



# Carbone Lorraine **Full-year 2009 results**

Tuesday March 23, 2010



# Disclaimer

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





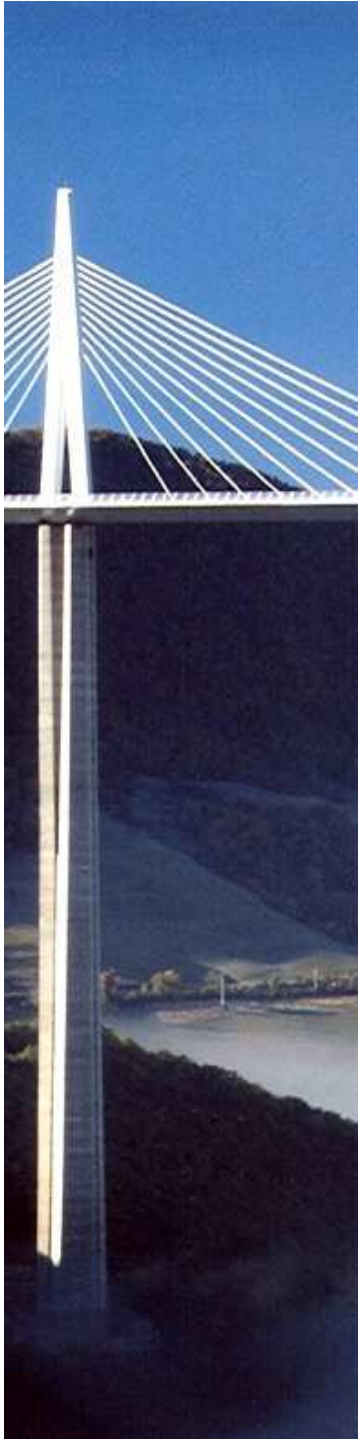
- **Introduction**
- **Full-year results**
- **A Group making progress in spite of the crisis**



# Introduction

- **Dynamic management**
- **Healthy resilience: effectiveness of the business model demonstrated**
- **2009: a year of growth initiatives**
- **Strategy on track**





- **Introduction**

- **Full-year results**

- **A Group making progress in spite of the crisis**

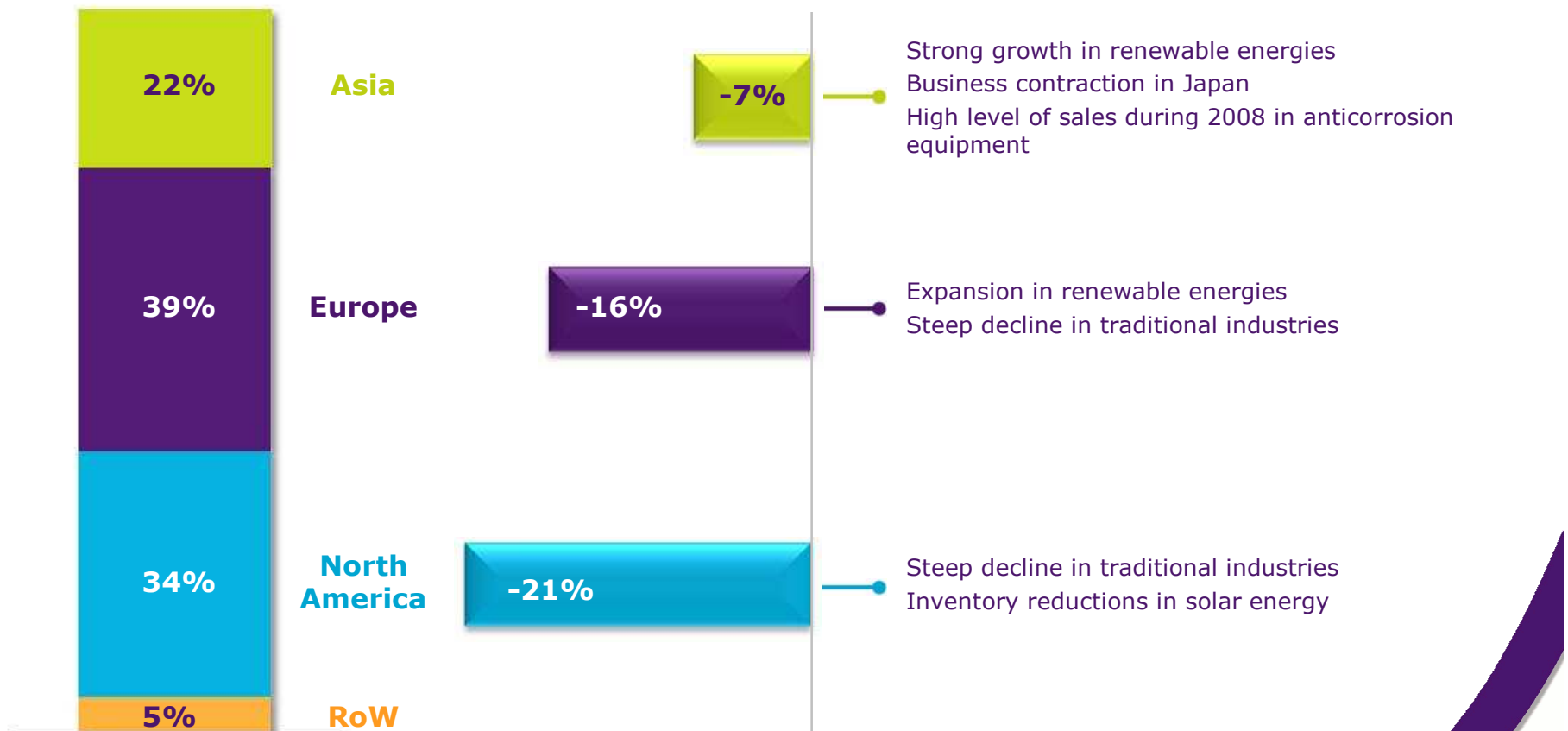


# Highlights by region

2009  
sales

€587m

## Breakdown of sales by region



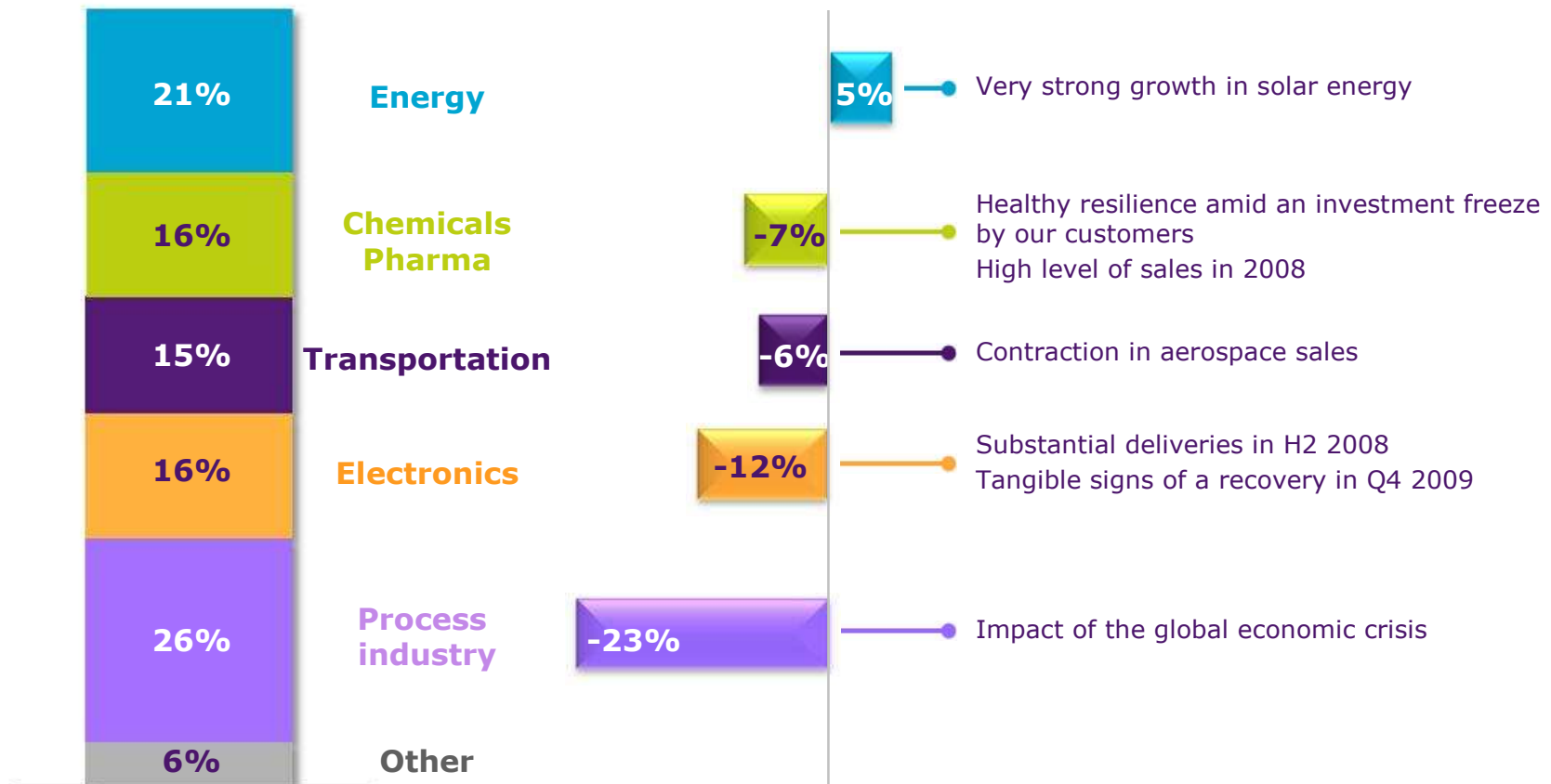
Continuing operations - % change on a like-for-like basis

# Highlights by market

2009  
sales

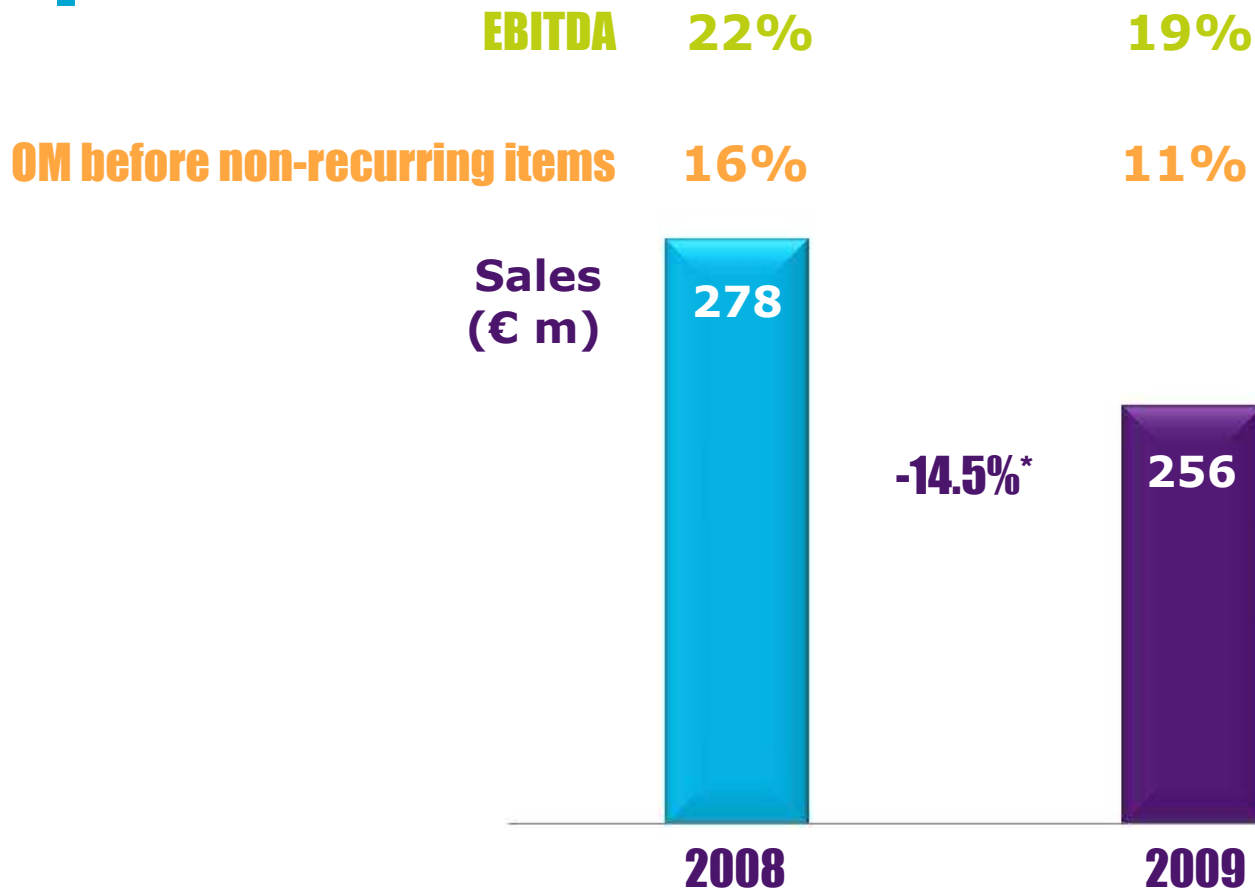
€587m

## Breakdown of sales by market



Continuing operations - % chg. on a reported basis

# Advanced Materials and Technologies

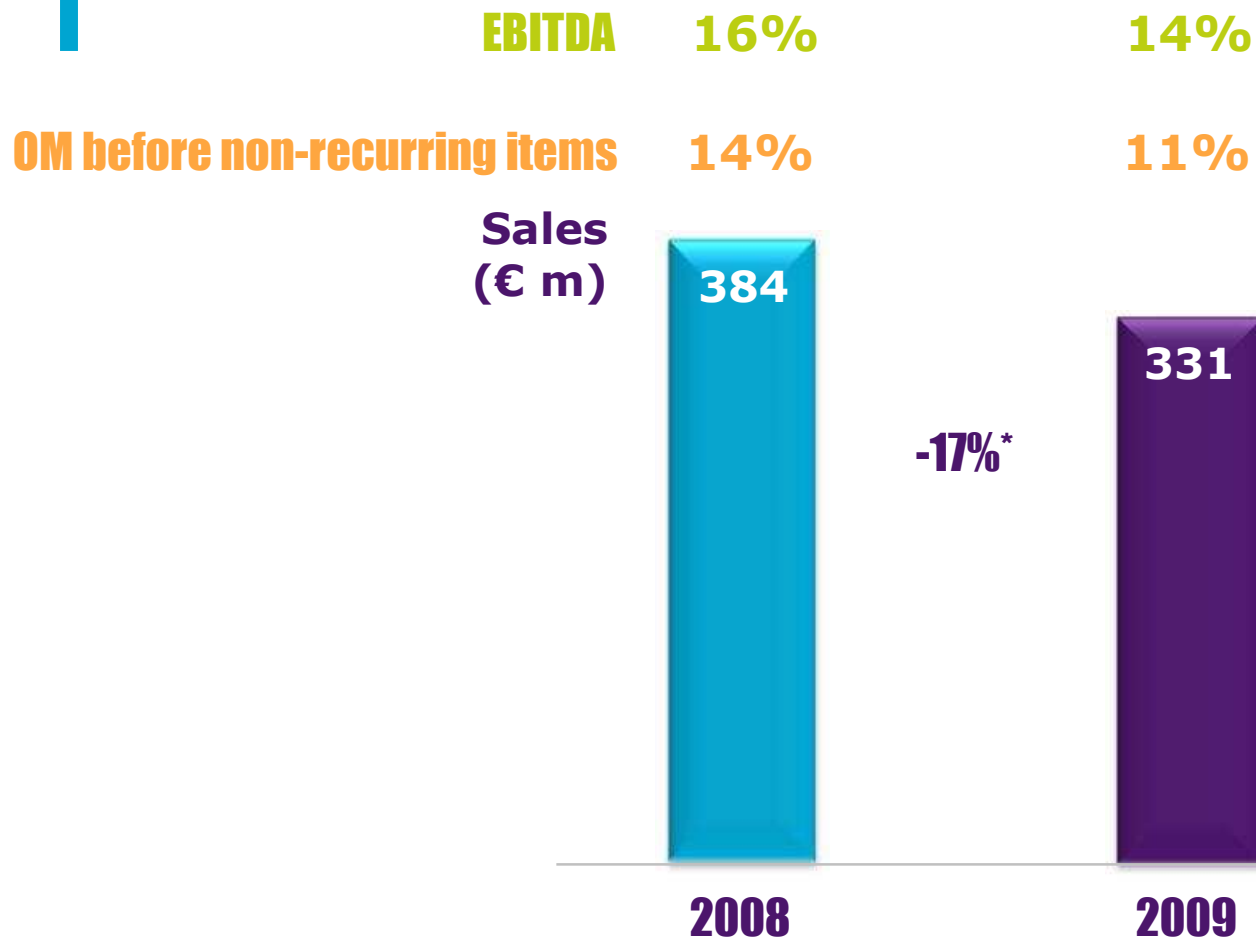


- EBITDA margin maintained in spite of the crisis
- Higher depreciation and amortization: investment in the future

Continuing operations – in millions of euros  
\*Change on a like-for-like basis  
Op. Inc. and EBITDA as a % of sales



# Electrical Components and Technologies

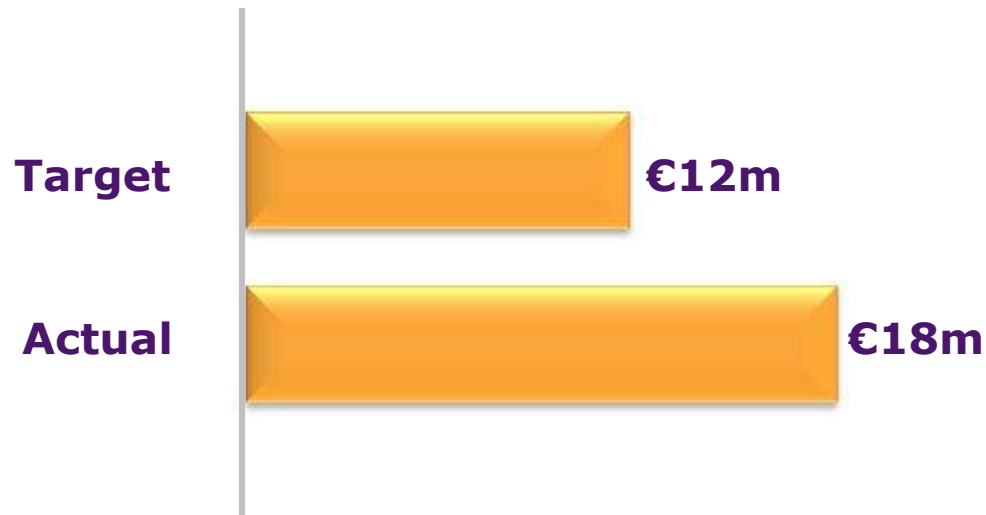


- EBITDA margin maintained in spite of the crisis
- Healthy resilience in the OM

Continuing operations – in millions of euros  
\*% change on a like-for-like basis  
Op. Inc. and EBITDA as a % of sales

# A successful savings plan

- Fixed cost savings

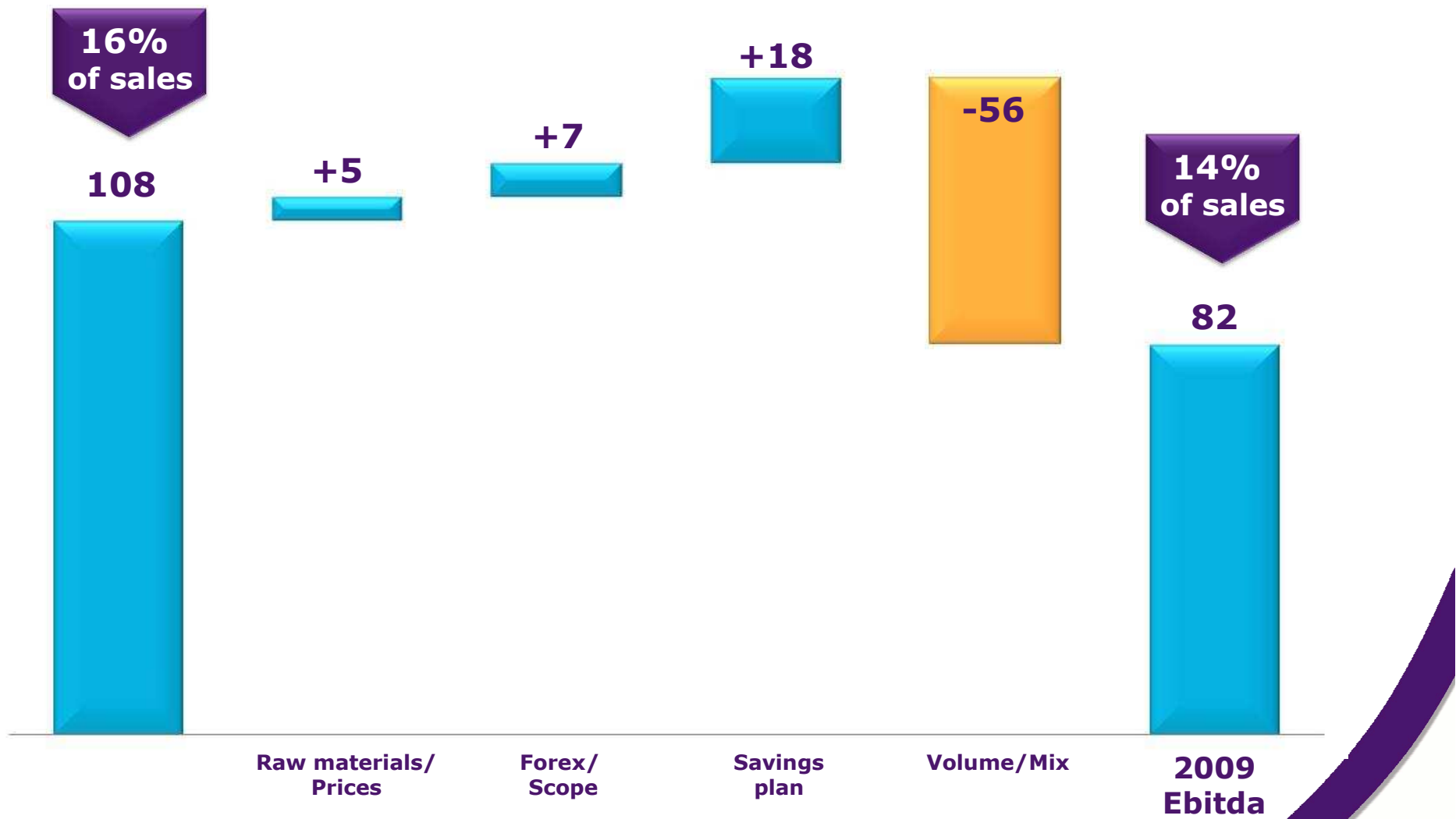


- Adjustments to costs across all the divisions
- Ability to bounce back kept intact



*Continuing operations – in millions of euros  
on a like-for-like basis excluding depreciation and amortization*

# Trend in Ebitda



Continuing operations – in millions of euros

# Income statement

	(€m)	2008	2009
<b>Sales</b>		<b>662</b>	<b>587</b>
<b>EBITDA</b>		<b>108</b>	<b>82</b>
<b>Operating inc. bef. non-recurring items</b>		<b>83</b>	<b>51</b>
Non-recurring income and expense		10	(5)
<b>Operating income</b>		<b>93</b>	<b>46</b>
Finance costs, net		(12)	(11)
Current and deferred income tax		(24)	(9)
<b>Net income from continuing operations</b>		<b>57</b>	<b>26</b>
<b>Net income from disc. operations</b>		<b>(27)</b>	<b>(11)</b>
<b>Net income attributable to equity holders of the parent</b>		<b>30</b>	<b>15</b>

**EBITDA margin: 14%**  
**Operating margin: 8.7%**

# Free cash flow

	(€m)	2008	2009
<b>Operating cash flow</b>		<b>103</b>	<b>77</b>
WCR		-24	+43
Income tax paid		-13	-5
Capex		-63	-50
<b>Free cash flow</b>		<b>+3</b>	<b>+65</b>

**Healthy cash generation in 2009**

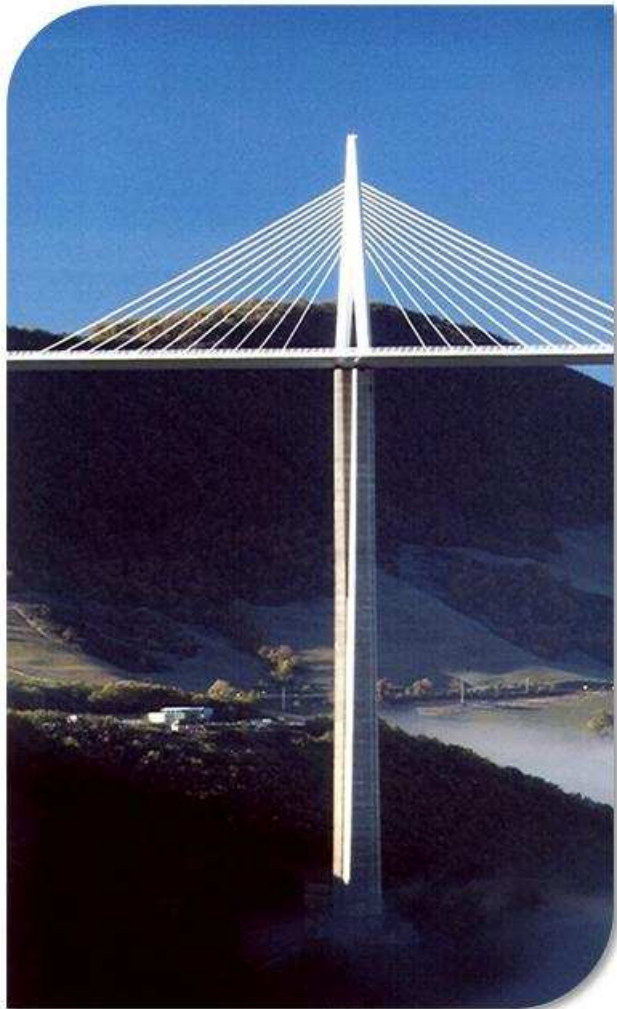


# Condensed balance sheet

(€m)	2008	2009
Non-current assets	530	559
Working capital requirement	176	141
Other assets and tax	19	9
<b>Total Assets</b>	<b>725</b>	<b>709</b>
Equity	325	425
Provisions	46	1
Employee benefits	35	34
Other liabilities	13	34
Net debt	306	215
<b>Total Liabilities and Equity</b>	<b>725</b>	<b>709</b>
<b>Net debt/equity</b>	<b>0.94</b>	<b>0.51</b>
<b>Net debt/EBITDA</b>	<b>2.73</b>	<b>2.52</b>



# Finances strengthened



- Injection of fresh capital
- Improvement in financial ratios
- Solid shareholder structure

**Healthy balance sheet**

# Outlook for 2010



- **Renewed growth**
- **Improvement in the operating margin**
- **Healthy level of cash generation**





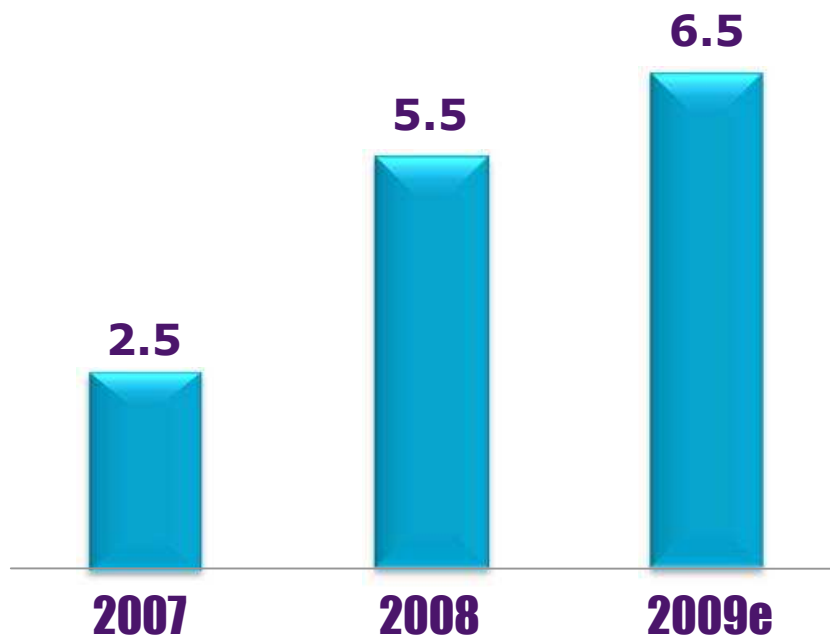


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# Strategic advances: Solar energy

## Overview of the market

### ■ GW installed p.a



- Further sales growth
- Price reductions and quest for productivity gains
- Shake-up among participants

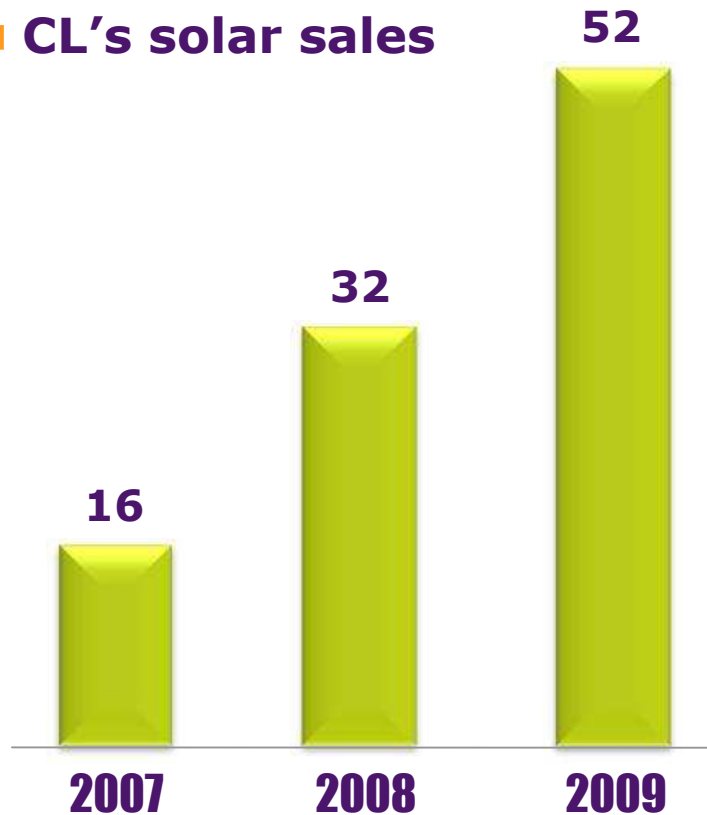


Sources: EPIA  
(European PhotoVoltaic Industry Association)

# Strategic advances: Solar energy

## Action taken by CL in 2009

### ■ CL's solar sales



- Growth: Calcarb, Anticorrosion equipment, fuses
- Support for customers seeking to harness productivity gains
- Extension of the product range and repositioning



**A range of high-end solutions**

# Strategic advances: Wind energy

## Additional capacity installed



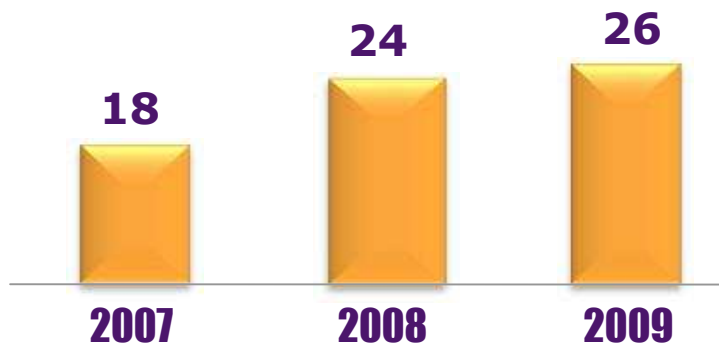
Sources: GWEC (Global Wind Energy Council)

## Market

- Strong growth in China and India
- Slowdown in Europe



## CL's sales



## CL

- Strong growth in sales in China
- Replacement business strengthened

# Strategic advances: Asia

## New facilities in China



- **Success of equipment dedicated to chemicals/pharmaceuticals sector in China**
- **Range of large-scale equipment strengthened**
- **Expansion into new markets: water cycle, nuclear**

**Successful partnership between French and Chinese groups**

# Strategic advances: Asia

## India & South Korea



- Provide support for India's industrial ramp-up across all our divisions



- Market share gains in electronics and solar energy in South Korea

**Asia, a solid growth driver in 2010**

# Acquisitions

## Calcarb, a source of organic growth



- **Successful commercial integration**
- **Broader product range**
- **High profitability**



**Strategic acquisition in solar energy**  
**Synergies representing sources of growth**

# Acquisitions

## 2C, first foray into nuclear energy



- Acquisition of 2C Cellier, a household name in secondary and auxiliary circuits for nuclear power plants
- Strong synergies between 2C Cellier and Xianda, helping to open up the Chinese nuclear market

**Bright growth prospects**



# Acquisition/Innovation

## New avenues of innovation



- **Acquisition of Boostec**

- Specialist in SiC technology: silicon carbide used to manufacture satellite mirrors

- **Objective**

- Extend the range of materials for extreme environments

- **New technology dedicated to strategic markets**

- Solar (photovoltaic and thermal)
- Chemicals/Pharmaceuticals

# Conclusion

## Strategy still on course

**Energy**



**Acquisitions**



**Asia**



**Innovation**



**50% of sales  
linked to  
sustainable  
development  
priorities**