

## FULL-YEAR RESULTS FOR 2001

- OPERATING MARGIN HELD UP WELL (9.5%)
- NON-RECURRING CHARGES MAINLY DUE TO MAGNETS DIVISION
- COST-CUTTING PLAN OF €20M P.A.

Carbone Lorraine's Board of Directors met on 6 March 2002 to close the accounts for the 2001 financial year.

<b>Consolidated sales</b>	<b>€803.7m</b>
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Sales fell by 2% during 2001 on a like-for-like basis compared with the previous year. After posting a rise in sales during the first half, nearly all the Group's activities were affected by the sharp slowdown in the second half of the year.

<b>Operating profit</b>	<b>€76.0m</b>
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In this depressed environment, the Group was able to keep its operating margin up at 9.5% of sales by swiftly implementing the appropriate measures.

Excluding the Magnets division, the operating margin stood at 11.6%. This performance bears testimony to the resilience of the Group's core businesses.

The Magnets division bore the full brunt of both the weaker business conditions and the failure of Valeo Electrical Systems Inc., its main customer for this activity in the USA. This subsidiary of Valeo filed for protection under Chapter 11 of the American law in December 2001.

<b>Net income before non-recurring items</b>	<b>€34.5m</b>
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Net income before non-recurring items came to €34.5m compared with €47.9m in 2000. Excluding the Magnets division, net income before non-recurring items should be of €41.1m compared with €42.9m in the previous year (- 4%).

<b>Net income before goodwill amortization</b>	<b>€7.4m</b>
<b>Net income</b>	<b>(€8.1m)</b>

Net income before goodwill amortization was depressed by €7.1m in non-recurring charges, which mainly comprise allowances for impairment in the value of the assets of the Magnets division. Of the €5.5m in goodwill amortization, €9m derived from the write-off of all the goodwill related to the acquisition of the Magnets division.

## Dividend

At the Annual General Meeting of the Shareholders on 15 May 2002, the Board of Directors will propose the payment of a net dividend of €0.80 per share from 23 May 2002.

## Outlook

2002 will be a year of transition for Carbone Lorraine. Its priority will be to implement a new cost-cutting plan targeting annual savings worth €20m, most of which should be unlocked during 2003.

Aside from this plan, the Group resolutely intends to pursue the expansion of its business and further productivity gains. The benefits of all of these measures will accentuate the positive impact of the economic recovery, paving the way for a robust improvement in the Group's earnings performance.

### N.B.

Carbone Lorraine will publish its first-quarter 2002 sales report on Tuesday 14 May 2002  
Its AGM will be held on Wednesday 15 May 2002

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### About Carbone Lorraine

*Carbone Lorraine is an industrial group specialising in Electrical Components (brushes for electric motors, magnets, fuses) and Advanced Materials and Technologies. With 85% of its sales generated outside France, the Group has established world-class positions in all its main markets:*

- *Electrical Applications* / *Number one worldwide in brushes for electric motors*
- *Permanent Magnets* / *Number three worldwide in magnets for automobile applications*
- *Electrical Protection* / *Number two worldwide in industrial fuses*
- *Advanced Materials and Technologies* / *Number one worldwide in thermal anti-corrosion equipment*

*The Group is listed on the Premier Marché of the Paris Stock Exchange. It is eligible for the SRD Deferred Settlement Service and is a component of the SBF 120 and Euronext 150 indices.*

To find out more about the group, please visit our web site at [www.carbonelorraine.com](http://www.carbonelorraine.com).

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