

CARBONE LORRAINE

Dedicated Innovation, Dedicated Partner



Opening of an advanced technology workshop dedicated to CL Clad[®]

Paris, October 3, 2006

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Carbone Lorraine pursues its policy of innovation and launches production of its new CL Clad[®] material, dedicated to anticorrosion equipment.

Yesterday, François Loos, French Industry Minister, inaugurated Carbone Lorraine's new advanced technology workshop in the presence of personalities from the political, industrial and academic world. The Minister underlined the Group's capacity to innovate and the expertise of its teams, which have made it a leader in its businesses. The new workshop received financial grants from the Lorraine regional authorities and from the Industry Ministry under the funding program for competitiveness in "Innovative Materials and Intelligent Products."

The CL Clad[®] workshop is located at the historic Pagny-sur-Moselle plant, which is today the Group's center of excellence for anticorrosion equipment. It has a surface area of 3,000m² and is equipped with the latest technology, including the only kiln of its type in the world. During the ceremony, Claude Cocozza, Carbone Lorraine's Chairman and Chief Executive Officer, said: *"Our site at Pagny is not only the Group's oldest, but it is also one of the most modern sites. We will now work hard to convert the technical success of our new CL Clad[®] material into a commercial success. The outlook is promising since after just a few months we already have logged orders worth over €1 million."*

CL Clad[®] is an innovation patented by the Group in 2004, which consists of coating steel in fine layers of noble metals (titanium, tantalum, etc.), which are highly corrosion-resistant. This new material can be used to produce high-performance anticorrosion equipment, especially distillation columns and reactors used in the fine chemical and pharmaceutical industries. It will enable the Group's customers to lower their maintenance costs, boost their production capacity and enhance the safety of their installations.

To accelerate even further Carbone Lorraine's expansion in anticorrosion equipment, the Group recently acquired Kapp, a company harboring scope for substantial synergies with CL Clad[®]. Kapp's expertise in plate heat exchangers, together with the material developed by Carbone Lorraine, will pave the way for new high-potential applications.

The market targeted by CL Clad[®], which has now entered production, is worth approximately €300 million worldwide. This inauguration ceremony marks a major milestone in the implementation of Carbone Lorraine's strategy of innovation, which aims to transform the Group into a growth-driven company.

PRESS RELEASE

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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.

- 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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