

CARBONE LORRAINE

Dedicated Innovation, Dedicated Partner



2005 Sales up 3.7% Excluding Magnets

Paris, February 1, 2006

Carbone Lorraine's 2005 sales excluding the Magnets division came to €583 million, up 4.3% on a reported basis and up 3.7% on a like-for-like basis. Including sales realized by the Magnets division currently in the process of being sold, sales came to €655 million, up 3% on a reported basis and up 2% on a like-for-like basis.

During the fourth quarter of 2005, the Group's sales excluding Magnets posted another increase to reach €153 million, up 8% on a reported basis and up 3.6% on a like-for-like basis. Including the Magnets division, fourth-quarter sales totaled €170 million, up 6% on a reported basis and up 1.4% on a like-for-like basis.

Sales		Fourth quarter		Full-year	
		€m	% change 2005/2004*	€m	% change 2005/2004*
Advanced Materials and Technologies		62	8%	217	8%
Electrical Components	Electrical Applications	45	0%	186	-2%
	o Electrical Protection	46	2%	180	4%
Group total excl. Magnets		153	3.6%	583	3.7%
Group total		170	1.4%	655	2%

(*) On a like-for-like basis – Unaudited data.

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

All the sales growth figures stated in this press release are like-for-like figures.

Advanced Materials and Technologies

During the fourth quarter, sales posted by the Advanced Materials and Technologies division recorded strong growth. They moved up 8% to €62 million.

In high-temperature applications of graphite, sales to refractory and electronics markets as well as ceramics market for protective body armor posted particularly strong growth. In anticorrosion equipment, fourth-quarter sales were boosted by substantial deliveries in China as a result of the entry into service of the Shanghai workshop in September. In high-energy braking, growth was driven primarily by the rail and aerospace segments.

Over the full year, sales posted by the Advanced Materials and Technologies division rose by 8% to €217 million.

Electrical Components

Sales realized by the **Electrical Applications** division, €45 million, remained stable during the fourth quarter.

Production cutbacks by North American carmakers depressed sales of brushes and brush-holders for small electric motors. Conversely, sales of brushes and brush-holders for industrial motors climbed significantly higher.

The division's full-year 2005 sales edged down 2% to €186 million for the same reasons.

Sales were high in **Electrical Protection**, rising 2% during the fourth quarter. This increase was posted in spite of the large deliveries made during the final quarter of 2004, which included the impact of reversing the delays caused by the reorganization of production facilities in Europe.

Business volumes were particularly brisk in fuses for semiconductors in Europe and general-purpose fuses in North America. The top line also made significant headway in Japan.

Over the full year, sales moved up 4% to €180 million.

Group

At the end of the final quarter, Carbone Lorraine secured an irrevocable commitment to buy the Magnets division. This change in its business portfolio will enable Carbone Lorraine to focus on its core business.

The firm trend in the Group's markets was illustrated by the sales growth posted during the fourth quarter. As a result, the Group will be able to deliver the strong earnings growth that it had forecast.

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

Financial reporting calendar

2005 earnings: March 15, 2006
First quarter 2006 sales: May 10, 2006

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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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