

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-QSB

(Mark One)

QUARTERLY REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES
EXCHANGE ACT OF 1934 For the quarterly period ended June 30, 2002

TRANSITION REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number: 0-31641

SUPERCONDUCTIVE COMPONENTS, INC.

(Exact name of registrant as specified in its charter)

OHIO

31-0121318

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification No.)

1145 CHESAPEAKE AVENUE, COLUMBUS, OHIO 43212

(Address of principal executive offices, including zip code)

(614) 486-0261

(Registrant's telephone number, including area code)

NOT APPLICABLE

(Former name, former address and former fiscal year,
if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports
required to be filed by Section 13 or 15(d) of the Securities Exchange Act of
1934 during the preceding 12 months (or for such shorter period that the
registrant was required to file such reports), and (2) has been subject to the
filing requirements for at least the past 90 days. YES NO

State the number of shares outstanding of each of the registrant's
classes of common equity, as of the latest practicable date: 1,823,256 shares of
Common Stock, without par value, were outstanding at July 31, 2002.

SUPERCONDUCTIVE COMPONENTS, INC.

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SUPERCONDUCTIVE COMPONENTS, INC.

BALANCE SHEETS

ASSETS

	JUNE 30, 2002 ----- (UNAUDITED)	DECEMBER 31, 2001 -----
CURRENT ASSETS		
Cash	\$ 20,187	118,083
Accounts and notes receivable		
Trade, less allowance for doubtful accounts of \$15,000 and \$13,000, respectively	391,648	365,141
Related party receivables	7,708	4,616
Employees	14,487	15,625
Other	607	20,814
Inventories	834,003	857,992
Prepaid expenses	67,698	12,851
Total current assets	----- 1,336,338	----- 1,395,122
PROPERTY AND EQUIPMENT, AT COST		
Machinery and equipment	2,339,482	2,306,128
Furniture and fixtures	22,124	20,424
Leasehold improvements	346,823	346,823
	-----	-----
	2,708,429	2,673,375
Less accumulated depreciation	(2,041,072)	(1,919,358)
	-----	-----
	667,357	754,017
	-----	-----
OTHER ASSETS		
Intangibles	43,441	43,992
	-----	-----
TOTAL ASSETS	\$ 2,047,136 =====	\$ 2,193,131 =====

The accompanying notes are an integral part of these financial statements.

SUPERCONDUCTIVE COMPONENTS, INC.

BALANCE SHEETS

LIABILITIES AND SHAREHOLDERS' EQUITY

	JUNE 30, 2002 ----	DECEMBER 31, 2001 ----
	(UNAUDITED)	
CURRENT LIABILITIES		
Capital lease obligation, current portion	\$ 43,487	\$ 41,596
Capital lease obligation, shareholder, current portion	36,485	25,161
Note payable shareholders, current portion	58,000	34,000
Accounts payable	318,316	318,954
Accounts payable, shareholders	18,931	7,426
Accrued contract expenses	98,229	179,748
Accrued personal property taxes	54,193	54,384
Accrued expenses	33,079	42,450
	-----	-----
Total current liabilities	660,720	703,719
	-----	-----
CAPITAL LEASE OBLIGATION, NET OF		
CURRENT PORTION	81,633	103,865
	-----	-----
CAPITAL LEASE OBLIGATION, SHAREHOLDER, NET OF		
CURRENT PORTION	31,943	43,267
	-----	-----
NOTE PAYABLE SHAREHOLDERS, NET OF CURRENT		
PORTION	110,270	84,270
	-----	-----
REDEEMABLE CONVERTIBLE PREFERRED		
STOCK (Series A)		
10% cumulative, nonvoting, no par value, \$1,000 stated value, liquidation and mandatory redemption at stated value per share plus unpaid and accumulated dividends of \$238.33 and \$188.33 per share respectively	122,595	111,176
	-----	-----
COMMITMENTS AND CONTINGENCIES		
	--	--
	-----	-----
SHAREHOLDERS' EQUITY		
Convertible preferred stock, Series B, 10% cumulative, nonvoting, no par value, \$10 stated value, optional redemption at 103%	346,907	333,136
Common stock, no par value, authorized 15,000,000 shares; 1,823,256 shares issued and outstanding	6,370,216	6,366,966
Additional paid-in capital	21,938	47,127
Accumulated deficit	(5,699,086)	(5,600,395)
	-----	-----
	1,039,975	1,146,834
	-----	-----
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 2,047,136	\$ 2,193,131
	=====	=====

The accompanying notes are an integral part of these financial statements.

SUPERCONDUCTIVE COMPONENTS, INC.

STATEMENTS OF OPERATIONS

THREE MONTHS ENDED JUNE 30, 2002 AND 2001 AND
SIX MONTHS ENDED JUNE 30, 2002 AND 2001
(UNAUDITED)

	THREE MONTHS ENDED		SIX MONTHS ENDED	
	2002	2001	2002	2001
	----	----	----	----
SALES REVENUE	\$ 642,445	\$ 801,366	\$ 1,356,593	\$ 1,691,110
CONTRACT RESEARCH REVENUE	74,302	103,705	143,533	274,141
	-----	-----	-----	-----
	716,747	905,071	1,500,126	1,965,251
	-----	-----	-----	-----
COST OF SALES REVENUE	424,225	471,134	952,003	1,072,409
COST OF CONTRACT RESEARCH	69,230	100,769	138,461	223,686
	-----	-----	-----	-----
	493,455	571,903	1,090,464	1,296,095
	-----	-----	-----	-----
GROSS MARGIN	223,292	333,168	409,662	669,156
GENERAL AND ADMINISTRATIVE EXPENSES	230,475	262,360	443,082	407,612
SALES AND PROMOTIONAL EXPENSES	52,975	60,127	94,488	126,095
	-----	-----	-----	-----
INCOME (LOSS) FROM OPERATIONS	(60,158)	10,681	(127,908)	135,449
	-----	-----	-----	-----
OTHER INCOME (EXPENSE)				
Interest, net	(4,854)	(3,275)	(9,010)	(10,280)
Insurance proceeds	39,083	--	39,083	--
Miscellaneous, net	(428)	(838)	(856)	49
	-----	-----	-----	-----
	33,801	(4,113)	29,217	(10,231)
	-----	-----	-----	-----
INCOME (LOSS) BEFORE INCOME TAX	(26,357)	6,568	(98,691)	125,218
INCOME TAX EXPENSE	--	--	--	--
	-----	-----	-----	-----
NET INCOME (LOSS)	(26,357)	6,568	(98,691)	125,218
DIVIDENDS ON PREFERRED STOCK	(9,361)	(9,360)	(18,721)	(18,721)
ACCRETION OF REDEEMABLE CONVERTIBLE PREFERRED (SERIES A)	(2,587)	(2,928)	(6,468)	(5,856)
	-----	-----	-----	-----
INCOME (LOSS) APPLICABLE TO COMMON SHARES	\$ (38,305)	(5,720)	\$ (123,880)	\$ 100,641
	=====	=====	=====	=====
EARNINGS PER SHARE - BASIC AND DILUTIVE (Note 2)				
NET INCOME (LOSS) PER COMMON SHARE				
Basic	\$ (0.02)	(0.00)	\$ (0.07)	\$ 0.06
	=====	=====	=====	=====
Dilutive	\$ (0.02)	(0.00)	\$ (0.07)	\$ 0.06
	=====	=====	=====	=====
WEIGHTED AVERAGE SHARES OUTSTANDING				
Basic	1,823,256	1,821,858	1,823,256	1,819,963
	=====	=====	=====	=====
Dilutive	1,823,256	1,821,858	1,823,256	1,819,963
	=====	=====	=====	=====

The accompanying notes are an integral part of these financial statements.

SUPERCONDUCTIVE COMPONENTS, INC.

STATEMENTS OF CASH FLOWS

SIX MONTHS ENDED JUNE 30, 2002 AND 2001

(UNAUDITED)

	2002	2001
	----	----
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	\$ (98,691)	\$ 125,218
	-----	-----
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Depreciation	121,714	100,737
Amortization	1,485	1,226
Inventory reserve	--	(21,000)
Provision for doubtful accounts	2,000	(9,000)
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable	(7,003)	(164,347)
Inventories	23,989	(266,412)
Prepaid expenses	(54,847)	16,446
Other assets	(935)	(2,072)
Increase (decrease) in liabilities:		
Accounts payable	10,867	207,219
Accrued expenses	(91,080)	(30,534)
	-----	-----
Total adjustments	6,190	(167,737)
	-----	-----
Net cash used in operating activities	(92,501)	(42,519)
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(35,054)	(107,866)
	-----	-----
Net cash used in investing activities	(35,054)	(107,866)
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds (payments) on note payable, shareholders	50,000	(12,000)
Principal payments on capital lease obligations	(20,341)	(15,540)
Proceeds from exercise of common stock options	--	2,279
	-----	-----
Net cash provided by (used in) financing activities	29,659	(25,261)
	-----	-----

The accompanying notes are an integral part of these financial statements.

SUPERCONDUCTIVE COMPONENTS, INC.
STATEMENTS OF CASH FLOWS (CONTINUED)
SIX MONTHS ENDED JUNE 30, 2002 AND 2001
(UNAUDITED)

	2002	2001
	----	----
NET DECREASE IN CASH	(97,896)	(175,646)
CASH - Beginning of period	118,083	202,406
	-----	-----
CASH - End of period	\$ 20,187	\$ 26,760
	=====	=====
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid during the years for:		
Interest	\$ 11,696	\$ 11,059
Income taxes	\$ --	\$ --
SUPPLEMENTAL DISCLOSURES OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Common stock was issued as partial payment for accounts payable	\$ --	\$ 19,000
Property and equipment was purchased by capital lease	\$ --	\$ 97,911

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. BUSINESS ORGANIZATION AND PURPOSE

Superconductive Components, Inc. (the "Company") is an Ohio corporation that was incorporated in May 1987. The Company was formed to develop, manufacture and sell materials using superconductive principles. Operations have since been expanded to include the manufacture and sale of non-superconductive materials. The Company's domestic and international customer base is primarily in the thin film battery, high temperature superconductor, lens and optical coatings, research, electronics and functional coatings industries.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying unaudited financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and with instructions to Form 10-QSB and Article 10 of Regulation S-X. Accordingly they do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. In the opinion of management, all adjustments considered necessary for fair presentation of the results of operations for the periods presented have been included. The financial statements should be read in conjunction with the audited financial statements and the notes thereto for the fiscal year ended December 31, 2001. Interim results are not necessarily indicative of results for the full year.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 3. INVENTORY

Inventory is comprised of the following:

	JUNE 30, 2002 ----	DECEMBER 31, 2001 ----
	(unaudited)	
Raw materials	\$ 562,992	\$ 562,327
Work-in-progress	148,839	121,908
Finished goods	159,961	211,546
Inventory reserve	(37,789)	(37,789)
	-----	-----
	\$ 834,003	\$ 857,992
	=====	=====

SUPERCONDUCTIVE COMPONENTS, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. COMMON STOCK AND STOCK OPTIONS

The following options were granted under the 1995 Stock Option Plan during the period:

GRANT DATE -----	# OPTIONS GRANTED -----	OPTION PRICE -----
May 9, 2002	40,000	\$ 1.55

NOTE 5. EARNINGS PER SHARE

Basic income (loss) per share is calculated as income available to common stockholders divided by the weighted average of common shares outstanding. Diluted earnings per share is calculated as diluted income (loss) available to common stockholders divided by the diluted weighted average number of common shares. Diluted weighted average number of common shares has been calculated using the treasury stock method for Common Stock equivalents, which includes Common Stock issuable pursuant to stock options and Common Stock warrants. The following is provided to reconcile the earnings per share calculations:

	THREE MONTHS ENDED JUNE 30,		SIX MONTHS ENDED JUNE 30,	
	2002	2001	2002	2001
	----	----	----	----
Income (loss) applicable to common shares	\$ (38,305)	\$ (5,720)	\$ (123,880)	\$ 100,641
	=====	=====	=====	=====
Weighted average common shares outstanding - basic	1,823,256	1,821,858	1,823,256	1,819,963
Effect of dilutions stock options	--	--	--	--
	-----	-----	-----	-----
Weighted average shares outstanding - diluted	1,823,256	1,821,858	1,823,256	1,819,963
	=====	=====	=====	=====

NOTE 6. SEGMENT REPORTING

The Company has, in the past, reported financial results in terms of TMI and SCI segments. In the Company's Form 10-KSB for the year ended December 31, 2001, the Company announced that it would no longer operate the TMI and SCI divisions separately, but rather, would combine the divisions into a single operating unit, and therefore, would cease reporting financial results separate for the two divisions beginning in 2002. Accordingly, this report does not report financial results separate for the two divisions. It was management's opinion that a single streamlined company will benefit in the following areas: manufacturing efficiencies and manufacturing cost containment;

SUPERCONDUCTIVE COMPONENTS, INC.

NOTES TO FINANCIAL STATEMENTS

improved sales through the merging of the strengths of the two material businesses; and improvements in quality through increased availability of analytical equipment and personnel.

The Company publicly announced its new corporate structure on July 1, 2002 and stated that SCI Engineered Materials would become the trade name of the Company.

NOTE 7. RELATED PARTY TRANSACTIONS

The Company retained a related party to provide management assistance for a fee of \$14,550 per month beginning January 15, 2002. This agreement was terminated after three (3) months and all fees have been paid.

NOTE 8. REDEEMABLE CONVERTIBLE PREFERRED STOCK (SERIES A)

Effective May 31, 2002, the 99 shares of Series A redeemable convertible preferred stock (\$99,000) and accrued dividends (\$23,595) became fully redeemable by the Company. The Chairman of the Board owns these shares. At June 30, 2002, the Company still owes the total outstanding balance of \$122,595.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the Financial Statements and Notes contained herein.

The following section contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Any statements that express, or involve discussions as to expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as will likely result, are expected to, will continue, is anticipated, estimated, projection, outlook) are not statements of historical fact and may be forward looking. Forward-looking statements involve estimates, assumptions and uncertainties that could cause actual results to differ materially from those expressed in the forward-looking statements. These forward-looking statements are based largely on the Company's expectations and are subject to a number of risks and uncertainties, including but not limited to economic, competitive, regulatory, growth strategies, available financing and other factors discussed elsewhere in this report and in other documents filed by the Company with the Securities and Exchange Commission. Many of these factors are beyond the Company's control. Actual results could differ materially from the forward-looking statements made. In light of these risks and uncertainties, there can be no assurance that the results anticipated in the forward-looking information contained in this report will, in fact, occur.

Any forward-looking statement speaks only as of the date on which such statement is made, and the Company undertakes no obligation to update any forward-looking statement or statements to reflect events or circumstances after the date on which such statements are made or reflect the occurrence of unanticipated events, unless necessary to prevent such statements from becoming misleading. New factors emerge from time to time and it is not possible for management to predict all factors, nor can it assess the impact of each such factor on the business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

RESULTS OF OPERATIONS

CRITICAL ACCOUNTING POLICIES

The preparation of financial statements and related disclosures in conformity with accounting principles generally accepted in the United States of America requires management to make judgments, assumptions and estimates that affect the amounts reported in the Financial Statements and accompanying notes. Note 2 to the Financial Statements in the Annual Report on Form 10-KSB for the year ended December 31, 2001 describes the significant accounting policies and methods used in the preparation of the Financial Statements. Estimates are used for, but not limited to, accounting for doubtful accounts, inventory allowances, property and equipment depreciable lives, patents and licenses useful lives and assessing changes in which impairment of certain long-lived assets may occur. Actual results could differ from these estimates. The following critical accounting policies are impacted significantly by judgments, assumptions and estimates used in the preparation of the Financial Statements. The allowance for doubtful accounts is based on our assessment of the collectibility of specific customer accounts and the aging of the accounts receivable. If there is a deterioration of a major customer's credit worthiness or actual defaults are higher than our historical experience, our estimates of the recoverability of amounts due us

ITEM 2.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS (CONTINUED)

could be adversely affected. Inventory purchases and commitments are based upon future demand forecasts. If there is a sudden and significant decrease in demand for our products or there is a higher risk of inventory obsolescence because of rapidly changing technology and customer requirements, we may be required to increase our inventory allowances and our gross margin could be adversely affected. Depreciable and useful lives estimated for property and equipment, licenses and patents are based on initial expectations of the period of time these assets and intangibles will provide benefit to our Company. Changes in circumstances related to a change in our business, change in technology or other factors could result in these assets becoming impaired, which could adversely affect the value of these assets.

To date, the Company has received revenue predominantly from commercial sales, government research contracts and non-government research contracts. The Company has incurred cumulative losses of \$5,699,086 from inception to June 30, 2002.

SIX MONTHS ENDED JUNE 30, 2002 (UNAUDITED) COMPARED TO SIX MONTHS ENDED JUNE 30, 2001 (UNAUDITED):

REVENUES

Revenues for the six months ended June 30, 2002 were \$1,500,126 compared to \$1,965,251, a decrease of \$465,125 or 23.7% from the six months ended June 30, 2001.

Product revenues decreased to \$1,356,593 in 2002 from \$1,691,110 in 2001 or a decrease of 19.8%. The decline in revenues for the first six months is due to lower product shipments as a result of the weak U.S. economy and lower sales of tantalum and various scrap metals compared to the same period last year.

Contract research revenues were \$143,533 in 2002 as compared to \$274,141 in 2001. The decrease is due to a Phase I SBIR grant from the National Science Foundation that expired in the first half of 2001. Revenues of \$100,000 from this grant are included in first half 2001 revenues. In addition, the first quarter 2001 includes revenues from a Phase II SBIR grant from the National Aeronautics and Space Administration. This grant ended March 31, 2001 and \$70,454 of revenue was recognized in the first half of 2001.

The Company was awarded a \$300,000 extension to a Phase II SBIR grant from the National Science Foundation in the third quarter of 2001 and \$138,462 of revenue was recognized in the first six months of 2002.

The Company was awarded a \$100,000 Phase I SBIR grant from the Department of Energy in May 2002. This grant will be executed in the third quarter of 2002.

GROSS MARGIN

Total gross margin in 2002 was \$409,662 or 27.3% of total revenue compared to \$669,156 or 34.0% in 2001.

Gross margin on product revenue was 29.8% in 2002 versus 36.6% in 2001. The decrease is due to sales of scrap metal in the first half of 2001.

ITEM 2.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS (CONTINUED)

Gross margin on contract research revenue was 3.5% for 2002 compared to 18.4% in 2001. The decrease in gross margin on contract research revenue was due to the expiration of a Phase I SBIR grant from the National Science Foundation, which began in January 2001, and lower sub-contractor costs in the first half of 2001.

SELLING EXPENSE

Selling expense in 2002 decreased to \$94,488 from \$126,095 in 2001, a decrease of 25.1%. The decrease is due to a reduced staff and lower commission expense compared to first quarter 2001.

GENERAL AND ADMINISTRATIVE EXPENSE

General and administrative expense in 2002 increased to \$443,082 from \$407,612 or 8.7%. The increase in these costs is due primarily to consulting services for management assistance and for the use of production utilization consultants and implementing their suggestions for lean manufacturing. These two projects represented \$31,906 for the first half of 2002.

RESEARCH AND DEVELOPMENT EXPENSE

Internal research and development costs are expensed as incurred. Research and development costs, including testing, for 2002 was \$88,395 compared to \$76,617 in 2001, an increase of 15.4%. Internal research and development costs increased due to an increase in staff.

INTEREST EXPENSE

Interest expense was \$11,696 for the six months ended June 30, 2002 compared to \$11,861 for the six months ended June 30, 2001.

INCOME (LOSS) APPLICABLE TO COMMON SHARES

BASIC

Net income (loss) per common share based on the income (loss) applicable to common shares for the six months ended June 30, 2002 and 2001 was \$(0.07) and \$0.06, respectively. The income (loss) applicable to common shares includes the net income (loss) from operations, Series A and B preferred stock dividends and the accretion of Series A preferred stock. The net income (loss) per common share from operations was \$(0.05) and \$0.07, respectively. The difference between the net loss from operations and the loss applicable to common shares of \$(0.02) and \$(0.01), respectively, is a result of the preferred position that the preferred shareholders have in comparison to the common shareholders.

Dividends on the Series A and B preferred stock accrue at 10% annually on the outstanding shares. Dividends on the Series A preferred stock totaled \$4,950 for each period. Dividends on the Series B preferred stock totaled \$13,771 for each period. The accretion of Series A preferred stock represents issue costs of \$70,277 that were netted against the proceeds of Series A preferred stock. The issue costs are being

ITEM 2.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS (CONTINUED)

amortized over the payout period of seven years of income (loss) applicable to common shares and additional paid-in capital. The accretion totaled \$6,468 for the first half of 2002 and \$5,856 for the first half of 2001.

Basic earnings per common share for the six months ended June 30, 2002 were \$(0.07) per share with 1,823,256 average common shares outstanding as compared to \$0.06 per share and 1,819,963 weighted average common shares outstanding for the six months ended June 30, 2001.

DILUTED

Diluted earnings per common share for the six months ended June 30, 2002 were \$(0.07) per share with 1,823,256 average common shares outstanding as compared to \$0.06 per share and 1,819,963 weighted average common shares outstanding for the six months ended June 30, 2001. For the six months ended June 30, 2002, all outstanding common stock equivalents are anti-dilutive due to the net loss.

LIQUIDITY AND WORKING CAPITAL

At June 30, 2002, working capital was \$675,618 compared to \$799,723 at June 30, 2001. The Company utilized cash from operations for the six months ended June 30, 2002 and 2001 of approximately \$93,000 and \$42,000, respectively. Significant non-cash items including depreciation and inventory reserve on excess and obsolete inventory were approximately \$123,000 and \$80,000, respectively, for the six months ended June 30, 2002 and 2001. Overall, accounts receivable, inventory, and prepaids increased in excess of accounts payable and accrued expenses by approximately \$118,000 and \$238,000, respectively, as a result of timing of receipt of inventory versus required scheduled payments on this inventory and increased prepaid expenses.

For investing activities, the Company used cash of approximately \$35,000 and \$108,000, for the six months ended June 30, 2002 and June 30, 2001, respectively. The amounts invested were used to purchase machinery and equipment for increased production capacity.

For financing activity for the six months ended June 30, 2002, the Company provided cash of approximately \$30,000. Cash payments to third parties for capital lease obligations approximated \$20,000; proceeds from notes payable from shareholders totaled \$50,000.

For financing activity for the six months ended June 30, 2001, the Company utilized cash of approximately \$25,000. Cash payments to third parties for capital lease obligations approximated \$16,000; cash payments to shareholders totaled \$12,000; and cash proceeds for the exercise of stock options totaled \$2,279.

Series A redeemable convertible preferred stock and accrued dividends in the amount of \$122,595 is outstanding at June 30, 2002 and was due May 31, 2002. Management is working with the Chairman of the Board, who owns all of the Series A redeemable convertible preferred stock, to negotiate repayment terms.

Officers of the Company have advanced funds in the form of notes payable and accounts

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (CONTINUED)

payable and guaranteeing bank debt in the past. There is no commitment by these individuals to continue funding the Company or guaranteeing bank debt in the future. However, the Company believes that its current operations and its pursuit of new financing arrangements will allow management to continue to pursue its current plans. However, the Company cannot be certain that it will be successful in efforts to raise additional new funds.

Investors are referred to and should specifically consider the risks and speculative factors inherent in and affecting the business of the Company and the Company's common stock as set forth in the Company's 10-KSB for the year ended December 31, 2001 at pages 21-24.

PART II OTHER INFORMATION

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

- (a) The Company held its annual meeting of shareholders on May 9, 2002, for the purpose of electing four directors to the board of directors of the Company and to approve and adopt an amendment to the Company's 1995 Stock Option Plan.
- (b) At the annual meeting of shareholders all directors nominated were elected.
- (c) The following table shows the voting tabulation for each matter voted upon at the annual meeting of shareholders:

Proposal 1: The election of four directors, each to serve for terms expiring at the next annual meeting of shareholders.

NUMBER OF SHARES

NOMINEES	FOR	WITHHOLD AUTHORITY
-----	---	-----
Robert J. Baker, Jr.	1,395,974	1,010
Edward R. Funk	1,396,054	930
Daniel Rooney	1,336,044	60,940
Edward W. Ungar	1,396,054	930

Proposal 2: To approve and adopt an amendment to the Company's 1995 Stock Option Plan to increase the shares available for issuance under the plan from 600,000 to 900,000 shares.

FOR	AGAINST	ABSTAIN
---	-----	-----
978,242	9,414	6,396

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K.

(A) EXHIBITS.

10(a) Department of Energy Award dated May 29, 2002.

99(a) Certification of CEO under Section 906 of Sarbanes-Oxley Act of 2002.

99(b) Certification of CFO under Section 906 of Sarbanes-Oxley Act of 2002.

(B) REPORTS ON FORM 8-K.

None.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SUPERCONDUCTIVE COMPONENTS, INC.

Date: August 14, 2002

/s/ Daniel Rooney

Daniel Rooney, President and Chief Executive Officer
(Principal Executive Officer)

/s/ Gerald S. Blaskie

Gerald S. Blaskie, Chief Financial Officer
(Principal Financial Officer)

DEPARTMENT OF ENERGY
Germantown, MD 20874-1290

May 29, 2002

Mr. J.R. Gaines, Jr.
Superconductive Components, Inc.
1145 Chesapeake Avenue
Columbus, OH 43212-2284

Reference: Application Number 70375S02-I, "Feasibility of Cost Effective, Long Length, BSCCO 2212 Round Wires, for Very High Field Magnets, Beyond 12 Tesla at 4.2 Kelvin"

Dear Mr. Gaines:

I am please to inform you that the subject grant application, submitted by your company to the Department of Energy (DOE), has been selected for a Small Business Innovation Research (SBIR) award. Effective this year, the project period for SBIR Phase I grants has been changed to nine months. This letter sets out some guidelines for SBIR awardees. We would appreciate your careful consideration.

First, you will be contacted by one of the DOE Operations Offices that conduct award negotiations. That office will request your completion of the enclosed PI certification and the other required certification forms, which can be found on our Website at <http://sbir.er.doe.gov/sbir>, click on FY 2002 Solicitation, then Certifications. They can provide you with blank copies if you do not have Internet access.

Second, we need you to send us an electronic copy of Appendix B (enclosed), the Project Summary, of the above-referenced grant application, in Microsoft Word format. A blank summary form is available on the Web at <http://sbir.er.doe.gov/sbir>, click on FY 2002 Solicitation, then Forms, and then Project Summary. Once you have downloaded the form and filled it in, PLEASE SEND IT VIA E-MAIL TO sbir-sttr@science.doc.gov no later than June 21, 2002. After the above materials are received and negotiations are completed, we would expect your grant to be executed on or near July 22, 2002.

Third, if you are collaborating with a DOE national laboratory on the research project, the laboratory may require an up front payment for the full cost of the first 90 days of work they perform. These funds may be obtained in an advance payment which may include the entirety of your project's actual needs for the first three months of the grant, or even a lump sum payment of the entire grant. To obtain this advance payment, provide a written request to the DOE Operations Office that explains why the funds are needed.

Lastly, I have enclosed copies of the reviewers' comments used in the evaluation of your grant application. Some comments contain suggestions for improving the research effort. If you

believe that the suggestions would support your project's research goals, please inform the Technical Project Manager, whose name and phone number can be obtained from the Operations Office. If the scope of the work would be substantially changed, please also inform the Operations Office.

You will be eligible to apply for Phase II funding in fiscal year 2003. During the nine month Phase I project period, our office will provide instructions on how to submit a Phase II application. QUESTIONS PERTAINING TO THE PHASE I GRANT ITSELF SHOULD BE DIRECTED TO THE OPERATIONS OFFICE.

Even though the Department assumes no financial responsibility until a grant is properly executed, let me take this opportunity to congratulate you on winning an extremely tough competition.

Sincerely,

/s/ Robert E. Berger

Robert E. Berger
SBIR/STTR Program Manager

3 Enclosures
PI Certification
Reviewers' Comments
Project Summary, Appendix B

EXHIBIT 99(a)

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Superconductive Components, Inc. (the "Company") on Form 10-QSB for the period ending June 30, 2002, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Daniel Rooney, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Daniel Rooney

Daniel Rooney
Chief Executive Officer
August 14, 2002

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Superconductive Components, Inc. (the "Company"), on Form 10-QSB for the period ending June 30, 2002, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Gerald S. Blaskie, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. ss. 1350, as adopted pursuant to ss. 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Gerald S. Blaskie

Gerald S. Blaskie
Chief Financial Officer
August 14, 2002

PORTER, WRIGHT, MORRIS & ARTHUR LLP
41 South High Street
Columbus, Ohio 43215-6194
Telephone: 614-227-2000
Facsimile: 614-227-2100

August 14, 2002

Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549

Re: Superconductive Components, Inc.
Report on Form 10-QSB for Quarter Ended June 30, 2002
SEC File No. 0-31641

Ladies and Gentlemen:

On behalf of Superconductive Components, Inc. (the "Company"), pursuant to Regulation S-T under the Securities Act of 1933, as amended, and pursuant to General Instruction F to Form 10-QSB under the Securities Act of 1934, as amended, the Company's Quarterly Report on Form 10-QSB for the quarter ended June 30, 2002, is being transmitted herewith.

Any questions or comments with respect to this filing should be directed to the undersigned at (614) 227-2180.

Very truly yours,

/s/ Christine Murry

Christine Murry

Enclosures

cc: National Association of Securities Dealers (Via EDGAR)
Edward R. Funk
Dan Rooney
Curtis A. Loveland, Esq.