

## Third quarter 2001 sales

After a 4% increase in the first quarter and stable sales in the second quarter, Carbone Lorraine posted third-quarter 2001 sales of €194m, down 4% compared with the third quarter of 2000 on a like-for-like basis. This performance reflected an extension of the slowdown prevailing in North

America and a downturn in some European markets, especially investment-related markets. Over the nine months to the end of September, sales totalled €617m, the same level as in the previous year on a like-for-like basis.

## Analysis by geographical area

	% var. Q1 2001 *	% var. Q2 2001*	Q3 2001 sales (€M)	% var. Q3 2001*	Nine month sales (€M)	% var. Nine month sales*
Europe	8%	5%	96	0%	309	4%
North America	- 5%	- 11%	80	- 12%	250	- 9%
Asia	28%	20%	12	20%	35	22%
Rest of the World	46%	44%	6	17%	23	35%
<b>Total</b>	<b>4.3%</b>	<b>- 0.2%</b>	<b>194</b>	<b>- 3.9%</b>	<b>617</b>	<b>0</b>

\* on a like-for-like basis

After rising by 5% during the second quarter of the year, the Group's third-quarter sales in Europe came to €96m, a stable performance compared with last year. Growth remained strong in France, but sales were lower in most other European countries. Over the first nine months, sales in Europe were up 4% at €309m.

In North America, third-quarter sales totalled €80m, down 12% in line with the trend during the second quarter. The resulting sales contractions were offset partly by improved business trends in the automotive sector. Over the first nine months, sales in North America fell by 9% to €250m.

In Asia, third-quarter sales held up at a high level. As during the second quarter, they rose 20% to €12m. Since the start of the year, they have advanced by 22% to €35m. Even though the Japanese economy remains in the doldrums, sales there rose by 45% over the first nine months thanks to the penetration achieved by new products.

In the rest of the world and particularly in Brazil, the pace of growth has slowed down compared to the second quarter, but sales remained brisk, rising 17% during the third quarter to €6m. Over the first nine months, they came to €23m, with organic growth reaching 35%.

**Analysis by division**

	% var. Q1 2001*	% var. Q2 2001*	Q3 2001 (€M)	% var. Q3 2001*	Nine month sales (€M)	% nine months var. *
<b>Electrical Applications</b>	1%	0%	49	- 6%	149	- 2%
<b>Magnets</b>	- 12%	- 10%	28	- 5%	96	- 9%
<b>Electrical Protection</b>	3%	- 6%	55	- 10%	175	- 4%
<b>Advanced Materials &amp; Technologies</b>	19%	11%	62	5%	197	11%
<b>Total</b>	<b>4.3%</b>	<b>- 0.2%</b>	<b>194</b>	<b>- 3.9%</b>	<b>617</b>	<b>0</b>

\* on a like-for-like basis

In **Electrical Applications**, the third quarter saw a decline compared to the second quarter. Brush sales for industrial motors decreased in Europe and, to a lesser extent, in North America, where sales to aerospace markets helped curb the extent of the downturn. Sales of brushes for small electric motors also dipped in Europe. They improved slightly in North America, even though activity in the region remains substantially lower than last year. All in all, sales at the Electrical Applications division came to €49m in the third quarter, down 6%. Sales over the first nine months totalled €149m, down 2%.

In **Magnets**, third-quarter sales improved to €28m, since the 3rd quarter decline was just 5% compared with 10% in the second quarter. Sales to the European automotive industry remained firm, with robust expansion in flux packages. The North American automotive market posted a moderate improvement, while still remaining well below last year's levels. This improvement is probably due to the reflationary measures in consumption introduced by carmakers.

Over the first nine months, sales of Magnets came to €96m, down 9%.

Sales of **Industrial Fuses** posted a steep decline in North America owing to the reduction in investment spending by parts manufacturers. Business remained weak in Europe, but held up at a high level in Asia on the back of sales of high-power equipment. Quarterly sales at the Electrical Protection division fell to €55m, down 10% compared with the third quarter of 2000. Over the first nine months, sales declined by 4% to €175m.

In **Advanced Materials and Technologies**, sales during the third quarter came to €62m, up 5%. The inflexion compared to the second quarter is mainly due to the slowdown in electronics markets and less buoyant conditions in the North American market. On the other hand, sales of anti-corrosion equipment during the third quarter saw the same brisk level of growth than during the first half, and sales of brakes remained firm. Over the first nine months, sales in Advanced Materials and Technologies rose by 11% to €197m.

**Outlook**

In view of the slowdown in its business activities, the Group took further measures during the third quarter to adjust its cost structure in the sectors concerned. Nonetheless, net results will still be affected by the business slowdown. However, the measures being taken will help to improve the Group's potential profitability and enable it to achieve a very strong rebound of the net results as soon as the economic recovery kicks in.

**Agenda**

2001 annual sales: February 5, 2002

2001 annual results: March 12, 2002

**Investor Relations - Contact : Anne Mills**

Tél.: + 33 (0) 1 46 91 54 48 - Fax : + 33 (0) 1 46 91 54 07

e-mail : anne.mills@carbonelorraine.com

This information is also available on our Internet site:

[www.carbonelorraine.com](http://www.carbonelorraine.com)

(heading Shareholders Investors).



**GROUPE  
CARBONE LORRAINE**