



Major urban transportation contracts signed in China

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Carbone Lorraine sells equipment to subways in China.

Carbone Lorraine, a specialist in high-performance materials and advanced technology electrical components, recently landed some major electrical equipment contracts for Beijing's new subway lines.

The orders won by Ferraz Shawmut, a wholly-owned subsidiary of Carbone Lorraine, will generate more than €1 million in sales during 2006. They confirm the leadership position established by the Group in China in current collection and electrical protection for urban rail transportation systems.

Ferraz Shawmut's success has been built on its ability to offer a unified collection and protection solution for electrical traction systems. Mounted directly on bogies, fuse boxes protect the electrical circuit, while sophisticated collectors sliding along a third rail supply electricity to the motor.

The potential market for this solution is worth more than €10 million in China and is expanding at an annual rate of over 20%. The worldwide market is worth around €35 million. Over the coming years, it will provide strong growth opportunities in Europe and in the United States, as operators in these regions will gradually have to refurbish their urban transportation rolling stock.

To seize the opportunities created by growth in the Chinese market, Carbone Lorraine is strengthening its strategic positions and investing in a new workshop in Shanghai dedicated to the production of bogie power supply and protection equipment.

The group is currently establishing significant positions in China thanks to the solidity of its partnerships with leading international equipment suppliers. Its world leadership is also enabling it to forge robust relationships with prominent Chinese players.

These new contracts provide a perfect illustration of Carbone Lorraine's strategy of developing its presence in Asia and positioning itself in expanding markets.

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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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