

Paris, January 24, 2011

**2011 sales up close to 11%,
in line with the Group's objectives**

Mersen posted record consolidated sales of €829.6¹ million in 2011, representing an increase of 10.7% on a like-for-like basis compared with 2010. On a reported basis, growth ran at 11.9%, with the positive impact of acquisitions (€19 million, attributable in particular to M.Schneider and Yantai Zhifu Graphite), offset partially by negative currency effects.

<i>(in € millions)</i>	2011	2010	total growth	organic growth
Advanced Materials and Technologies	379.6	324.8	16.9%	15.2%
Electrical Components and Technologies	450.0	416.4	8.1%	7.2%
Group total	829.6	741.2	11.9%	10.7%
Europe	310.6	281.6	10.3%	7.5%
Asia-Pacific	214.0	178.7	19.7%	13.4%
North America	263.4	236.9	11.2%	15.8%
Rest of the world	41.6	44.0	-5.4%	-6.7%
Group total	829.6	741.2	11.9%	10.7%

The **Advanced Materials and Technologies** segment's sales posted organic growth of 15.2% during the year, beating the rate achieved in 2010:

- **Solar energy** sales recorded strong growth across the Group to reach €110 million or c. 13.5% of the Group's total sales,
- Business trends were brisk in **process industries** across all the Group's geographical regions,
- Trends in the **chemicals/pharmaceuticals** market showed strong growth, mainly in North America.

Sales growth in the **Electrical Components and Technologies** segment ran at 7.2% during the year, following on from organic growth of 12% in 2010:

- In **electronics** and **transportation**, growth was vibrant across all geographical regions.
- In the **energy** market, wind energy sales were boosted by the momentum of the replacement market in Europe and North America,
- In **process industries**, growth was relatively weak over the year as a whole, with a slowdown during the second half.

¹ Unaudited figures

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Growth was stronger in North America (32% of Group sales) and in Asia (26% of Group sales), with both regions getting a boost from the momentum of all the market segments, particularly solar energy. Europe recorded weaker growth due to the first signs of a slowdown in sales in process industries during the second half.

During the fourth quarter, sales came to € 202.4 million, representing an increase of 1.3% on a like-for-like basis. On a reported basis, change ran at -3.9% owing mainly to the negative net impact of over €10 million resulting from changes in the scope of consolidation in Europe during the fourth quarter.

(in € millions)	Q4 2011	Q4 2010	total growth	organic growth
Advanced Materials and Technologies	93.8	97.5	-3.7%	1.8%
Electrical Components and Technologies	108.6	113.0	-4.0%	0.9%
Group total	202.4	210.5	-3.9%	1.3%
Europe	74.9	91.7	-18.3%	-4.9%
Asia-Pacific	54.2	50.7	6.8%	2.3%
North America	63.2	58.8	7.6%	7.5%
Rest of the world	10.1	9.4	8.1%	8.4%
Group total	202.4	210.5	-3.9%	1.3%

Growth in the **Advanced Materials and Technologies** segment's sales slowed significantly during the quarter, mainly in high-temperature equipment for the **solar** industry, due to a very high base of comparison and slacker demand from solar cell manufacturers, which had built up inventories.

Excluding the solar market, growth in this segment reached around 10%. Sales in the **electronics** and **process industries** remained strong especially in Asia and North America. The **chemicals/pharmaceuticals** market continued to pick up, with moderate growth in North America and emerging markets and a high level of new orders. The order backlog in this market segment stands at a record high.

In **Electrical Components and Technologies**, the slowdown in **process industries** during the third quarter carried through into the fourth quarter. On the other hand, the **wind energy** market posted further growth in both the replacement and original-equipment segments. In the **electronics** and **transportation** segments, sales generally recorded weak growth compared with the same period of 2010.

2011 Objectives and Outlook

Mersen reiterates its 2011 operating margin target before non-recurring items of over 12% of sales, notwithstanding the weak organic growth recorded in the fourth quarter.

For the beginning of 2012, the Group anticipates a moderate contraction in sales (on a like-for-like basis) on the record levels achieved in 2011. This contraction is due to the slowdown in

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business trends in the solar energy market pending the absorption of solar cell inventories in China and an unfavorable macro-economic environment in Europe.

In this context, Mersen has taken measures to control costs and capital expenditures in order to adapt to the economic conditions prevailing at the beginning of the year.

The Group is confident in its ability to achieve further expansion, particularly in alternative energies and power electronics owing to its impressive competitive positioning and the solid partnerships it has built with its main customers. From 2012, it will be boosted by the contribution of Eldre, a company that joined the Group in early 2012, further underpinning its strategy in power electronics.

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Diary dates

Full-year 2011 results: March 15, 2012 (before the market opens)

About Mersen

Global expert in materials and solutions for extreme environments as well as in the safety and reliability of electrical equipment, Mersen designs innovative solutions to address its clients' specific needs to enable them to optimize their manufacturing process in sectors such as energy, transportation, electronics, chemical, pharmaceutical and process industries.

The Group is listed on NYSE Euronext Paris – Compartment B

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