

# SAES GETTERS S.P.A. AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS

As of 30 June 2000, 31 December 1999  
and 30 June 1999

(in Millions of Lire)

	30 June 2000	31 December 1999	30 June 1999
<b>A) SHARE CAPITAL ISSUED AND NOT YET PAID</b> (The share which has already been called for is shown separately)	0	0	0
<b>B) FIXED ASSETS</b>			
<i>I Intangible assets:</i>			
1) Start-up and expansion costs	3,236	4,423	5,639
2) Research, development and advertising costs	0	0	0
3) Industrial and other patent rights	1,178	1,096	1,020
4) Concessions, licences, trademarks and similar rights	2,222	2,160	2,020
5) Goodwill	18,257	17,944	18,711
Consolidation difference	0	495	482
6) Assets in progress and advances	1,412	1,204	714
7) Other intangible assets	4,397	4,719	4,969
<b>Total intangible assets</b>	<b>30,702</b>	<b>32,041</b>	<b>33,555</b>
<i>II Tangible assets:</i>			
1) Land and buildings	28,641	28,232	27,728
2) Plant and machinery	40,274	40,358	38,499
3) Industrial and commercial equipment	6,113	5,160	5,427
4) Other assets	8,887	9,279	8,664
5) Assets under construction and advances	8,827	5,681	6,802
<b>Total tangible assets</b>	<b>92,742</b>	<b>88,710</b>	<b>87,120</b>
<i>III Long-term investments (amounts receivable within 1 year are shown separately for each item)</i>			
Investments in share capital:			
a) subsidiaries	0	0	0
b) associated companies	862	832	650
c) parent companies	0	0	0
d) other companies	0	0	0
Total investments in share capital	862	832	650
Receivables:			
a) from subsidiaries	0	0	0
b) from associated companies	0	0	0
c) from parent companies	0	0	0
d) from other companies	2,668	2,572	2,384
Total receivables	2,668	2,572	2,384
Other securities	31	25	25
Own shares (the total par value is also shown)	0	0	0
<b>Total long-term investments</b>	<b>3,561</b>	<b>3,429</b>	<b>3,059</b>
<b>Total fixed assets (B)</b>	<b>127,005</b>	<b>124,180</b>	<b>123,734</b>

	(in Millions of Lire)		
	30 June 2000	31 December 1999	30 June 1999
<b>C) CURRENT ASSETS</b>			
<i>I Inventory:</i>			
1) Raw materials, auxiliary materials and spare parts	20,802	18,738	20,338
2) Work in progress and semi-finished products	12,420	9,740	8,693
3) Contract work in progress	0	0	0
4) Finished products and goods	16,014	15,595	17,499
5) Advances	0	432	0
<b>Total inventory</b>	<b>49,236</b>	<b>44,505</b>	<b>46,530</b>
<i>II Receivables (amounts receivable beyond 1 year are shown separately for each item)</i>			
1) Trade receivables	63,797	55,606	45,615
2) Receivables from subsidiaries	0	0	0
3) Receivables from associated companies	0	0	0
4) Receivables from parent companies	0	0	0
5) Other receivables	18,419	18,501	14,926
<b>Total receivables</b>	<b>82,216</b>	<b>74,107</b>	<b>60,541</b>
<i>III Short-term investments:</i>			
1) Investments in subsidiaries	0	0	0
2) Investments in associated companies	0	0	0
3) Investments in parent companies	0	0	0
4) Other investments	0	0	0
5) Own shares (the total par value is also shown)	0	0	0
6) Other securities	24,658	29,568	16,176
<b>Total short-term investments</b>	<b>24,658</b>	<b>29,568</b>	<b>16,176</b>
<i>IV Cash and cash equivalents:</i>			
1) Bank and postal deposits	137,326	118,097	118,794
2) Cheques	0	74	2
3) Cash on hand	84	108	63
<b>Total cash and cash equivalents</b>	<b>137,410</b>	<b>118,279</b>	<b>118,859</b>
<b>Total current assets (C)</b>	<b>293,520</b>	<b>266,459</b>	<b>242,106</b>
<b>D) PREPAYMENTS AND ACCRUED INCOME,</b> (discount on loans is shown separately)	3,553	3,732	3,720
<b>Total prepayments and accrued income</b>	<b>3,553</b>	<b>3,732</b>	<b>3,720</b>
<b>TOTAL ASSETS</b>	<b>424,078</b>	<b>394,371</b>	<b>369,560</b>

## LIABILITIES AND SHAREHOLDERS' EQUITY

	(in Millions of Lire)		
	30 June 2000	31 December 1999	30 June 1999
<b>A) SHAREHOLDERS' EQUITY</b>			
I Capital stock	23,661	23,500	23,500
II Share premium reserve	78,994	99,325	99,325
III Revaluation reserves:			
Law no. 72/83	1,111	1,111	1,111
Law no. 413/91	1,339	1,339	1,339
IV Legal reserve	7,068	6,427	6,243
V Reserve for own shares in portfolio	0	0	0
VI Statutory reserves	0	0	0
VII Other reserves	44,795	40,151	35,818
VIII Profits (losses) carried forward	120,487	86,047	86,200
IX Net income (loss) for the period	23,205	24,304	7,626
<b>Total shareholders' equity</b>	<b>300,660</b>	<b>282,204</b>	<b>261,162</b>
<b>B) PROVISIONS FOR CONTINGENCIES AND OBLIGATIONS</b>			
1) provision for retirement benefits and similar obligations	2,582	2,372	2,286
2) provision for income taxes	0	0	0
3) other provisions	1,554	1,043	1,151
<b>Total provisions for contingencies and obligations</b>	<b>4,136</b>	<b>3,415</b>	<b>3,437</b>
<b>C) STAFF LEAVING INDEMNITY</b>	<b>14,955</b>	<b>13,736</b>	<b>13,212</b>
<b>D) PAYABLES</b> (amounts payable beyond 1 year are shown separately for each item)			
1) Bonds	0	0	0
2) Convertible bonds	0	0	0
3) Bank loans			
- beyond 1 year      7,260	57,003	52,320	53,091
4) Other financial payables	0	326	67
5) Advances	3,474	2,757	2,127
6) Trade payables	18,596	15,893	15,056
7) Secured payables	0	0	0
8) Payables to subsidiaries	0	0	0
9) Payables to associated companies	0	0	0
10) Payables to parent companies	0	0	0
11) Tax payables	7,381	6,008	4,414
12) Social security payables	1,822	2,121	1,401
13) Other payables			
- beyond 1 year      472	13,944	13,654	14,054
<b>Total payables</b>	<b>102,220</b>	<b>93,079</b>	<b>90,210</b>
<b>E) ACCRUED EXPENSES AND DEFERRED INCOME,</b> (premium on loans is also shown)	2,107	1,937	1,539
<b>Total accrued expenses and deferred income</b>	<b>2,107</b>	<b>1,937</b>	<b>1,539</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>424,078</b>	<b>394,371</b>	<b>369,560</b>
<b>MEMORANDUM ACCOUNTS</b>			
<b>Guarantees provided by the Group:</b>			
- Guarantees in favour of third parties	23,562	25,713	25,223
- Other guarantees in favour of third parties	218	5	56
<b>Total guarantees provided by the Group</b>	<b>23,780</b>	<b>25,718</b>	<b>25,279</b>
<b>Other off balance sheet items:</b>			
- Leasing obligations	9,980	11,724	13,588
- Forward exchange contracts	32,617	50,524	19,460
<b>Total other off balance sheet items</b>	<b>42,597</b>	<b>62,248</b>	<b>33,048</b>

# SAES GETTERS S.P.A. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF INCOME

For the six months ended 30 June 2000 and 1999  
and for the twelve months ended 31 December 1999

(in Millions of Lire)

	30 June 2000	30 June 1999	31 December 1999
<b>A) VALUE OF PRODUCTION</b>			
1) Revenues from sales and services	153,644	102,278	224,045
2) Changes in work in progress, semi-finished and finished products + (-)	2,928	639	(1,365)
3) Changes in contract work in progress + (-)	0	0	0
4) Changes in construction in progress	1,919	2,422	3,774
5) Other income:			
other	1,097	659	1,976
contributions for operating expenses	50	20	231
Total other income	1,147	679	2,207
<b>Total value of production</b>	<b>159,638</b>	<b>106,018</b>	<b>228,661</b>
<b>B) COST OF PRODUCTION</b>			
6) Cost for raw materials, auxiliary materials, spare parts and resale goods	(34,647)	(16,417)	(41,415)
7) Cost for services	(28,816)	(20,622)	(41,739)
8) Cost of utilization of third parties' assets	(3,439)	(2,359)	(5,776)
9) Cost for personnel:			
a) salaries and wages	(38,895)	(32,880)	(64,797)
b) social contributions	(6,559)	(5,584)	(11,495)
c) staff leaving indemnity	(1,602)	(1,290)	(2,616)
d) retirement benefits and similar obligations	(243)	(209)	(373)
e) other costs	(3,100)	(2,213)	(4,696)
<b>Total cost for personnel</b>	<b>(50,399)</b>	<b>(42,176)</b>	<b>(83,977)</b>
10) Amortization, depreciation and writedowns:			
a) amortization of intangible assets	(3,614)	(3,629)	(7,030)
b) depreciation of tangible assets	(7,961)	(7,113)	(14,423)
c) other writedowns of assets	(11)	0	(37)
d) writedown of receivables recorded among current assets and cash and cash equivalents	(34)	(59)	(124)
<b>Total amortization, depreciation and writedowns</b>	<b>(11,620)</b>	<b>(10,801)</b>	<b>(21,614)</b>
11) Changes in raw materials, auxiliary materials, spare parts and resale goods + (-)	1,455	(2,986)	(2,657)
12) Accruals for contingencies	(7)	0	(343)
13) Other accruals	(764)	(359)	(336)
14) Other operating charges	(2,194)	(2,677)	(4,341)
<b>Total cost of production</b>	<b>(130,431)</b>	<b>(98,397)</b>	<b>(202,198)</b>
<b>Difference between value and cost of production (A-B)</b>	<b>29,207</b>	<b>7,621</b>	<b>26,463</b>
<b>C) FINANCIAL INCOME AND CHARGES</b>			
15) Income from investments (investments in subsidiaries and associated companies are shown separately)	0	0	0
16) Other financial income:			
a) from receivables recorded as fixed assets (receivables from subsidiaries, associated companies and parent companies are shown separately)	0	12	28
b) from securities recorded as fixed assets, other than investments	0	0	0
c) from securities recorded as current assets, other than investments	633	591	1,182
d) other financial income (income from subsidiaries, associated companies and parent companies is shown separately)			
- foreign exchange gains	5,738	5,241	10,011
- other	2,712	1,880	3,837
<b>Total other financial income</b>	<b>9,083</b>	<b>7,724</b>	<b>15,058</b>
17) Interest and other financial charges (interest and other financial charges payable to subsidiaries, associated companies and parent companies are shown separately)			
- foreign exchange losses	(3,614)	(2,966)	(6,614)
- interest expenses	(1,706)	(1,346)	(2,842)
- other	(488)	(202)	(577)
<b>Total interest and other financial charges</b>	<b>(5,808)</b>	<b>(4,514)</b>	<b>(10,033)</b>
<b>Total financial income and charges ( 15+16-17 )</b>	<b>3,275</b>	<b>3,210</b>	<b>5,025</b>

(in Millions of Lire)			
	30 June 2000	30 June 1999	31 December 1999
<b>D) ADJUSTMENTS TO THE VALUE OF FINANCIAL ASSETS</b>			
18) Revaluations:			
a) investments in share capital	12	18	55
b) other investments	0	0	0
c) securities recorded as current assets other than investments	0	0	0
<b>Total revaluations</b>	<b>12</b>	<b>18</b>	<b>55</b>
19) Writedowns:			
a) investments in share capital	0	0	0
b) other investments	(11)	0	(15)
c) securities recorded as current assets other than investments	(172)	(105)	(341)
<b>Total writedowns</b>	<b>(183)</b>	<b>(105)</b>	<b>(356)</b>
<b>Total adjustments to the value of financial assets ( 18-19 )</b>	<b>(171)</b>	<b>(87)</b>	<b>(301)</b>
<b>E) EXTRAORDINARY INCOME AND EXPENSES</b>			
20) Extraordinary income (gains on disposal of assets, whose revenues cannot be recorded under no. 5, are shown separately)	114	348	1,080
21) Extraordinary expenses (losses on disposal of assets, whose charges cannot be recorded under no. 14, and income taxes relating to previous years are shown separately)	(174)	(171)	(466)
<b>Total extraordinary income and expenses ( 20-21 )</b>	<b>(60)</b>	<b>177</b>	<b>614</b>
<b>Income before taxes</b>	<b>32,251</b>	<b>10,921</b>	<b>31,801</b>
22) INCOME TAXES FOR THE PERIOD			
a) taxes for the period	(9,784)	(3,698)	(9,095)
b) deferred taxes	738	403	1,598
	<b>(9,046)</b>	<b>(3,295)</b>	<b>(7,497)</b>
<b>26) NET INCOME (LOSS) FOR THE PERIOD</b>	<b>23,205</b>	<b>7,626</b>	<b>24,304</b>