

**MAGNETS FOR COMPUTER APPLICATIONS:
DISPOSAL EFFECTIVE AS OF OCTOBER 31, 2000**

Carbone Lorraine has now completed the disposal of its "rare-earth magnets for computer and industrial applications" activity, following on from the agreement signed last August with the American company, Magnequench. This disposal, which became effective on October 31, 2000, was agreed for a total of 31 million dollars, and generated a pre-tax capital gain of about 7 million dollars. This activity turned over consolidated sales of 66 million dollars in 1999.

The disposal of this activity ties in perfectly with the strategy pursued by the Group : to be a key international player in each of its activities. It will enable Carbone Lorraine to strengthen and develop its market leading positions in its high potential growth activities.

Carbone Lorraine is an industrial group which specializes in Electrical Components (brushes for electric motors, fuses, magnets) and in Advanced Materials and Technologies. The group occupies key leading positions in the world in its main markets.

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| ▪ Electrical Applications | | World n°1 in brushes for electric motors |
| ▪ Electrical Protection | | World n°2 in industrial fuses |
| ▪ Permanent Magnets | | World n°3 in magnets for automobiles |
| ▪ Advanced Materials & Technologies | | World n°1 in thermal anti-corrosion equipment |

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