

Mersen's corporate identity and strategy

September 15th, 2010

Disclaimer

- This presentation contains forward-looking statements. This information, which reflects objectives established based on the current assessments and estimates of the Group's Executive management, remains contingent upon numerous factors and uncertainties that may cause actual results to differ materially from those forecast by the Group.

Mersen, expertise, our source of energy

TWO KEY AREAS OF EXPERTISE...

Advanced Materials and Technologies

Electrical Components and Technologies

Dedicated to serving expanding markets,
and traditional industries seeking to boost their performance.



Energy



Transportation



Electronics



Chemicals/
Pharmaceuticals



Process
industries

Rapid transformation into a new corporate profile

2005

2007

2008

2009

2010

A new business profile

a new corporate identity



First sale in the solar and wind energy segment

Disposal of the Magnets division

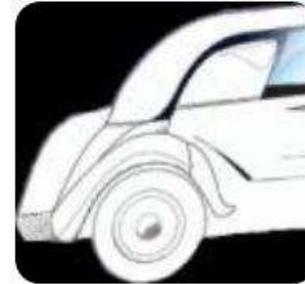


Graphite plant in Chongqing, China



Acquisitions and strategic partnerships Calcarb, Xianda, M.E.P

>1,000 employees in China



Disposal of the Automobile division

MERSEN
Des expertises, une énergie

Expansion into new markets (Nuclear and Water treatment)



Expertise in Advanced Materials and Technologies



A **century** of innovations based on graphite—an exceptional material



Expertise now extending also to **noble metals, technical ceramics and systems**



A **key partner** for developing industrial segments

World leader in graphite anticorrosion equipment for the chemicals and pharmaceuticals industries.
Joint world leader in isostatic graphite production.

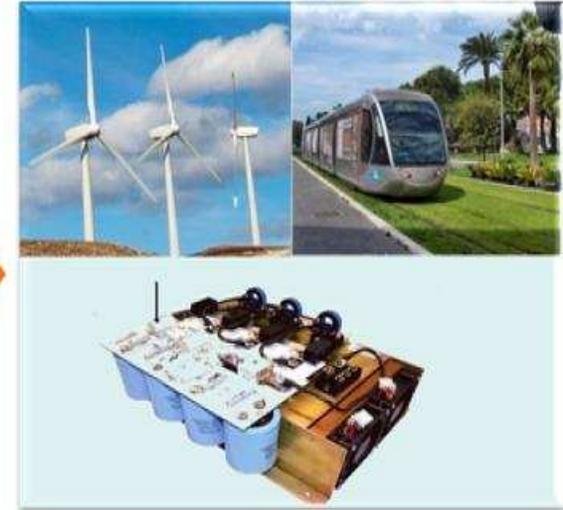
Expertise in Electrical Components and Technologies



Longstanding combination of **graphite electronic components** and **Ferraz fuses**



Expert in **solutions for motors and generators** and in **electrical protection for power components**



Mersen, a **key partner** for **improving electrical performance**

World leader in fuses for power semiconductors.

World leader in brushes for industrial motors.

Expanding markets



Energy



Transportation



Electronics



Chemicals/
Pharmaceuticals



Process
industries

Growth drivers

- Selective acquisitions
- Asia
- Innovation

A response to the challenges of the present day

- Tapping into new energy sources
- Meeting the needs of emerging markets
- Consuming less energy and manufacturing more effectively

Growth driver

Selective acquisitions to extend our fields of expertise

- 15 acquisitions in 3 years
- Integration know-how

Stronger presence in our existing markets

Move into adjacent, expanding products and markets

Always looking to accelerate the pace of growth

ROCE target >20%

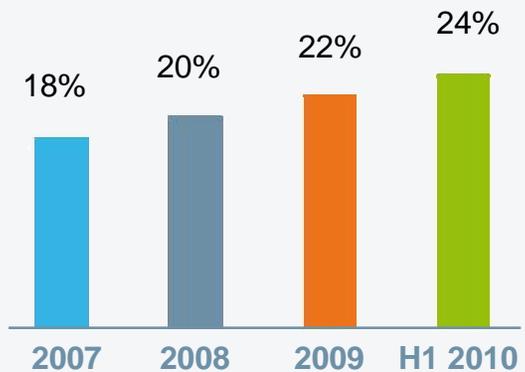
Lumpp
2C Cellier
Lenoir Elec
M.Schneider
GE&S
Boostec
Xianda
R-Theta
Calcarb
DIT
Mingrong
Yantai
GE-MT
Kapp
Areva-MT

Growth driver

Asia

- **New plants and extensions to the manufacturing base in China**
 - Kunshan (2005)
 - Chongqing (2007)
 - Long Bo (2007)
 - Sonjiang (2009)
- **Acquisitions and strategic partnerships**
 - Xianda (2008)
 - Mingrong (2008)
 - Yantai (2010)
- **Extensions in South Korea and India**

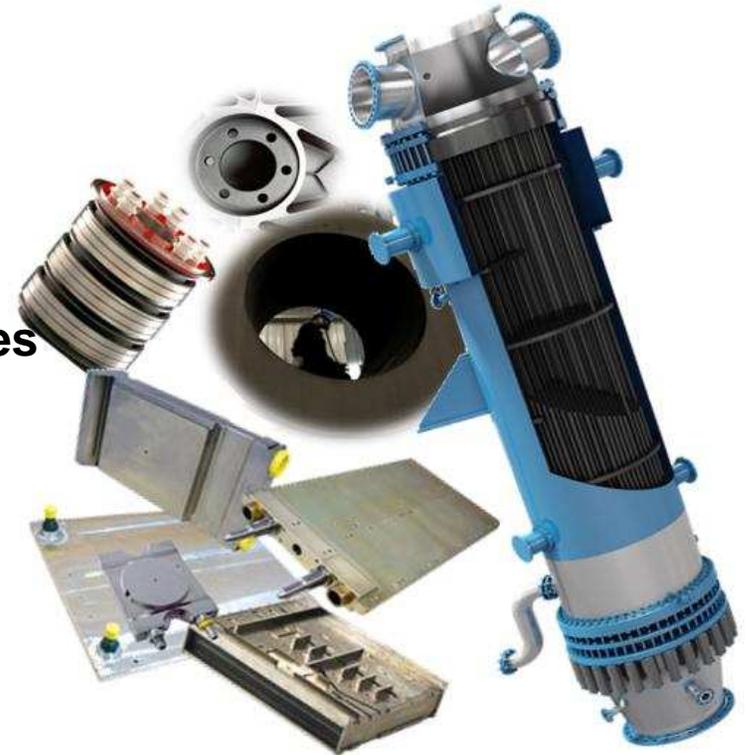
Proportion of Group sales generated in Asia
(% of sales)



Growth driver

Innovations to win new markets

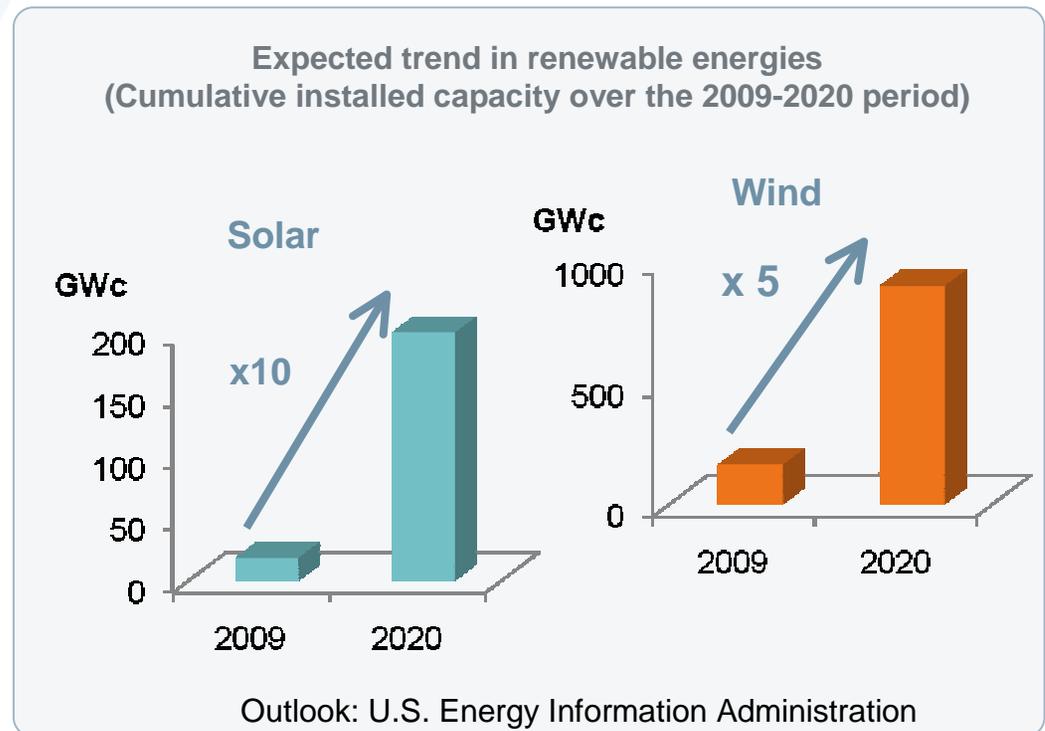
- **Advanced Materials and Technologies**
 - CL Clad®
 - Large diameter graphite blocks
 - Carbon-carbon composites
 - Insulation felt
 - Silicon carbide coatings
- **Electrical Components and Technologies**
 - Electronic component coolers
 - Slip-ring assemblies for wind turbines
 - Signal transmission systems
 - Surge protection devices



Contribute to the take-off in alternative energies

Renewable energy policy objectives set in the major countries

- Europe: 20% in 2020
- US: 25% in 2025
- China: 15% in 2020



Contribute to the take-off in alternative energies

- Ultra-high performance solutions to minimize our customers' costs
- High value-added products
- Global presence
- Stronger presence in China

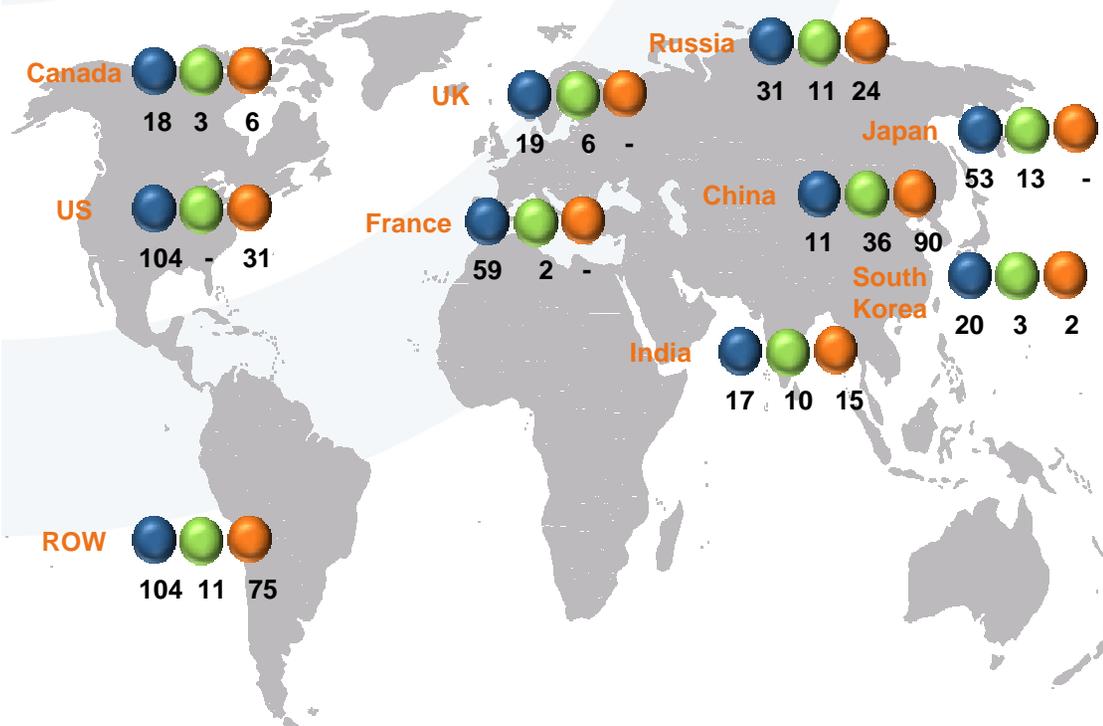
15%*
of H1 2010
sales

** Proportion of alternative energies*

Contribute to the take-off in alternative energies

Nuclear

Harness the growth in civil nuclear power around the world



Reactors operational in 2008	436
New reactors (2010-2015)	95
New reactors (2015-2030)	243

Source: World Nuclear Association, Mersen estimate

- Mersen's range of equipment covers the entire value chain
- Full range of certified equipment compliant with nuclear standards
- Manufacturing base in China through Xianda
- Global presence in the US and China

Meeting the needs of emerging markets

An additional one billion people between 2010 and 2025*

Mainly in Asia and Africa

- Face up to the issue of hydric stress
- Rise to the challenge of feeding the world's population
- Deliver access to healthcare

Water treatment
Fertilizers
Pharmaceutical products



* Source: UN

Meeting the needs of emerging markets

Water, fertilizers, pharmaceuticals

- An extensive range of equipment (graphite, ceramics, noble metals) for corrosive processes
- System development, turn-key solutions
- Stronger presence in China and Morocco
- Lumpp, strategically important extension to the product range

6%
of H1 2010
sales

Consuming less energy and manufacturing more effectively

+50% increase in energy consumption over the next 25 years*

- Low-pollution transportation
- New electronic components
- Energy efficiency



**US Energy Information administration*

Consuming less energy and manufacturing more effectively

Rail

Growth in demand for mobility solutions, especially in emerging markets

- A range of electrical components, setting the standards in the market
- Partnerships with the top manufacturers
- Leadership position in Asia

11%
of H1 2010
sales

Consuming less energy and manufacturing more effectively.

Electronics, a source of energy savings

Shift in lighting towards solutions consuming less energy (LED)
Demand for the conversion of electrical power

- **Advanced technology equipment and components representing a major barrier to entry**
- **Worldwide positioning**
- **Stronger strategic presence in South Korea**

14%
of H1 2010
sales

Objectives confirmed

Markets related to sustainable development



Asia



Selective acquisitions



Innovation



50% of sales linked to sustainable development

25% of sales deriving from alternative energies

30% of sales in Asia

Financial resources

Numerous financial strengths

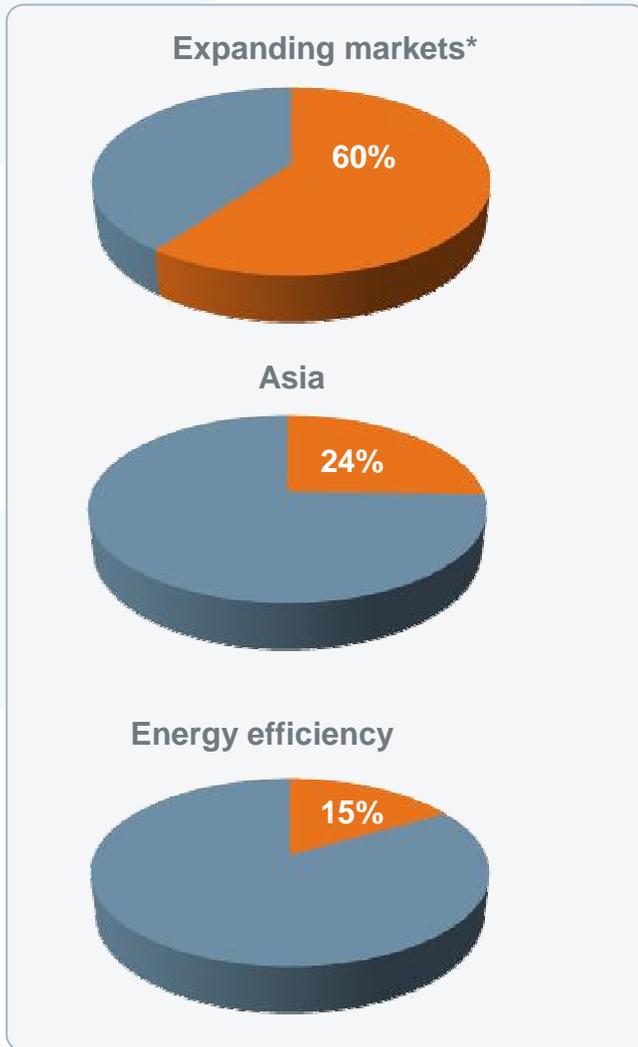
A stronger growth profile

Related operating leverage

Cash generation based on optimization of the supply chain

Robust finances

A stronger growth profile



- **Mersen's positioning in growth markets**

- Expanding markets
- Asia
- Energy efficiency

**Energy, Rail transportation, Chemicals/pharmaceuticals, Electronics*

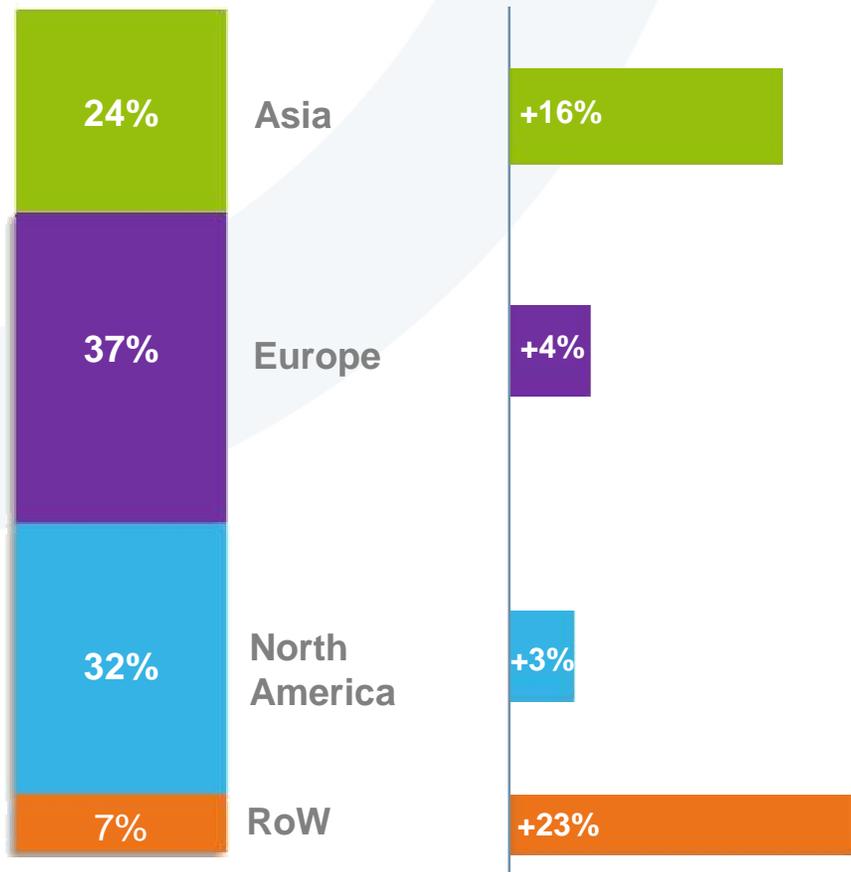
Recovery in growth under way

First-half 2010

H1 10
Sales

€348m
+7% lfl

● Breakdown of sales by region



- Brisk activity level in China and South Korea
- Renewable energies
- Seawater desalination

- Recovery in process industries

- Recovery in process industries
- Rebound in electronics sector

- Brisk activity level in Africa and the Middle-East

Continuing operations - % change on a like-for-like basis

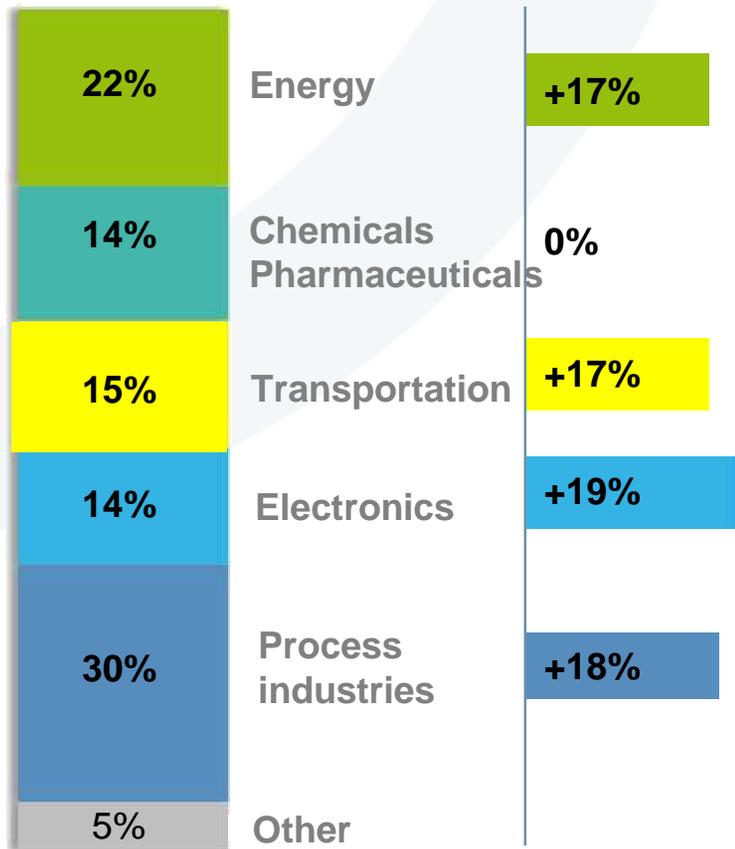
Recovery in growth under way

First-half 2010

H1 10
Sales

€348m
+7% lfl

● Breakdown of sales by market



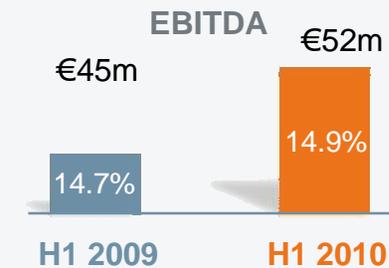
- Acceleration in the solar segment during Q2
- Development of replacement market in wind energy
- Impact of 2009 comparatives
- Incentive plans
- Asia
- Rebound in semiconductor sales
- Development of LEDs
- Recovery in process industries
- Anticorrosion equipment for water treatment

Continuing operations - % chg. on a reported basis

Related operating leverage

- A repositioned group
- An overhauled and effective manufacturing base
- Ability to adjust costs

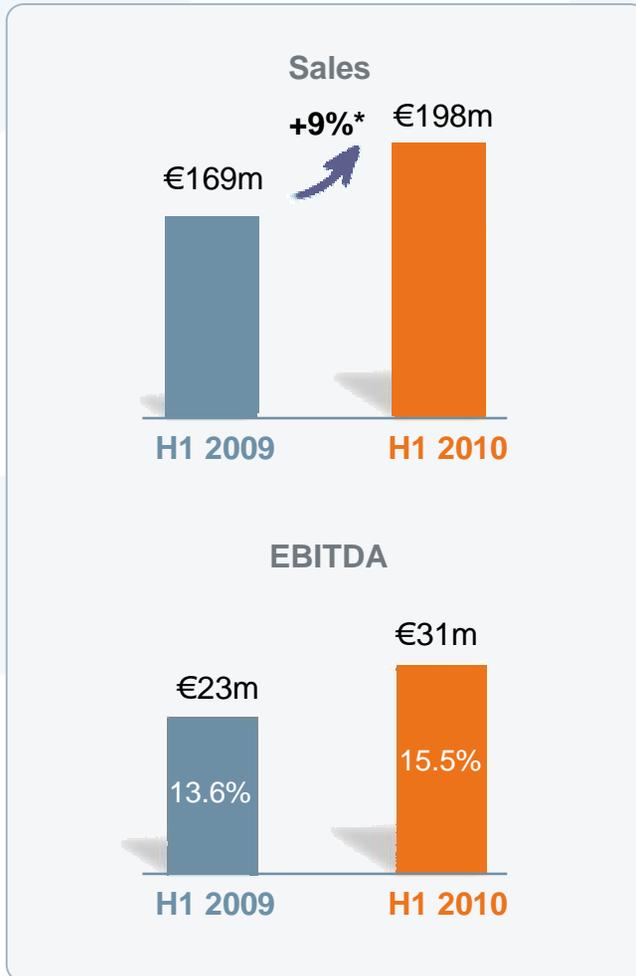
Interim results



*On a like-for-like basis

Related operating leverage

A source of leverage already effective in ECT



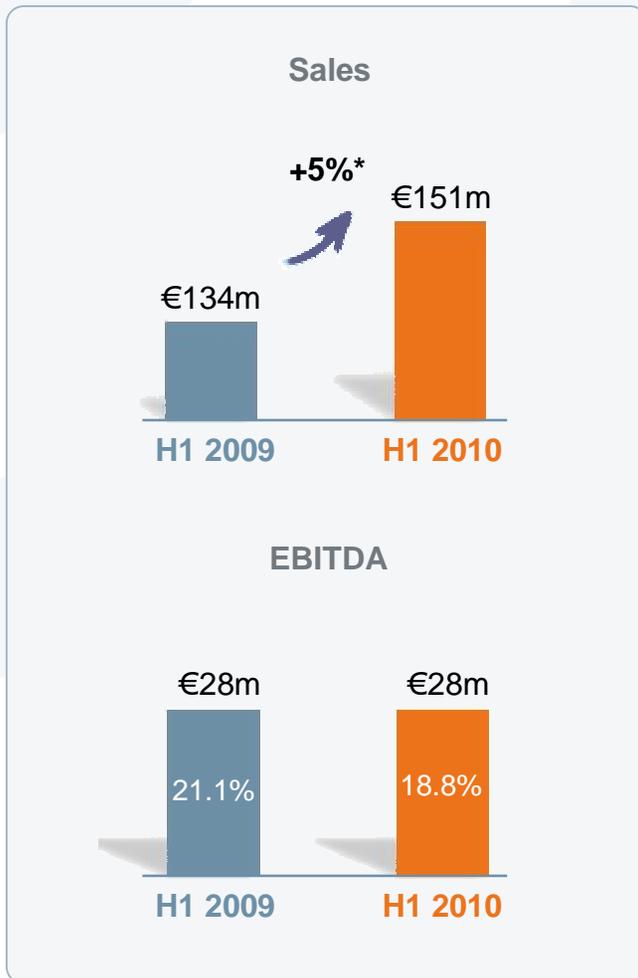
- Positive impact of restructuring and savings plans
- Positive product/market mix

Priorities: Pursue our development and our operational efficiency

**On a like-for-like basis*

Related operating leverage

Strong potential in AMT



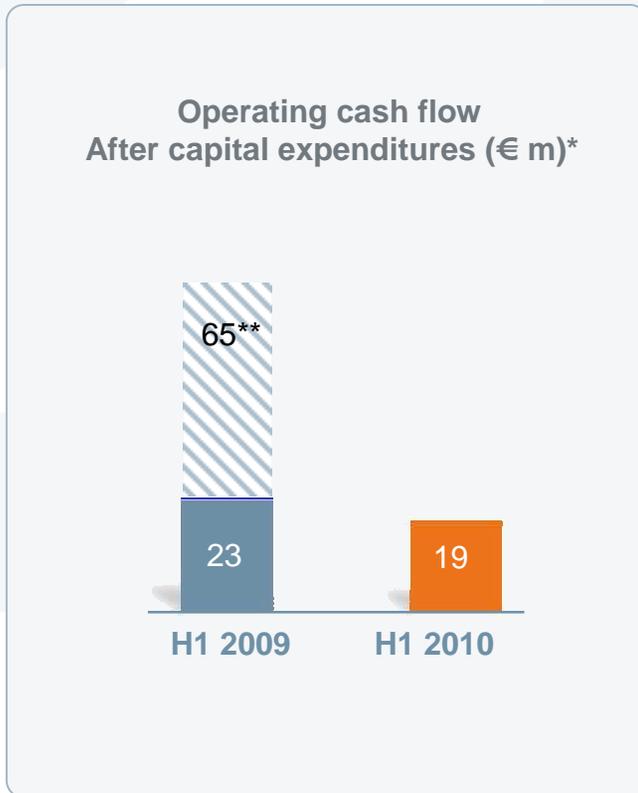
- Temporary price reductions during H1
- Program of major investments completed

Priority:
expand the business volume

**On a like-for-like basis*

Cash generation confirmed

Optimization of the supply chain



*Continuing operations

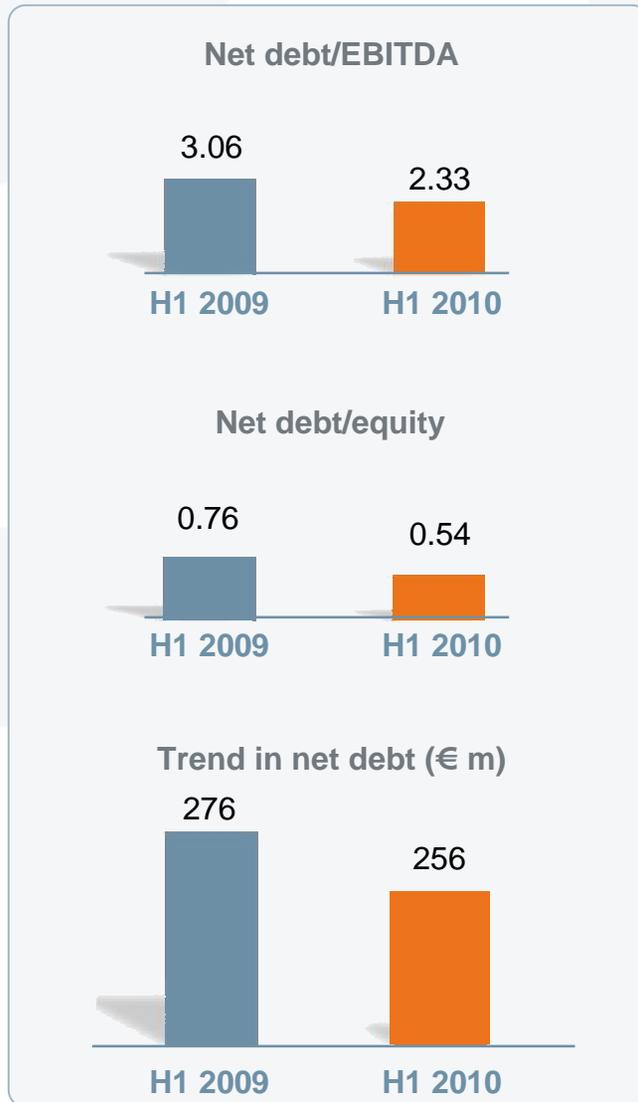
** At December 31, 2009

● Cash Initiative

- Over 30 Supply Chain projects launched in late 2008
- A program of continuous improvement
- Incentive plans for cash generation

● Program of investments largely completed

Robust finances



- **Refinancing of loans**
 - **2008**: refinancing of the Group's syndicated loan (**\$350m**)
 - **Sept. 2010**: refinancing of the syndicated loan in China (**\$75m**)
- **Recent strengthening of the capital base**
- **Improved financial ratios**

\$185m in credit lines available at June 30

Our objectives for 2010



**Double-digit
organic growth**

Operating margin
before non-recurring
items which
**at least equals
the H1 level**

**On a like-for-like basis*

Appendix

Interim income statement

(€ m)

Sales
EBITDA*
<i>EBITDA/Sales (%)</i>
Operating income before non-recurring items
<i>% of sales</i>
Non-recurring income and expense**
Operating income
Finance costs, net
Current and deferred taxation
Net income from continuing operations
Net income from continuing operations
Net income attributable to equity holders of the parent

H1 2009

H1 2010

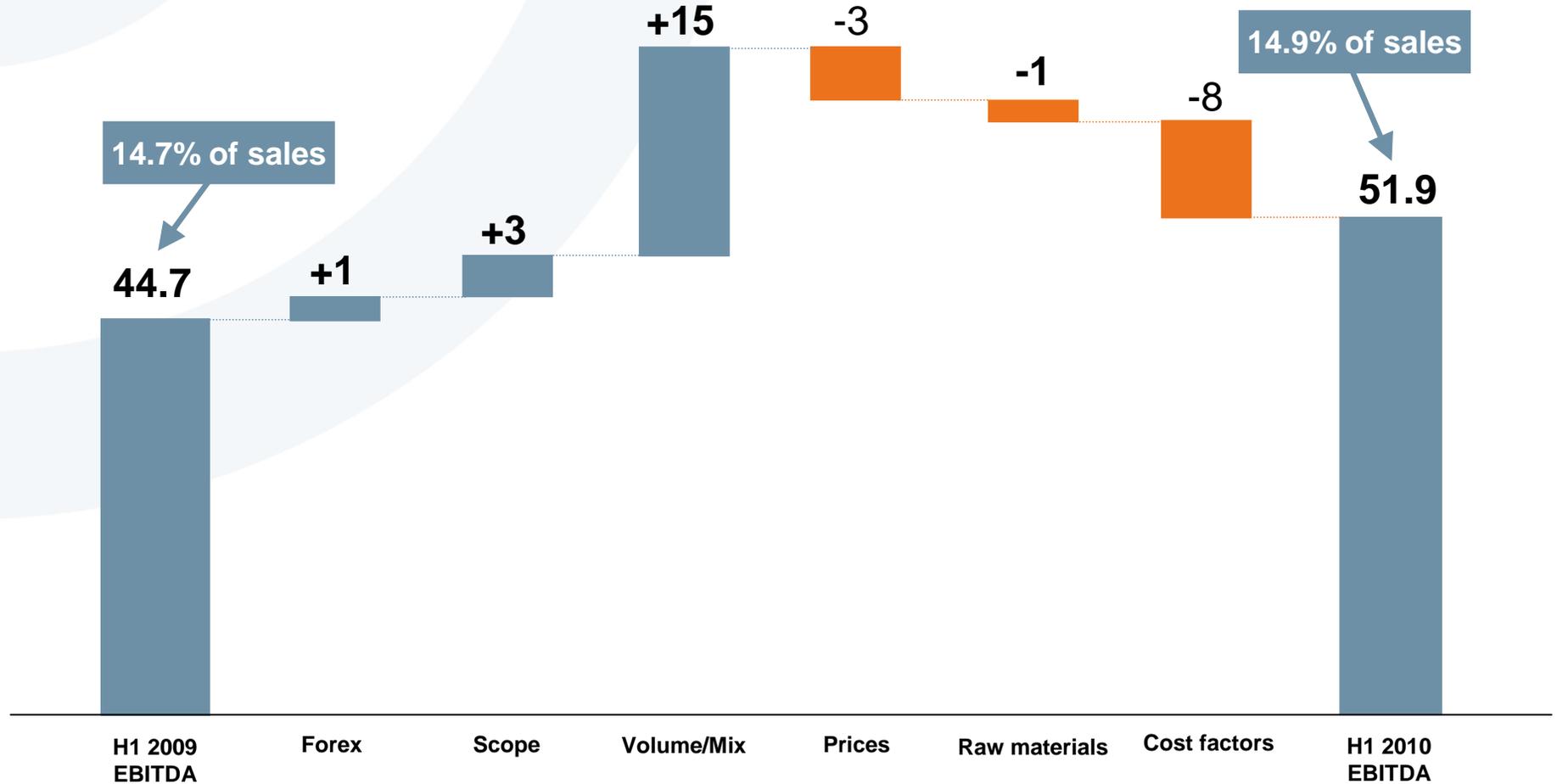
303.1	348.1
44.7	51.9
14.7%	14.9%
28.9	34.4
9.5%	9.9%
(1.3)	(1.4)
27.6	33.0
(5.7)	(5.9)
(6.2)	(8.7)
15.7	18.4
(1.9)	(1.1)
13.8	17.3

* Operating income before non-recurring items + depreciation and amortization

** Including amortization of intangible assets

Trend in H1 2010 EBITDA vs. year-earlier period

(€ m)



Simplified cash flow statement

Operating cash flow of continuing operations

(€ m)

H1
2009

H1
2010

Cash flow

Change in the WCR

Income tax

Capital expenditures (excluding acquisitions)

Operating cash flow, continuing operations

44

15

(3)

(33)

23

49

(16)

(2)

(12)

19

Continuing operations

Debt

(€ m)

Debt at December 31, 2009

Operating cash flow after capital expenditures (continuing operations)

Increase in capital, interest payments and dividends

Discontinued operations

Scope

Non-recurring cash flows ⁽¹⁾

Other changes (mainly translation adjustments)

Debt at June 30, 2010

215

(19)

6

1

14

15

24

256

⁽¹⁾ Payment of a fine imposed by the European authorities in 2003 and confirmed on appeal in 2009

Condensed balance sheet

Dec. 31, 2009 June 30, 2010

Non-current assets	577	637
Inventories and trade receivables	246	312
Other assets	12	9
TOTAL ASSETS	835	958
Equity	425	473
Provisions	1	2
Employee benefits	34	36
Trade and other payables	105	133
Other liabilities	55	58
Net debt	215	256
TOTAL LIABILITIES	835	958
Net debt/equity	0,50	0,54
Net debt/EBITDA	2,5	2,3