

## Results for the first half-year 2002

In M€	1st Half-year 2001	1 <sup>st</sup> quarter 31/03/02	2 <sup>nd</sup> quarter 30/06/02	1st Half-year 2002
<b>Sales</b>	93,4	57,9	38,8	96,7
<b>Operating income</b>	-11,9	2,9	-0,9	2,0
<b>Income before taxes</b>	-13,5	2,2	-1,0	1,2
<b>Net income</b>	-13,5	1,6	-0,8	0,8

During the first half-year 2002 Dane-Elec Memory experienced increased sales, which rose to M€ 96.7, and a marked improvement in profitability reflected in net income of M€0.8 .

At the same time, Dane- Elec Memory generated free cash flow of M€6.0.

These figures are in line with the forecast published by the Group at the beginning of the year.

These satisfactory results have been posted despite a depressed market characterized by :

- An erosion of sales in the second quarter linked to a known seasonal trend,
- Falling memory prices,
- Postponement of corporate IT capital projects.

### **Economy drive has positive impact**

Dane-Elec Memory's improved profitability is directly connected to the first phase of the economy drive set in motion at the end of 2000. Group headcount has declined from 345 to 210 full-time employees at the end of August 2002, while operating costs have been cut by nearly 30% in 18 months.

The second phase of this plan will start up during the second half and will focus on logistics, transport and data processing systems .

These measures, and the benefits drawn from them, demonstrate the willingness and the ability of Dane- Elec Memory to constantly re-adapt to its shifting market environment.

### **A changing market**

In a soft overall market, Flash memory, in which Dane-Elec Memory is a major player, has been showing strong growth because of its use in mainstream digital applications (mobile phones, digital cameras, PDA, etc.)

The Group estimates that these products, which represent 25-30% of memory sales according to the country, provide entry into new market segments and should provide a valuable source of organic growth for 2003/2004.



\* Memory is everywhere

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