular, we are developing shape memory alloy threads, which will be installed in the actuators (devices/locking systems) of motor vehicles;
- materials used in the photonics industry. This is thanks to the development and production of both stechiometric lithium niobate wafers and Nd:YAG bars, as well as other YAG matrix composites;
- materials used in the semiconductor industry. We are developing metal-organic precursors for the production of FeRAM, DRAM and Gate Oxides based on MOCVD technologies;
- as part of technologies applied to environmental catalysis, activities are continuing – in partnership with an important European group – to develop catalytic systems for the abatement of soot emissions from diesel engines.

We should also point out that, in order to manage the process of innovation, when evaluating the key projects underway, the technique *Stage-Gate®*[1] will be used, duly adapted to meet the company's needs and thereby ensure that the utilization of company resources is effectively and optimally planned.

<u>Transactions with Related Parties</u>

Pursuant to the Requirements issued by CONSOB on February 20, 1997 and Circulars issued on February 27, 1998 and March 2, 1998 respectively, we wish to inform you that, during the first half of 2003, no transactions were undertaken with related parties.

<u>Events Subsequent to the Date of the Financial Statements. Business Performance Outlook</u>

During the month of July, SAES Getters entered an agreement with C.R.F. - Centro Ricerche FIAT – according to which C.R.F. grants a license under its know how and other use rights of applications of the shape memory alloys in the automotive field. C.R.F. will also support SAES Getters in the development of new applications by way of a three-year R&D agreement.

In August 2003 the global settlement agreement between Aeronex, Inc., Jeffrey Spiegelman, SAES Getters S.p.A. and its subsidiary SAES Pure Gas, Inc. was approved by the Court in California, USA to end their patent litigation concerning ammonia and hydride purification. According to the settlement agreement, Aeronex will assign its U.S. Patent No. 6,241,955 to Saes Getters and they will progressively stop manufacturing and marketing purifiers falling under the scope of both U.S. Patents No. 5,716,588 (already owned by Saes Getters S.p.A.) and No. 6,241,955. Until January 31, 2004, Aeronex will be granted a license under both patents in order to assure customers a smooth transition. No party will have to refund any damages request and each party will sustain its own attorney's fees.

It should be noted that, as part of the Group's reorganization and cost-control exercises, measures have been implemented to redefine the activities of its European commercial companies that operate in Germany, France and the United Kingdom. Following this reorganization process and with effect from July 1, 2003, European commercial companies - whilst maintaining their previous legal status – will operate under a leaner organizational set-up.

As mentioned when the quarterly results for the period to June 30, 2003 were approved, dealing in American Depositary Shares ("ADSs"), representing savings shares, was officially interrupted on the NASDAQ Stock Market from July 25, 2003. As required, the necessary voluntary delisting of the ADSs from NASDAQ Stock Market has been completed, with the cancellation of the deposit agreement stipulated with Citibank on July 18, 2003 and the deregistration of the shares themselves. These measures reflected the company's decision to concentrate equity trades in Italy's stockmarket.

The limited number of shareholders, the low volumes traded and the growing internationalization of the equity markets could no longer justify a presence in several markets.

ADS holders will have six months, from July 18 last, to request one savings share (listed on the Italian market) in exchange for each certificate representing one savings share held, net of conversion expenses. Under the terms of the deposit agreement stipulated between Saes Getters and the depositary bank, at the end of the six-month period following its cancellation, Citibank N.A. may sell any ADS outstanding. The proceeds from this operation, net of conversion costs, will be payable to those ADS holders who have not applied for conversion by said deadline.

As a result of a new business strategy being defined, and in order to follow the dynamics of the markets in which the company operates more efficiently, operations have got underway to reorganize a number of business functions.

The trend followed by the *Components Aggregate* is expected to continue through the second half of the year, while more caution is being exercised with regard to projections for the *Equipment Aggregate*.

In the second half of the year, business results will be partly influenced by exchange rates between the euro and other major currencies, in particular the US dollar and the Japanese yen.

[1] *Stage-Gate®* is a registered trademark of Robert G. Coopers & Jens Arleth, Innovation Management U3.

In order to protect business margins from exchange rates fluctuation some of the Group's companies entered into hedging contracts. Such transactions relate specifically to the hedging of the fluctuation of the Japanese yen, in relation to receivables in place as at June 30, 2003 as well as to sales in Japanese yen to be realised during the second half of 2003.

Accounting Principles

As no changes occurred, accounting principles and consolidation practices applied in the preparation of the present 2003 half-year report are in line with those applied in the consolidated financial statements for the fiscal year 2002 to which we refer.

Notes to the Consolidated Balance Sheet

(amounts in thousands of euro)

Assets

Fixed Assets

Separate exhibits have been prepared for intangible assets and tangible assets. Historical cost, accumulated depreciation and revaluations or write-downs, changes during the period and closing balances have been indicated for each item.

Intangible Assets

This particular category of accounting items is broken down in the schedule provided under Exhibit 4.

Intangible assets recorded an overall decrease of €1,505 thousand, principally made up of amortization for the period (€1,567 thousand), as well as negative differences arising from the conversion of items expressed in foreign currency (€824 thousand), which are in turn largely connected to the sizeable depreciation undergone by the US dollar relative to the euro, net of new capitalizations (€858 thousand).

The item "Other intangible assets" primarily includes capitalised costs relating to the realization and enhancement of the Group's IT systems and the purchase of new application software.

Intangible assets are amortized over the following time periods:

- Start-up and expansion costs	3/5 years
- Industrial and other patent rights	3/5 years or duration of contract
- Concessions, licences, trademarks and similar rights	3/50 years or duration of contract
- Goodwill	10 years
- Other	3/8 years or duration of contract

The amortization period applied in each case is deemed appropriate to reflect the residual useful life of the intangible asset to which it applies.

Tangible Assets

Total tangible assets, net of accumulated depreciation, at June 30, 2003 and December 31, 2002 amounted to €63,503 thousand and €67,141 thousand, respectively. Changes that occurred during the period are shown in Exhibit 5. This item recorded an overall decrease of €3,638 thousand, essentially made up of depreciation for the period (€5,939 thousand), as well as negative differences arising from the conversion of items expressed in foreign currency (€2,094 thousand), arising mainly from the depreciation of both the US dollar and the Chinese renminbi relative to the euro, net of new capitalizations (€4,644 thousand).

The increase in the item "Plant and machinery" relates largely to the acquisition of special new machinery and automatic machines, to be used to improve and revamp existing production lines.

Depreciation has been calculated on a straight-line basis according to the remaining useful life of the asset, applying the following rates:

Buildings	2.5% - 3%
Plant and machinery	10% - 25%
Industrial and commercial equipment	20% - 25%
Other assets	7% - 25%

Long-Term Investments

Other Receivables

These are made up as follows:

	Balance June 30, 2003	Balance Dec. 31, 2002	Change
Guarantee deposits	595	617	(22)
Other long-term investments	350	382	(32)
Total	**945**	**999**	**(54)**

These receivables include amounts that are collectible within twelve months (€245 thousand) and amounts that are collectible after more than five years (€422 thousand).

Current Assets

Inventory

The balance consists of the following:

	Balance June 30, 2003	Balance Dec. 31, 2002	Change
Raw materials, auxiliary materials and spare parts	8,652	9,311	(659)
Work in progress and semi-finished products	4,434	5,609	(1,175)
Finished products and goods	9,752	9,789	(37)
Total	**22,838**	**24,709**	**(1,871)**

The changes from December 31, 2002 were essentially due to contingent production plans as well as foreign-currency items being devalued, especially those pertaining to the Group's US subsidiaries following the depreciation of the US dollar.

Receivables

Trade receivables

At June 30, 2003 the entry was made up as follows:

	Gross value	Bad debt provision	Net value June 30, 2003	Net value Dec. 31, 2002	Change
Trade receivables	25,421	(824)	24,597	25,568	(971)

Trade receivables (all due within one year) derived from ordinary sales transactions. The bad debt provision reflects an adjustment made to bring the value of receivables in line with their estimated realisable value. The net decrease in trade receivables compared to December 31, 2002 was primarily due to the decrease in sales, and the appreciation of the euro against the main foreign currencies in which the balances of Group companies are expressed.

Other Receivables

Such item includes short-term receivables from third parties amounting to €17,028 thousand as of June 30, 2003 as compared with €18,237 thousand at December 31, 2002.

They consist of the following:

	Balance June 30, 2003	Balance Dec. 31, 2002	Change
Income tax receivables	3,183	4,885	(1,702)
VAT receivables	4,008	4,863	(855)
Other tax receivables	188	82	106
Deferred tax assets	8,157	6,815	1,342
Receivables from social security agencies	102	110	(8)
Receivables from personnel	417	204	213
Guarantee deposits	54	56	(2)
Other receivables	919	1,222	(303)
Total	17,028	18,237	(1,209)

These receivables are collectible and include some amounts collectible over twelve months for a total of €2,261 thousand.

The €8,157 thousand recorded under the item "Deferred tax assets" reflects the net balance of deferred taxes pertaining to temporary differences between the value attributed to assets or liabilities in accordance with accounting criteria and the value attributed for fiscal purposes, as well as the effect of fiscal losses that may be carried forward and consolidation-related adjustments.

The item "Income tax receivables" relates primarily to amounts receivable in respect of corporation tax (IRPEG), made up of tax credits on dividends received and amounts paid in advance (carried mainly in the accounts of the parent company).

Short-Term Investments

Own shares

Pursuant to the shareholders' resolution adopted in accordance with Articles 2357 and 2357 (iii) of the Italian Civil Code, during the course of previous years, Saes Getters S.p.A. ordinary and savings shares were acquired from the parent company. No transactions were effected in respect of the company's own shares during the first half of the year.

The balances reporting the number of shares and their respective book values as at June 30, 2003 are summarised in the table below:

		Book values	
	Number of shares	Unitary values (euro)	Total values (thousands of euro)
Ordinary shares			
Balance at June 30, 2003	**191,128**	**8.36**	**1,598**
Savings shares			
Balance at June 30, 2003	**173,306**	**5.23**	**907**
Total own shares			**2,505**

The ordinary shares of SAES Getters held in the company's portfolio as at June 30, 2003 have a nominal value of €99 thousand and represent 0.81% of share capital (1.40% of ordinary shares). The savings shares of SAES Getters held in the company's portfolio as at June 30, 2003 have a nominal value of €90 thousand and represent 0.74% of share capital (1.80% of savings shares).

Comparing the book values of the company's own shares with their market values indicates the following potential capital gains (capital losses):

	Ordinary shares (thousands of euro)	Savings shares (thousands of euro)
Prices as at June 30, 2003	(36)	(21)
Average price for June 2003	(32)	(17)
Average price for August 2003	79	18

Other Securities

This item is primarily made up of units in short-term funds and liquidity funds, and reflects the investment of part of available financial resources. At June 30, 2003, the item totalled €2,691 thousand against €2,756 thousand at December 31, 2002.

Listed securities are carried in the balance sheet at the lower of purchase cost, adjusted to take into account issue discounts, and the arithmetic average of prices recorded in June.

Cash And Cash Equivalents

This item is described in detail in the enclosed balance sheet. The decrease undergone by the item "Bank and post-office accounts" from December 31, 2002 was principally due to liquidity being absorbed by investment and the payment of dividends.

Prepayments and Accrued Income

At June 30, 2003, this item was made up as follows:

	Balance June 30, 2003	Balance Dec. 31, 2002	Change
Accrued income:			
- Interest income	55	108	(53)
- Other accrued income	-	2	(2)
Total accrued income	**55**	**110**	**(55)**
Prepayments:			
- Prepaid leasing instalments	179	183	(4)
- Insurance premiums	195	399	(204)
- Other	777	492	285
Total prepayments	**1,151**	**1,074**	**77**
Total prepayments and accrued income	**1,206**	**1,184**	**22**

Liabilities and Shareholders' Equity

Shareholders' Equity

At June 30, 2003, shareholders' equity amounted to €162,732 thousand, down €7,730 thousand from December 31, 2002. The changes that occurred during the period are described in Exhibit 2.

No provision was made in the consolidated financial statements for taxes due on dividend distribution of earnings accumulated in previous years from subsidiaries since they are considered permanently invested.

Capital Stock

At June 30, 2003, fully underwritten and paid-in capital stock amounted to €12,220 thousand and was composed of 13,874,930 ordinary shares and 9,625,070 savings shares.

All shares of the parent company are listed on the Italian Stock Market. In 2001 the company became, right from the beginning, part of the new segment of the Mercato Telematico Azionario called STAR (Securities with High Requirements), dedicated to small-caps and mid-caps meeting specific requirements with regard to transparency, liquidity and corporate governance. In May 2003, the company approved a plan for the voluntary delisting of its American Depositary Shares, representing savings shares, from the NASDAQ Stock Market ®, along with the deregistration of the shares as well. Delisting procedures subsequently went ahead as planned, as did the termination of the deposit agreement stipulated with Citibank and the deregistration of the shares as well, such measures reflecting the company's decision to concentrate equity trades in Italy's stock market.

Share Premium Reserve

This item includes amounts paid by shareholders over the par value of shares underwritten by capital increases. As at June 30, 2003, the company's share premium reserve amounted to €38,292 thousand, representing a decrease of €1,275 thousand on December 31, 2002, due to a transfer made to the reserve for the purchase of the company's own shares (included as part of "Other reserves"), after said reserve was reconstructed to reach the sum of €10,500 thousand approved by the General Meeting of Shareholders held on April 22, 2003.

Revaluation Reserves

At June 30, 2003, this item amounted to €3,026 thousand. No changes occurred against the period ended December 31, 2002. This item includes positive balances resulting from monetary revaluation according to Law 72 dated March 19, 1983, Law 413 dated December 30, 1991 and Law 342 dated November 21, 2000, amounting to €574 thousand, €762 thousand and €1,690 thousand, respectively from Italian Group Companies.

The revaluation reserves, pursuant to Law 413/1991 and Law 342/2000, are shown net of substitute tax amounting to €166 thousand and €397 thousand, respectively.

The two revaluation reserves included in the consolidated financial statements were €465 thousand (Law 72/1983) and €110 thousand (Law 413/1991) lower, respectively, than the values included in the parent company's sole financial statements. These decreases were due to reversal entries made at the consolidated level to the revaluation of certain investments and accelerated depreciation carried out on re-valued assets, in accordance with Law 413/1991.

Legal Reserve

This item, which refers to the legal reserve of the parent company, amounted to €2,444 thousand as at June 30, 2003, unchanged from December 31, 2002.

Other Reserves

The item "Other reserves" – equal to €11,296 thousand as at June 30, 2003 – is largely made up of the reserve for the purchase of the company's own shares (approved by resolution but yet to be utilized - €10,500 thousand) and the provision for fluctuations in dividends (€743 thousand), as well as other minor reserves pertaining to the parent company.

Sundry Reserves, Retained Earnings and Accumulated Losses

The item includes various reserves of subsidiary companies, retained earnings, exchange rate conversion differences and other items of the shareholders' equity related to the Group's companies not eliminated in consolidation.

The item "Exchange rate conversion differences" amounted to €80 thousand as at June 30, 2003. It showed a decrease of €4,485 thousand compared to December 31, 2002, which is due to the overall impact of the conversion into euro of foreign subsidiaries' financial statements denominated in foreign currencies on consolidated shareholders' equity, as well as to consolidation adjustments. The decrease recorded was due to the strengthening of the euro against other major currencies, as witnessed during the period under review.

For the purposes of providing a complete picture, we wish to point out that the accounting system used for leased assets complies with the practice currently followed in Italy, and involves all leasing fees paid being charged to the company's profit and loss account. If the computation criteria foreseen by the financial method of accounting had been adopted, then the consolidated result for the period would have been €301 thousand higher, while consolidated equity as at June 30, 2003 would have been €3,036 thousand higher, net of related fiscal effects.

Provisions for Contingencies and Obligations

The make-up of, and changes undergone by these provisions are set out below.

	January 1, 2003	Accruals	Utilization of provision	Conversion differences	June 30, 2003
Provisions for retirement benefits and similar obligations	1,962	164	(7)	(104)	2,015
Other	730	34	(225)	(44)	495
Total	**2,692**	**198**	**(232)**	**(148)**	**2,510**

Other provisions are made up as follows:

	Balance June 30, 2003	Balance Dec. 31, 2002	Change
Provision for warranty on products sold	393	455	(62)
Provision for penalties	82	90	(8)
Other provisions	20	185	(165)
Total	**495**	**730**	**(235)**

Staff Leaving Indemnity

Changes occurred during the period were as follows:

Balance at January 1, 2003	**7,970**
Provision for the period recorded in the profit and loss account	965
Indemnities paid during the period and other movements	(860)
Differences arising from the conversion of financial statements denominated in foreign currencies	(96)

Balance at June 30, 2003	**7,979**
	======

The number of employees at June 30, 2003 was 1,057 (of which 493 are employed outside Italy). This reflects a decrease in headcount of 36 compared to December 31, 2002 and 16 compared to June 30, 2002.

Payables

The make-up of, and changes undergone by, the main components of payables are described below.

Bank Loans

These consist of the following:

	Balance at June 30, 2003				Balance at December 31, 2002	
		Expiration (years)				
	Total	Less than 1 year	Between 1 and 5 years	Over 5 years	Total	Change
Bank overdraft	24,065	24,065	-	-	26,176	(2,111)
Other bank loans	1,411	146	1,265	-	2,377	(966)
	--------	--------	--------	-------	--------	--------
Total bank loans	**25,476**	**24,211**	**1,265**	**-**	**28,553**	**(3,077)**
	======	=======	======	=====	=======	=======

Trade Payables

These amounted to €8,171 thousand at the end of the period, showing a decrease of €2,005 thousand compared to December 31, 2002.

There are no trade payables represented by bills. All amounts are payable within 12 months and arise from commercial transactions.

Tax Payables

At June 30, 2003, the above item amounted to €4,552 thousand, showing a decrease of €543 thousand compared to the end of the previous year.

	Balance June 30, 2003	Balance Dec. 31, 2002	Change
Income tax payables	2,544	3,653	(1,109)
Value-added tax payable	326	311	15
Withholding taxes and other tax payables	1,652	1,101	551
Total	**4,522**	**5,065**	**(543)**

The item "Withholding taxes and other tax payables" includes, in addition to taxes on the earnings of employees, €799 thousand in respect of amounts payable to the tax authorities following the parent company's entering into a tax amnesty pursuant to Law 289/02.

All amounts are payable within 12 months.

Social Security Payables

At June 30, 2003 social security payables amounted to €1,734 thousand as compared to €1,868 thousand at December 31, 2002.

This item primarily consists of amounts due by Italian Group companies to INPS (Italian social security system) as employer's contributions.

Other payables

At June 30, 2003 other payables amounted to €6,879 thousand as compared to €6,400 thousand at December 31, 2002.

The above may be broken down as follows:

	Balance June 30, 2003	Balance December 31, 2002	Change
Payables to employees (holidays, wages)	4,499	4,176	323
Insurance premiums payable	73	65	8
Other payables	2,307	2,159	148
Total	**6,879**	**6,400**	**479**

Payables to employees include accruals made during the year for holidays, extra monthly wages, and - for Italian companies - wages and salaries for the month of June.

The item "other payables" includes amounts that are not trade payables.

Accrued Liabilities and Deferred Income

The above may be broken down as follows:

	Balance June 30, 2003	Balance Dec. 31, 2002	Change
Accrued liabilities:			
- Interest expenses	13	21	(8)
- Other accrued expenses	433	393	40
Total accrued liabilities	**446**	**414**	**32**
Deferred income	1,257	1,377	(120)
Total accrued liabilities and deferred income	**1,703**	**1,791**	**(88)**

Memorandum Accounts

Memorandum accounts include guarantees provided by the Group to third parties and other off balance-sheet items.

They are divided as follows:

	Balance June 30, 2003	Balance Dec. 31, 2002	Change
Guarantees provided by the Group:			
- Guarantees in favour of third parties	20,105	20,030	75
Total guarantees provided by the Group	**20,105**	**20,030**	**75**
Other off-balance sheet items:			
- Leasing obligations	627	1,180	(553)
- Forward exchange contracts	6,455	-	6,455
Total other off balance-sheet items	**7,082**	**1,180**	**5,902**

The item “Guarantees in favour of third parties” is mainly made up of guarantees issued in favour of the VAT Office (€13,487 thousand, against €12,511 thousand as at December 31, 2002) to guarantee refunds applied for. It also includes guarantees issued by the parent company in respect of a leasing agreement stipulated by the subsidiary company situated in Avezzano. At June 30, 2003, the amount includes the guarantee provided by Saes Getters S.p.A. in favour of Fime Leasing S.p.A. (€6,192 thousand) related to the leasing agreement between the latter company and the subsidiary Saes Advanced Technologies S.p.A. for the completion of its plant.

Guarantees provided by the Group in respect of credit facilities, in the interest of subsidiaries, which were not utilized on the reporting date of the accounts, totalled €17,838 thousand as at June 30, 2003 (against €20,108 thousand as at December 31, 2002).

The item "Leasing obligations" mainly represents the remaining portion, inclusive of interest and the value of the final redemption, of leasing instalments to be paid to the leasing companies (Intesa Leasing S.p.A., ex Leasindustria S.p.A., €567 thousand and Fime Leasing S.p.A. €36 thousand) for the construction of the buildings in Lainate and Avezzano.

The item "Forward exchange contracts" includes the value of currency hedging operations entered into by Saes Getters S.p.A. (for an amount of €589 thousand) and the subsidiary Saes Advanced Technologies S.p.A. (€5,866 thousand) during the period to insure the Group's margins against fluctuations in currency. These transactions relate to hedging contracts taken out against fluctuation of the Japanese yen, in relation to receivables in place as at June 30, 2003 as well as to sales in Japanese yen to be realised during the second half of 2003.

Notes to the Consolidated Statement of Income

(amounts in thousands of euro)

Value of Production

Revenues from Sales and Services

Consolidated revenues from the sale of goods and services in the first half of 2003 amounted to €60,350 thousand, down 14.7% from the first half of 2002.

The tables below break down revenues by Business Area and by the geographical location of customers.

Sales Revenues by Business Area

	June 30, 2003	June 30, 2002	Change
Display Devices	23,454	30,598	(7,144)
Light Sources	14,971	13,525	1,446
Electronic Devices & Flat Panels	6,032	6,124	(92)
Vacuum Systems & Thermal Insulation	2,329	3,493	(1,164)
Subtotal Components Aggregate	**46,786**	**53,740**	**(6,954)**
Pure Gas Technologies	5,223	7,253	(2,030)
Analytical Technologies	3,020	5,157	(2,137)
Facilities Technologies	5,192	4,476	716
Subtotal Equipment Aggregate	**13,435**	**16,886**	**(3,451)**
Other sales	129	104	25
Total	**60,350**	**70,730**	**(10,380)**

Display Devices	Barium getters for cathode ray tubes
Light Sources	Products used in discharge lamps and fluorescent lamps
Electronic Devices & Flat Panels	Getters and metal dispensers for electron vacuum devices and flat panel displays
Vacuum Systems & Thermal Insulation	Pumps for vacuum systems and getters for thermal insulated devices
Pure Gas Technologies	Gas purifier systems for semiconductor industry and other industries
Analytical Technologies	Trace gas analysers for semiconductor and other industries
Facilities Technologies	Quality assurance, quality control and material inspection of the gas distribution system, used in semiconductor industry and other industries

Sales Revenues by Geographical Location of Customer

	June 30, 2003	June 30, 2002	Change
- Italy	799	1,437	(638)
- European Union (excluding Italy)	9,185	10,408	(1,223)
- Rest of Europe	1,959	1,631	328
- North America	13,121	16,604	(3,483)
- Japan	11,961	10,475	1,486
- Asia (excluding Japan)	22,021	28,831	(6,810)
- Rest of the world	1,304	1,344	(40)
Total	**60,350**	**70,730**	**(10,380)**

Changes in Construction in Progress

Changes in construction in progress at June 30, 2003 amount to €1,399 thousand, increasing by €398 thousand from the same period in 2002.

Other Income

Other income decreased by €406 thousand as shown in the table below:

	June 30, 2003	June 30, 2002	Change
- Contributions for operating expenses	323	265	58
- Sundry income:			
- Recovery of transportation expenses	137	169	(32)
- Other amounts recovered and write-backs	49	542	(493)
- Capital gains on sale of assets	43	38	5
- Other	459	403	56
Total other income	**688**	**1,152**	**(464)**
Total	**1,011**	**1,417**	**(406)**

As at June 30, 2002, the item “Other amounts recovered and write-backs” included amounts written back to the value of some bad debt provisions that had been set aside in previous years by the subsidiaries FST Consulting International, Inc. (€376 thousand) and Saes Getters Korea Corporation (€100 thousand).

Cost of Production

Cost for Raw Materials, Auxiliary Materials, Spare Parts and Resale Goods

The item consists of the following:

	June 30, 2003	June 30, 2002	Change
- Raw materials	6,809	8,338	(1,529)
- Auxiliary materials and spare parts	624	405	219
- Resale goods	653	926	(273)
- Other purchases	2,256	2,555	(299)
Total	**10,342**	**12,224**	**(1,882)**

The overall decrease registered compared with the level reported at the end of the first half of the previous year was mainly due to the exchange rate effects arising from the strengthening of the euro against other major currencies and, in the case of certain product lines, a reduction in purchases made as a result of lower production volumes (related in turn to the falloff in turnover).

Cost for Services

This item may be broken down as follows:

	June 30, 2003	June 30, 2002	Change
- External costs for maintenance	1,540	1,537	3
- Other external services	2,266	2,452	(186)
- Transport	725	845	(120)
- Travel expenses	1,303	1,728	(425)
- Energy, telephone, fax, etc.	2,013	2,166	(153)
- Commission expenses	149	462	(313)
- Insurance services	581	535	46
- Technical, legal, fiscal and administrative	3,748	2,403	1,345
- Management and deposit of patents	812	794	18
- Other	1,840	2,252	(412)
Total	**14,977**	**15,174**	**(197)**

The item “Other” includes fees payable to Directors (€736 thousand, against €802 thousand in the first half of the year 2002) and Statutory Auditors (€66 thousand, against €57 thousand in the first half of the year 2002) of the parent company in respect of the duties and functions performed by them, including those performed in other consolidated companies.

It should be noted that the increase undergone by the item “Technical, legal, fiscal and administrative expenses” is principally attributable to costs incurred in handling the lawsuit with Aeronex, Inc., which was eventually resolved with the approval of a settlement agreement, as referred to in the section “Events subsequent to the Date of the Financial Statements. Business Performance Outlook”.

Cost of Utilization of Third-Party Assets

For the period to June 30, 2003, such cost amounted to €1,598 thousand, down €112 thousand on the first half of 2002. This item primarily includes leasing charges and rents incurred by some foreign subsidiaries for the premises used to carry out operations.

Cost for Personnel

The breakdown of this cost is included in the statement of income.

Staff costs decreased from €28,721 thousand to €25,046 thousand during the first half of 2003; the €3,675 thousand (or 12.8%) reduction recorded was due to the average number of employees decreasing, which was partly the result of the reorganization exercises implemented during the first half of the year 2002, as well as the effect of the strengthening of the euro against other major currencies, in particular the US dollar, in the conversion of accounts expressed in foreign currency.

Amortization, Depreciation and Writedowns

This item is detailed in the statement of income.

Amortization and depreciation charges for the period for intangible and tangible assets are described in Exhibits 4 and 5, respectively.

Financial Income and Charges

Other Financial Income

This includes:

- income from other receivables under long-term investments amounting to €50 thousand.
- income other than the items detailed above are as follows:

	June 30, 2003	June 30, 2002	Change
Foreign exchange gains	1,770	1,409	361
Other income	957	990	(33)
Total	**2,727**	**2,399**	**328**

The item "Other income" mainly includes interest income on bank deposits, and to a more limited extent other interest income, in particular due from tax authorities, as well as income from forward transactions and other minor financial income. The decrease compared to the first half of 2002 is mainly due to the decrease of the interest rates.

Interest and Other Financial Charges

They consist of the following:

	June 30, 2003	June 30, 2002	Change
Foreign exchange losses	**1,505**	**1,724**	**(219)**
Interest expenses:			
- on bank overdraft	227	349	(122)
- on other payables	20	8	12
Total interest expenses	**247**	**357**	**(110)**
Other	78	154	(76)
Total	**1,830**	**2,235**	**(405)**

Adjustments to the Value of Financial Assets

There were not amounts to report under this heading as at June 30, 2003.

Extraordinary Income and Expenses

"Extraordinary income and expenses" showed a net loss of €603 thousand in the first half of 2003, against a net loss of €2 thousand for the same period in 2002.

The item "Other extraordinary income", equal to €639 thousand as at June 30, 2003, included non-recurring income arising from the computation of amounts receivable from the US tax authorities for refunds due in respect of taxes paid in previous years by the companies Saes Getters USA, Inc. (€102 thousand) and Saes Pure Gas, Inc. (€409 thousand).

The item "Other extraordinary charges" was made up substantially of costs relating to the parent company's filing of its application for a tax amnesty, under Law 289/02, to the order of €786 thousand.

Income Taxes for the Period

The above item amounted to €1,698 thousand, representing a rise of €489 thousand on the first half of 2002. This item includes both current taxes and amounts set aside for deferred taxes in respect of temporary differences between results that are taxable and the results obtained from the accounts of individual companies and used for consolidation purposes, as well as in relation to fiscal losses that may be carried forward and to acknowledge the fiscal effect of consolidation-related adjustments.

Taxes increased from 24.1% of pre-tax profits in the first half of the year 2002 to 82.0% in the first half of the year 2003, principally due to a change in contributions from loss-making Group companies: deferred tax assets were not set aside in respect of some of these companies, due to uncertainty as to their actually being recovered. Please also note that there was a rise in the tax rate for some Group companies.

Additional Information

1) At June 30, 2003, the Group's employees were distributed as follows:

	June 30, 2003	Dec. 31, 2002	Average six months ended June 30, 2003	Average six months ended June 30, 2002
Managers	66	66	67	62
Employees and middle management	552	584	562	572
Workers	439	443	446	457
Total	**1,057**	**1,093**	**1,075**	**1,091**

Please note that the headcount at the jointly controlled company Nanjing Saes Huadong Getters Co. Ltd. amounted to 97 as at June 30, 2003 (of which 8 managers, 28 employees and middle managers and 61 workers). Said headcount has been included in the consolidated accounts to reflect the percentage stake held by the Group (65%).

2) The reconciliation between the net profit and shareholders' equity of Saes Getters S.p.A. and consolidated net profit and shareholders' equity as of June 30, 2003 and December 31, 2002 is set out below (in thousands of euro):

	June 30, 2003		December 31, 2002	
	Net profit	Shareholders' equity	Net profit	Shareholders' equity
Group's Parent Company Saes Getters S.p.A.	**7,226**	**123,007**	**7,671**	**119,401**
Difference between the consolidated companies' shareholders' equity and the book value represented by the investment		46,523	-	58,751
Net profits/(losses) of consolidated companies net of dividends distributed	(7,741)	-	(4,797)	-
Elimination of profits originating from inter-company transactions, net of related fiscal effect	426	(6,636)	3,044	(7,062)
Elimination of accelerated depreciation charges, net of the related tax effect	(148)	(103)	(53)	45
Difference arising from the application of different inventory valuation criteria between statutory accounts (LIFO) and consolidated accounts (FIFO), net of the related tax effect	(6)	(50)	(214)	(44)
Elimination of the provision for bad debts of subsidiaries, net of the related tax effect	-	104	3	104
Income tax accrual on dividends distribution made by foreign subsidiaries	460	(379)	473	(839)
Other minor adjustments	156	266	337	106
Consolidated accounts	**373**	**162,732**	**6,464**	**170,462**

3) Reported below is a summary of reclassified consolidated financial statements according to the presentation used in previous years to provide a meaningful comparison. Amounts are expressed in thousands of euro, with the exception of earnings per share stated in euro.

CONSOLIDATED BALANCE SHEETS	June 30, 2003	December 31, 2002	June 30, 2002
Assets			
Current assets *	145,326	153,718	151,031
Property, plant and equipment, net	63,503	67,141	66,049
Intangible assets	11,820	13,325	14,815
Investments and other financial assets	1,179	1,104	1,173
Total assets	**221,828**	**235,288**	**233,068**
Liabilities and shareholders' equity			
Current liabilities	47,758	53,461	50,563
Long-term liabilities	11,338	11,365	12,422
Shareholders' equity	162,732	170,462	170,083
Total liabilities and shareholders' equity	**221,828**	**235,288**	**233,068**

* Including non-current deferred tax assets

Consolidated Statements of Income	1st quarter		2nd quarter		1st half	
	2003	2002	2003	2002	2003	2002
Net sales	**31,027**	**33,508**	**29,323**	**37,222**	**60,350**	**70,730**
Cost of sales	17,209	19,739	16,717	20,135	33,926	39,874
Gross profit	**13,818**	**13,769**	**12,606**	**17,087**	**26,424**	**30,856**
Research and development expenses	3,815	3,385	4,705	3,349	8,520	6,734
Selling expenses	4,507	4,512	4,118	5,535	8,625	10,047
General and administrative expenses	4,087	4,666	3,729	4,652	7,816	9,318
Total operating expenses	**12,409**	**12,563**	**12,552**	**13,536**	**24,961**	**26,099**
Operating income	**1,409**	**1,206**	**54**	**3,551**	**1,463**	**4,757**
Interest and other financial income, net	305	342	347	305	652	647
Foreign exchange gains (losses), net	176	71	89	(386)	265	(315)
Other income (expenses), net	(212)	6	(96)	(86)	(308)	(80)
Income before taxes	**1,678**	**1,625**	**394**	**3,384**	**2,072**	**5,009**
Income taxes	928	323	771	886	1,699	1,209
Net income	**750**	**1,302**	**(377)**	**2,498**	**373**	**3,800**
Earnings per share (euro):						
Ordinary shares	0.0324	0.0554	(0.0227)	0.1007	0.0097	0.1561
Savings shares	0.0324	0.0554	(0.0071)	0.1163	0.0253	0.1717

4) The financial highlights of the Group's Aggregates and the geographical areas in which the Group operates are set out below (thousands of euro):

Business Aggregates

Six months ended June 30, 2003	Components	Equipment	Other	Total
Net sales	46,786	13,435	129	60,350
Gross profit	24,844	1,566	14	26,424
Operating income (loss)	10,054	(8,576)	(15)	1,463

Six months ended June 30, 2002	Components	Equipment	Other	Total
Net sales	53,740	16,886	104	70,730
Gross profit	27,246	3,566	44	30,856
Operating income (loss)	12,443	(7,711)	25	4,757

Geographical Areas

	Europe		United States	Asia			
Six months ended June 30, 2003	Italy	Rest of Europe		Japan	Rest of Asia	Adjustments (5)	Consolidated
Direct sales (1)	9,501	6,074	15,323	14,216	15,236	-	60,350
Inter-segment sales (2)	22,805	511	2,604	288	1,102	(27,310)	-
Total sales	32,306	6,585	17,927	14,504	16,338	(27,310)	60,350
Operating income (loss) (3)	(491)	199	(3,069)	1,174	3,514	136	1,463
Total assets (4)	172,299	59,927	38,900	9,488	37,558	(96,344)	221,828

	Europe		United States	Asia			
Six months ended June 30, 2002	Italy	Rest of Europe		Japan	Rest of Asia	Adjustments (5)	Consolidated
Direct sales (1)	8,334	7,815	21,876	14,079	18,626	-	70,730
Inter-segment sales (2)	25,797	390	3,371	242	1,608	(31,408)	-
Total sales	34,131	8,205	25,247	14,321	20,234	(31,408)	70,730
Operating income (loss) (3)	1,671	(60)	(2,975)	843	5,191	87	4,757
Total assets (4)	170,790	64,253	53,759	10,546	44,784	(111,064)	233,068

(1) Sales to unaffiliated customers comprise sales by Group companies from that geographical segment.
(2) Inter-segment sales include sales to Group companies located in other geographic areas. Inter-segment sales are generally priced at cost plus an appropriate mark-up for profit.
(3) This refers to the operating income (loss) posted by Group companies belonging to the geographic area in question, net of adjustments made for consolidation purposes in respect of transactions carried out between Group companies belonging to the same geographic area.
(4) This refers to total assets as carried in the balance sheets of Group companies belonging to the geographic area in question, net of adjustments made for consolidation purposes in respect of transactions carried out between Group companies belonging to the same geographic area.
(5) This refers to adjustments made for consolidation purposes in respect of transactions carried out between Group companies belonging to different geographic areas.

Scope of Consolidation

With reference to the Group's structure and the consolidation area, refer to Exhibit 1.

There are no changes in the scope of consolidation to report since December 31, 2002.

Lainate (Milan), September 24, 2003

Paolo della Porta
Chairman of the Board of Directors