



Carbone Lorraine continues its **rapid expansion in Asia** by acquiring a majority shareholding in Chinese company **Zhejiang Mingrong Electrical Protection**.

### ***Creation of a leader in the Chinese market***

A privately-held company with a performing and dynamic management team, Zhejiang Mingrong Electrical Protection is one of the leaders in the fuse and fusegear market, boasting the most extensive product range of all Chinese market participants. The company is based in Zhejiang province, the cradle of the Chinese electrical industry's development, and it posted sales of around **€10 million** in 2007. The company has enjoyed brisk growth in recent years.

Thanks to this deal, Carbone Lorraine, through its **Ferraz Shawmut** electrical protection subsidiary, becomes **the leader in the Chinese fuse and fusegear market**.

Electrification needs in China and strong demand for increasingly sophisticated equipment for power generation, distribution and control applications have made China an attractive market enjoying strong and sustainable growth. Pooling the highly complementary product ranges of **Ferraz Shawmut** and **Zhejiang Mingrong Electrical Protection**, together with stronger commercial positions at distributors and OEMs, will drive a steep increase in sales, both in China and in export markets.

For the Electrical Protection division, this joint venture is set to become a **platform for the development of new products intended in particular for Asian markets**.

**Zhejiang Mingrong Electrical Protection's** high degree of vertical integration—plastic injection-molding, metal components and tooling—also represents a major strength and will accelerate the pace at which the Electrical Protection division develops **sourcing in China**.

The anticipated production and revenue synergies are predicted to drive **growth in sales at double the pace of that in the Chinese market at large**.

From a financial standpoint, this majority stake in a company that already enjoys a high level of profitability will be **immediately earnings-enhancing** for Carbone Lorraine. It fits perfectly with the Group's **profitable growth strategy**, which is notably founded on bolstering its positions in Asia and establishing strong leadership in all its markets.

**PRESS RELEASE**

**About Carbone Lorraine**

Carbone Lorraine is a world leader in graphite solutions and electrical components. The Group specialises in the use of high-tech materials in highly demanding industrial environments and in the development of systems essential to a safe electrical motors' operation and to the protection of electrical equipment. With more than 85% of its sales achieved outside France, the Group holds leadership positions in all of its core businesses.

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|-------------------------------------|---|
| Advanced Materials and Technologies | - World number one in graphite anticorrosion equipment                    |
|                                     | - World number two in high-temperature applications of isostatic graphite |
| Electrical Applications             | - World number one in brushes for electric motors                         |
| Electrical Protection               | - World number one in fuses for power semiconductors                      |
|                                     | - 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 Next 150 indices.  
Bloomberg ticker: **CRL FP** – Reuters ticker: **CBLP.PA***



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