

Carbone Lorraine:
a 2.9% decline in 2002 fourth quarter sales
(definitive figures)

During the fourth quarter of 2002, the Group's sales came to €172 million, down 2.9% on a like-for-like basis compared with the fourth quarter of 2001. Sales were higher than during the third quarter of 2002 (€167 million) owing to substantial billings of anti-corrosion equipment in December as anticipated.

Carbone Lorraine posted consolidated sales of €721 million for the year 2002 compared with €804 million during 2001.

Trends at Carbone Lorraine's business segments during 2002 were as follows:

		2002 sales (€m)	% chg. vs. 2001*
Electrical Components	➤ Electrical Applications	192	-2%
	➤ Magnets	106	-6%
	➤ Electrical Protection	193	-11%
	Sub-total	491	- 6.7%
Advanced Materials and Technologies		230	-9%
Group total		721	-7.5%

*on a like-for-like basis

Electrical Components

In **Electrical Applications**, fourth-quarter sales came to €44 million, up 4% on a like-for-like basis. Sales of brushes for small electric motors to automotive equipment suppliers increased in both Europe and North America, which helped to offset the decline in sales of brushes for industrial motors as a result of the weakness of the European economy. The contraction in **Magnet** sales during the fourth quarter (down 12% to €23 million) was attributable to the situation of our main customer in North America, which is currently in the process of replacing certain models. The **Electrical Protection** segment (sales down 8% at €44 million) was hampered during the fourth quarter by the effects both of a still anaemic demand in North America and those linked to a weakening of the European economic conditions.

Advanced Materials and Technologies

Fourth-quarter sales in this segment were stable compared with the fourth quarter of 2001 at €61 million. Conversely, high-temperature applications of graphite posted sales growth during the fourth quarter thanks to higher orders in the semi-conductors sector. Sales of brakes posted further brisk growth during the fourth quarter, namely on the back of the contract for supplying pads for TGV high-speed trains. Conversely, in spite of a major delivery that was billed in December, sales in anti-corrosion equipment declined compared with the fourth trimester of 2001, which stood at very high level.

In this depressed environment, the Group is continuing to implement its savings plan and to focus on cash management. This set of measures will enable Carbone Lorraine to magnify even more the effects of the economic recovery to come.

Reminder

Presentation of 2002 results: Tuesday 18 March, 2003

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About Carbone Lorraine

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 worldwide, the Group holds world-class positions in all its main markets:

- *Electrical Applications* / *World number one in brushes for electric motors*
- *Permanent Magnets* / *World number three in magnets for automobiles*
- *Electrical Protection* / *World number two in industrial fuses*
- *Advanced Materials & Technologies* / *World number one in thermal anti-corrosion equipment*

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.

Contact for investor relations

**Carbone Lorraine
Anne Mills**

Tel.: +33 (0)1 46 91 54 48

Fax: +33 (0)1 46 91 54 07

anne.mills@carbonelorraine.com

Contact for press relations

**Publicis Consultants
Catherine ROSEC**

Tel.: +33 (0)1 44 43 79 57

Fax: +33 (0)1 44 43 76 78

