



Carbone Lorraine has finalized its first acquisition in China by purchasing 100% of Xianda, a Chinese company specializing in the manufacturing of advanced technology equipment in steel and stainless steel for the chemicals and pharmaceuticals markets.

Stronger manufacturing base, richer product offering, penetration of new markets

Xianda, which is located in the suburbs of Shanghai, where it has 400 employees, has been a historical partner of Carbone Lorraine in terms of its supplies. This Chinese company is recognized for its high quality standards. In 2007, its sales exceeded \$20 million, with 80% deriving from Western companies operating in China and export markets, including, namely, major chemicals, pharmaceuticals and oil groups.

Thanks to this acquisition, Carbone Lorraine will strengthen its manufacturing base in China. Xianda owns an exceptional 67,000 m² facility that will complement Carbone Lorraine's anticorrosion sites, while significantly expanding its production capacity.

Aside from the industrial benefits of the deal, this acquisition will help to enrich Carbone Lorraine's offering, which is predicated on highly reputed expertise in noble metals equipment. For its part, Xianda possesses recognized expertise in very large steel and stainless steel equipment. The strong fit between these two skill sets will enable Carbone Lorraine to establish itself as a key partner for the modern Chinese chemicals and pharmaceuticals industry, which is generating steadily growing demand for noble metals.

By marketing this extensive range of products, Carbone Lorraine will consolidate its leadership positions, strengthen its presence in the fast-expanding acetic acid market and establish a foothold in the petrochemicals market.

The acquisition will also enhance the competitiveness of Carbone Lorraine, which will provide all of its units with the benefit a low-cost source of steel and stainless steel, since China has become the world's leading producer of these materials.

Thanks to the synergies harnessed through this link-up, the new unit's sales are expected to triple over five years.

This acquisition fits perfectly with Carbone Lorraine's profitable growth strategy, which is founded on bolstering its positions in Asia and establishing strong leadership in all its markets.

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PRESS RELEASE

About Carbone Lorraine

Carbone Lorraine is a world leader in graphite solutions and electrical components. The Group specialises 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 achieved outside France, the Group holds leadership positions in all of its core businesses.

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| 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.
Bloomberg ticker: **CRL FP** – Reuters ticker: **CBLP.PA***



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