

SAES Getters S.p.A.



2002 Interim Consolidated
Financial Statements
For the six months ending June 30, 2002



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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

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Notes to the Consolidated Financial Statements

General Information on Operations

In the first half of 2002, the weakness of macroeconomic recovery and the persistence of the slowdown in some of the main markets in which Saes Getters operates negatively affected the Group's results compared to the same period of the previous year. Due to geographic and industrial diversification, the Group benefited from the recovery of some markets, resulting in an improvement of the consolidated operating profit as compared to the second half of 2001.

With reference to the Components Aggregate, the Group registered a positive turnaround in sales of barium getters due to the recovery of the cathode ray tube market. Sales of mercury dispensers for cold cathode fluorescent lamps were quite good, because of the rise of the liquid crystal display market. However, the telecommunication market downturn, which negatively impacted the Group during the second half of 2001, resulted in lower sales of non-evaporable getters for optical amplifiers.

During the six-month period the strong downturn in semiconductor market persisted, due to macroeconomic uncertainty and the unsuccessful recovery of the main final markets where the company operates, also for the low level of investments of companies operating in the Information Technology industry. The further contraction in capital equipment investments, in particular in the construction of new chip fabrication plants, strongly affected sales and margins of gas purifiers and analyzers, in addition to quality assurance and control services of the Equipment Aggregate.

On the other hand, the restructuring plans of the Display Devices and Analytical Technologies Business Areas, announced in the second half of the year 2001, resulted in a recovery of profitability, especially starting from the second quarter of the current year. Further efficiency improvements through stricter cost controlling has resulted in the Group implementing a subsequent reorganization related to the Equipment Aggregate and particularly the Pure Gas Technologies Business Area. One time costs were charged in the first half of 2002, while costs savings are expected to start in the second half of the current year.

Sales and Economic Results for the Period Ended on June 30, 2002

Consolidated net sales for the first half of 2002 amounted to €70,730 thousand, compared to €89,265 thousand in the same period of the previous year (-20.8%). The decrease was due to the reduction of the price/quantity effect (-19.7%) and to the devaluation of the euro against other major currencies (-1.1%). The decrease in sales volumes was due to lower sales of the Equipment Aggregate caused by the continued slowdown in the semiconductor markets, which caused negative effects for the Group from the second half of 2001. The slight negative impact that exchange rates had on the Group's results came mainly from the strengthening of the average euro rates compared to the Japanese yen, while the average euro rate compared to US dollar during the first half of 2002 was in line with the same period of the previous year.

Business Area (thousands of euro)	June 30, 2002	June 30, 2001	Total difference (%)	Price/Quantity effect (%)	Exchange rate effect (%)
Display Devices	30,598	28,312	8.1%	8.3%	(0.2%)
Light Sources	13,525	10,284	31.5%	34.8%	(3.3%)
Electronic Devices & Flat Panels	6,124	8,246	(25.7%)	(24.4%)	(1.3%)
Vacuum Systems & Thermal Insulation	3,493	2,906	20.2%	23.4%	(3.2%)
Subtotal Components Aggregate	53,740	49,748	8.0%	9.3%	(1.3%)
Pure Gas Technologies	7,253	21,234	(65.8%)	(65.0%)	(0.8%)
Analytical Technologies	5,157	8,340	(38.2%)	(37.7%)	(0.5%)
Facilities Technologies	4,476	9,802	(54.3%)	(54.3%)	0.0%
Subtotal Equipment Aggregate	16,886	39,376	(57.1%)	(56.6%)	(0.5%)
Other sales	104	141	(26.2%)	(26.2%)	0.0%
Total net sales	70,730	89,265	(20.8%)	(19.7%)	(1.1%)

Net sales of the Group's Components Aggregate amounted to €3,740 thousand, with an increase of €3,992 thousand (+8.0%) compared to the first half of 2001. This increase resulted from higher sales volumes of mercury dispensers for cold cathode fluorescent lamps for back-lighting of liquid crystal displays and the sales recovery of getters for colour cathode-ray tubes for color screens. On the other hand, sales of non-evaporable getters used for optical amplifiers decreased due to the slowdown in the telecommunication market. The total increase was partially offset by the weakness of the euro (-1.3%).

Net sales of the Equipment Aggregate totalled €16,886 thousand, showing a decrease of €22,490 thousand (-57.1%) compared to the first half of 2001. The decrease was primarily due to the lower sales of gas purification systems and gas analysers related to the constant slowing of the semiconductor markets caused by the productive capacity excess and by the weakness of market demand. In addition, the sales reduction was due to the decrease in the amount of quality control and certification services destined to the semiconductor industry. During the first half of 2002 the effect of exchange rates was neutral.

The difference between value and cost of production in the first half of 2002 amounted to €1,714 thousand, with a considerable decrease from €3,477 thousand of the same period of 2001. The decrease was mainly due to the reduction of sales related to the Equipment Aggregate, which was partially offset by the decrease of operating expenses caused by the restructuring plans in the Components and in the Equipment Aggregates started in the second half 2001, and by better management of operating costs.

The net balance of financial income/charges registered a decrease to €32 thousand from a balance of €3,895 thousand in the first half of 2001. Financial income, net of positive exchange differences, amounted to €1,158 thousand in the first half of 2002, down from €1,123 thousand recorded in the same period of 2001, due to interest rate reductions and the decrease in average liquidity. Financial charges, net of negative exchange differences, amounted to €11 thousand in the first half of 2002 compared to €1,185 thousand in the same period of 2001.

The net exchange position registered a negative balance amounting to €15 thousand against a positive balance of €2,957 thousand for the first half of 2001. The decrease was mainly due to the devaluation of the US dollar against the euro during the first half of 2002. On the other hand, during the first half of 2001 the US dollar strengthened against the euro. In order to protect business margins from exchange rates fluctuation some of the Group's companies entered into contracts to hedge a portion of their accounts receivable and future sales denominated in foreign currencies.

In the first half of year 2002, adjustments to the value of financial assets resulted in a negative net balance of €35 thousand compared with a positive net balance of €9 thousand for the first half of 2001.

Net extraordinary losses amounted to €2 thousand, compared with net extraordinary income of €164 thousand in the first half of 2001.

During the first half of 2002 income taxes amounted to €1,209 thousand, as compared to €5,486 thousand in the first half of 2001. The impact of taxes on pre-tax profits decreased from 30.7% to 24.1% in the first half of 2002, mainly due to a higher profits contribution to the consolidated result by Group companies subject to lower tax rates. In addition, certain U.S. subsidiaries of the Group suffered pre-tax losses. These pre-tax losses generated a tax benefit (recorded as deferred tax assets), which was registered with an average tax rate higher than the Group's average tax rate. This contributed to the reduction of the tax impact on income before taxes.

Consolidated net profit for the first half of 2002 amounted to €3,800 thousand, against €12,359 thousand for the same period of 2001, or 5.4% of consolidated sales.

The result posted for the first half of 2002 includes depreciation of tangible assets and amortization of intangible assets totalling €7,374 thousand versus €6,790 thousand in the first half of 2001 and research costs amounting to €6,734 thousand (9.5% of net sales) versus €6,005 thousand in the first half of 2001 (6.7% of net sales). Research costs were expensed as incurred during the period.

In accordance with the requirements of Italian law, PricewaterhouseCoopers S.p.A. conducted a limited audit of the Group's consolidated accounts for the first half of 2002.

Cash Flow – Financial Position – Investments

Net profit reported for the period, in addition to the tangible asset depreciation and to the intangible asset amortization, generated cash flow of €11,174 thousand (€19,149 thousand in the first half of 2001), equal to 15.8% of sales. The decrease was due to the reduction of net income.

The table below breaks down the various items making up the Group's consolidated financial position.

(thousands of euro)	June 30, 2002	December 31, 2001	June 30, 2001
Financial assets:			
Cash and banks	67,825	70,546	68,344
Short term investments	7,587	10,457	10,956
Total current assets	75,412	81,003	79,300
Total long term assets	-	-	-
Total financial assets	75,412	81,003	79,300
Financial liabilities:			
Bank overdraft	25,964	30,617	33,568
Current portion of long term debt	50	914	1,223
Total current liabilities	26,014	31,531	34,791
Long term debt, net of current portion	2,699	2,666	2,389
Total long term liabilities	2,699	2,666	2,389
Total financial liabilities	28,713	34,197	37,180
Net financial position	46,699	46,806	42,120

The financial position showed a net liquid surplus of €46,699 thousand as of June 30, 2002, comprising financial assets amounting to €75,412 thousand and financial liabilities of €28,713 thousand, against a net liquid surplus of €46,806 thousand as of December 31, 2001.

In the first six months of 2002, investments in tangible assets (net of inter-company transactions) amounted to €7,071 thousand (€12,743 thousand for the same period of 2001). The investments are mainly due to the completion of a new

office building in Lainate (Milan – Italy), the improvement of production efficiency equipment, the purchase of new laboratory equipment and information system hardware.

Performance of the Parent Company, Subsidiaries and Associated Companies

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

In the first half of 2002, the parent company posted turnover of €16,043 thousand (exports accounted for 91.0%), down €1,723 thousand from the level recorded in the same period of the previous year (€17,766 thousand). This decrease was mainly due to the decrease in quantities sold as a consequence of the slowdown of the semiconductor market and lower sales of non-evaporable getters used for optical amplifiers. In February 2001, a production line (chemical absorbers denominated DF and generated with a compressed getter in a metal aid for road lamps) was transferred to the subsidiary Saes Advanced Technologies S.p.A. based in Avezzano (AQ). On the other hand, during the first half of 2002, the barium getter production activity for TV color, made by Getters Corporation of America in Cleveland, Ohio, USA and subsequently incorporated in Saes Getters USA Inc., Colorado Springs, Colorado (USA), has been transferred to the parent company Saes Getters S.p.A. The parent company posted a net profit for the period of €9,803 thousand, compared with €16,934 thousand in the first half of 2001 (-42.0%). This decrease was mainly attributable to the extraordinary gain of €7,533 thousand during the previous year, due to the transfer of the above mentioned production line to Saes Advanced Technologies S.p.A. Income taxes amounted to €2,588 thousand, equal to 20.9% of pre-tax profit, a slight increase compared to 19.9% in the first half of 2001. The construction work relating to a new office building in Lainate (Milan – Italy), which encloses the Corporate Management Committee, Commercial Department and some technical offices, has been terminated.

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

With effect January 1, 2002, the subsidiary company Saes Advanced Technologies S.p.A., located in Avezzano, Italy, incorporated the sister company Saes Metallurgia S.p.A. Interim net sales totalled €20,578 thousand compared to €13,295 thousand in the first half of 2001 (+54.8%), including only the sales turnover of Saes Advanced Technologies S.p.A. In the correspondent period of last year the incorporated company Saes Metallurgia S.p.A. registered a sales turnover of €8,167 thousand. Export sales accounted for 88.0% of total turnover. The company posted an interim net profit of €3,756 thousand compared to €3,642 thousand posted for the same period of 2001 by Saes Advanced Technologies S.p.A. and with net income of €1,510 thousand realised by Saes Metallurgia S.p.A. in the first half 2001.

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

The restructuring plan of the Display Devices Business Area has been carrying on with the reduction of the workforce of the associated company Getters Corporation of America located in Cleveland, Ohio (USA) and now incorporated in Saes Getters Usa, Inc. with effect as of June 30, 2002. The accounting and tax effects of the merger have been backdated as of January 1, 2002. The production of getters for color cathode ray-tubes was terminated in Cleveland and the transferring of the getter production activity made by Getters Corporation of America, in Cleveland, Ohio, USA, to the factory based in Lainate, Milan, Italy, has been substantially completed.

In the first half of 2002, consolidated net sales totalled \$17 million (eq. €8.9 million based on the average exchange rate seen in the first half of 2002), against \$32.8 million in the same period of 2001. According to the Italian GAAP, it posted a consolidated loss of around \$0.7 million versus a profit of \$2.3 million in the first half of 2001.

The US parent company Saes Getters USA, Inc., which manufactures products for the Components Aggregate, posted net sales of \$9.9 million, compared to \$5.9 million and \$7.4 registered respectively by Saes Getters USA Inc., and Getters Corporation of America in the first half of 2001. The company registered an interim net profit of approximately \$196,000 compared to \$485,000 in the first half of 2001 related only to Saes Getters Usa, Inc. and a loss of \$24,000 related to Getters Corporation of America in the first half of 2001. The reduction of the net income was mainly due to the reduction of sales.

The subsidiary Saes Pure Gas, Inc. (Equipment Aggregate) achieved net sales of \$7.1 million, a considerable reduction as compared to \$19.5 million recorded in the first half of 2001. The company closed the first half of 2002 with a net loss of

\$966,000 versus a net profit of \$1,860,000 in the first half of 2001. The considerable decrease in net profit was mainly due to reduced sales of big purifiers directly impacted by the semiconductor market recession. In addition, during the first half of 2002, the company registered extraordinary personnel expenses for an amount of \$285,000 regarding to the restructuring and reorganization plan of the Equipment Aggregate.

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

First-half net sales totalled yen 1,665 million (eq. €14,320 thousand, based on the average exchange rate seen in the first half of 2002). This was higher than yen 1,334 million recorded in the first half of 2001. Net profit was yen 52 million (€49 thousand), compared with yen 8 million in the same period of 2001. This sharp increase in net profit was mainly due to the increase in turnover. During the first half of 2002, the liquidation procedure of the subsidiary Japan Getters Inc. began.

SAES GETTERS SINGAPORE PTE LTD. - Singapore

First-half net sales totalled S\$10.4 million (eq. €6,367 thousand, based on the average exchange rate seen in the first half of 2002). This was lower than S\$20.8 million recorded in the first half of 2001. The decrease was primarily due to a decrease in the Equipment Aggregate sales. The company posted a net profit for the period of S\$168,000 (€103 thousand), which was lower than S\$1,557,000 recorded in the first half of 2001 due mainly to the decrease in sales. The previous amounts mentioned also include the amounts of the Taiwan Branch located in Hsin Chu, (Taiwan).

SAES GETTERS (DEUTSCHLAND) GmbH – Cologne (Germany)

First-half net sales totalled €1,056 thousand, which was lower than €6,385 thousand recorded for the same period of 2001. The decrease in sales was primarily due to lower sales in the Equipment Aggregate. Net profit for the period was approximately €135 thousand, compared with €273 thousand in the first half of 2001.

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

First-half net sales totalled £1.5 million (eq. €2,486 thousand, based on the average exchange rate seen in the first half of 2002), as compared to £1.9 million in the first half of 2001. Interim net profit amounted to approximately £62,000 (eq. €101 thousand), as compared to £146,000 in the first half of 2001. The decrease in net profit was mainly due to the decrease in sales.

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

Net Sales totalled €1,352 thousand, a decrease from the first half of 2001 (€2,400 thousand). The company posted a net profit for the first six months of the year of approximately €17 thousand, after posting a net profit of around €183 thousand for the same period of 2001. The decrease in net profit was mainly attributable to lower turnover.

SAES GETTERS INTERNATIONAL LUXEMBOURG S.A. - Luxembourg

During the first half of 2002, the Company which has the responsibility of managing the Group's acquisitions, shareholdings and liquidity in the best way possible, the granting of inter-group loans and the co-ordination of services on behalf of the Group, has incorporated Saes Getters Finance S.A. The accounting effects have been backdated as of January 1, 2002. The company generated revenues from services of €318 thousand (€28 thousand in the first half of 2001), and a net profit of €3,042 thousand in the first half of 2002. This compared with a net profit of €1,671 thousand realised by the merging company only in the first half of 2001 and a net profit of €2,213 thousand of the incorporated company. The net result, compared to last year, suffered of the lower positive conversion differences. The first half of 2001 saw significant positive exchange differences related to the strengthening of the US dollar against the euro.

On August 2, 2002 the company Saes Getters Ireland limited based in Dublin (Ireland) has been set up with capital stock of €100 thousand fully paid up capital from Saes Getters International Luxembourg S.A. The main purpose of the company is to manage the Group's liquidity.

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

The subsidiary company Saes Getters Korea Corporation (62.52% owned - rest of capital is held directly by the parent company Saes Getters S.p.A.), operating in the production of getters for the cathode ray tube market, posted turnover for the first half of the year 2002 of Won 14,484 million (€12,525 thousand converted at average exchange rate for the period), compared with turnover of Won 12,791 million in the same period of 2001 (+13.2%). The first half of 2002 saw net profit amount to Won 4,224 million (€3,652 thousand), against a net profit of Won 3,519 million in the same period of 2001. This increase was attributable to higher turnover and a lower tax imposition.

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. It closed the period ended June 30, 2002 with net sales of RMB 1.1 million (€145 thousand) in line with the sales recorded in the same period of last year. According to the Italian GAAP the company posted a loss of RMB 4,671,317 (€628 thousand) in first half of 2002, against a net loss of RMB 1,099,729 recorded for the same period of 2001. The increase of the net loss was mainly due to the strengthening of the corporate structure and to the increase of operating costs related to completion and inauguration of new company location for starting the production activities. The construction of the building based in Pudong, Shanghai (China), has terminated. Now it encloses the company's registered office and a laboratory, in order to guaranty the technical assistance to the companies operating in semiconductor fields and an area destined to assembly new products.

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 posted turnover of \$4.1 million (€4,611 thousand converted at average exchange rate seen in the first half of 2002) against \$8.9 million in the same period of 2001. In the first half of 2002, it reported a net profit of \$7,000 (€8 thousand), compared to a net profit of \$894,000 in the first half of 2001. The notable worsening made in profitability was due mainly to lower turnover affected to late resumption of the semiconductor industry.

Effective as of April 1, 2002, Molecular Analytics, Inc., located in Sparks, Maryland (USA) merged into Trace Analytical, Inc. based in Sparks, Maryland (USA) and previously based in Menlo Park, California (USA). The surviving entity changed its name into Molecular Analytics, Inc. The subsidiary is involved in the manufacture and sale of gas impurity analysers and systems used in semiconductor and other industries. It closed the first half of the year with a turnover of \$1.9 million (€2,072 thousand converted at average exchange rate seen in the first half of 2002) and a net loss of \$897,000 (€999 thousand). The net loss of the first half of the year 2002 was mainly due to goodwill amortization for an amount of \$464,000, generated with the acquisition of Molecular Analytics, Inc., Trace Analytical, Inc. and PCP Inc., which are incorporated in Molecular Analytics Inc. During the first half of 2001 Trace Analytical, Inc. posted net sales of \$1.9 million and a net loss of \$462,000. During the first half of 2001 Molecular Analytics, Inc. posted net sales of \$2.3 million and a net loss of \$49,000. The transferring of the productive and technological activities related to the analysis systems of Saes Pure Gas, Inc. based in San Luis Obispo, California (USA) to Molecular Analytics, Inc. is currently being completed.

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

With effect from the first half of 1998, after manufacturing activities got underway at the company, the above affiliate was included in the Group's consolidated accounts by the proportional method of accounting, for the purpose of providing a more representative accounting situation. The Group has a 65% stake in the company, which is considered an associated company since Saes Getters S.p.A. (although it owns 65% of its share capital) does not have control over its business activities (viz. Article 2359 of the Italian Civil Code). During the first half of 2002, the associated company realised net sales of RMB 45 million (eq. €6,097 thousand, based on the average exchange rate seen for the period) - a sharp rise compared to RMB 34.9 million recorded in the same period of the previous operating year. The company posted a net profit of RMB 15 million (€2,013 thousand), compared to the net profit of RMB 7.2 million posted in the first half of 2001. The increase of the profit is related to the increase of sales, which is influenced by the resumption of cathode ray tube market. In addition, income taxes have been set aside for the current operating year with a reduced rate

of 7.5%, as the company has terminated the tax exemptions period for a total of 2 years, provided for by local legislation in connection with the development of industrial complexes in the People's Republic of China.

Research and Development Activities

The Corporate Laboratory has been continuing its research activities, in particular for the development of new generations of analytical instruments based on IMS technology (Ion Mobility Spectrometry). The success of the "beta tests" in a laboratory of a large Company, allowed us to exhibit the new product at the *Semicon West*, the largest semiconductor industry exhibition of the world, during July 2002. The industrialization phase, aiming at the commercial production of the new analytical instruments, has just started.

The cooperation on a world-wide scale with customers involved in the development of new flat displays of small size such as OLEDs and PolyLEDs and of big size such as Plasma Display Panels (PDPs), has been further implemented.

With regard to the field of products addressed to the lamp industry, the cooperation with important groups for the development of new products used in cold cathode fluorescent lamps used for back-lighting of LCD displays is also continuing, with the aim of reinforcing the Group's position in this important market.

A project of diversification and innovation in catalytic field, in cooperation with other companies and research institutions has further proceeded.

In the meantime new projects in other sectors of the Company's business are currently starting.

Transactions with Related Parties

In compliance with the Requirement of CONSOB dated February 20, 1997 and Circulars dated February 27, 1998 and March 2, 1998 there are no operations with related parties.

Events Subsequent to the Date of the Financial Statements

Business Performance Outlook

On August 2, 2002 the company Saes Getters Ireland limited based in Dublin (Ireland) has been set up with capital stock of €100 thousand fully paid up capital from Saes Getters International Luxembourg S.A. The main purpose of the company is to manage the Group's liquidity.

The transfer of the analytical systems activities from Saes Pure Gas, Inc., San Luis Obispo, California (USA), to Molecular Analytics, Inc. located in Sparks, Maryland (USA) is ongoing.

The Group is confident that the favourable trend of the Components Aggregate will be confirmed also in the second half of 2002. Regarding the Equipment Aggregate the Group remains cautious, although trusting on the benefits deriving from cost reduction, which will be obtained from the restructuring plans.

In the second half of 2002 the Group's economic results will be influenced by the trend of euro with the main currencies, in particular US dollar and Japanese yen.

The Company has been valuating the impact, on the own Corporate Governance structure, of the modification to the self discipline code of the companies listed approved by Borsa Italiana S.p.A. in July 2002.

Accounting Principles

As no changes occurred, accounting principles and consolidation practices applied in the preparation of the present 2002 half-year report are in line with those applied in the consolidated financial statements for the fiscal year 2001 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 writedowns, changes during the period and closing balances have been indicated for each item.

Intangible Assets

Intangible assets are described in detail in the table included as Exhibit 4.

The decrease for the period by €2,299 thousand includes newly capitalised costs (€1,060 thousand), net of amortisation charges for the period (€1,823 thousand), and negative exchange rate differences (€1,572 thousand). Such differences mainly relate to the considerable depreciation of the US dollar against the euro.

The item “Other intangible assets” primarily includes capitalised costs relating to the realisation 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	10/40 years	
Other intangible assets	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, 2002 and December 31, 2001 amounted to €66,049 thousand and €67,756 thousand, respectively. Changes that occurred during the period are shown in Exhibit 5. The decrease for the period of €1,707 thousand primarily includes newly capitalised costs (€7,071 thousand), net of depreciation (€5,551 thousand), and negative exchange rate differences (€3,046 thousand) arising mainly from the depreciation of the US dollar and Chinese renminbi against the euro.

The increase of the item “land and buildings” is mainly related to the construction of the new building based in Lainate (MI), which holds the Corporate Management Committee offices, the Corporate Commercial Department and some technical offices of the Headquarters.

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

Investments in Associated Companies

The item "investments in associated companies" amounted to €432 thousand as of December 31, 2001. It was related solely to the stake held in the associated company Japan Getters Inc., valued by the net equity method and put into liquidation during the second half of 2002. The investment amounted to €408 thousand as of June 30, 2002 and was reclassified in the current assets among short term investments and it was valued at the lower of cost or net realisable value.

Receivables from Other Companies

These are made up as follows:

	<u>Balance</u> <u>June 30, 2002</u>	<u>Balance</u> <u>Dec. 31, 2001</u>	<u>Change</u>
Guarantee deposits	682	696	(14)
Other	409	437	(28)
	-----	-----	-----
Total	1,091	1,133	(42)
	=====	=====	=====

These receivables are collectible and current receivables collectible within twelve months totalled €60 thousand and long-term receivables with collection dates of more than five years totalled €463 thousand.

Current Assets

Inventory

The balance consists of the following:

	<u>Balance</u> <u>June 30, 2002</u>	<u>Balance</u> <u>Dec. 31, 2001</u>	<u>Change</u>
Raw materials, auxiliary materials and spare parts	9,942	11,006	(1,064)
Work in progress and semi-finished products	7,163	6,919	244
Finished products and goods	9,908	12,863	(2,955)
Advances	330	305	25
	-----	-----	-----
Total	27,343	31,093	(3,750)
	=====	=====	=====

The changes from December 31, 2001 were essentially due to contingent production plans as well as foreign-currency items being revalued, especially those pertaining to the Group's US subsidiaries following the depreciation of the US dollar.

Receivables

Trade Receivables

At June 30, 2002 the entry was made up as follows:

	<u>Gross</u> <u>Value</u>	<u>Bad debt</u> <u>provision</u>	<u>Net of</u> <u>provision at</u> <u>June 30, 2002</u>	<u>Net of</u> <u>provision at</u> <u>Dec. 31, 2001</u>	<u>Change</u>
Trade receivables	28,837	(846)	27,991	28,588	(597)

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, 2001 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 €18,691 thousand as of June 30, 2002 as compared with €19,806 thousand at December 31, 2001.

They consist of the following:

	<u>Balance</u> <u>June 30, 2002</u>	<u>Balance</u> <u>Dec. 31, 2001</u>	<u>Change</u>
Income tax receivables	2,421	3,568	(1,147)
VAT receivables	4,141	5,090	(949)
Other tax receivables	266	352	(86)
Deferred tax receivables	9,548	8,530	1,018
Receivables from social security agencies	111	14	97
Receivables from personnel	190	176	14
Guarantee deposits	80	72	8
Other receivables	1,934	2,004	(70)
Total	18,691	19,806	1,115

These receivables are collectible and include some amounts collectible over twelve months for a total of €1,403 thousand.

Short-Term Investments

Investments in Associated Companies

This item amounted to €408 thousand and represents the value of the investment in the indirectly associated company Japan Getters Inc., which began liquidation during the first half of 2002. As of December 31, 2001 such investment was recorded among the long-term investments for an amount of €432 thousand.

Other Securities

This item consists primarily of foreign bonds denominated in euro, which are investments of cash and cash equivalents. At June 30, 2002, the item totalled €6,357 thousand against €9,227 thousand at December 31, 2001.

This decrease was mainly due to certain securities held by Saes Getters International Luxembourg S.A. (company located in Luxembourg) maturing.

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.

The application of such accounting criteria resulted in the value of securities being reduced by €21 thousand.

Cash and Cash Equivalents

This item is described in detail in the enclosed balance sheet.

The decrease in "Bank and postal deposits" came mainly from cash flow generated from payments of dividends.

Prepayments and Accrued Income

At June 30, 2002, this item was made up as follows:

	Balance <u>June 30, 2002</u>	Balance <u>Dec. 31, 2001</u>	<u>Change</u>
Accrued income:			
Interest income	67	94	(27)
Other accrued income	-	22	(22)
	-----	-----	-----
Total accrued income	67	116	(49)
	-----	-----	-----
Prepayments:			
Prepaid leasing instalments	263	373	(110)
Yearly payments for patents	175	143	32
Other pre-paid expenses	681	563	118
	-----	-----	-----
Total prepayments	1,119	1,079	40
	-----	-----	-----
Total prepayments and accrued income	1,186	1,195	(9)
	=====	=====	=====

Liabilities and Shareholders' Equity

Shareholders' Equity

At June 30, 2002, shareholders' equity amounted to €170,083 thousand, down €7,377 thousand from December 31, 2001. 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 based on earnings accumulated in previous years from subsidiaries due to the fact that these are considered permanently invested.

From the year 2002 a new exhibition criterion, of the reserves included in the consolidation equity has been adopted. The amounts referred to the previous periods have been reclassified following the new criterion. Information regarding the main items making up shareholders' equity, and the changes made to them, is provided below.

Capital Stock

At June 30, 2002, fully underwritten and paid-in capital stock amounted to €12,220 thousand and is 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 ("Mercato Telematico Azionario"). Savings shares are also quoted on the US Nasdaq Stock Market ®.

Share Premium Reserve

This item includes amounts paid by shareholders over the par value of shares underwritten by capital increases. At June 30, 2002, the company's share premium reserve amounted to €40,797 thousand; no changes occurred during the period ended June 30, 2002.

Revaluation Reserves

At June 30, 2002, this item amounted to €3,026 thousand. No changes occurred during the period ended December 31, 2001. 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.

The revaluation reserves, pursuant to Law 413/1991 and Law 342/2000, are shown net of substitute tax amounting to €66 thousand and €97 thousand, respectively.

The two revaluation reserves included in the consolidated financial statements were €465 thousand (Law n.72/1983) and €110 thousand (Law n.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

At June 30, 2002, this item amounted to €2,444 thousand. No changes occurred in the first half of 2002.

Other Reserves

At June 30, 2002, this item amounted to €10,066 thousand. No changes occurred during the first half of 2002. This item includes the reserve for owned shares for an amount of €9,270 thousand and other reserves of the Headquarters.

Sundry Reserves, Retained Earnings and Accumulated Losses

The item includes other reserves, 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 €6,781 thousand. It showed a decrease of €5,197 thousand compared to December 2001, which is due to the 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 was due to the strengthening of the euro against other currencies during the period.

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 accounting criteria used as per the financial method had been followed, then the consolidated result for the period would have been €122 thousand lower while the consolidated shareholders' equity would have been €2,065 thousand higher, net of the inherent fiscal effects.

Provisions for Contingencies and Obligations

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

	<u>Dec. 31, 2001</u>	<u>Accruals</u>	<u>Utilisation of provision</u>	<u>Conversion differences</u>	<u>June 30, 2002</u>
Provision for retirement benefits and similar obligations	1,614	446	(139)	(90)	1,831
Other	948	146	(135)	(78)	881
	-----	-----	-----	-----	-----
Total	2,562	592	(274)	(168)	2,712
	-----	-----	-----	-----	-----

Other provisions are made up as follows:

	<u>Balance June 30, 2002</u>	<u>Balance Dec. 31, 2001</u>	<u>Change</u>
Provision for warranty on products sold	525	619	(94)
Provision for cyclical maintenance	76	77	(1)
Provision for penalties	95	97	(2)
Other provisions	185	155	30
	-----	-----	-----
Total	881	948	(67)
	=====	=====	=====

Staff Leaving Indemnity

Changes occurred during the period were as follows:

Balance at December 31, 2001	7,874
Provision for the period recorded in the profit and loss account	919
Indemnities paid in the period	(989)
Differences arising from the conversion of financial statements denominated in foreign currencies	(51)

Balance at June 30, 2002	7,753
	=====

The number of employees of the Group at June 30, 2002 was 1,073 (of which 518 are employed outside Italy). This reflects a decrease in headcount of 69 compared to December 31, 2001 and 145 compared to June 30, 2001.

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 30.06.2002				Balance	
	-----				Dec. 31, 2001	
	<u>Total</u>	Expiration (years)			<u>Total</u>	<u>Change</u>
<u>Less than 1 year</u>		<u>Between 1 and 5 years</u>	<u>Over 5 years</u>			
Bank overdraft	25,964	25,964	-	-	30,617	(4,653)
Other bank loans	2,749	1,679	619	451	3,580	(831)
	-----	-----	-----	-----	-----	-----
Total bank loans	28,713	27,643	619	451	34,197	(5,484)
	=====	=====	=====	=====	=====	=====

Trade Payables

These amounted to €9,343 thousand at the end of the period, showing a decrease of €16 thousand compared to December 31, 2001.

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, 2002, the above item amounted to €4,001 thousand, showing a decrease of €604 thousand compared to the end of the previous year.

	<u>Balance</u> <u>June 30, 2002</u>	<u>Balance</u> <u>Dec. 31, 2001</u>	<u>Change</u>
Income tax payables	2,985	3,180	(195)
Equity tax payables	285	480	(195)
Withholding taxes and other tax payables	731	945	(214)
	-----	-----	-----
Total	4,001	4,605	(604)
	=====	=====	=====

Withholding taxes primarily relate to income taxes for employees. All amounts are payable within 12 months.

Social Security Payables

At June 30, 2002 social security payables amounted to €1,549 thousand as compared to €1,805 thousand at December 31, 2001.

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, 2002 other payables amounted to €7,208 thousand as compared to €8,211 thousand at December 31, 2001.

The item consists of the following:

	<u>Balance</u> <u>June 30, 2002</u>	<u>Balance</u> <u>Dec. 31, 2001</u>	<u>Change</u>
Payables to employees (holidays, wages)	4,710	5,973	(1,263)
Insurance premiums payables	103	70	33
Other payables	2,395	2,168	227
	-----	-----	-----
Total	7,208	8,211	(1,003)
	=====	=====	=====

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 related to not trade payables.

Accrued Liabilities and Deferred Income

The above may be broken down as follows:

	Balance	Balance	
	<u>June 30, 2002</u>	<u>Dec. 31, 2001</u>	<u>Change</u>
Accrued liabilities:			
Interest expenses	25	31	(6)
Other accrued expenses	404	630	(226)
	-----	-----	-----
Total accrued liabilities	429	661	(232)
	-----	-----	-----
Deferred income	1,078	1,185	(107)
	-----	-----	-----
Total accrued liabilities and deferred income	1,507	1,846	(339)
	=====	=====	=====

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	Balance	
	<u>June 30, 2002</u>	<u>Dec. 31, 2001</u>	<u>Change</u>
Guarantees provided by the Group:			
- Guarantees in favour of third parties	19,081	19,989	(908)
	-----	-----	-----
Total guarantees provided by the Group	19,081	19,989	(908)
	-----	-----	-----
Other off balance sheet items:			
Leasing obligations	1,820	2,544	(724)
Forward exchange contracts	17,517	28,426	(10,909)
	-----	-----	-----
Total other off balance sheet items	19,337	30,970	(11,633)
	-----	-----	-----

The item "Guarantees in favour of third parties" is mainly made up of guarantees in favour of the Italian VAT authorities to guarantee refund requests totalling €1,219 thousand (€1,075 thousand at December 31, 2001) and guarantees provided by the Group's parent company in respect of leasing contracts entered into by subsidiaries in Avezzano. At June 30, 2002, 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. The total amount shown includes €877 thousand in respect of the third-party share (35%) of the bank loan of the associated company Nanjing Saes Huadong Getters Co. Ltd., which is guaranteed by the parent company.

The item "Other guarantees in favour of third parties" includes the value of guarantees provided by a number of subsidiaries to clients to assure the successful completion of supply contracts.

The unutilised portion of guarantees as of June 30, 2002 amounted to €21,702 thousand (€22,903 thousand at December 31, 2001). Guarantees are provided as lines of credit by the Group in favour of subsidiaries and associated companies.

The item "Leasing obligations" 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., €1,617 thousand and Fime Leasing S.p.A. €154 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 €5,536 thousand) and the subsidiaries Saes Advanced Technologies S.p.A. (€5,904 thousand) and Saes Getters Korea (€4,077 thousand) during the period to insure the Group against fluctuations in currency. These hedging operations cover receivables as of June 30, 2002 and a portion of sales forecasted for the second half of 2002 that are denominated in US dollars and Japanese yen.

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 2002 amounted to €70,730 thousand, down 20.8% from the first half of 2001.

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

Sales Revenues by Business Area

	<u>June 30, 2002</u>	<u>June 30, 2001</u>	<u>Change</u>
Display Devices	30,598	28,312	2,286
Light Sources	13,525	10,284	3,241
Electronic Devices & Flat Panels	6,124	8,246	(2,122)
Vacuum Systems & Thermal Insulation	3,493	2,906	587
Subtotal Components Aggregate	53,740	49,748	3,992
Pure Gas Technologies	7,253	21,234	(13,981)
Analytical Technologies	5,157	8,340	(3,183)
Facilities Technologies	4,476	9,802	(5,326)
Subtotal Equipment Aggregate	16,886	39,376	(22,490)
Other sales	104	141	(37)
Total net sales	70,730	89,265	(18,535)

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

	<u>June 30, 2002</u>	<u>June 30, 2001</u>	<u>Change</u>
Italy	1,437	1,423	14
European Union (excluding Italy)	10,408	15,150	(4,742)
Rest of Europe	1,631	1,557	74
North America	16,604	28,178	(11,574)
Japan	10,475	10,448	27
Asia (excluding Japan)	28,831	31,167	(2,336)
Rest of the world	1,344	1,342	2
	-----	-----	-----
Total	70,730	89,265	(18,535)
	=====	=====	=====

Changes in Construction in Progress

Changes in construction in progress at June 30, 2002 amount to €1,001 thousand, decreasing by €2,808 thousand from the same period in 2001.

Other Income

Other income increased by €475 thousand as shown in the table below:

	<u>June 30, 2002</u>	<u>June 30, 2001</u>	<u>Change</u>
Contributions for operating expenses	265	238	27
Other income:			
Recovery of transportation expenses	169	185	(16)
Other amounts recovered	542	157	385
Capital gains on sale of assets	38	3	35
Other	403	359	44
	-----	-----	-----
Total other income	1,152	704	448
	-----	-----	-----
Total	1,417	942	475
	=====	=====	=====

Cost of Production

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

The item consists of the following:

	<u>June 30, 2002</u>	<u>June 30, 2001</u>	<u>Change</u>
Raw materials	8,695	15,317	(6,622)
Auxiliary materials and spare parts	405	531	(126)
Resale goods	1,680	2,010	(330)

Other purchases	1,801	3,575	(1,774)
	-----	-----	-----
Total	12,581	21,433	(8,852)
	=====	=====	=====

The overall decrease seen over the amount recorded for the first half of the previous operating year was mainly due to minor purchases made to meet lower production levels related to the Equipment Aggregate.

Cost for Services

This item may be broken down as follows:

	<u>June 30, 2002</u>	<u>June 30, 2001</u>	<u>Change</u>
External costs for maintenance	1,537	1,552	(15)
Other external services	2,452	5,062	(2,610)
Transport	845	975	(130)
Travel expenses	1,728	2,902	(1,174)
Energy, telephone, telefax, etc.	2,166	1,951	215
Commission expenses	462	457	5
Insurance services	535	473	62
Technical, legal, fiscal and administrative services	2,403	1,853	550
Management and deposit of patents	794	506	288
Other	2,252	2,355	(103)
	-----	-----	-----
Total	15,174	18,086	(2,912)
	=====	=====	=====

The item "Other" as of June 30, 2002 includes fees of €802 thousand and €57 thousand payable to the parent company's directors and auditors respectively, comprising fees to perform duties in other Group companies included in the consolidation area.

Cost of Utilization of Third-Party Assets

For the period to June 30, 2002, such cost amounted to €1,353 thousand, down €460 thousand on the first half of 2001. 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 income statement.

Staff costs decreased from €3,159 thousand to €2,721 thousand in the first half of 2002; the €4,438 thousand decrease (-13.4%) reflects the reduction in staff related to the reorganization during the second half of 2001.

Amortization, Depreciation and Writedowns

This item is detailed in the income statement.

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 securities recorded under current assets amounting to €139 thousand as compared to €355 thousand for the same period in 2001.
- income from other receivables under long-term investments amounting to €29 thousand.
- income other than the items detailed above are as follows:

	<u>June 30, 2002</u>	<u>June 30, 2001</u>	<u>Change</u>
Foreign exchange gains	1,409	5,645	(4,236)
Other income	990	1,761	(771)
	-----	-----	-----
Total	2,399	7,406	(5,007)
	=====	=====	=====

The decrease of the Foreign exchange gains is mainly due to the depreciation of the US against the euro.

The item "Other income" mainly includes interest income on bank deposits, and other interest income, in particular due from tax authorities, and income from forward transactions and other minor financial income. The decrease compared to the first half of 2001 is mainly due to the decrease of the interest rates.

Interest and Other Financial Charges

They consist of the following:

	<u>June 30, 2002</u>	<u>June 30, 2001</u>	<u>Change</u>
Foreign exchange losses	1,724	2,688	(964)
Interest expenses:			
- on bank overdraft	349	666	(317)
- on other payables	8	274	(266)
	-----	-----	-----
Total interest expenses	357	940	(583)
	-----	-----	-----
Other	154	245	(91)
	-----	-----	-----
Total	2,235	3,873	(1,638)
	=====	=====	=====

Adjustments to the Value of Financial Assets

Revaluations

This item relates to the stake held in the associated company Japan Getters Inc., is valued by the equity method.

Writedowns

A breakdown of writedowns is provided in the income statement.

Extraordinary Income and Expenses

“Extraordinary income and expenses” showed a net loss of €2 thousand in the first half of 2002, against a net profit of €64 thousand for the same period in 2001.

Income Taxes for the Period

These amounted to €1,209 thousand, a decrease of €4,277 thousand from the first half of 2001. This item includes both current taxes and deferred tax accruals resulting from temporary differences between taxable income and the income of the individual companies included in the consolidation area, and the tax effect of consolidation adjustments.

The decrease over the first half of 2001 was due to a decrease in pre-tax profits. The impact of taxes decreased from 30.7% to 24.1% in the first half of 2002, mainly due to an increase in the proportion of profits from the Group’s companies subject to lower rates of taxation and a number of Group companies realising larger losses and being subject to higher tax rates.

Additional Information

1) At June 30, 2002, the Group’s employees were distributed as follows:

	<u>June 30, 2002</u>	<u>Dec. 31, 2001</u>	Average 1 st half 2002	Average 1 st half 2001
Managers	61	64	62	67
Employees and middle management	564	587	572	627
Workers	448	491	457	524
	-----	-----	-----	-----
Total	1,073	1,142	1,091	1,218
	=====	=====	=====	=====

Headcount at the associated company Nanjing Saes Huadong Getters Co. Ltd. amounted to 101 as of June 30, 2002 (of which 8 managers, 29 employees and middle management and 64 workers). It has been included in the table according to the Group’s participating interest (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, 2002 and December 31, 2001 is set out below (in thousands of euro):

	June 30, 2002		Dec. 31, 2001	
	Net profit	Shareholders' equity	Net profit	Shareholders' equity
Group's parent company Saes Getters S.p.A.	9,803	121,533	14,087	117,709
Difference between the consolidated companies' shareholders' equity and the book value represented by the investment	-	58,613	-	71,116
Net profit of consolidated companies, net of dividends distributed	(7,259)	-	4,565	-
Elimination of profit deriving from inter-company transactions, net of the related tax effect	536	(9,569)	(4,516)	(10,106)
Elimination of accelerated depreciation charges, net of the related tax effect	(93)	5	(57)	98
Difference arising from the application of different inventory valuation criteria between statutory accounts (LIFO) and consolidated accounts (FIFO), net of the related tax effect	(160)	10	78	170
Elimination of the provision for bad debts of subsidiaries, net of the related tax effect	8	109	17	101
Income tax accrual on dividends distribution made by foreign Subsidiaries	966	(346)	(23)	(1,312)
Other minor adjustments	(1)	(272)	(65)	(316)
Consolidated accounts	3,800	170,083	14,086	177,460
	=====	=====	=====	=====

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, 2002	Dec. 31, 2001	June 30, 2001
Assets			
Current assets *	151,031	161,685	167,059
Property, plant and equipment, net	66,049	67,756	63,574
Intangible assets	14,815	17,114	22,381
Investments and other financial assets	1,173	1,587	1,792
Total assets	233,068	248,142	254,806
Liabilities and shareholders' equity			
Current liabilities	50,563	58,389	63,617
Long-term liabilities	12,422	12,293	12,234
Shareholders' equity	170,083	177,460	178,955
Total liabilities and shareholders' equity	233,068	248,142	254,806

* Including non-current deferred tax assets

Consolidated Statements of Income	1 st quarter		2 nd quarter		1 st half	
	2002	2001	2002	2001	2002	2001
Net sales	33,508	45,899	37,222	43,366	70,730	89,265
Cost of sales	19,739	24,156	20,135	22,736	39,874	46,892
Gross profit	13,769	21,743	17,087	20,630	30,856	42,373
Research and development expenses	3,385	3,143	3,349	2,862	6,734	6,005
Selling expenses	4,512	5,511	5,535	6,121	10,047	11,632
General and administrative expenses	4,666	5,306	4,652	5,666	9,318	10,972
Total operating expenses	12,563	13,960	13,536	14,649	26,099	28,609
Operating income	1,206	7,783	3,551	5,981	4,757	13,764
Interest and other financial income, net	342	422	305	462	647	884
Foreign exchange gains (losses), net	71	1,491	(386)	1,475	(315)	2,966
Other income (expenses), net	6	87	(86)	144	(80)	231
Income before taxes	1,625	9,783	3,384	8,062	5,009	17,845
Income taxes	323	3,157	886	2,329	1,209	5,486
Net income	1,302	6,626	2,498	5,733	3,800	12,359
Earnings per share (euro):						
Ordinary shares	0.0554	0.2819	0.1007	0.2376	0.1561	0.5195
Savings shares	0.0554	0.2819	0.1163	0.2532	0.1717	0.5351

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, 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

Six months ended June 30, 2001	Components	Equipment	Other	Total
Net sales	49,748	39,376	141	89,265
Gross profit	26,316	16,014	43	42,373
Operating income (loss)	12,455	1,284	25	13,764

Geographic Areas

Six months ended June 30, 2002	Europe		United States	Asia		Adjustments (5)	Consolidated
	Italy	Rest of Europe		Japan	Rest of Asia		
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

Six months ended June 30, 2001	Europe	United States	Asia	Adjustments (5)	Consolidated		
Direct sales (1)	7,692	11,787	33,901	12,090	23,795	-	89,265
Inter-segment sales (2)	26,011	443	16,052	262	1,553	(44,321)	-
Total sales	33,703	12,230	49,953	12,352	25,348	(44,321)	89,265
Operating income (loss) (3)	3,318	661	5,526	69	4,893	(703)	13,764
Total assets (4)	169,686	75,326	80,098	11,248	46,619	(128,171)	254,806

- (1) Sales to unaffiliated customers comprise sales by Group companies from that geographic 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 Exhibit1.

With respect to the situation as of December 31, 2001, it must be highlighted that:

- With accounting effect as of January 1, 2002, the subsidiary company Saes Advanced Technologies S.p.A., located in Avezzano, Italy, incorporated the sister company Saes Metallurgia S.p.A.
- With accounting effect as of January 1, 2002, Molecular Analytics, Inc. merged into the sister company Trace Analytical, Inc. The surviving entity changed its name into Molecular Analytics, Inc.
- With accounting effect as of January 1, 2002, Saes Getters Finance S.A. merged in the sister company Saes Getters International Luxembourg S.A.
- With accounting effect as of January 1, 2002, Getters Corporation of America merged into its parent company Saes Getters USA, Inc., Colorado Springs, Colorado (USA).

Lainate (Milan), September 26, 2002

The Chairman of the Board of Directors
Paolo della Porta