



Business slowdown continues during the third quarter of 2009

Paris, October 20, 2009

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During the third quarter of 2009, Carbone Lorraine posted consolidated sales of €137 million, down 16% on a reported basis and down 21% on a like-for-like basis. As forecast, this contraction was on a par with that recorded in the previous quarter.

While trends in the Group's industrial markets remained very slow, certain signs of improvement were evident in electronics and in certain electrical protection markets.

Over the first nine months of the year, sales amounted to €440 million, down 9% on a reported basis and down 16% on a like-for-like basis.

Sales	Q3 2009 (€ m)	% change* Q3 2009/ Q3 2008	9m 2009 (€ m)	% change* 9m 2009/ 9m 2008
Advanced Materials and Technologies	58	-20%	192	-12%
Electrical Components and Technologies	79	-21%	248	-18%
Group total	137	-21%	440	-16%

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

Advanced Materials and Technologies

The sales recorded by the Advanced Materials and Technologies segment came to €58 million during the third quarter, down 20% on a like-for-like basis.

There have not been any signs of recovery in the traditional industrial markets for graphite equipment. Conversely, in the electronics markets, sales to manufacturers of semiconductors and LEDs have been growing for several months.

PRESS RELEASE

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Sales of anticorrosion equipment for the solar energy market also remained very brisk.

Sales came to €192 million during the first nine months of the year. They dropped by 12% on a like-for-like basis.

Electrical Components and Technologies

Third-quarter sales fell back 21% on a like-for-like basis to reach €79 million.

Sales of equipment for industrial motors again directly bore the brunt of the slowdown in industrial output in Europe and North America. Conversely, they moved higher in Asia. Wind energy markets remained brisk, except in Europe where they were affected by inventory run-downs.

Electrical protection sales moved lower during the quarter, but signs of improvement were visible in Europe and Asia. Business trends were again weak in North America.

During the first nine months of the year, the Electrical Components and Technologies segment recorded sales of €248 million, down 18% on a like-for-like basis.

Key events of the third quarter

During the quarter, the Group announced the acquisitions of **2C Cellier** and **Lumpp**.

Thanks to its expertise in boilermaking equipment for nuclear energy markets, **2C Cellier** will enable Carbone Lorraine to supply its equipment to the nuclear energy market, notably in China, where it recently strengthened its manufacturing base.

Lumpp, a well-known player in the market for stirrers and mixers for the fine chemicals and pharmaceuticals sectors, will provide valuable additions to its product range in these markets.

Group finances

The **€63.4 million** increase in the capital with preferential subscription rights for shareholders launched on September 18 met with considerable success. It will enable Carbone Lorraine to continue pursuing its growth initiatives while strengthening its balance sheet structure.

Outlook

Carbone Lorraine is reaping the benefit of its upbeat positions in the still dynamic markets of **renewable energies, energy efficiency** and Asia. This invaluable positioning will help to mitigate the impact of the economic crisis. Signs of improvement in economic conditions are also starting to appear in certain markets, but these are still not sufficient to drive a significant recovery in sales in the short term.

Against this backdrop, the Group continues to implement measures to cut costs and maximize cash flows, thereby preparing itself to reap the full benefit of the recovery once it materializes.

(*) on a like-for-like basis

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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 Components and Technologies:
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

Analyst and Investor Contact

Sébastien Desarbres
VP Investor Relations
Carbone Lorraine

Tel.: +33 (0)1 46 91 54 49
dri@carbonelorraine.com

Press Contact

Publicis Consultants
Vilizara Lazarova

Tel.: +33 (0)1 57 32 86 46
vilizara.lazarova@consultants.publicis.fr

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