

Paris, July 21, 2010

First Signs of Recovery Confirmed In the Second Quarter of 2010

During the second quarter of 2010, Mersen posted consolidated sales of €186 million, up 29% on a reported basis, and up 15% on a like-for-like basis

This growth contrasts with a second quarter 2009 performance that was negatively impacted by the economic crisis. It was driven by further evidence of a recovery in traditional industries, brisk business trends in electronics, rail transportation and conventional energies, and an acceleration in the Group's sales for the photovoltaic industry.

During the first six months of the year, interim sales came to €348 million, up 15% on a reported basis and up 7% on a like-for-like basis.

Sales	Q2 2010 (€ m)	% change* Q2 2010/ Q2 2009	H1 2010 (€ m)	% change* H1 2010/ H1 2009
Advanced Materials and Technologies	81	+13%	151	+5%
Electrical Components and Technologies	105	+16%	197	+9%
Group total	186	+15%	348	+7%

**on a like-for-like basis, i.e. at comparable scope and constant exchange rates – Unaudited data*

Advanced Materials and Technologies

The Advanced Materials and Technologies segment posted sales of €81 million during the second quarter, increasing by 24% on a reported basis and by 13% on a like-for-like basis. These figures take into account the sales recorded by Lump, a company acquired in late 2009.

Sales in the **photovoltaic market** were stronger than in the first quarter of 2010. They were notably boosted by the recovery in deliveries of original equipment in North America for the Chinese solar industry. The recovery recorded in **process industries** during the first quarter was confirmed, while sales for the **electronics** markets remained brisk. Nonetheless, this business recovery took place in a context of greater pricing pressure than in 2009.

Deliveries of seawater desalination equipment under the contract with Degrémont continued during the quarter.

Sales recorded by the Advanced Materials and Technologies segment amounted to €151 million during the first six months of the year, increasing by 5% on a like-for-like basis.

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Electrical Components and Technologies

The quarterly sales recorded by the Electrical Components and Technologies segment include the sales posted by Mingrong since January 1, 2010. They came to €105 million, up 32% on a reported basis and up 16% on a like-for-like basis.

Sales remained brisk in the **rail transportation** markets and **power electronics** applications. As during the previous quarter, business also held up in **process industries**, notably for steel mills.

Lastly, sales to the **wind energy** market were underpinned by the development of the replacement market, notably in North America.

The Electrical Components and Technologies segment recorded sales of €197 million during the first six months of the year, up by 9% on a like-for-like basis.

Recent highlights

Mersen signed a preliminary agreement to acquire a 60% stake in **Yantai Zhifu** (annual sales of around €5 million), which specializes in graphite machining for the production of the monocrystalline silicon used in the photovoltaic industry. This acquisition complements the Group's operations in China in this very fast-expanding sector.

Mersen's Financial Situation

The Group's debt increased by comparison with December 31, 2009 owing notably to the acquisitions of M. Schneider and Boostec, the US dollar appreciation against the Euro and the partial settlement of the European Commission fine dating back to 2003 and confirmed on appeal in late 2009. The remainder will be paid during the second half of 2010, with no impact on the Group's results. Similarly to its financial situation at December 31, 2009, the Group is holding a significant amount of confirmed unused credit lines.

Outlook

Since the beginning of the year, Mersen's business trends have been boosted by the dynamic performance of most of its expanding markets and the geographical positioning adopted by the Group in recent years, i.e. in alternative energies, transportation, electronics and Asia. Although the recovery in traditional industries was confirmed during the second quarter, the sustainability of such recovery remains uncertain given the lack of visibility in today's global economy.

Mersen is reiterating its objectives for 2010. The Group expects to record renewed organic growth and raise its operating margin before non-recurring items.

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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 and is included in the following indices: CAC Mid100, SBF120 and Next 150.



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