

CARBONE LORRAINE

Dedicated Innovation, Dedicated Partner



Third-quarter sales up 4% excluding Magnets

Paris, November 2nd, 2005

During the third quarter of 2005, Carbone Lorraine posted consolidated sales of €164 million, up 2.5% on a like-for-like basis and up 4% excluding Magnets. Over the first nine months of the year, sales totaled €485 million, representing growth of 2% on a like-for-like basis and of 3.7% excluding Magnets.

Sales		Q3 200 5	% change Q3 05 / Q3 04	9 months 2005	% change 9 m. 05/ 9 m. 04
Advanced Materials and Technologies		55	+13%	156	+9%
Electrical Components	○ Electrical Applications	45	-5%	140	-2%
	○ Electrical Protection	47	+4%	134	+5%
	○ Magnets	17	-9%	55	-8%
Group total		164	+2.5%	485	+2%

(*) on a like-for-like basis. Unaudited data

All the variations sales figures stated are like-for-like figures.

Advanced Materials and Technologies

During the third quarter, the sales posted by the Advanced Materials and Technologies segment posted a strong increase of 13%. In High-Temperature Applications, sales growth was brisk across all the Group's geographical regions. Sales made headway in markets for refractory products, mould manufacturing for the plastics industry, electronics and the US aerospace sector.

In anticorrosion equipment, quarterly sales were boosted by substantial deliveries in China. In high-energy braking, growth was driven to a great extent by the rail and aerospace segments.

Over the first nine months of the year, the Advanced Materials and Technologies segment posted a 9% rise in its sales to €156 million.

P R E S S R E L E A S E

Electrical Components

During the third quarter, the **Electrical Applications** division recorded a decline of 5% in its sales compared with the year-earlier period. In brushes and brushholders for small electric motors, sales were held back by production cutbacks by US carmakers, as well as by the relocation of plants by European equipment manufacturers to Asia in the small household appliance segment. To contend with this trend, Carbone Lorraine is optimizing its manufacturing network with a view to raise its profitability in North America and to expand its production capacity in Asia. In brushes and brushholders for industrial motors, sales rose slightly during the third quarter.

In the nine months to the end of September, sales of Electrical Applications fell back 2% to €140 million.

The **Electrical Protection** division posted a robust sales growth of 4% during the quarter on the back of sales of fuses for semiconductors in North America and Asia, as well as sales of fuses for standard industrial equipment in North America. Over the first nine months of the year, sales rose by 5% to €134 million.

In **Magnets**, the expected decline in the level of sales was attributable to the shutdown currently in progress of the Evreux plant and refocusing of the product and customer portfolio.

Outlook

Third-quarter sales were in line with the positive trends seen during the first half of 2005. The impact of this sales growth will accentuate the benefits of the savings plan, paving the way for the strong pace of earnings growth anticipated in 2005. The expansions plans currently being implemented should deliver their initial top-line benefits during 2006 followed by a significantly stronger impact in 2007.

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C O M M U N I Q U É

Carbone Lorraine is a worldwide specialist in Advanced Materials and Technologies and Electrical Components. The Group holds leadership positions in its core businesses:

Advanced Materials and Technologies:

-world number one in graphite anti-corrosion equipment;

-world number two in high-temperature applications of isostatic graphite;

Electrical Components:

-world number one in brushes for electric motors

-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 the Next 150 indices.

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