

CARBONE LORRAINE

Dedicated Innovation, Dedicated Partner



Strong sales growth

Paris, May 10th, 2006

Carbone Lorraine enjoyed very strong business trends during the first quarter, with its sales reaching €162 million. This represented an increase compared with the first quarter of 2005 of 17% on a reported basis and of 10% on a like-for-like basis.

First-quarter 2006 sales	Q1 2006 (€ m)	% change* Q1 2006/Q1 2005
Advanced Materials and Technologies	60	+11%
Electrical Applications	51	5%
Electrical Protection	51	+15%
Group total	162	+10%

*on a like-for-like basis - Unaudited data

Advanced Materials and Technologies

Sales recorded by the Advanced Materials and Technologies division posted strong growth to reach €60 million, representing an increase of 16% at constant exchange rates. This increase included a sales contribution from Graphite Engineering & Sales from February 2006 onwards. On a like-for-like basis, sales advanced by 11%.

Growth was particularly strong in high-temperature applications of graphite thanks to firm performance in the semiconductors market, particularly sales of graphite equipment for the manufacture of diodes and solar cells.

The high-energy braking unit also recorded strong growth. Deliveries for the South Korean and European high-speed trains were on the high side, as were those for the aerospace and motorcycling markets.

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Electrical Components

In Electrical Applications, sales rose to €51 million. This represented an increase of 5% on the back of upbeat performance in the wind energy and rail traction markets. Competitive tenders were arranged in the rail segment to cover the relevant customers' annual needs and therefore provided a non-recurring boost to quarterly sales. Sales in the automobile market posted a contraction owing to the overall production cutbacks by North American carmakers since the beginning of 2005.

In Electrical Protection, sales surged 15% higher to €51 million. The division recorded growth across all its geographical regions in both the power semiconductor and the electrical equipment markets. Sales growth was also very brisk in fuse-related products, such as high-power switches and coolers.

Outlook

Sales are expected to post another tangible advance during the second quarter, even though they will not feel the benefit of the same non-recurring items that boosted growth during the first three months of the year.

In the second half of the year, growth will be probably softer due to the higher comparatives set by deliveries under some very large contracts during the second half of 2005.

As expected, 2006 is therefore shaping up to be a very good year for Carbone Lorraine.

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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.

Visit our web site at www.carbonelorraine.com

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