

2015 SALES OF €777 MILLION

- SOLID PERFORMANCE IN THE GROUP'S EXPANDING MARKETS, BUT TOP LINE HELD BACK BY CHEMICALS
- OPERATING MARGIN BEFORE NON-RECURRING ITEMS OF 7.5% STILL TARGETED
- AROUND €25 MILLION IN NON-RECURRING CHARGES IN 2015 – MOSTLY NON-CASH ITEMS
- DIVIDEND SIMILAR TO 2014 FIGURE (0.5€ PER SHARE)

PARIS, JANUARY 28, 2016 – Mersen (Euronext FR0000039620 – MRN), a global expert in electrical specialties and advanced materials, has reported full-year 2015 consolidated sales of €777 million.

“Our 2015 sales grew by more than 6% on the previous year. On a like-for-like basis, they decreased by 2.3% owing to a steep contraction in the chemicals market during the year. Excluding chemicals, we posted growth of close to 1% thanks to the healthy performance in the renewable energies, electronics and aerospace markets.

In addition, we made adjustments to our organizational structure to make us more efficient and responsive in our markets and to better focus all our teams on high-potential customer applications. I have every confidence in the commitment of all our employees and in our ability to continue Mersen's transformation. Our aim is to adapt to the changing environment and to give us an edge so we can win market share in 2016”, commented Luc Themelin, Chairman of Mersen's Management Board.

2015 SALES

Mersen posted full-year 2015 consolidated sales of €777 million, up 6.3% compared with the previous year, with a positive currency effect of €64 million. On a like-for-like basis, the top line contracted by 2.3% compared with the previous year. Excluding the chemicals market, organic growth ran at close to 1%.

	2015	2014	total growth	organic growth*
Materials segment	288.3	280.0	3.0%	-6.6%
Electrical segment	488.9	450.9	8.4%	0.4%
Group total	777.2	730.9	6.3%	-2.3%
Europe	266.0	279.5	-4.8%	-6.2%
Asia-Pacific	179.9	161.3	11.5%	0.1%
North America	291.3	256.3	13.7%	-2.9%
Rest of the world	40.0	33.8	18.4%	25.2%
Group total	777.2	730.9	6.3%	-2.3%

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

Materials segment sales totaled €288 million, representing an organic contraction of 6.6% over the period. The situation in the chemicals market was primarily to blame for this decline. Excluding chemicals, the segment's organic growth ran at over 1% on the back of a very firm performance in aerospace and electronics markets. Conversely, process industries posted a contraction.

Electrical segment sales came to €489 million over the full year, up 0.4% on a like-for-like basis. The energy market was upbeat, particularly in the wind and solar segments. Sales to the rail transportation and process industry sectors were stable, while electronics sales slowed down, owing to a limited number of new projects.

In **Europe**, the sales contraction compared with 2014 was driven largely by the unfavorable conditions in the chemicals market, with lower levels of investment and the non-renewal of the Sabic contract. However, the Group recorded significant growth in aerospace and solar energy. In **Asia**, the situation improved gradually during the year in China. India, South Korea and Taiwan delivered strong growth. In the **Americas**, the electronics and wind energy markets flourished. Conversely, the chemicals and electrical distribution markets experienced a contraction, as did the oil industry in the United States and Canada.

FOURTH-QUARTER SALES

Fourth-quarter 2015 sales declined 3.2% at constant exchange rates.

	Q4 2015	Q4 2014	total growth	organic growth*
Materials segment	69.3	70.2	-1.2%	-7.0%
Electrical segment	119.8	114.4	4.7%	-0.8%
Group total	189.1	184.6	2.5%	-3.2%
Europe	65.8	68.0	-3.1%	-3.9%
Asia-Pacific	47.1	41.4	13.7%	5.6%
North America	65.8	67.2	-2.2%	-12.6%
Rest of the world	10.4	8.0	31.3%	49.9%
Group total	189.1	184.6	2.5%	-3.2%

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

Unaudited figures

The fourth quarter trend was in line with the third quarter. In **North America**, sales to electrical distributors displayed further weakness, contracting more significantly in this quarter since distributors had built up a high level of inventories late last year. In addition, business in the chemicals and oil industry remained sluggish. In **Europe**, Germany and France posted growth outside the chemicals market, but economic conditions were not very supportive. Conversely, business in **Asia** was brisk, including good performances in India and Japan. Growth in the **Rest of the World** was driven by hydropower in Brazil and fertilizer production in Morocco.

2015 RESULTS

Mersen reiterated its objective – as amended in October 2015 – of a full-year operating margin before non-recurring items of around 7.5% of sales.

The Group will book around €25 million mostly non-cash net non-recurring charges in its 2015 financial statements. This amount largely consists of impairment losses recognized on tangible and intangible assets, reflecting low activity levels in the chemicals market and underutilization of some graphite production equipment. Other contributing factors includes write-downs of deferred tax assets and, as expected, the final charges related to the Transform plan.

In addition, the Group plans to sell a non-core brazing technology business during 2016. Accordingly, the unit will be accounted for as an asset held for sale in the 2015 financial statements. This will have a negative impact of around €5 million on sales and €4 million on net income. The impact on operating income before non-recurring items will not be material.

The Group's net income 2015 is again likely to be in positive territory, at around the same level as in 2014.

At the Annual General Meeting on May 11, 2016, the Group plans to propose a dividend per share equivalent to 2014 (€0.5 per share).

NEW ORGANIZATION

As announced at the beginning of December 2015, Mersen has made adjustments to its internal organization, reflecting the priorities of its expansion strategy. The reporting will now consist of 2 business segments: i) the **Advanced Materials** segment which brings together the AMT⁽¹⁾ businesses, graphite specialties for high-temperature applications and anti-corrosion equipment, and power transmission technologies, previously in the ECT⁽¹⁾ segment; ii) the **Electrical Power** segment which brings together the two businesses related to the electrical market – solutions for power management and electrical protection and control.

In the Group's new configuration, the figures for 2015 and 2014 are as follows:

	Advanced Materials segment (AM)				Electrical Power segment (EP)			
	2015	2014	<i>total growth</i>	<i>organic growth*</i>	2015	2014	<i>total growth</i>	<i>organic growth*</i>
Q1	108.8	101.0	7.8%	-2.6%	86.9	79.1	9.8%	-0.2%
Q2	111.1	100.4	10.5%	-1.1%	89.5	81.6	9.7%	-1.5%
Q3	103.9	102.5	1.4%	-5.2%	87.9	81.7	7.5%	-0.7%
Q4	100.7	100.0	0.7%	-3.8%	88.4	84.6	4.5%	-2.4%
Total	424.5	403.9	5.1%	-3.2%	352.7	327.0	7.8%	-1.2%

(1) Reporting until December 31, 2015

The figures published for 2015 and 2014 were as follows:

	Materials segment (AMT)				Electrical segment (ECT)			
	2015	2014	<i>total growth</i>	<i>organic growth*</i>	2015	2014	<i>total growth</i>	<i>organic growth*</i>
Q1	74.3	71.7	3.7%	-7.7%	121.4	108.4	12.0%	2.6%
Q2	75.2	67.8	10.9%	-2.4%	125.4	114.2	9.7%	-0.6%
Q3	69.5	70.3	-1.2%	-9.1%	122.3	113.9	7.4%	0.6%
Q4	69.3	70.2	-1.2%	-7.0%	119.8	114.4	4.7%	-0.8%
Total	288.3	280.0	3.0%	-6.6%	488.9	450.9	8.4%	0.4%

NEXT REPORTING DATES

2015 results: March 9, 2016, before the market opens - Meeting at 10am.

ABOUT MERSEN

Global expert in electrical power and advanced materials, Mersen designs innovative solutions to address its clients' specific needs to enable them to optimize their manufacturing performance in sectors such as energy, transportation, electronics, chemicals, pharmaceuticals and process industries.

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