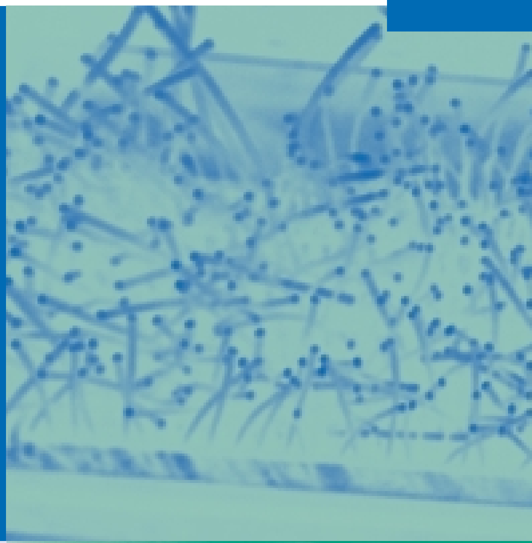
GROUPE CARBONE LORRAINE



Half-Year Report 2002

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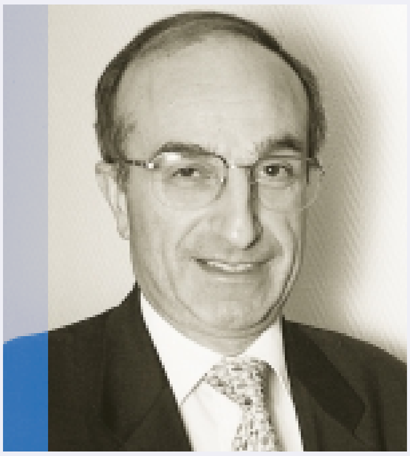
Message from the Chairman



Claude Cocozza
Chairman and CEO

Dear Shareholders,

During the first six months of 2002, Carbone Lorraine's business trends were in line with our expectations, that is broadly stable compared with the second half of 2001. Notwithstanding the very sluggish economic environment, we achieved a decent operating performance during the first six months, which was slightly better than that of the previous half-year period, and generated plenty of cash.

Even so, our prospects in the short term mirror the general economic environment that has prevailed for the past year, with weak capital spending, no tangible signs of economic recovery and sluggish new orders likely to result in further contraction in sales during the third quarter. Against this backdrop, we are focusing our efforts during 2002 on implementing structural measures to improve our profitability.

The cost savings plan we announced last March is on track. Cost-cutting efforts are being rolled out at all the relevant sites and are starting to produce their initial effects. The plan, which targets substantial annual savings of €20 million from 2004, including €15 million in 2003, is focused on streamlining production, especially by pooling production at the most efficient plants and outsourcing certain manufacturing processes. The plan also includes targeting savings in general overheads.

We have also been working towards achieving our major strategic priorities. These notably include promoting product excellence and innovation for our industrial customers and instilling a genuine culture of prioritising cash generation.

These unstinting efforts are underpinned by the strong personnel commitment of all our employees. The measures we have taken will enable Carbone Lorraine to ramp up its profitability and to emerge from the current situation in an even stronger position to achieve a recovery in our earnings and seize any expansion opportunities that arise.

Carbone Lorraine posted consolidated sales of €382 million during the first half of 2002.

In line with our forecast at the presentation of the Group's full-year results, sales declined by 9% on a like-for-like basis compared with the year-earlier period, when business was very brisk.

This said, sales during the first six months were on a par with those recorded during the second half of 2001, when a sharp economic slowdown kicked in.

Electrical Applications

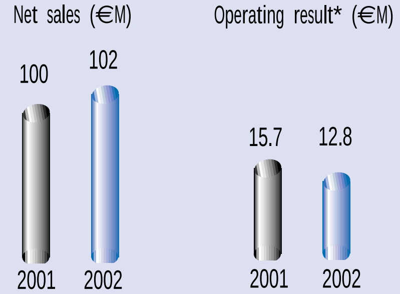
Business trends in brushes and brush-holders for electric motors varied tremendously from one sector of activity to another. The weakness seen in the manufacturing sectors of Europe and North America led to a reduction in our sales of brushes and brush-holders for industrial motors and traction systems. The only significant increases were recorded in rail current collectors and brush-holders in Asia.

With regard to components for small electric motors for automotive customers, synergies between brushes and brush-holders following the acquisition of AVO have been confirmed. Together with stronger customer demand, they kept up assembly sales at a brisk level across Europe and North America.

In sum, Electrical Applications sales came to €102 million, down 5% on a like-for-like basis. They increased by 2% on a reported basis owing to the acquisition of AVO in May 2001.

The operating margin stood at 12.6%, down from 15.7% in the same period last year owing primarily to weak volumes in brushes for industrial motors.

During the second half of the year, the operating margin will see the initial benefits of the savings plan launched at the start of the year. Since its prime goal is to streamline the Group's manufacturing base in Europe, it is set to unlock substantial productivity gains.

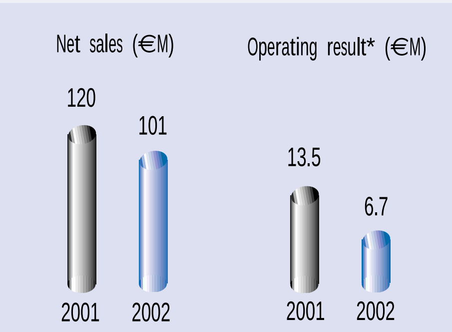


* Before apportionment of corporate charges

motor-based activities

Electrical Protection

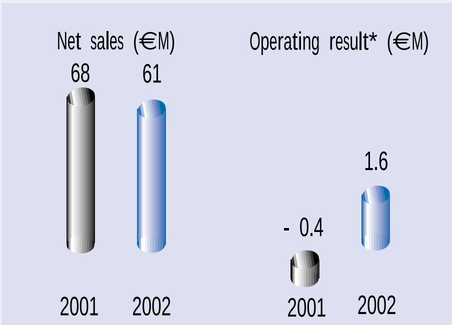
The decline in Electrical Protection sales (15% on a like-for-like basis) derived primarily from the very strong drop in worldwide spending on electrical equipment. This fall compounded the general contraction in industrial activity in the world's three main economic regions. Lastly, comparisons with the previous year are unfavourable owing to the high base of comparison, since business was very brisk during the first half of 2001.
The semiconductor fuse activities were severely affected by the decline in capital spending in industrial electronics. Italy was the only market to post growth in its rail traction sales.
Sales of general-purpose fuses to European distributors increased in spite of the crisis.
In North America, we continued to win market share thanks to our agreement with Affiliated Distributors, the region's number one alliance of electrical equipment distributors, and to the launch of new products in the region.
The Electrical Protection operating margin came to 6.6% in the six months to end-June 2002, compared with 11.2% in the same period of 2001. The main factors holding back margins were lower volumes and the temporarily adverse effects of the introduction of the cost-cutting plan (site closures, transfers of activities, etc.). The first benefits of the plan will show up on the division's bottom line in the second half of 2002.



* Before apportionment of corporate charges

Magnets

The Magnets business sales and operating performance has started to improve, though the situation varies from one region to the next.
In North America, sales posted a small decline. The situation concerning our main customer Vesi, a subsidiary of the Valeo group, has become clearer, since the company has now come to an agreement with its unions. This said, volume trends are unlikely to be very good for the next few months because some of Valeo's models have reached the end of their life cycle and another customer is relocating its motor production to China. Efforts to diversify our North American customer base are continuing, with non-Valeo sales growing by 30%, reducing the proportion of regional sales accounted for by Valeo to 70% during the first half.
In Europe, the decline in sales was limited to just 2% during the first six months of the year on the back of very strong growth in demand for flux packages, which partly offset the fall in bare magnet sales.
Business in South Korea and Brazil was very brisk. In Brazil, the weakness of local markets was offset by growth in electric motor and vehicle exports.
All in all, although divisional sales posted a fall on a reported basis owing to the disposal of the Specialty Magnets activity in April 2001, they grew by 2% on a like-for-like basis.
The Magnets activity operating margin moved back into positive territory on the back of one-off volume and price effects. During the second half of the year, the volume contraction anticipated as a result of the discontinuation of certain models by our customers is likely to cut into the operating margin. Operating income is likely to remain at breakeven point owing to our savings plan, which aims to achieve further reductions in our North American magnet production costs and to streamline our European manufacturing base. Taking into account the anticipated benefits of the plan and the start of new contracts from the first quarter of 2003, we are reiterating our operating margin target of 4% by the spring of 2003.



* Before apportionment of corporate charges

Graphite-based activities

Advanced Materials and Technologies

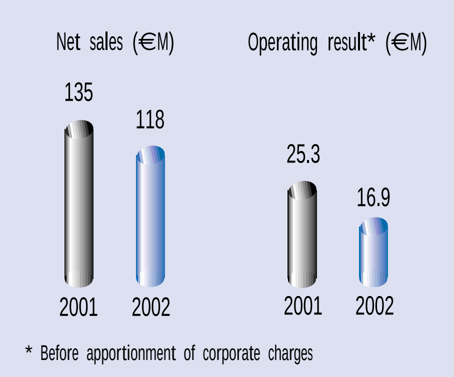
The Advanced Materials and Technologies activity posted sales of €118 million, down 12% on a like-for-like basis compared with the first half of last year, when all three sub-segments enjoyed very brisk business.

Sales of anti-corrosion equipment were held back by the economic crisis in North America and the sharp slowdown in spending on chemical equipment. In addition, the launch of the savings plan temporarily disrupted activity through the closure of the Wooster site in the US, which has now been completed.

Semiconductor sales related to the high-temperature applications of graphite have been falling sharply since the second half of last year.

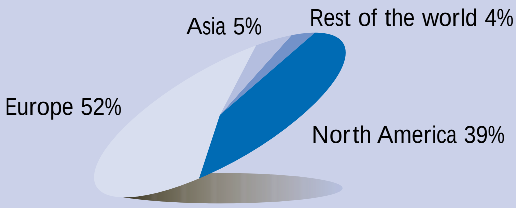
Brake sales posted a steep increase. The superior performance of our products has enabled us to increase our market share in the aerospace, rail and motorbike segments. The outlook for the second half of the year is very promising, particularly in the rail segment thanks to a new contract with SNCF, the French national rail company.

The Advanced Materials and Technologies activity's operating margin contracted owing to the volume decline, but still held up at a lofty 14.4%. The cost savings plan, which will target anti-corrosion equipment production sites in particular, will make the Group's manufacturing base even more efficient so that it can reap the full benefit of an economic recovery.

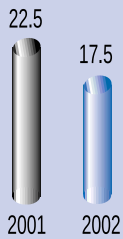


Results

Geographical breakdown of net sales



Net current income (Group Share) (€M)



Consolidated sales and operating result (€M)

Net cash from current operations (€M)

The Group's operating profit came to €32 million or 8.4% of sales, compared with 11.6% in the first half of last year. The operating margin was higher than during the second-half of 2001 when it stood at just 7.1% of sales. This performance was achieved through the measures taken during 2001 to contend with the economic slowdown and the initial benefits of the cost savings plan launched at the start of the year.

Net financial expense declined from €15 million in the year-earlier period to €7 million in the six months to June 2002. The €8 million reduction in net financial expense was achieved through a combination of a reduction in average net debt, the fall in interest rates and a more favourable currency environment.

As a result, net income before non-recurring items (Group Share) came to €17.5 million, which represented 4.6% of sales.

Non-recurring items (after tax) totalled €4 million, most of which were related to the savings plan launched in early 2002.

Taking into account these non-recurring items and goodwill amortization, the Group's net income stood at €10 million, down from €17 million in the year-earlier period.

The Group's net debt decreased significantly (by €40 million) during the first six months. Half this reduction, which was achieved in spite of the payment of dividends totalling €9.5 million, was attributable to the depreciation in the value of the US dollar and half to strong cash generation. Net cash flow generated by operating and investing activities came to €23 million during the first six months of 2002, compared with €9 million during the first half of last year. This evolution is linked both to the business contraction and to the Group's efforts to instil a genuine culture of cash generation.

Based on net debt of €275 million at end-June 2002, the Group had a gearing of 100% compared with 107% at end-December.

Outlook

The fall in new orders during the first half is likely to lead to further sales contraction during the third quarter. Against this uncertain backdrop, Carbone Lorraine is concentrating on successfully implementing the savings plan. It is on track to harness annual savings worth €20 million from 2004, including €15 million in 2003. This cost savings plan will boost the Group's profitability by several notches and place it in a stronger position to capitalize on any expansion opportunities that arise.

Consolidated condensed financial stat

Consolidated balance sheet

ASSETS	06/30/2002 €M	12/31/2001 €M	06/30/2001 €M
FIXED ASSETS			
Intangible fixed assets			
Goodwill	204.0	227.6	247.7
Other intangible assets	16.9	18.7	23.5
Property, plant and equipment			
Land	13.1	13.6	13.0
Buildings	47.8	53.4	54.1
Plant, equipment and other	100.2	111.7	116.5
Fixed assets in progress	14.9	14.1	19.6
Financial assets			
Long-term investment securities	13.1	16.1	17.0
Other financial assets	17.2	20.9	22.7
Total fixed assets	**427.2**	476.1	514.1
CURRENT ASSETS			
Inventories	143.6	154.0	168.5
Trade accounts and related receivables	162.2	170.3	197.7
Other receivables	41.0	48.9	52.4
Short-term advances	1.4	0.5	5.0
Marketable securities	5.8	4.8	5.6
Cash and equivalents	19.1	18.4	22.7
Total current assets	**373.1**	396.9	451.9
TOTAL ASSETS	**800.3**	873.0	966.0

LIABILITIES AND SHAREHOLDERS' EQUITY	06/30/2002 €M	12/31/2001 €M	06/30/2001 €M
SHAREHOLDERS' EQUITY			
Share capital	22.3	22.3	22.2
Additional paid-in capital, reserves and retained earnings	240.3	261.4	260.8
Net income for the period (Group share)	10.3	(8.1)	17.2
Cumulative translation adjustment (Group share)	(2.1)	15.9	23.6
Total shareholders' equity	**270.8**	291.5	323.8
Minority interests	3.3	3.8	3.6
Shareholders' equity and minority interests	**274.1**	295.3	327.4
Long-term provisions	**37.1**	41.2	43.5
LIABILITIES			
Long-term debt	139.4	286.0	303.4
Trade accounts and related payables	69.5	76.0	91.6
Other payables	72.2	67.4	79.0
Current portion of long-term provisions	18.0	17.6	13.6
Other liabilities	28.4	36.9	41.9
Current portion of short-term debt	114.8	11.0	14.2
Short-term loans	0.9	3.0	0.2
Bank overdrafts	45.9	38.6	51.2
Total liabilities and provisions	**526.2**	577.7	638.6
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**800.3**	873.0	966.0

Consolidated condensed financial stat

Consolidated income statement

GROUPE CARBONE LORRAINE	06/30/2002 €M	12/31/2001 €M	06/30/2001 €M
Net sales	382.1	803.7	422.7
Cost of sales	(264.2)	(560.5)	(286.1)
Gross profit	**117.9**	243.2	136.6
Selling and marketing expense	(32.6)	(66.0)	(33.7)
Administrative and research expense	(32.9)	(61.5)	(32.2)
Other operating expense	(2.2)	(3.8)	(3.4)
Operating profit before depreciation and amortization	**50.2**	111.9	67.3
Depreciation and amortization	(18.2)	(35.9)	(18.4)
Operating profit	**32.0**	76.0	48.9
Net financial expense	(6.8)	(24.6)	(15.2)
Income before tax and non-recurring items	**25.2**	51.4	33.7
Income tax	(7.4)	(16.4)	(10.9)
Minority interests	(0.3)	(0.5)	(0.3)
Net income before non-recurring items, Group share	**17.5**	34.5	22.5
Non-recurring items (after tax)	(4.0)	(27.1)	(2.1)
Net income before goodwill amortization	**13.5**	7.4	20.4
Goodwill amortization	(3.2)	(15.5)	(3.2)
Net income, Group share	**10.3**	(8.1)	17.2

Consolidated statement of cash flows

	06/30/2002 €M	12/31/2001 €M	06/30/2001 €M
CASH FLOW FROM OPERATIONS	**38.9**	69.8	43.1
Changes in working capital	(0.8)	(2.0)	(17.5)
Other changes	(3.2)	(7.6)	(3.2)
(A) Net cash flow generated by operating activities	**34.9**	60.2	22.4
INVESTING ACTIVITIES			
Increase in intangible fixed assets	(1.3)	(3.9)	(1.9)
Increase in property, plant and equipment	(11.2)	(31.5)	(12.6)
Increase in financial assets	(0.8)	(2.4)	(0.2)
Disposals of fixed assets	1.0	1.4	0.9
(B) Net cash used in investing activities	**(12.3)**	(36.4)	(13.8)
(C) Net cash flow generated by operating and investing activities	**22.6**	23.8	8.6
Net investments related to the impact of changes in consolidation	(2.9)	(4.1)	(5.9)
Non-recurring asset disposals	2.3		
(D) Net cash flow	**22.0**	19.7	2.7
Proceeds of capital increase	0.2	0.3	0.1
Net dividends paid to shareholders and minority interests	(9.5)	(17.0)	(12.8)
Non-operating cash flows	(0.4)	(2.3)	(1.5)
(E) Net change in debt	**12.3**	0.7	(11.5)

Summary of the notes

NOTE N° 1 . ACCOUNTING POLICIES AND PRINCIPLES OF CONSOLIDATION

The consolidated financial statements of Groupe Carbone Lorraine have been prepared in accordance with the accounting regulations as set forth in CRC rule 99-02 pertaining to the consolidated financial statements of commercial and public companies.

For interim financial statements, the principles applied are exactly the same as those used for the annual consolidated financial statements and have thus been prepared in line with CNC rule 99-01 of 18 March 1999.

A – Basis of consolidation

The consolidated financial statements of the Group include Le Carbone Lorraine and all significant subsidiaries over which the Group exercises management influence, directly or indirectly.

All companies within the scope of consolidation are fully consolidated.

B – Foreign currency translation

The financial statements of foreign subsidiaries are translated into euros using the following methods:

- balance sheet items are translated at the exchange rates ruling on 30 June 2002;
- income statement items are translated at the average rate for the first six months of the year;
- translation adjustments (the Group's share of which is booked under shareholders' equity) include the following:
  - the effect of changes in foreign exchange rates on balance sheet items;
  - the difference between net income calculated at the average rate for the period and net income calculated at the exchange rates ruling on 30 June 2002.

C – Intangible fixed assets

a) Goodwill

Goodwill, which is the difference between the purchase price of shares and the market value of the net underlying assets purchased, is amortized over a period not exceeding 40 years. The current amortization periods used are between 5 and 40 years.

b) Start-up costs

Start-up costs are amortized over a maximum of 5 years.

c) Patents and licences

Patents and licenses are amortized over the period during which they are protected by law. Software is amortized over its likely service life, which may not exceed 5 years.

D – Property, plant and equipment

Property, plant and equipment is stated at purchase or production cost.

Depreciation is calculated for property, plant and equipment under the straight-line method based on the expected service life of the asset.

The periods used are as follows:

Buildings	20 to 50 years
Fixtures and fittings	10 to 15 years
Plant and machinery	3 to 10 years
Vehicles	3 to 5 years

E – Financial assets

Long-term investments in unconsolidated subsidiaries are carried at cost. In the event of a lasting decline in value, an allowance for impairment in value is recorded if book value exceeds fair value, which is determined by reference to the share of net assets held and the investee's medium-term development prospects.

F – Inventories

Inventories are stated at the lower of cost, as determined by the weighted average cost method, and market price.

The only indirect costs taken into account in the valuation of work in progress and finished products are production-related expenses.

Allowances for impairment in value are set aside for slow-moving inventories where appropriate.

G – Consolidated sales

Net sales include sales of finished products and the related services, sales of scrap, sales of goods purchased for resale and invoiced shipping costs.
Income from other operations is recorded under the appropriate heading of the income statement, i.e. other revenues, financial income, non-recurring income, or as a deduction from (selling, general, administrative or research) expenses.

H – Research costs

Research costs are expensed as incurred.

I – Pension plans and retirement indemnities

Group commitments under defined benefit pension plans and retirement indemnities are calculated using a prospective actuarial method that takes into account the economic conditions prevailing in each country. These commitments are funded by pension plans or provisions recorded on the balance sheet as rights are acquired by employees.

J – Deferred taxes

Accounting or consolidation adjustments (depreciation, provisions, tax deductions) may affect the balance sheet items of consolidated companies. Timing differences between taxable income and restated accounting income give rise to the calculation of deferred taxes under the liability method. Deferred taxes are recorded as appropriate under assets or liabilities as a long or short-term item. No provision for withholding taxes is set aside for earnings for which no distribution is planned.

K – Finance leases

Leasing contracts related to items with an original value (or equivalent value in the local currency) of over €0.8 million are restated for consolidation purposes. No restatements are made for finance leases where the items are worth less than this amount. Their impact is not material.

L – Non-recurring items

Non-recurring items represent expenses and income incurred outside the scope of the Group's ordinary activities. They are characterized in general by their unusual and one-off nature.

Summary of the notes

NOTE N° 2 • SHAREHOLDERS' EQUITY (Group share)

	Number of shares	Share capital €M	Additionnal paid-in capital, Reserves €M	Net income €M	Cumulative translation adjustement €M	Total €M
Shareholders' equity at 12/31/2000	**11,109,733**	**22.2**	**235.4**	**41.2**	**10.5**	**309.3**
Prior period's net income			41.2	(41.2)		0.0
Dividends paid			(15.8)			(15.8)
Capital increase	18,729	0.1	0.2			0.3
Net income (Group share)				(8.1)		(8.1)
Translation adjustments and other			0.4		5.4	5.8
Shareholders' equity at 12/31/2001	**11,128,462**	**22.3**	**261.4**	**(8.1)**	**15.9**	**291.5**
Prior period's net income			(8.1)	8.1		0.0
Dividends paid			(13.1)			(13.1)
Capital increase	10,688	0.0	0.2			0.2
Net income (Group share)				10.3		10.3
Translation adjustment and other			(0.1)		(18.0)	(18.1)
Shareholders' equity at 06/30/2002	**11,139,150**	**22.3**	**240.3**	**10.3**	**(2.1)**	**270.8**

In 2001, the capital increase resulted from the exercise of stock options granted to employees, leading to the issue of 18,729 new shares.
In 2002, the capital increase resulted from the exercise of stock options granted to employees, leading to the issue of 10,688 new shares.

NOTE N°3 • FIXED ASSETS

	06/02 €M	12/01 €M	06/01 €M
Goodwill, net	204.0	227.6	247.7
Other intangible assets	16.9	18.7	23.5
Intangible assets	**220.9**	246.3	271.2
Property, plant and equipment	176.0	192.8	203.2
Financial assets	30.3	37.0	39.7
TOTAL FIXED ASSETS	**427.2**	476.1	514.1

Total net fixed assets decreased by €48.9m during the first six months of the year owing mainly to the following factors:
- a reduction of €23.6m in goodwill, €21.6m of which was attributable to currency fluctuations;
- a decrease of €16.8m in property, plant and equipment, €10.7m of which was attributable to currency fluctuations;
- a fall of €6.6m in financial assets.

NOTE N°4 • LONG- AND SHORT-TERM PROVISIONS

	06/02 €M LT	06/02 €M ST	12/01 €M LT	12/01 €M ST	06/01 €M LT	06/01 €M ST
Provision for deferred income tax	9.2	2.4	13.7	2.9	13.9	1.2
Provisions for pensions and retirement indemnities	25.2	2.2	24.6	2.4	25.2	9.9
Other provisions	2.5	13.4	2.7	12.3	4.2	2.5
Investment grants	0.2	0.0	0.2	0.0	0.2	0.0
Total	**37.1**	**18.0**	41.2	17.6	43.5	13.6

Provisions for pensions and retirement indemnities relate primarily to unfunded benefits concerning French and German companies.
Other provisions include restructuring costs for various industrial facilities.
In addition, the Group is involved in tax, regulatory and administrative procedures in several countries and economic areas where it operates. Provisions have been set aside to cover only those risks that are already known and whose size may be assessed at the present time.

NOTE N°5 • NET DEBT

The Group's consolidated net debt decreased by €40.2m during the first half of 2002, in spite of the payment of dividends totalling €9.5m. Currency fluctuations led to a €27.8m reduction in debt.

	06/02 €M	12/01 €M	06/01 €M	12/00 €M	06/00 €M
Long and medium-term debt	139.4	286.0	303.4	287.5	269.4
Current portion of long-term debt (excluding accrued interest)	106.4	2.4	1.1	2.0	1.0
Short-term loans	9.3	11.6	13.2	13.9	15.1
Bank overdrafts	45.9	38.6	51.2	29.1	74.1
Total gross debt	**301.0**	338.6	368.9	332.5	359.6
Marketable securities	(5.8)	(4.8)	(5.6)	(2.9)	(2.0)
Short-term advances	(1.4)	(0.5)	(5.0)	(0.8)	(4.2)
Cash and equivalents	(19.1)	(18.4)	(22.7)	(27.3)	(6.9)
Total net debt	**274.7**	314.9	335.6	301.5	346.5

Summary of the notes

NOTE N°6 • NON-RECURRING ITEMS AFTER TAX

	06/02 €M	12/01 €M	06/01 €M
Allowance for impairment in the value of investment securities	(0.5)	(5.2)	(1.3)
Retirement indemnities	(0.4)	(0.8)	(0.5)
Provision for litigation	0.0	(1.3)	(0.9)
After-tax capital gains on disposals of fixed assets	2.1	2.3	2.6
Other non-recurring income and expense	(5.2)	(22.1)	(2.0)
Total non-recurring items	**(4.0)**	(27.1)	(2.1)

- At June 2001, the after-tax capital gain derived from the sale of the Specialty Magnets business, as well as the remaining proceeds from the sale of the Magnets for computers activity. The other non-recurring items primarily comprised restructuring costs (€1.5m).
- At December 2001, the allowances for impairment in the value of investment securities related primarily to shareholdings in Argentina and Turkey. The after-tax capital gains derived from the sale of the Specialty Magnets activity, as well as from the sale of the remainder of the Magnets for computers activity. Other non-recurring income and expense comprised €13.9m in asset write-downs mainly affecting the North American Magnets activity, following the decision taken by Valeo Electrical Systems Inc., a US subsidiary of the Valeo group, to file for Chapter 11 protection from creditors, restructuring costs (€5.7m) and the decline in the value of treasury shares based on the share price on 31 December 2001 (€1.2m).
- At June 2002, non-recurring items primarily included restructuring costs (€4.2m). Most of the capital gain derived from the sale of the head office of the Italian subsidiary in Milan (€1.6m).

NOTE N°7 • SEGMENTAL REPORTING

Breakdown of sales by activity

(as a %)	06/02	12/01	06/01
Electrical Applications	26.7	24.0	23.6
Electrical Protection	26.6	28.1	28.4
Permanent Magnets	16.0	15.4	16.0
Advanced Materials and Technologies	30.7	32.5	32.0

Breakdown of operating result/sales by activity (1)

(as a %)	06/02	12/01	06/01
Electrical Applications	12.6	12.8	15.7
Electrical Protection	6.6	9.7	11.2
Permanent Magnets	2.7	(2.4)	(0.6)
Advanced Materials and Technologies	14.4	16.6	18.7

(1) The operating income of the divisions is calculated before apportionment of corporate charges. These accounted for 1.2% of sales to end-June 2001, 1.3% of sales to end-December 2001 and 1.6% of sales to end-June 2002.

Statutory Auditors' review report

ON THE HALF-YEAR CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

(Article L.232-7 of French Company Law and Article 297-1 of the Act of March 23, 1967)

Period from January 1 to June 30, 2002

Pursuant to article L.232-7 of the French Companies Act (Code de commerce), we have reviewed the accompanying half year consolidated condensed financial statements of Groupe Carbone Lorraine covering the period from January 1 to June 30, 2002 and verified the information contained in the half-year management report.

The half-year consolidated condensed financial statements are the responsibility of your Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with professional standards applicable in France. Those standards require that we perform limited procedures, to obtain an assurance, which is less than obtained in an audit, as to whether the half-year consolidated condensed financial statements are free of material misstatement. We have not performed an audit as a review is limited primarily to analytical procedures and to inquiries of group management and knowledgeable personnel on information that we deemed necessary.

Based on our review, nothing has come to our attention that causes us to believe that the half year consolidated condensed financial statements, prepared in accordance with accounting rules and principles generally accepted in France, do not give a true and fair view of the financial position and the assets and liabilities of the Group as at June 30, 2002 and of the results of its operations for the six month period then ended.

We have also verified, in accordance with professional standards applicable in France, the information contained in the half-year management report supplementing the half-year consolidated condensed financial statements submitted to our review.

We have no comment to make as to the consistency with the half-year consolidated condensed financial statements and the fairness of the information contained in the half-year management report.

Paris and Neuilly, September 11, 2002
The Auditors

Ernst & Young Audit
Gilles Rabier

Deloitte Touche Tohmatsu
Jean-Luc Poumarède
Alain Pénanguer

Groupe
Carbone Lorraine
2002 half-year report

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