



Carbone Lorraine’s Management Board approved the 2009 financial statements on March 22, 2010, after they had been approved by the Supervisory Board. The financial statements have been audited by the Statutory Auditors.

Ernest Totino, Chairman of the Management Board, commented:

“These results illustrate the healthy resilience shown by Carbone Lorraine amid very depressed economic conditions. Even though our sales declined by 16% on a like-for-like basis, our EBITDA margin held up at 14% and our operating margin before non-recurring items came close to 9%.

In spite of the crisis, we also continued to reposition the Group by selling its automobile businesses, investing in expanding new markets and carrying out strategically important acquisitions. This momentum will firmly establish Carbone Lorraine’s sustainable development credentials, while strengthening its presence in Asia and alternative energies in particular.”

Condensed income statement (IFRS)

<i>In millions of euros</i>	2009	2008
Sales	587	662
EBITDA*	82	108
<i>EBITDA margin</i>	14.0%	16.3%
Operating income before non-recurring items	51	83
<i>Operating margin before non-recurring items (%)</i>	8.7%	12.5%
Operating income	46	93
Net income from continuing operations	26	57
Net income from assets held for sale/discontinued operations	(11)	(27)
Net income (attributable to eq. holders of the parent)	15	30

() Operating income before non-recurring items + depreciation and amortization*

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Consolidated sales: €587 million

The Group's sales came to €587 million, down 16% on a like-for-like basis and down 11% on a reported basis.

The **Advanced Materials and Technologies** segment's sales totaled €256 million, down 14.5% on a like-for-like basis. They were depressed by the steep contraction in markets linked to traditional industries and electronics. Sales continued to grow at a brisk pace in the solar energy markets.

The sales recorded by the **Electrical Components and Technologies** segment came to €331 million, down 17% on a like-for-like basis. Sales of equipment for industrial motors and electrical protection systems were held back by the impact of the economic environment on traditional industries right across the board. The wind energy market remained stable overall, with expansion in Asia and North America offsetting inventory reductions in Europe.

EBITDA and Operating Income

Carbone Lorraine's **EBITDA** stood at €82 million, or 14% of sales, down two points compared with 2008. The resilience in EBITDA derived from the Group's new strategic positioning, restructuring carried out in recent years and the impact of the savings plan implemented since the beginning of the crisis.

The Advanced Materials and Technologies segment's EBITDA margin came to 19% before corporate expenses. Its operating margin before non-recurring items stood at 11%, after high depreciation and amortization expense linked to the substantial investments made over the past two years, which will help the Group to capitalize on the recovery to an even greater extent.

The Electrical Components and Technologies segment's EBITDA margin reached 14% before corporate expenses in 2009 compared with 16% in 2008. The operating margin before non-recurring items worked out at 11%.

The Group's **operating income before non-recurring items came to €51 million or 8.7% of sales, down from 12.5% in 2008. IFRS operating income** totaled €46 million, down from €93 million in 2008 a figure that included the €14 million capital gain recorded on the sale of the braking business.

Net income

Net income from continuing operations totaled €26 million, compared with €57 million in 2008.

After €11 million in non-recurring charges linked to the brushes for electric motors business sold during the year, **total net income** came to €15 million, down from €30 million in 2008 a figure that included a capital gain of €10 million net of tax on the disposal of the braking business.

Dividend: €0.50 per share

At the forthcoming AGM on May 20, the Management Board is set to propose payment of a dividend of €0.50 per share. If approved, this would represent a payout rate of 65% of net income attributable to Carbone Lorraine's shareholders and 38% of net income from continuing operations. The proposal gives shareholders the option of electing for payment of the dividend in shares.

Paris, March 23, 2010

Substantial reduction in debt

The Group's net debt was cut by €91 million thanks to the cash generated by operating activities and the capital increases carried out to finance acquisitions.

The Group's net debt stood at €215 million at December 31, 2009. Its net debt-to-equity ratio came to 51%. This debt represents a ratio of 2.5x 2009 EBITDA.

Outlook: renewed growth in 2010

Given the further signs of recovery seen over the past few months and in spite of a still uncertain environment, Carbone Lorraine is expected to record fresh growth in its sales and operating margin during 2010.

Further efforts to optimize its working capital requirement and the return to a normal level of capital expenditures should pave the way for tight cash management.

Carbone Lorraine will maintain its sales momentum and strategic advances, which are intended to underpin its sustainable development credentials.

Appendix: consolidated financial statements

Income statement

(€ m)	2009	2008
Sales	587.3	661.9
EBITDA*	82.4	108.0
% of sales	14%	16.3%
Operating income before non-recurring items	51.0	83.0
% of sales	8.7%	12.5%
Non-recurring items	(4.5)	10.3
Operating income	45.6	93.3
Finance costs, net	(10.4)	(12.1)
Current and deferred income tax	(9.5)	(24.2)
Net income from continuing operations	25.7	57.0
Net income from discontinued operations	(10.8)	(27.2)
Net income attributable to equity holders of the parent	14.9	29.8

* Operating income before non-recurring items + depreciation and amortization

Segment analysis

In millions of euros	Advanced Materials and Technologies		Electrical Components and Technologies	
	2009	2008	2009	2008
Sales	256	278	331	384
EBITDA*	49.8	61.3	45.8	62.6
% of sales	19.4%	22.0%	13.8%	16.3%
Operating income before non-recurring items	28.5	45.7	35.9	53.4
% of sales	11.1%	16.4%	10.8%	13.9%

* Operating income before non-recurring items excluding corporate costs + depreciation and amortization

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Paris, March 23, 2010

Statement of cash flows

(€ m)	2009	2008
Operating activities		
Cash flow before changes in the WCR	77.2	102.9
Changes in the WCR	43.1	(24.2)
Tax	(4.8)	(13.1)
Cash generated by discontinued operations	(20.2)	(5.2)
Cash generated/(used) by operating activities	95.3	60.4
Cash used by investing activities		
Capex	(47.6)	(63.9)
Changes in scope of consolidation	(24.5)	(73.4)
Cash generated by investing activities	(72.1)	(137.3)
Cash generated/(used) by operating and investing activities	23.2	(76.9)
Cash generated/(used) by financing activities		
Proceeds from issue of new shares and other increases in equity	87.6	(0.5)
Net dividends paid to shareholders and minority interests	(2.5)	(12.8)
Interest payments	(10.5)	(9.1)
Change in debt	(111.0)	138.6
Cash generated/(used) by financing activities	(36.4)	116.2
Change in cash	(13.2)	39.3

Condensed balance sheet

(€ m)	Dec. 31, 2009	Dec. 31, 2008
Assets		
Non-current assets	577.3	530.4
Inventories	138.5	165.9
Trade and other receivables	107.8	150.1
Other assets	11.1	46.0
Total	834.7	892.4
Liabilities and equity		
Equity	424.9	325.2
Provisions	1	46.2
Employee benefits	34.2	34.9
Trade and other payables	105.1	136.3
Other liabilities	54.6	43.9
Net debt	214.9	305.9
Total	834.7	892.4
Net debt/equity	0.5	0.93
Net debt/EBITDA	2.52	2.73

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Paris, March 23, 2010

The 2009 annual report and all the regulated information is available on the www.carbonelorraine.com website

Advanced Materials and Technologies:

- World number one in graphite anticorrosion equipment
- World number two in high-temperature applications of isostatic graphite

Electrical Components and Technologies:

- World number one in brushes for electric motors
- 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, SBF 120 and Next 150 indices.

*Find the latest about Carbone Lorraine on Bloomberg: **CRL FP** and on Reuters: **CBLP.PA***



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