

PRESS RELEASE

PARIS, NOVEMBER 6TH, 2001**CARBONE LORRAINE:
SALES OF €194M IN THE THIRD QUARTER OF 2001**

After a 4% increase in the first quarter and stable sales in the second quarter, **Carbone Lorraine's third-quarter 2001 sales came to €194m**, down 3.9% compared with the third quarter of 2000 on a like-for-like basis.

Over the nine months to the end of September 2001, sales totalled €617m, the same level as in the previous year on a like-for-like basis.

This third-quarter performance reflected an extension of the slowdown prevailing in North America and a downturn in capital spending in some European markets.

Electrical Components

In the **Electrical Components** segment, sales declined in **brushes for electric motors** (down 6% at €49m compared with the third quarter of 2000). The fall was concentrated in Europe, while business stabilised in North America. Sales of **magnets** (down 5% at €28m) picked up compared with the second quarter of 2001, with business remaining brisk in Europe and improving in the North American market. Lastly, weaker capital spending in North America took its toll on **Electrical Protection** sales (down 10% at €55m). Business remained sluggish in Europe, but held up at a high level in Asia.

Over the first nine months of 2001, sales trends on a like-for-like basis for the three activities in the Electrical Components segment were as follows:

- | | | |
|---------------------------|-------|-----|
| • Electrical Applications | €149m | -2% |
| • Magnets | €96m | -9% |
| • Electrical Protection | €175m | -4% |

Advanced Materials and Technologies

Sales recorded by the **Advanced Materials and Technologies** segment during the third quarter (up 5% at €62m) remained buoyant in spite of the slowdown in electronics markets and the recessionary environment in North America. **Over the first nine months of the year**, sales advanced by 11% on a like-for-like basis to €197m in this segment, which includes high-temperature applications, brakes and anti-corrosion equipment.

Carbone Lorraine's results for 2001 will be adversely affected by the current slowdown in its business activities. To curb the impact of the slowdown, the Group is continuing to take measures to adjust its cost base, including reductions in fixed costs and workforce cuts in certain regions. Likewise, it is launching new marketing initiatives. This rigorous management policy in the short term will help enhance the Group's profitability in the medium and long term, paving the way for a strong net results rebound as soon as the economic recovery kicks in.

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Carbone Lorraine is an industrial group specialising in electrical components (brushes for electric motors, magnets and industrial fuses) and advanced materials and technologies. Well-established world-wide, the Group holds world-class positions in all its main markets :

- *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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