



**FOR : QUALIFLOW**

**APPROVED BY : Claude P. Jacquemin**  
Chairman and CEO

**CONTACTS : Michel Landon**  
CFO and Strategic Director  
Tel. : + 33 (0)4 67 99 47 47

**NewCap.**  
Pierre Laurent / Axelle Vuillemeret  
Tel. : +33 (0)1 44 71 94 94

**Half-year sales 2002 : 2.49 M€**

**Annual forecasts scaled down**

**Montpellier, July 9th, 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 unaudited sales for the second quarter, ended June 30th, 2002.

**Half-year Sales :**

<i>Million Euros</i>	<b>Half-year sales</b>		
	<b>HY1 2002</b>	<b>HY1 2001</b>	<b>Delta</b>
<b>Gas Systems</b>	1.56	8.38	-81.3%
<b>Valves</b>	0.45	1.38	-67.2%
<b>MFC</b>	0.46	1.26	-63.5%
<b>Other</b>	0.01	0.1	-87.5%
<b>TOTAL</b>	<b>2.49</b>	<b>11.13</b>	<b>-77.6%</b>

The level of business during the first half-year 2002 reflects the exceptional prolongation of the market crisis which has affected QUALIFLOW's two business sectors. Comparing business during the first half-year 2002 with that of the first half-year 2001 is even less favourable because activity during the first half-year 2001 was extremely strong.

**Quarterly sales :**

<i>Million Euros</i>	<b>Quarterly Sales</b>		
	<b>Q2 2002</b>	<b>Q2 2001</b>	<b>Delta</b>
<b>Gas Systems</b>	0.32	3.96	-91.7%
<b>Valves</b>	0.17	0.54	-67.7%
<b>MFC</b>	0.4	0.75	-47.6%
<b>Other</b>	ns	0.05	-80.7%
<b>TOTAL</b>	<b>0.91</b>	<b>5.3</b>	<b>-82.9%</b>

For the second quarter 2002, QUALIFLOW announced sales of 907.7 thousand Euros, down 82.9% compared with sales of 5.3 million Euros for the same period in 2001. This sharp drop is due, among other things, to the significant and historic contribution of gas systems to the fibre optics industry.

However, the situation for valves and MFC slightly improved between the two first quarters of 2002, testifying to the relatively steady semi-conductor market. Clearly, however, there has been a major downturn compared with last year.

### **QUALIFLOW sales breakdown per geographic zone**

The geographic breakdown of QUALIFLOW's first half-year sales aligns with depressed market conditions and emphasizes the significant drop in business in both Asia (-87,3%) and the United States (-90,8%), two regions in which QUALIFLOW generated a major share of its sales in fibre optics during the first half-year 2001.

### **Growth forecasts scaled down**

Considering the business levels achieved during these first six months, which were inferior to Company expectations, and the persistent gloomy context for the semi-conductor and fibre optics markets, QUALIFLOW has scaled down its sales forecasts for the entire fiscal year 2002. QUALIFLOW is now estimating annual sales of 6 - 8 million Euros, instead of 10.9 million Euros forecasted last April.

### **Continuing Company strategy**

In order to optimise both its capacity to react quickly and its growth potential, while preserving as much cash flow as possible, QUALIFLOW is simultaneously pursuing its strategy regarding the different growth scenarios mentioned in the publication of its annual results. The principle measures undertaken by the Company are as follows :

- maintaining investments in R&D, in a strategy of active competitive intelligence, coupled with the reinforcing of strategic partnerships,
- pursuing dynamic business transactions in Asia and the United States,
- maintaining the calculation of working hours throughout the year,
- strictly managing costs and overhead,
- investment freeze.

Claude P. Jacquemin, Chairman and CEO of QUALIFLOW, concludes : « *Because the fibre optics market is not expected to recover before the start of the fiscal year 2004, and growth in the semi-conductor industry could remain weak throughout the year, the level of activity generated during the first six months of 2002 has led us to significantly scale down our annual sales forecasts. This being so, QUALIFLOW has undertaken the measures necessary to preserve its capacity to react, and will use this transitional year to maintain an active competitive intelligence while consolidating its expertise.* »

**Details of QUALIFLOW's 2001 annual accounts are available on its internet site [www.qualiflow.fr](http://www.qualiflow.fr) and the COB Annual Report can be consulted on [www.boursorama.com](http://www.boursorama.com), under the section « Annual Report ».**

**QUALIFLOW** – [www.qualiflow.com](http://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 M€ in 2000 and 19.3 M€ 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 Technology) / Sector 93 (Information Technology Hardware) / Sub Sector 936  
(Semiconductors)

**Third quarter sales : October 15th, 2002**

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