



Full-year 2005 results

March 15, 2006

Dedicated Innovation, Dedicated Partner

→ **Streamlined organisation,
higher earnings**

→ **A stronger Group,
growth momentum**



Streamlined organisation, higher earnings

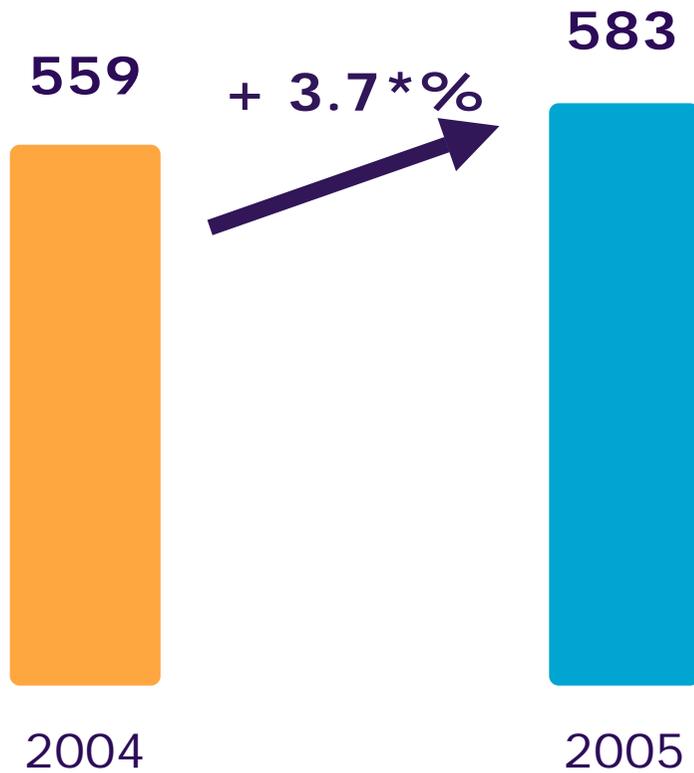
Operational income:	+ 32%
Net income:	+31%
Gearing:	0.51



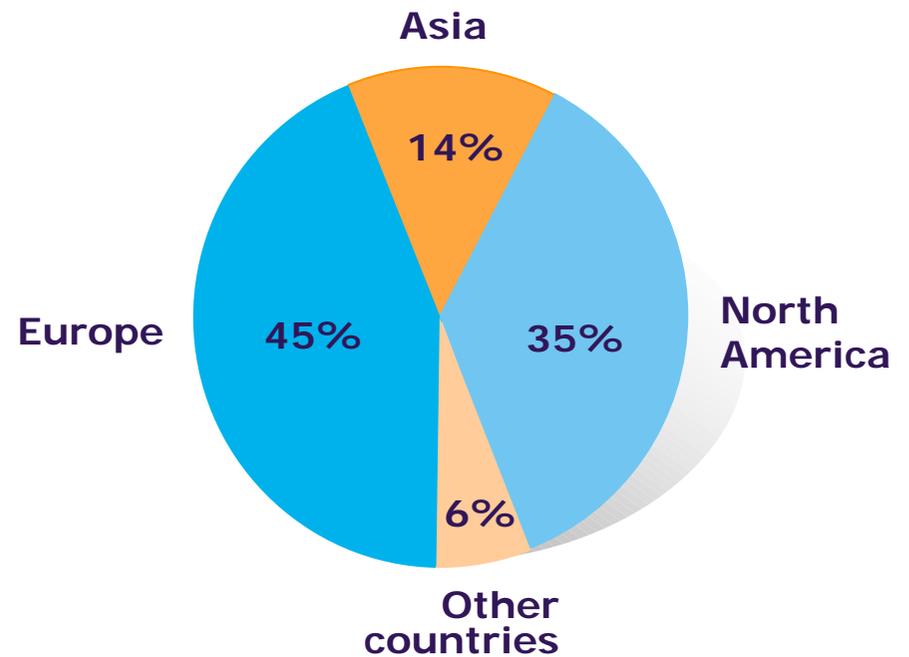
NB: ongoing activities

[IFRS]

Ongoing activities



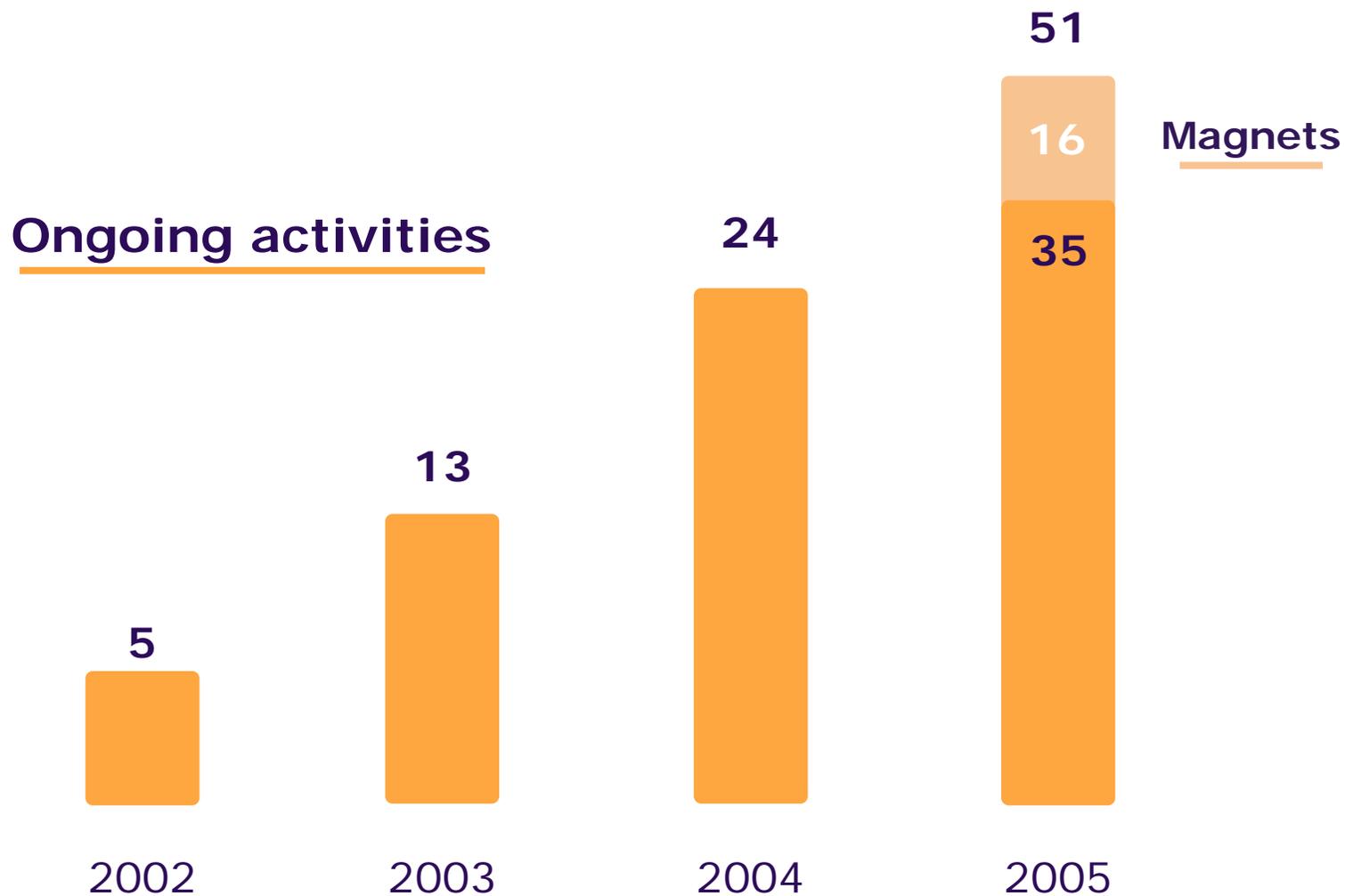
Geographic breakdown Sales 2005



**on a like-for-like basis*

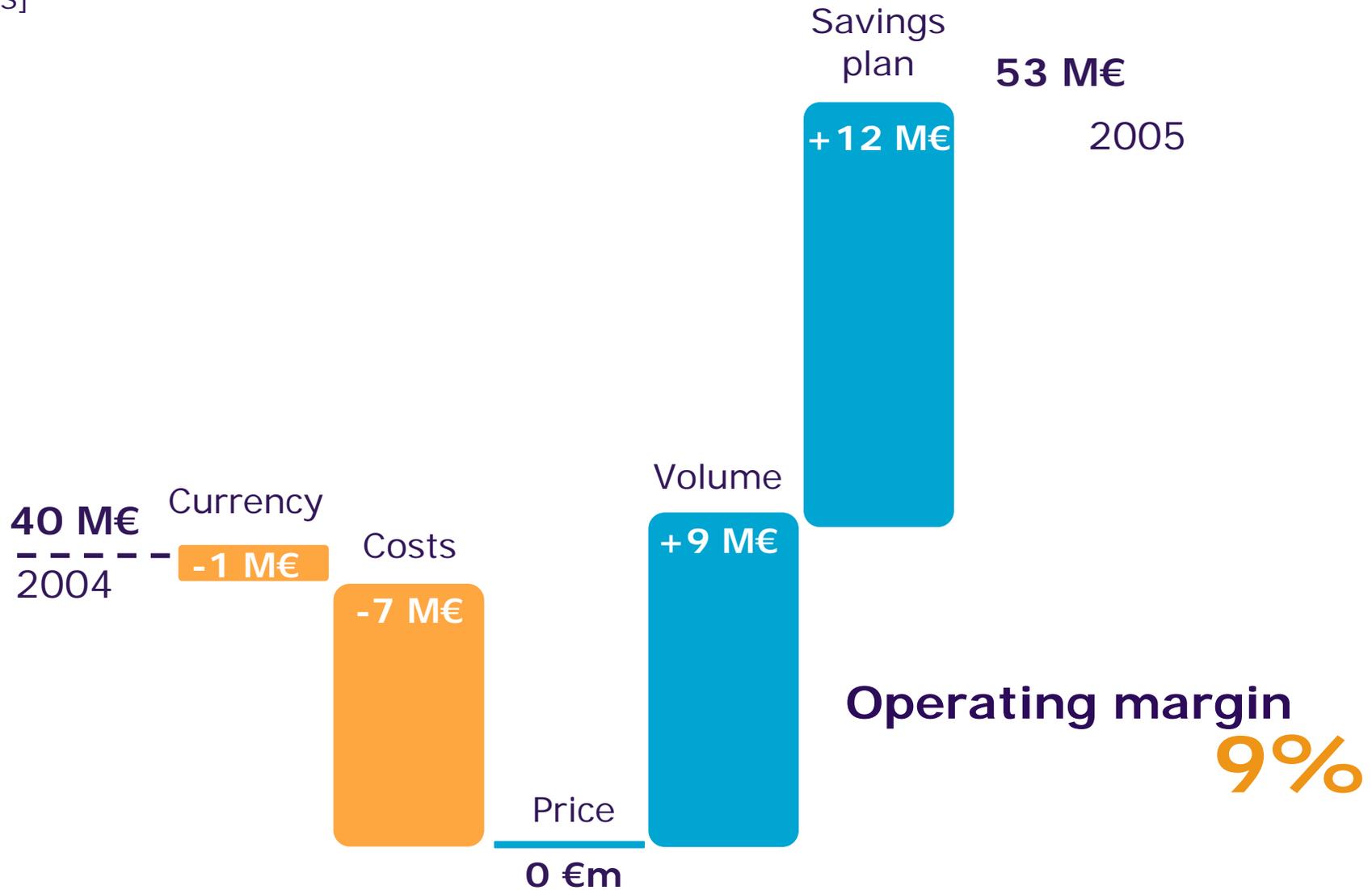
[IFRS]

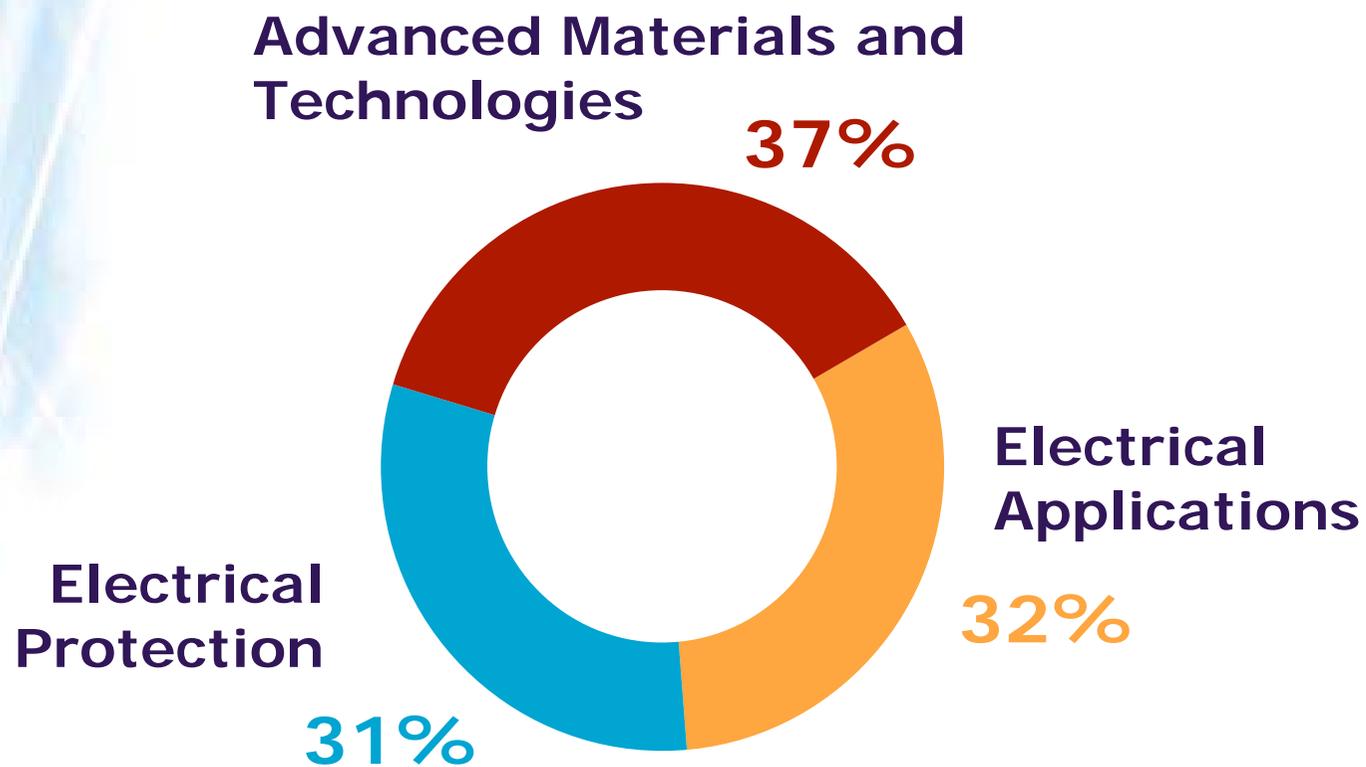
In €m

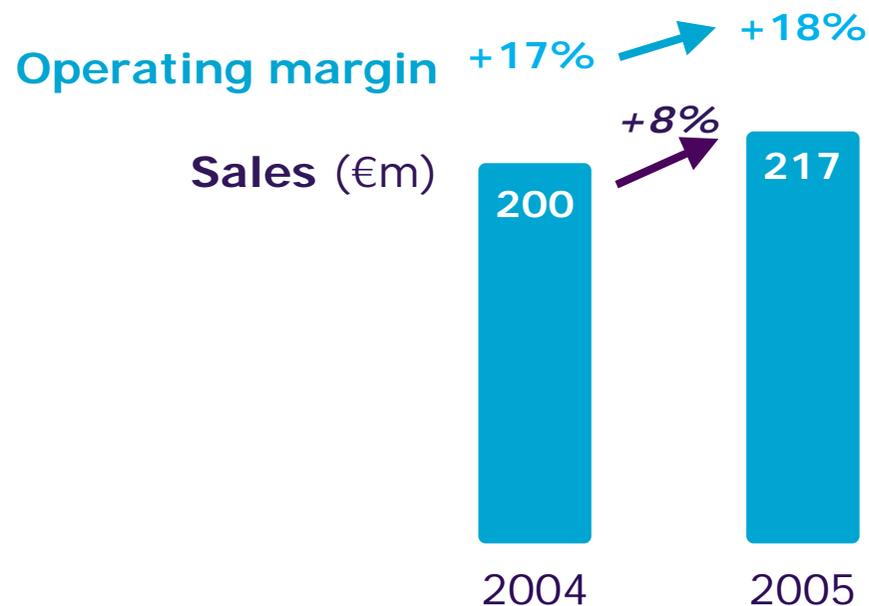


Operating income up 32%

[IFRS]





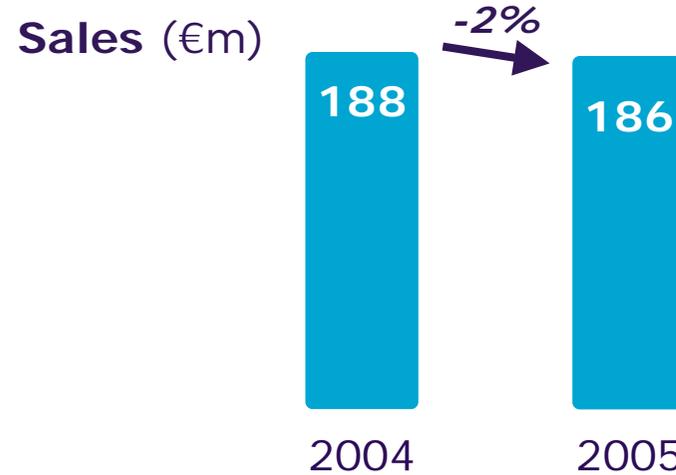


- World leader
- Technical expertise
- Fast-expanding markets
- Lowest production costs

Strengths

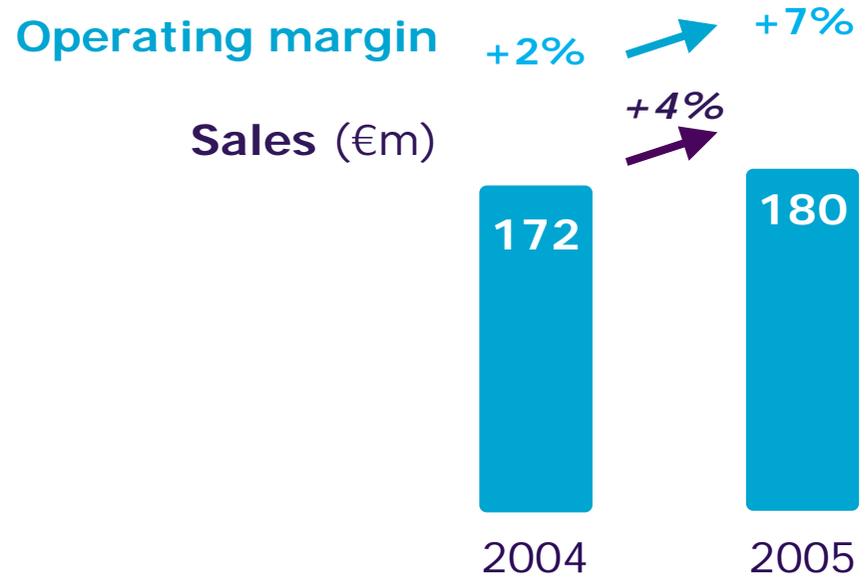


Operating margin +7% → +7%



- World leader
- Diversified outlets
- Product and service reliability

Strengths



- Number two worldwide
- Streamlined manufacturing base
- Technical lead

Strengths

NB: change on a like-for-like basis

[IFRS]

	(€m)	2005	2004
Sales		583	559
Operating income		59.2	46.3
Non-recurring income and expense		(5.7)	(5.8)
Operating income		53.5	40.5
Finance costs, net		(7.1)	(7.5)
Current and deferred income tax		(11.1)	(6.1)
Net income from ongoing activities		35.3	26.9

[IFRS]

	(€m)	2005	2004
Net income from ongoing activities		35.3	26.9
Net income from assets held for sale / discontinued operations		(12.8)	(7.1)
Net income		22.5	19.8

Dividend
€0.70

[IFRS]

(€m)

Operating activities

	2005	2004
Cash flow	69.8	47.3
Change in the WCR	(8.3)	(12.8)
Tax	(8.7)	(6.2)
Cash flow	52.8	28.3

Investing activities

Increase in PPE	(24.5)	(19.7)
Increase in financial assets	(29.6)	(15.5)
Disposals of non-current assets	3.0	7.5
Cash flow	(51.1)	(27.7)

Cash flow before financing activities	1.7	0.6
--	------------	------------

Balance Sheet

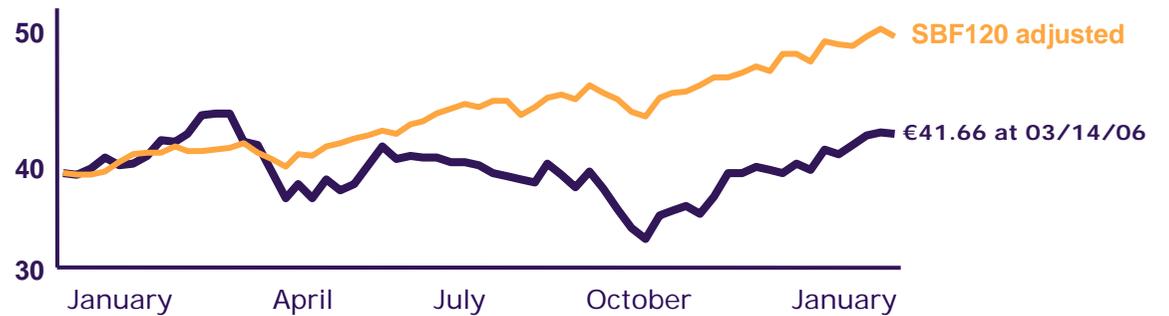
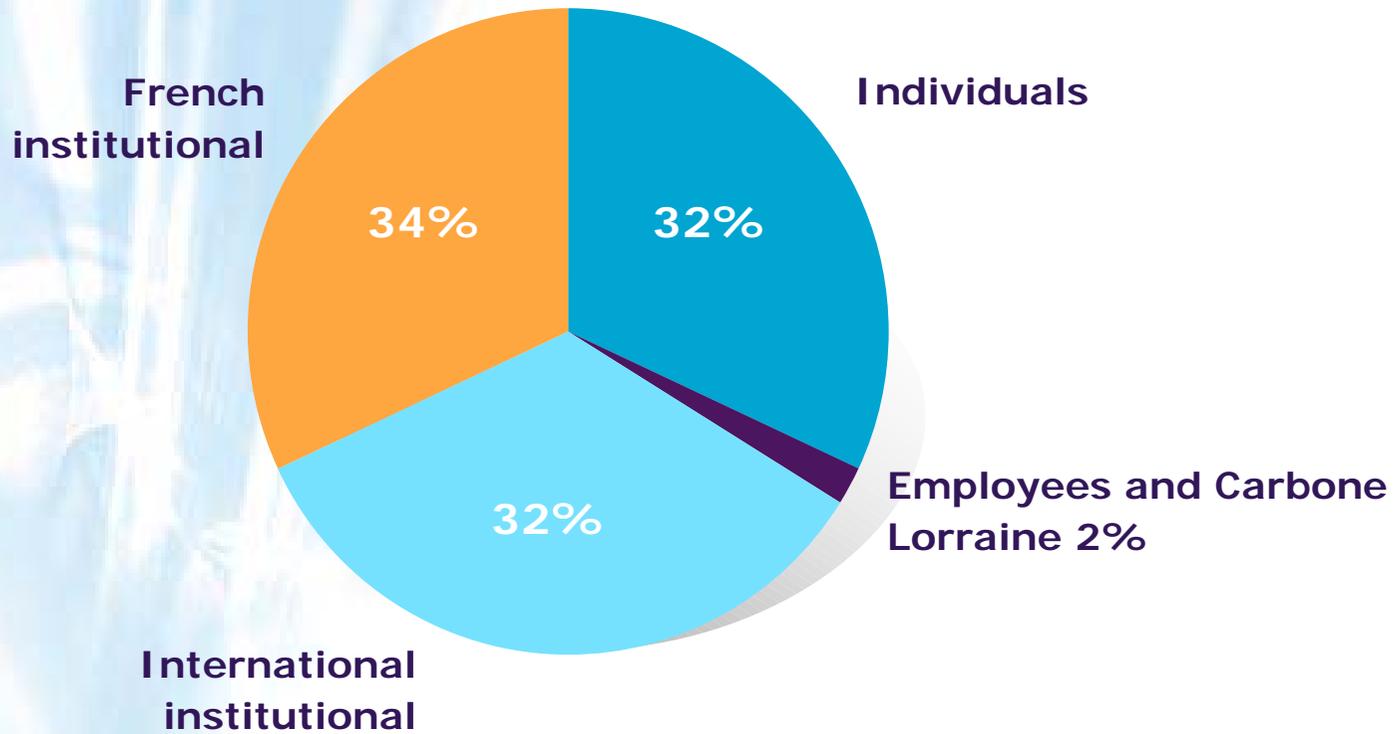
[IFRS]

(M€)

2005

2004

Non-current assets	374	332
Working capital requirement	142	136
Deferred tax	23	22
Net assets held for sale/discontinued	4	-
Total assets	543	490
Equity	295	255
Provisions	49	60
Employee benefits	47	50
Financial instruments	2	-
Net debt	150	125
Total equity and liabilities	543	490
Net debt/equity	0.51	0.49



- Favorable economic conditions in North America and Asia
- Expansion in promising markets
- Stable conditions in Europe
- High costs of raw materials



Earnings growth again in 2006



**A stronger Group,
growth
momentum**



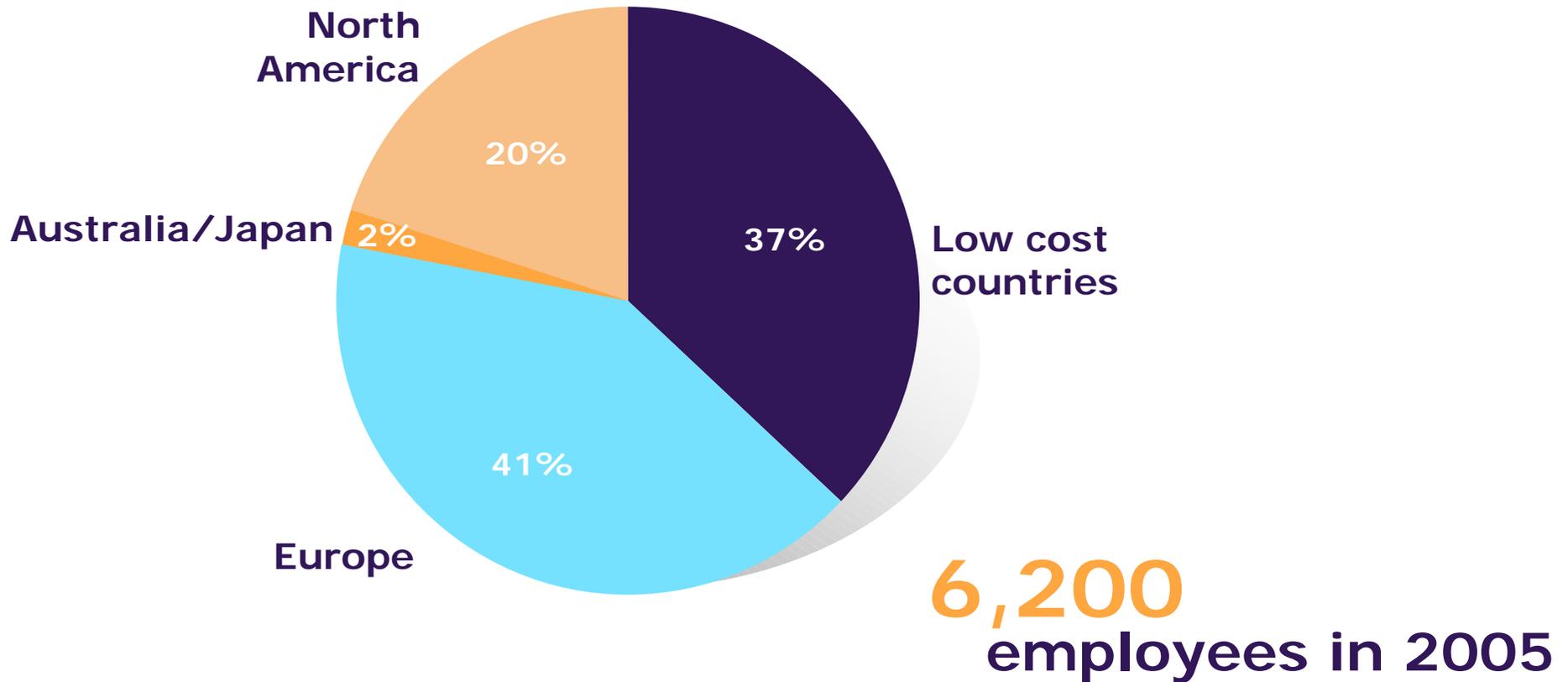
- 
- A background image of a scientist in a white lab coat and safety glasses looking through a microscope. The image is semi-transparent and serves as a backdrop for the text.
- Major projects: CL Clad[®] and Brand Labeling
 - Isolor[®]: insulation for electronics
 - BBPL: protection for IT networks

An orange arrow pointing to the right, located at the bottom left of the slide.

Dedicated Innovation, Dedicated Partner

Operational excellence

Streamlined cost base



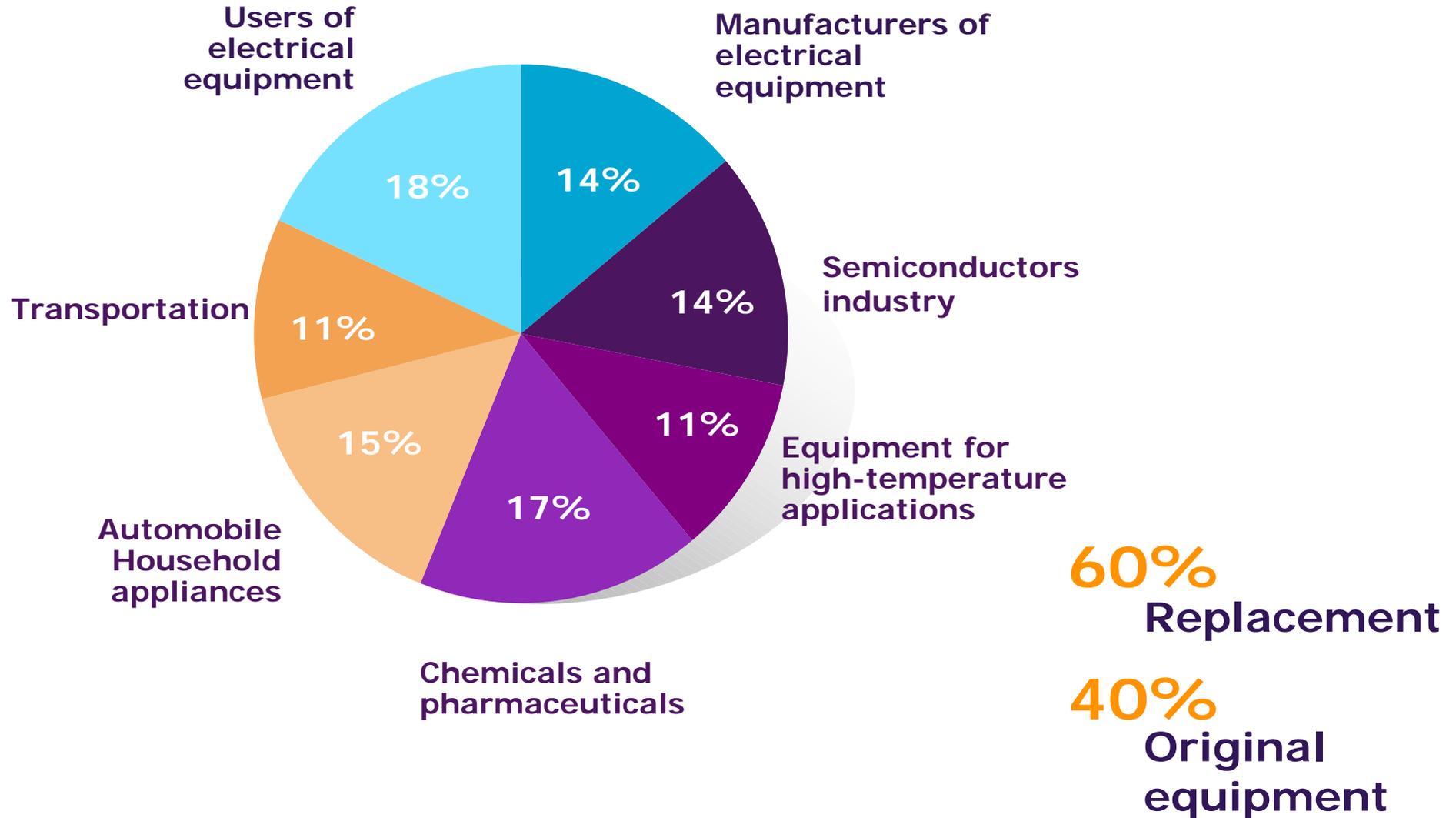
- 
- Expert team network
 - New partnerships with customers
 - Innovative after-sales service

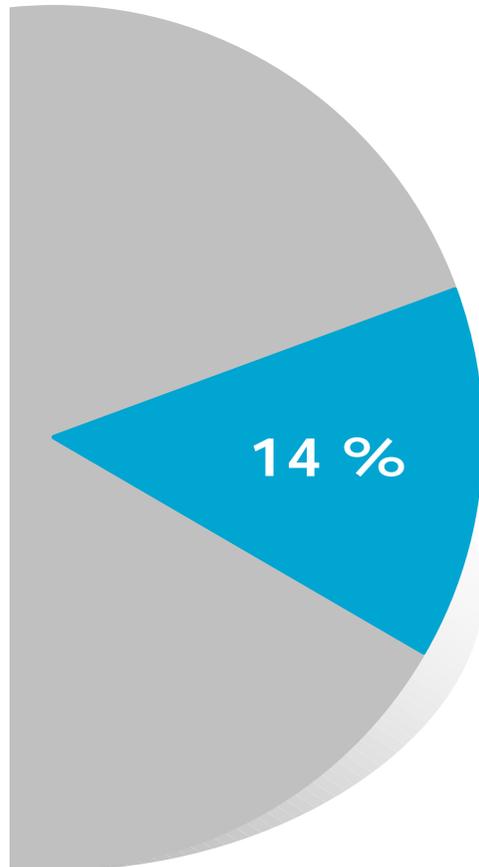


Customers at the heart of our strategy

Profitable growth

Diversified markets





Worldwide market: €600m
Growth: +3%

Manufacturers of electrical equipment

→ Carbone Lorraine's product offering

- Brushes
- Fuses
- Cooling devices, circuit breakers

→ Growth drivers

- Customer partnerships
- Technological lead
- Expansion in Asia

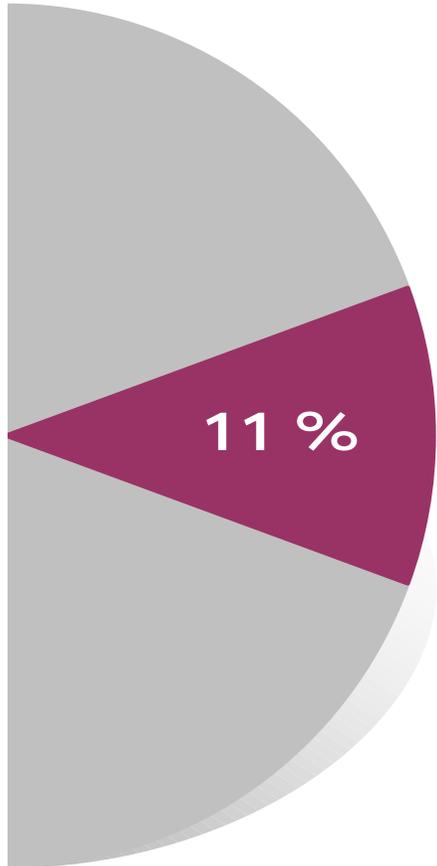


Worldwide market: €800m
Growth: >7%

Semiconductors Industry

- **Carbone Lorraine's product offering**
 - Ultra-pure graphite
 - Fuses and cooling devices for power semiconductors

- **Growth drivers**
 - Solar energy and electronics
 - Customer partnerships
 - Innovation

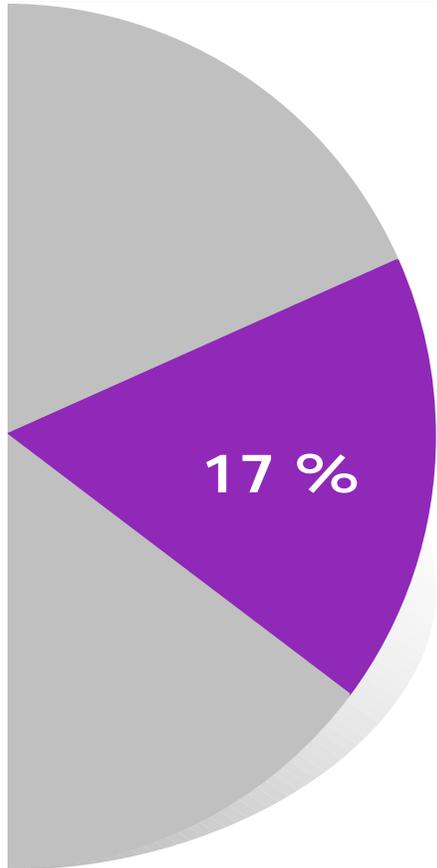


Worldwide market: €500m
Growth: +4%

Equipment for high-temperature applications

- **Carbone Lorraine's product offering**
 - Extensive range of graphite solutions

- **Growth drivers**
 - High technical content
 - Expansion in Asia
 - Upstream integration



Worldwide market: €800m
Growth: +3%

Chemicals and pharmaceuticals

- **Carbone Lorraine's product offering**
 - High-end anticorrosion solutions

- **Growth drivers**
 - "Turnkey" systems
 - Innovation
 - Expansion in Asia



Major projects

Asia

CL CLAD[®]

Modulostar[®]

HIGH-TEMPERATURE APPLICATIONS PROJECT IN ASIA

- Graphite block plant in Chongqing
- Expansion of the machine shop

Project

- Market: €300m
- Five-year target: market share of 15%
- Investment: €40m

Key figures

2005
Engineering

H1 2006
Civil engineering

H2 2006
Equipment
assembly

Q1 2007
Production

CL CLAD® PROJECT

- High-end, low-cost anticorrosion material

Project

- Market: €300m
- Five-year target: Market share of 15%
- Investment: €7m

Key figures

2005
Engineering

H1 2006
Equipement
assembly

H2 2006
Production

MODULOSTAR® PROJECT

- New range of fuses and fuseholders sold under our own and our partners' brand names

Project

- Market: €30m
- Five-year target: 40% market share
- Investment: €3m

Key figures

2005
Manual
production

H1 2006
Automated
equipment
assembly

H2 2006
Automated
production

ASIA PROJECT



2005 sales Asia
+28 %

Profitable growth

Acquisition-led growth

- Selective acquisitions:
 - Generating organic growth
 - Profitable in the short term



Stronger momentum in 2006

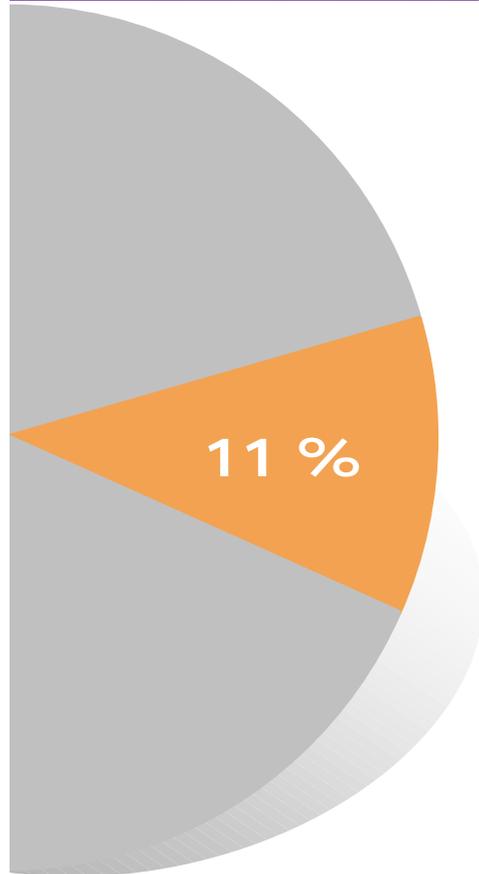


Appendix



IO French Gaap restated

	2005			2004		
	Sales	OI	%OI/sales	Sales	OI	%OI/sales
Advanced Materials & Technologies	217	40.7	18.7%	200	35.0	17.5%
Electrical Applications	186	18.2	9.8%	188	19.8	10.6%
Electrical Protection	180	14.8	8.2%	172	7.4	4.3%
Magnets	72	1.4	1.9%	77	1.7	2.2%
Corporate overheads		(11.9)			(11.3)	
Total Group	655	63.2	9.6%	636	52.6	8.3%



Worldwide market: €900m
Growth: +4%

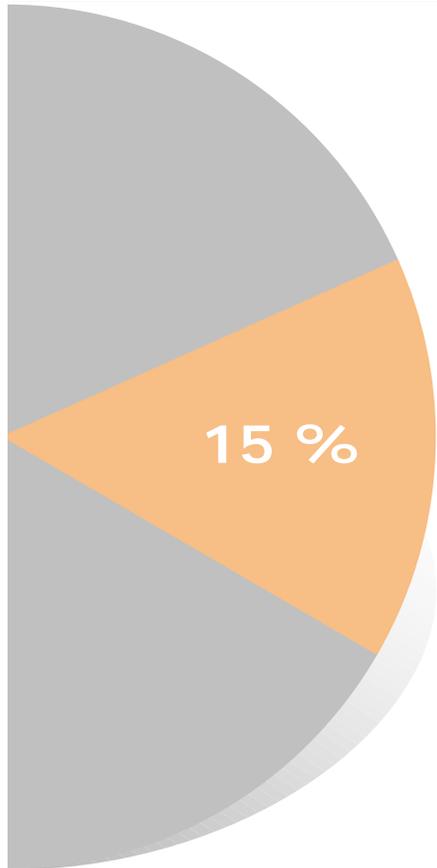
Transportation

→ Carbone Lorraine's product offering

- High-energy braking
- Brushes for rail traction
- Electrical protection for rail

→ Growth drivers

- Expansion of high-speed train network
- Expansion of urban transports
- Expansion of marketing coverage



Market excl. Asia: €500m
Growth: 1%

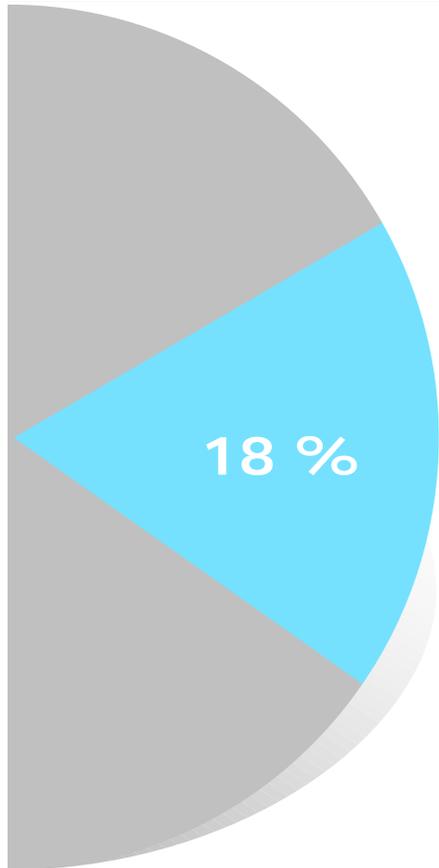
Automobile Household appliances

→ Carbone Lorraine's product offering

- Brushes
- Brushcards

→ Growth drivers

- Production in low-cost countries
- Customer's support and guidance in Asia
- Technical innovation



Worldwide market: €700m
Growth: 2%

Users of electrical equipment

→ Carbone Lorraine's product offering

- Brushes for industrial motors
- Industrial fuses

→ Growth drivers

- Local coverage
- Technical expertise
- Reactivity and quality of service