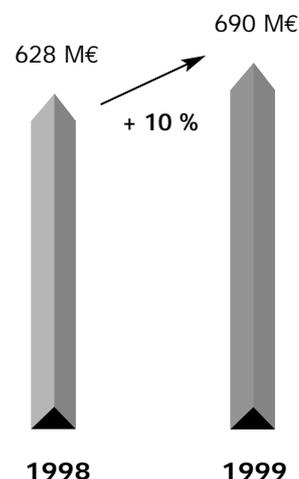


Annual published sales for 1999**+10%**

Annual sales for 1999 rose by 10% to 690 million euros. The increase was due mainly to the positive impact of recent acquisitions, particularly Philip's magnets activity (integrated during the 2nd half of 1998) and Gould Shawmut's fuses activity (integrated since September 1st, 1999).

**Annual sales for 1999 on a like-for-like basis****-1.6%****Broken down into geographical zones**

	4th Qt 99 published sales In M€	4th Qt change EA* As a %	published sales for 1999 In M€	99/98 change on publ. figs As a %	99/98 change EA* As a %
Europe	94.0	+ 3 %	351.8	+ 4 %	- 3 %
North America	83.4	+ 7 %	261.7	+ 29 %	+ 5 %
Asia	13.0	- 38 %	55.9	- 10 %	- 17 %
Rest of the world	5.2	+ 10 %	20.9	- 13 %	+ 4 %
TOTAL	195.6	0 %	690.3	+ 10 %	-1.6 %

* EA : Excluding acquisitions and foreign exchange variations

The sales figure for **Europe** was good in the fourth quarter (+3% on a like-for-like basis) thanks to a good level of activity in France (in electrical applications, electrical protection and brakes), in Italy (brushes for railway traction applications) and in Great Britain (in the semi-conductors industry).

In **North America**, the 4th quarter growth (+7% on a like-for-like basis) resulted from exceptional billing in the chemical engineering equipment division and to a few large deals for AstroCosmos.

In **Asia**, the 4th quarter (-38% on a like-for-like basis) was very strongly affected by the fall in sales of magnets for computers and by a lower billing in Japan in the electrical protection and in the chemical engineering equipment activities.

In the **Rest of the World**, the good performance achieved during the 4th quarter (+10% on a like-for-like basis) resulted from increased market share in Brazil, despite a difficult economic context.

Broken down into activities

	4th Qt 99 published sales In M€	4th Qt change Dec. 99 EA* As a %	published sales for 1999 In M€	99/98 change on publ. figs As a %	99/98 change EA* As a %
Electrical Applications	40.2	+ 4 %	163.3	- 2 %	- 1 %
Electrical Protection	53.4	+ 1 %	128.2	+ 55 %	+ 1 %
Permanent Magnets	44.8	- 14 %	184.5	+ 2 %	- 8 %
Advanced Materials	57.2	+ 9 %	214.3	+ 12 %	+ 2 %
TOTAL	195.6	0 %	690.3	+ 10 %	-1.6 %

* EA : Excluding acquisitions and foreign exchange variations

The change on a like-for-like basis of -1.6% indicated a recovery in the Group's activities during the fourth quarter (cf. -2.5% at the end of September). If the magnets activity is excluded, the improvement is even sharper, with organic growth up 4%.

For **Electrical Applications**, the increase in the 4th quarter (+4% on a like-for-like basis) was the result both of increasing sales of brushes for industrial motors in Europe and Asia, and good activity levels in brushes for automobiles in Europe and North America.

For **Electrical Protection**, the performance during the 4th quarter (+1% on a like-for-like basis) should be considered in light of the non-renewal of exceptional business relating to lightning arresters and current collectors. Ferraz's core activity prior to the acquisition of Gould Shawmut, i.e. protection for power semi-conductors, increased by about 4% in France and in Europe, but sales decreased in Japan. Moreover, sales of fuses for general purpose use, produced by Gould Shawmut, progressed by about 2 to 3%. Finally, the successful launch of cooling devices was confirmed over the entire year.

For **Permanent Magnets**, the fall recorded during the 4th quarter (-14% on a like-for-like basis) was due to the unfavorable economic context affecting the magnets for computer hard disks market. In this sector, the 4th quarter was the most difficult of the year, with very low volumes related to technical problems encountered by a significant customer who had to recall a significant number of hard disks, in addition to the pressures on prices. On the contrary, in the magnets for automobiles segment, the situation stabilized in Europe and in North America.

The marked increase in **Advanced Materials and Technologies** during the 4th quarter (+9% on a like-for-like basis) was shared by all the divisions. In the High Temperatures division, the recovery in the electronics industry was confirmed. Chemical Engineering Equipment benefited from the billing associated with the final stages of a large contract in Canada, from the development of new products, and from a few large contracts for AstroCosmos. The brakes activity developed very strongly thanks to increasing sales for the Airbus A 321 and to the beginnings of a very promising motorbike brakes activity.

Outlook for 2000

In the year 2000, the gradual recovery in the Group's activities should be confirmed. The on-going growth workshops will push forward the development of sales particularly with the launch of new products such as

assemblies (brushes/brush holders or magnets/cases). The recent acquisitions should also contribute to organic growth thanks to the on-going initiation of synergies.

Investor Relations - Contact : **Anne Mills**
Tel.: + 33-1 46 91 54 48 - Fax + 33-1 46 91 54 07
e-mail : annemills_cl@compuserve.com

This information is also available on our web site:
www.finance.carbonelorraine.com (under the heading
Carbone Lorraine News).