



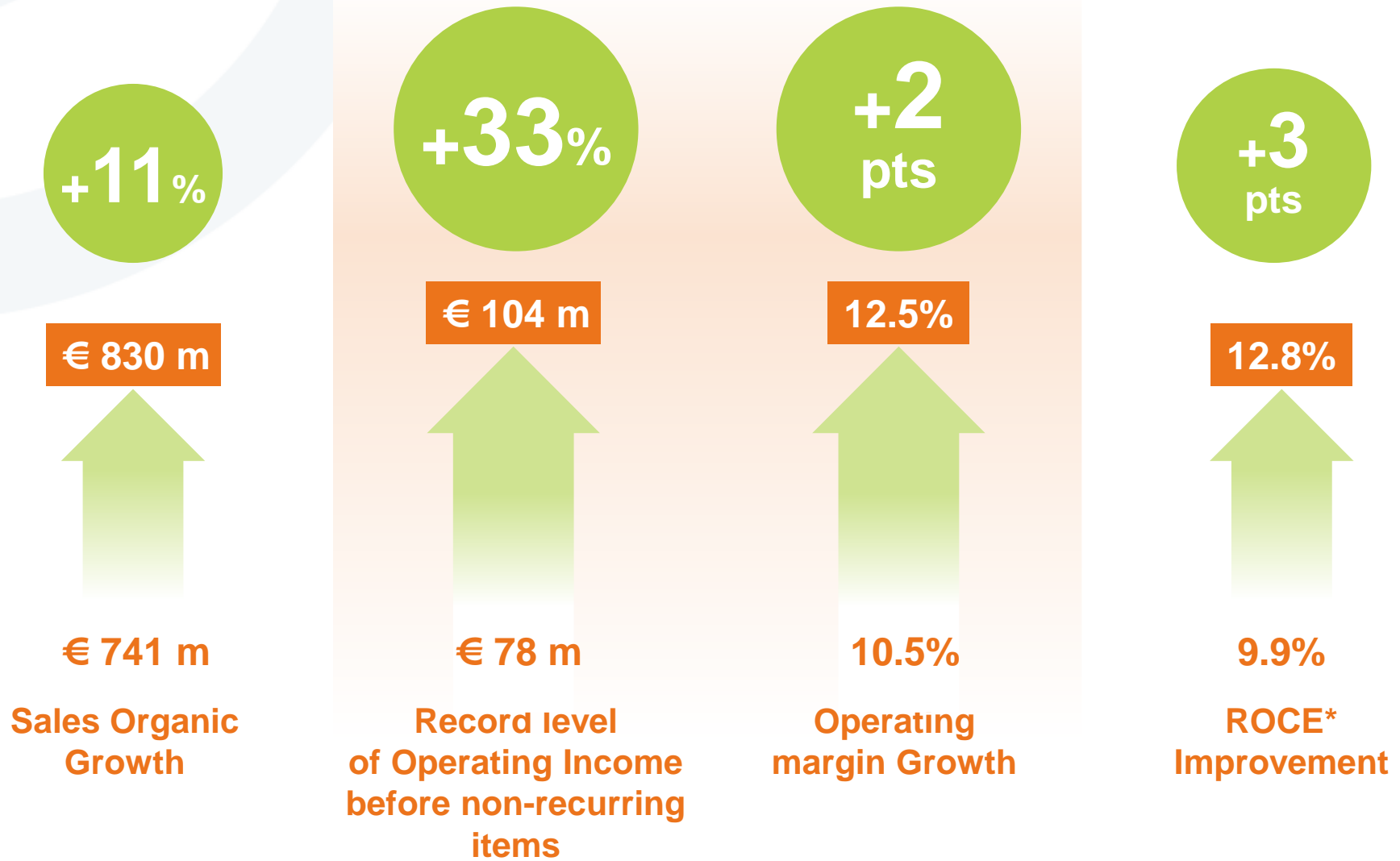
**EXPERTISE  
OUR SOURCE OF  
ENERGY**

## **2011 ANNUAL RESULTS**

**LUC THEMELIN  
PRESIDENT OF THE MANAGEMENT BOARD**



# BUSINESS AND PROFITABILITY INDICATORS ALL IN POSITIVE TERRITORY FOR 2011



\* ROCE : Operating Income/ Average Capital Employed

# INDICATORS ALL IN POSITIVE TERRITORY, WITH SIGNIFICANT STRATEGIC SUCCESSES



## Renewable Energies

- › Solar: €110 m of sales
- › Graphite: manufacturing capacity built up

**N°1 world wide  
+34% in sales**



## Acquisitions

- ›  € 30 m of sales

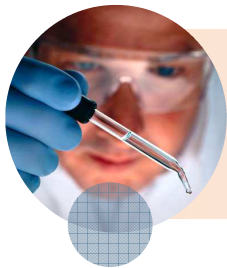
**Stronger position in  
power electronic**



## Asia

- › Yantai: successful integration

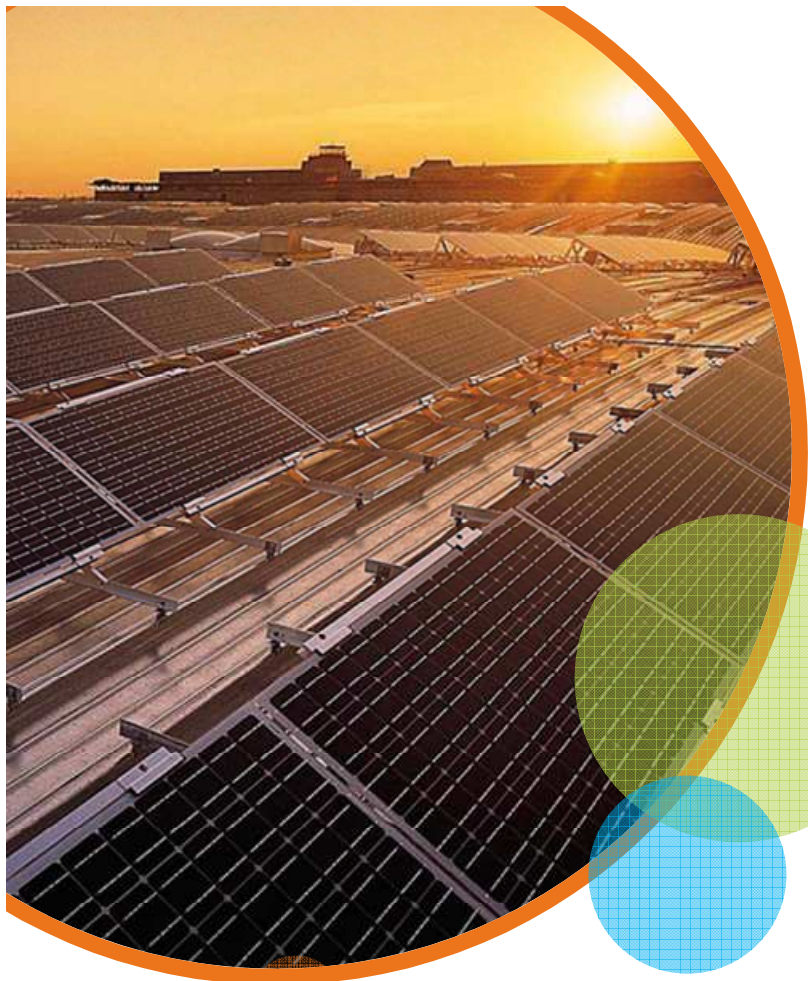
**Sales x3  
on Chinese solar**



## Innovation

- › Partnership with Corning

**Bet on success of  
continuous flow process  
for chemical and  
pharmaceutical industries**

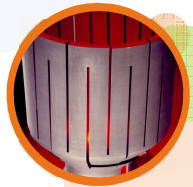


# RESULTS

backing up our strategic  
decisions

**LUC THEMELIN**  
**PRESIDENT OF THE MANAGEMENT BOARD**

# STRENGTHEN THE FOUNDATIONS OF OUR AREAS OF EXPERTISE WHILE FOCUSING OUR BUSINESS ACTIVITIES AND STRIVING FOR EXCELLENCE



## AMT

**Graphite systems and high-tech materials** for highly demanding industrial environments



**Graphite components for high-temperature applications**

**Anticorrosion systems in graphite and noble metals**



## ECT

**Safety and reliability** for electrical power and solutions for secured supplying to **motors and generators**

**Distribution and Protection** of electrical equipment



**Components for power electronic**



**Supply and control** of motors



# STRENGTHEN THE FOUNDATIONS BY PURSUING A UNIQUE APPROACH



**Relevant  
Acquisitions and Capital Expenditures**



**Presence  
in key countries**



**Partnerships  
with leading customers**

# WITH A STRONG MOMENTUM IN TWO EXPANDING MARKETS

2011 Growth



**PROCESS  
INDUSTRIES**

**230**



**TRANSPORTATION**

**110**



**CHEMICAL**

**110**

**+15%**



**ELECTRONICS**

**120**

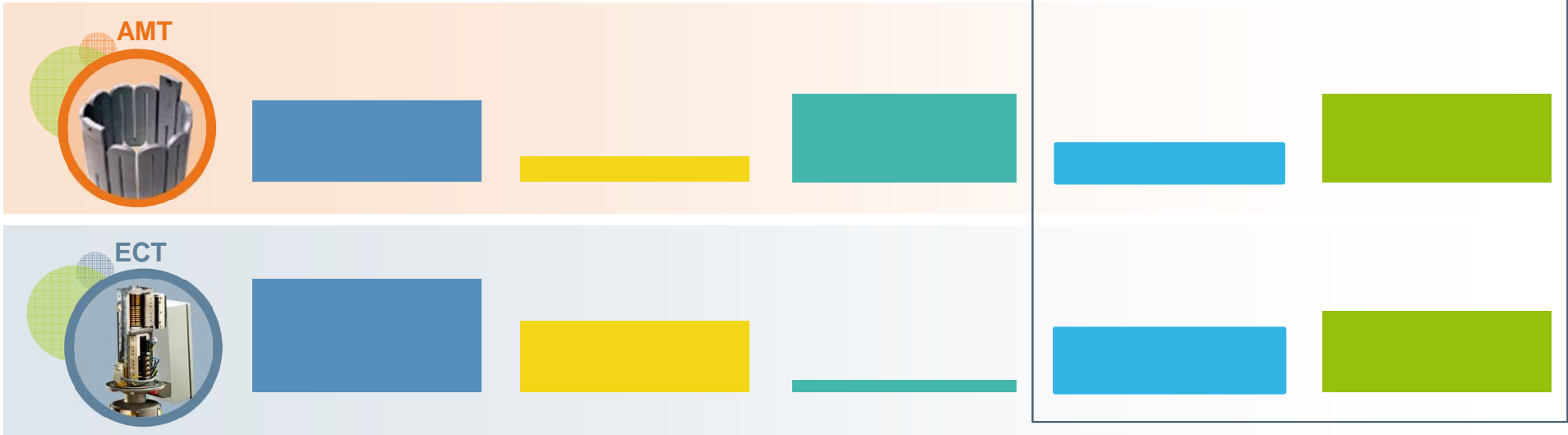
**+22%**



**ENERGIES**

**205**

2011 sales in €m  
& other= €55 m



# MERSEN'S EXPONENTIAL GROWTH IN THE SOLAR ENERGY MARKET



Sources : EPIA 2011



# THANKS TO A REWARDING POSITIONING IN THE SHORT AND MEDIUM TERMS



**Unique** products and expertise

Large size Equipment, Ultra-resistant and ultra-pure materials and coatings



**Premium** customer base



Unmatched **geographic footprint**

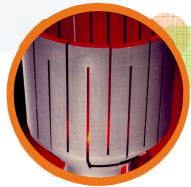
Global market share

**25%**

Early 2012: slowdown in business trend

Intact growth outlook  
→ est. 150GW/year before 2020

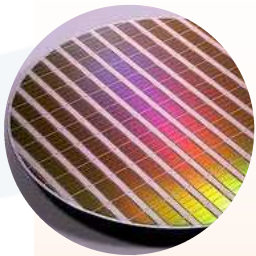
# A 2<sup>ND</sup> AREA OF GROWTH: ELECTRONICS, AT THE HEART OF ENERGY EFFICIENCY



**ΔMT**



**ECT**

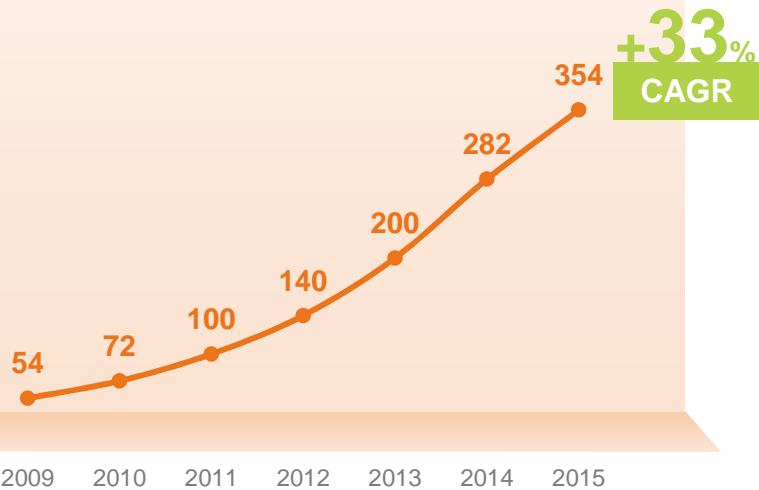


**Substrate market for semiconductor manufacturing (LED & SiC power diodes)**



**Components for power inverters (fuses, cooling devices and laminated busbars)**

SiC substrate market size (in MUSD)



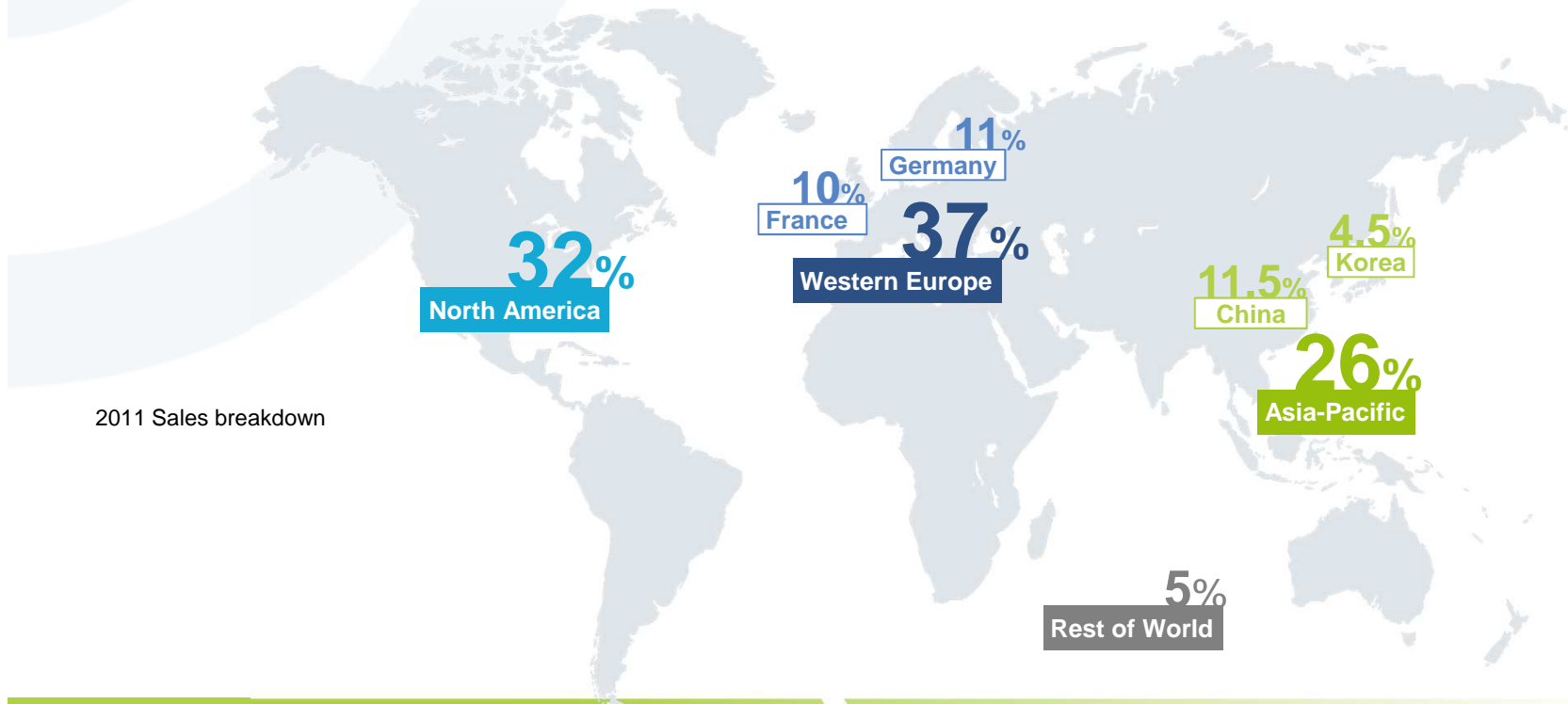
Source: Yole 2009

Global Power inverters components market (in €m)



Source: Mersen and Yole

# MERSEN WORLDWIDE: AREAS OF EXCELLENCE AND GROWTH



Balanced geographies

Local and global manufacturing

Customer Proximity

Success in growing or high-tech countries

Strength

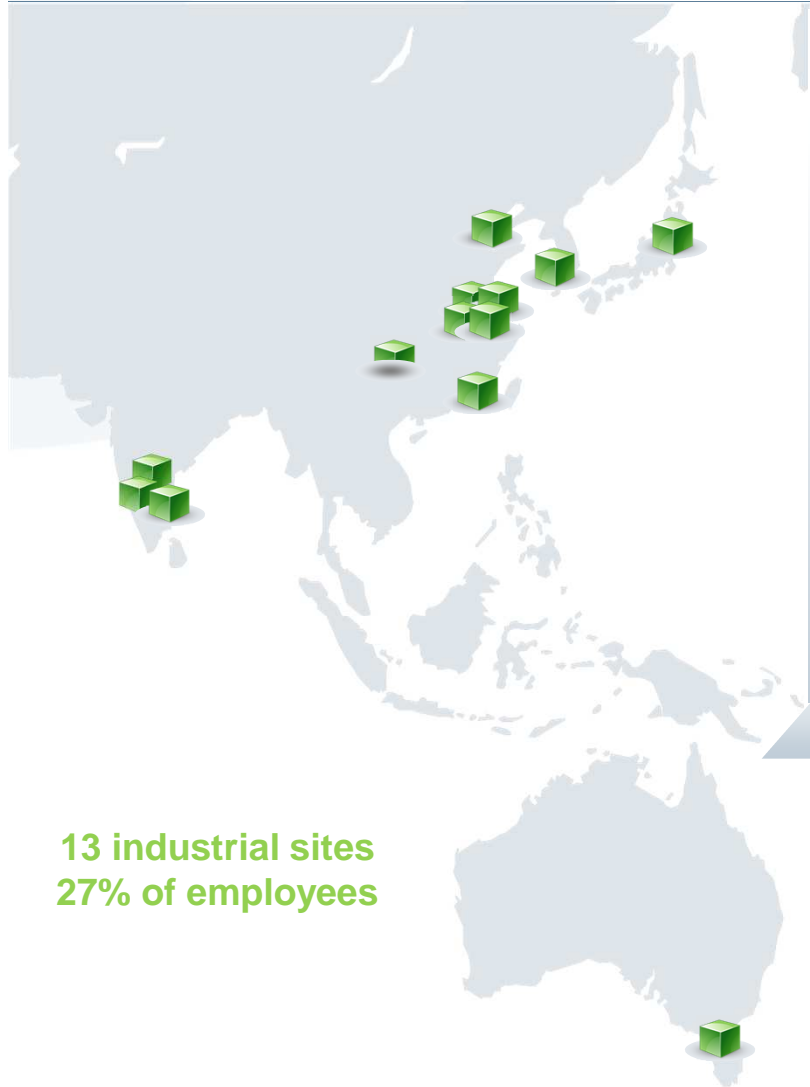
Competitive Advantage

Strategic Advantage

Growth

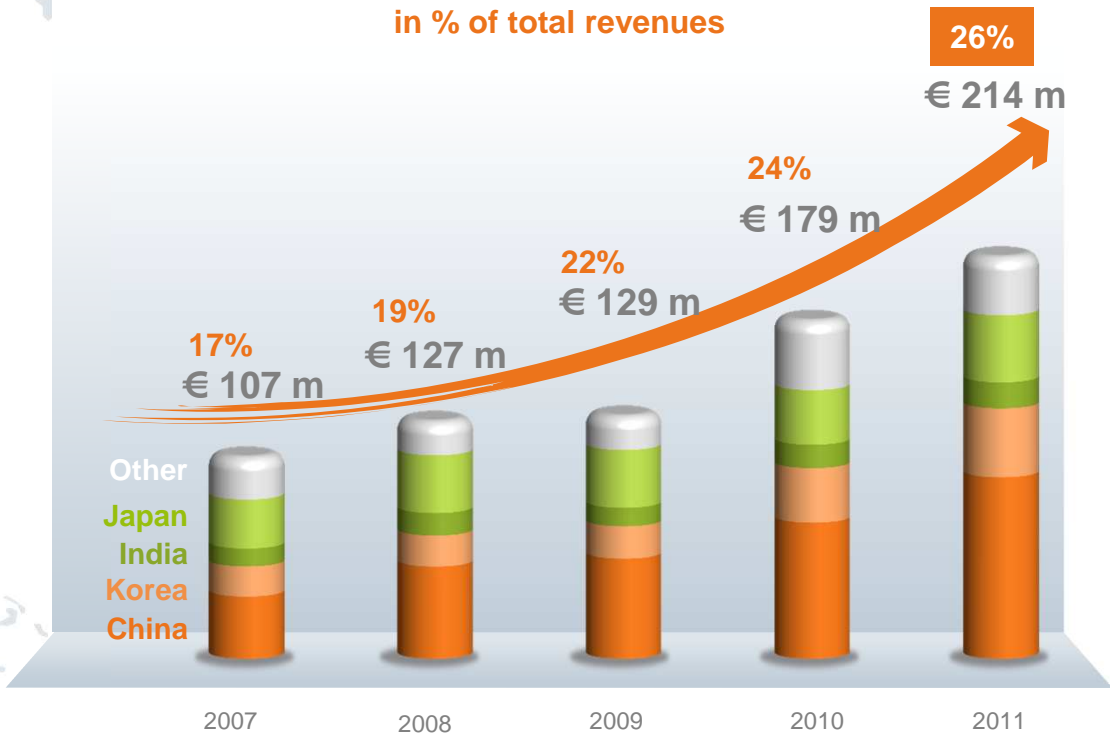


# STRONGER POSITIONS IN ASIA-PACIFIC



13 industrial sites  
27% of employees

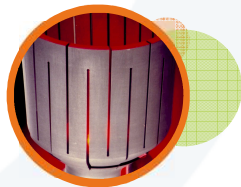
Revenue in Asia-Pacific  
in % of total revenues



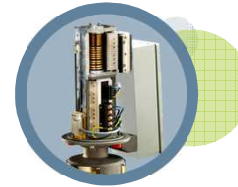
## Strong position in China and Korea:

- > Capital Expenditures (Chongqing, Xianda, Korea)
- > Acquisitions (Yantai, MEP)
- > Markets with strong growth: solar, electronics, process industries (plastic manufacturing, car makers,...)

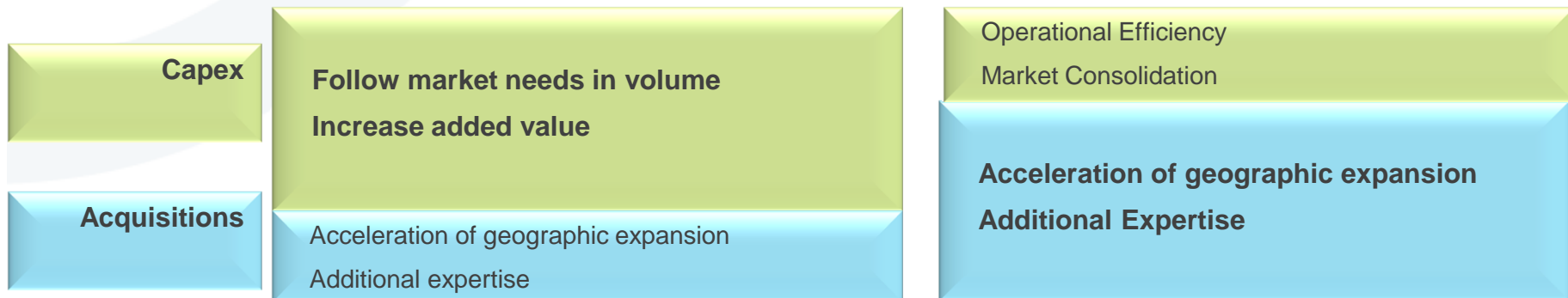
# A STRATEGY TAILORED TO EACH SEGMENT, FOCUSING ON ORGANIC GROWTH IN AMT AND ACQUISITIONS IN ECT





## AMT



## ECT



- 2011
-  Graphite Manufacturing capacity in China
  -  Yantai Intégration

-  Development of Industrial base in Eastern Europe
-  Eldre's Acquisition

- Short/Middle Term
-  Surface coating
  -  Precision machining
  -  Purification

-  New targets in power electronic expertise?

Main markets served: **SOLAR AND ELECTRONICS**



# FINANCIAL RESULTS

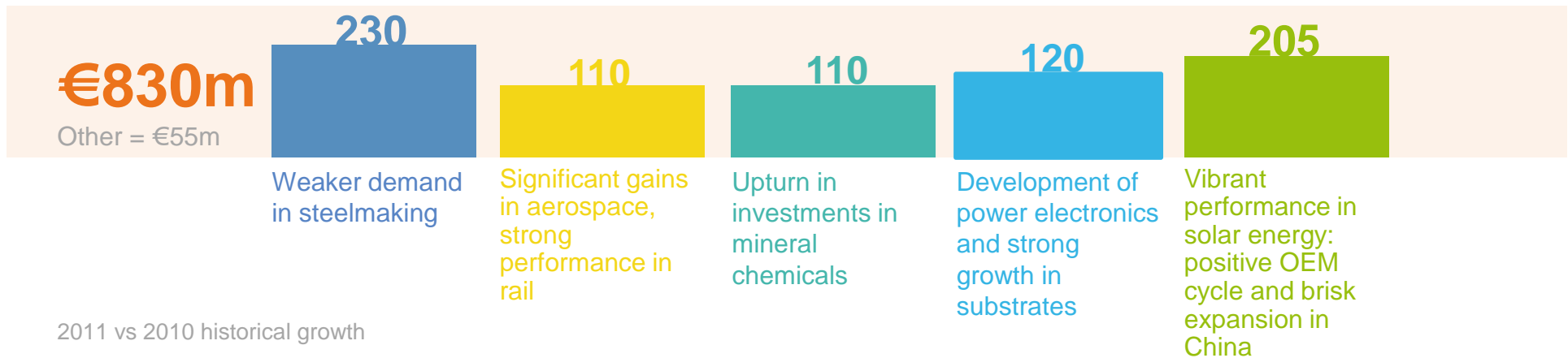
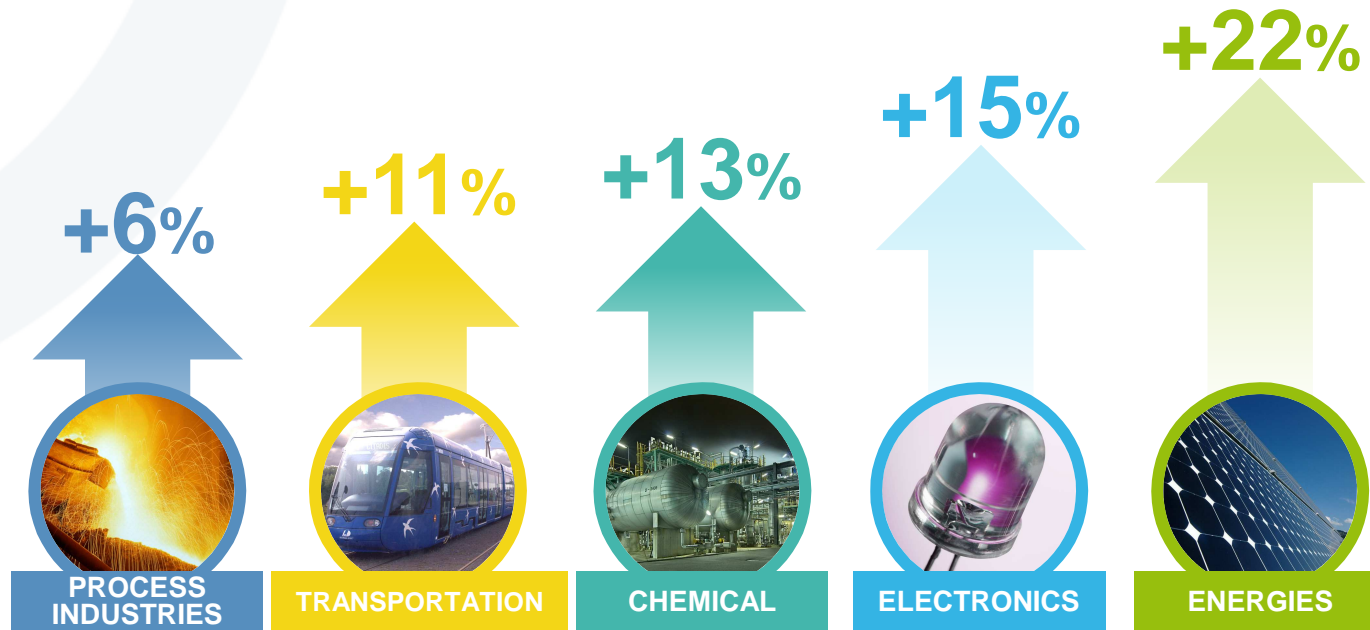
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**THOMAS BAUMGARTNER**  
**CFO**

# GROWTH PROFILE



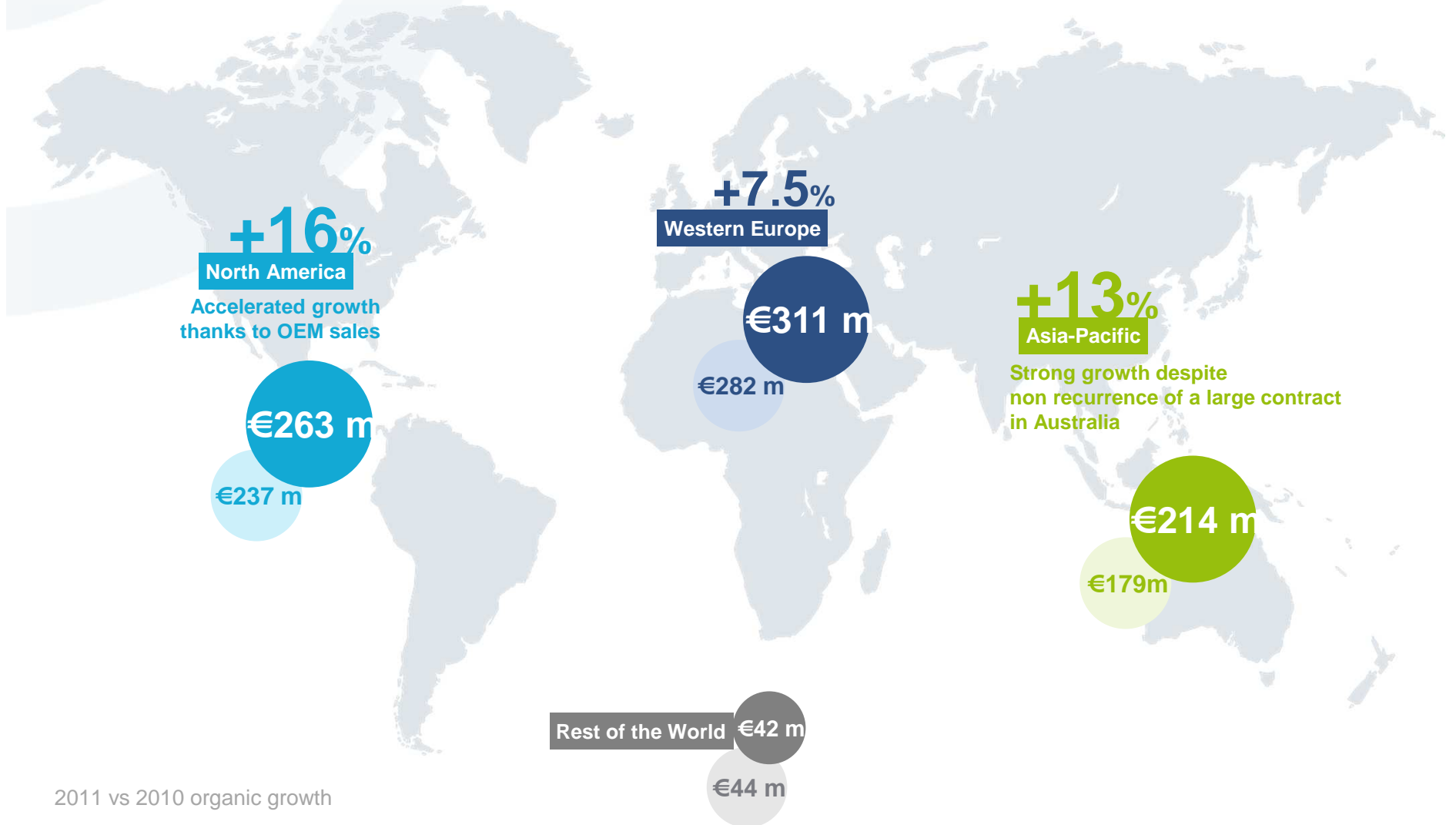
# SIGNIFICANT GROWTH ON ALL OUR MAIN MARKETS



2011 vs 2010 historical growth

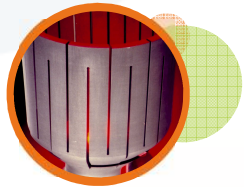


# IN TOTAL, A SUSTAINED LEVEL OF ACTIVITY ON ALL GEOGRAPHIES



2011 vs 2010 organic growth

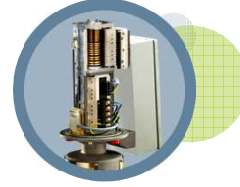
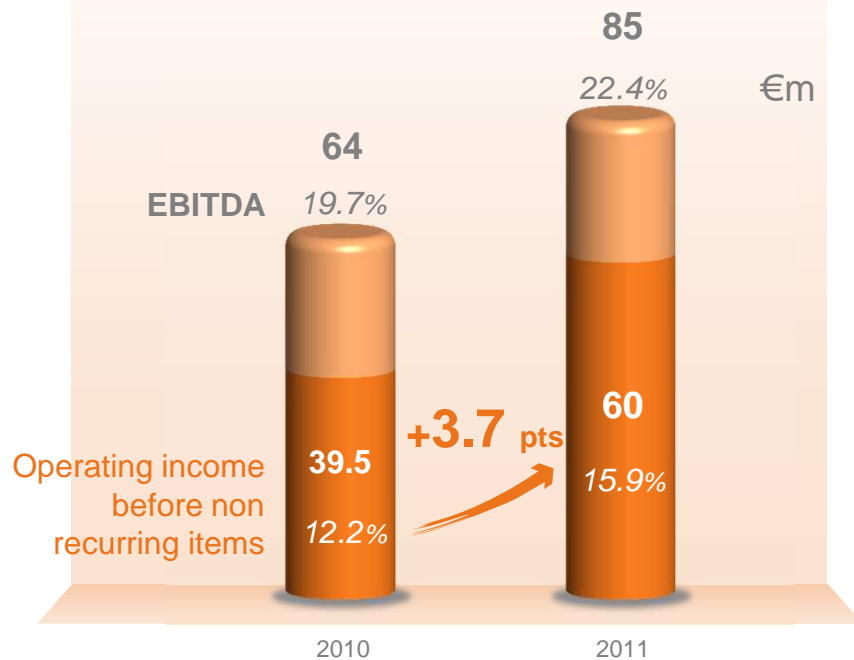
# GROWTH IN PROFITABILITY IN THE 2 SEGMENTS



## AMT

### Growing AMT margins

- › Favourable Volume & price effect
- › Full utilization of manufacturing capacity
- › Impact of Yantai



## ECT

### ECT margins maintained

- › Volume effect
- › Raw material increase



# SIGNIFICANT GROWTH IN OPERATING INCOME

in €m	2010	2011	Historical Growth
<b>Sales</b>	741	830	<b>+12%</b>
Gross margin	231	264	<b>+14%</b>
<i>% of sales</i>	31.2%	31.9%	
Selling & other costs	(79)	(80)	
R&D and administrative costs	(75)	(80)	
<b>Operating income before non recurring items</b>	<b>78</b>	<b>104</b>	<b>+33%</b>
<i>% of sales</i>	10.5%	12.5%	
Non-recurring charges & income	(3)	(4)	
Amortization of revalued intangible assets	(1)	(1)	
<b>Operating income</b>	<b>74</b>	<b>98</b>	<b>+34%</b>
<b>EBITDA*</b>	<b>114</b>	<b>141</b>	<b>+23%</b>
<i>% of sales</i>	15,4%	17,0%	

\*EBITDA : Operating income before non-recurring items + amortization

# STRONG GROWTH IN NET INCOME

In €m	2010	2011	Historical Growth
<b>Operating income</b>	74	98	
Financial costs	(11)	(10)	
Current & deferred income tax	(20)	(29)	
<b>Net income from continuing operations</b>	43	59	<b>+37%</b>
Net income from discontinued operations	(3)	1	
<b>Net income</b>	40	60	<b>+50%</b>
<i>Earning per share</i>	1.9	2.8	

- **Stable financial costs:** interest rate increase and unfavorable impact of fx rate compensated by a reduction of the average net debt
- Effective tax rate : **33%** (vs 32% in 2010)

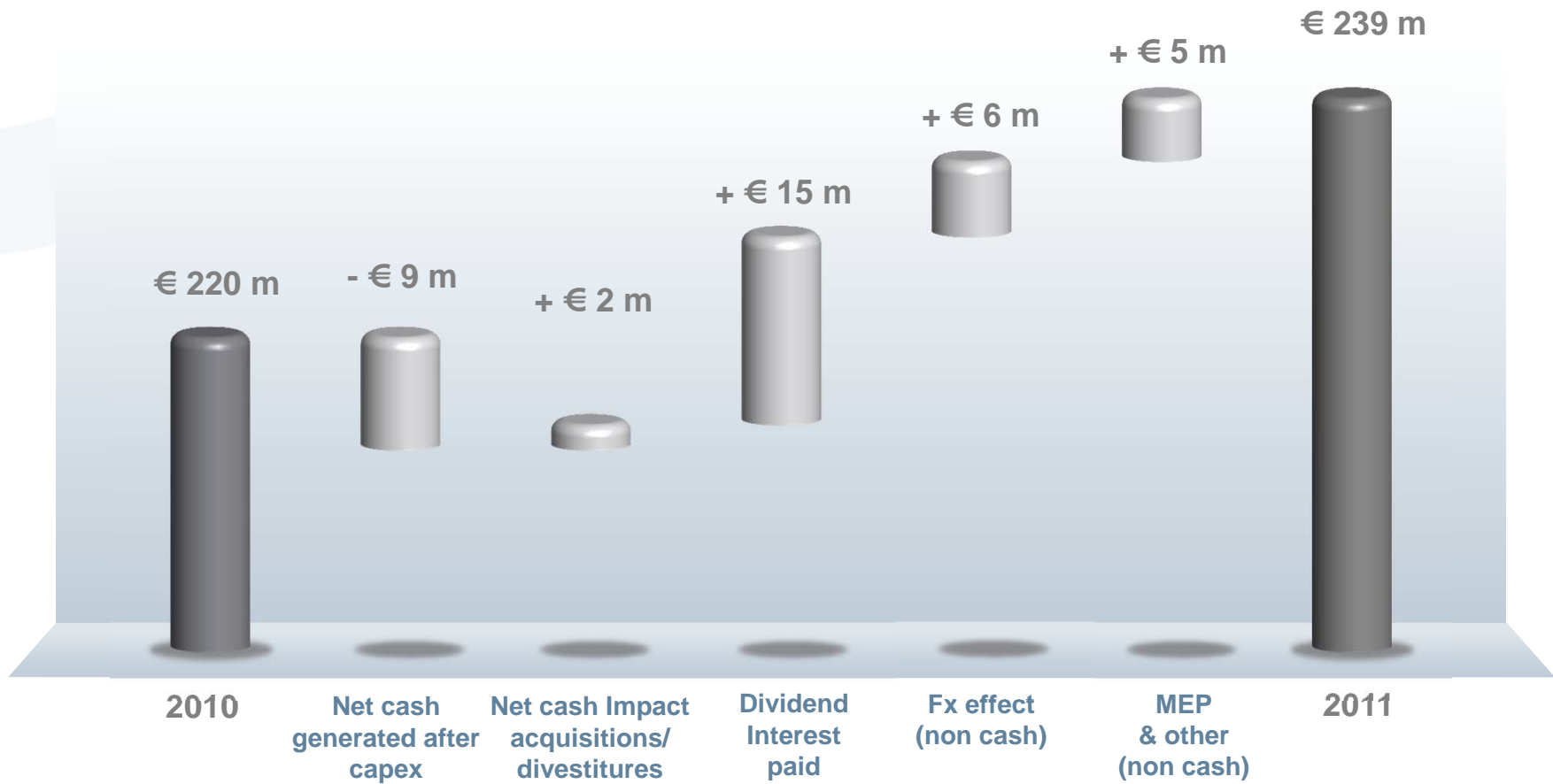
# CASH-FLOW FROM OPERATIONS TEMPORARILY AFFECTED

In €m	2010	2011
Cash generated by operating activities before change in WCR	111	132
Change in WCR	(3)	(37)
Income tax paid	(10)	(32)
Cash generated by discontinued operations	(1)	(0)
<b>Net cash generated by continuing operations</b>	<b>98</b>	<b>62</b>
Capital Expenditures	(31)	(53)
<b>Net cash generated by continuing operations after Capex</b>	<b>+66</b>	<b>+9</b>

- **Increase in the WCR:** rise in inventories owing to high business volumes and large order backlog in chemicals; increase in late payments (China); downturn in the level of inventories towards the end of the year (impact on 2012)
- **Higher tax expense** because all the tax loss carryforwards in North America have been used up
- **Higher capital expenditures:** in particular, increase in graphite production capacity in China

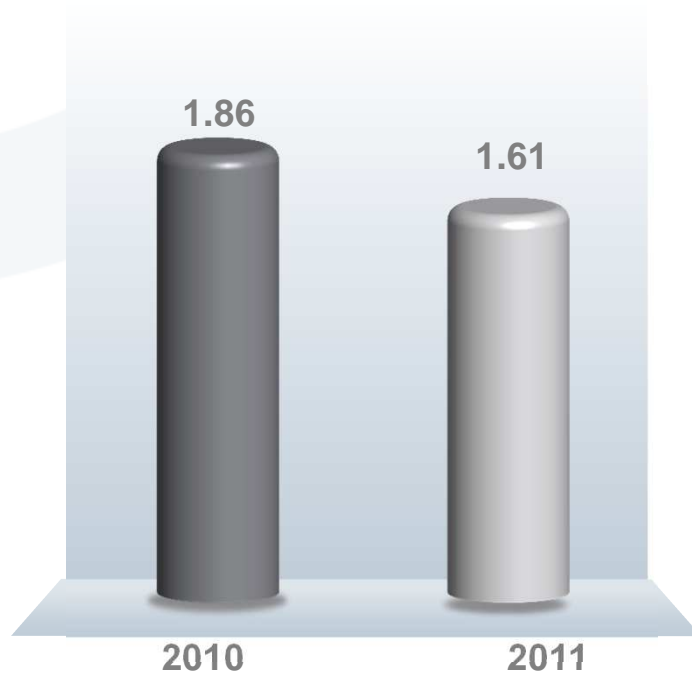
# SLIGHT GROWTH IN NET DEBT

Net debt in € million



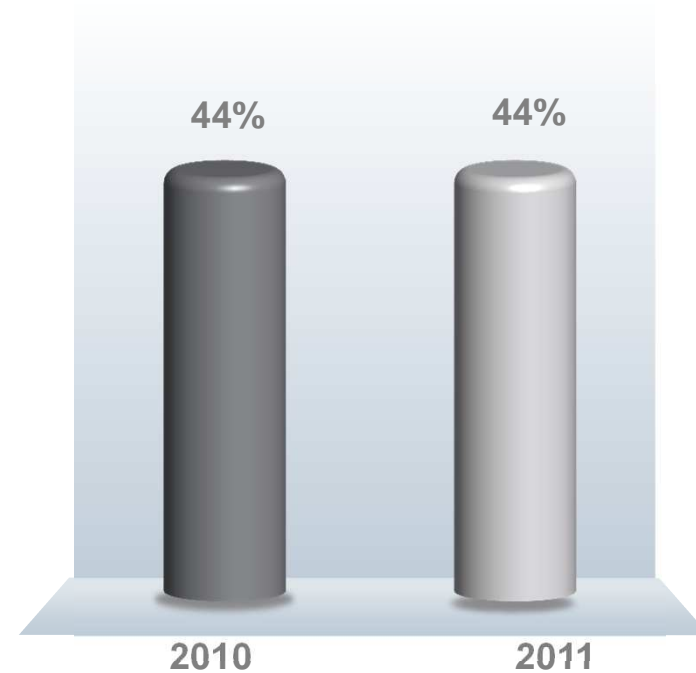
# A SOLID FINANCIAL STRUCTURE

Net debt / EBITDA \*



Bank covenant: <3.35

Net debt / Equity\*

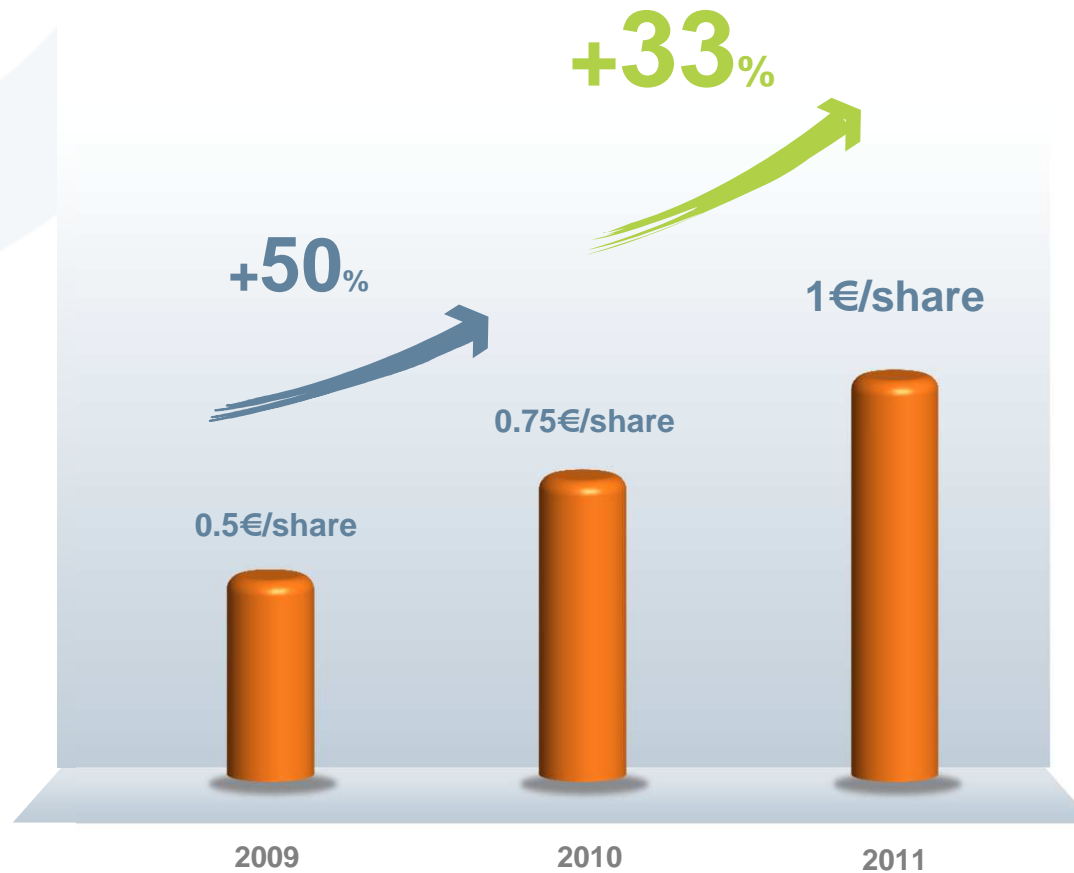


Bank covenant: < 130%

- USPP negotiated in November 2011: 100 MUSD
  - **€ 500 m committed credit lines at the end of 2011**
  - 50% drawn down ; Maturity > 4 years on drawn down lines

*\*Ratio calculated using the method specified for the USD 350 m syndicated loan*

# PROPOSED DIVIDEND UP 33%



Yield : 4.3%  
Pay-out\* : 35%

\* Continuing operations



# 2012 : ADAPT TO CHANGING MARKET CONDITIONS





# A BUSINESS MODEL CONFIGURED

to seize opportunities and  
innovate

**LUC THEMELIN**  
**PRESIDENT OF THE MANAGEMENT BOARD**

# BASED ON HIGH-QUALITY CUSTOMERS



Mersen, at the heart of the R&D programs pursued by the world's leading groups

Mersen, early to formulate new applications of its products

Mersen, keeping a close watch on the champions of the future

**60 of its Chinese customers  
did not even exist in 2009**

# NEW MARKETS SATISFYING DEMAND FOR ENERGY-EFFICIENT SOLUTIONS, SUSTAINABLE DEVELOPMENT AND EMERGING ECONOMIES



- › **Electric or hybrid** vehicles
  - › **Battery** manufacturing processes
  - › **Rare earth** extraction processes

- › New water **purification** techniques

- › Heat storage solutions for **solar thermal**

- › Growth in demand for **fertilizers** and **chemical products** (emerging markets)

## ... TO DEVELOP INNOVATIVE PRODUCTS

- **Telling example: partnership with Corning**
  - An innovative partner that has successfully developed breakthroughs
  - Technical and commercial resources devoted to establishing a new concept: the continuous flow reactor
  - 5-year target: several tens of millions of euros



**At present**  
Batch processes



**Coming soon**  
Ceramic reactors



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› **NYSE Euronext - Compartment B**

› **ISIN :** FR0000039620

› **Bloomberg :** MRN:FP

› **Reuters :** CBLP.PA



› Sales Q1 2012:

**April 25, 2012**

› Sales Q2 2012:

**July 25, 2012**

› 2012 Half-Year Results:

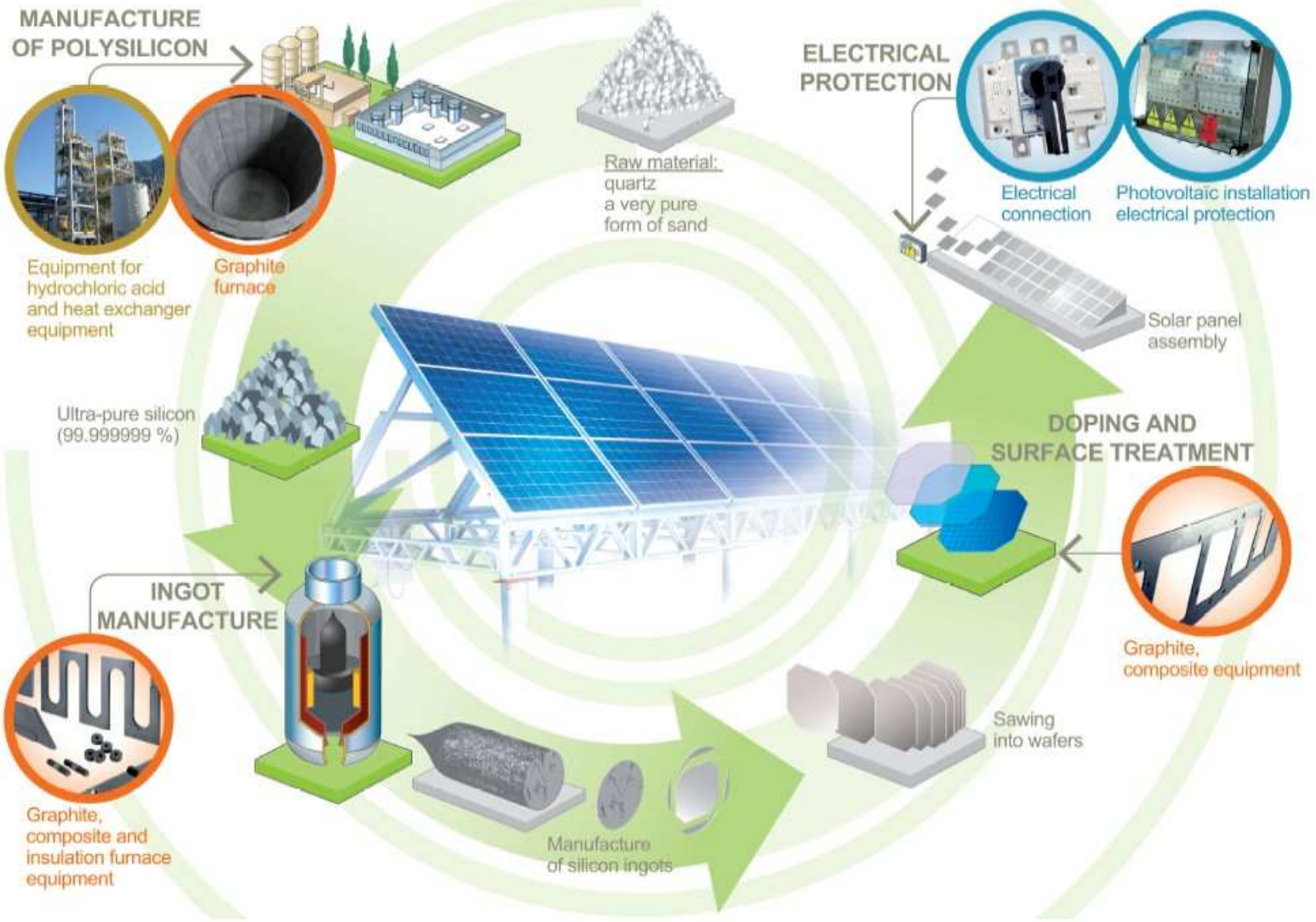
**August 30, 2012**



# APPENDIX

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# MERSEN IN THE SILICON PHOTOVOLTAIC PROCESS

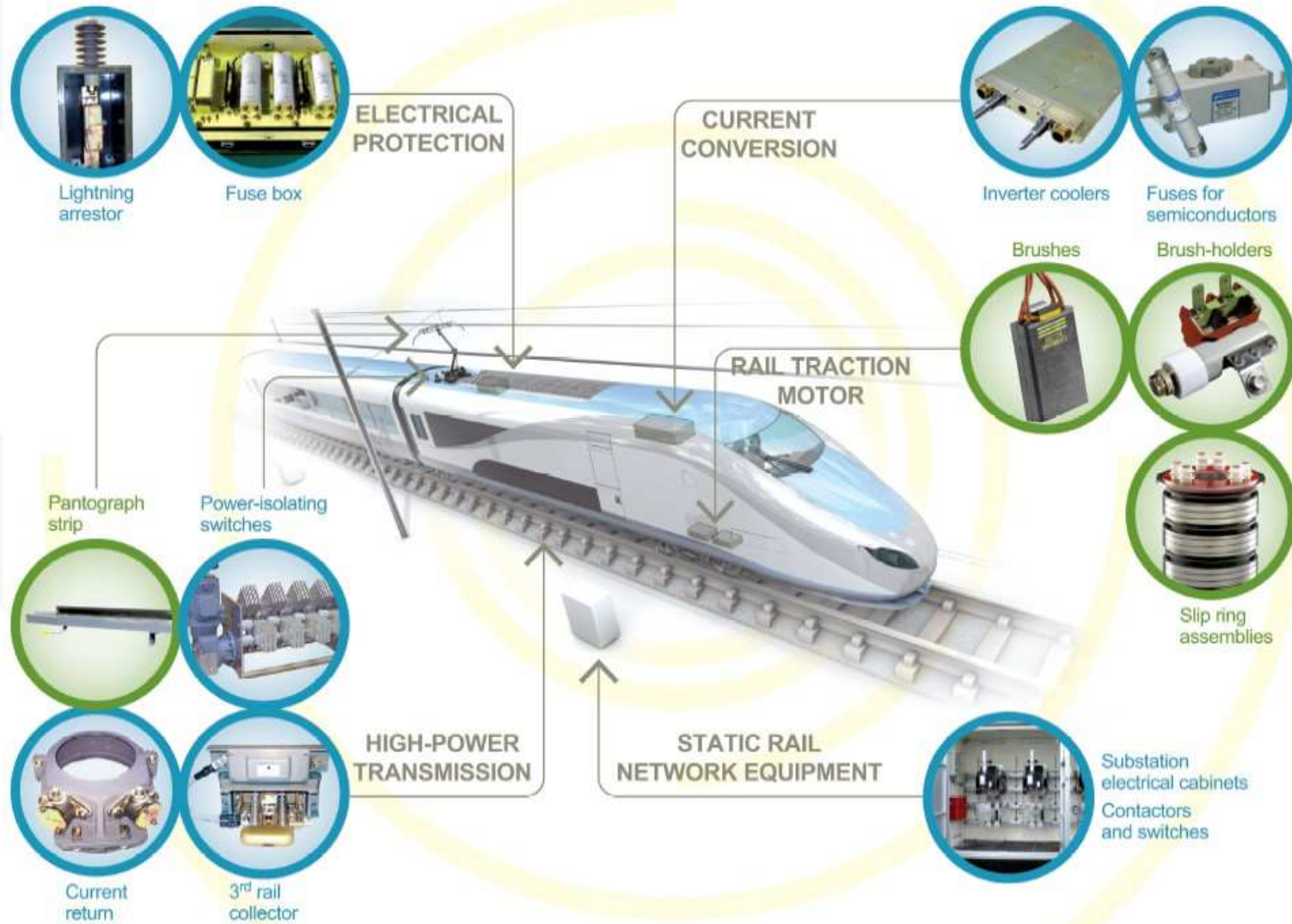




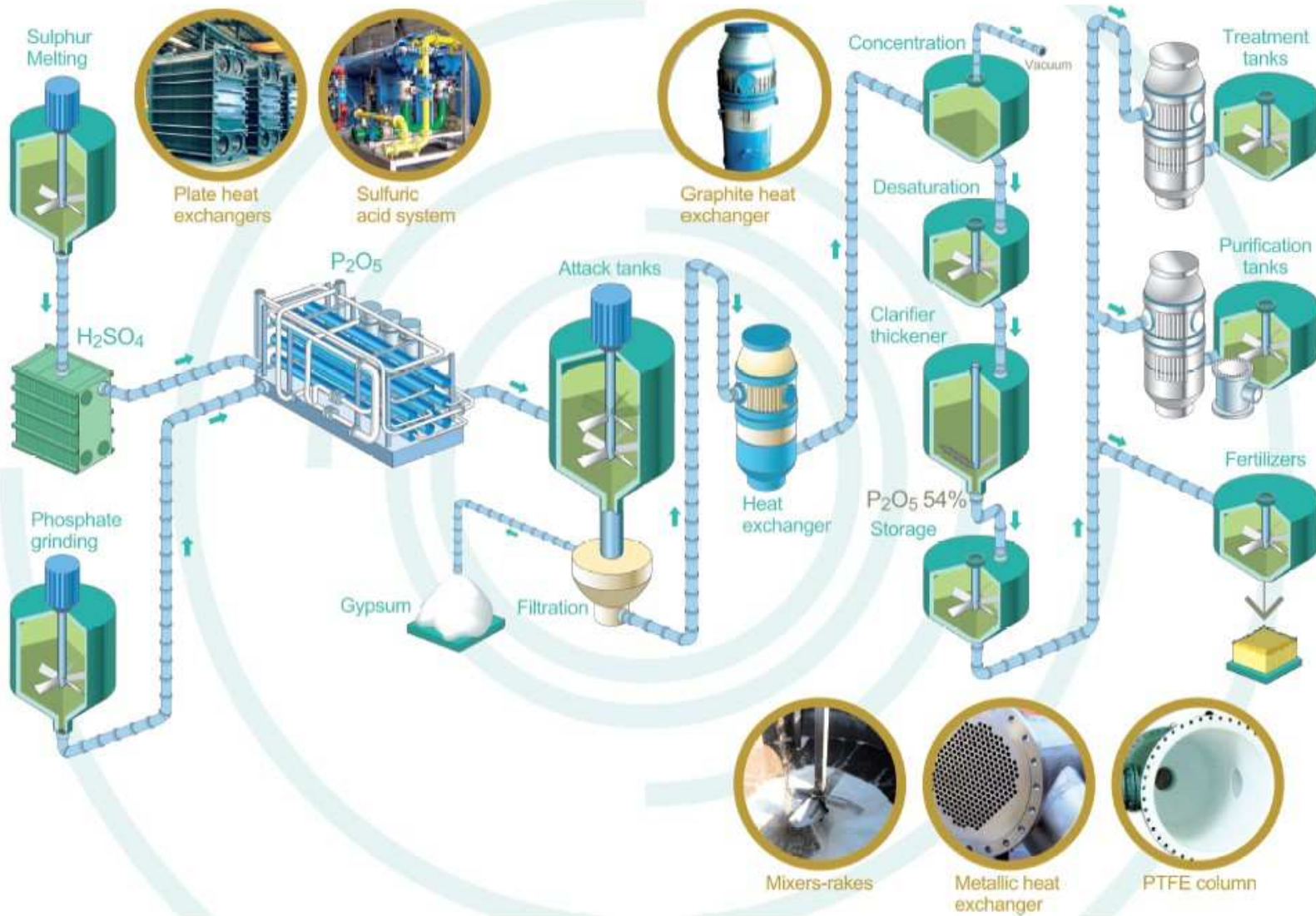
# MERSEN IN THE WIND INDUSTRY



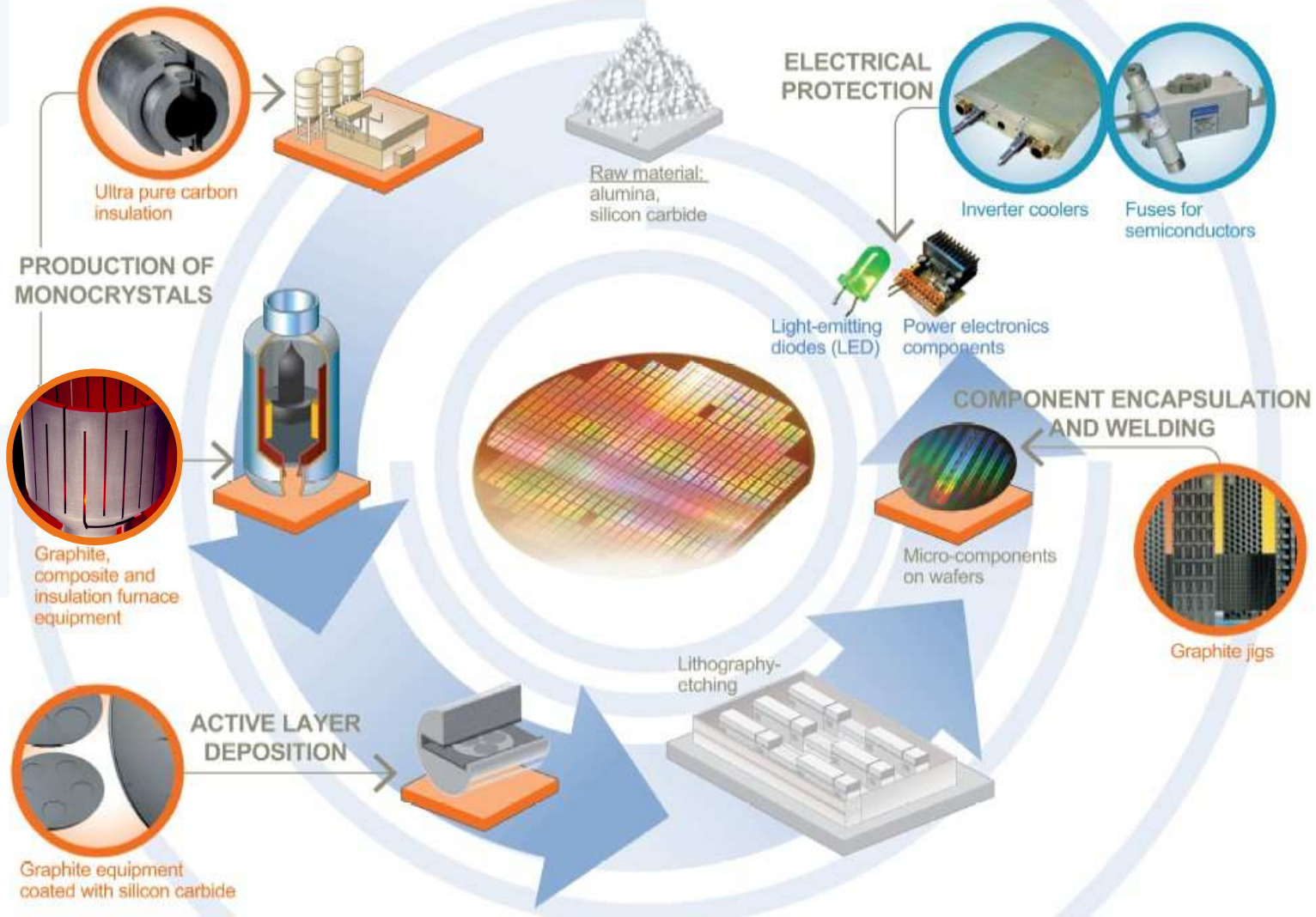
# MERSEN IN RAIL EQUIPMENT



# MERSEN IN PHOSPHORIC ACID AND FERTILIZERS INDUSTRIES



# MERSEN IN COMPOUND SEMICONDUCTORS PROCESS



# MERSEN IN PROCESS INDUSTRIES

