



FOR : **QUALIFLOW**

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FULL YEAR RESULTS 2001

POSITIVE NET RETURN

AVAILABLE CASH : 17.6 M€

LOW VISIBILITY FOR 2002

Montpellier, April 16th, 2002 : QUALIFLOW (Euroclear 7786), a company specialising in the design, development, production and marketing of ultra-high purity gas flow control components today announced its final results for the year ending December 31st, 2001 and its sales for first quarter 2002, ended March 31st, 2002.

Annual Results 2001 :

As announced on January 15th, 2002, QUALIFLOW's annual sales for the year 2001 were 19.3 million Euros, an increase of 68.3% compared to the 11.5 M€ in annual sales for the previous year at December 31st, 2000.

2001 operating profits were 0.2 M€, less than the same period in 2000, but significantly higher than the operating loss of 0.37 M€ transferred to the financial year 1999. This contrasting performance, obtained in a difficult environment both for the semiconductor and fibre optic markets, reflects a cost adjustment, mostly in terms of production capacity and human resources. Operating margins for 2001 were 1.04%.

Net return after goodwill depreciation for the financial year 2001 was 0.18 M€ and should be compared to a net return of 0.76 M€ in 2000 and a net loss of 0.36 M€ during the first six months of 2001.

Nevertheless, at December 31st, 2001, available cash was 17.6M€, or 3.80 € per share.

Simplified Profit and Loss Account

<i>In thousands of Euros</i>	1999	2000	2001	Change 2000 / 2001
Sales	4 979	11 475	19 313	+ 68.3%
Gross Margin	2 426 48.7%	5 911 51.5%	9 108 47.2%	+ 54.08%
Operating Profit*	(370)	570	201	(61.6%)
Operating Margin	-	4.96%	1.04%	-
Financial Profit	(453)	35	110	(46%)
Extraordinary Profit	178	634	227	(64.2%)
Profit before Tax	(645)	1 239	538	(29.1%)
Net Return	(475)	767	183	(75.8%)
Net Margin	-	6.6%	0.95%	

Number of shares at end financial year 2001 : 4,616,000

* After processing the employee profit-sharing scheme

Claude P. Jacquemin, Chairman and CEO of QUALIFLOW, said : « *Given the numerous market turbulences which affected QUALIFLOW's business sectors in 2001, a 68% sales growth and a positive net return are satisfactory performances. They are the result of our technological positioning all along the value chain in the fiber optic and semiconductor industries. In 2001 this positioning caused a delayed impact between when the market began to correct and when this downturn began to affect our business. In July 2001, when our principal client suddenly cancelled several orders, we were forced to make some immediate decisions regarding structural and production readjustments in order to protect the company's profitability in spite of significant sales fluctuations. We also further stimulated our commercial efforts, particularly in Asia where business multiplied by 7 between the two half-year periods. Gross margin and net return were respectively 50.2% and 0.2 M€ for the second half-year period compared to 44.9% and a loss of 0.04 M€ for the first six months.* »

First Quarter Sales 2002 :

First quarter sales for 2002 at March 31st were 1.6 M€, or a decrease of 73% compared to the same period of the previous year. QUALIFLOW however reported exceptional business growth in the beginning of 2001. Sales figures for first quarter 2002 dropped by 64% compared to fourth quarter 2001. This performance reflects not only a prolonged slump in the markets most concerned by Qualiflow's business but also a financial year which already appears difficult, even when signs for a market recovery in semiconductors still remain contradictory. All QUALIFLOW products, whether manufactured for the fiber optic or semiconductor industries, were affected by the downturn.

Development prospects in fiber optic:

In order to reinforce its technological lead, QUALIFLOW will continue to invest significantly in R&D, particularly in response to its clients' new industrial and economic stakes. In a business context which is likely to remain flat throughout the financial year 2002, QUALIFLOW continues its strategy of constantly looking for ways to improve systems productivity. Readjusting its production capacity has simultaneously made it possible to optimise its capacity to react quickly at each market upturn, however abrupt it may be. QUALIFLOW confirms its middle term objective to secure 50% world market share in gas panel.

Development prospects in the semi-conductor industry:

QUALIFLOW will continue to respond to the market's growing technological demands by furthering investments in Research and Development to secure its position in critical processes. Three new MFC technologies are now in use : the "zero drift sensor" using thin film deposition technology (announced at the time of the IPO), a Device Net communication card (SEMI standard) and a piezo actuator, all three of which were developed to respond to clients' demands for performance and cost optimisation.

QUALIFLOW will continue to build its commercial network near to its clients, especially in the United States.

Claude P. Jacquemin concludes : « *Even when our first performances in 2002 confirm that it will be a difficult new year, our strategy for the year will focus more than ever on remaining vigilant, while following voluntarily cautious objectives. We're estimating annual sales of 10.9 M€, or 43.6% less than 2001 but 5% compared to 2000 : our semiconductor equipment business should reach its lowest point between the second and third quarters while the fiber optics industry should remain weak. Our operating margin should be around 5.13 M€ and operating loss around 3.3 M€. At the same time, QUALIFLOW will use this transitional year to consolidate its expertise, both from a technological leadership position in terms of R&D, and in strategic partnerships, while pursuing efforts to quickly return to profitability.* »

The company's 2002 available cash objective is 13.4 M€ at December 31st , 2002 (or 2.90 € per share).

QUALIFLOW – www.qualiflow.com - specialises in the design, development, production and marketing of ultra-high purity gas control systems and components : valves, mass flow controllers (MFC) and gas systems. With sales figures of almost 11,5 ME in 2000 and 19,3 ME in 2001, QUALIFLOW plans to become the world leader in gas components. QUALIFLOW is one of the foremost technological firms specialising in digital Mass Flow Controllers which are revolutionising the control of ultra-high purity gases. The company's expertise is vitally important in the manufacturing of semiconductors, fibre optics and electronic components used to support the development of consumer telecommunications applications. QUALIFLOW is quoted in the NextEconomy segment of Euronext.

Nouveau Marché Euroclear : 7786 Bloomberg : QUFL NM Reuters : QFLW.LN
FTSE : Economic Group 90 (Information Technologies) / Sector 93 (Information technologies equipment) /
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Publication of first half-year sales : July 9th, 2002

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