

Third-quarter 2003 sales: €158 million

During the third quarter of 2003, Carbone Lorraine posted consolidated sales of €158 million, down 2% on a like-for-like basis compared with the third quarter of 2002 and down 1% compared with the previous quarter.

During the first nine months of the year, sales came to €479 million, representing a decline of 6% on a like-for-like basis compared with the year-earlier period.

Third-quarter 2003 sales		€m	Variation* Q3 03 vs Q3 02	Variation* Q3 03 vs Q2 03
Electrical Components	➤ Electrical Applications	45	-3%	-5%
	➤ Magnets	19	-12%	-14%
	➤ Electrical Protection	42	-5%	+1%
	Sub-total	106	-6%	-4%
Advanced Materials and Technologies		52	+7%	+7%
Group total		158	-2%	-1%

(*) on a like-for-like basis

Electrical Components

The sales contraction in Electrical Components was attributable mainly to the Magnets division, which had to contend with the decline in prices during late 2002 and the discontinuation of certain products by our main customer in North America. To a lesser extent, lower sales of brushes to industrial markets and to the North American automobile industry were also to blame. Conversely, the situation is improving tangibly in industrial fuses thanks to brisk sales of high-power and electricity grid protection equipment in Europe.

Advanced Materials and Technologies

The sales growth in Advanced Materials and Technologies was driven by high billings of anti-corrosion equipment in Australia and China. Sales also moved higher in brakes for rail applications, particularly for the South Korean high-speed train and to SNCF. Lastly, the new graphite products for the electronics industry recorded further strong growth in North America.

Outlook

Although sales in Europe recorded a slight decline, the situation seems to be improving in North America (2% increase compared with the second quarter of 2003). If this trend continues, it will accentuate the effects of the savings plan, paving the way for a very significant improvement in operating profit from 2004 onwards, even if economic conditions remain identical to those seen in 2003.

Forthcoming reports

Publication of 2003 sales on Wednesday February 4, 2004

Publication of 2003 results on Tuesday March 23, 2004

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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 isostatic 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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