



## **SAES GETTERS S.p.A.**

Capital Stock Euro 12,220,000 fully paid-in  
Address of Principal Executive Offices:  
Viale Italia, 77 – 20020 Lainate (Milan), Italy  
Registered with the Milan Court Companies Register no. 47051

### **Report on Operations – 2<sup>nd</sup> Quarter 2001**

We are quite satisfied with the first half year results, whose net income was slightly higher compared to the same period of last year, despite the slowdown in some markets in which we operate. Anyway this scenario caused a slowdown in the quarterly sales of the Components Aggregate, quite remarkably in the Display Devices Business Area. On the other hand the Equipment Aggregate had a positive sales performance, despite the downturn in the semiconductor industry.

No extraordinary events occurred during the second quarter of 2001.

**CONSOLIDATED FINANCIAL STATEMENTS****Saes Getters S.p.A. and Subsidiaries - Consolidated Income Statement**

Thousands of Euro

| <b>Three months ended June 30</b>        | <b>2001</b>   | <b>2000</b>   |
|--|---------------|---------------|
| <b>Total net sales</b>                   | <b>43,366</b> | <b>43,129</b> |
| Cost of sales                            | 22,736        | 21,381        |
| <b>Gross profit</b>                      | <b>20,630</b> | <b>21,748</b> |
| R & D expenses                           | 2,862         | 2,691         |
| Selling expenses                         | 6,121         | 4,897         |
| G&A expenses                             | 5,666         | 4,911         |
| Total operating expenses                 | 14,649        | 12,499        |
| <b>Operating income</b>                  | <b>5,981</b>  | <b>9,249</b>  |
| Interest and other financial income, net | 462           | 221           |
| Foreign exchange gains (losses), net     | 1,475         | (87)          |
| Other income (expenses), net             | 144           | (79)          |
| <b>Income before taxes</b>               | <b>8,062</b>  | <b>9,304</b>  |
| Income taxes                             | 2,329         | 2,771         |
| <b>Net income</b>                        | <b>5,733</b>  | <b>6,533</b>  |

Thousands of Euro

| <b>Six months ended June 30</b>          | <b>2001</b>   | <b>2000</b>   |
|--|---------------|---------------|
| <b>Total net sales</b>                   | <b>89,265</b> | <b>79,351</b> |
| Cost of sales                            | 46,892        | 40,240        |
| <b>Gross profit</b>                      | <b>42,373</b> | <b>39,111</b> |
| R & D expenses                           | 6,005         | 5,200         |
| Selling expenses                         | 11,632        | 9,206         |
| G&A expenses                             | 10,972        | 9,561         |
| Total operating expenses                 | 28,609        | 23,967        |
| <b>Operating income</b>                  | <b>13,764</b> | <b>15,144</b> |
| Interest and other financial income, net | 884           | 497           |
| Foreign exchange gains (losses), net     | 2,966         | 1,097         |
| Other income (expenses), net             | 231           | (82)          |
| <b>Income before taxes</b>               | <b>17,845</b> | <b>16,656</b> |
| Income taxes                             | 5,486         | 4,672         |
| <b>Net income</b>                        | <b>12,359</b> | <b>11,984</b> |

**Saes Getters S.p.A. and Subsidiaries - Unaudited Consolidated Income per Share**

Euro

|                               | 2001<br>2 <sup>nd</sup> qr. | 2000<br>2 <sup>nd</sup> qr. |
|-------------------------------|-----------------------------|-----------------------------|
| Net Income per Ordinary Share | 0.2376                      | 0.2717                      |
| Net Income per Savings Share  | 0.2532                      | 0.2870                      |

**Saes Getters S.p.A. and Subsidiaries - Consolidated Balance Sheets**

Thousands of Euro

|   | Jun 30, 2001<br>(Unaudited) | Dec 31, 2000   |
|---|-----------------------------|----------------|
| Current assets                                    | 167,059                     | 168,280        |
| Property, plant and equipment, net                | 63,574                      | 53,331         |
| Intangible assets, net                            | 22,381                      | 21,863         |
| Investments and other financial assets            | 1,792                       | 1,758          |
| <b>Total Assets</b>                               | <b>254,806</b>              | <b>245,232</b> |
| Current liabilities                               | 63,617                      | 61,151         |
| Long-term liabilities                             | 12,234                      | 13,053         |
| Shareholders' equity                              | 178,955                     | 171,028        |
| <b>Total Liabilities and Shareholders' Equity</b> | <b>254,806</b>              | <b>245,232</b> |

**Saes Getters S.p.A. and Subsidiaries - Consolidated Net Financial Position**

Thousands of Euro

|  | Jun 30, 2001<br>(Unaudited) | Mar 31, 2001<br>(Unaudited) | Dec 31, 2000  |
|--|-----------------------------|-----------------------------|---------------|
| <b><i>Financial assets</i></b>         |                             |                             |               |
| Cash and banks                         | 68,344                      | 78,585                      | 77,995        |
| Short term investments                 | 10,956                      | 10,829                      | 12,451        |
| <b>Total current assets</b>            | <b>79,300</b>               | <b>89,414</b>               | <b>90,446</b> |
| <b>Total long term assets</b>          | <b>0</b>                    | <b>0</b>                    | <b>0</b>      |
| <b>Total financial assets</b>          | <b>79,300</b>               | <b>89,414</b>               | <b>90,446</b> |
| <b><i>Financial liabilities</i></b>    |                             |                             |               |
| Bank overdraft                         | 33,568                      | 28,566                      | 25,422        |
| Current portion of long term debt      | 1,223                       | 1,220                       | 1,162         |
| <b>Total current liabilities</b>       | <b>34,791</b>               | <b>29,786</b>               | <b>26,584</b> |
| Long term debt, net of current portion | 2,389                       | 2,551                       | 2,916         |
| <b>Total long term liabilities</b>     | <b>2,389</b>                | <b>2,551</b>                | <b>2,916</b>  |
| <b>Total financial liabilities</b>     | <b>37,180</b>               | <b>32,337</b>               | <b>29,500</b> |
|  |                             |                             |               |
| <b>Net financial position</b>          | <b>42,120</b>               | <b>57,077</b>               | <b>60,946</b> |

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### Accounting Principles and Methods

The Quarterly Report has been prepared in accordance with Article 82 of the “Regulations for the implementation of the Legislative Decree No. 58 of February 24, 1998 on the activities of issuers of securities” (Consob Resolution No. 11971 of May 14, 1999, as amended).

The Quarterly Report is consistent with the accounting principles that govern the preparation of annual and consolidated financial statements, insofar as they are applicable.

No changes in the consolidation area occurred in the second quarter of 2001. With respect to the same period of the previous year the consolidation area includes, starting July 2000, Molecular Analytics Inc. also. The company, located in Sparks, Maryland (USA), is a leading producer of Ion Mobility Spectrometry analyzers that are used primarily in the semiconductor and other industries to quantify and monitor processes that depend on a contamination-free environment or materials.

### Net Sales by Business Area and by Geographic Location of Customer

#### Saes Getters S.p.A. and Subsidiaries - Unaudited Consolidated Net Sales per Business Area

Thousands of Euro (except %)

| Business Area                    | 2001<br>2 <sup>nd</sup> qr. | 2000<br>2 <sup>nd</sup> qr. | total<br>difference<br>(%) | price qty<br>effect<br>(%) | exchange<br>rate effect<br>(%) |
|----------------------------------|-----------------------------|-----------------------------|----------------------------|----------------------------|--------------------------------|
| Display Devices                  | 13,787                      | 17,166                      | -19.7%                     | -24.0%                     | 4.3%                           |
| Light Sources                    | 5,121                       | 5,399                       | -5.1%                      | -3.6%                      | -1.5%                          |
| Electronic Devices & Flat Panels | 3,322                       | 4,128                       | -19.5%                     | -21.0%                     | 1.5%                           |
| Vacuum Systems & Insulations     | 1,374                       | 1,727                       | -20.4%                     | -22.6%                     | 2.2%                           |
| <b>Subtotal Components</b>       | <b>23,604</b>               | <b>28,420</b>               | <b>-16.9%</b>              | <b>-19.4%</b>              | <b>2.5%</b>                    |
| Pure Gas Technologies            | 10,711                      | 7,270                       | 47.3%                      | 39.9%                      | 7.4%                           |
| Analytical Technologies          | 3,940                       | 3,828                       | 2.9%                       | -2.6%                      | 5.5%                           |
| Facilities Technologies          | 5,043                       | 3,560                       | 41.7%                      | 36.9%                      | 4.8%                           |
| <b>Subtotal Equipment</b>        | <b>19,694</b>               | <b>14,658</b>               | <b>34.4%</b>               | <b>28.2%</b>               | <b>6.2%</b>                    |
| Other                            | 68                          | 51                          | 28.3%                      | 28.0%                      | 0.3%                           |
| <b>Total Net Sales</b>           | <b>43,366</b>               | <b>43,129</b>               | <b>0.5%</b>                | <b>-3.3%</b>               | <b>3.8%</b>                    |

**Index:**

|                                  |   |
|----------------------------------|---|
| 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 & Insulations     | Pumps for vacuum systems and getters for thermal insulated devices  |
| Pure Gas Technologies            | Gas purifier systems for semiconductor industry   |
| Analytical Technologies          | Trace gas analyzers for semiconductor and other industries  |
| Facilities Technologies          | Quality assurance, quality control and material inspection of the gas distribution system in semiconductor industry |

**Saes Getters S.p.A. and Subsidiaries - Unaudited Consolidated Net Sales by Geographic Location of Customer**

Thousands of Euro

|                          | 2001<br>2 <sup>nd</sup> qr. | 2000<br>2 <sup>nd</sup> qr. |
|--------------------------|-----------------------------|-----------------------------|
| Italy                    | 432                         | 921                         |
| Other EU                 | 7,783                       | 5,904                       |
| Other European countries | 624                         | 681                         |
| North America            | 14,492                      | 12,572                      |
| Japan                    | 5,319                       | 6,354                       |
| Asia (excluding Japan)   | 13,967                      | 16,063                      |
| Rest of the World        | 749                         | 634                         |
| <b>Total Net Sales</b>   | <b>43,366</b>               | <b>43,129</b>               |

**Notes of Comment**

**Consolidated net sales** were Euro 43,366 thousand in the second quarter of 2001 compared to Euro 43,129 thousand in the year-ago period (+0.5%).

**Components Business**

**Consolidated revenues** of the Components Business decreased by 16.9% to Euro 23,604 thousand in the second quarter of 2001 from Euro 28,420 thousand in the year-ago period.

In particular, sales of the Display Devices Business Area were Euro 13,787 thousand compared to Euro 17,166 thousand in the year-ago period, reflecting a decrease of 19.7%. The reduction net of exchange rate effect (-24%) is due to the slowdown of the market, that has been going on since the last months of the previous year, and to the subsequent increase of CRTs' producers' stocks.

Revenues of the Light Sources Business Area were Euro 5,121 thousand from Euro 5,399 thousand, reflecting a slight decrease of 5.1% (-3.6% net of exchange rate effect).

Revenues from the Electronic Devices & Flat Panels Business Area decreased by 19.5% to Euro 3,322 thousand, mainly as a result of the slowdown in the telecommunication market and the subsequent decrease in sales of getter assemblies for optical amplifiers.

The sales of the Vacuum Systems & Insulations Business Area decreased by 20.4% to Euro 1,374 thousand, compared to 1,727 in the same period of the previous year. To be noticed that the sales of the second quarter 2000 included a particular order of getter pumps for particle accelerators.

**Gross profit** for the Components Business was Euro 12,529 thousand in the second three months of 2001, compared to Euro 16,160 thousand in the same period of 2000, reflecting a decrease of 22.5%.

**Operating income** for the Components Business decreased by 41.6% to Euro 5,518 thousand in the second quarter of 2001 from Euro 9,446 thousand in the correspondent quarter of 2000. The reduction is mainly due to the decrease of sales and to the different mix of sales.

### **Equipment Business**

**Consolidated revenues** of the Equipment Business were Euro 19,694 thousand in the second quarter of 2001 compared to Euro 14,658 thousand in the year-ago period, reflecting an increase of 34.4%.

Sales of the Pure Gas Technologies Business Area rose by 47.3% to Euro 10,711 thousand compared to Euro 7,270 thousand in the same period of 2000, thanks to the increased sales of large purifiers related to the construction of new factories and new lines in existing ones in the semiconductor industry .

Revenues of the Analytical Technologies Business Area were Euro 3,940 thousand in the second quarter of 2001, basically stable compared to Euro 3,828 thousand in the correspondent period of 2000.

Sales of the Facilities Technologies Business Area increased by 41.7% to Euro 5,043 thousand from Euro 3,560 thousand in the year-ago period.

**Gross profit** for the Equipment Business increased by 45.1% to Euro 8,076 thousand in the second three months of 2001 from Euro 5,566 thousand in the correspondent period of 2000.

**Operating income** for the Equipment Business in the second quarter of 2001 was Euro 446 thousand, compared to an operating loss of Euro 210 thousand in the year-ago

period. This improvement is due to the increased sales and to the greater manufacturing efficiency.

**Consolidated gross profit** was Euro 20,630 thousand in the second quarter 2001 or -5.1%, compared to Euro 21,748 thousand in the same quarter of 2000.

Total operating expenses rose by 17.2% to Euro 14,649 thousand from Euro 12,499 thousand in the second quarter of 2000. This increase, mainly related to the Equipment Aggregate, includes the costs for the acquisition of Molecular Analytics in July 2000.

**Consolidated operating income** was Euro 5,981 thousand in the three months ended June 30, 2001 from Euro 9,249 thousand in the year-ago period. The R.O.S. ratio decreased from 21.4% in the second quarter of 2000 to 13.8% in the same period of 2001. The decline is mainly due to the reduction of the Components Aggregate operating margin and to the different contribution to the consolidated margin by the two aggregates with respect to the previous year.

Income taxes were Euro 2,329 thousand in the three months ended June 30, 2001, compared to Euro 2,771 thousand in the three months ended June 30, 2000. As a percentage of income before taxes, income taxes were 28.9% in the second quarter of 2001, compared to 29.8% in the second quarter of 2000.

**Consolidated net income** decreased by 12.2% to Euro 5,733 thousand from Euro 6,533 thousand in the year-ago period. Net income per Ordinary Share and Savings Share was Euro 0.2376 and Euro 0.2532 respectively for the second quarter of 2001, compared to Euro 0.2717 and Euro 0.287 in the year-ago period.

The Group's **net financial position** decreased to Euro 42,120 thousand as of June 30, 2001, from Euro 57,077 thousand as of March 31, 2001, mainly because of the investments and the disbursement for the payment of dividends.

### **Six months results**

**Consolidated net sales** for the six months ended June 30, 2001 increased by 12.5% to Euro 89,265 thousand, compared to Euro 79,351 thousand in the year-ago period.

**Consolidated net income** was Euro 12,359 thousand in the first six months of 2001, with respect to Euro 11,984 thousand of the same period of the previous year (+3.1%).

Net income per Ordinary Share and Savings Share was Euro 0.5195 and Euro 0.5351 respectively, compared to Euro 0.5037 lire and Euro 0.519 for the corresponding period of 2000.

The gross margin was 47.5% of net sales in the first half of 2001, compared to 49.3% in the same period of 2000.

The R.O.S. ratio for the six months ended June 30, 2001 was 15.4% compared to 19.1% in the year-ago period.

The half year financial statement, which will be approved by the Board of Directors during the month of September, will be submitted to a limited review by PricewaterhouseCoopers S.p.A.

### **Business Performance Outlook for the Current Year**

We believe that the slowdown in the cathode ray tube market, despite more severe than expected, is temporary and due to the macroeconomic scenario.

In general we continue to be cautious in forecasting the future, because of the low visibility in an uncertain macroeconomic scenario.

The economic results for the period will be influenced by the exchange rates of the Euro against the major currencies.

Lainate, Milan - Italy, July 27, 2001

Saes Getters S.p.A.

Paolo della Porta  
Chairman of the Board, President  
and Group Chief Executive Officer