



Strong business growth during the third quarter of 2007

Nine-month sales up 10% (*)

Paris, October 24, 2007

1

Sales

During the third quarter of 2007, Carbone Lorraine posted consolidated sales of €174 million, up 13% on a like-for-like basis.

Over the first nine months of the year, sales totaled €521 million, representing growth of 10% on a like-for-like basis and of 9% on a reported basis. Including the contribution made by recent acquisitions, the Group's sales advanced by 12% at constant exchange rates.

Sales	Q3 2007 (€ m)	Change* Q3 2007/ Q3 2006	9 months 2007 (€ m)	% change* 9m 2007/ 9m 2006
Advanced Materials and Technologies	69	up 19%	197	up 9%
Electrical Applications	49	up 10%	152	up 5%
Electrical Protection	55	up 11%	171	up 14%
Group total	174	up 13%	521	up 10%

**on a like-for-like basis, i.e. at comparable scope and constant exchange rates – Unaudited data*

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Advanced Materials and Technologies

The sales recorded by the Advanced Materials and Technologies division came to €69 million during the third quarter, up 19% on a like-for-like basis.

Sales of anticorrosion equipment to the chemicals and pharmaceuticals industries were particularly strong during the quarter on the back of substantial deliveries in Europe and China. Trends in graphite equipment markets for high-temperature applications (refractories, photovoltaic, aerospace) were also very firm.

During the first nine months of the year, sales totaled €197 million, representing an increase of 12% at constant exchange rates including the sales contributed by Kapp, a company acquired in late 2006.

Electrical Applications

In Electrical Applications, third-quarter sales rose by 10% on a like-for-like basis to reach €49 million.

Business was very brisk across all the division's industrial markets, particularly in rail and wind energy. Sales to the automobile industry remained stable.

During the first nine months of the year, the Electrical Applications division recorded sales of €152 million, up 8% at constant exchange rates.

Electrical Protection

The Electrical Protection posted third-quarter sales of €55 million, up 11% on a like-for-like basis.

Sales growth was strong in Europe and in North America owing notably to very brisk demand in rail markets and in coolers for the protection of semiconductors.

During the first nine months of the year, the sales posted by the Electrical Protection division totaled €171 million, up 16% at constant exchange rates including the sales contributed by Lenoir Elec, a company acquired at the beginning of the year.

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Key events of the quarter

Opening of an advanced technology workshop in Shanghai (China)

A cutting-edge industrial facility occupying over 4,000m² was opened in Shanghai. It is dedicated to the manufacture of brushes and brushholders and to wind energy applications, i.e. high-power and signal transmission slip-ring assemblies. These advanced technology facilities have significantly increased the Group's production capacity. As a result, it will now be better able to meet the growing demand from Asian and international markets.

Inauguration of the new graphite block plant in Chongqing (China)

This new plant will gradually enable the Group to double its graphite block production capacity. It will notably supply its local workshops in Asia serving the fastest-expanding markets in the world. The Group specifically targets markets enjoying very strong growth, such as solar energy and electronics, as well as chemicals and pharmaceuticals, which are expanding at a brisk pace in Asia.

Carbone Lorraine's financial position

The cash generated by the Group's operations during the third quarter paved the way for a slight reduction in its debt. Consequently, the Group's financial condition remained very healthy, enabling it to finance its expansion policy on good terms.

Outlook

Business trends are expected to remain brisk during the fourth quarter 2007, even though the growth posted will probably be weaker than in previous quarters owing to the high level of anticorrosion equipment deliveries during the fourth quarter of 2006. 2007 will therefore be a very good year for Carbone Lorraine on the growth front.

In addition, the new manufacturing facilities inaugurated recently in China have considerably strengthened the Group's ability to meet the strong demand from industry in Asia.

As a result, 2007 will not just be a good year for Carbone Lorraine on the growth front, but it also represents a watershed year during which the Group has, as expected, laid the foundations to step up the pace of its profitable growth.

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About Carbone Lorraine

World leader of graphite solutions and electrical components, Carbone Lorraine specializes in the implementing of high technology materials in demanding industrial environments and in the development of systems, which are fundamental to the smooth operation of the motor and the protection of electrical equipment. With over 85% of its sales carried out internationally, the Group holds leadership positions in all of its occupations.

- Advanced Materials and Technologies:
- N°1 worldwide in anti-corrosion equipment in graphite
 - N°2 worldwide in high temperature applications of isostatic graphite
- Electrical Applications:
- N°1 worldwide in brushes for electrical motors
- Electrical Protection:
- N°1 worldwide in fuses for powerful semi-conductors
 - N°2 worldwide in industrial fuses

*The Group is listed at Premier Marché de la Bourse de Paris and is a part of the following indices
CAC Mid100, SBF120 et Next 150.*

*Find Carbone Lorraine on Bloomberg: **CRL FP** and on Reuters : **CBLP.PA***



Visit our Internet website www.carbonelorraine.com

Analyst and Investor Contact

Sébastien Desarbres
VP Investor Relations
Carbone Lorraine

Tel.: +33 (0)1 46 91 54 49
dri@carbonelorraine.com

Press Contact

Publicis Consultants
Vilizara Lazarova

Tel.: +33 (0)1 44 43 74 81
vilizara.lazarova@consultants.publicis.fr

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