

Carbone Lorraine pursues its dynamic growth strategy  
with the planned acquisition of AVO

**Carbone Lorraine has confirmed its commitment to growth in the field of Electrical Components by signing a letter of intent relating to the acquisition of AVO.**

AVO is a French company which develops a strong activity in assemblies (brushes and brush holders) and the associated wiring harnesses for small electric motors (30 M€ of sales in 2000). Carbone Lorraine will benefit from their high level of expertise in the design and control of assembly lines, and of its excellent reputation with its customers.

*"The acquisition of AVO perfectly complements our development strategy as regards our activities in electrical components assemblies", explained Claude Cocozza, Chairman and CEO of Carbone Lorraine. "Significant commercial developments are expected in Europe and in North America".*

The merging of the assembling activities carried out by Carbone Lorraine and AVO on their production sites in France, Tunisia and Mexico will create a development pole supported by high profitability basis and offering an extremely attractive potential.

The agreed acquisition price is of 22.9 M€ which may be increased by 2.3 M€ depending on the financial figures achieved over the next three years. It will be paid for in four yearly installments, with the last payment made in 2004, and accounting for about 50% of the total price. This arrangement will enable the activity to contribute for its own acquisition, under satisfactory conditions.

The acquisition should be finalized at the end of April, once the due diligence and necessary legal formalities have been completed.

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**Note :**

**Carbone Lorraine is an industrial group which specializes in Electrical Components (brushes for electric motors, fuses and magnets) and in Advanced Materials and Technologies. The Group occupies key leading positions in the world in its main markets :**

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| • <b>Electrical Applications</b>               |  | <b>World n°1 in brushes for electric motors</b>      |
| • <b>Electrical Protection</b>                 |  | <b>World n°2 in industrial fuses</b>                 |
| • <b>Permanent Magnets</b>                     |  | <b>World n°3 in magnets for automobiles</b>          |
| • <b>Advanced Materials &amp; Technologies</b> |  | <b>World n°1 in thermal anti-corrosion equipment</b> |

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