GARBORE LORRELOR Partner A new contract in anticorrosion equipment in China Paris, 12 July 2006

Carbone Lorraine, the world leader in graphite anticorrosion equipment, has won a significant contract in China.

The order is for 6m-long tubular graphite heat exchangers and will generate turnover of €4m over the next eight months. This equipment will be supplied in early 2007 to a Chinese manufacturer specialising in phosphoric acid concentration units, mostly used for the production of fertilisers. This market is growing by over 30% per year in China offering a promising source of growth for Carbone Lorraine.

Carbone Lorraine is the only company able to supply tubular graphite heat exchangers of such length. This competitive advantage enables the Group to supply its customers with joint-free, stronger equipment thus reducing maintenance operations.

In addition to this technical advantage, Carbone Lorraine's presence in China through its Shanghai workshop and the expertise of its local teams contributed to winning this substantial contract with a major Chinese company.

This success is the fruit of the investment made in 2005 in installing high-tech kilns at the Pagny-sur-Moselle site in the Lorraine region. It paves the way to significant gains in market share in the global chemicals industry.

Carbone Lorraine is now developing new standards in anticorrosion equipment thanks to its innovative solutions and its full product range. The Group has established itself as a major global player and has built significant positions in China, where it supplied about forty equipments over the past two years. These contracts fall within the scope of Carbone Lorraine's strategy of expansion in Asia and support of its customers growth through its innovation ability.

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PRESS RELEASE

About Carbone Lorraine

Carbone Lorraine is a world leader in graphite solutions and electrical components, specialising in the use of high-tech materials in highly demanding industrial environments and in the development of systems essential to a safe electrical motors' operation and to the protection of electrical equipment. With more than 85% of its sales realised outside France, the Group holds leadership positions in all of its core businesses.

Advanced Materials and Technologies - World number one in graphite anticorrosion equipment

- World number two in high-temperature applications of isostatic graphite

Electrical Applications - World number one in brushes for electric motors

Electrical Protection - 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, SBF120 and Next 150 indices.

Visit our website at www.carbonelorraine.com

Investor and Analyst Relations

Carbone Lorraine Investor Relations Department

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

Press Relations

Publicis Consultants Vilizara Lazarova

Tel.: +33 (0)1 44 43 74 81

vilizara.lazarova@consultants.publicis.fr