

# CARBONE LORRAINE

*Dedicated Innovation, Dedicated Partner*



**Strong sales growth during  
the first quarter of 2008**

Paris, April 16, 2008

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## First-quarter 2008 sales (unaudited)

First-quarter 2008 sales came to €177 million, up 6.5% on a like-for-like basis. Growth reached 5% on a reported basis as a result of exchange rate fluctuations. New orders posted a brisk increase during the first three months of the year.

Sales	Q1 2007 (€ m)	Q1 2008 (€ m)	% change.* Q1 2008/ Q1 2007
Advanced Materials and Technologies	64	64	+5%
Electrical Applications	50	52	+4%
Electrical Protection	55	61	+10%
<b>Group total</b>	<b>169</b>	<b>177</b>	<b>+6.5%</b>

*\*on a like-for-like basis, i.e. at comparable scope and constant exchange rates – Unaudited data*

In the remainder of this press release, all the sales growth figures are indicated on a like-for-like basis, unless stated otherwise.

**PRESS RELEASE**

## **Advanced Materials and Technologies**

The sales recorded by the Advanced Materials and Technologies division climbed 5%,

- anticorrosion equipment sales held up at a high level. Deliveries of major projects are set to commence during the second quarter this year, resulting in significant growth.
- sales of graphite equipment for high-temperature applications advanced by 12.5%. They were boosted by strong demand from the photovoltaic industry and further expansion in sales to traditional markets. This growth was particularly pleasing because it did not include any sales generated by the new Chongqing plant, which dispatched its first shipments of internal supplies for the anticorrosion equipment business during the first quarter with a view to the major deliveries ahead.

## **Electrical Applications.**

The sales recorded by the Electrical Applications division grew by 4%:

- sales of small brushes declined slightly owing to the still depressed conditions prevailing in the North American automobile industry, but this was offset to some extent by strong growth in Asia.
- sales to industry grew by 9%. Business trends were particularly strong in the wind energy segment, as were sales of replacement brushes through Carbone Lorraine's global network of local workshops.

## **Electrical Protection**

The sales recorded by the Electrical Protection division again posted very strong growth, which reached 10%.

Growth was brisk across all geographical regions and all product categories. Momentum in the North American market was again very strong across all distribution channels, especially sales to electrical equipment manufacturers, since their export business was boosted by the weakness of the US dollar.

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## **Key events of the quarter**

### **Disposal of the rail and motorcycle braking business**

The sintered brake business for rail and motorcycle applications was sold to the Faiveley group on April 1 for €26 million. This business posted sales of €5 million during the first quarter of 2008.

The carbon-carbon composite aerospace braking business remained part of Carbone Lorraine. New, fast-growing applications of this technology are developing in the Advanced Materials and Technologies division.

### **Acquisition of Xianda**

Chinese company Xianda was acquired at the end of the quarter. This company specializes in steel and stainless steel equipment for the chemicals, pharmaceutical and petroleum industries.

Xianda has worked with Carbone Lorraine for some time as one of the Group's suppliers and has earned a strong reputation for quality. Its production facilities are remarkable in terms of their size and handling equipment and will deliver a significant boost to the Group's production capacity.

Carbone Lorraine's offering, which is predicated on highly reputed know-how in noble metals equipment, will also expand thanks to this acquisition. Xianda possesses recognized expertise in very large steel and stainless steel equipment. The good fit between these two skill sets will help to establish Carbone Lorraine as a key partner for the chemicals and pharmaceutical industries in China.

Xianda posted 2007 sales of \$20 million, a figure set to record very rapid growth on the back of technical and revenue enhancement synergies.

### **Carbone Lorraine's financial position**

The Group's financial situation remains in very good shape. Its financial resources have been strengthened by the disposal of the braking business. The sale proceeds will help to finance the Group's expansion plans.

### **Attractive outlook**

Growth in the Group's first-quarter sales was thus in line with trends recorded in previous quarters after taking into account the different timing compared with last year of deliveries of large orders of anticorrosion equipment.

New orders booked during the quarter were again higher than in the previous year and should ensure that Carbone Lorraine records strong growth over the first half of the year.

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## About Carbone Lorraine

World leader of graphite solutions and electrical components, Carbone Lorraine specializes in the implementing of high technology materials in demanding industrial environments and in the development of systems, which are fundamental to the smooth operation of the motor and the protection of electrical equipment. With over 85% of its sales carried out internationally, the Group holds leadership positions in all of its occupations.

- Advanced Materials and Technologies:
- N°1 worldwide in anti-corrosion equipment in graphite
  - N°2 worldwide in high temperature applications of isostatic graphite
- Electrical Applications:
- N°1 worldwide in brushes for electrical motors
- Electrical Protection:
- N°1 worldwide in fuses for powerful semi-conductors
  - N°2 worldwide in industrial fuses

*The Group is listed at Premier Marché de la Bourse de Paris and is a part of the following indices CAC Mid100, SBF120 et Next 150.*

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



**Visit our Internet website [www.carbonelorraine.com](http://www.carbonelorraine.com)**

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