

**CARBONE LORRAINE:
CAPITAL INCREASE MORE THAN 5 TIMES OVERSUBSCRIBED**

The €62,982,326 share capital increase of Carbone Lorraine Group through the issuance of 2,489,420 new shares, each with a nominal value of €2, was a great success.

Demand for shares was 5.3 times higher than the number of shares offered. Subscriptions on an irreducible basis accounted for 97% of the new shares. Applications for excess shares amounted to 10,744,509 shares and will accordingly be served only to a very limited extent since there were only 68,730 shares left after allocation of subscriptions on an irreducible basis. Settlement and listing of the new shares is due to take place on Tuesday October 19.

As previously indicated, the proceeds of the capital increase will be used to implement organic growth projects, which include entering new markets and stepping up the pace of geographical expansion, especially in Asia. The Group has also endowed itself with the means to take advantage of selective acquisition opportunities.

“Our capital increase has been a success. I wish to thank all our shareholders, both existing and new, for participating in this rights issue and for the trust they have put in Carbone Lorraine. We will do everything we can to ensure that our strategy of profitable growth is a success for the Group and its shareholders” said Claude Coccozza, Carbone Lorraine’s Chairman and Chief Executive Officer.

This announcement is not an offer for sale of securities in the United States. The securities referred to herein may not be sold in the United States absent registration or an exemption from registration under the US Securities Act of 1933, as amended. Carbone Lorraine does not intend to register any portion of the offering of the securities in the United States or to conduct a public offering of the securities in the United States. Any offer of the securities to be made in the United States will be made only by means of an offering memorandum, which will contain detailed information about the company and its management and financial statements. Copies of this announcement are not being made and may not be distributed or sent into Canada or Japan.

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Reminder:

Carbone Lorraine is an industrial group specialising in electrical components (brushes for electric motors, magnets and industrial fuses) and advanced materials and technologies. Well-established world-wide, the Group holds world-class positions in all its main markets:

- *Electrical Applications*
- *Permanent Magnets*
- *Electrical Protection*
- *Advanced Materials & Technologies*
- *World # 1 in brushes for electric motors*
- *World # 3 in magnets for automobiles*
- *World # 2 in industrial fuses*
- *World # 1 in thermal anti-corrosion equipment*
- *World # 2 in high-temperature applications of isostatic graphite*

The Group is listed on the Premier Marché of the Paris Stock Exchange and is a constituent of the SBF 120 and Next 150 indices.

To find out more about the Group, please visit our website at www.carbonelorraine.com

Contact Investor Relations
Carbone Lorraine
Eric BONNEM

Tel.: +33 (0)1 46 91 54 48
Fax: +33 (0)1 46 91 54 07
eric.bonnem@carbonelorraine.com

Contact Press Relations
Publicis Consultants.Ecom
Raphaëlle RICO

Tél. : +33 (0)1 44 43 75 90
Fax : +33 (0)1 44 43 75 65
raphaelle.rico@consultants.publicis.fr

