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<p style="text-align: center;">CARBONE LORRAINE: START OF THE SUBSCRIPTION PERIOD FOR THE CAPITAL INCREASE</p>

The subscription period for Carbone Lorraine's capital increase begins today, i.e. September 23.

During an online forum with users of the Boursorama web site on Tuesday September 21, 2004, Claude Coccozza had the opportunity to answer questions and to express himself again about the Group's expectations and objectives in connection with its capital increase.

For the first time in three years, the Group posted an increase in sales during the first six months of 2004 compared with the prior year on a like-for-like basis. This trend is set to continue during the second half-year, with sales growth expected to reach 3% like-for-like over the full year. Talking about the Group's results, the Chairman and CEO reiterated an operating margin of 8% for the current year, plus an operating margin of 10% for 2005. These two anticipated performances are predicated on the successful execution of the savings plan.

The Group wants to go even further, and that is why it is launching 20 or so organic growth projects, which are expected to generate €30-150 million in additional sales over the next 4 or 5 years.

The €63 million capital increase will enable Carbone Lorraine to finance investment of around €100 million in organic growth projects, with spending concentrated mainly in 2005 and 2006. The corresponding earnings will show up primarily from 2006 onwards. In the meantime, however, the Group will benefit from the additional effects of the savings plan, which will drive significant growth in earnings per share in 2005.

The organic growth projects ready to be launched include capacity extensions for the production of graphite blocks sold to customers who manufacture semiconductors.

Another plan involves developing a manufacturing process helping to deliver cost savings of 20-30% in anti-corrosion equipment made from noble metals. This process, which is patented in the US and Europe, involves cladding steel with tantalum or titanium instead of using blocks of these metals.

Carbone Lorraine also plans to expand production of fuses sold under the brand name of the leading electrical equipment suppliers.

The Chairman and CEO confirmed that Asia represents an important avenue of expansion for Carbone Lorraine, with growth rates of 8-10% p.a. outside Japan. Carbone Lorraine is currently in the process of opening up 6 new workshops in the region, particularly in high-temperature applications of graphite, fuses and anti-corrosion equipment. As a result, it will be able to serve the Chinese market, in which it already has market share of 40% in graphite heat exchangers.

Using China as a platform for expansion, Carbone Lorraine intends to increase its penetration of certain Japanese markets (electronic applications of graphite). The Group first established a sales presence in India 30 years ago and has had a manufacturing base there since 1995. Alongside Japan and China, India represents the Group's third priority market for expansion in Asia.

In response to a question about the Magnets division, the Chairman and CEO confirmed that the division posted a positive operating margin ahead of schedule, i.e. at the end of June 2004 instead of the end of December 2004. This should speed up the process of looking for a partner to secure the division's future. Carbone Lorraine's preferred option would be to entrust the Magnets division to an automotive-focused industrial group.

Lastly, The Chairman and CEO stated that a resolution concerning payment of a dividend from 2004 earnings would be proposed at the 2005 Annual General Meeting. Generally speaking, Carbone Lorraine pays out a dividend of around 30% of net income.

**For any further information, Carbone Lorraine has set up a
toll-free number: 0 800 85 85 85
(from a fixed line or mobile phone on French territory only)**

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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

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