

PRESS RELEASE

PARIS, FEBRUARY 5TH, 2002

Carbone Lorraine: 2001 annual sales of €803.7m
(audited figures)

Carbone Lorraine's 2001 sales totalled €803.7m, down 1.9% on a like-for-like basis compared with the previous fiscal year.

At end-December 2001, Carbone Lorraine's annual like-for-like sales from its various divisions broke down as follows:

		€m	% change
Electrical Components	➤ Electrical Applications	193.3	-3.9
	➤ Permanent Magnets	123.7	-9.3
	➤ Electrical Protection	225.5	-6.7
	Sub-total	542.5	-6.4
Advanced Materials and Technologies		261.2	+8.9
Group total		803.7	-1.9

The business slowdown gathered pace during the fourth quarter, with sales decreasing by 7.5% to €87m on a like-for-like basis. This trend is due to the combination of a severe deterioration in the North American economy, a significant decline in markets dependent on capital spending, and weaker business conditions in Europe.

Electrical Components

In the Electrical Components division, sales of **brushes for electrical motors** continued their decline during the fourth quarter, falling by 10% compared with fourth quarter 2000 to €44m. This was due to tougher European market conditions, notably in brushes for small electric motors. The 11% drop in sales of **magnets** during the fourth quarter (down to €28m) principally stems from the major difficulties experienced by our main customer in North America, while European sales held steady due to a strong performance by inductors. Sales in the **electrical protection** activity were down 14% to €51m in the fourth quarter as this business continued to suffer from the slump in North American demand and declining capital spending in Europe and Asia.

Advanced Materials and Technologies

Sales in the Advanced Materials and Technologies division remained robust during the fourth quarter (up 3% to €64m compared with fourth quarter 2000), driven by strong billings in anti-corrosion equipment. This growth was achieved despite a marked downturn in high-temperature graphite applications, due to the recession in the semiconductor industry, although this sector seems to have reached the end of its destocking phase and is recording a moderate pick-up in orders.

At end-December 2001, annual sales in this division, including high-temperature applications, brakes and anti-corrosion equipment, amounted to €261m, up 9% on a like-for-like basis.

As we mentioned in our press release of 22 January 2002, 2001 results were hit by a business slowdown. The Group has managed to reduce its costs throughout the year and these efforts should continue with the new cost-cutting plan currently being implemented. This plan will be unveiled in detail when the annual results are presented. Overall, this series of measures should enable Carbone Lorraine to rebound once the economic recovery gets underway.

N.B.

2001 results presentation: Tuesday 12 March 2002

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Reminder:

Carbone Lorraine is an industrial group specialising in Electrical Components (brushes for electric motors, magnets and industrial fuses) and Advanced Materials and Technologies. The Group generates 88% of its sales outside France and holds leading positions on its major markets world-wide:

- *Electrical Applications* / *World no. 1 in brushes for electric motors*
- *Permanent Magnets* / *World no. 3 in magnets for the automobiles*
- *Electrical Protection* / *World no. 2 in industrial fuses*
- *Advanced Materials & Technologies* / *World no. 1 in thermal anti-corrosion equipment*

The Group is listed on the Premier Marché of the Paris Stock Exchange. It is part of the SBF 120 and Euronext 150 indices.

For further information, visit our website : www.carbonelorraine.com

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