



**2012 FULL-YEAR
RESULTS**

MERSEN

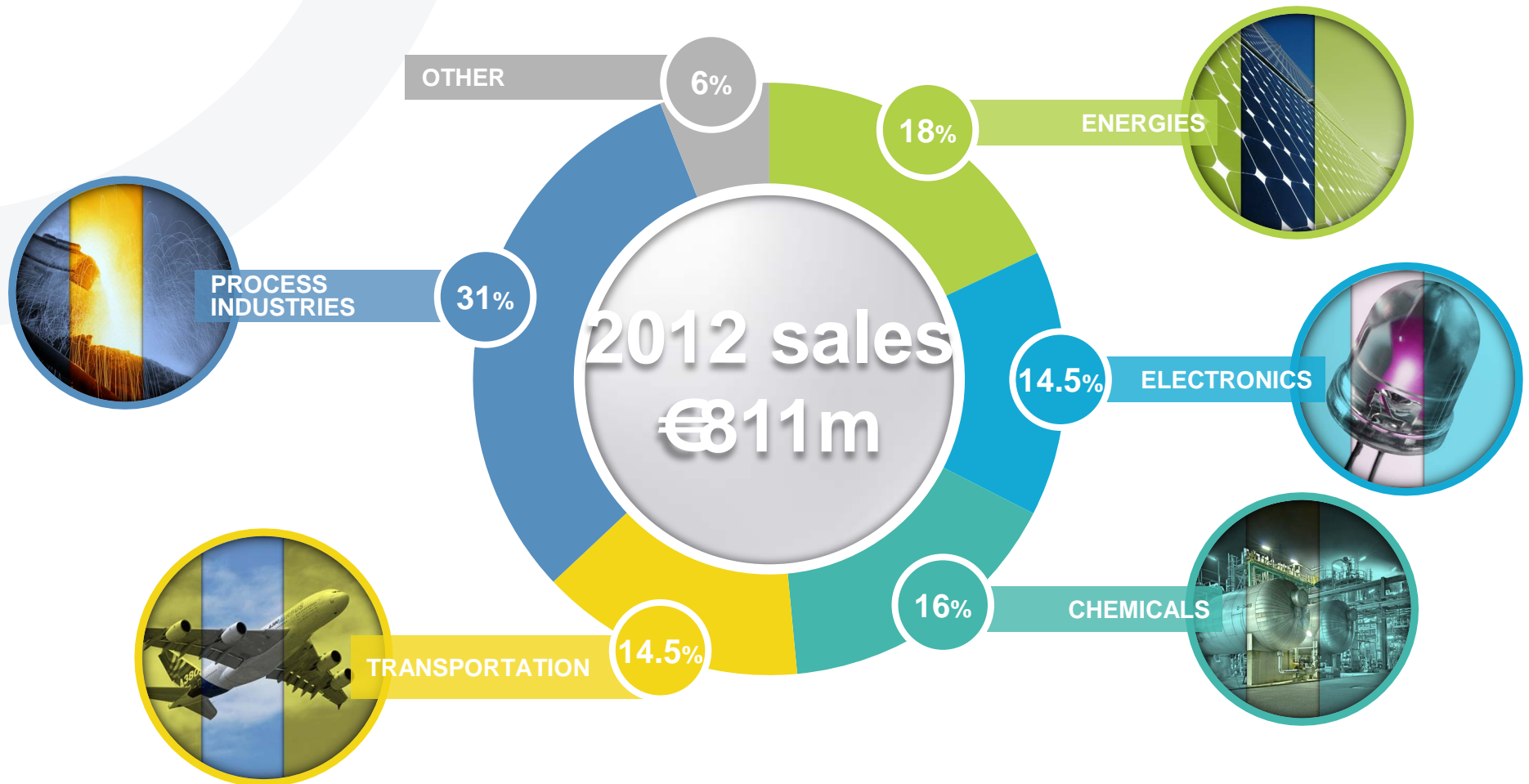
A vibrant night street scene in Hong Kong, featuring neon signs for various businesses like '淘金少藥拿' (SANDS), '嘉賓賓館' (Guest Hotel), and '黃珍珍 泰國菜館' (Wong Chun Chun Thai Rest.). A red double-decker bus with 'パンダバス' (Panda Bus) branding is visible. Pedestrians are walking on the street, and a taxi is in the foreground. The scene is illuminated by colorful neon lights.

2012

A YEAR OF ADAPTATION

LUC THEMELIN
CHAIRMAN OF THE MANAGEMENT
BOARD

MERSEN: EXPOSURE TO 5 MAIN MARKETS



2012: A YEAR OF MIXED ENVIRONMENT

STRATEGIC MARKETS IN A TRANSITION PHASE



ENERGIES

A year of transition for **renewable energies**
(wind and especially solar)
Solid demand in **conventional energies**



ELECTRONICS

Contribution from Eldre in **power electronics**
Slowdown in certain **investments**
(power grids and rail transportation)
Lower semiconductor **production**

EXPANDING MARKETS



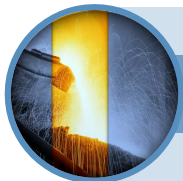
CHEMICALS

Sabic contract: critical noble metal equipment, customized range
AkzoNobel contract: skids, innovative heat recovery system
Shale gas: HCl manufacturing systems used for drilling



TRANSPORTATION

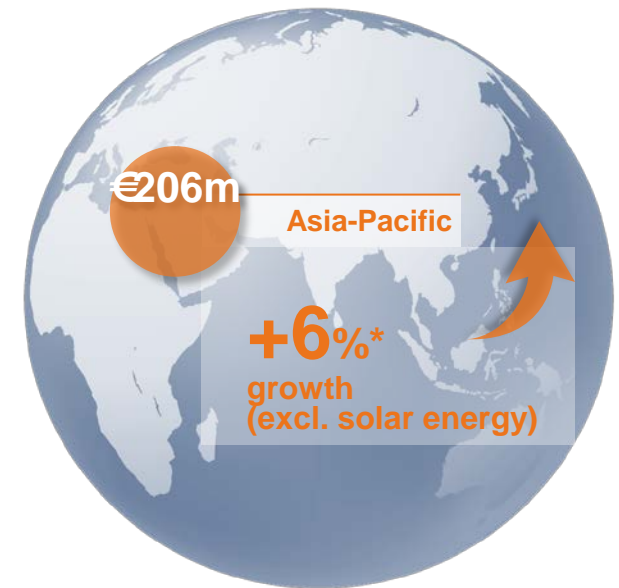
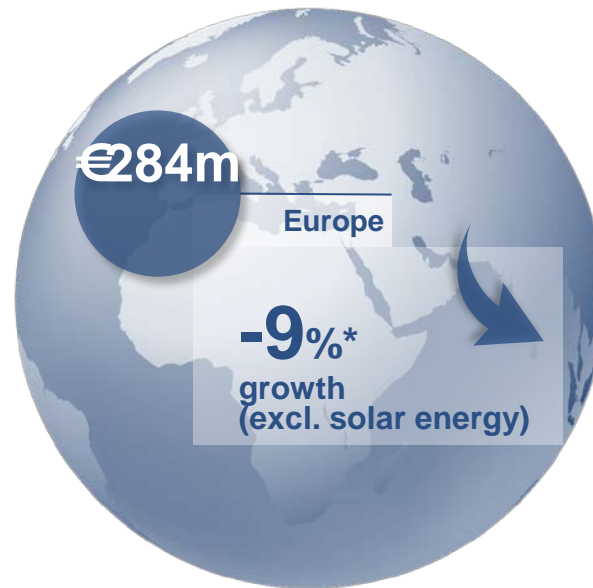
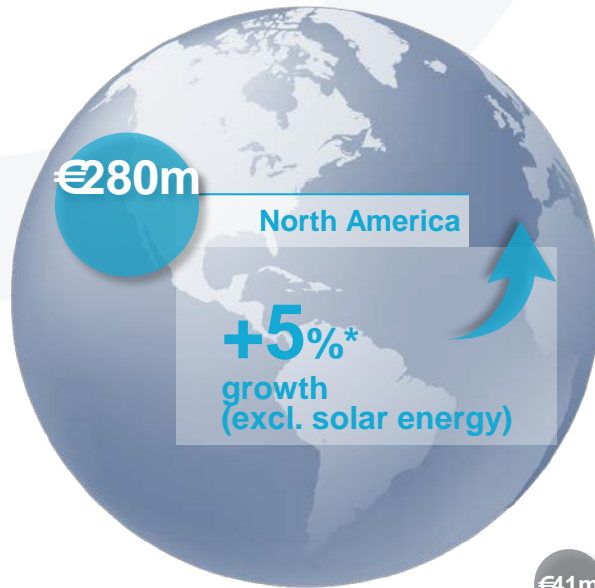
Aerospace: powered by a market enjoying brisk growth
(equipment and components for auxiliary motors)



PROCESS INDUSTRIES

Extraction processes (gas, oil, minerals)
Processing of metals and materials (ceramics, glass, etc.)

ASIA AND NORTH AMERICA: REGIONS THAT DELIVERED GROWTH IN 2012



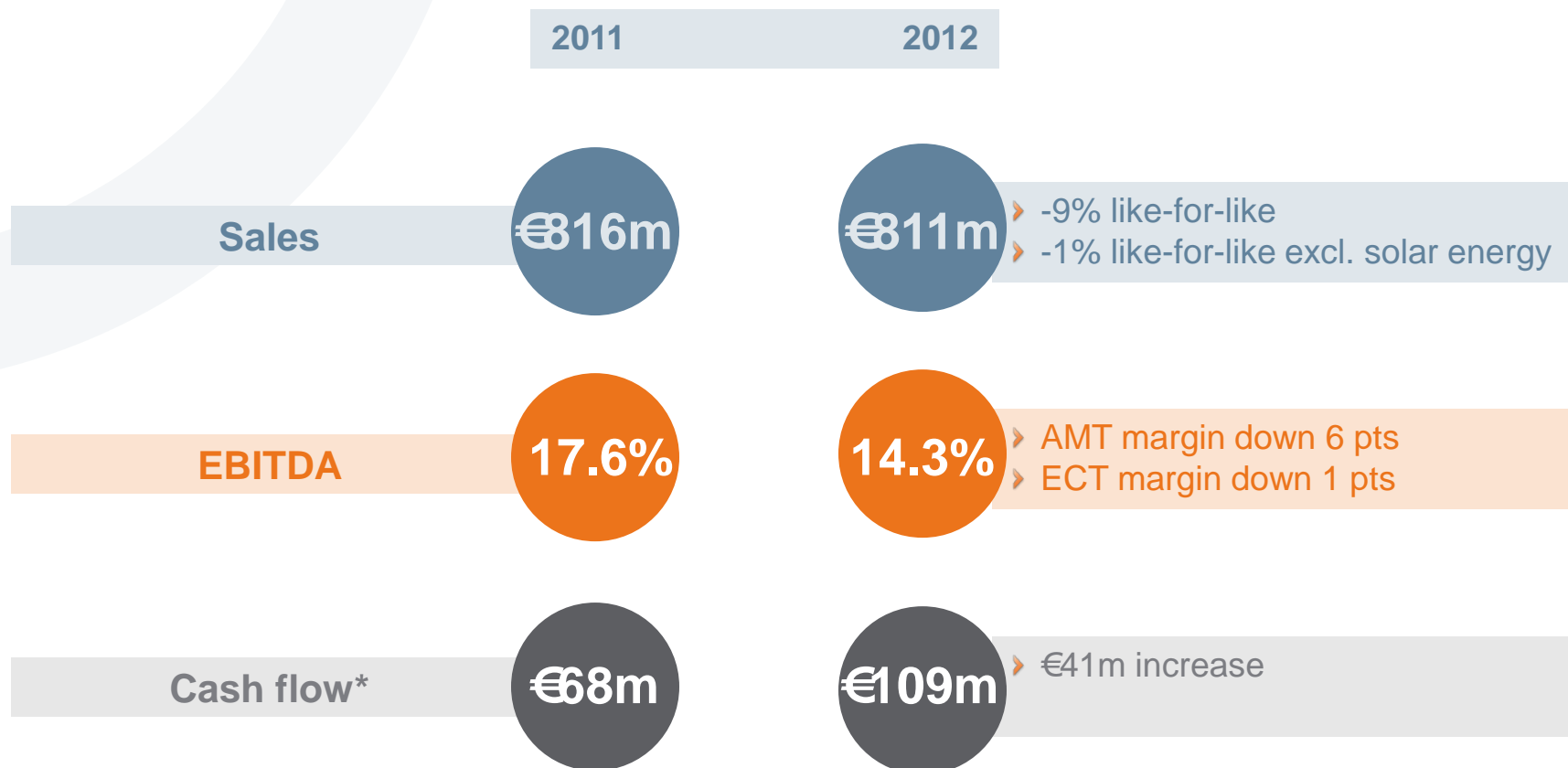
**United States
Canada**
growing excluding solar energy*

Europe*
France: -12%
Germany: -9%

**China
India
Japan
South Korea**
growing excluding solar energy*

2012 sales
*On a like-for-like basis excluding solar energy

OVERVIEW OF 2012 PERFORMANCE



*from operating activities before capital expenditures

A COMPLEX ENVIRONMENT TO WHICH MERSEN IS ADAPTING

1 Further streamlining of production operations

2 Selective investments

3 Adjustments to current demand

4 Streamlining of the business portfolio

FURTHER STREAMLINING OF PRODUCTION OPERATIONS...

United States:

Relocation of production (mid-2013)
R&D center and marketing to be retained



Mexico :

Service platform serving distributors
Improvement in the logistics chain



Germany:

Further integration of M.Schneider
Facility scheduled to close in early 2013

Hungary:

Production platform (joint venture with Hager)

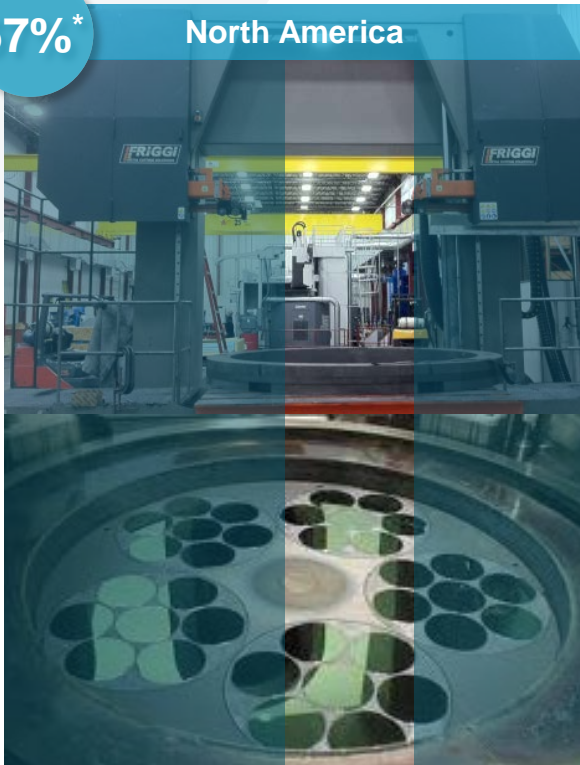
...TO BOLSTER COMPETITIVENESS
OF THE MANUFACTURING BASE

SELECTIVE INVESTMENTS

- Focus investments on expanding regions and strategic markets

57%*

North America



- Machining capacity (graphite)
- SiC coating (compound electronics)

34%*

Asia



- Busbar production workshop
- Graphite capacity
- Purification workshop (graphite)

9%*

Europe

* Breakdown of 2012 investments excl. maintenance

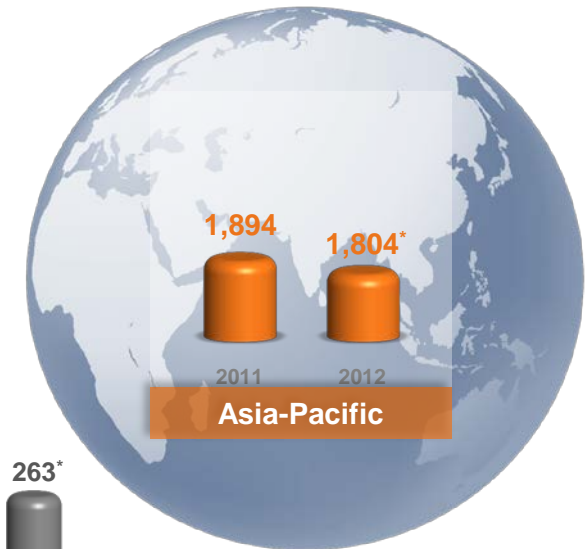
ADAPTING TO DEMAND



Cyclical
adjustment to weaker demand
(photovoltaic)



Structural
adjustment to weaker demand
in Europe



Cyclical
adjustment to weaker demand
(photovoltaic)



Rest of the world

6% REDUCTION IN THE WORKFORCE IN 2012
CONTINUED EXECUTION OF THE PLAN IN 2013 (FURTHER 3% IN CUTS)

*Headcount excluding changes in the scope of consolidation

STREAMLINING OF THE PRODUCT PORTFOLIO: DRIVE TO REFOCUS ON THE CORE BUSINESS

➤ Businesses concerned by the divestiture project

- Boilermaking equipment for nuclear power market (1 site in Grésy)
- Welded plate heat exchangers and stirrers & mixers (1 site in Brignais)

2012 sales: €19m

Headcount: 85

➤ Why?

- Not a core business for the Material segment (neither high temperature, nor anticorrosion equipment), especially nuclear power
- Lack critical mass in their respective markets: challenging positioning and development prospects

Focus the Material segment's resources on its key products to boost its profitability

TRENDS AND OUTLOOK IN TWO STRATEGIC MARKETS

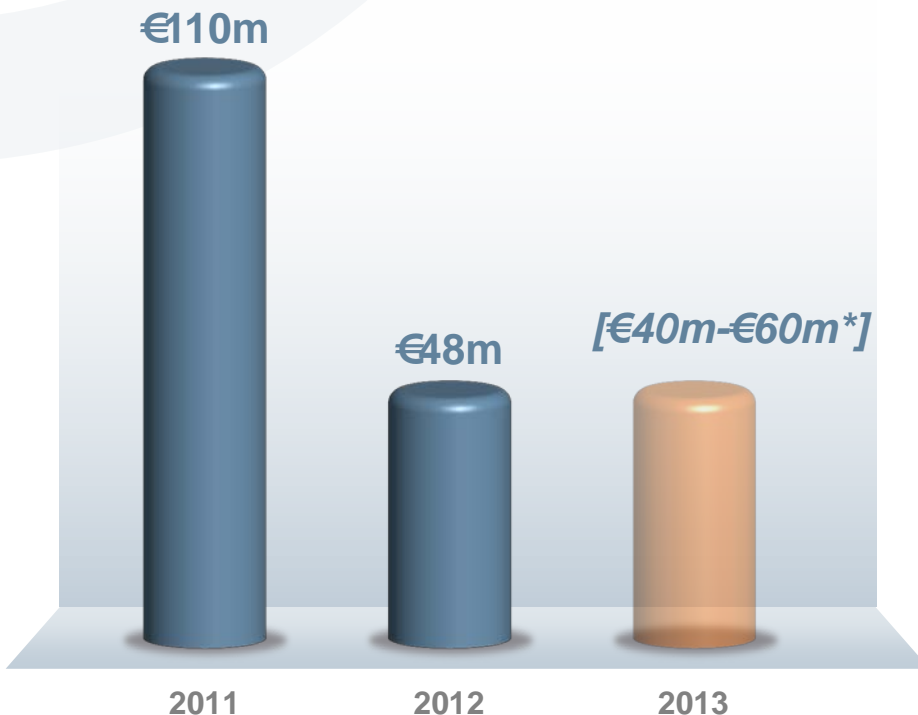


SOLAR ENERGY

ELECTRONICS

SOLAR ENERGY: A CONSOLIDATING MARKET

Mersen's sales in solar energy
(polysilicon, cells and
electrical protection product market)



2012	2013
<ul style="list-style-type: none"> ⊖ Low utilization rate at solar cell plants ⊖ Anti-dumping measures introduced in the US, initiated in Europe ⊖ Deterioration in cell manufacturers' finances ⊖ Plant closures in Europe and the United States 	<ul style="list-style-type: none"> + Chinese plan to roll out solar energy + Low cell inventories at our customers ⊖ Cutbacks on investments in polysilicon ⊖ Excess kiln capacity for cell manufacturing ⊖ Anti-dumping measures on the way in Europe and in China

*Mersen estimate

SOLAR ENERGY: INSTALLATIONS CONTINUE AT A RAPID PACE

GW installed p.a.

Total GW

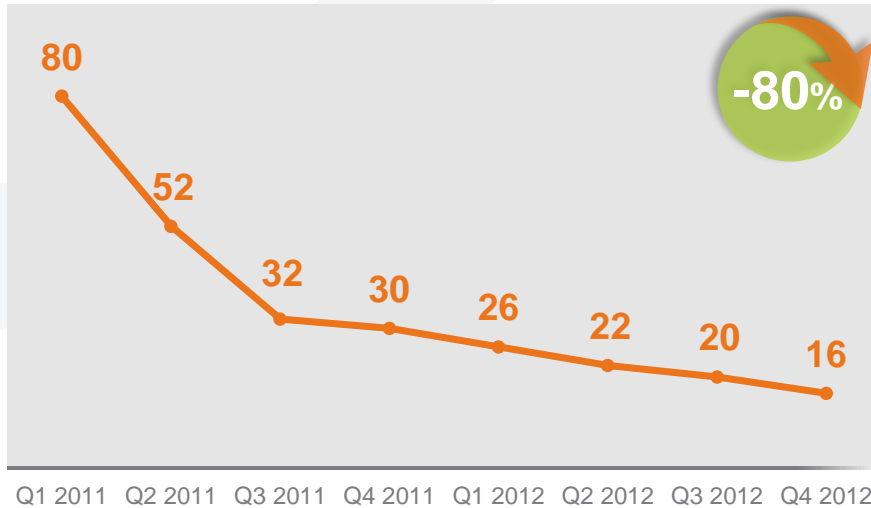


2012: NEW INSTALLATIONS ACCELERATING IN ASIA (GROWTH OF 150%) AND NORTH AMERICA (140%) AS EXPECTED, SLOWDOWN IN EUROPE (25% FALL)

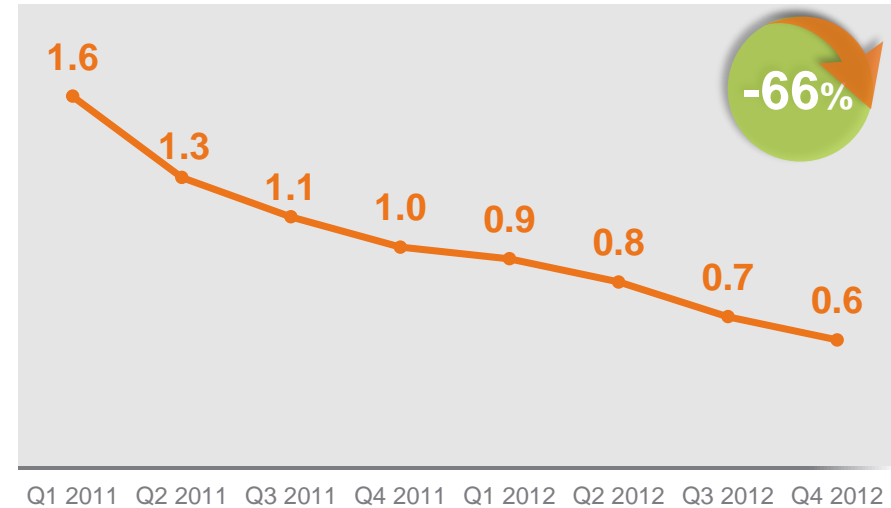
**Mersen estimate*

SOLAR ENERGY: BECOMING INCREASINGLY COMPETITIVE

Polysilicon prices
USD/kg



Module prices
USD/W



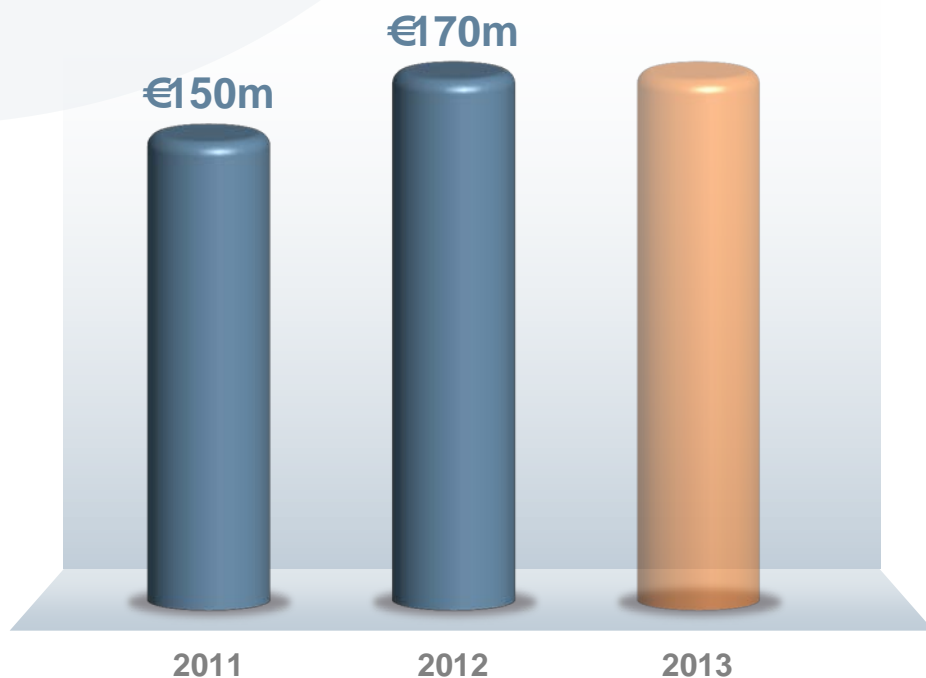
- **State of the market improving**
- **No more subsidy issues in a large number of countries**
 - Positive effects from module volumes installed going forward
- **Positive for Mersen**
 - Strong position in China where 80% of cells are manufactured (graphite, AMT segment)
 - Benefits of Mersen's global network for module installers (electrical protection)

STILL A STRATEGIC MARKET FOR MERSEN

Source: PV Insights

ELECTRONICS, A MARKET IN A DEEP CHANGE

Mersen's sales in the electronics market
(including power electronics
for energy and transportation)



2012	2013
<ul style="list-style-type: none">+ Brisk investments in (VHV and HV) grids+ Contribution from Eldre⊖ Slowdown in investments in power conversion for rail traction⊖ Lower semiconductor production	<ul style="list-style-type: none">+ Further penetration achieved by new substrates+ Expansion of the power electronics range (Eldre's impact)+ HV and VHV projects in China⊖ Pending investments in large contracts

POWER ELECTRONICS: POSITIONING ENHANCED BY ADDITION OF ELDRE

- **Acquisition completed in early 2012** (bus bars)
- **Broader range of power electronics products**
 - Eldre successfully integrated
 - Manufacturing base expanded to China
- **Organizational adjustments**
 - Sales force dedicated to power electronics
- **Improved coverage for customers**

Commercial successes in power electronics

Rail: Zefiro (Bombardier) and Pendolino (Fiat) trains

Wind Energy: Siemens Wind Energy

HVDC: Ronxing (China)

ELECTRONICS: STRONG POTENTIAL IN MEDIUM AND LONG TERM

Power electronics

- Energy efficiency: power conversion (Rail transportation, electric networks)
- Energy storage (Li-ion batteries)
- Fast-expanding markets : data centers, navy, aeronautics, medical

Substrates

- Market driven by growth in mobile communications, networks and the development of energy-efficient solutions (inverter performance)
- Longer-term potential with EV/HEV

STILL A STRATEGIC MARKET FOR MERSEN

CHEMICALS: A HIGHLY CONTRIBUTIVE MARKET



125M€*

+26% vs 2011 (reported figures)
+17% vs 2011 (like-for-like)

- **Significant contracts in Asia**
 - Organic Chemicals / Plastics
 - Viscose
- **Sustained activity in systems**
 - In particular, shale gas in the US
- **High level of activity maintained in 2013**
 - Continued delivery of contracts announced in 2012 (Sabic, AkzoNobel)
 - Significant potential in PVC market in the US
 - Sustained activity in systems, boosted by technology changes in chlorine soda industry

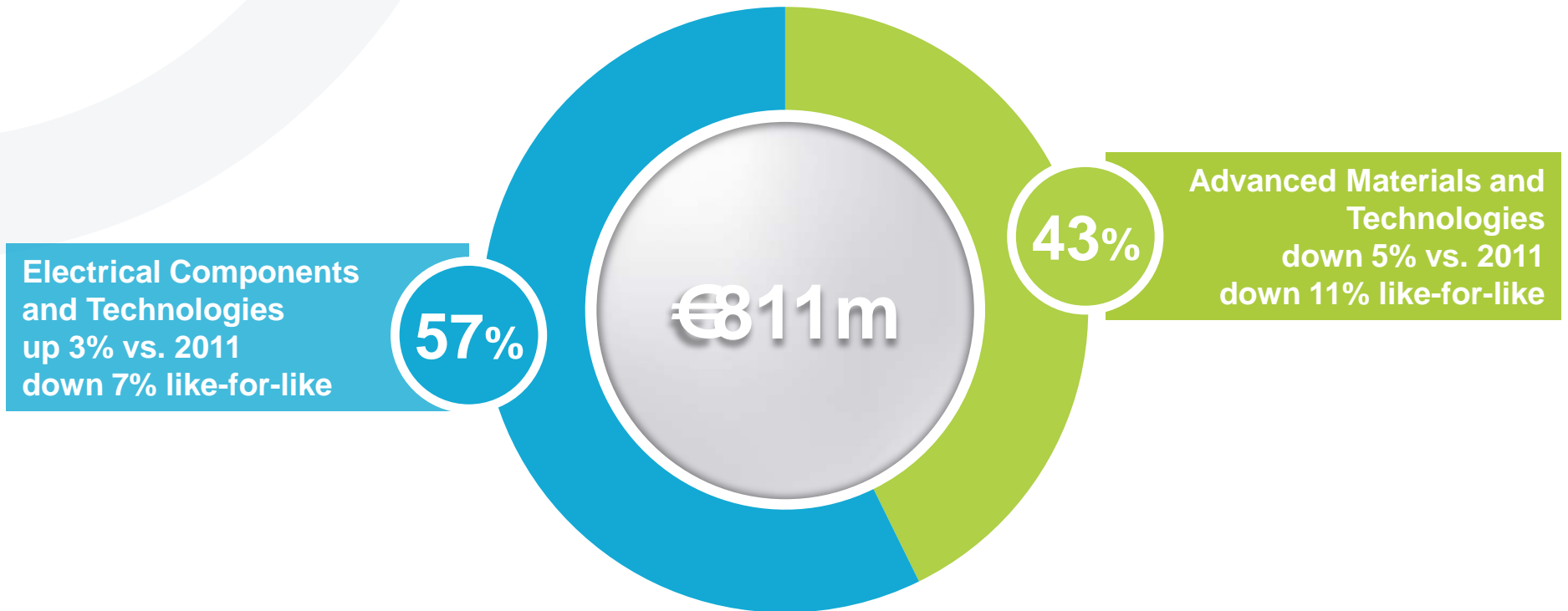
* CA 2012



FINANCIAL RESULTS

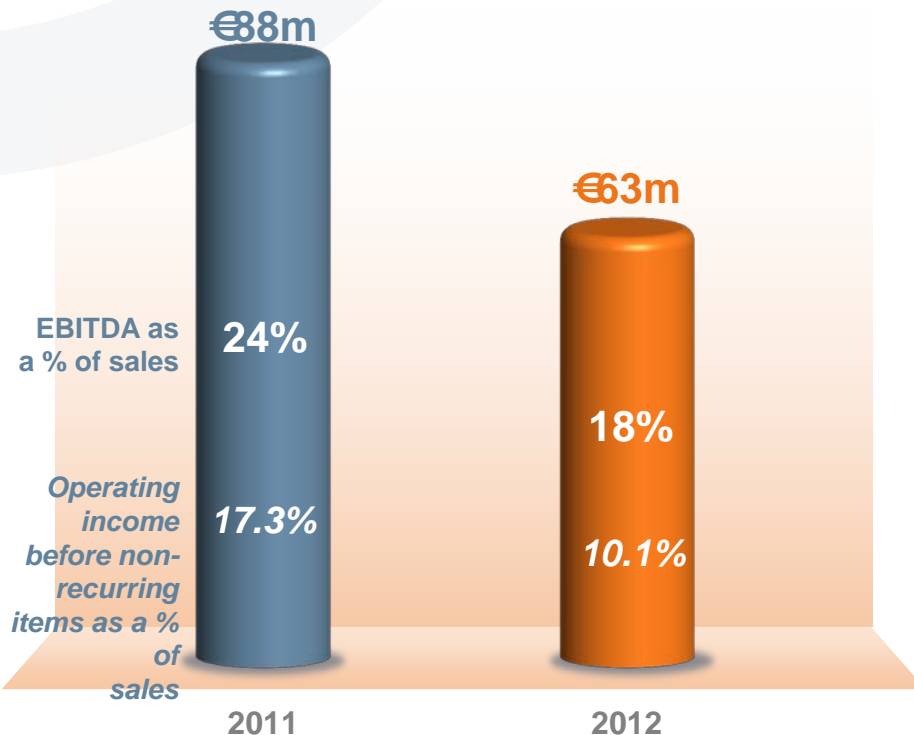
**THOMAS BAUMGARTNER
CHIEF FINANCIAL OFFICER**

2012 SALES



ADVANCED MATERIALS AND TECHNOLOGIES: IMPACT OF THE VOLUME CONTRACTION

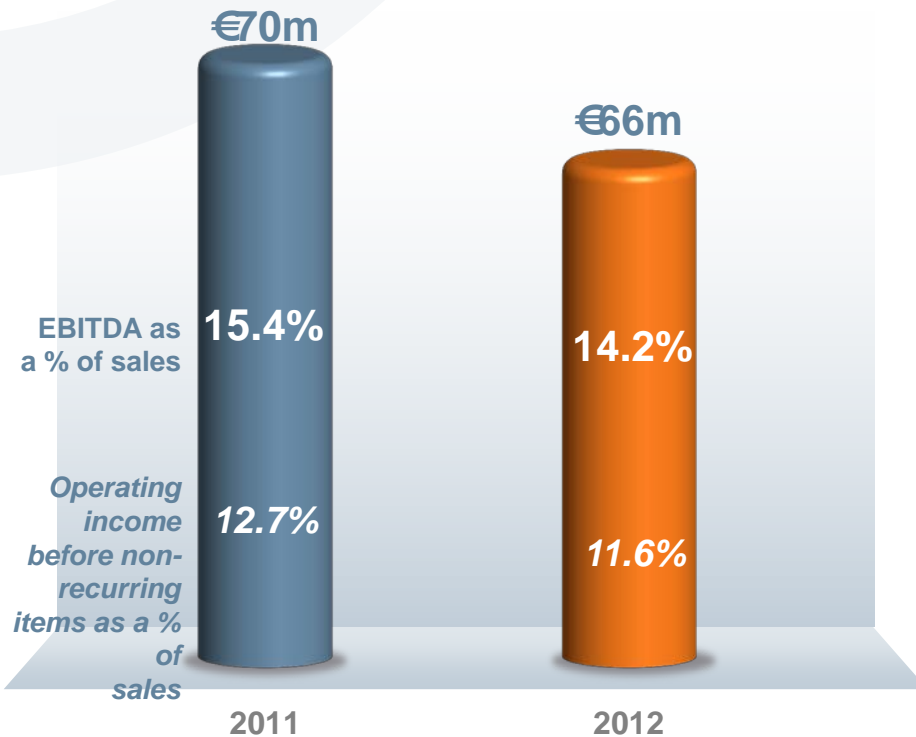
EBITDA



- **Adverse volume effect and sales mix**
 - Production capacity utilization rate averaging 65% during the year
 - Unfavorable product mix: larger contribution from lower-margin chemicals business
 - Pricing pressures in late 2012
- **Positive impact of adaptation plans**

ELECTRICAL COMPONENTS AND TECHNOLOGIES: GREATER RESILIENCE TO VOLUME CONTRACTION

EBITDA



- Negative volume effects
- Pricing power (prices maintained amid tough conditions)
- Positive impact of the adaptation plans

TREND IN EBITDA

As a %

2011 EBITDA margin	17.6%
Volume/mix effects	-3.6%
Net impact of prices and raw material costs	-0.5%
Impact of adaptation plans net of inflation	+0.7%
Impact of currency effects and changes in scope	+0.1%
2012 EBITDA margin	14.3%

ADAPTATION PLAN

€17m
savings in 2012

Initial benefits of adaptation measures

- Business relocations
- Streamlining of production operations
- Workforce reductions

Procurement savings

- Redesign to cost
- Sourcing
- Integration of suppliers in productivity plan processes

Cost savings

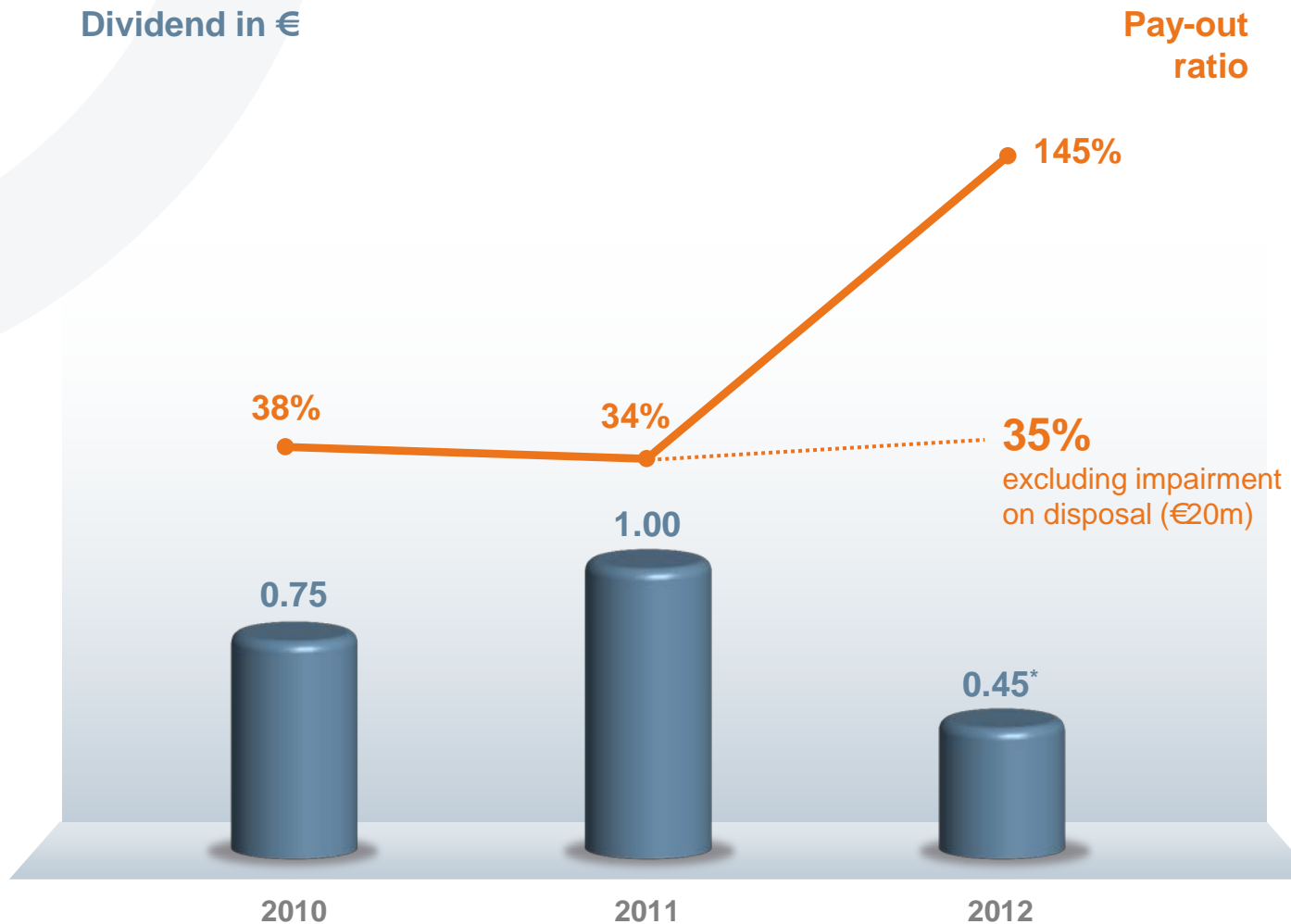
- Travel expenses
- Professional fees

60% FIXED COSTS
40% VARIABLE COSTS

NET INCOME

€m	2011 pro forma	2012	
Operating income before non-recurring items	107	76	
<i>% of sales</i>	13.1%	9.4%	
Non-recurring income and expense	(4)	(11)	Restructuring, as anticipated
Amortization of intangible assets	(1)	(1)	
Net finance income/(costs)	(10)	(13)	Increase in average net debt and maturity
Income tax	(30)	(17)	Effective tax rate of 33%, as in 2011
Net income from continuing operations	62	34	
Loss from assets held for sale and discontinued operations	(3)	(28)	Plan to dispose of non-core assets
Net income	60	6	
Net income attributable to Mersen's shareholders	57	6	

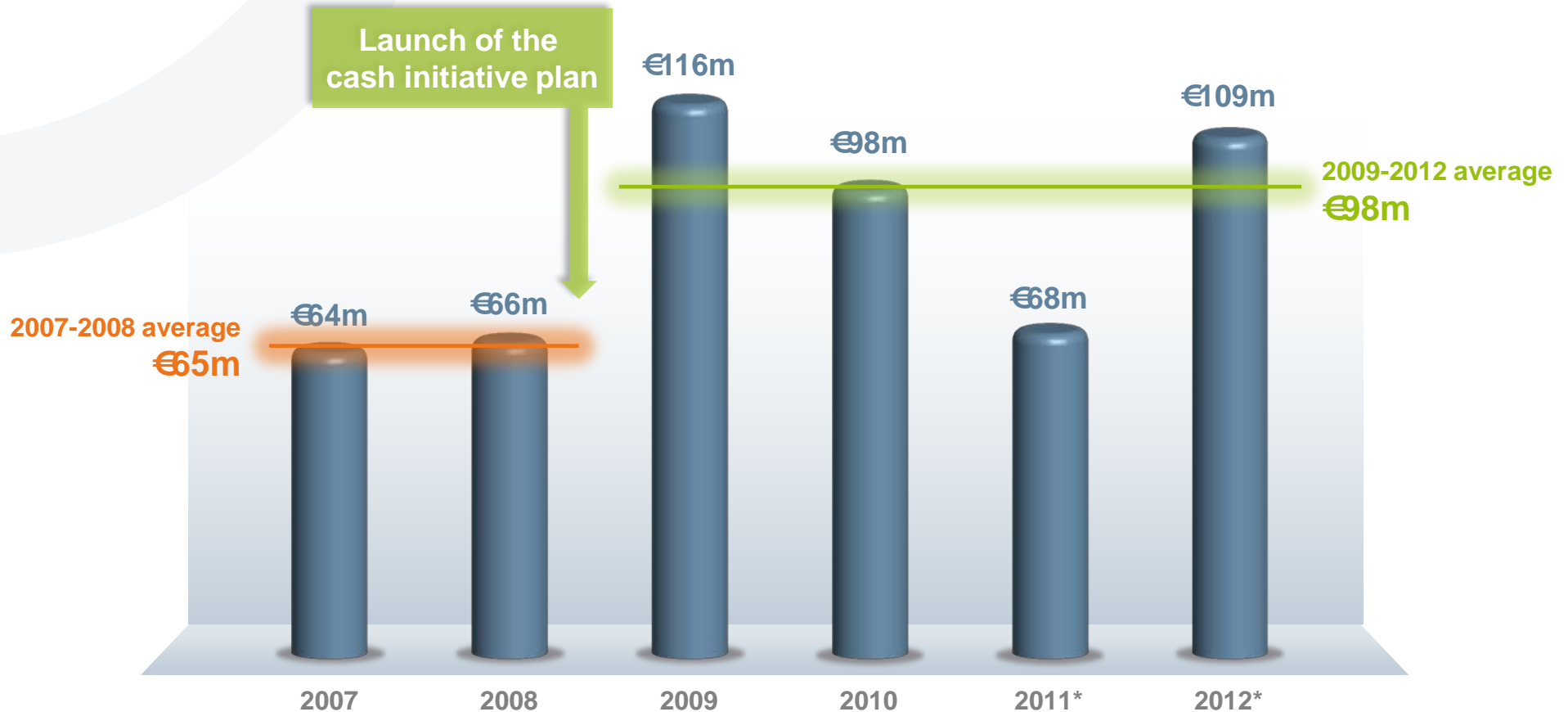
PAYOUT RATIO MAINTAINED, DESPITE TOUGH CONDITIONS



*Subject to approval at the AGM on May 16, 2013

SUBSTANTIALLY IMPROVED CASH FLOW PROFILE

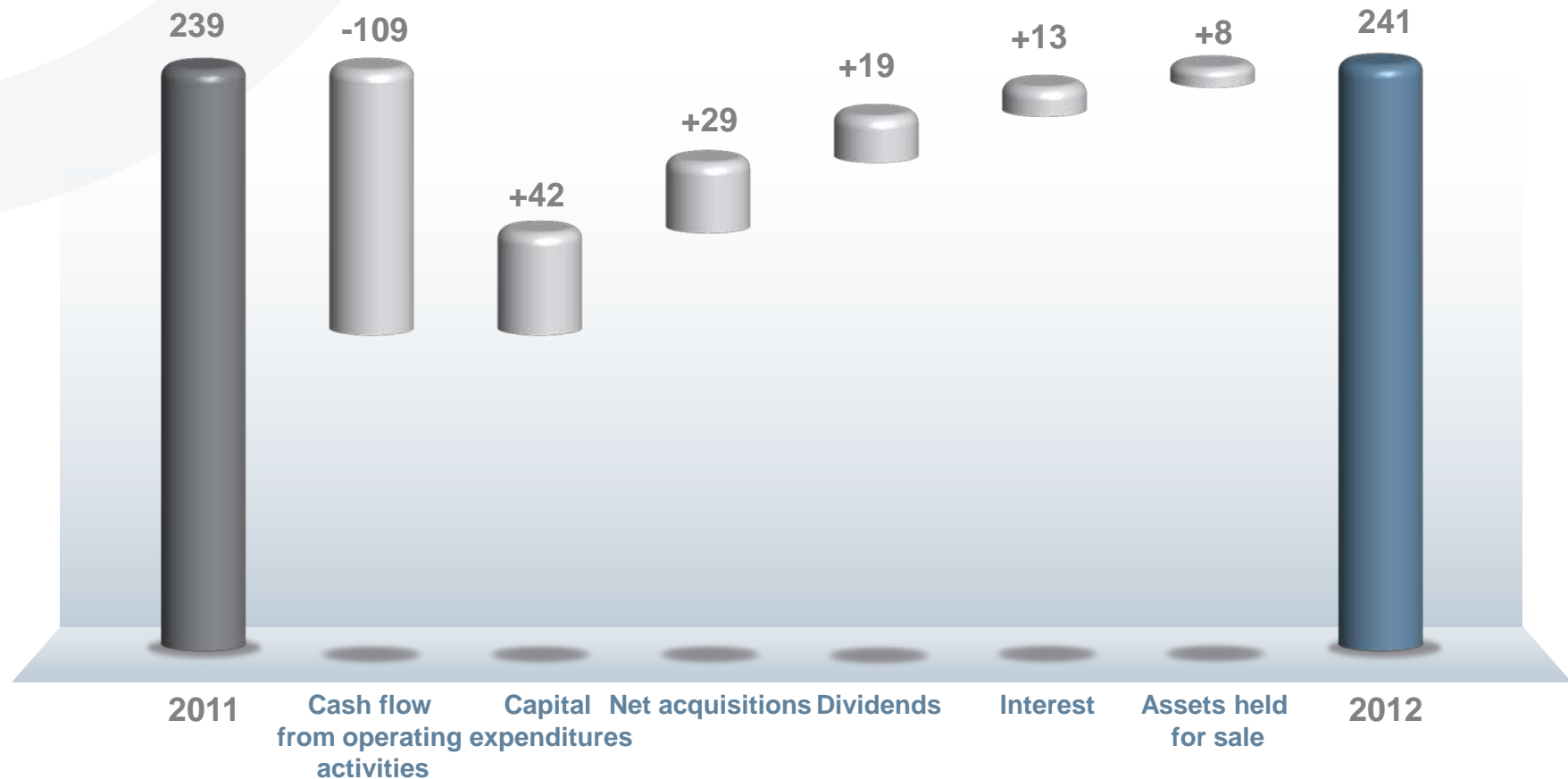
Cash flow from operating activities before capital expenditures



* From continuing operations

STABLE NET DEBT AFTER ACQUISITIONS AND CAPITAL EXPENDITURES

Trend in debt (€m)



SOLID FINANCIAL STRUCTURE

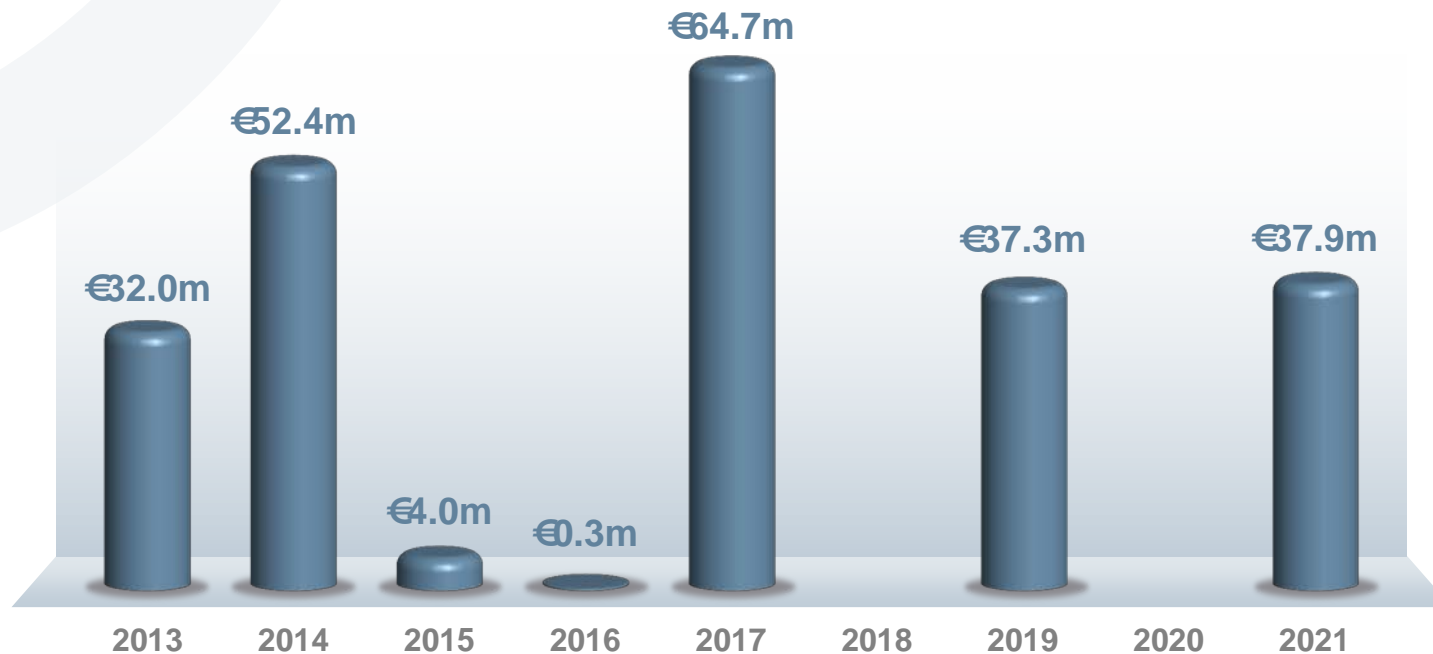
Net debt/EBITDA*

Bank covenant <3.35x



*Ratios based on the calculation method adopted for the €350m syndicated loan

REPAYMENT PROFILE OF CONFIRMED CREDIT LINES*



Average life of 4.6 years

Available lines (€183m) cover repayments due in the short term

*Based on lines drawn down at Dec. 31, 2012

A background image of a sailing regatta with several sailboats on the water. The central focus is a sailboat with a white sail featuring the Mersén logo and the text 'FRA 3420'. The logo consists of a stylized 'M' in blue and orange, followed by 'ERSEN' in orange and blue. The text 'FRA 3420' is printed in black. The background is a dark, overcast sky and sea. In the top left corner, there are three overlapping circles: a large green one, a smaller orange one, and a medium blue one. In the bottom right corner, there is a white rectangular box containing the Mersén logo.

OUTLOOK

LUC THEMELIN
CHAIRMAN OF THE MANAGEMENT
BOARD

OUTLOOK FOR 2013

Business

- Start of year on a par with H2 2012 trends
- Recovery anticipated in second half

Costs

- Benefits of restructuring
- Savings plans
- Pricing pressures and unfavorable product mix in AMT segment

Cash flow

- End of cycle of capacity investments
- Lower investments, focused on expanding markets /regions
- Continued implementation of the Cash Initiative plan

SALES COMPARABLE WITH 2012 LEVEL

EBITDA MARGIN OF AROUND 14%

OPERATING MARGIN* OF AROUND 9%

**before non-recurring items*

BUSINESS MODEL OPTIMIZED TO DELIVER GROWTH AND PROFITABILITY

Optimized operational profile

- Adjustments to demand
- Streamlining of production operations
- Swift response by teams
- Finalization of disposal projects underway

Balanced financial profile

- Ability to generate cash flow
- Solid finances, lengthy debt maturity

A TECHNOLOGICAL LEADER WITH STRENGTHS THAT SET IT APART