

THIRD-QUARTER SALES OF €192 MILLION, UP 4.1% ON 2014

- SOLID PERFORMANCE IN THE GROUP'S GROWING MARKETS, BUT TOP LINE HURT BY THE CHEMICALS MARKET
- OUTLOOK FOR 2015 ADJUSTED TO REFLECT PERSISTENTLY DISAPPOINTING CONDITIONS IN THE UNITED STATES AND A DOWNBEAT ENVIRONMENT IN EUROPE IN THE SECOND PART OF THE YEAR

PARIS, OCTOBER 28, 2015 - Mersen (Euronext FR0000039620 – MRN), a global expert in electrical specialties and graphite-based materials, has today reported its sales figures for the first nine months of the year.

“In the third quarter, our expanding markets—renewable energies, electronics and transportation—demonstrated their strength. However the environment has deteriorated in Europe as the year draws to a close and the situation is tough in the United States as a result of the slowdown in industrial production. Despite these economic conditions, the Group’s financial structure is very strong. I remain confident in Mersen’s ability to win market share owing to our teams’ work on sales efficiency and the relevance of our innovations, which are both factors of differentiation”, stated Luc Themelin, Chairman of Mersen’s Management Board.

THIRD-QUARTER SALES

Mersen’s third-quarter 2015 sales grew by 4.1% by comparison with the year-earlier quarter. They declined by 3.2% at constant exchange rates. Excluding the chemicals market, the Group posted growth of close to 1% during the quarter on a like-for-like basis.

	Q3 2015	Q3 2014	TOTAL GROWTH	ORGANIC GROWTH*
MATERIALS SEGMENT	69.5	70.3	-1.2%	-9.1%
ELECTRICAL SEGMENT	122.3	113.9	7.4%	0.6%
GROUP TOTAL	191.8	184.2	4.1%	-3.2%
EUROPE	63.0	68.5	-8.1%	-8.8%
ASIA-PACIFIC	45.0	40.6	10.7%	1.2%
NORTH AMERICA	74.0	65.8	12.4%	-2.9%
REST OF THE WORLD	9.8	9.3	6.1%	17.5%
GROUP TOTAL	191.8	184.2	4.1%	-3.2%

*On a like-for-like basis (no changes in scope in this quarter)

In the third quarter, general trends in **Europe** deteriorated since the economic environment has worsened. In **Asia**, the situation improved with firm performances in India, South Korea and Taiwan, while business in China continued to decline. In the **Americas**, electrical distribution sales disappointed again, as did sales to the oil industry in both the United States and Canada.

NINE-MONTH 2015 SALES

Mersen posted nine-month 2015 consolidated sales of €588 million, up 7.6% compared with 2014. On a like-for-like basis, they dropped 2% compared with the same period of the previous year. Excluding the chemicals market, organic growth ran at close to 2% over first nine months of the year owing to the strength of the Group's other markets.

	9 MONTHS 2015	9 MONTHS 2014	TOTAL GROWTH	ORGANIC GROWTH*
Materials segment	219.0	209.8	4.4%	-6.4%
Electrical segment	369.0	336.5	9.7%	0.8%
GROUP TOTAL	588.1	546.3	7.6%	-2.0%
Europe	200.2	211.5	-5.4%	-7.0%
Asia-Pacific	132.8	119.9	10.8%	-1.6%
North America	225.5	189.0	19.3%	0.3%
Rest of the world	29.6	25.9	14.4%	17.9%
GROUP TOTAL	588.1	546.3	7.6%	-2.0%

*On a like-for-like basis (no changes in scope in this period)

Materials segment sales totaled €219 million, representing an organic contraction of 6.4% over the period. The situation in the chemicals market was primarily to blame for this decline. Excluding this market, the segment's organic growth was over 3% in positive territory with the aerospace and electronics markets leading the way.

Electrical segment sales came to €369 million in the first nine months of 2015, up 0.8% on a like-for-like basis. The energy market was upbeat in both wind and solar. Sales to the rail transportation and process industry sectors were stable, while electronics sales dipped, particularly in Europe as a result of the lower number of projects.

In **Europe**, the sales contraction compared to 2014 was the result of an unfavourable environment especially in the 3rd quarter and the result of the comparatives set by the Sabic contract. However, the Group achieved significant growth in aerospace transportation and solar energy. In **Asia**, the picture was mixed. India, South Korea and Taiwan delivered strong growth while performance in China was dragged down by the discontinuation of carbon-steel equipment products. In the **Americas**, the electronics and wind energy markets moved in the right direction. Conversely, the chemicals and electrical distribution markets experienced a contraction.

OUTLOOK

The Group continues to develop in its growing markets, particularly renewable energies and electronics, by drawing on its expertise and its strong international presence.

Yet, owing to a disappointing third quarter of 2015 in Europe and the United States and lackluster expectations for the remainder of the year, Mersen now foresees an organic contraction in its full-year sales. A decline of between 2% and 3% is anticipated, rather than the stable performance which was previously forecast. Accordingly, the Group now expects a full-year operating margin before non-recurring items of around 7.5% of sales rather than the 8.6% announced previously given the volume decline, unfavorable product mix and further pricing pressures in certain regions.

In this context, the Group continues to bolster its flexibility and its competitiveness by stepping up its program of operational excellence and marketing efficiency around the world.

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.

Mersen, with 6,400 employees working across 35 countries, recorded sales of 731 million euros in 2014.

THE GROUP IS LISTED ON Euronext Paris – COMPARTMENT B

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