

Second-quarter 2003 sales: €158 million

During the second quarter of 2003, Carbone Lorraine posted consolidated sales of €158 million, down 2% on a like-for-like basis compared with the first quarter of 2003.

Second-quarter 2003 sales		€m	% change* Q2 2003/ Q1 2003
Electrical Components	➤ Electrical Applications	47	-2%
	➤ Magnets	22	-2%
	➤ Electrical Protection	41	-3%
	Sub-total	110	-2%
Advanced Materials and Technologies		48	-3%
Group Total		158	-2%

(*) on a like-for-like basis

Electrical Components

The sales contraction in **Electrical Applications** (down 2% to €47 million) is attributable to brushes for small electric motors, which were hit by the downturn in the European and North American automobile market, while sales of brushes for industrial motors were stable across all the Group's regions.

The dip in **Magnets** sales (down 2% to €22 million) is also attributable to the European automobile market. Sales were stable in North America and moved higher in South Korea and Brazil.

In **Electrical Protection**, the contraction in sales (down 3% to €41 million) results from the deterioration in the European market, offset partially by growth in sales to North American distributors. In Asia, sales posted a steep increase during the second quarter.

Advanced Materials and Technologies

The decrease in divisional sales (down 3% to €48 million) comes primarily from anti-corrosion equipment, which suffers from the dearth of new capital spending in the chemicals and pharmaceuticals sectors, except in Asia. In high temperature applications of graphite, the decline in the market was curtailed by growth in sales of new products for the electronics market.

Outlook

While economic conditions continue to weaken in Europe, we are seeing some signs of recovery in North America, which have yet to be confirmed. Against this backdrop, the diversity of our geographical and industrial markets and the development of our new products represent a major source of resilience. And the continued pursuit of our restructuring measures is paving the way for a rebound in our earnings, which will be amplified by the recovery if it materialises.

Reminder

Release of interim results: Tuesday September 16th, 2003

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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. Well-established world-wide, the Group holds world-class positions in all its main markets:

- *Electrical Applications*
- *Permanent Magnets*
- *Electrical Protection*
- *Advanced Materials & Technologies*
- *World # 2 in brushes for electric motors*
- *World # 3 in magnets for automobiles*
- *World # 2 in industrial fuses*
- *World # 1 in thermal anti-corrosion equipment*
- *World # 2 in high-temperature applications of graphite*

The Group is listed on the Premier Marché of the Paris Stock Exchange and is a constituent of the SBF 120 and Euronext 150 indices.

To find out more about the Group, please visit our web site at www.carbonelorraine.com.

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