



First quarter 2005 sales of €157 million

Paris, April 19th, 2005

PRESS RELEASE

During the first quarter of 2005, Carbone Lorraine posted consolidated sales of €157 million, up 2% on a like-for-like basis. Excluding sales of magnets and third-party products resold by the Group, sales rose by 4%.

First quarter 2005 sales		2004	2005	% chg. Q105/Q104
Advanced Materials and Technologies		49	49	+4%
Electrical Components	○ Electrical Applications	48	47	-1%
	○ Electrical Protection	41	43	+6%
	○ Magnets	19	18	-6%
Group total		157	157	+2%

(*) on a like-for-like basis

Advanced Materials and Technologies

Sales continued to rise in Advanced Materials and Technologies, posting growth of 4% during the quarter to €49 million.

This expansion was driven primarily by High-Temperature Applications of graphite and anti-corrosion equipment. Although sales of brakes dipped during the first quarter, they are likely to make up ground again over the coming months.

Electrical Components

Sales to the automotive markets by the Electrical Applications division posted a decline owing mainly to production cutbacks by US carmakers. Conversely, sales of brushes for industrial motors moved higher in the aerospace and mining markets, where Carbone Lorraine has bolstered its positions.

In Electrical Protection, sales of power semiconductor fuses and industrial equipment again posted strong growth, which was topped up by a significant increase in bogey protection sales.

The expected decline in Magnet sales was attributable to the shutdown of the Evreux plant now in progress. The plant was a major source of losses during 2004.

Outlook

Based on our first quarter sales and current outlook, full-year sales of the Group's products are expected to increase by around 3% on a like-for-like basis and by 4% excluding the Magnets division.

Growth projects took shape during the first quarter, when Carbone Lorraine announced two key events: the launch of a plan to build a graphite block manufacturing facility in China and the acquisition of its motorcycle brake distributor. These investment decisions are financed by the October 2004 capital increase.

As far as the market share is concerned, the Group's shares will benefit from a better liquidity, thanks to the changes in the Group's ownership structure resulting from the withdrawal of BNP Paribas.

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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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