



FOR : QUALIFLOW

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**FINAL SALES FIGURES FOR THE YEAR 2000: FORECASTS EXCEEDED BY
A LARGE MARGIN**

SALES FIGURES HAVE INCREASED BY 130.5% COMPARED WITH 1999

OPERATING MARGIN 4.6%

NET MARGIN 6.6%

Montpellier - France, April 17, 2001: QUALIFLOW (Euroclear 7786), a company specialized in the design, development, production and sale of ultra-high purity gas flow control components has announced its final sales figures for the financial year closed on December 31, 2000.

Final sales figures 2000:

As reported on January 15, 2001, the sales figures of QUALIFLOW for the twelve months of the year 2000 were 11.47 M€ (75.27MF), an increase of 130.5 % on the sales of 4.97 M€ (32.66 MF) recorded on December 31, 1999. These figures exceed the initial forecasts of 10.78 M€ (70.71 MF) announced at the time of IPO (Initial Public Offering).

The operating profits for the year 2000, after processing of the employee profit-sharing scheme, have largely exceeded expectations and have reached 0.60 M€ (3.66 MF) against operating losses of 0.37 M€ (2.42MF) in 1999. This substantial increase is due to various factors: an increase in production capacity, the increase in sales figures achieved in the United States, and the sharp rise in gross manufacturing margins. The operating margin in 2000 reached 4.6%.

The net profits before goodwill in the year 2000 amounted to 0.76 M€ (4.98 MF) compared with a net loss of 0.47 M€ (3.11 MF) in 1999.

Simplified profit and loss account

<i>In thousands of Euros.</i>	1999	2000	Change
Sales	4,979	11,495	+ 130.8%
Gross margin	2,426	5,911	+ 143.6%
<i>In % of Sales</i>	48.7%	51.5%	
Operating profits or losses*	- 370	524	-
<i>Operating margin</i>	- 7.4%	4.6%	-
Net financial income	- 453	204	-
Extraordinary profits	178	31	-
Profits before tax	- 645	759	-
Net profits or losses	- 475	759	-
<i>Net margin</i>	- 9.5%	6.6%	-
Employees	48	97	+102%

Number of shares at the close of the financial year 2000: 4,616,000

* After processing the employee profit-sharing scheme

Claude Jacquemin, President of QUALIFLOW, states: *"QUALIFLOW has achieved excellent results in the year 2000 with a growth of 130%, mainly due to the strategic initiatives of the group. Qualiflow production capacity has undergone a sharp rise that means that we can look towards the future with peace of mind. Our global presence, particularly in the United States, has enabled us to achieve results far beyond our original forecasts for the fourth quarter. Our position, in both the optical fiber and the semi-conductor markets, means we can improve the balance between the sources of revenue of our products"*.

Prospects for development in the optical fiber market:

In order to reinforce its technological progress, Qualiflow continues making a high investment in Research & Development, especially for implementing new solutions for the industrial and economic issues at stake for our customers. Qualiflow has also realized that the technological progress undergone by optical fiber manufacturers implies a sharp upward turn in the market of equipment renewal and updating. Therefore, Qualiflow endorses its goal to obtain 50% of the worldwide gas systems market in the medium term .

Prospects for development in the semi-conductor market:

Qualiflow continues to fulfill the growing technological demands of the market, (enlarging the wafer size to 300 mm, increasingly fine etching resolutions to 0.13 micron), as originally planned, by focusing its R&D efforts on expanding its sales network to be nearer to its customers. The digital MFC, launched as a challenge at the time of the IPO, today represents more than 30% of Qualiflow MFC sales and shows how important group strategy is.

Qualiflow projects in the next coming months to deliver three new technologies; a thin film sensor (as mentioned at the IPO), a device-net communication card (SEMI standard) and a piezo actuator (new development) that fulfills customer demands to improve costs and meet performance expectations. Qualiflow forecasts achieving a global presence by the end of 2001, in particular in Japan.

Performance 2000:

Greater production capacity

The greater potential of Qualiflow production capacity resulted in the launch of a new production unit in Montpellier in July 2000, which includes a clean room of 1250 m². The capacity of this infrastructure will enable us to fulfill the order book as well as the forecast sales figures for the financial years 2001 and 2002. 2001 will be a year of strategic choice of location for the third production site.

Reinforcing the sales and technical structure

During its development Qualiflow has interwoven a real worldwide network of sales and technical intermediaries. Whether operating on their own behalf or via authorized agents, this network is based on an essential rule: being near to the customer. Encouraged by the expansion and in compliance with company quality and satisfaction standards, Qualiflow has substantially enlarged its structure during the past year.

Doubling our staff

In 2000, 49 new employees were recruited, resulting in Qualiflow a total of 97 staff members, which is twice that of 1999. This recruitment policy will become even more dynamic when the new production line is put into operation in the year 2003.

Recognition of Qualiflow's digital expertise

Implying the most innovative cutting-edge technology, the digital mass flow controllers (MFC), developed by Qualiflow with the reference number AFC 90MD, have been selected by readers of the American magazine *Micro* as one of the 40 best products worldwide. Qualiflow thus sees its technological skills and its progress in terms of stability, precision and short response times of the digital MFC acknowledged on the international market.

Order book:

Although there was a slight drop compared with the end of December 2000, the order book has evolved according to company expectations, and on April 13, 2001 it amounted to more than 10.6 M€ (67.95 MF). This mainly consists of gas system supply contracts for the optical fiber sector.

First quarter sales and forecasts for 2001:

QUALIFLOW sales figures for the first quarter of 2001 amount to 5.82 M€ (38.24 MF), an increase of 162.7%, compared with 2.29 M€ (14.55 MF) for the same period in 2000. These quarterly sales figures mean an increase of 37.8% compared with the fourth quarter of 2000, which reached 4.22 M€ (27.7 MF). These figures confirm the Qualiflow sales forecasts of 21.34 M€ (140 MF) for the year 2001.

<i>In Euros.</i>	Q1 2001	Q1 2000	Change
Sales	5 829 815	2 218 996	+ 162.7%

The relatively weak market of semiconductor equipment will be offset by a strong demand for gas systems to be used in manufacturing optical fiber preforms.

QUALIFLOW – www.qualiflow.com – specialized in the design, development, production and sales of ultra-high purity gas control systems and components: valves, mass flow controllers (MFC) and gas systems. With sales figures of almost 11.49 M€ (75.37 MF) in 2000, and forecast sales of 21.34 M€ (140 MF) in 2001, QUALIFLOW plans to become the world leader in gas components. QUALIFLOW is one of the foremost technological firms specializing in digital Mass Flow Controllers that are revolutionizing the ultra-purity gas control environment. Its key expertise for manufacturing semiconductors, optical fiber and electronic components contributes to support the development of consumer telecom applications.

Euroclear: 7786

Bloomberg: QUFL NM

Reuters: QFLW.LN

Publication of the half-yearly results: October 2, 2001