

First-quarter 2004 sales: €157 million

During the first quarter of 2004, Carbone Lorraine posted consolidated sales of €157 million, which represented a stable performance on a like-for-like basis compared with the first quarter of 2003.

Commenting on these figures, **Claude Coccozza, Carbone Lorraine's Chairman and Chief Executive Officer**, said: "During the presentation of our 2003 results, I indicated that we anticipated a small contraction in our first-quarter sales. The stable performance we have achieved is thus good news confirming the gradual improvement in economic conditions. With the smooth progress of our savings plan, we should be able to improve our operating margin by at least two points during 2004, in line with our forecasts".

First-quarter 2004 sales		€m	% chg.* vs. Q1 2003
Electrical Components	➤ Electrical Applications	48	+2%
	➤ Magnets	19	-8%
	➤ Electrical Protection	41	0%
Advanced Materials and Technologies		49	+2%
Group total		157	0%

(*) on a like-for-like basis

Electrical Components

Electrical Applications sales rose by 2% compared with the first quarter of 2003 to €48 million, with major gains in brush/brush-holder assemblies for the automobile industry. Sales of brushes for industrial motors remained stable.

The **Magnets** division continued its drive to streamline its product portfolio in Europe, favoring margin improvement over volumes, which fell by 8% to €19 million. Implementation of the workforce reduction plan is continuing on schedule, which will pave the way for an improvement in earnings from the first half of 2004.

Electrical Protection sales remained stable compared with the first quarter of 2003 at €41 million. They rose very sharply in North America and Asia, but declined in Europe owing to economic conditions and the disruption caused by restructuring measures in progress.

Advanced Materials and Technologies

Sales in **Advanced Materials and Technologies** came to €49 million, up 2% compared with the first quarter of 2003. This growth was driven by very strong performance in **high-temperature applications** and **braking**, which posted an overall increase of 9%, especially in electronics and rail braking. **Anticorrosion equipment**, which was affected by an unfavorable base of comparison effect related to the major deliveries recorded in the first quarter of 2003, posted a 15% increase in new orders compared with last year, which will have a positive impact on its sales from the second half of the year onwards.

Forthcoming events:

Annual General Meeting:	Thursday May 13, 2004
Interim 2004 sales:	Thursday July 22, 2004
Interim 2004 results:	Tuesday September 14, 2004
Third-quarter 2004 sales:	Wednesday November 4, 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 Next 150 indices.

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

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