

**PRESS RELEASE**

 PARIS, JULY 24<sup>TH</sup>, 2002

**Carbone Lorraine:  
First-half 2002 sales of €382 million**

Carbone Lorraine posted consolidated sales of €382 million during the first half of 2002. As forecast in March at the presentation of the Group's full-year results, sales declined by 9% on a like-for-like basis compared with the year-earlier period, when business was brisk. This said, sales during the first six months were on a par with those recorded during the second half of 2001.

First-half 2002 sales		€m	% chg. (*)
<b>Electrical Components</b>	➤ Electrical Applications	102	-5
	➤ Magnets	61	+2
	➤ Electrical Protection	101	-15
	<b>Sub-total</b>	<b>264</b>	<b>- 8</b>
<b>Advanced Materials and Technologies</b>		118	-12
<b>Group total</b>		<b>382</b>	<b>-9</b>

(\*) on a like-for-like basis

***Electrical Components***

In **Electrical Applications**, the weakness of capital spending led to lower sales of brushes and brush-holders for industrial motors and traction systems, which were partially offset by the high level of brush and brush-holder assembly sales to automotive customers. Sales of **Magnets** increased by 2% during the first six months on the back of very brisk business in South Korea and Brazil. In North America, the growth in sales to new customers curtailed the impact of the downturn in sales to our main customer, some of whose products are reaching the end of their life cycle. In Europe, the decline in sales of bare magnets was not entirely offset by the strong growth in flux packages. In **Electrical Protection**, business was badly affected by the decline in spending on electrical equipment right around the world, as well as the general contraction in manufacturing activity.

***Advanced Materials and Technologies***

In **Advanced Materials and Technologies**, sales of **high-temperature applications** of graphite were significantly lower than in the previous year owing to the slump in the semiconductor market. The slowdown in capital spending in the chemicals industry triggered a decline in sales of **anti-corrosion equipment**. Conversely, high-energy **braking** sales were brisk right across the board, including in the aerospace, rail and motorbike segments.

**Outlook**

The slowdown in new orders is likely to lead to a further sales contraction during the current quarter. Against this backdrop, Carbone Lorraine is concentrating on implementing the savings plan announced at the start of the year. Under this plan, the Group is on track to harness annual savings worth €20 million in 2004, including €15 million from 2003. The Group is also refocusing on its major strategic priorities, notably product excellence and innovation for its industrial customers, as well as efforts to maximise cash flow. These measures will help Carbone Lorraine to bounce back even more rapidly once the economic recovery kicks in.

**Note**

Presentation of interim results for 2002 on Tuesday 17 September 2002

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**PRESS RELEASE**  
**PARIS, 4 DECEMBER, 2001**

**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* *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](http://www.carbonelorraine.com)

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