



### ***AXA PRIVATE EQUITY, LONG TERM INVESTOR IN CARBONE LORRAINE***

Paris, July 10, 2008 – Carbone Lorraine and AXA Private Equity are pleased to welcome AXA Private Equity as a long term investor in Carbone Lorraine to support its strategy and growth. AXA Capital Fund L.P. (“AXA Capital”), an investment fund advised by AXA Private Equity, together with Maignon Développement 3, a company managed by AXA Private Equity, now own 10.50% of Carbone Lorraine’s share capital.

An investment agreement has been entered into in order to define the rights and obligations applicable in connection with this acquisition. It includes, among other things, undertakings as to the stable and friendly nature of the investment in Carbone Lorraine. Before the end of the year a director representing AXA Private Equity should be appointed to Carbone Lorraine’s Board of Directors and Carbone Lorraine will back the nomination of a second director in the event that a 15% threshold of capital ownership is exceeded.

This agreement, which will expire on June 30, 2012, also authorizes AXA Private Equity to increase its shareholding to 22.5% of the share capital and provides for self-limitation of voting rights to 35% of the quorum at Carbone Lorraine general meetings.

Except under certain circumstances, AXA Private Equity has undertaken to maintain its shareholding in Carbone Lorraine until June 30, 2010.

A summary of the main provisions of the agreement is attached to this press release.

According to Claude Coccozza, Chief Executive Officer of Carbone Lorraine, “the acquisition of this shareholding in Carbone Lorraine’s share capital, by an investor having ambitious goals for value creation, is an extremely positive sign for Carbone Lorraine. This transaction constitutes a clear validation of our strategy. I am delighted that AXA Private Equity has expressed its confidence in the Board of Directors and has taken the decision to support the group’s development in the long run by being represented on the board.”

Dominique Gaillard, member of the Management Board of AXA Investment Managers Private Equity Europe S.A. said: “This significant investment in Carbone Lorraine’s capital is driven by the desire to support, in the long run, implementation of the value creation strategy applied by Carbone Lorraine, particularly through its profitable growth policy”.

## **Summary of the Main Provisions of the Agreement**

The following is a summary of the agreement entered into between Carbone Lorraine and AXA Capital Fund L.P. (“AXA Capital”), an investment fund advised by AXA Private Equity:

### *Board of Directors*

Carbone Lorraine has undertaken to back the nomination of an AXA Capital Fund L.P. (“AXA Capital”) representative on the Board of Directors before December 31, 2008, and of a second representative as soon as possible after the 15% threshold in Carbone Lorraine’s capital is exceeded, and in any event by the ordinary annual general meeting considering the accounts for the 2008 financial year if this threshold is exceeded before this meeting. An AXA Capital representative will also be on the committees set up by the Board of Directors.

### *Maximum Share Ownership*

AXA Capital has undertaken not to exceed, whether acting alone or in concert, the 22.5% threshold of Carbone Lorraine’s capital and not to file a tender offer without the prior positive recommendation of the Board of Directors.

This undertaking shall be null and void in the event that: (i) a third party files a tender offer; (ii) the 15% threshold is exceeded by one or more third parties acting in concert, or that one or more third parties acting in concert declare their intention to take control of Carbone Lorraine; (iii) Carbone Lorraine solicits a tender offer or capital transaction, other than in the normal framework of issuances of equity securities by way of a public offering; (iv) Carbone Lorraine undertakes a major strategic reorganization unapproved by the directors representing AXA Capital on the Board of Directors; (v) Carbone Lorraine’s Board of Directors or its Chairman authorizes AXA Capital to exceed the 22.5% threshold; or (vi) the average price of the Carbone Lorraine shares weighted by volume, over a period of twenty consecutive trading days, is less than 75% of the weighted-average cost of acquisition of AXA Capital’s stake in Carbone Lorraine.

### *Voting Rights Self-limitation Mechanism*

AXA Capital has undertaken to limit its voting rights to 35% of the quorum at Carbone Lorraine general meetings. This undertaking shall be null and void in the same cases as those concerning AXA Capital’s undertaking to cap its shareholding. In addition, this commitment shall automatically terminate if (i) a shareholder or group of shareholders acting in concert present themselves at a general meeting with a percentage of voting rights, including proxies, of more than 30% (after application of AXA Capital’s 35% voting right self-limitation) or (ii) a third party or AXA Capital files a tender offer with a positive recommendation by Carbone Lorraine’s Board of Directors.

### *Lock-Up*

AXA Capital has also undertaken not to transfer all or part of its shareholding until June 30, 2010.

This undertaking shall be null and void in the event that: (i) one or more third parties acting in concert exceed the 20% threshold; (ii) a tender offer uncontested by Carbone Lorraine’s Board of Directors is filed, or an exchange (or mixed) offer, contested or uncontested by the Board of Directors, is filed, it being agreed however that, until the reopening of such offer, AXA Capital undertakes not to tender its shares in any exchange (or mixed) offer that has not been given a positive recommendation by Carbone Lorraine’s Board of Directors; (iii) a tender offer is reopened, whether contested or otherwise; (iv) the Chairman of the Board of Directors is removed from office or resigns without his replacement having been approved by AXA Capital; (v) Carbone Lorraine undertakes a major strategic reorganization unapproved

by AXA Capital; (vi) the average price of Carbone Lorraine's shares weighted by volume over a period of twenty consecutive trading days is less than 75% of the weighted-average cost of the acquisition of AXA Capital's stake in Carbone Lorraine; (vii) there is a significant decline in Carbone Lorraine's profits or prospects; (viii) the transfer is to one of AXA Capital's affiliates; or (ix) the transfer is authorized by Carbone Lorraine's Board of Directors or its Chairman.

#### *Orderly Transfer of Equity Securities*

Except in the event of a tender offer, AXA Capital has undertaken not to transfer a block of 5% or more of Carbone Lorraine's capital to an identified investor (or to persons who, to AXA Capital's knowledge, are acting in concert with the identified investor). Any transfer by AXA Capital of its shares on the market shall be carried out in an orderly manner, to the greatest extent possible, in order to limit the effects of such sale on Carbone Lorraine's share price. AXA Capital will give Carbone Lorraine prior notice of any share transfer.

#### *Duration and Termination of the Agreement*

The Agreement shall terminate on June 30, 2012. It shall automatically terminate before that date if AXA Capital's stake falls below the 10% Carbone Lorraine share capital or voting rights threshold. If the Agreement terminates before due date, the mechanism for orderly transfer of the Carbone Lorraine equity securities shall nonetheless remain in force until June 30, 2012. Upon expiry of this term, AXA Capital shall remain bound by the Carbone Lorraine share transfer restrictions for as long as it holds more than 10% of Carbone Lorraine's capital. AXA Capital shall automatically be released from its undertakings in the event that Carbone Lorraine breaches its own undertakings under the Agreement, or in the event that the directors representing AXA Capital are not appointed to Carbone Lorraine's Board of Directors within the agreed time limits or if they no longer hold such offices.

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#### **About Carbone Lorraine ([www.carbonelorraine.com](http://www.carbonelorraine.com))**

World leader in graphite solutions and electrical components, Carbone Lorraine is specialized in implementing high-tech materials solutions for highly demanding industrial environments and in the development of systems essential for safe operation of electrical motors and protection of electrical equipment. With more than 85% of sales from outside France, the Group holds leadership positions in all its business segments.

#### Advanced Materials and Technologies:

- World leader in graphite anti-corrosion equipment
- Ranks second worldwide in high-temperature applications of isostatic graphite

#### Electrical Applications:

- World leader in brushes for electric motors

#### Electrical Protection:

- World leader in fuses for power semi-conductors
- Ranks second worldwide in industrial fuses

The Group is listed on Eurolist of Euronext Paris and is a constituent of the CAC Allshares, CAC Mid100, SBF120 and Next 150 indices.

**About AXA Private Equity ([www.axaprivateequity.fr](http://www.axaprivateequity.fr))**

AXA Private Equity, a subsidiary of AXA Investment Managers, is one of the world's leading private equity firms. AXA Private Equity offers investors a broad selection of high-performance funds for every market sector: Buyout, Expansion Capital, Venture Capital, Co-investments, Infrastructure, Mezzanine, Primary, Early Secondary and Secondary Funds of Funds.

The firm manages and/or advises on more than 22 billion dollars of funds on behalf of leading international investors. With its offices in Paris, Frankfurt, London, Milan, New York and Singapore, AXA Private Equity distinguishes itself from the competition through the expertise of its teams and its broad international presence. The firm maintains a constant focus on transparency, performance and sustainable profitability

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