Paris - October 24, 2012

Third-Quarter 2012 Sales

- Slowing business

- Stepped-up adjustment initiatives

Consolidated sales amounted to **€203.3 million** in the third quarter of 2012. This represented a decline of **2.2% as reported**, after the positive impact of the consolidation of Eldre and the favorable €14.5-million currency effect. At constant scope of consolidation and exchange rates (**like-for-like**), the decline was **12.2%**.

	Q3 2012	Q3 2011	Organic growth	Reported growth
Advanced Materials and Technologies	89.0	96.3	-15.7%	-7.6%
Electrical Components and Technologies	114.3	111.4	-9.2%	2.6%
Consolidated total	**203.3**	**207.8**	**-12.2%**	**-2.2%**
Europe	69.9	77.7	-16.1%	-10.1%
Asia-Pacific	51.1	56.2	-17.8%	-9.1%
North America	70.5	66.1	-8.8%	6.7%
Rest of the world	11.7	7.8	40.5%	51.1%
Consolidated total	**203.3**	**207.8**	**-12.2%**	**-2.2%**

Unaudited figures

Quarterly performance was shaped by weak demand in the solar market, particularly in Asia, with total sales of €12 million versus €32 million in the prior-year period. The European economy continued to deteriorate, with the slowdown that emerged in Germany in the second quarter persisting into the third. On the other hand, excluding the solar market, business remained firm in Asia, particularly in the chemicals-pharmaceuticals market, and close to prior-year levels in North America.

"*Mersen believes that the end of the year will be more difficult than expected due to the pronounced slowdown in our markets, notably at the end of the quarter, and to the delayed recovery in our solar sales*," commented Luc Themelin, Chairman of the Management Board. "*In response, the Group has decided to step up its adjustment initiatives to reduce its cost base*."

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Sales in the ***Advanced Materials and Technologies*** division came to €89.0 million in the third quarter, down 15.7% like-for-like. This substantial contraction was primarily attributable to the fall-off in sales to the solar industry and to the decline in the European market.

Excluding solar sales, division sales rose by 7.6% like-for-like. Demand was sustained in the chemicals-pharmaceuticals segment and in process industries in the United States and Asia. On the other hand, business in the electronics market has been lackluster, mainly due to lower demand from semiconductor manufacturers.

The ***Electrical Components and Technologies*** division delivered sales of €114.3 million for the quarter, including sales from Eldre, which has been consolidated since the first of the year. This represented an increase of 2.6% as reported and a decline of 9.2% like-for-like.

The contraction was felt across all markets, particularly in electronics due to the decline in capital spending on power grids and transportation systems. Sales in the windpower market also ended the quarter down, with fewer original equipment projects, although replacement sales remained firm.

For the first nine months of the year, sales stood at €630.3 million, in line with the prior-year figure of €627.1 million as reported, but down 8.1% on a like-for-like basis. Excluding the solar segment, like-for-like business volume was on a par with 2011.

	9 months 2012	9 months 2011	Organic growth	Reported growth
Advanced Materials and Technologies	273.2	285.7	-10.6%	-4.7%
Electrical Components and Technologies	357.1	341.4	-5.9%	4.6%
Consolidated total	**630.3**	**627.1**	**-8.1%**	**0.5%**
Europe	220.6	235.6	-11.8%	-6.4%
Asia-Pacific	162.2	159.8	-7.5%	1.5%
North America	212.9	200.2	-6.7%	6.4%
Rest of the world	34.6	31.5	8.1%	10.0%
Consolidated total	**630.3**	**627.1**	**-8.1%**	**0.5%**

Outlook

The persistent uncertainty in the global economy is leading the Group to take a cautious view of the remaining months of 2012. Moreover, the upturn in solar orders is likely to be delayed due to the worsening finances of Chinese cell manufacturers and the increase in import tariffs on Chinese solar cells, already introduced in the United States and under discussion in Europe. As a result, the Group expects like-for-like sales to end the year down by around 8%, with a recurring operating margin of about 9% of sales.

In response, Mersen has decided to step up its adjustment initiatives in the final quarter. The productivity and cost control plans undertaken late last year will be pursued, while the Group also intends to restructure several facilities worldwide. Non-recurring expenses, including restructuring costs, should end the year at around €10 million. The savings delivered by these new measures should reduce the cost base by €10 million over the full year.

In addition, the Group has undertaken an in-depth review of its business portfolio, which could soon lead to the disposal of certain non-strategic and unprofitable product lines representing a low level of sales.

Financial position

Net debt rose slightly in the third quarter following payment of €19 million in dividends in July and outlays related to the capital expenditure programs.

In addition, last July, Mersen obtained bank lines of credit for a total of €215 million to replace the syndicated credit facility that was due to expire in July 2013. Following the transaction, Mersen had €425 million in confirmed financing. The average maturity of the drawn-down amounts was close to five years.

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Financial calendar

2012 sales: January 30, 2013 after close of trading
2012 earnings: March 20, 2013 before start of trading

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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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