

### **MERSEN AND HARBIN ELECTRIC CARBON SET UP A JOINT VENTURE TO SERVE THE CHINESE RAIL MARKET**

**PARIS, OCTOBER 24, 2016** - Mersen (Euronext FR0000039620 – MRN), a global expert in electrical power and advanced materials, is today announcing that it has entered into an agreement to set up a joint venture with Harbin Electric Carbon, a well-known player in the Chinese market.

The joint venture's activities will encompass the manufacture of graphite plates, brushes and pantograph strips for civil applications, mainly for the rail market. Harbin Electric Carbon's sales network extends right across China and it has a modern production facility in Harbin (Heilongjiang Province). Mersen will provide the joint venture with unrivalled expertise in the formulation of carbon brushes and in operational excellence. The transaction is structured mainly as a contribution of assets.

This deal fits with the Group's expansion strategy in Asia. Mersen will be able to leverage the Harbin brand, which is firmly established in China, its product certification and its efficient manufacturing platform to step up the pace of its expansion, particularly in the rail market.

Mersen will own a majority interest in this joint venture. It will become part of the Advanced Materials segment, and its operations will gradually be expanded over the coming years. Over the next five years, the goal is for it to generate sales of around €10 million and increase its workforce to around one hundred employees.

Luc Themelin, Mersen's Chief Executive Officer, commented: "This joint venture represents an additional step in the Group's expansion in China. The country still boasts substantial growth prospects, particularly in the rail market. Mersen's expertise and Harbin Electric Carbon's reputation provide solid foundations for the success of the new company."

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#### **ABOUT HARBIN ELECTRIC CARBON**

Harbin Electric Carbon is a wholly-owned subsidiary of Harbin Industrial Investment Group Ltd, itself a wholly-owned subsidiary of SASAC (Supervision & Administration Commission of the State Council). Harbin Electric Carbon has close to 550 employees.

#### **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, electronics, transportation, chemicals & pharmaceuticals and process industries.

Mersen, with its 6,100 employees working across 35 countries, recorded sales of 772 million euros in 2015.

## THE GROUP IS LISTED ON EURONEXT PARIS – COMPARTMENT B

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