Brush Engineered Materials Inc. Revises Sales And Earnings Expectations For The Third Quarter And Remainder Of 2001

CLEVELAND, Ohio — October 5, 2001 — Brush Engineered Materials Inc. (NYSE–BW) announced today that the continued global weakness in the telecommunications and computer markets is having a greater impact on sales and earnings for the remainder of the year than previously announced.

Third quarter sales are estimated to be approximately 17% lower than the second quarter 2001 sales of $128.5 million. The Company has taken, and will continue to take, offsetting cost actions to mitigate the affect of the lower sales. These actions include extended plant shutdowns and manufacturing cost reductions as well as overhead spending and workforce reductions. In addition, the Company is reducing inventories and deferring capital expenditures. As previously announced, the Company also suspended its quarterly dividend. These offsetting actions have improved cash flow and reduced debt, but the cost of implementing them will have an overall negative effect on third quarter earnings of approximately $0.10 to $0.15 per share. Therefore, third quarter earnings per share is expected to be in the range of a $0.45 to $0.50 loss.

In light of the continued global economic uncertainty and the impact on our major markets it remains difficult to forecast. The Company is evaluating additional profit improvement actions and expects to conclude on these in the fourth quarter. While the benefit of the cost reduction actions taken to date will begin to favorably impact fourth quarter earnings, results in the fourth quarter will be affected by the lower sales outlook and should be worse than analysts’ current estimates of a $0.05 loss.

Chairman’s Comments

Commenting on the revised forecast for 2001, Gordon Harnett, Chairman and CEO, stated, “We are committed to returning the Company to profitability. The cost reduction actions we have already taken and will continue to take through the remainder of the year will provide improved financial leverage as our major markets return to growth and the global economy recovers.”

Forward-looking Statements

Any forward-looking statements in this announcement are based on current expectations. The Company’s performance may differ materially from that contemplated by the forward-looking statements as a result of a variety of factors, including the global and domestic economy, fluctuations in customer demand, manufacturing yields and operating performances at the Company’s various facilities, changes in product mix, financial condition of customers, the timely and successful completion of pending capital expansions, tax rates, exchange rates, energy costs and other matters referred to in the Company’s Securities and Exchange Commission filings.

Brush Engineered Materials Inc. is headquartered in Cleveland, Ohio. The Company, through its wholly-owned subsidiaries, supplies worldwide markets with beryllium products, alloy products, electronic products, precious metal products, and engineered material systems.

FOR FURTHER INFORMATION, PLEASE CONTACT:

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