



INAUGURATION OF A WORKSHOP IN CHINA

Paris, May 20, 2005

Press Release

On Wednesday May 18, Carbone Lorraine inaugurated its new graphite machining workshop in Kunshan, a city with 2 million inhabitants in the suburbs of Shanghai.

Around a hundred guests, including customers from China, Japan, South Korea and Europe, press, radio and TV journalists and local dignitaries visited the workshop, witnessed the traditional dragon dance and joined in the other celebrations.

“We are delighted that Carbone Lorraine, a company with a strong international reputation in its areas of expertise, has come to Kunshan” said Mr. Xia, the city’s mayor.

The new workshop, which has over 6,000m² in space, will focus primarily on the high temperature applications of graphite. It is ideally located to penetrate the fast-growing Chinese market and the Japanese market, which is very large for electronics applications.

By the end of 2006, the new manufacturing facility under construction at Chongqing, the cornerstone of the Group’s expansion strategy in Asia, is set to supply this new workshop with graphite blocks. In the meantime, they will be supplied by the US plant in Pennsylvania, allowing the new unit to take significant orders straight away.

Aside from tooling and selling isostatic graphite products, the Kunshan facility also houses a manufacturing workshop for flexible graphite, which is used to replace asbestos in watertight joints. This new unit, which has been built to western quality standards but with Chinese costs, will help the Group to expand significantly across all the world’s markets for this growing product.

This inauguration marks another welcome milestone in Carbone Lorraine’s strategy of expansion, which is predicated on innovation and geographical expansion, particularly in Asia. All in all, the Group’s new growth ventures aim to generate €150 million in additional sales by 2010, including one half in Asia.

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 graphite 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.

For further information, please visit our web site at www.carbonelorraine.com.

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