



The Carbone Lorraine group has announced that it is now in advanced talks with Faiveley with a view to disposing of its rail and motorcycle braking activities.

Through this disposal, Carbone Lorraine aims to refocus on its core business and to give the "rail and motorcycle braking" business a better chance of expansion.

This business generates sales of €17 million and has around 80 employees. In recent years it has enjoyed rapid development in the replacement market. Its environment has changed recently owing to the ramp-up in the position held by OEMs, which have been actively moving into the friction materials market. In line with this trend, Carbone Lorraine wants to give this niche business the best chance of securing its future growth by selling to a major rail industry player.

Under the plan, Faiveley will be able to extend its product range by introducing Carbone Lorraine's friction products and benefit from the technical expertise of the Group's teams. Additionally, expansion in the rail and motorcycle braking business should accelerate because it will have better access to original equipment sales.

Faiveley and Carbone Lorraine recently agreed on the key elements of the disposal plan, which is now moving into the employee and labor representative consultation stage. The sale may be completed by the end of the year.

The aerospace carbon-carbon braking unit will remain part of Carbone Lorraine's Advanced Materials and Technologies business segment.

This plan fits perfectly with the Group's profitable growth strategy.

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PRESS RELEASE

Paris, November 20, 2007

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***



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