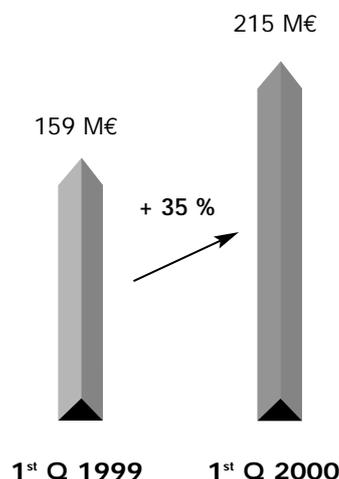


**Sales for the 1<sup>st</sup> Quarter of 2000****+35%**

The Group increased its sales by 35% during the first quarter of 2000, to 215 M€. At constant foreign exchange variations, this increase comes to 26%. 21% of this figure is attributable to acquisitions (Gould Shawmut), and 5% achieved through strong organic growth.

**First Quarter sales for 2000 on a like-for-like basis****+5%****Sales broken down by geographical zone**

	1 <sup>st</sup> Quarter 2000 published sales M€	2000/1999 change on published figures %	2000/1999 change on a like-for-like basis %
Europe	102	+16%	+2%
North America	89	+68%	+6%
Asia	18	+29%	+10%
Rest of the World	6	+36%	+21%
<b>Total</b>	<b>215</b>	<b>+35%</b>	<b>+5%</b>

**Europe:** the pace of sales increased strongly in France, particularly in electrical applications and for brakes. The generalised recovery within the zone is not completely reflected in the figures due to the change in the timing of deliveries of traction brushes to Italy (from the 1<sup>st</sup> quarter to the 2<sup>nd</sup> quarter).

**North America:** sales for the Electrical Protection activity advanced strongly, thanks to the first effects of the commercial synergies generated from the acquisition of Gould Shawmut, together with a buoyant market.

**Asia:** sales in this zone (+10% on a like-for-like basis for 1<sup>st</sup> Q 2000 compared with -38% for 4<sup>th</sup> Q 1999) benefited from our excellent performance in magnets for computers and a regain in market shares of our customers in this segment.

**Rest of the World:** activity in Brazil was strong, with sustained growth achieved by all the divisions despite an economic situation which continued to be difficult.

**Sales broken down by activity**

	1 <sup>st</sup> Quarter 2000 published sales M€	2000/1999 change on published figures %	2000/1999 change on a like-for-like basis %
Electrical Applications	45	+9%	+3%
Electrical Protection	58	+176%	+5%
Permanent Magnets	56	+14%	+5%
Advanced Materials and Technologies	56	+15%	+5%
<b>Total</b>	<b>215</b>	<b>+35%</b>	<b>+5%</b>

Carbone Lorraine accelerated its growth in all the Group's activities, progressing from the turning point reached in the 4<sup>th</sup> quarter of 1999.

**Electrical Applications:** we have generated a significant increase in sales, both in brushes for the automobile markets (good performance of the markets in general and gain in market share) and in brushes for the capital goods markets (which show a satisfactory level of growth once taken account the change in the timing of deliveries of traction brushes to the Italian market from the 1<sup>st</sup> to the 2<sup>nd</sup> quarter).

**Electrical Protection:** our sharp increase in sales (+5% compared with +1% during the 4<sup>th</sup> quarter) relies on a rising demand in North America, the first positive effects of commercial synergies generated by the acquisition of Gould Shawmut, and the start of a recovery in Europe. This increase has been achieved despite the temporary drop in the medium voltage and high-power circuit breaking segments.

**Permanent Magnets:** the trend was reversed (+14% in the 1<sup>st</sup> quarter 2000 compared with -14% in the 4<sup>th</sup> quarter of 1999) thanks to sales of magnets for computers. Sales of magnets for automobiles remained at a high level; in Europe, lower prices offset the growth in volume, whilst the slight reduction in orders from our main customer in America was almost compensated by our entry at new customers.

**Advanced Materials and Technologies:** our growth rate during the 1<sup>st</sup> quarter of 2000 (+5%) remained at a very high level, despite the decrease announced previously in chemical engineering equipment. In this segment, we have secured a satisfactory level of orders both for graphite and noble metals, which should enable us to return to better levels of sales in the second half of the year. In the high-temperature applications of graphite market, we have managed to benefit fully from the recovery in the electronics industry. Moreover, our sales of graphite and ceramic brakes are increasing sharply. They include the deliveries in the year 2000 for the Korean high speed train, which will be followed up as the year progresses by increasing sales in the motorbike market.

**Outlook**

The Group expects the trends that have become apparent since the start of 2000 to continue over the coming quarters.

**For your diary**

General Meeting of Shareholders: May 10, 2000  
(Pavillon Ledoyen)

Sales for the 1<sup>st</sup> half of 2000: August 8, 2000

Half-year results: September 19, 2000  
(meeting for analysts at the Hôtel Royal Monceau)

Financial Communication - Contact: Anne Mills  
Tel: +33 1 46 91 54 48 Fax: +33 1 46 91 54 07  
E-mail: anne.mills@carbonelorraine.com

This information is also available on our internet site:  
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(under the heading Carbone Lorraine News)