



Improving environment in the memory market

Initial signs of a recovery

As a result of the upturn in DRAM memory prices, Dane-Elec Memory's sales have risen quarter-on-quarter for the first time since September 2000. Consolidated sales for the fourth quarter of 2001 came in at €49.1m, an increase of 30% on the third quarter. Sales for 2001 as a whole totalled €180m, at the top end of the forecast range.

Consolidated sales (€m)	2001	2000
First quarter	52.1	88.5
Second quarter	41.1	91.2
Third quarter	37.7	95.5
Fourth quarter	49.1	79.6
Total	180.0	354.8

In addition, the performance of Intervalle, the subsidiary specialising in networks and telecoms, was also encouraging in late 2001. Consolidated sales in the fourth quarter were 155% higher than in the third, and were 25% higher than in the same period of 2000. Intervalle has benefited from moves to refocus its activities on mobile products. The subsidiary now accounts for 18% of Dane-Elec Memory's sales.

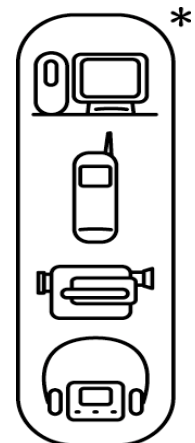
Prices have bottomed out

The fourth quarter of 2001 brought an end to the constant decline in memory prices seen in the previous 15 months. Although it is too early to predict the return of a sustainable upward trend, prices of 128Mb and 256Mb chips have risen by 49% and 36% over the last three months. If this trend continues, it will iron out distortions in the market and as such will benefit Dane-Elec Memory.

2002: back to basics

The IT industry is using increasing amounts of memory, and sales are likely to double in 2002 in megabyte terms. The recently-launched Windows XP and new digital consumer products will accelerate the long-established uptrend in memory demand. The duration of the recession in 2001 forced Dane-Elec Memory to consolidate its fundamentals. As a result, the company is now perfectly positioned to respond to stronger demand and a healthier market.

Dane-Elec Memory is confident as regards its medium- and long-term outlook. The company expects a substantial rise in sales in 2002, along with a recovery in gross margins and the overall level of operating margin.



* *Memory is everywhere*

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