

**CARBONE LORRAINE:
ANNUAL SALES FOR 2000 RISE BY 27%**

The 27% increase in sales by Carbone Lorraine in 2000, to 876 Million Euros, comes both from the consolidation of recent acquisitions, for 14%, and from a strong organic growth, which reached 5% for the year. The integration of acquisitions (Shawmut for industrial fuses, and a factory making magnets for small electric motors in Korea) exceeded the expected effects for the year 2000. And as regards organic growth, each of the four Group activities posted satisfactory results.

In *Electrical Applications* activity, the Group saw 13% growth to 185 Million Euros, and 6% on a like-for-like basis. Organic growth was strong both in sales of brushes for industrial electric motors and in sales of brushes for small motors.

In *Electrical Protection* activity, the 88% increase in sales, to 240 Million Euros, resulted from the integration of Shawmut industrial magnet activities together with 5% organic growth. Growth was even more marked in low voltage industrial fuses, the core activity of Ferraz Shawmut.

In *Permanent Magnets*, sales rose to 212 Million Euros, an increase of 15%. Organic growth reached 6%. It was very buoyant in magnets for the computer industry (activity sold at the end of October). In magnets for automobiles, strong growth in Europe, in South America and in Asia more than compensated for the effects of difficulties encountered by an important North American client.

In *Advanced Materials & Technologies*, sales increased by 11% to reach 239 Million Euros. On comparable basis, the Group progressed by 4%, despite slack investment in the chemical and pharmaceutical industries during the year 2000. The increase was particularly strong in high temperature graphite applications due to innovations developed by the Group for the semiconductor markets. In high energy brake components, the trend was also very favourable.

Outlook for 2001

The strong increase in orders registered by the Group at the end of December 2000 (+20%) augurs well for 2001. The Group should benefit in particular from strong recovery in all geographical zones for graphite and noble metals anticorrosion equipment for the chemical and pharmaceutical industries. Continuing commercial development in industrial fuses, accelerated by two contracts announced recently with top ranking distributors will also contribute greatly to growth by the Group in 2001.

Press Release

PRESS RELEASE
PARIS, FEBRUARY 6TH 2001



Reminder:

Carbone Lorraine is an industrial group which specializes in Electrical Components (brushes for motors, magnets, electrical protection) and in Advanced Materials and Technologies. In both these fields it occupies key leading positions in the world in its main markets.

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| • Electrical Applications | | World n°1 in brushes for electric motors |
| • Electrical Protection | | World n°2 in industrial fuses |
| • Permanent Magnets | | World n°3 in magnets for automobiles |
| • Advanced Materials & Technologies | | World n°1 in thermal anti-corrosion equipment |

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