

## Mersen: Third-quarter 2014 sales

***Stable performance in spite of weak business volumes in chemicals***

***Momentum in solar and electronics markets***

**Paris, October 29, 2014** – Mersen (Euronext FR0000039620 – MRN), a global expert in electrical specialties and graphite-based materials, recorded consolidated sales of €184 million in the third quarter of 2014.

*“Business trends during the quarter showed signs of improvement in the Asia-Pacific region and more broadly in the solar and electronics markets. As a result, the Group recorded stable quarterly sales despite the persistently challenging activity in chemicals. Given the macroeconomic situation, the Group is now expected to post a small organic contraction in its full-year sales. Nevertheless, the major emphasis placed by teams on boosting production efficiency will keep the Group’s current operating margin in line with our initial forecasts”,* commented Luc Themelin, Chairman of Mersen’s Management Board.

### **Third-quarter 2014 sales**

Group sales rose by 1.0% compared with the third quarter of 2013 on a reported basis, taking into account a mildly unfavorable currency effect (-0.2%) offset by the positive impact of Cirprotec’s consolidation. They declined by 0.3% on a like-for-like basis. Excluding the chemicals market (which includes the Sabic contract), the Group posted growth of over 2% during the quarter on a like-for-like basis.

<i>(in millions of euros)</i>	Q3 2014	Q3 2013	total growth	organic growth
Materials segment	70.3	72.7	-3.3%	-3.8%
Electrical segment	113.9	109.7	3.8%	2.0%
<b>Group total</b>	<b>184.2</b>	<b>182.4</b>	<b>1.0%</b>	<b>-0.3%</b>
Europe	68.5	68.7	-0.3%	-3.3%
Asia-Pacific	40.6	37.0	9.8%	8.5%
North America	65.8	67.7	-2.7%	-2.1%
Rest of the world	9.3	9.0	2.9%	-0.3%
<b>Group total</b>	<b>184.2</b>	<b>182.4</b>	<b>1.0%</b>	<b>-0.3%</b>

*Unaudited figures*

In **Europe**, the situation remains mixed. Germany continues to enjoy brisk trends in the solar energy (polysilicon) and transportation markets, but to a lesser extent than in the first half of the year. In contrast, business trends remained gloomy in France. Excluding chemicals, the region's organic growth came to over 1% during the quarter.

Demand was brisk in **Asia**, particularly in solar and wind energy. Sales in the South Korean electronics market were also strong.

Lastly, the top-line contraction in the **Americas** was mainly attributable to a slowdown in the chemicals sector, especially in business linked to shale gas extraction, and to a lesser extent, to sluggish trends in electrical distribution. Conversely, trends were buoyant in electronics and wind energy.

A lackluster chemicals market was mainly to blame for the organic decline in the **Materials** segment (fall of 3.8%). Excluding the chemicals market, organic growth was 2.8%. The Group reaped the benefits of brisk growth in the solar energy and electronics markets, while process industries contracted.

**Electrical segment** sales grew by 2.0% like-for-like. The renewable energies market (solar and wind energy) expanded. The transportation market experienced a small contraction, but the order backlog is encouraging in this market. The other markets were relatively stable.

### Nine-month 2014 sales

Group sales totaled €546.3 million in the first nine months of the year. This represented a decline of 2.3% compared with the same period in the previous year on a reported basis, and of 1.1% like-for-like.

<i>(in millions of euros)</i>	9 months 2014	9 months 2013	total growth	organic growth
Materials segment	209.8	226.3	-7.3%	-5.5%
Electrical segment	336.5	333.1	+1.0%	+1.9%
<b>Group total</b>	<b>546.3</b>	<b>559.4</b>	<b>-2.3%</b>	<b>-1.1%</b>
Europe	211.5	211.4	0.0%	-2.2%
Asia-Pacific	119.9	115.1	+4.2%	+7.0%
North America	189.0	204.0	-7.3%	-3.8%
Rest of the world	25.9	28.9	-10.5%	-6.7%
<b>Group total</b>	<b>546.3</b>	<b>559.4</b>	<b>-2.3%</b>	<b>-1.1%</b>

*unaudited figures*

### Financial position

Group debt at September 30, 2014 increased slightly on the June 30, 2014 level, owing primarily to the impact of currency effects. This also included €9 million related to the payment of the dividend.

## Outlook

In the fourth quarter, weak sales in chemicals are likely to be partially offset by a healthy performance in the solar and electronics markets, and the Group should benefit from a positive currency effect. However, Mersen expects the lackluster economic environment to take a toll on its top line in the final quarter of the year.

Accordingly, Mersen now forecasts a small organic contraction in its full-year sales, rather than the small increase it had previously anticipated. It nevertheless reiterates its target of a small improvement in the operating margin before non-recurring items compared with 2013.

Furthermore, the final decisions concerning the Transform Plan have now been finalized. In addition to the projects in progress in the United States and in Europe, the Group has decided to halt its production of stainless steel equipment for the chemicals market. Mersen is set to downsize the relevant site in China. This move is included in the €30 million in costs already released by the Group for the Transform Plan as a whole.

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Financial calendar

2014 sales: January 29, 2015 after market closing

## About Mersen

Global expert in electrical specialties and graphite-based materials, 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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