

1st quarter sales for 2001

In the first quarter of 2001 we achieved sales of 209.6 M€. In comparison, sales for the first quarter of 2000, which included a contribution from the magnets for computers activity (sold last October), were 215.1 M€. The change in sales can thus be broken down as follows :

- . effect of changes to structure : - 8.6 %
- . exchange rate parities : +1.8 %
- . **organic growth** : + 4.3 %

The organic growth of 4.3 % during the first quarter of 2001 confirms once again that the diversity of our portfolio of activities, both in terms of industrial outlets and geographical spread, is a key driving force behind the growth of the Group.

The first quarter sales were contrasted, with significantly lower sales to the North American automobile industry, whereas the other activities enjoyed a healthy rate of growth (+ 8% on a like-for-like basis).

Sales broken down by geographical zone

| | 1st quarter 2001 published sales (M€) | Organic growth (%) |
|-------------------|--|-----------------------|
| Europe | 105.4 | + 8% |
| North America | 84.8 | - 5% |
| Asia | 11.3 | + 28% |
| Rest of the world | 8.1 | + 46% |
| Total | 209.6 | + 4.3 % |

In **Europe**, growth was sustained across all the activities.

North America has been affected by the drastic measures taken in reaction to the lower levels of production in the automobile industry. When the sales of automobiles were down by 10% over the quarter, the equipment manufacturers have cut back on their production by 25 to 30% to reduce their inventories. Our sales have evolved in a comparable manner. Significant workforce reduction measures have been taken to adapt to this level of activity.

The fall in sales to the automobile industry has been partially compensated, in this zone, by the high levels of sales of anti-corrosion equipment.

In **Asia**, very good progress has been made in the sales of fuses and anti-corrosion equipment in Japan.

The growth in the **rest of the world** has been underpinned by the very high levels of activity in Brazil and the sales of anti-corrosion equipment both in this country and in South Africa.

Sales broken down by activity

| | 1st quarter 2001 published sales (M€) | Organic growth (%) |
|-------------------------------------|--|-----------------------|
| Electrical Applications | 47.2 | + 1% |
| Electrical Protection | 61.4 | + 3% |
| Permanent Magnets | 32.9 | - 12% |
| Advanced Materials and Technologies | 68.1 | + 19% |
| Total | 209.6 | + 4.3% |

In the **Electrical Applications** division, the sales of brushes and brush-holders for industrial motors, and sales to the aeronautical industry were up sharply. Their growth (+7%), which was high across all the geographical zones, more than compensated for the reduction in sales to the American automobile market.

In **Electrical Protection**, the sales of low-voltage fuses progressed well in Europe and in Japan. The sales of high-power switches also recorded very significant growth in Japan, and to a lesser extent in North America. These advances more than compensated for the effects of the inventory-reduction measures taken by our American customers, electric equipment distributors. Overall, the figure for organic growth was 3%.

The **Magnets** activity for auxiliary automobile motors grew by 6% in Europe. However, this progress was cancelled out by the drop in sales to the American automobile industry. Direct workforce reduction measures have been rapidly implemented. Their effect will be completed by the entry

into service, over the coming weeks, and as scheduled, of new automated lines in North America and in France. A letter of intent for the disposal of the specialty magnets activity (13 M€ of sales in 2000) has also been signed. The magnets activity can now focus on the automobiles market, where it holds one of the leading market positions.

In **Advanced Materials and Technologies**, the sales of anti-corrosion equipment grew strongly, for heat exchangers made both from graphite and from noble metals. The backlog has increased again this quarter, with important orders taken for equipment made from graphite and noble metals for Asia and Europe. The high-temperature applications activity made strong progress in the semi-conductor sector and in refractory applications. The brakes division also progressed in the aeronautical and motorbikes markets. As a result, the Advanced Materials and Technologies division achieved organic growth of almost 20 %.

Agenda

General Meeting : May 2, 2001
 1st half sales : July 24, 2001
 Half-year results : September 18, 2001
 3rd quarter sales : November 6, 2001

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