

CARBONE LORRAINE

Dedicated Innovation, Dedicated Partner



OBSAAR issue completed successfully

Paris, November 21, 2007

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Carbone Lorraine recently finalized a €40 million bond issue comprising 1,000 bonds convertible into new and/or exchangeable for existing shares ("OBSAAR" bonds with warrants attached) with a unit principal amount of €40,000. Each bond carries 114 warrants for shares, representing a total of 114,000 warrants sold to the Group's senior managers, which may ultimately result in the issuance of a maximum number of 114,000 new shares, i.e. 0.80% of the Company's current share capital and voting rights.

The borrowing terms are extremely favorable since the bonds will bear interest at a rate of 3-month Euribor less 31 basis points. The bonds will be redeemable in thirds between 2012 and 2014, giving the bond issue an average life of 6 years.

This transaction has also helped to give directors and senior managers who so desired the opportunity to share in the potential success of the Group's expansion plan. More than thirty of them have invested €1.4 million demonstrating through their personal financial commitment their confidence that the Group will achieve the objectives it has set itself for 2011, i.e. sales of €1 billion and a 50% increase in return on capital employed.

A prospectus for the issue comprising (i) a reference document filed with the AMF under no. D.07-0188 on March 19, 2007, (ii) an updated version of the reference document filed with the AMF under no. D.07-0188-A01 on October 5, 2007 and (iii) an offering circular that was granted visa no. 07-350 on October 9, 2007 is available on the AMF's and Carbone Lorraine's websites. Carbone Lorraine draws the attention of potential investors to the risk factors related to Carbone Lorraine and the OBSAAR bonds described in the prospectus.

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PRESS RELEASE

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About Carbone Lorraine

Carbone Lorraine is a world leader in graphite solutions and electrical components. The Group specialises in the use of high-tech materials in highly demanding industrial environments and in the development of systems essential to a safe electrical motors' operation and to the protection of electrical equipment. With more than 85% of its sales achieved outside France, the Group holds leadership positions in all of its core businesses.

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| Advanced Materials and Technologies | - World number one in graphite anticorrosion equipment |
| | - World number two in high-temperature applications of isostatic graphite |
| Electrical Applications | - World number one in brushes for electric motors |
| Electrical Protection | - World number one in fuses for power semiconductors |
| | - World number two in industrial fuses |

*The Group is listed on the Premier Marché of the Paris Stock Exchange and is a constituent of the CAC Mid100, SBF120 and Next 150 indices.
Bloomberg ticker: **CRL FP** – Reuters ticker: **CBLP.PA***



Visit our website at www.carbonelorraine.com

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