

Carbone Lorraine **Steps up its pace of expansion**

Wednesday September 17, 2008



Disclaimer

This presentation contains forward-looking statements. These statements, which reflect objectives established based on the current assessments and estimates of the Group's Executive management, remain contingent upon numerous factors and uncertainties that may cause actual results to differ materially from those forecast by the Group.

This document and the information contained herein do not constitute an offer to sell or the solicitation of an offer to purchase the Carbone Lorraine securities.

Effective growth drivers

A blue-tinted image of a wind turbine against a dark blue background.

Energy
efficiency

An orange-tinted image of a cityscape with buildings and streets.

Asia

A dark purple image with a pattern of diagonal lines and a chevron shape.

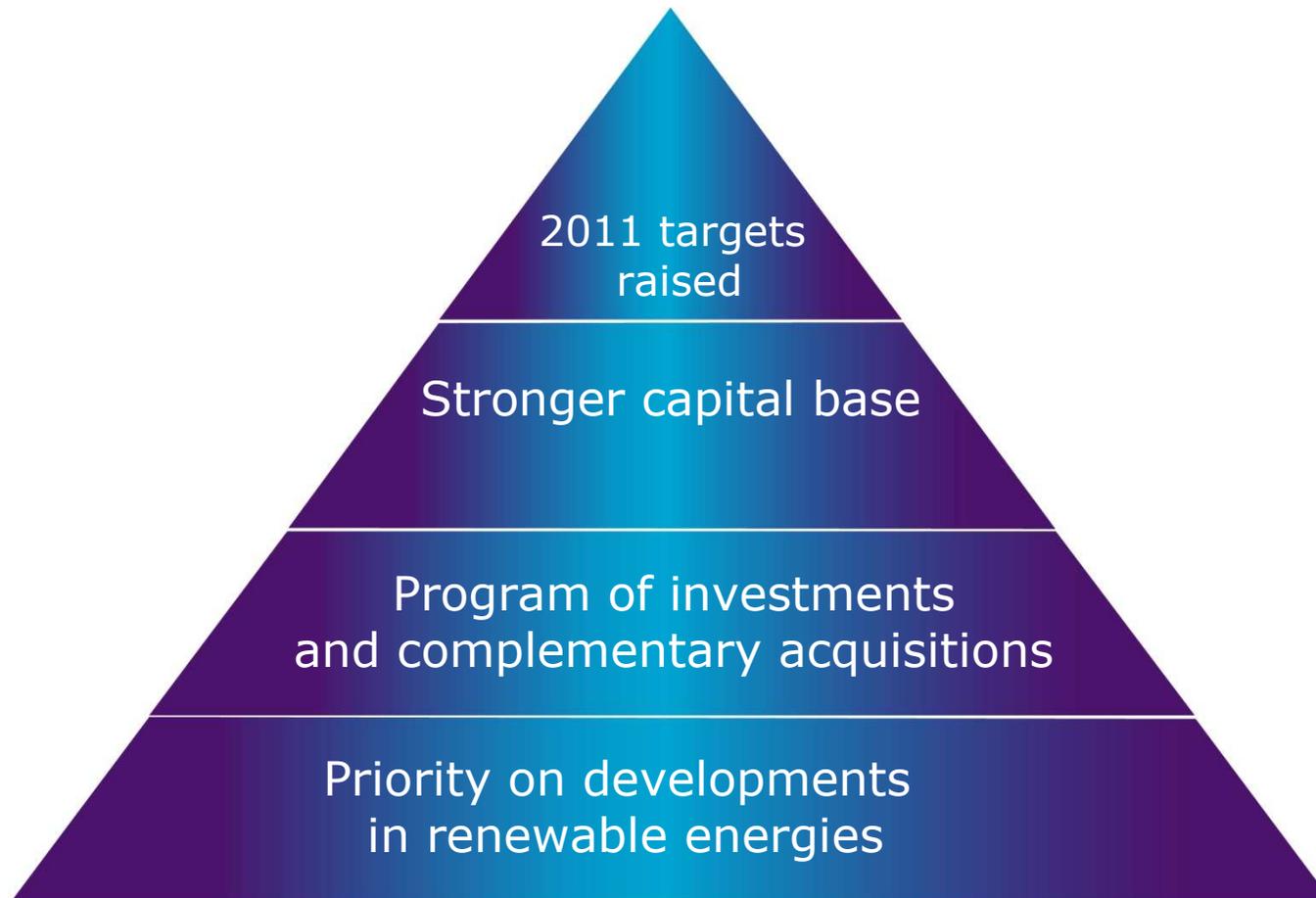
Innovation

A teal-tinted image of an industrial facility with large pipes and machinery.

Selective
acquisitions

Acceleration in the Group's expansion

Faster pace of expansion



Change in the Group's business profile



Faster pace of expansion



Renewable energies - **Solar**

An exceptional opportunity

**Our belief:
a powerful and irreversible trend**

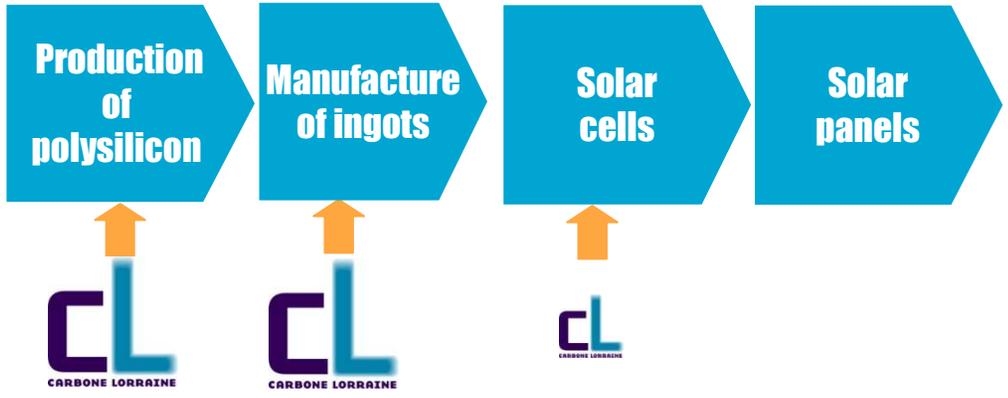
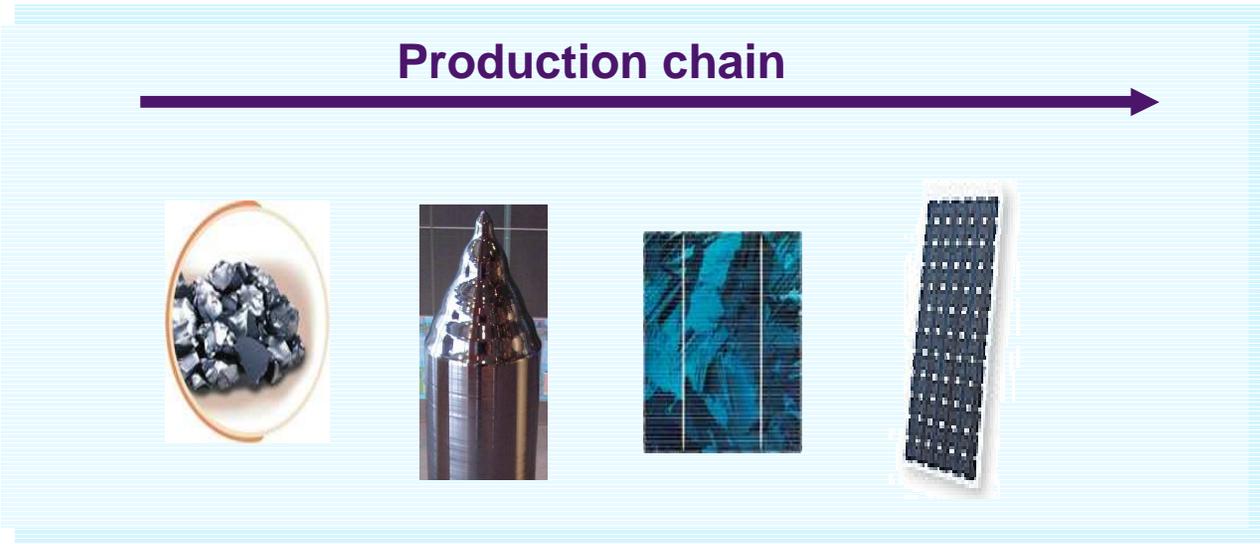
- **Growing collective awareness of environmental issues**
- **Increased energy demand**
- **Scarcity of oil**

Solar energy: just the beginning of the story



Renewable energies - **Solar**

An exceptional opportunity



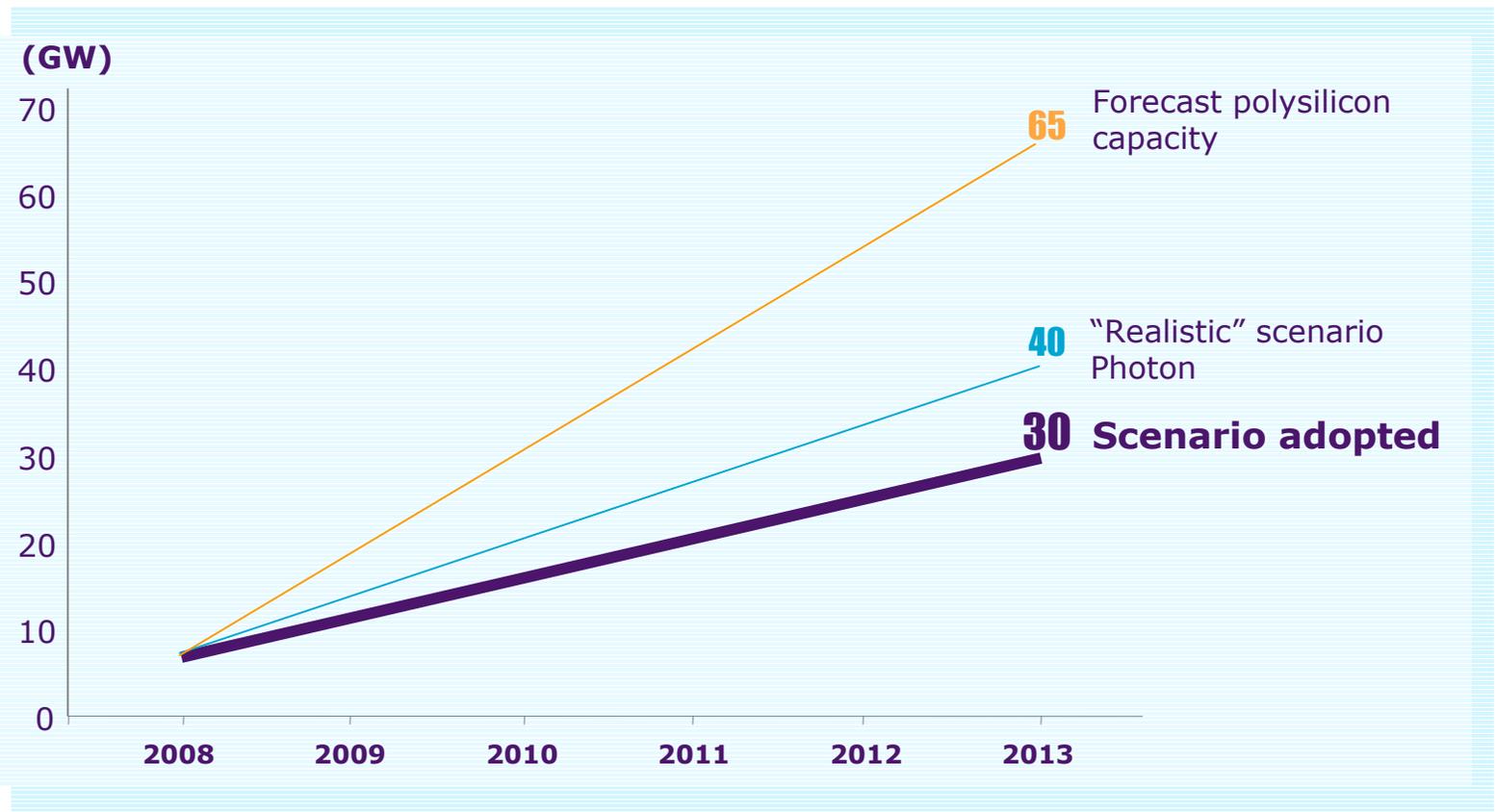
Graphite, a key material for solar industry processes



Renewable energies - Solar

An exceptional opportunity

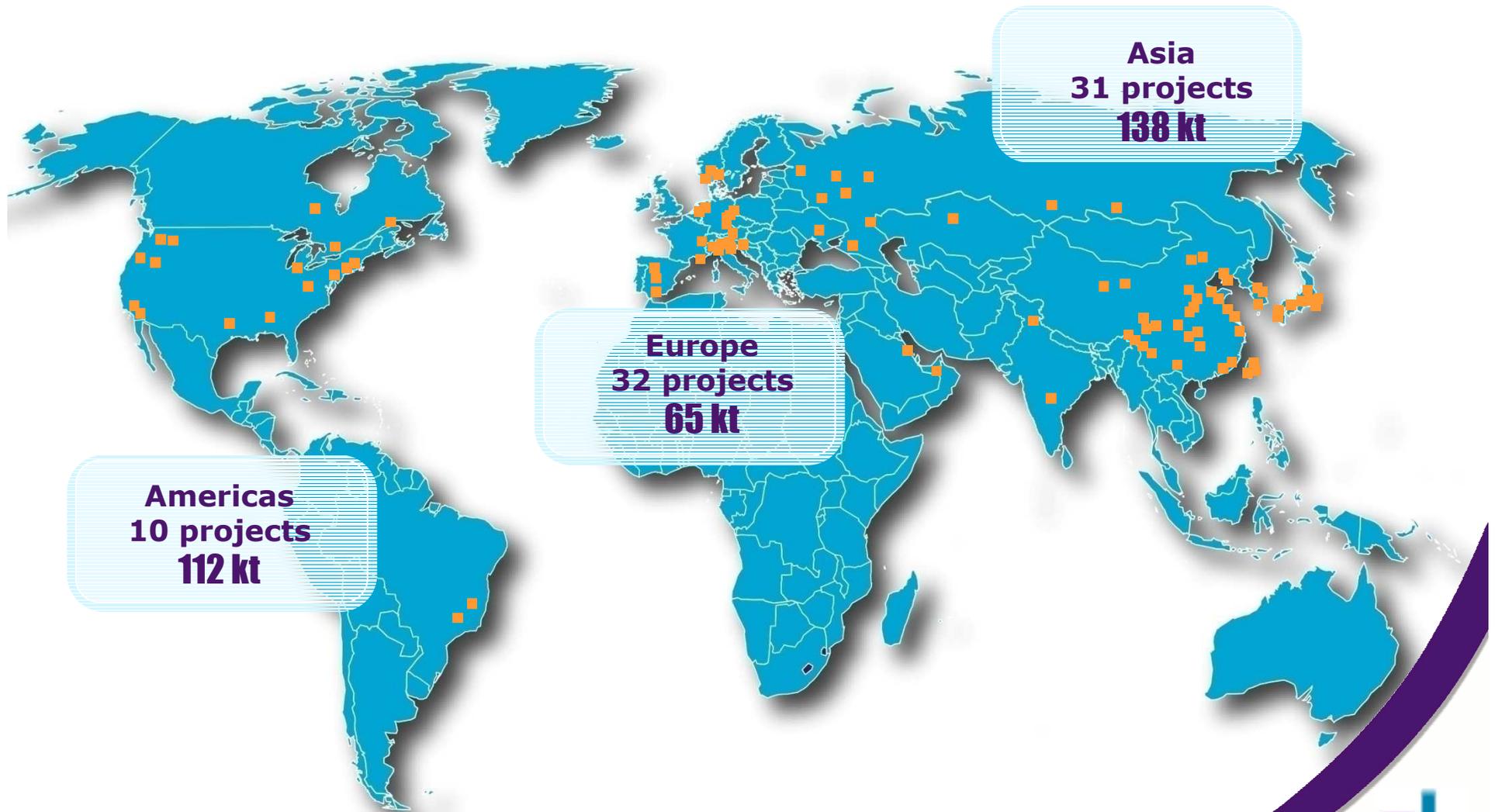
- **Annual production of photovoltaic cells**
(in GW p.a.year)



Source: Photon Consulting's and Carbone Lorraine's 2008 estimates

Renewable energies - **Solar**

Over 70 new polysilicon production projects



Source: Photon magazine

Figures shown in thousands of tonnes of new production capacity between 2007 and 2011

Renewable energies - Solar

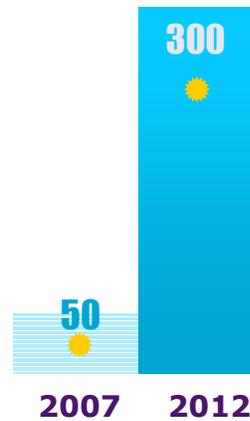
An exceptional opportunity

Demand for graphite driven by polysilicon

Annual production of photovoltaic cells (in GW p.a., year)



Annual production of polysilicon (in thousands of tonnes)



Annual production of graphite (in thousands of tonnes)



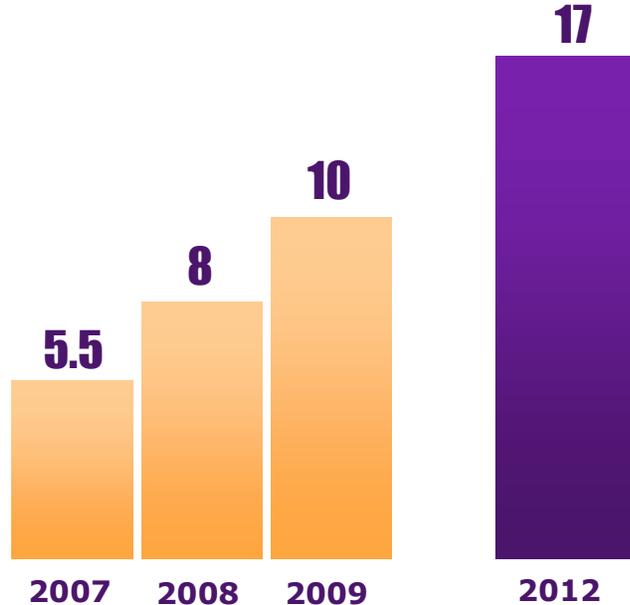
 Share of solar energy

Renewable energies - **Solar**

An exceptional opportunity

CL: further capacity increases

Annual production of graphite by Carbone Lorraine
(in thousands of tonnes)



- More rapid ramp-up and extension of the Chongqing facility
- Extension of the St Mary's plant
- Additional tooling, purification and coating capacity

Our objective: become the leader in graphite for the solar industry

Renewable energies - **Solar**

An exceptional opportunity

CL: selective acquisitions

- Source of organic growth
- In graphite machining/coating
- In neighboring markets dedicated to solar energy

Our objective: become the leader in graphite for the solar industry

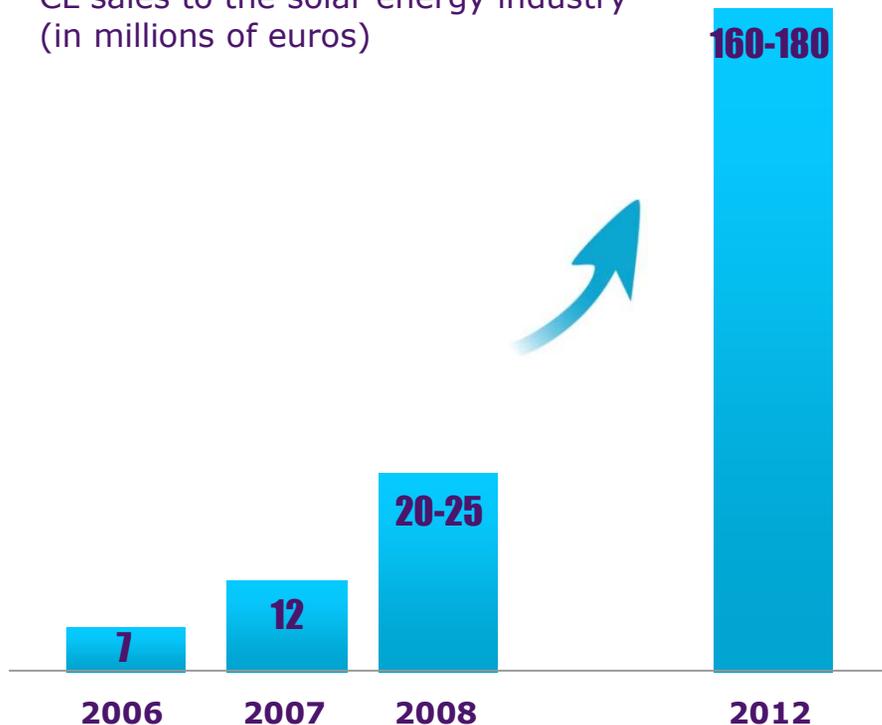


Renewable energies - **Solar**

An exceptional opportunity

Solar sales targeted in 2012 > €160 million

CL sales to the solar energy industry
(in millions of euros)



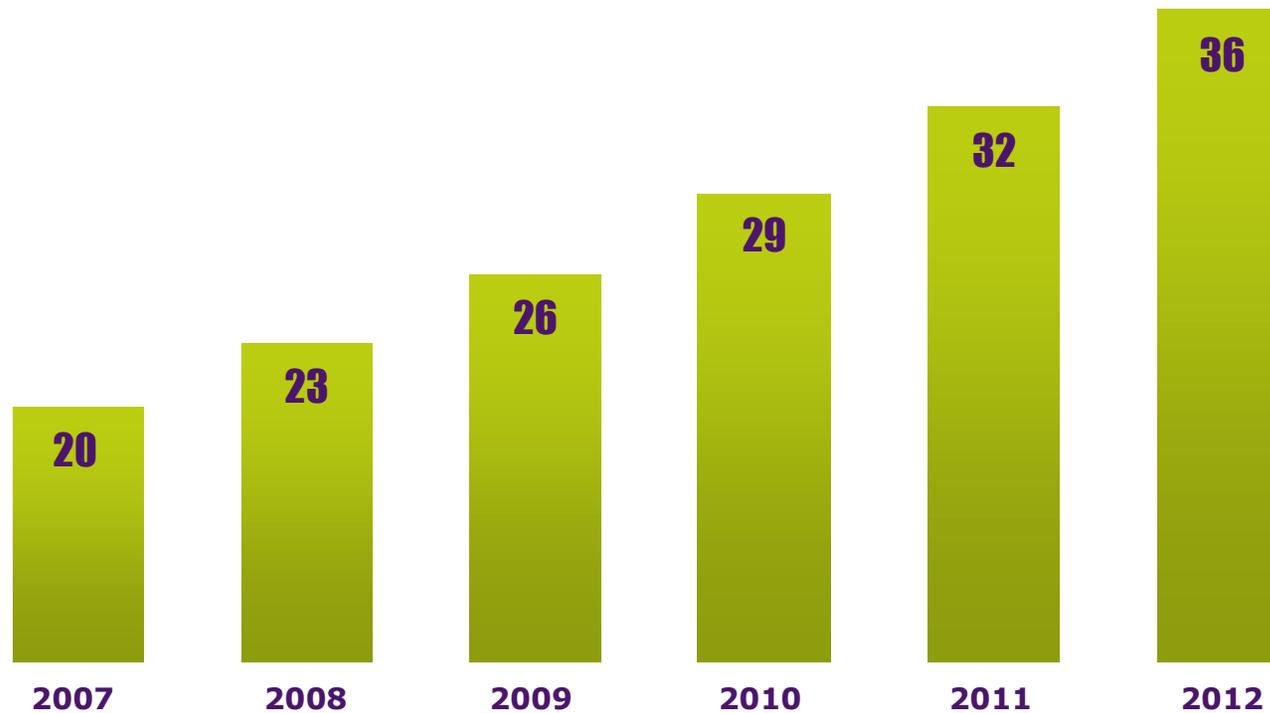
■ Our key strengths

- Leadership position in a market with high barriers to entry
- Unique range of products
- Worldwide network and optimum geographical coverage

Renewable energies - **Wind energy**

Faster pace of expansion

- **Additional capacity installed** (in GW p.a.)

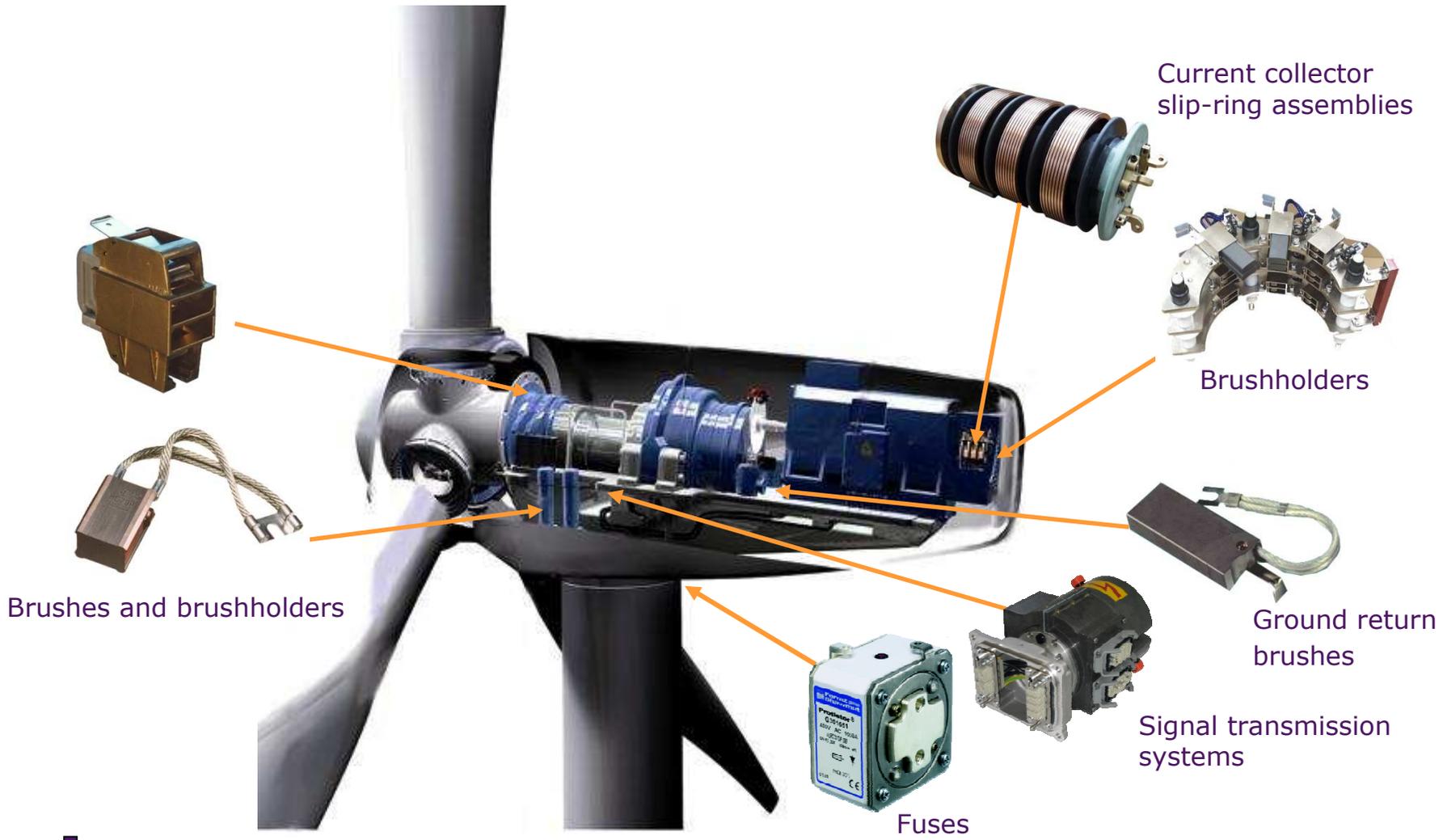


Source: Global Wind Energy Council



Renewable energies - Wind energy

Faster pace of expansion



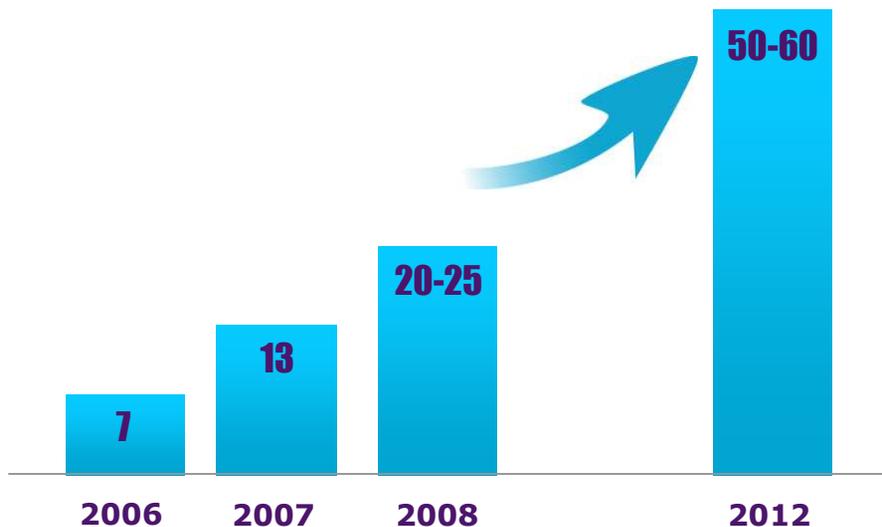
Unique range of products

Renewable energies - **Wind energy**

Faster pace of expansion

Wind energy sales targeted in 2012 > €50 million

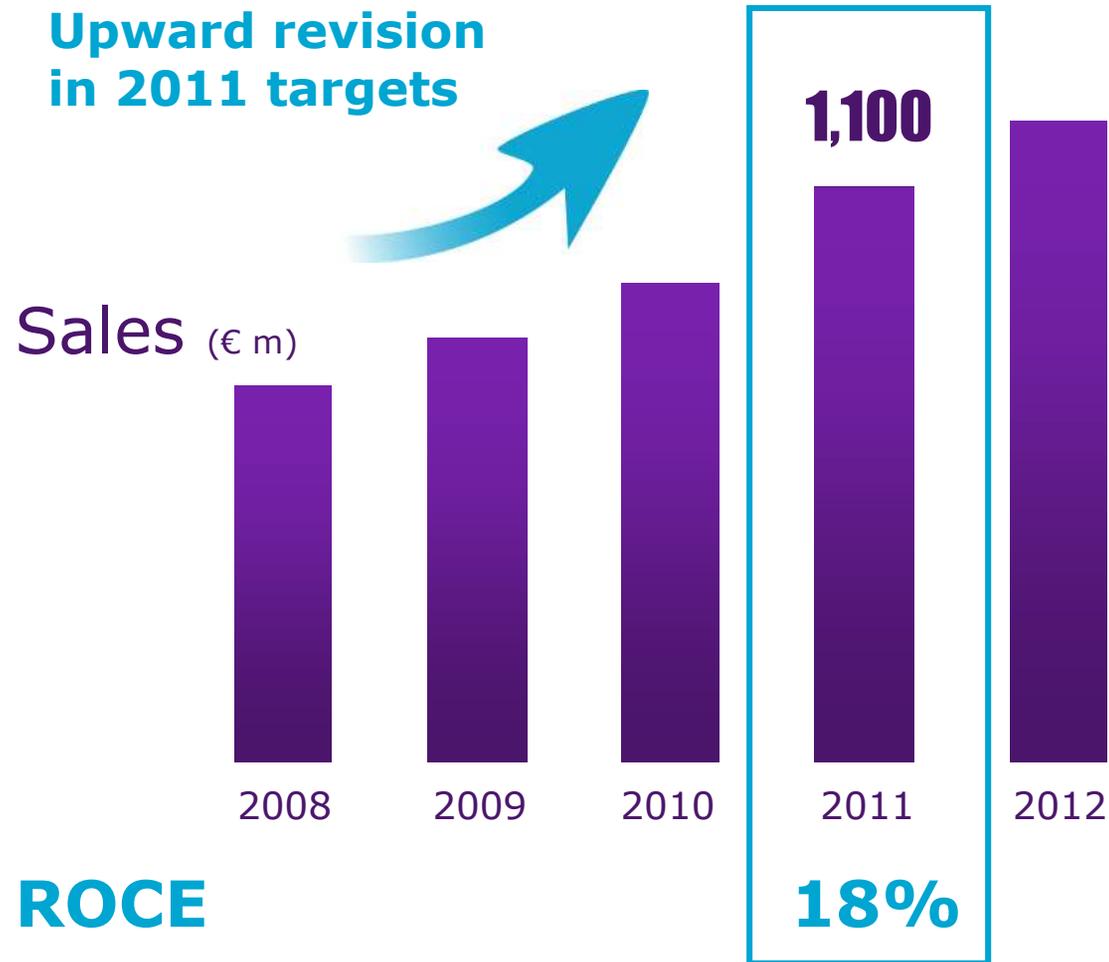
CL sales to the wind energy industry
(in millions of euros)



■ Our key strengths

- Dedicated development center
- Greater production capacity
- Dense sales network
- Development of services

Faster pace of growth



Assuming the same economic conditions as in 2008





Financial performance and resources



Performance in line with targets

Double-digit OM at all divisions

Advanced Materials
and Technologies

Electrical Protection

Electrical Applications

OM
Before non-
recurring items

17.4%

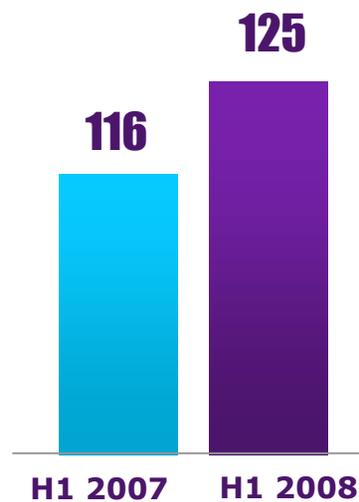
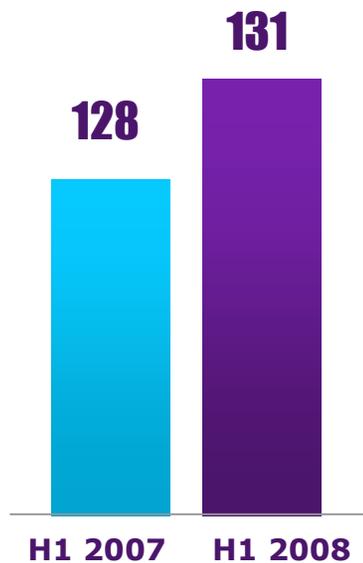
12.6%

10.2%

Sales +12%

+11%

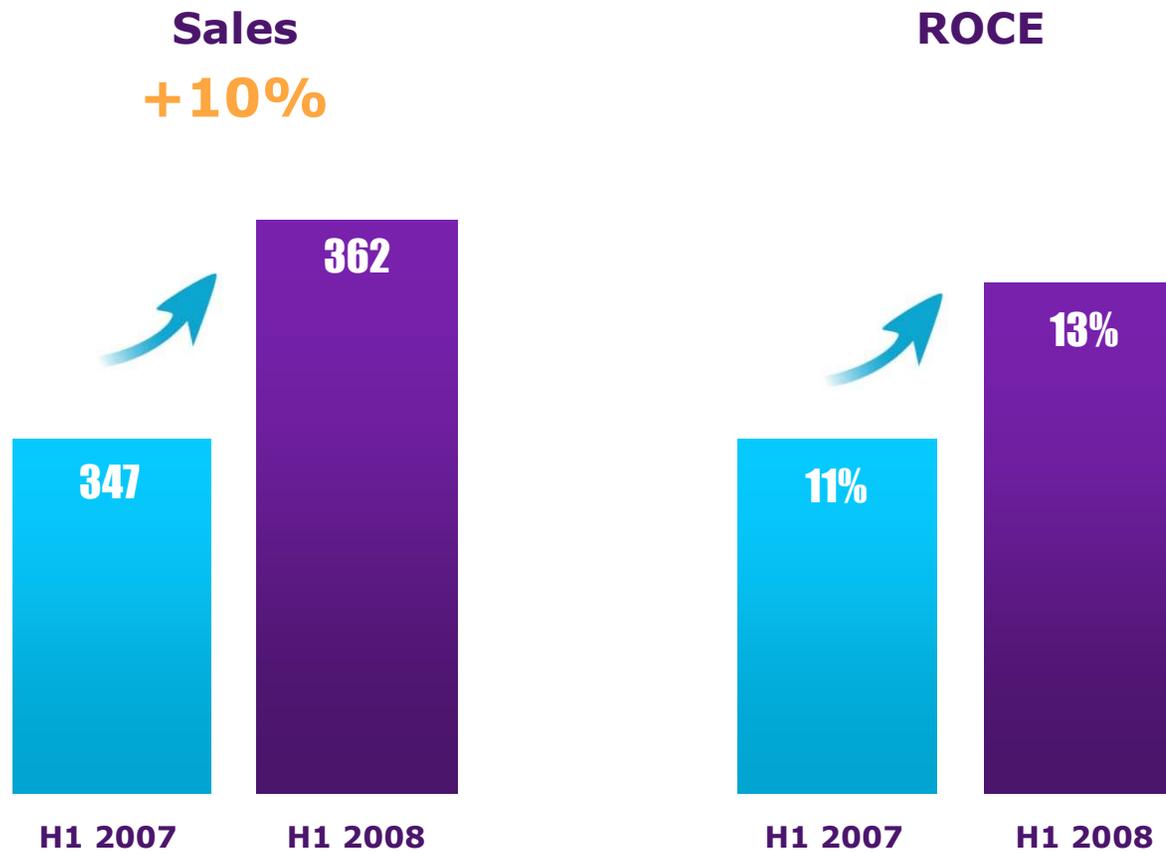
+7%



Sales in € m - % change on a like-for-like basis

Performance in line with targets

Higher profitability

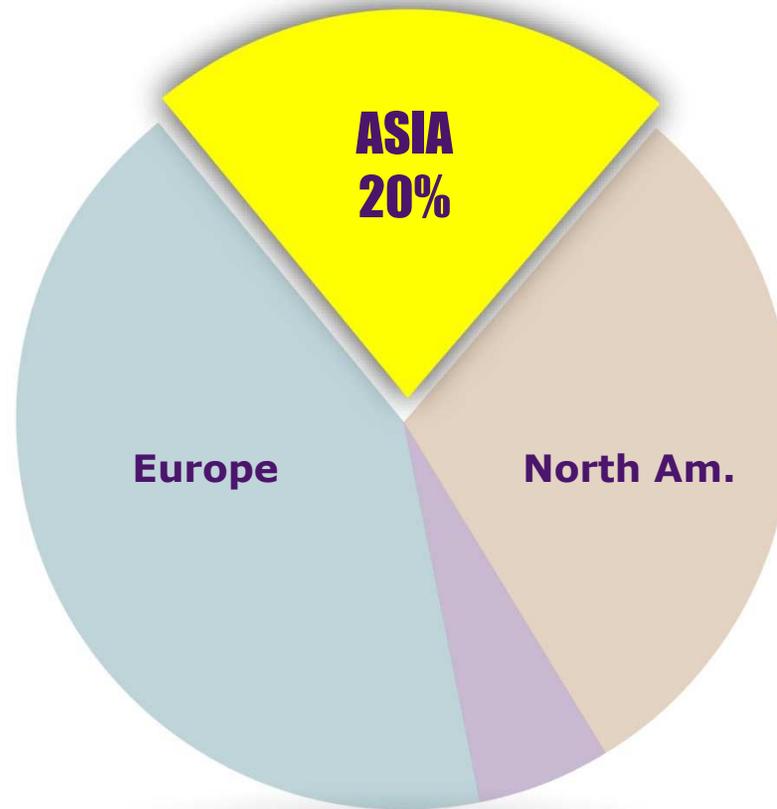


Sales in € m - % change on a like-for-like basis

Performance in line with targets

Asia, 2011 target achieved

- Pro forma sales to year-end 2008



Performance in line with targets

Acquisitions

Mingrong, China

- **Sales: \$15 million**
- **Number 2 in fuses in China**
- **450 staff**

- Stronger manufacturing base
- Competitiveness

Xianda, China

- **Sales: \$20 million**
- **Steel/stainless steel eq. for chemicals/pharmaceuticals**
- **400 staff**

- Broader product range
- Upbeat markets

R-Theta, Canada

- **Sales: \$13 million**
- **Coolers for power semiconductors**
- **90 staff**

- New technologies
- Revenue enhancement synergies



2009-2011 capex

- Growth capex: €220 million
 - 50% dedicated to renewable energies
 - Increase in production and tooling capacity
- Acquisitions: €200 million *

Investment plan: €420 million

**including acquisitions to end-2008*



Update of the expansion plan

	Initial plan	Revised plan
Capex	€220 million	€420 million
2011 Sales	€950 million [*]	€1,100 million ^{**}
2011 OM	13%	15%
2011 ROCE	17%	18%

**Adjusted initial plan: disposal of braking business €20 million, dollar effect €30 million*

*** Revised plan: Assuming the same economic conditions as in 2008*



Financing needs

Stronger capital base

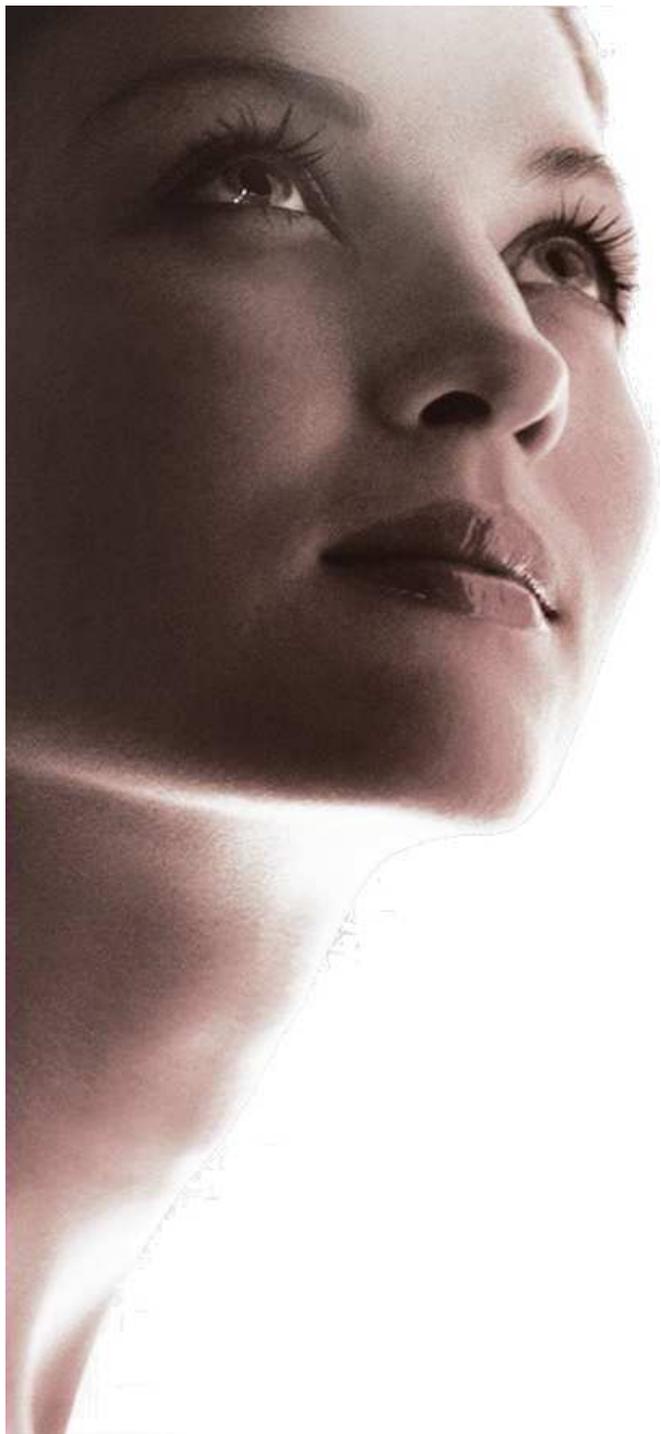


Healthy finances

- **Gearing: 0.68x**
- **Net debt/EBITDA: 1.87x**
- **Credit lines refinanced**
 - \$350 million syndicated loan, due in 2013
 - RMB500 million syndicated loan, due in 2011

Data to end-June 2008



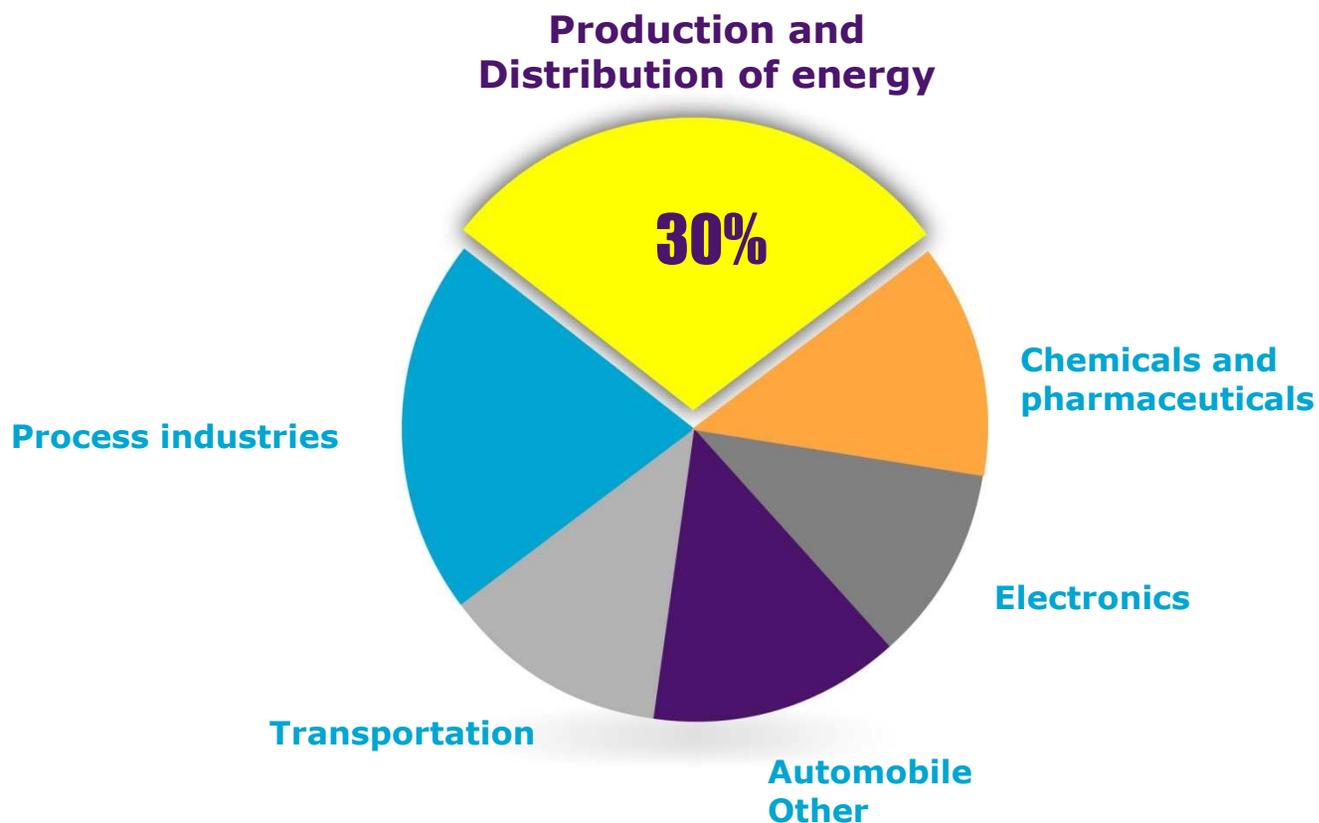


Carbone Lorraine
A new business profile



Carbone Lorraine

A new market profile

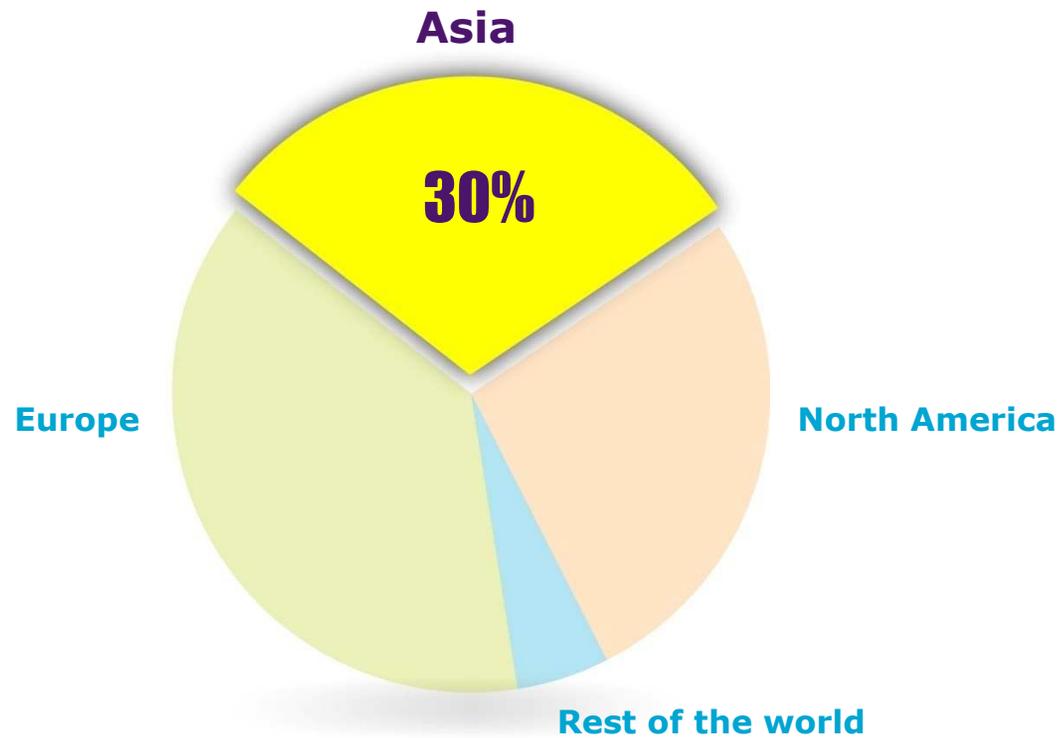


▪ 2012 sales by destination market

CL changes its profile

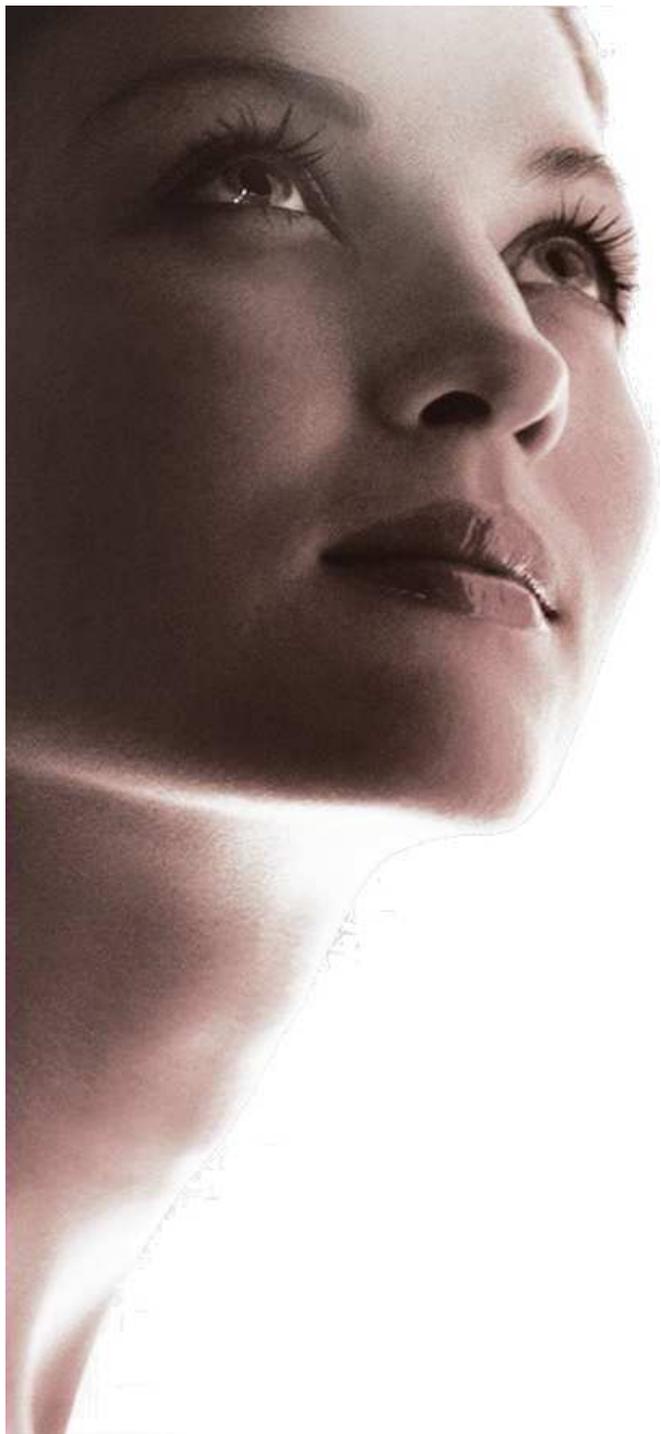
Carbone Lorraine

New geographical profile



- 2012 sales by destination region

CL changes its profile



Carbone Lorraine
A new business profile

