



Interim 2007 results

Dedicated Innovation, Dedicated Partner

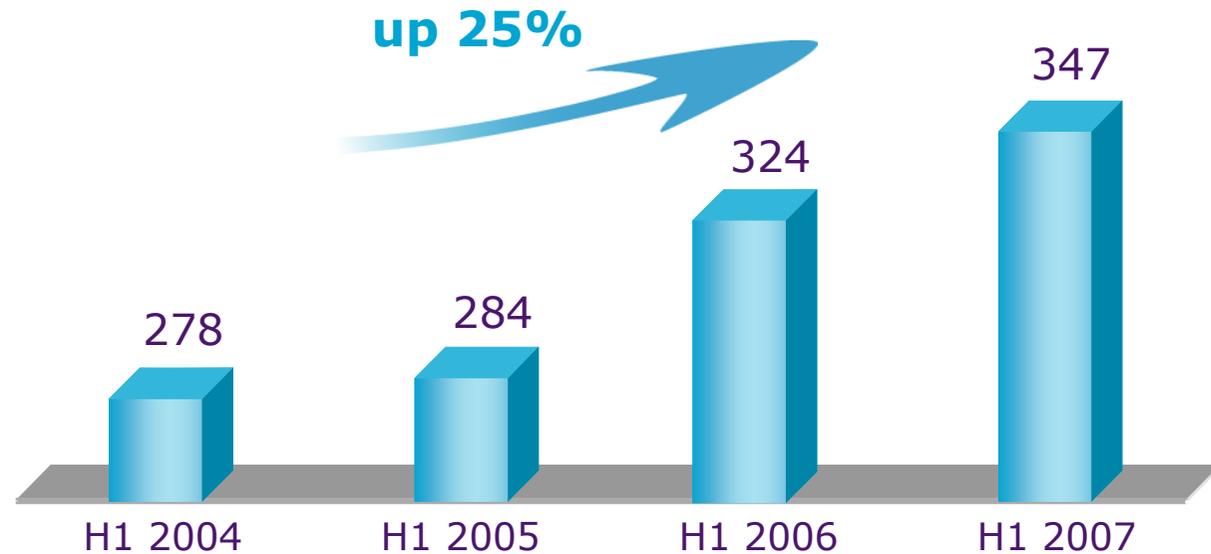
The graphic features a dark purple background with several wavy, overlapping lines in shades of light blue, green, and orange. The lines flow from the left side towards the right, creating a sense of movement and depth. The overall aesthetic is modern and technological.



- Introduction
- Interim results
- 2006-11 growth plan

A growth-oriented group

- Acceleration in sales
- Four growth drivers
- Greater visibility



Sales broken down by interim period
(in millions of euros-continuing operations)

2011 Targets

- Asia, Innovation, Energy efficiency, Selective acquisitions
- Buoyant markets
- Motivated teams

Growth and Profitability

Sales:	€1 billion
ROCE* :	up 50% vs. 2006

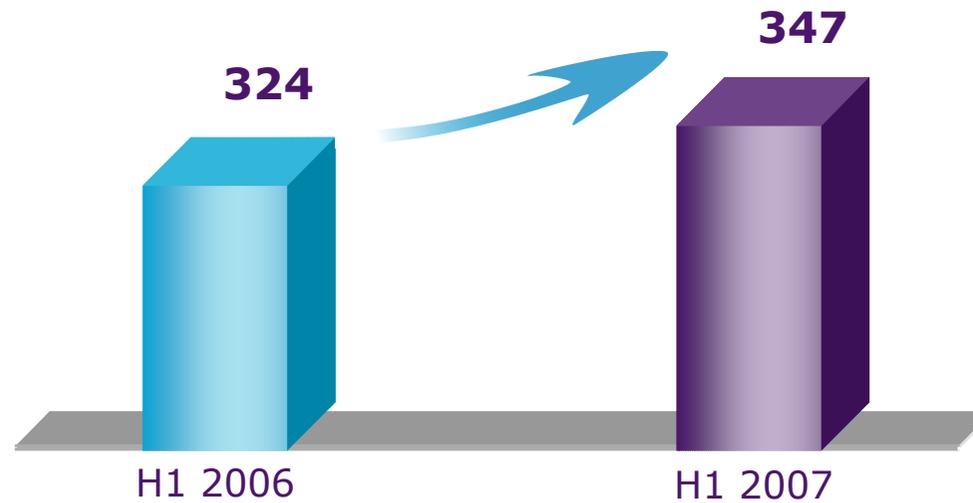
assuming the same economic conditions as in 2007

(*) before tax



- Introduction
- Interim results
- 2006-2011 expansion plan

Sales Growth



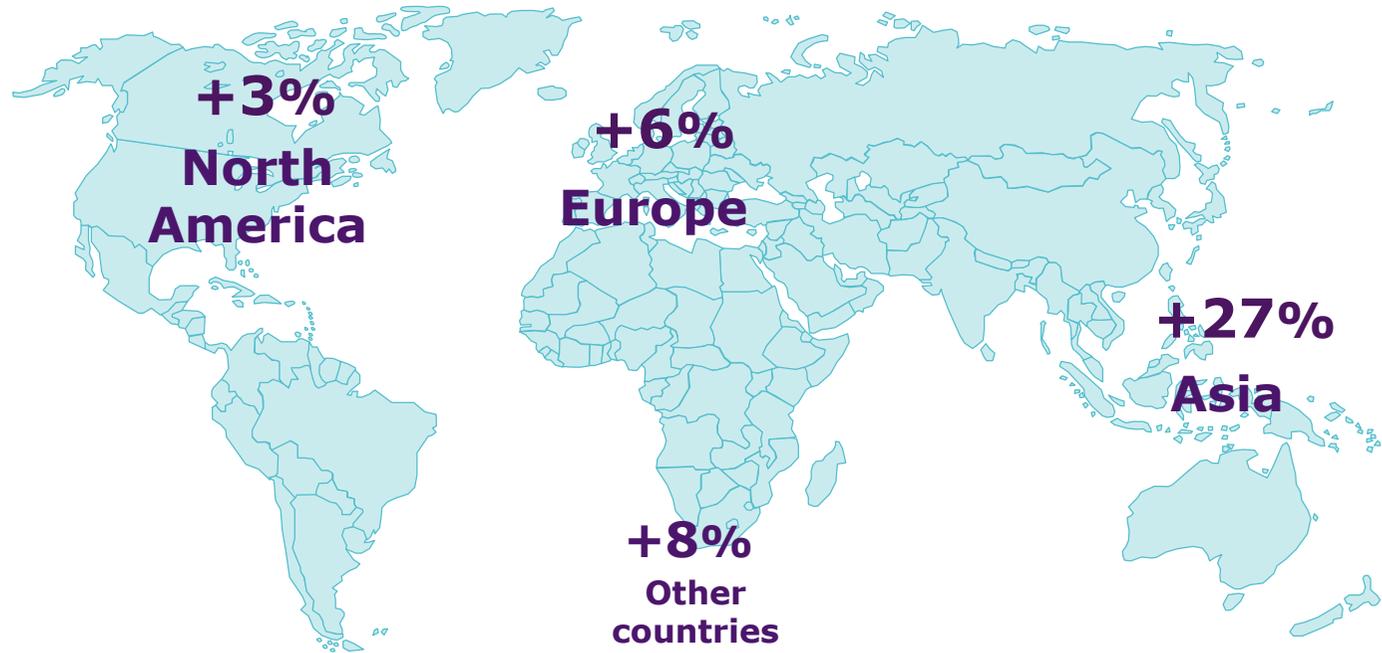
Growth at constant exchange rates

+11%

Growth on a reported basis

+7%

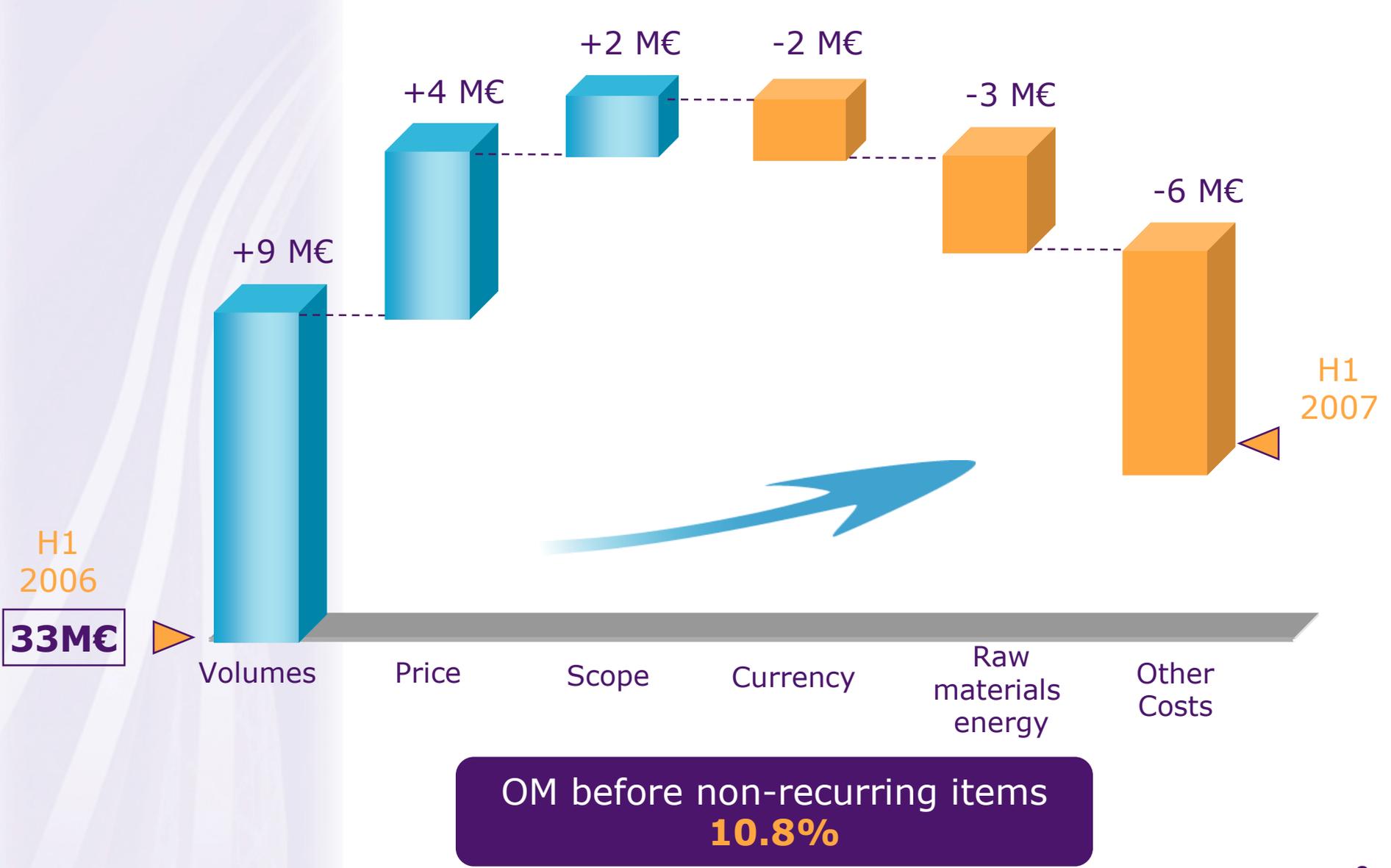
Sales Growth



Group Sales
+8%

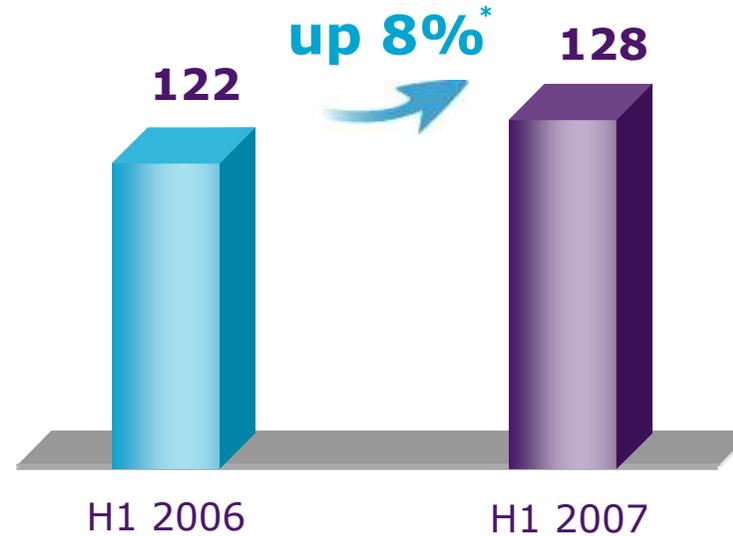
NB: Like for like

Operating income before non-recurring items: up 12%





Sales (€m)



**Operating margin
before
non-recurring items**

18%

18%

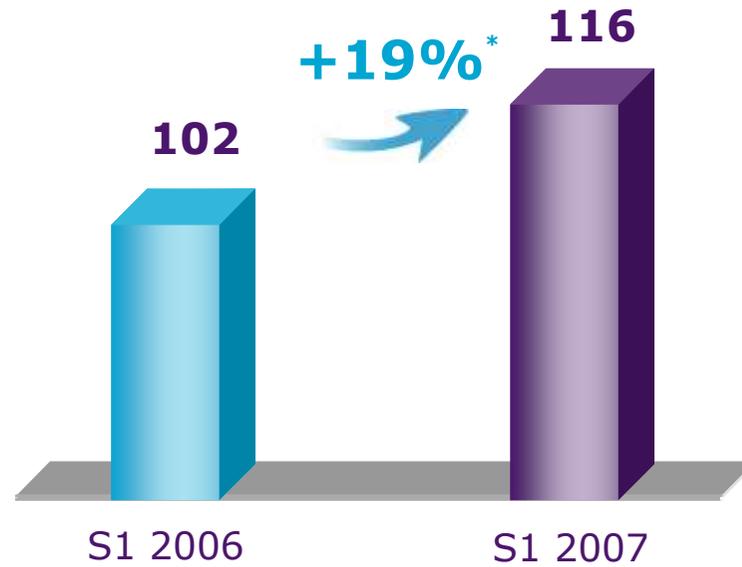
- **Solar energy**
- **Chongqing plant**
- **Asia**

* % change in sales at constant exchange rates

Electrical Protection



Sales (€M)



**Operating margin
before
non-recurring items** **10.5%**

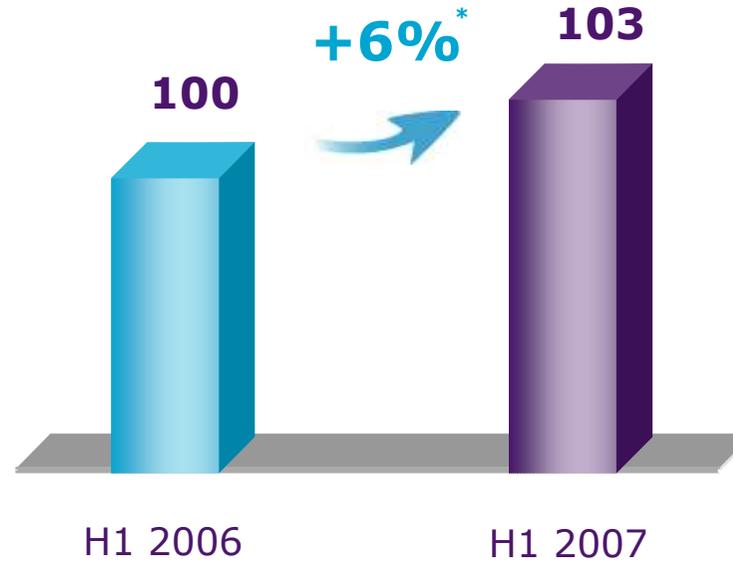
10%

- **Growth in new products**
- **Sales and marketing teams strengthened**
- **Integration of Lenoir Elec**

* % change in sales at constant exchange rates



Sales (€M)



**Operating margin
before
non-recurring items**

8%

11%

- **Strong growth in wind energy**
- **Transfer of production to India**
- **Recovery in margins**

* % change in sales at constant exchange rates

Non-recurring charges

(€ m)

Advanced Materials and Technologies Start-up costs of Chinese companies	(3.6)
Electrical Protection Real estate disposals	(0.8)
Electrical Applications Prior results in India Real estate disposals Restructuring in North America	1.4 0.9 (2.0)
Other	0.2
Total	(3.9)

(€m)

H1 2007 **H1 2006**

Sales

346.7

324.4

**Operating income before
non-recurring items**

Non-recurring income and expense

37.4

(3.9)

33.4

(1.6)

Operating income

Finance costs, net

Current and deferred income tax

Net income from assets held for sale

33.5

(5.1)

(9.0)

31.8

(4.3)

(7.5)

(1.1)

Net income

19.4

18.9

Cash Flows Statement

	(€m)	H1 2007	H1 2006
Operating activities			
Cash flow		46.8	42.0
Change in the WCR		(29.7)	(20.9)
Tax		(5.3)	(5.6)
Cash flow from operating activities		11.8	15.5
Investing activities			
Capital Expenditure		(19.6)	(14.6)
Increase in financial assets		(2.5)	(6.1)
Changes in the scope of consolidation		(2.3)	(13.0)
Disposals of non-current assets		(0.1)	(0.8)
Cash flow		(24.5)	(34.5)
Cash flow before financing activities		(12.7)	(19.0)

Balance Sheet Statement

(€m)

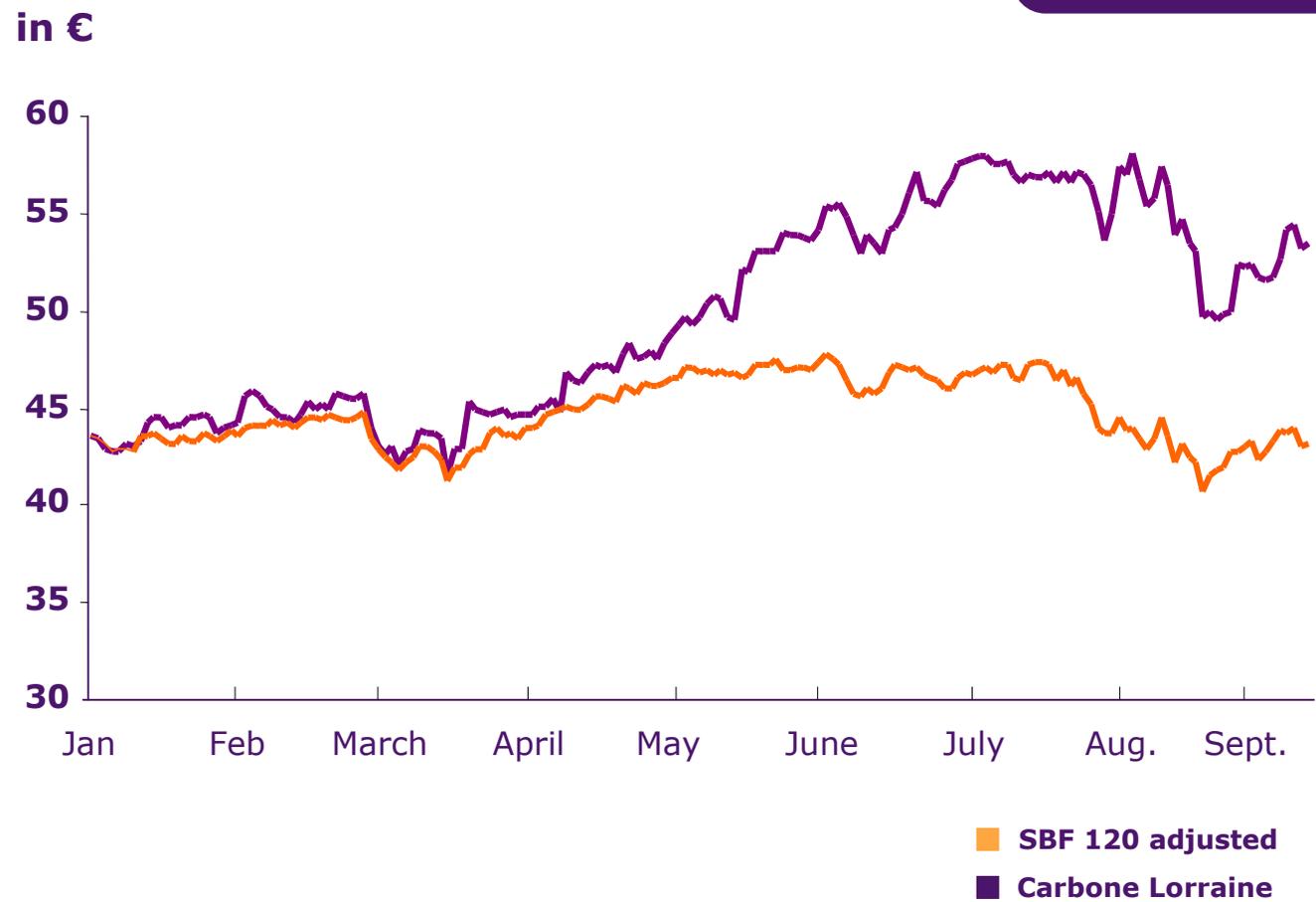
	H1 2007	H1 2006
Non-current assets	396	388
Working capital requirement	187	162
Deferred tax	17	22
Assets held for sale	0	-2
Total assets	600	570
Equity	323	297
Provisions	50	48
Employee benefits	43	46
Financial instruments	1	3
Net debt	183	176
Total equity and liabilities	600	570
Net debt/equity	57%	59%
Net debt/EBITDA	1.86x	1.99x

Outlook for 2007

- Sales Growth: up 6%* to 7%*
- Growth in Operating Income
- Commercial launch of large projects

**2007 a good year for
Carbone Lorraine**

+25%





- Introduction
- Interim results
- Growth plan 2006-2011

Our objectives



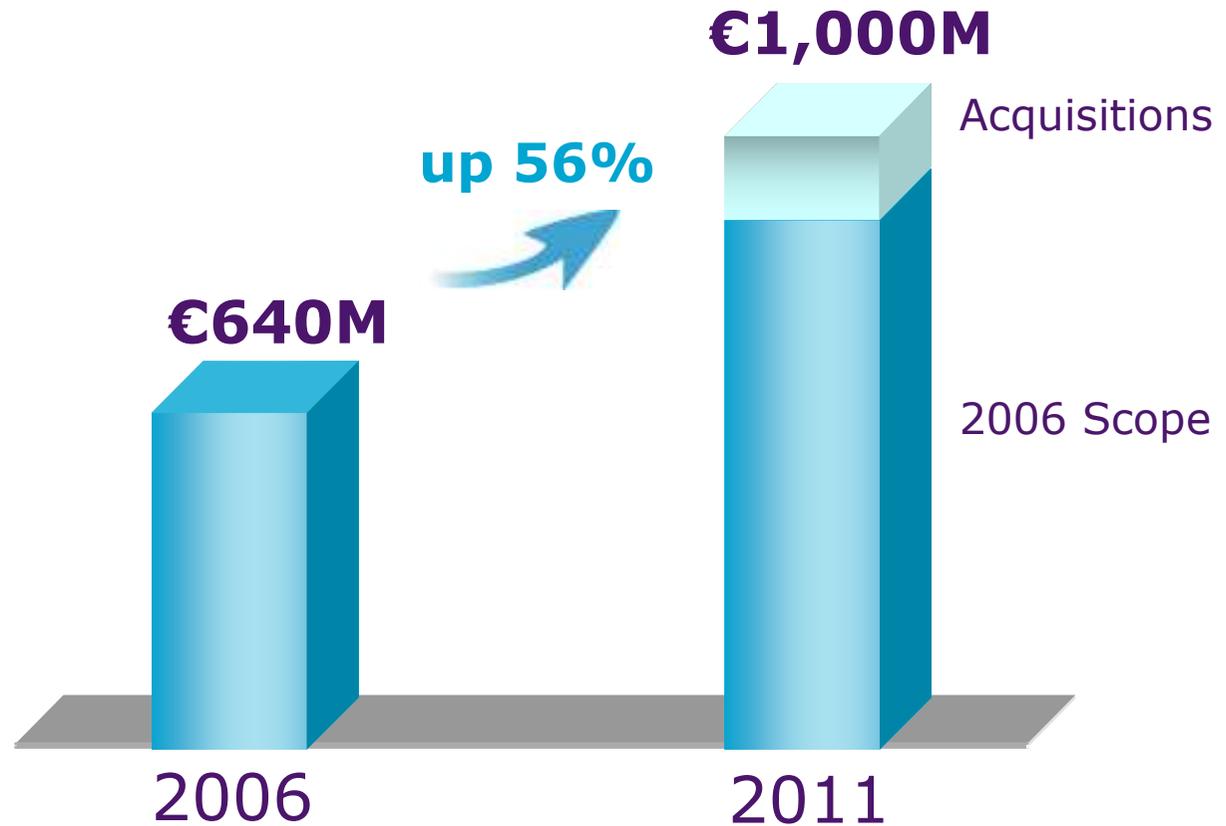
SALES :
1€ billion

ROCE* :
Up 50%

assuming the same economic conditions as in 2007

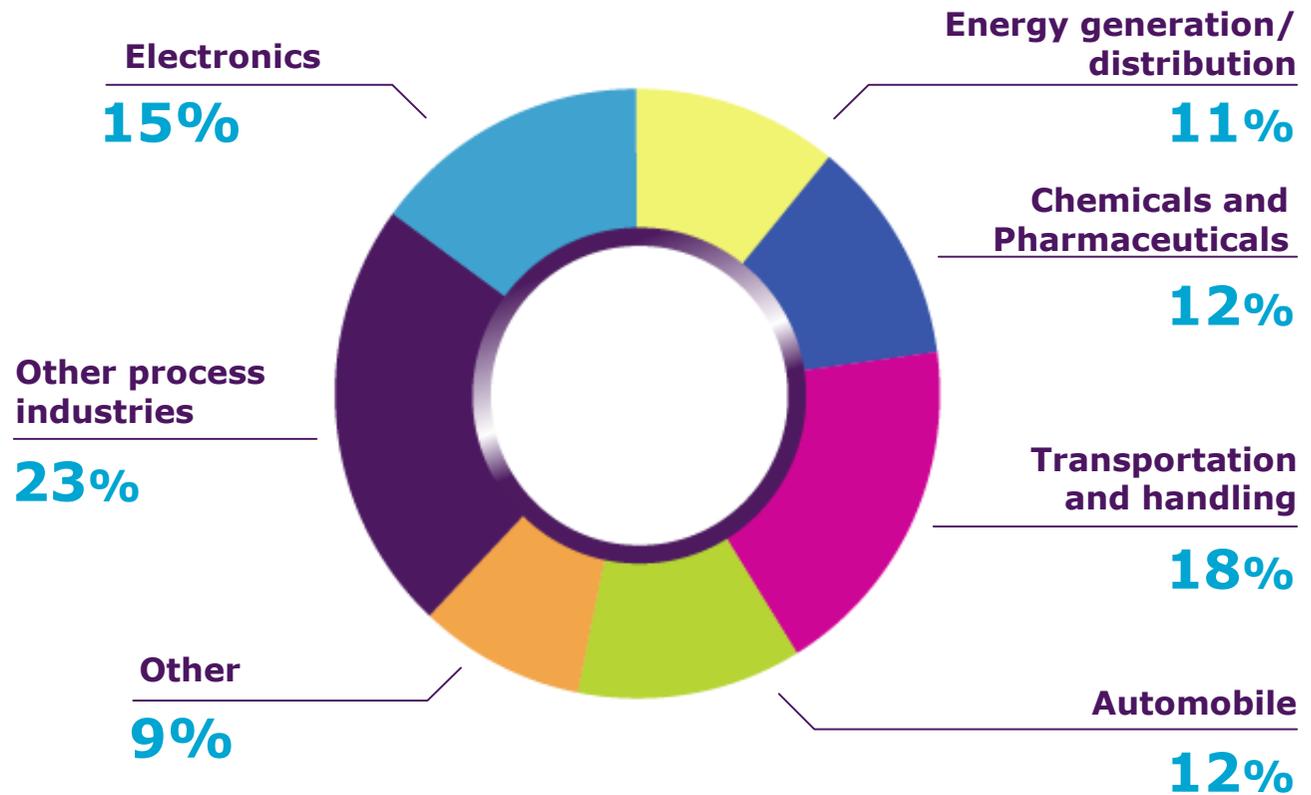
(*) before tax

Sales of €1 billion by 2011



assuming the same economic conditions as in 2007

Breakdown of sales by markets



N.B. Analysis of 2006 sales

- **2006 sales: €75m**

- **Market trends**
 - Wind energy/solar energy
 - New energy needs
 - Development of replacement sales

 - Conventional energies
 - New nuclear technologies consuming graphite in development

CAGR target: 10% to 15%

Energy generation and distribution



Market needs	CL's strengths
Wind energy	
<ul style="list-style-type: none"> ■ Reliability/Innovation ■ Proximity ■ Service 	<ul style="list-style-type: none"> ■ Extensive and innovative product range ■ Dense Global Network ■ Strong experience in replacement parts service
Solar power	
<ul style="list-style-type: none"> ■ Strong demand for graphite ■ High purity levels ■ Complex parts ■ Large blocks 	<ul style="list-style-type: none"> ■ New production capacity in China ■ Ultra-pure grades ■ Strong reputation in machining ■ Very large blocks in China

- **2006 sales: €80m**

- **Market trends**
 - Brisk growth in **fine chemicals and pharmaceuticals** (healthcare)
 - Transparent plastics boom (acetic acid)
 - Growth of phosphate-based fertilizers
 - New capacities mainly installed **in China**

CAGR target: 5% to 10%

Market needs

- **Overall equipment efficiency**
- Reductions **in costs and investment** payback periods
- Tracking shifts in production, into **Asia**
- Control of **environmental risks**

CL's strengths

- New **CL Clad material**
- **Pre-assembled equipment**
- **New workshops in China and India** (graphite and noble metals)
- **Technological expertise**



- **2006 sales: €100m**

- **Market trends**
 - **Semiconductor production**
 - Generalisation of electronics use
 - Quick development of LEDs

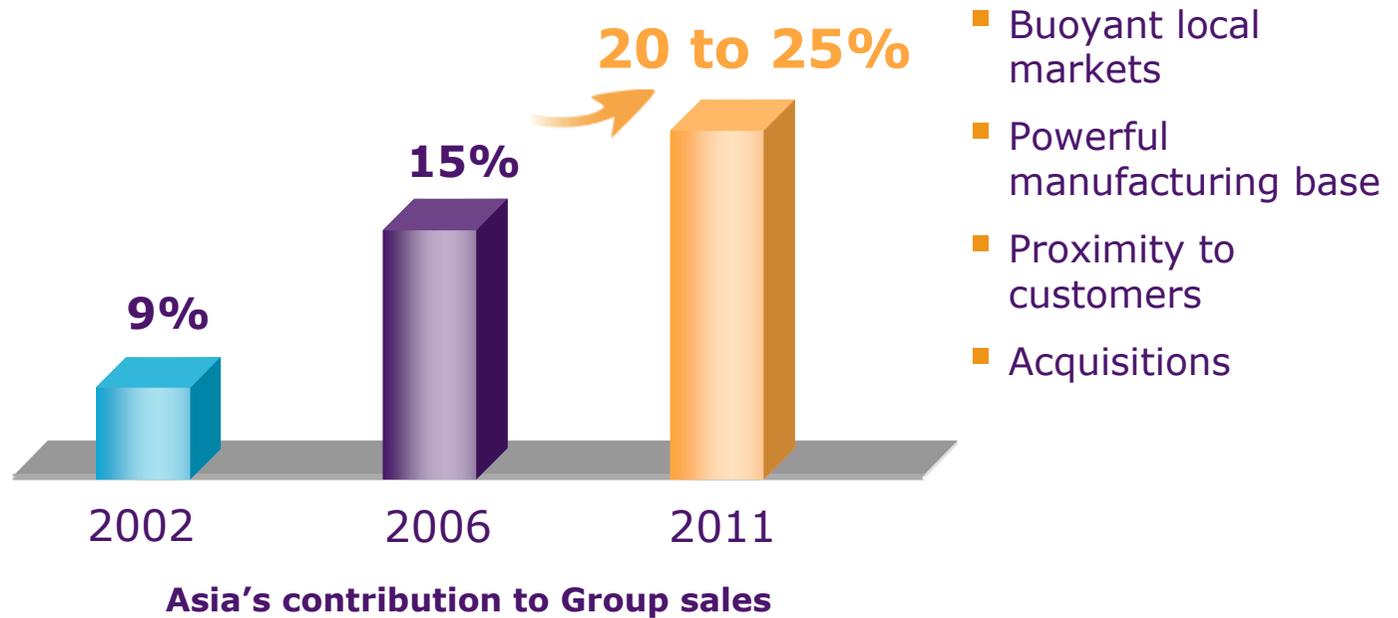
 - **Power electronics**
 - Greater needs in power conversion generation, distribution and quality energy
 - Increased protection of installations

CAGR target: 5% to 10%



Market needs	CL's solutions
Semiconductor production	
<ul style="list-style-type: none"> ■ Strong demand of silicon, thus graphite ■ Growth in the size of silicon ingots ■ Specific grades for LEDs 	<ul style="list-style-type: none"> ■ New graphite plant ■ Large diameter blocks ■ LEDs expertise
Power electronics	
<ul style="list-style-type: none"> ■ Energy efficiency ■ Current quality 	<ul style="list-style-type: none"> ■ High-Tech Coolers ■ Voltage surge suppressors

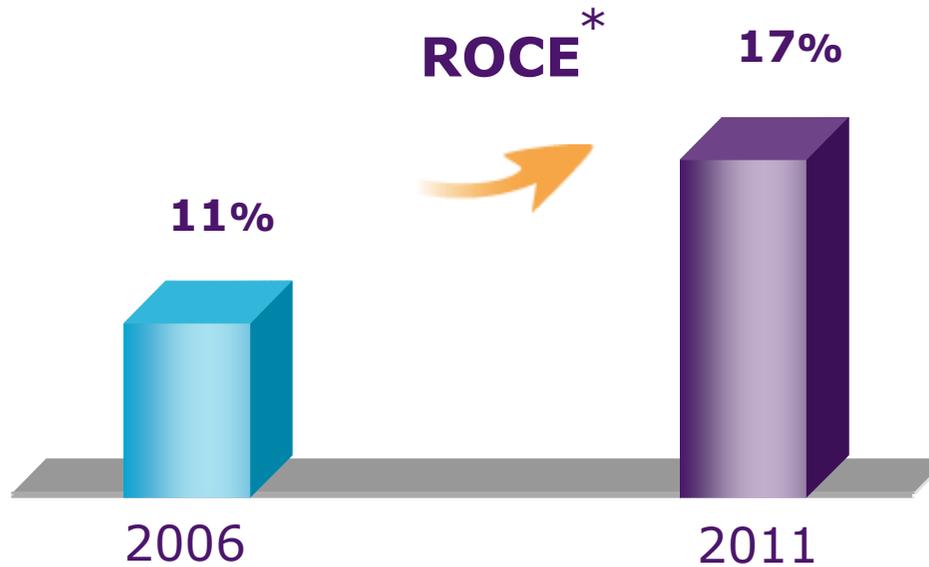
Strong growth in Asia



More than one-third of growth will come from Asia

ROCE* : up 50% vs. 2006

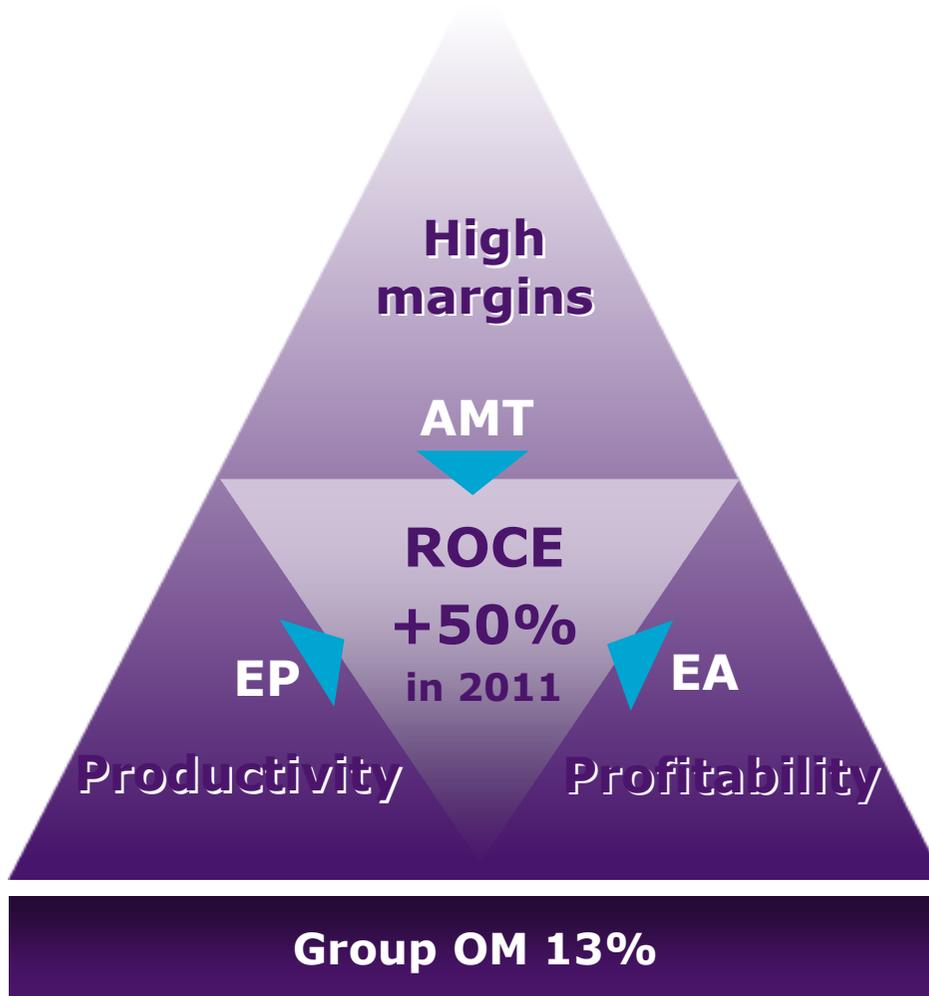
- Substantial volume effect
- Productivity-boosting initiatives
- Controlled increase in capital employed
- Value-creating acquisitions



assuming the same economic conditions as in 2007

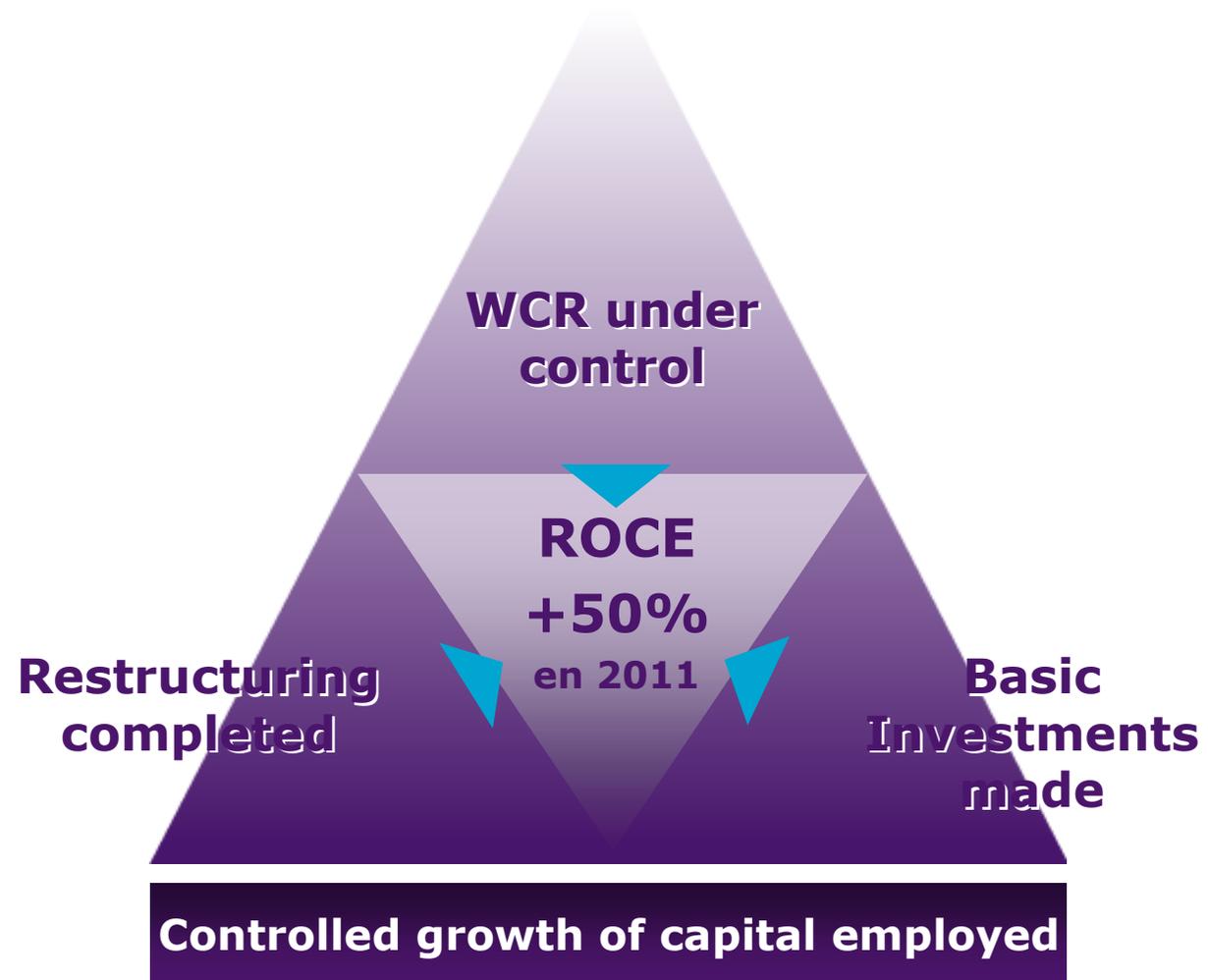
(*) before tax

ROCE* : up 50% vs. 2006



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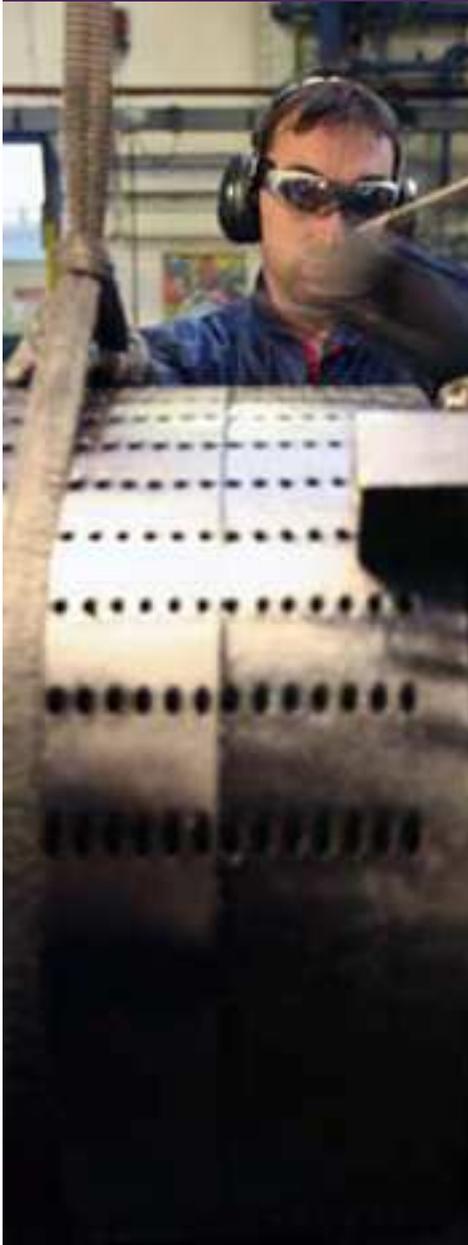
Assuming the same economic conditions as in 2007



(*) before tax

Assuming the same economic conditions as in 2007

Value-creating acquisitions



Organic growth generation

Core business or Adjacent segments

Ease of integration

ROCE* > 20%

() before tax*

Value for shareholders



Sales
€1 billion

ROCE*
up 50%



- **Strong Cash flow**
- **Higher dividends**
- **Share price performance**

(*) before tax



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