

**Carbone Lorraine intends to appeal the decision
of the European Court of Justice**

The European Commission has just informed Carbone Lorraine that it has completed its investigation into anti-competitive practices in carbon and graphite products for electrical and mechanical applications during the period between 1989 and 1999 and that it has decided to impose a fine of €43 million on the Group.

The Group intends to appeal this decision in the European Court of Justice because it already firmly believes that it has numerous grounds for appeal. The Commission has failed to take into account the objective arguments presented during the investigation, to which Carbone Lorraine lent its full cooperation and provided complete transparency. Furthermore, the size of the fine appears to be completely disproportionate to the practices of which it stands accused and, to an even greater extent, to their economic implications. The decision has led to inequality of treatment of the relevant companies, which is totally unwarranted and based on which the group will seek reparation from the European Court of Justice in the form of a substantial reduction in the fine.

Lastly, Carbone Lorraine notes that information covered by the obligation to keep investigations secret was made public on Monday December 1, two days before the European Commission published its decision. This situation is a repeat of what occurred in December 2002 in similar circumstances when the ruling concerning graphite specialties was handed down. On both occasions, these leaks related to almost all the companies involved and occurred at a time when they were unable to respond because they did not yet know the Commission's decision. The Group reserves the right to initiate the requisite proceedings in the relevant courts to identify the sources of these leaks and those ordering them and to seek compensation for the serious prejudice suffered by the company and its shareholders.

Carbone Lorraine wishes to point out that since 1999 it has implemented a worldwide program for its operational and commercial staff to provide them with training and raise their awareness about anti-trust regulations. Highly stringent internal control measures and external audits ensure that the rules of competition law are scrupulously applied in all the countries where the Group operates. The Group will continue to pursue this policy even though the Commission's approach in this case is not conducive to fostering the cooperation and transparency of businesses.

--end--

Reminder:

Carbone Lorraine is an industrial group specialising in electrical components (brushes for electric motors, magnets and industrial fuses) and advanced materials and technologies. Well-established world-wide, the Group holds world-class positions in all its main markets:

- *Electrical Applications*
- *Permanent Magnets*
- *Electrical Protection*
- *Advanced Materials & Technologies*
- *World # 2 in brushes for electric motors*
- *World # 3 in magnets for automobiles*
- *World # 2 in industrial fuses*
- *World # 1 in thermal anti-corrosion equipment*
- *World # 2 in high-temperature applications of isostatic graphite*

The Group is listed on the Premier Marché of the Paris Stock Exchange and is a constituent of the SBF 120 and Euronext 150 indices.

To find out more about the Group, please visit our web site at www.carbonelorraine.com.

Contact for investor relations
Carbone Lorraine
Anne MILLS

Tel.: +33 (0)1 46 91 54 48
Fax: +33 (0)1 46 91 54 07
anne.mills@carbonelorraine.com

Contact for press relations
Publicis Consultants.Ecom
Daphné CLAUDE

Tel. : +33 (0)1 44 43 75 89
Fax : +33 (0)1 44 43 75 65
daphne.claude@consultants.publicis.fr

