

CARBONE LORRAINE

Dedicated Innovation, Dedicated Partner



**First Half 2005 sales:
€321 million**

Paris, July 20, 2005

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During the second quarter of 2005, Carbone Lorraine posted consolidated sales of €164 million, up 2% on a like-for-like basis and up 4% excluding the Magnets division. Sales during the first half of the year totaled €321 million, representing a rise of 2% on a like-for-like basis and 3.5% excluding the Magnets division.

| Sales | | Q2 2005 | % change* Q2 2005 vs. Q2 2004 | H1 2005 | %change* H1 2005 vs. H1 2004 |
|--|---------------------------|------------|--|------------|---------------------------------------|
| Advanced Materials and Technologies | | 52 | +8% | 101 | +6% |
| Electrical Components | o Electrical Applications | 48 | -1% | 95 | -1% |
| | o Electrical Protection | 45 | +5% | 88 | +5% |
| | o Magnets | 19 | -10% | 37 | -8% |
| Group total | | 164 | +2% | 321 | +2% |

(*) on a like-for-like basis, i. e. at comparable structure and exchange rates – Non audited figures

Advanced Materials and Technologies

During the second quarter, the Advanced Materials and Technologies division posted an 8% increase in its sales to €52 million. This growth was evident in the high-temperature applications of graphite, anti-corrosion equipment and braking divisions.

Over the first six months of the year, the sales posted by the Advanced Materials and Technologies division rose by 6% to €101 million.

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Electrical Components

In the Electrical Applications division, sales growth in brushes for industrial motors was offset by lower sales to the automobile industry. Sales came to €48 million during the second quarter.

During the first six months of 2005, Electrical Applications sales came to €95 million, down 1% compared with the previous year.

Sales recorded by the Electrical Protection division advanced by 5% to €45 million during the second quarter. Sales of semiconductor protection fuses advanced across all the Group's regions while growth in sales of industrial fuses was largely concentrated in the Americas.

During the first six months of the year, Electrical Protection sales advanced by 5% to €38 million.

The expected decline in Magnets sales was attributable notably to the closure currently in progress of the Evreux plant, which was a major source of losses, and to the efforts during 2004 to streamline the division's product and customer portfolio. Another contributing factor was the cutback in production by North American carmakers.

Outlook

Cost-cutting measures are currently being implemented in North America to offset the impact of the business slowdown affecting North American carmakers.

Even so, the Group should still post a strong increase in its interim and full-year earnings thanks to the full benefits of its savings plan.

Carbone Lorraine is a worldwide specialist in advanced materials for extreme environments and in mission-critical electrical components for industry. The Group holds leadership positions in its core businesses:

| | |
|-------------------------------------|---|
| Advanced Materials and Technologies | - World #1 in anti-corrosion equipment - World #2 in high-temperature applications of graphite |
| Electrical Components | - World #1 in brushes for electric motors - World #2 in industrial fuses |

The Group is listed on the Premier Marché of the Paris Stock Exchange and is a constituent of the CAC Mid100 and Next 150 indices.

Visit our web site at www.carbonelorraine.com

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