

SAES Getters S.p.A.



2001 Interim Consolidated
Financial Statements
For the six months ending June 30, 2001



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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

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

General information on operations

In the first half 2001, despite the difficult macroeconomic situation and the slowdown of the markets the Group's deals with, Saes Getters Group realized satisfactory results. Although there was a reduction in operating income, the Group registered an increase in total net sales and net profit compared to the first half 2000.

The Components Business suffered from the slowdown of the cathode ray tube market, resulting in a progressive and significant reduction of the Display Devices Business Area's sales. The situation was mainly caused by two factors: the weakness in the personal computer market, which saw a drop of demand for the first time in the last fifteen years, and a more consistent market penetration of liquid crystal displays (which is a flat panel technology). This brought to a reduction in the operating income of the Components Business as compared to the first half of year 2000.

On the contrary the Equipment Business, whose production and sales of capital equipment are addressed mainly to semiconductor industries, realized a significant increase in sales and gross margin. This in spite of the production capacity excess and of the weakness of the personal computer demand, which caused a strong recession in semiconductor market. The Group's sales of analysers and purifiers benefited from investments in countries like China and Taiwan and from technological innovation and include, in the first half 2001, the sales of Molecular Analytics, Inc., acquired in July 2000.

With regard to the Equipment Business, the indirect subsidiary FST Consulting International, Inc., which provides quality assurance and control services for semiconductor industries, realized a significant increase in sales.

On April 2, 2001 Saes Getters joined the new segment of the Mercato Telematico Azionario of the Borsa Italiana S.p.A., called STAR "Segmento Titoli con Alti Requisiti", the Italian acronym for Stock Market Segment with High Requirements. This is reserved to small and medium capitalization companies operating in the traditional sectors of the economy which meet specific requirements in terms of transparency, liquidity and corporate governance.

Sales and economic results for the period ended on June 30, 2001

Net consolidated sales for the first half of 2001 amounted to €89,265 thousand, compared to €79,351 thousand in the same period of the previous year (+12.5%). This increase was the combined effect of higher sales volumes (+8.6%) and the devaluation of the Euro against other major currencies (which caused an increase in total net sales of 3.9%). The increase in sales volumes was due to the Equipment Business despite the semiconductor markets recession.

The positive impact that exchange rates had on the Group's results came mainly from the increase in the average rates recorded by the Japanese yen and the US dollar, and to a lesser extent from the strengthening of other currencies in which the Group operates compared to the Euro.

Sales of the Group's Components Business amounted to €49,748 thousand, down €4,461 thousand (with a decrease of 8.2% in net sales of the Components Business) compared to the first half of 2000. This decrease resulted from lower sales volumes of getters for colour cathode-ray tubes, and a slowing down of the main markets the Group deals with. This decrease was partially offset by a weak Euro (which caused an increase in net sales of the Components Business of 2.7%).

Sales for the Equipment Business totalled €39,376 thousand, showing an increase of €14,376 thousand (+57.5%) on the first half of 2000. The increase was primarily due to the higher sales of gas purification systems and gas analysers related to the construction of new semiconductor facilities (considering in the first half of the year 2001 the sales of Molecular Analytics, Inc. acquired in July 2000) and to the increase in the amount of quality control and certification services which have been provided to the semiconductor industry. This increase was pushed up by a weak Euro (which caused an increase in net sales of the Equipment Business of 6.1%).

The difference between value and cost of production in the first half of 2001 amounted to €13,477 thousand, with a considerable decrease from €15,084 thousand of the same period of 2000. Such decrease was mainly due to the change of sales product mix of goods with lower margin and to the increase of operating expenses. The increase of labour cost, of personnel costs for the structure strengthening and of service costs compared to first half of 2000 has contributed to the increase of operating expenses. This increase was partially due also to goodwill amortization and personnel costs from the Molecular Analytics, LLC assets acquisition.

The net balance of financial income/charges, registered a rise to €3,895 thousand from a balance of €1,692 thousand in the first half of 2000. Financial income, net of positive exchange differences, amounted to €2,123 thousand in the first half of 2001, up from €1,728 thousand recorded for the same period of 2000 thanks to greater average liquidity. Financial charges, net of exchange differences, amounted to €1,185 thousand in the first half of 2001 in line with the same period of 2000 (€1,133 thousand).

The net exchange position registered a positive balance amounting to €2,957 thousand against €1,097 thousand of the first half of 2000. The increase was mainly due to the strengthening of US dollar against Euro. In order to protect business margins from exchange rates fluctuation the Italian companies of the Group entered into contracts to hedge a portion of their accounts receivable and future sales denominated in foreign currencies.

In the first half of year 2001, adjustments to the value of financial assets resulted in a positive net balance of €9 thousand compared with a negative net balance of €89 thousand for the first half of 2000.

Net extraordinary income amounted to €464 thousand, compared with net extraordinary charges of €31 thousand in the first half of 2000.

Income taxes amounted to €5,486 thousand, against €4,672 thousand in the first half of 2000. The impact of taxes on pre-tax profits rose from 28% to 30.7% in the first half of 2001, mainly due to a number of Group companies realising higher profits that were subject to higher tax rates and to the expiration, during May 2001, of some tax exemptions benefited by Saes Advanced Technologies S.p.A.

Consolidated net profit for the first half of 2001 amounted to €12,359 thousand, against €11,984 thousand for the same period of 2000, or 13.8% of consolidated sales.

The result posted for the first half of 2001 includes depreciation of tangible assets and amortization of intangible assets totalling €6,790 thousand versus €5,978 thousand in the first half of 2000 and research costs amounting to €6,005 thousand (6.7% of net sales) versus €5,200 thousand in the first half of 2000 (6.6% of net sales). Said items were charged in full to the profit and loss account for the period.

All of the Group's relevant European companies manage their ledgers and produce their accounts in Euro (including the parent company stand-alone and consolidated accounts) in accordance with prevailing legislation. Starting from the second quarter 2001, the Group's quarterly, semi-annual and annual financial statements are issued in Euro.

The parent company conformed to the "Requirements related to the ownership of companies" as described in the CONSOB (Italian National Commission for Listed Companies and the Stock Exchange) circular dated February 20, 1997. In accordance with these requirements, PricewaterhouseCoopers S.p.A. conducted a limited audit of consolidated accounts for the first half of 2001.

Cash flow – Financial Position – Investments

Net profit reported for the period amounting to €12,359 thousand, in addition to tangible asset depreciation of €4,809 thousand and to intangible asset amortization of €1,981 thousand, generated a cash flow of €19,149 thousand (€17,962 thousand for the first half of 2000), equal to 21.5% of sales.

The table below breaks down the various items making up the Group's consolidated financial position. (Thousands of Euro)

	June 30,	Dec 31,	June 30,
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	2001	2000	2000
Financial assets:			
Cash and banks	68,344	77,994	70,966
Short term investments	10,956	12,451	12,735
Total current assets	79,300	90,445	83,701
Total long term assets	-	-	-
Total financial assets	79,300	90,445	83,701
Financial liabilities:			
Bank overdraft	33,568	25,421	24,922
Current portion of long term debt	1,223	1,162	768
Total current liabilities	34,791	26,583	25,690
Long term debt, net of current portion	2,389	2,916	3,749
Total long term liabilities	2,389	2,916	3,749
Total financial liabilities	37,180	29,499	29,439
Net financial position	42,120	60,946	54,262

The financial position as of June 30, 2001 showed a net liquid surplus of €42,120 thousand, comprising financial assets amounting to €79,300 thousand and financial liabilities of €37,180 thousand, against a net liquid surplus of €60,946 thousand at December 31, 2000. The decrease in this net financial position was mainly due to the investments during the first six month period of 2001 and to the payment of dividends.

In the first six months of 2001, investments in tangible assets (net of inter-company transactions) amounted to €12,743 thousand (€5,291 thousand for the same period of 2000). The investments are mainly due to a new building being built in Lainate (Milan – Italy), the completion of the new building of Saes Advanced Technologies S.p.A. in Avezzano (AQ) and to expanding production capacity, through purchasing new laboratory equipment and information system hardware in addition to improving production efficiency.

Performance of the parent company, subsidiaries and associated companies

SAES GETTERS S.p.A. - Lainate (Milan)

In the first half of 2001, the parent company posted turnover of €17,766 thousand (exports accounted for 89.5%), down €4,589 thousand from the level recorded in the same period of the previous year (€22,355 thousand). This decrease was mainly due to the decrease in quantities sold as a consequence of the slowdown of the cathode ray tube market. 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 direct subsidiary Saes Advanced Technologies S.p.A. based in Avezzano (AQ). Saes Getters S.p.A. posted a net profit for the period of €16,934 thousand, compared with €9,319 thousand at June 30, 2000. This 82% rise was mainly attributable to the extraordinary gain of €7,533 thousand due to the transfer of the above mentioned production line to Saes Advanced Technologies S.p.A. and to higher dividends from subsidiaries being received in the period to June 30, 2001. The dividends, which include the related tax credit, totalled €16,203 thousand compared to €12,213 thousand in the same period of 2000. Income taxes amounted to €4,199 thousand, equal to 19.9% of pre-tax profit, compared to the 31.5% for the first half of 2000.

This drop was due to the substitute tax of the 19% related to the surplus realized by conveyance of production line.

SAES METALLURGIA S.p.A. - Avezzano (L'Aquila)

Interim sales totalled €8,167 thousand versus €8,595 thousand in the same period of 2000 (-5.0%). Exports accounted for 63.5% of total sales. Net profit amounted to €1,510 thousand versus €1,399 thousand in the first half of 2000 (+7.9%). This increase was mainly due to the positive exchange rate differences caused by the strengthening of US dollar compared to Euro.

SAES ADVANCED TECHNOLOGIES S.p.A. - Avezzano (L'Aquila)

Interim sales totalled €13,295 thousand compared to €13,206 thousand in the first half of 2000 (+0.7%). Export sales accounted for 84.2% of total turnover. The company posted an interim net profit of €3,642 thousand, a sharp drop on the €4,920 thousand posted for the same period of 2000. This decrease in net profit was mainly due to measures to industrialise a number of new products, which produced additional expenses in the cost of sales. This decrease was also effect by the impact of taxes since some tax exemptions expired in May 2001.

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

In the first half of 2001, consolidated sales totalled \$32.8 million (eq. €36,556 thousand based on the average exchange rate seen in the first half of 2001), against \$26.8 million in the same period of 2000. It posted a consolidated profit of around \$2.3 million versus \$1.8 million in the first half of 2000.

US parent company Saes Getters USA, Inc., which produces products for the Components Business, posted sales of \$5.9 million, slightly up on the \$5.7 million seen for the first half of 2000. The company registered an interim net profit of around \$485,000 compared to \$ 753,000 in the first half of 2000. The decrease in net profit was mainly due to the costs for strengthening the commercial network and to a less favourable sale product mix.

The subsidiary Getters Corporation of America (Components Business) posted sales of \$7.4 million, down from \$8.7 million for the same period of 2000, due mainly to a slowdown in the cathode-tube ray market. Interim net results were approximately break-even compared to a \$220,000 in the first half of 2000. This drop was mainly due to a decrease in sales.

The subsidiary Saes Pure Gas, Inc. (Equipment Business) achieved sales of \$19.5 million, up sharply on the \$12.4 million recorded in the first half of 2000. The company closed the first half of 2001 with a net profit of \$1,860,000 versus a net profit of \$828,000 in the first half of 2000. The considerable increase in net profit was due mainly to the rise in turnover related to the development of more industrial plants by semiconductor producers.

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

First-half sales totalled yen 1,334 million (eq. €12,355 thousand, based on the average exchange rate seen in the first half of 2001). This was lower than yen 225 million recorded for the first half of

2000. Net profit came to yen 8 million (€78 thousand), up on the yen 28.4 million seen for the same period of 2000. This sharp drop in net profit was mainly due to a decrease in turnover.

SAES GETTERS SINGAPORE PTE LTD. - Singapore

First-half sales totalled S\$20.8 million (eq. €13,032 thousand, based on the average exchange rate seen in the first half of 2001). This was a lot higher than the S\$16.2 million recorded in the first half of 2000, primarily due to an increase in Equipment Business sales. The company posted a net profit for the period of S\$1,557,000 (€973 thousand), which was higher than S\$629,000 recorded in the first half of 2000 due mainly to the increase in sales.

SAES GETTERS (DEUTSCHLAND) GmbH – Cologne (Germany)

First-half sales totalled €6,385 thousand, which was a lot higher than the €2,871 thousand recorded for the same period of 2000. The notable increase in sales was primarily due to higher sales in the Equipment Business. Net profit for the period came in at around €273 thousand, compared with €20 thousand in the first half of 2000.

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

First-half sales totalled £1.9 million (eq. €3,120 thousand, based on the average exchange rate seen in the first half of 2001), against £1.6 million in the first half of 2000. Interim net profit amounted to around £146,000 (eq. €234 thousand), against £62,000 in the first half of 2000. The increase in net profit was mainly due to an increase in sales and to the company managing to contain its operating costs.

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

Sales totalled €2,400 thousand, up on the first half of 2000 (€1,695 thousand). The company posted a net profit for the first six months of the year of around €183 thousand, after posting a net profit of around €58 thousand for the same period of 2000. This improvement was mainly attributable to higher turnover and lower operating costs.

SAES GETTERS FINANCE S.A. - Luxembourg

The above company, whose main purpose is to manage the Group's liquidity in the best way possible, closed the first half of the year with a net profit of €2,213 thousand, up on the €1,862 thousand recorded for the previous period at June 30, 2000. This increase in net profit was mainly due to greater financial income being generated from liquidity management activities following the rise in interest rates and the positive effect of exchange rates.

SAES GETTERS INTERNATIONAL LUXEMBOURG S.A. - Luxembourg

The main purposes of the above company comprise the management of Group acquisitions and shareholdings, the granting of inter-group loans and the co-ordination of services on behalf of the Group. During the first half of the year, the company generated revenues from services of €328

thousand (€184 thousand in the first half of 2000), and a net profit of €1,671 thousand at June 30, 2001. This compared with a net profit of €1,333 thousand at June 30, 2000. The company's results improved thanks essentially to the increase in dividends it received from the subsidiary Saes Getters Korea Corporation. Note that the company evaluates its investments in subsidiaries by the cost method of accounting.

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 2001 of Won 12,791 million (€11,054 thousand converted at average exchange rate for the year), compared with turnover of Won 12,585 million in the same period of 2000 (+1.6%). The first half saw net profit amount to Won 3,519 million (€3,043 thousand), against a net profit of Won 4,013 million in the same period of 2000. This decrease was attributable to higher tax imposition and a less favourable sale product mix.

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, 2001 with sales of RMB 1,084,539 (€146 thousand) and with a loss of RMB 1,099,729 (€148 thousand), against a net loss of RMB 967,533 recorded for the same period of 2000. In this period, the construction of the building based in Pudong, Shanghai (China), has started, in order to guaranty the technical assistance to the companies operating in semiconductor fields. This project was also financed by the share capital increase in July 2001 for an amount of \$2,000,000.

The subsidiary Trace Analytical, Inc., based at Menlo Park (California), produces and distributes instruments for gas analysis systems that are mainly used in the semiconductor industry and in some industrial processes. The company posted sales of \$1,860,000 (eq. €2,071 thousand, based on the average exchange rate seen for the period). This was a sharp improvement on the \$1,488,000 of the first half of 2000, and a consolidated net loss of \$462,000 (eq. €514 thousand, based on the average exchange rate seen for the period) against a net loss of about \$1,048,000 in the same period of 2000.

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 \$8.9 million (€9,880 thousand converted at average exchange rate seen in the first half of 2001) against \$5.9 million in the same period of 2000. In the first half of 2001, it reported a net profit of \$894,000 (€995 thousand), compared to a net profit of \$86,000 in the first half of 2000. The notable improvement made in profitability was due mainly to higher turnover, in turn helped along by the semiconductor industry's comeback.

The subsidiary Molecular Analytics, LLC, based in Sparks, Maryland (USA) is involved in the manufacture and sale of gas impurity analysers using IMS technology (Ion Mobility Spectrometry). It closed the first half of the year with a turnover of \$2,300,000 (€2,560 thousand converted at average exchange rate seen in the first half of 2001) and a net loss of \$49,000 (€55 thousand). The net loss of the first half of the year 2001 was mainly due to goodwill amortization generated with the acquisition of the company July 2001, for an amount of \$338,000. The company did not contribute to the consolidated result of the first half of 2000 because was purchased in July 2000.

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 2001, the associated company realised sales of RMB 34.9 million (eq. €4,700 thousand, based on the average exchange rate seen for the period) - a sharp drop on the RMB 38.6 million recorded for the same period of the previous operating year - and posted a net profit of RMB 7.2 million (€967 thousand), compared to the net profit posted for the first half of 2000 (RMB 7.8 million). The reduction of the net profit is related to the decrease of sales which is influenced by slowdown of cathode ray tube market. No income taxes have been set aside for the current operating year, since the company is enjoying tax exemptions 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 as described in the report 2000.

In particular, positive results from the research project on IMS technology (Ion Mobility Spectrometry) brought to the development of a new generation of analytical instruments within the time schedule. A Beta test is on going at a customer's site.

A project of diversification and innovation in catalytic field has been launched in co-operation with other companies and research institutes.

The activity of R&D in toxic and special gas purification was completed with a launch of new products. They have reinforced the strength of our subsidiary, Saes Pure Gas Inc. based in California, which is already world leader in its field.

Development activities stepped up in Vacuum Insulated Panels (VIP) field. The setting up of the pilot equipment for the VIP production in Saes Advanced Technologies S.p.A. based in Avezzano was completed.

The introduction of new expertise reinforced the strategic marketing activities aimed at developing the laboratory activities through technological, market and scientific investigations in new fields of interest for the Saes Getters Group. In addition, a careful investigation has been focused to the most advanced technologies in the semiconductor and optoelectronic fields.

Transactions with related parties

Operations with related parties during the first half of 2001 consisted of strategic consulting transactions incurred by the parent company and amounted to €5 thousand. Contractual agreements related to the transactions above, including the economic and financial terms, are in line with the market prices. Operations with related parties are in compliance with the Requirement of CONSOB dated February 20, 1997 and Circulars dated February 27, 1998 and March 2, 1998.

Events subsequent to the date of the financial statements

Business performance outlook

The construction of a new building at the Lainate site is being carried on to expand the office area and to create room for new technical and corporate activities.

During this period our indirectly controlled subsidiary Saes Getters Technical Service (Shanghai) Co., Ltd. has started again the construction of a building in Pudong, Shanghai (China). This building hosts the analytical laboratory for the technical assistance to companies working in semiconductor field and an area for the assembly of some new products. This project was also financed by the share capital increase in July 2001 for an amount of \$2,000,000.

Due to the unstable macroeconomic situation, negatively influenced by the recent and tragic international events, the Group maintains prudent financial provisions for the second half of the year. In addition, in the second half of 2001 the economic results will be influenced by the trend of Euro with the main currencies, in particular US dollar and Japanese yen.

Accounting principles

As no changes occurred, accounting principles and consolidation practices applied in the preparation of the present 2001 half-year report are in line with those applied in the consolidated financial statements for the fiscal year 2000 to which we refer.

Since the first April 2001 the parent company has been using the Euro. All amounts in this economic report are expressed in thousands of Euro. The amounts in balance sheet and in income statement of prior year have been converted in Euro in order to guarantee an adequate value comparison.

Notes to the consolidated balance sheet

(amounts in thousands of Euro)

ASSETS

FIXED ASSETS

Separate exhibits have been prepared for the three asset categories (intangible assets, tangible assets and long-term investments). 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 increase for the period by €518 thousand includes newly capitalised costs (€728 thousand), net of amortisation charges for the period (€1,981 thousand), and positive exchange rate differences (€1,771 thousand). Such differences mainly relate to the considerable appreciation of the US dollar against the Euro.

The item "Other intangible assets" essentially includes capitalised costs relating to the realisation and enhancement of the Group's IT systems and the purchase of new application software. It also includes third-party leasehold improvement costs incurred by the parent company and the subsidiary Saes Advanced Technologies S.p.A.

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
Concessions, licences, trademarks and similar rights	3/50 years
Goodwill	10/40 years
Other intangible assets	3/8 years

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, 2001 and December 31, 2000 amount to €63,574 thousand and €53,332 thousand, respectively. Changes that occurred during the period are shown in Exhibit 4. The increase for the period of €10,242 thousand essentially includes newly capitalised costs (€12,743 thousand), net of depreciation (€4,809 thousand), and positive exchange rate differences (€2,560 thousand) arising mainly from the appreciation of the US dollar and Chinese renminbi against the Euro.

The increase of the item “assets under construction and advances” is mainly related to the construction of the new building based in Lainate (MI) and to the completion of the building of the subsidiary Saes Advanced Technologies S.p.A. based in Avezzano (AQ).

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” increased from €427 thousand as of December 31, 2000 to €455 thousand as of June 30, 2001. This increase related solely to the stake held in the associated company Japan Getters Inc., valued by the net equity method. The change that took place is set out in detail in the table below.

	Opening situation			Changes for the period			Closing situation		
	Original cost	Revaluation undertaken in previous years	Balance Dec. 31, 2000	Revaluations and write-backs	Foreign exchange differences	Total	Original cost	Revaluations	Balance June 30, 2001
Japan Getters Inc.	262	165	427	22	6	28	265	190	455

Opening balances and closing balances, arising from the conversion of accounts of Group companies presented in foreign currencies, are converted into Euro by using the exchange rates recorded on the date to which said figures refer. Exchange rate differences arising over the period are included in the balances shown for June 30, 2001.

Receivables from other companies

These are made up as follows:

	<u>Balance</u> <u>June 30, 2001</u>	<u>Balance</u> <u>Dec. 31, 2000</u>	<u>Change</u>
Guarantee deposits	798	748	50
Other	516	569	(53)
	-----	-----	-----
Total	1,314	1,317	(3)
	=====	=====	=====

Such receivables are all collectible and show some amounts collectible within twelve months for a total of €105 thousand.

CURRENT ASSETS

INVENTORY

The balance consists of the following:

	<u>Balance</u> <u>June 30, 2001</u>	<u>Balance</u> <u>Dec. 31, 2000</u>	<u>Change</u>
Raw materials, auxiliary materials and spare parts	13,779	12,750	1,029
Work in progress and semi-finished products	8,450	6,534	1,916
Finished products and goods	11,898	8,841	3,057
Advances	183	145	38
	-----	-----	-----
Total	34,310	28,270	6,040
	=====	=====	=====

The changes from December 31, 2000 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 appreciation of the US dollar.

RECEIVABLES

Trade receivables

At June 30, 2001 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, 2001</u>	<u>Net of</u> <u>provision at</u> <u>Dec. 31, 2000</u>	<u>Change</u>
Trade receivables	38,878	(797)	38,081	37,566	515

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 increase in trade receivables on December 31, 2000 was essentially due to the increase in sales, the depreciation 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 €13,737 thousand as of June 30, 2001 as compared with €10,515 thousand at December 31, 2000.

They consist of the following:

	<u>Balance</u> <u>June 30, 2001</u>	<u>Balance</u> <u>Dec. 31, 2000</u>	<u>Change</u>
Income tax receivables	-	74	(74)
VAT receivables	4,246	4,628	(382)
Other tax receivables	483	450	33
Deferred tax receivables	7,413	4,857	2,556
Receivables from social security	16	20	(4)
Receivables from personnel	332	265	67
Guarantee deposits	110	75	35
Other receivables	1,137	146	991
	-----	-----	-----
Total	13,737	10,515	3,222
	=====	=====	=====

Such receivables are all collectible and show some amounts collectible over twelve months for a total of €1,724 thousand. No adjustments to their respective book values have therefore been made.

SHORT-TERM INVESTMENTS

Other securities

This item consists primarily of foreign bonds denominated in Eurolire, which are investments of cash and cash equivalents. At June 30, 2001, the item totalled €10,956 thousand against €12,451 thousand at December 31, 2000.

This decrease was mainly due to certain securities held by Saes Getters Finance 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 €13 thousand.

Gains from exchange rate differences have prudently not been recorded.

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, 2001, this item was made up as follows:

	Balance <u>June 30, 2001</u>	Balance <u>Dec. 31, 2000</u>	<u>Change</u>
Accrued income:			
Interest income	120	226	(106)
Other accrued income	-	24	(24)
	-----	-----	-----
Total accrued income	120	250	(130)
	-----	-----	-----
Prepayments:			
Prepaid leasing instalments	460	625	(165)
Yearly payments for patents	169	148	21
Other pre-paid expenses	882	460	422
	-----	-----	-----
Total prepayments	1,511	1,233	278
	-----	-----	-----
Total prepayments and accrued income	1,631	1,483	148
	=====	=====	=====

LIABILITIES AND SHAREHOLDERS' EQUITY

SHAREHOLDERS' EQUITY

At June 30, 2001, shareholders' equity amounted to €178,955 thousand, up €7,927 thousand from December 31, 2000. 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.

Information regarding the main items making up shareholders' equity, and the changes undergone by them, is provided below.

CAPITAL STOCK

At June 30, 2001, fully underwritten and paid-in capital stock amounted to €12,220 thousand.

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, 2001, the company's share premium reserve amounted to €40,797 thousand; no changes occurred over the period December 31, 2000 - June 30, 2001.

REVALUATION RESERVES

At June 30, 2001, this item amounted to €3,026 thousand. No changes occurred over the period December 31, 2000 - June 30, 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 €166 thousand and to €397 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 a 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, 2001, this item amounted to €4,278 thousand, increasing €661 thousand during the period December 31, 2000 - June 30, 2001. This increase reflects the income allocated to the Group's legal reserve by certain Group companies.

OTHER RESERVES

Such reserves are described in detail in Exhibit 2.

The item "Exchange rate conversion differences" increased by €5,428 thousand, due to the impact of the conversion into Italian lire of foreign subsidiaries' financial statements denominated in foreign currencies on consolidated shareholders' equity, as well as to consolidation adjustments. The

increase seen was due to the weakening of the Euro, and therefore of the Italian lira, 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 instead the accounting criteria used as per the financial method had been followed, then the consolidated result for the period and consolidated shareholders' equity, net of the inherent fiscal effects, would have been €95 thousand and €1,945 thousand higher, respectively.

PROVISIONS FOR CONTINGENCIES AND OBLIGATIONS

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

	<u>Dec. 31, 2000</u>	<u>Accruals</u>	<u>Utilisation of provision</u>	<u>Conversion differences</u>	<u>June 30, 2001</u>
Provision for retirement benefits and similar obligations	1,414	104	-	54	1,572
Other	1,028	412	(155)	87	1,372
	-----	-----	-----	-----	-----
Total	2,442	516	(155)	141	2,944
	-----	-----	-----	-----	-----

Other provisions are made up as follows:

	<u>Balance June 30, 2001</u>	<u>Balance Dec. 31, 2000</u>	<u>Change</u>
Provision for warranty on products sold	1,008	674	334
Provision for returns, adjustments in invoicing, discounts and bonuses to customers	102	97	5
Other provisions	262	257	5
	-----	-----	-----
Total	1,372	1,028	344
	=====	=====	=====

STAFF LEAVING INDEMNITY

Changes occurred during the period were as follows:

Balance at December 31, 2000	7,938
Provision for the period recorded in the profit and loss account	880
Indemnities paid in the period	(805)
Differences arising from the conversion of financial statements denominated in foreign currencies	49

Balance at June 30, 2001	8,062
	=====

The number of employees of the Group at June 30, 2001 was 1,218 (of which 662 are employed outside Italy). This reflects an increase of 18 units over December 31, 2000 and 149 units over June 30, 2000.

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 30.06.2001				Balance	
	Total	Expiration (years)			Total	Change
Less than 1 year		Between 1 and 5 years	Over 5 years			
Bank overdraft	33,568	33,568	-	-	25,422	8,146
Other bank loans	3,612	1,223	2,389	-	4,077	(465)
	-----	-----	-----	-----	-----	-----
Total bank loans	37,180	34,791	2,389	-	29,499	7,681
	=====	=====	=====	=====	=====	=====

Trade payables

These amounted to €11,522 thousand at the end of the period, showing a decrease of €2,432 thousand over December 31, 2000, which is largely attributable to the Group realising lower sales.

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

Tax payables

At June 30, 2001, the above item amounted to €5,301 thousand, showing a decrease of €1,161 thousand over the end of the previous year.

	<u>Balance</u> <u>June 30, 2001</u>	<u>Balance</u> <u>Dec. 31, 2000</u>	<u>Change</u>
Income tax payables	3,955	4,149	(194)
Equity tax payables	22	257	(235)
Withholding taxes and other tax payables	1,324	2,056	(732)
	-----	-----	-----
Total	5,301	6,462	(1,161)
	=====	=====	=====

Equity tax payables are recorded net of advances paid.

Withholding taxes refer mainly to income taxes in respect of employees.

All said amounts are payable within 12 months.

Social security payables

At June 30, 2001 social security payables amounted to €1,361 thousand as compared to €1,398 thousand at December 31, 2000.

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, 2001 other payables amounted to €8,227 thousand against €10,226 thousand at December 31, 2000.

The item consists of the following:

	<u>Balance</u> <u>June 30, 2001</u>	<u>Balance</u> <u>Dec. 31, 2000</u>	<u>Change</u>
Payables to employees (holidays, wages)	4,778	4,616	162
Insurance premiums payables	50	109	(59)
Other payables	3,399	5,501	(2,102)
	-----	-----	-----

Total	8,227	10,226	(1,999)
	=====	=====	=====

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 decrease in item "Other payables" with respect to December 31, 2000 is mainly due to payment of residual debt for the Molecular Analytics, LLC. acquisition.

ACCRUED LIABILITIES AND DEFERRED INCOME
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The above may be broken down as follows:

	Balance	Balance	
	<u>June 30, 2001</u>	<u>Dec. 31, 2001</u>	<u>Change</u>
Accrued liabilities:			
Interest expenses	83	84	(1)
Other accrued expenses	489	470	19
	-----	-----	-----
Total accrued liabilities	572	554	18
	-----	-----	-----
Deferred income	237	275	(38)
	-----	-----	-----
Total accrued liabilities and deferred income	809	829	(20)
	=====	=====	=====

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, 2001</u>	<u>Dec. 31, 2000</u>	<u>Change</u>
Guarantees provided by the Group:			
- Guarantees in favour of third parties	14,615	15,716	(1,101)
	-----	-----	-----
Total guarantees provided by the Group	14,615	15,716	(1,101)
	-----	-----	-----
Other off balance sheet items:			
Leasing obligations	3,344	4,322	(978)
Forward exchange contracts	15,676	26,197	(10,521)
	-----	-----	-----
Total other off balance sheet items	19,020	30,519	(11,499)

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 €5,727 thousand (€6,002 thousand at December 31, 2000) and guarantees provided by the Group's parent company in respect of leasing contracts entered into by subsidiaries in Avezzano. At June 30, 2001, 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 €1,985 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, 2001 amounted to €17,829 thousand (€13,610 thousand at December 31, 2000). 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., €2,713 thousand and Fime Leasing S.p.A. €536 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 the Group's parent company (for a total amount of €8,844 thousand) and the subsidiaries Saes Metallurgia S.p.A. (€1,946 thousand) and Saes Advanced Technologies S.p.A. (€4,886 thousand) during the period to insure the Group against fluctuations in currency markets.

These hedging operations cover receivables as of June 30, 2001 and a portion of sales forecasted for the second half of 2001 that are denominated in US dollars and Japanese Yen.

<p>Notes to the consolidated statement of income (amounts in thousands of Euro)</p>
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<p>VALUE OF PRODUCTION</p>

REVENUES FROM SALES AND SERVICES

Consolidated revenues from the sale of goods and services in the first half of 2001 amounted to €89,265 thousand, up 12.5% from the first half of 2000.

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

Sales revenues by Business Area

	<u>June 30, 2001</u>	<u>June 30, 2000</u>	<u>Change</u>
Display Devices	28,312	32,633	(4,321)

Light Sources	10,284	10,231	53
Electronic Devices & Flat Panels	8,246	8,021	225
Vacuum Systems & Insulations	2,906	3,324	(418)
Components – Subtotal	49,748	54,209	(4,461)
Pure Gas Technologies	21,234	13,307	7,927
Analytical Technologies	8,340	5,494	2,846
Facilities Technologies	9,802	6,199	3,603
Equipment – Subtotal	39,376	25,000	14,376
Other sales	141	142	(1)
Total	89,265	79,351	9,914

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 used for electron vacuum devices and flat panel displays
Vacuum Systems & Insulations	Pumps for vacuum systems and getters for thermal insulated devices
Pure Gas Technologies	Gas purifier systems for semiconductor industry
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

Sales revenues by geographical location of customer

	<u>June 30, 2001</u>	<u>June 30, 2000</u>	<u>Change</u>
Italy	1,423	2,426	(1,003)
European Union (excluding Italy)	15,150	10,926	4,224
Rest of Europe	1,557	1,325	232
North America	28,178	23,264	4,914
Japan	10,448	12,072	(1,624)
Asia (excluding Japan)	31,167	28,243	2,924
Rest of the world	1,342	1,095	247
	-----	-----	-----
Total	89,265	79,351	9,914
	=====	=====	=====

CHANGES IN CONSTRUCTION IN PROGRESS

Changes in construction in progress at June 30, 2000 amount to €2,808 thousand, increasing by €1,817 thousand from the same period of 2000.

OTHER INCOME

Other income increased by €349 thousand as shown in the table below:

	<u>June 30, 2001</u>	<u>June 30, 2000</u>	<u>Change</u>
Contributions for operating expenses	238	26	212
Other income:			
Recovery of transportation expenses	185	266	(81)
Other amounts recovered	157	36	121
Capital gains on sale of assets	3	5	(2)
Other	359	260	99
	-----	-----	-----
Total other income	704	567	137
	-----	-----	-----
Total	942	593	349
	=====	=====	=====

COST OF PRODUCTION

COST FOR RAW MATERIALS, AUXILIARY MATERIALS, SPARE PARTS AND RESALE GOODS

The item consists of the following:

	<u>June 30, 2001</u>	<u>June 30, 2000</u>	<u>Change</u>
Raw materials	15,317	13,103	2,214
Auxiliary materials and spare parts	531	557	(26)
Resale goods	2,010	1,636	374
Other purchases	3,575	2,598	977
	-----	-----	-----
Total	21,433	17,894	3,539
	=====	=====	=====

The overall increase seen over the amount recorded for the first half of the previous operating year was mainly due to purchases made to meet higher production levels.

COST FOR SERVICES

This item may be broken down as follows:

	<u>June 30, 2001</u>	<u>June 30, 2000</u>	<u>Change</u>
External costs for maintenance	1,552	1,111	441
Other external services	5,062	3,617	1,445
Transport	975	1,004	(29)

Travel expenses	2,902	2,045	857
Energy, telephone, telefax, etc.	1,951	1,721	230
Commission expenses	457	168	289
Insurance services	473	432	41
Technical, legal, fiscal and administrative services	1,853	2,369	(516)
Management and deposit of patents	506	432	74
Other	2,355	1,983	1,276
	-----	-----	-----
Total	18,086	14,882	3,204
	=====	=====	=====

The item "Other" as of June 30, 2001 includes fees of €972 thousand and €51 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, 2001, such cost amounted to €1,813 thousand, up €37 thousand on the first half of 2000. 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 increased from €26,028 thousand to €33,159 thousand in the first half of 2001; the €7,131 thousand increase (27.4%) reflects the rise in staff numbers and labour cost trends.

AMORTIZATION, DEPRECIATION AND WRITEDOWNS

Such 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 €355 thousand, against €327 thousand seen for the same period in 2000.
- income from other receivables under long term investments amounting to €7 thousand.
- income other than the above is detailed as follows:

	<u>June 30, 2001</u>	<u>June 30, 2000</u>	<u>Change</u>
Foreign exchange gains	5,645	2,963	2,682
Other income	1,761	1,401	360
	-----	-----	-----
Total	7,406	4,364	3,042
	=====	=====	=====

The item "Other income" mainly includes interest income on bank deposits and, to a lesser extent, other interest income, in particular due from tax authorities, and income from forward transactions and other minor financial income.

INTEREST AND OTHER FINANCIAL CHARGES

They consist of the following:

	<u>June 30, 2001</u>	<u>June 30, 2000</u>	<u>Change</u>
Foreign exchange losses	2,688	1,866	822
Interest expenses:			
- on bank overdraft	666	644	22
- on other payables	274	237	37
	-----	-----	-----
Total interest expenses	940	881	59
	-----	-----	-----
Other	245	252	(7)
	-----	-----	-----
Total	3,873	2,999	874
	=====	=====	=====

ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS

REVALUATIONS

The above amounted to €22 thousand at June 30, 2001, as compared with €6 thousand at June 30, 2000.

Said item relates to the stake held in the associated company Japan Getters Inc. being revalued 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 profit of €464 thousand in the first half of 2001, against a loss of €31 thousand for the same period in 2000.

INCOME TAXES FOR THE PERIOD

These amounted to €5,486 thousand, up €814 thousand from the first half of 2000.

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 increase over the first half of 2000 was due to an increase in pre-tax profits. The impact of taxes rose from 28% to 30.7% in the first half of 2001, mainly due to a number of Group companies realising higher profits that were subject to higher tax rates and to the expiration, during May 2001, of some tax exemptions benefited by Saes Advanced Technologies S.p.A.

Additional information

1) At June 30, 2001, the Group's employees were distributed as follows:

	<u>Dec. 31, 2000</u>	<u>June 30, 2001</u>	Average
Managers	63	68	67
Employees and middle management	618	626	627
Workers	519	524	524
	-----	-----	-----
Total	1,200	1,218	1,218
	=====	=====	=====

It must be highlighted that the personnel of the associated company Nanjing Saes Huadong Getters Co. Ltd. amounted to 110 units as of June 30, 2001 (of which 8 managers, 29 employees and middle management and 73 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, 2001 and December 31, 2000 is set out below (in thousands of Euro):

	June 30, 2001		Dec. 31, 2000	
	Net profit	Shareholders' equity	Net profit	Shareholders' equity
	-----	-----	-----	-----
Group's parent company				
Saes Getters S.p.A.	16,934	120,556	9,874	113,483
Difference between the consolidated companies' shareholders' equity and the book value represented by the investment	-	70,558	-	64,426
Net profit of consolidated companies, net of dividends distributed	741	-	19,944	-
Elimination of profit deriving from inter-company transactions, net of the related tax effect	(5,523)	(11,113)	(1,597)	(5,590)
Elimination of accelerated depreciation charges, net of the related tax effect	(87)	68	(59)	155
Difference arising from the application of different inventory valuation criteria between statutory accounts (LIFO) and consolidated accounts (FIFO), net of the related tax effect	115	207	(95)	92
Elimination of the provision for bad debts of subsidiaries, net of the related tax effect	17	101	33	84
Income tax accrual on dividends distribution made by foreign subsidiaries	196	(1,093)	(659)	(1,289)
Other minor adjustments	(34)	(329)	(200)	(333)
Consolidated accounts	12,359	178,955	27,241	171,028
	=====	=====	=====	=====

3) We report below 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, 2001	Dec. 31, 2000	June 30, 2000
ASSETS			
Current assets	167,059	168,279	153,425
Property, plant and equipment, net	63,574	53,332	47,898
Intangible assets	22,381	21,863	15,856
Investments and other financial assets	1,792	1,758	1,839
Total assets	254,806	245,232	219,018

LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities	63,617	61,151	50,690
Long-term liabilities	12,234	13,053	13,050
Shareholders' equity	178,955	171,028	155,278
Total liabilities and shareholders' equity	254,806	245,232	219,018

CONSOLIDATED STATEMENTS OF INCOME	1 st quarter		2 nd quarter		1 st half	
	2001	2000	2001	2000	2001	2000
Net sales	45,899	36,222	43,366	43,129	89,265	79,351
Cost of sales	24,156	18,859	22,736	21,381	46,892	40,240
Gross profit	21,743	17,363	20,630	21,748	42,373	39,111
Research and development expenses	3,143	2,509	2,862	2,691	6,005	5,200
Selling expenses	5,511	4,309	6,121	4,897	11,632	9,206
General and administrative expenses	5,306	4,650	5,666	4,911	10,972	9,561
Total operating expenses	13,960	11,468	14,649	12,499	28,609	23,967
Operating income	7,783	5,895	5,981	9,249	13,764	15,144
Interest and other financial income, net	422	276	462	221	884	497
Foreign exchange gains (losses), net	1,491	1,184	1,475	(87)	2,966	1,097
Other income (expenses), net	87	(3)	144	(79)	231	(82)
Income before taxes	9,783	7,352	8,062	9,304	17,845	16,656
Income taxes	3,157	1,901	2,329	2,771	5,486	4,672
Net income	6,626	5,451	5,733	6,533	12,359	11,984
Earnings per share (Euro):						
Ordinary shares	0.2819	0.2320	0.2376	0.2717	0.5195	0.5037
Savings shares	0.2819	0.2320	0.2532	0.2870	0.5351	0.5190

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

BUSINESS AGGREGATES

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

Six months ended June 30, 2000	Components	Equipment	Other	Total
--------------------------------	------------	-----------	-------	-------

Net sales	54,209	25,000	142	79,351
Gross profit	30,035	9,045	31	39,111
Operating income (loss)	16,865	(1,728)	7	15,144

GEOGRAPHIC AREAS

Six months ended June 30, 2001	Europe		United States	Asia		Adjustments (5)	Consolidated
	Italy	Rest of Europe		Japan	Rest of Asia		
Direct sales (1)	7,692	11,787	33,901	12,090	23,795	-	89,265
Intersegment 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

Six months ended June 30, 2000

Direct sales (1)	9,912	7,037	26,082	15,037	21,283	-	79,351
Intersegment sales (2)	28,465	341	9,098	185	1,610	(39,699)	-
Total sales	38,377	7,378	35,180	15,222	22,893	(39,699)	79,351
Operating income (loss) (3)	8,155	(73)	2,451	456	5,079	(924)	15,144
Total assets (4)	154,410	65,073	53,464	12,230	40,770	(106,929)	219,018

- (1) Sales to unaffiliated customers comprise sales by Group companies from that geographic segment.
- (2) Intersegment sales include sales to Group companies located in other geographic areas. Intersegment 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

No changes in the Group's structure and the scope of consolidation used occurred with respect to December 31, 2000.

With respect to the situation as of June 30, 2000, it must be highlighted the acquisition of the assets and liabilities of Molecular Analytics, LLC, based in Sparks, Maryland (USA) in July 2000. It operates in production and distribution of analyzers realized with IMS technology (Ion Mobility Spectrometry).

Lainate (Milan), September 27, 2001

The Chairman of the Board of Directors
Paolo della Porta