

PRESS RELEASE

PARIS, 25 FEBRUARY, 2002

**Ferraz Shawmut SA presents a project for reorganising
the activities of its La Verpillière site**

The Management of Ferraz Shawmut SA, a company specialising in Electrical Protection, submitted a reorganisation project today to the Central Works Council, particularly concerning its activities at the Verpillière (Isère) site.

This site produces lightning arresters and fuses for protection of electrical networks as well as accessories for low-voltage industrial fuses. It employs 163 people.

Intensifying competition in the last few years has sharply reduced the factory's margins. This deterioration was aggravated by the slowdown in economic growth since the end of the year 2000, which sharply reduced the order book due to lower corporate investment.

Hence company Management was forced to consider all possible measures that could be applied to the site to enable the company to regain a balance in its operations as quickly as possible.

The reorganisation project presented to the staff's representatives could lead to the closing of La Verpillière (Isère) site, with a transfer of a part of its activities to the sites at St Bonnet de Mûre (Rhône) and St Loup de Naud (Seine et Marne), which would thereby be reinforced.

Management emphasised "the role played by the St Bonnet de Mûre site, more strategic than ever, which has been chosen as a European logistical platform and world centre of expertise for semiconductor protective fuses". It indicated that "this site's activities are sure to expand in the near future".

It also pointed out its "desire for thorough consultation with unions and staff representatives", and suggested the need for quick agreement on a method and schedule for considering the project and its consequences on the job front.

Finally, Management indicated "that it would meet its social responsibilities and would propose a suitable approach in order to promote reassignment of the employees concerned".

Pursuant to the provisions in Book IV of the Labour Code, the reorganisation project will be discussed at an early meeting of the Central Works Council, to be held on 8 March 2002.

Ferraz Shawmut SA is part of the «Electrical Protection» activity of the Carbone Lorraine Group, which ranks second worldwide in its field of activities. In 2001 the division's sales worldwide came to 225.5 million Euros. It is established in Europe, North America and Japan, and employs more than 2000 persons. Ferraz Shawmut SA, on its part, has three production sites in France: St Bonnet de Mûre (Rhône), St Loup de Naud (Seine et Marne) and La Verpillière (Isère), and it has a 4th site at La Mûre through the intermediary of its 50%-owned Ferraz Date Industries subsidiary.

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Reminder:

Carbone Lorraine is an industrial group specialising in Electrical Components (brushes for electric motors, magnets and industrial fuses) and Advanced Materials and Technologies. The Group generates 85% of its sales outside France and holds leading positions on its major markets world-wide:

- *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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