

PRESS RELEASE

Paris, February 15, 2010

Imerys Announces 2009 Results

- Sales down - 20% and current operating income - 55%
- Effectiveness of action plans launched from end 2008:
 - Substantial reduction in fixed costs and overheads: - €158 million
 - High current free operating cash flow: €450 million
 - Net financial debt decreased - 38 % at €964 million
- Operating margin 9.0% for full-year 2009, 9.9% in 2nd half
- Proposed dividend: stable at €1.00 per share

The Board of Directors of Imerys, meeting today under the chairmanship of Aimery Langlois-Meurinne, examined the definitive financial statements for 2009, as presented by Chief Executive Officer Gérard Buffière. The financial statements will be submitted for approval at the Annual General Meeting on April 29, 2010.

CONSOLIDATED RESULTS (€millions)	2009	2008 ⁽⁶⁾	% current change
Sales	2 773.7	3 449.2	- 19.6%
Current operating income ⁽¹⁾	248.9	414.6	- 40.0%
<i>Operating margin</i>	9.0%	12.0%	- 3.0 points
Net current income, Group's share ⁽²⁾	119.3	267.1	- 55.3%
Net income, Group's share	41.3	161.3	n.s.
FINANCING			
Current operating cash flow ⁽³⁾	347.1	462.8	- 25.1%
Current free operating cash flow ⁽⁴⁾	450.3	257.8	+ 74.6%
Booked capital expenditure	118.7	238.1	- 50.5%
Shareholders' equity	1 855.8	1 546.3	+ 20.3%
Net financial debt	964.3	1 566.1	- 38.4%
DATE PER SHARE (euros)			
Net income from current operations, Group's share ⁽²⁾⁽⁵⁾	€1.66	€3.96	- 58.3%
Proposed dividend	€1.00	€1.00	Stable

CEO Gérard Buffière stated: "*The unprecedented scope of the economic crisis the world has been going through since late 2008 led us to take difficult measures to adapt our production assets to the collapse of our sales volumes. The results of the actions have exceeded our expectations and I want to thank all our teams for the work done. In extreme market conditions, Imerys proved its responsiveness and the soundness of its business model, which enable it to forecast a return to a double-digit operating margin and to draw on a stronger balance sheet. Thanks to those foundations, we will benefit fully from the recovery of growth*".

- (1) Operating income before other operating revenue and expenses.
- (2) Group's share of net income, before other operating revenue and expenses, net.
- (3) EBITDA minus notional tax on current operating income.
- (4) Current operating cash flow after changes in working capital (including €83 million in factoring) and paid capital expenditure.
- (5) The weighted average number of outstanding shares (adjusted following the capital increase of June 2, 2009) was 72,054,523 in 2009 compared with 67,486,365 in 2008.
- (6) 2008 results were reprocessed following the two presentation changes applied as on January 1, 2009, details of which are given in appendix hereto.



ECONOMIC ENVIRONMENT

- **Unprecedented economic downturn in 2009**
- **Slow recovery towards end of year**

The second half of 2009 shows a slow improvement in the Group's markets after the sharp fall recorded since November 2008. The inventory reduction trend, which had intensified the slump in industrial output in mature countries, slowed down in the second half; some industries benefited from an early inventory rebuilding by their customers towards the end of the year. Business remained firm in emerging countries, which represent 24% of the Group's outlets.

The slowdown in investment and capital goods consumption weighed on industrial markets; steel production in Europe and North America (29% of global steel) slumped - 26% in 2009. In the last few months of 2009, the decrease was only - 15% from the healthy levels recorded in the 3rd quarter of 2008 on both zones, signaling the gradual end of inventory reduction.

Global production of printing and writing paper, driven by the demand from emerging economies, is still affected by the downturn in advertising and the continued restructuring intended to reduce overcapacities in Europe and North America. In 2009, it decreased - 11%.

In France, the number of single-family housing starts fell approximately - 20% in 2009. The end of the year, however, shows a downward trend in the number of permits granted. Roofing renovation is holding out better. In North America, housing starts remain at historically low levels.

After an inventory reduction period, fast-moving consumer good sectors returned to late 2008 levels.

EFFECTIVENESS OF ACTION PLANS

- **Substantial reduction in fixed costs and overheads: - €158 million**
- **High current free operating cash flow: €450 million (of which €83 million factoring)**
- **Net debt below 1 billion euros**

From 2008, Imerys made free cash flow generation its priority and undertook action plans to cope with the swift downturn in the global economic climate. These efforts were stepped up in 2009, with results that exceeded the Group's expectations:

- inventory was reduced by - €171 million and working capital represents, on a comparable basis (excluding factoring) 24.9% of annualized sales for the fourth quarter of 2009;

- industrial assets were adjusted to demand; fixed production costs and overheads fell by - €157.8 million, (the cash portion for fixed production expenses and overheads being reduced by - 15%). The operating margin amounted to 9.0% (vs. 12% in 2008), whereas volumes fell - 23.8%;

- booked capital expenditure was down - 50% to €118.7 million, mainly with respect to maintenance operations.

Imerys achieved exceptionally high current free operating cash flow of €450.3 million, compared with €257.8 million in 2008, making substantial organic debt reduction possible. As on December 31, 2009, net financial debt was below €1 billion at €964.3 million, compared with €1,566.1 million a year earlier. This one-third decrease also results from the deconsolidating factoring program set up in the third quarter of 2009 (€83 million in receivables transferred on December 31, 2009) and the €251 million capital increase that was successfully completed in June.

OUTLOOK

With a 9.9% operating margin in the 2nd half of 2009, Imerys is on track to meet its 10% operating margin objective for early 2010.

In an uncertain economic environment, the Group maintains its priorities in terms of tight operating management.

DIVIDEND

The Board of Directors will propose maintaining a dividend of €1.00 per share at the Annual General Meeting of April 29, 2010, despite lower earnings. This dividend should be paid out from May 11, 2010 for a total of approximately €75.4 million, i.e. 63.2% of the Group's share of net current income.

DETAILED COMMENTARY ON THE GROUP'S RESULTS.

SALES

	Sales (€ millions)	Change in sales (% previous year)	Comparable change in sales ⁽¹⁾ (% previous year)	of which Volume effect	of which Price/Mix effect
2008	3 449.2	+ 1.4%	+ 0.7%	- 3.7%	+ 4.5%
2009	2 773.7	- 19.6%	- 19.9%	- 23.8%	+ 3.9%

	Sales (€ millions)	Change in sales (% previous year)	Comparable change in sales ⁽¹⁾ (% previous year)	of which Volume effect	of which Price/Mix effect
1 st quarter 2009 ⁽²⁾	694.3	- 21.3%	- 23.8%	- 28.2%	+ 4.4%
2 nd quarter 2009 ⁽²⁾	679.7	- 23.8%	- 26.0%	- 30.2%	+ 4.2%
3 rd quarter 2009 ⁽²⁾	703.7	- 20.6%	- 20.9%	- 24.7%	+ 3.8%
4 th quarter 2009 ⁽²⁾	696.1	- 11.8%	- 7.6%	- 11.1%	+ 3.5%

- Gradual upturn in volumes in 2nd half, but still below 2008 levels
- Firm price and mix components in all activities

At €2 773.7 million in 2009, sales fell - 19.6% compared with 2008.

This decrease takes into account:

- A positive exchange rate effect of + €17.4 million, mainly reflecting the US dollar's appreciation against the euro. Exchange rates had a favorable effect for the first nine months of the year, before having impact of - €25.9 million in the 4th quarter;
- - €5.7 million impact of changes in Group structure⁽³⁾.

The collapse in volumes (- 23.8%) was intensified by further inventory reduction in many value chains that include the Group's products, particularly in the 1st half of the year. Sales at comparable Group structure and exchange rates rose + 7.4% in the 2nd half, from the previous six months.

Price effect and product mix, improving in all business groups, increased + 3.9% for the Group as a whole.

(1) At comparable Group structure and exchange rates.

(2) Non-audited quarterly data.

(3) Acquisitions made in 2008: Astron China (China, February 2008), Svenska Silika Verken AB (Sweden, April 2008), Kings Mountain Minerals, Inc. (USA, October 2008) and Suzorite Mining, Inc. (Canada, October 2008), deconsolidation of Xinlong (China, January 2009) and divestments made in 2009, primarily Planchers Fabre (France, May 2009).

CURRENT OPERATING INCOME ⁽⁴⁾⁽⁵⁾⁽⁶⁾

(€ millions)	2009	2008	% Change	% Comparable change ⁽⁷⁾
1 st quarter	44.4	116.9	- 62.0%	- 66.2%
<i>Operating margin</i>	<i>6.4%</i>	<i>13.3%</i>		
2 nd quarter	65.6	124.6	- 47.3%	- 48.8%
<i>Operating margin</i>	<i>9.6%</i>	<i>13.9%</i>		
3 rd quarter	69.8	93.6	- 25.5%	- 31.6%
<i>Operating margin</i>	<i>9.9%</i>	<i>10.6%</i>		
4 th quarter	69.1	79.5	- 13.1%	- 2.6%
<i>Operating margin</i>	<i>9.9%</i>	<i>10.1%</i>		
Year	248.9	414.6	- 40.0%	- 41.0%
<i>Operating margin</i>	<i>9.0%</i>	<i>12.0%</i>		

- **Operating margin gradually restored in second half**
- **Significant savings on fixed costs and overheads**
- **Further inventory reduction despite gradual rise in output**

Current operating income totaled €248.9 million in 2009 (- 40.0%), taking into account:

- Positive exchange rate effect (+ €5.7 million), with an adverse impact in the 4th quarter of 2009,
- Limited impact of changes in Group structure⁽⁸⁾ (- €1.6 million).

At comparable Group structure and exchange rates, the - €169.8 million fall compared with 2008 is due to lower volumes

(- €372.1 million) and was heightened by the decrease in in-process and finished product inventory.

The cost reduction plans carried out since late 2008 led to a - €157.8 million decrease in fixed production costs and overheads. They particularly focused on:

- Capacity reductions or temporary unit idlings, with the short-term use of part-time working measures;
- Production site closures;
- The significant, temporary reduction in expenditure not deemed as necessary (maintenance, travel, overheads).

The improvement in the product price and mix amounts to €129.2 million and easily offsets the limited increase in variable costs observed in the 1st half.

The Group's operating margin works out at 9.0%.

NET INCOME FROM CURRENT OPERATIONS

Net income from current operations totaled €119.3 million (- 55.3% compared with 2008). This trend reflects the decrease in operating income and takes the following items into account:

- An increase in financial expense to - €83.4 million (vs. - €47.1 million as on December 31, 2008), due to the factors below:
 - In 2008, financial expense benefited from non-recurrent gains on exchange and interest rate instruments (for a total of approx. €25 million). In 2009, negative exchange result amounts to - €5.8 million.
 - The net financial expense of pensions rose + €6.0 million during the year.
- A - €46.2 million (- €98.0 million in 2008) tax charge, i.e. an effective tax rate of 27.9%.

(4) Operating income before other operating income and expense.

(5) Results for 2008 were reprocessed following the two presentation changes applied as on January 1, 2009, details of which are given in appendix hereto.

(6) Non-audited quarterly results.

(7) At comparable Group structure and exchange rate.

(8) Acquisitions made in 2008: Astron China (China, February 2008), Svenska Silika Verken AB (Sweden, April 2008), Kings Mountain Minerals, Inc. (USA, October 2008) and Suzorite Mining, Inc. (Canada, October 2008), deconsolidation of Xinlong (China, January 2009) and divestments made in 2009, primarily Planchers Fabre (France, May 2009).

NET INCOME

Other operating income and expense, net of tax, totaled - €78.0 million.

The gross amount (- €87.1 million) can be broken down into:

- cash expense of - €53.0 million with respect to restructuring expenses related to the cost reduction plans undertaken during the period, particularly site closures;
- a non-cash amount of - €45.4 million (depreciation of industrial assets on restructured sites and goodwill impairment);
- net capital gains on divestments for €11.3 million (mainly, gains on divestment, in May 2009, of Planchers Fabre, a reinforced and pre-stressed concrete beam and joist manufacturing and marketing activity).

After allowing for other operating income and expense, net, **the Group's share of net income** for the year totals €41.3 million (€161.3 million in 2008).

CASH FLOW

€ millions	2009	2008
EBITDA	416.6	573.4
Current operating cash flow	347.1	462.8
Changes in working capital	235.3	32.3
Paid capital expenditure	(138.4)	(248.8)
Current free operating cash flow*	450.3	257.8
Financial expense (net of cash)	(50.4)	(29.7)
Other working capital items	42.1	(48.3)
Current free cash flow	442.0	179.8

* including subsidies, value of divested assets and misc

6.3

11.5

- **Sharp reduction in working capital**
- **Record free cash flow generation**

In line with efforts to optimize costs and financial structure, a factoring contract was signed on July 23, 2009. As on December 31, 2009, €83 million in trade receivables were divested and deconsolidated in this way, with the related risks and benefits transferred to the factoring bank. In 2009, the decrease of receivables, amplified by factoring and the substantial €171.0 million reduction in inventory together improved operating working capital by €235.3 million.

As on December 31, 2009, operating working capital represented 21.9% of annualized sales for the 4th quarter (excluding factoring, the ratio would be 24.9%).

Booked capital expenditure was reduced by more than 50.2% compared with the previous year. It Primarily related to maintenance operations, it totaled €118.7 million and was equivalent to 65% of depreciation expense⁽⁹⁾ (compared with 123% in 2008).

Taking factoring into account, **current free operating cash flow**⁽¹⁰⁾ works out at €450.3 million, compared with the €257.8 million recorded in 2008.

(9) Booked capital expenditure divided by fixed asset depreciation expense.

(10) Current operating cash flow minus paid capital expenditure and change in operating working capital.

FINANCIAL STRUCTURE

€ millions	December 31, 2009	June 30, 2009	December 31, 2008
Net debt	964.3	1,148.2	1,566.1
Shareholders' equity	1,855.8	1,808.1	1,546.3
EBITDA	416.6	204.1	573.4
Net debt/ shareholders' equity	52.0%	63.5%	101.3%
Net debt / EBITDA	2.3x	2.5x	2.7x

- **Substantial organic debt reduction**
- **Net financial debt below €1 billion**

Consolidated **net financial debt** decreased sharply to €964.3 million as on December 31, 2009. This debt reduction of above €600 million in one year results from:

- The current free operating cash flows of € 450,3 million, generated by the Group's activities, including factoring;
- The €251.2 million revenue from the rights issue (i.e. €247.5 million after deducting issue fees) received on June 2, which was assigned in full to debt reduction;
- The dividend payment of €62,8 million in the 2nd half 2009, for year 2008.

As on December 31, 2009, Imerys' financial resources total more than €2.3 billion (of which €1.4 billion in available financial resources); no significant repayment is due until late 2012.

Imerys now has all the financial flexibility it needs to resume its development and seize any growth opportunities.

SUBSEQUENT EVENTS SINCE DECEMBER 31, 2009

No significant subsequent events occurred after the accounts closure date has to be reported.

COMMENTARY BY BUSINESS GROUP

Minerals for Ceramics, Refractories, Abrasives & Foundry (28% of consolidated sales)

(€ millions)	2009	2008 ⁽¹¹⁾	Current change	Comparable change ⁽¹²⁾
Sales	794.5	1 159.8	- 31.5%	- 32.2%
Current operating income ⁽¹³⁾	44.0	127.8	- 65.6%	- 67.0%
Operating margin	5.5%	11.0%		
Booked capital expenditure	46.0	70.4	- 34.6%	

MARKETS

Since the 4th quarter of 2008, the drop in demand for industrial equipment, automobiles and infrastructure has caused a significant slump in the main outlets for Minerals for Refractories, Fused Minerals and Graphite & Carbon. The inventory reduction trend which intensified that downturn in mature economies faded away in the 2nd half of 2009; an inventory building effect was even observed towards the end of the year in the most badly hit businesses. Steel production has slowly picked up in Europe since the 3rd quarter of 2009; recovery is a little firmer in North America. In other sectors of business (aluminum, glass, cement), several projects for new facilities were postponed. Business remains healthy in emerging countries and the Chinese market, in particular, has benefited from national stimulus plans.

Minerals for Ceramics markets, affected all year long by the decline in new construction and renovation in the United States and Europe, recorded a further slump in those zones that was heightened by production stoppages towards the end of the year.

HIGHLIGHTS

All the business group's activities reduced their output in order to cut inventory and adjust to demand. Part-time working and shorter working hours were primarily used; the periodical or even definitive idling of several production lines or sites led to substantial workforce reductions in the countries where the business group is active.

A number of development projects were finalized. Minerals for Refractories enhanced its mineral reserves portfolio in the 1st half with the acquisition of high-quality assets in the United States and continued to invest in andalusite production assets in South Africa and China. Imerys Technologie Limoges (Haute-Vienne, France), a research center dedicated to minerals for uprange and specialty ceramics, was opened in the 2nd quarter with the aim of designing and developing new generation ceramics.

(11) Results for 2008 were reprocessed following the two presentation changes applied as on January 1, 2009, details of which are given in appendix hereto.

(12) At comparable Group structure and exchange rates.

(13) Operating income before other operating income and expenses.

RESULTS

Sales, at €794.5 million for 2009, fell - 31.5%, factoring in:

- a limited structure effect⁽¹⁴⁾ of - €5.5 million,
- positive exchange rate effect (US dollar) of + €13.7 million.

Current operating income, at €44.0 million, decreased - €83.8 million compared with 2008. This takes into account a structure effect of - €3.0 million and a favorable exchange rate effect of + €4.8 million.

The impact of lower sales volumes, intensified by the reduction in inventory of in-process and finished products, was only partly offset by the result of the energetic actions on fixed production costs and overheads and by a positive trend in the price/mix component.

Performance & Filtration Minerals (18% of consolidated sales)

(€ millions)	2009	2008 ⁽¹⁵⁾⁽¹⁶⁾	Current change	Comparable change ⁽¹⁷⁾
Sales	500.7	571.5	- 12.4%	- 14.5%
Current operating income ⁽¹⁸⁾	26.9	46.1	- 41.7%	- 48.9%
Operating margin	5.4 %	8.1%		
Booked capital expenditure	10.7	47.7	- 77.6%	

MARKETS

Markets for Performance Minerals - intended for paint, coatings, polymers, plastics and adhesives, etc. - continue following construction sector trends. In Europe, the drop observed in the 2nd half of 2008 continued this year. In the United States, 2009 saw a further slump in the market, with signs of bottoming out at the lowest ever levels. Growth kept up in South America and Asia.

Demand for filtration products fell temporarily in late 2008 and early 2009, reflecting inventory reductions carried out by the Group's customers and by distributors. The trend picked up in the 2nd half in a stable overall market.

HIGHLIGHTS

Efforts to adapt the cost base continued throughout 2009. The decrease in input came with the stoppage of mining programs and extended closures of industrial sites. The geographic reorganization of Performance Minerals and Filtration Minerals activities in Europe, Asia-Pacific and South America led to savings on overheads.

RESULTS

Sales, at €500.7 million, were down - 12.4%. This trend takes into account:

- a structure effect⁽¹⁹⁾ of + €5.3 million,
- exchange rate impact of + €7.0 million.

(14) Astron China (China, February 2008) and divestment of Iberpasta (Spain, January 2009).

(15) Results for 2008 were reprocessed following the two presentation changes applied as on January 1, 2009, details of which are given in appendix hereto.

(16) Transfer of some activities in Asia and South America from Pigments for Paper to Performance & Filtration Minerals.

(17) At comparable Group structure and exchange rates.

(18) Operating income before other operating income and expenses.

(19) Acquisitions of Kings Mountain Minerals, Inc. (USA, October 2008) and Suzorite Mining, Inc. (Canada, October 2008) and deconsolidation of Xinlong (China, January 2009).

Current operating income totaled €26.9 million, down -€19.2 million. It factors in a structure effect of + €2.8 million in addition to favorable exchange rate impact of + €0.5 million. At comparable Group structure and exchange rates, the decrease is - €22.5 million, with cost savings and the improvement in the price-mix component insufficient to make up for the fall in sales volumes.

Pigments for Paper
(23% of consolidated sales)

(€ millions)	2009	2008 ⁽²⁰⁾ (21)	Current change	Comparable change ⁽²²⁾
Sales	631.9	719.2	- 12.1%	- 14.0%
Current operating income ⁽²³⁾	41.6	60.2	- 30.9%	- 34.2%
Operating margin	6.6%	8.4%		
Booked capital expenditure	32.5	63.5	- 48.8%	

MARKETS

Since the low observed in early 2009, production of printing and writing paper has slowly rebounded, quarter after quarter. Over the year, it fell - 11%, with the robustness of emerging countries failing to offset the downturn in developed economies. The sector was affected by the slump in advertising expenditure in Europe and North America, which was made worse by the inventory reduction trend early in the year, and continued to restructure in order to limit overcapacity.

HIGHLIGHTS

In response to lower production, the business group temporarily idled facilities in most of its production units in Europe, North America and Brazil. In parallel, capacities were reduced in the Sandersville (United States) kaolin plant and the calcium carbonate site in Salisbury (United Kingdom) was closed.

The business group continued its strategic development in Asia with the commissioning of two new plants in India (Amritsar and Bhadrachalam) which will enable it to take advantage of calcium carbonates growth in this area, by accompanying major domestic customers.

RESULTS

Sales, at €631.9 million as on December 31, 2009, were down - 12.1%. This decrease takes into account a + €13.7 million exchange rate effect.

Current operating income totaled €41.6 million in 2009, a - €18.6 million decrease. This factors in a + €2.0 million exchange rate effect. At comparable Group structure and exchange rates, the business group's operating performance decreased - €20.6 million. Cost reduction efforts enabled it to limit the drop in operating margin.

A provision for bad debt was recorded following the bankruptcy of a major North-American customer. This allowance affects approximately - 0.5% of the business group's margin in 2009.

(20) Results for 2008 were reprocessed following the two presentation changes applied as on January 1, 2009, details of which are given in appendix hereto.

(21) Transfer of some activities in Asia and South America from Pigments for Paper to Performance & Filtration Minerals

(22) At comparable Group structure and exchange rates.

(23) Operating income before other operating income and expenses.

Materials and Monolithics
(31% of consolidated sales)

(€ millions)	2009	2008 ⁽²⁴⁾	Current change	Comparable change ⁽²⁵⁾
Sales	875.6	1 041.4	- 15.9%	- 13.9%
Current operating income ⁽²⁶⁾	168.0	228.3	- 26.4%	- 25.5%
Operating income	19.2%	21.9%		
Booked capital expenditure	27.3	52.0	- 47.5%	

MARKETS

En 2009, single-family housing starts in France fell approximately - 20%⁽²⁷⁾ compared with 2008. In that context, the clay roof tile segment held out better (- 11%), due to the firm renovation market, which accounts for more than half the sector's outlets. The clay brick segment was, of course, more directly affected by the market downturn, clay bricks addressing mainly the new single-family housing market. In this segment, their share market is now more than 30% and is growing steadily because of their ease of laying and high environmental qualities (H.Q.E.). Besides, clay bricks are being used in the construction of multi-dwelling and in tertiary buildings, following the recent launch of products suited to those buildings' specific needs.

In Monolithic Refractories, 2009 was marked by the heavy slump in demand in the steel sector, with many production stoppages. However, output has picked up since mid-year, leading to specific maintenance operations prior to the restart of blast furnaces. Business remained buoyant in Asia all year long. The foundry segment recorded similar trends. High temperature industries (cement, glass, incineration, petrochemicals) held out better, mainly in the 1st half, because of the recurrent maintenance and commissioning of furnace construction projects launched in 2008. The positive effect of those projects has since then gradually disappeared, with a decrease in new orders.

HIGHLIGHTS

In Building Materials, production capacities were gradually adjusted to lower demand with temporary production stoppages, together with the closure of production lines (in roof tiles at Pargny sur Saulx - Marne and bricks at Colomiers -Haute-Garonne) and the Bessens (Tarn-et-Garonne) brick unit. Modernization of the Wardrecques (Nord) roof tile plant and optimization of the La Boissière du Doré (Loire-Atlantique) brick plant were completed in 2009 to improve manufacturing efficiency.

In late May 2009, the concrete beam and joist manufacturing and marketing activity Planchers Fabre, located in Pibrac (Haute-Garonne), was sold. In 2008, it posted sales of almost €20 million.

In Monolithic Refractories, adaptation meant regrouping German production onto the Neuwied site and closing the Hangelar site in the 2nd half of the year. During the first three quarters, output was slowed on all sites, with the notable exception of India, where business remained brisk.

(24) Results for 2008 were reprocessed following the two presentation changes applied as on January 1, 2009, details of which are given in appendix hereto.

(25) At comparable Group structure and exchange rates.

(26) Operating income before other operating income and expenses.

(27) Single-family housing starts (individual and grouped), excluding constructions on existing buildings

Sources: Ministry of ecology, Environment, Sustainable Development and Land Planning: New single-family housing starts;

Imerys: reprocessed to allow for constructions on existing buildings.

RESULTS

At €875.6 million, the business group's **sales** were - 15.9% down from 2008, taking into account:

- structure effect⁽²⁸⁾ of - €5.5 million,
- negative exchange rate impact of - €15.7 million.

Current operating income, at €168.0 million, decreased - €60.3 million compared with 2008. Reprocessed to allow for Group structure (- €1.4 million) and exchange rate (- €0.8 million) effects, the business group's operating performance was down - €58.1 million. The reduction in output levels, intended to speed up inventory reduction, and tight control of the fixed cost base enabled very good profitability to be maintained despite lower volumes.

HUMAN RESOURCES

The workforce decreased in 2009 as a result of reorganizations in activities affected by the global economic crisis. As on December 31, the Group had 14,592 employees. However, while most business groups posted much greater drops in sales, the Group's headcount in 2009 decreased by approximately 2,400, and affected 12.6% of open-ended contracts. These results were achieved thanks to the quality of industrial dialogue that prevailed everywhere, enabling the Group to use temporary idling mechanisms with work contract suspensions, particularly in Western Europe.

The Managers database, set up in late 2008 in compliance with regulations on sharing and protecting personal data, was rolled out in 2009. It gives rapid access to employees' career paths and profiles, facilitating internal mobility. In 2009, more than 70 employees in the first manager grades were able to benefit from career opportunities in the Group, including 20 in key line or support positions. The Imerys intranet was overhauled in 2009 and also boosted those actions through its vacancies section.

An essential tool for the Group's expansion, training continued to play an important role in 2009 in enhancing individual skills and supporting the development of Imerys' various professions: 61% of Group employees were trained at least once during the year, compared with 58% in 2008. The Imerys Learning Center developed its activities in Asia, where a growing number of courses are now organized. New modules such as "Industrial Marketing Essentials" were added, helping to consolidate a real Group culture.

INNOVATION

Innovation effort was maintained in 2009. Each business group marketed its share of new products with, as every year, many specifications with a positive environmental impact. High-tech products were also launched, such as new graphites and carbons for the Li-Ion battery, new pre-coating kaolins, quick-drying refractory concretes and even more efficient filtration media. Carrying on from the innovation projects launched in late 2006, an Oilfield Minerals division was created to develop sales of Imerys minerals in that sector.

SUSTAINABLE DEVELOPMENT

In 2009, Imerys kept up its commitment in favor of Sustainable Development. The lost-time accident rate was reduced to less than 2.8 accidents per million hours worked. Constant improvement on environmental issues continue on all sites, with the efficient setup of reporting on environmental incidents and an increase in certifications. In late 2009, 59 sites were ISO or EMAS certified and 107 sites were self-certified on internal standards. Initiatives were launched on neighboring community relations, biodiversity and human rights. Finally, the Group continued to adapt to European REACh legislation⁽²⁹⁾.

(28) Acquisition of Svenska Silika Verken AB (Sweden, April 2008); divestment of Planchers Fabre (France, May 2009).

(29) European Community Regulation on chemicals (Registration, Evaluation, Authorisation and Restriction of Chemical substances).

CORPORATE GOVERNANCE

At its last meeting in 2008, the Board of Directors carefully examined the recommendations resulting from the AFEP-MEDEF Corporate Governance Code on corporate officers' compensation. The Board confirmed that the AFEP-MEDEF Corporate Governance Code, as enhanced by the latest recommendations, is henceforth Imerys' benchmark, with any provisions that may not be adopted being explained.

In 2009, Imerys strove to adapt its governance practices in compliance with almost all Code's latest recommendations. In particular, independence criteria for members of the Board of Directors comply with the recommendations resulting from the AFEP-MEDEF Corporate Governance Code, with a proportion (five out of thirteen) of Directors meeting those criteria, more than the one-third recommended for listed companies with controlling shareholders. The internal Charter, which can be consulted on Imerys's website, also sets out the missions of the Board and its three Committees, their working principles and rules of conduct, and defines Directors' rights and duties.

In order to comply with best practices and improve their functioning and performance further, the composition and workings of the Board of Directors and its Committees, as every year, was the subject of a self-assessment by its members, who judged them very satisfactory, while identifying some improvement areas for the future.

Analyst and media meeting

The press release is available on the Group's website www.imerys.com and can be accessed from the homepage in the "press releases" section.

Imerys is holding a presentation meeting at 6:15pm today in Maison des Arts & Métiers (9 bis avenue d'Iena, 75116 Paris), at which the results for financial 2009 will be commented on. The conference will be streamed live on the Group's website www.imerys.com.

Upcoming financial communication dates

- 2010 First Quarter results, Annual General Meeting: April 29, 2010;
- 2010 First Half results: July 30, 2010;
- 2010 Third Quarter Results : November 3, 2010.

These dates are given for guidance only and may be updated on the Group's website at www.imerys.com, in the Investors & Analysts / Financial Diary.

The world leader in Adding Value to Minerals, Imerys is active in 47 countries through more than 240 industrial sites. The Group achieved €2.8 billion in sales in 2009. Imerys mines and processes minerals from reserves with rare qualities in order to develop solutions that improve its customers' product performance and manufacturing efficiency. The Group's products have a great many applications in everyday life, including construction, personal care, paper, paint, plastic, ceramics, telecommunications and beverage filtration.

More comprehensive information about Imerys may be obtained from its Internet website (www.imerys.com) under Regulated Information, particularly in its Document de Référence filed with Autorité des marchés financiers on April 3, 2009 under number D.09-0192 (also available from the Autorité des marchés financiers website, www.amf-france.org). Imerys draws the attention of investors to chapter 4, "Risk Factors", of its Document de Référence.

Warning on forecasts and forward-looking information: *This document contains projections and other forward-looking statements. Investors are cautioned that such projections and forward-looking statements are subject to various risks and uncertainties (many of which are difficult to predict and generally beyond Imerys' control) that could cause actual results and developments to differ materially from those expressed or implied.*

Analyst/Investor Relations:

Pascale Arnaud – +33 (0)1 49 55 63 23
shareholders@imerys.com

Press contacts:

Pascale Arnaud – +33 (0)1 49 55 63 91 /66 55
Matthieu Roquet-Montégon – +33 (0)6 16 92 80 65

2009 RESULTS

Appendix⁽¹⁾

1. Consolidated sales breakdown

Change in consolidated sales	% current change	% structure effect	% change effect	% comparable change ⁽²⁾
IMERYS GROUP	- 19.6%	- 0.2%	+ 0.5%	- 19.9%

Quarterly change at comparable Group structure and exchange rates, 2009 vs. 2008	Q1 09	Q2 09	Q3 09	Q4 09
	- 23.8%	- 26.0%	- 20.9%	- 7.6%
Reminder 2008 vs. 2007	Q1 08	Q2 08	Q3 08	Q4 08
	+ 3.2%	+ 5.1 %	+ 5.0 %	- 10.5%

Quarterly change	Q4 2008	Q4 2009	% current change	% comparable change ⁽²⁾	2008	2009	% current change	% comparable change ⁽²⁾
Minerals for Ceramics, Refractories, Abrasives & Foundry	269.1	215.6	- 19.9%	- 15.9%	1 159.8	794.5	- 31.5%	- 32.2%
Performance & Filtration Minerals	129.6	122.0	- 5.9%	+ 1.8%	571.5	500.7	- 12.4%	- 14.5%
Pigments for Paper	171.2	160.1	- 6.5%	- 3.3%	719.2	631.9	- 12.1%	- 14.0%
Materials & Monolithics	228.4	211.4	- 7.4%	- 4.3%	1 041.4	875.6	- 15.9%	- 13.9%
TOTAL	788.9	696.1	- 11.8%	- 7.6%	3 449.2	2 773.7	- 19.6%	- 19.9%

Quarterly change	Q1 09	Q2 09	H1 09	Q3 09	Q4 09	H2 09	2009
Imerys Group – current change	- 21.3%	- 23.8%	- 22.6%	- 20.6%	- 11.8%	- 16.4%	- 19.6%
Imerys Group – comparable change, of which:	- 23.8%	- 26.0 %	- 24.9%	- 20.9%	- 7.6%	- 14.6%	- 19.9%
Minerals for Ceramics, Refractories, Abrasives & Foundry	- 35.8%	- 40.3%	-38.2%	- 35.1%	- 15.9%	- 26.0%	- 32.2%
Performance & Filtration Minerals	- 22.0%	- 21.0%	- 21.5%	- 15.0%	+ 1.8%	- 7.3%	- 14.5%
Pigments for Paper	- 20.2%	- 19.1%	- 19.6%	- 12.9%	- 3.3%	- 8.3%	- 14.0%
Materials & Monolithics	- 15.9%	- 19.1%	- 17.5%	- 14.8%	- 4.3%	- 10.0%	- 13.9%

Sales by business group	2009	2008
Minerals for Ceramics, Refractories, Abrasives & Foundry	28%	33%
Performance & Filtration Minerals	18%	15%
Pigments for Paper	23%	22%
Materials & Monolithics	31%	30%
TOTAL	100%	100%

(1) Non-audited quarterly information.

(2) Change at comparable Group structure and exchange rates.

Sales by geographic destination

(€ millions)	Sales 2009	% change 2009 vs. 2008	% consolidated sales 2009	% consolidated sales 2008
Western Europe	1,435.6	- 21.8%	52%	53%
United States / Canada	546.0	- 16.7%	19%	19%
Japan / Australia	132.0	- 24.5%	5%	5%
Emerging countries*	660.1	- 15.8%*	24%	23%
Total	2,773.7	- 19.6%	100%	100%

* Of which Chine : - 20% et Eastern Europe - 31%.

2. Simplified income statement

To improve the presentation of the Group's financial statements in line with the evolution of common practices among the main issuers listed in Paris on NYSE-Euronext, in 2009 the Group is making two changes to presentation.

On one hand, the financial components of net expenses for defined-benefit plans for employees (- €6.8 million as on December 31, 2009 and - €0.8 million as on December 31, 2008), previously recorded under current operating income, are now recorded under financial income/expense.

On the other hand, the share of net income/loss of affiliates (- €0.1 million as on December 31, 2009 and €10.4 million as on December 31, 2008), previously recorded as income after tax, is now recorded under current operating income.

For the sake of comparison, 2008 full year results were restated accordingly. Earnings per share for previous periods have been adjusted accordingly. The weighted number of outstanding shares was also adjusted by the dilution coefficient for the capital increase carried out on June 2, 2009.

(€ millions)	2008 published	Employee benefit financial component	Share in net income/loss of affiliates	2008 restated
SALES	3.449.2			3.449.2
CURRENT OPERATING INCOME⁽³⁾	403.4	0.8	10.4	414.6
Financial expense	(46.3)	(0.8)		(47.1)
Current income tax	(98.0)			(98.0)
Share in net income/loss of affiliates	10.4		(10.4)	
Minority interests	(2.4)			(2.4)
NET INCOME FROM CURRENT OPERATIONS⁽⁴⁾	267.1			267.1
Other revenue and expenses, net	(105.8)			(105.8)
NET INCOME⁽⁴⁾	161.3	0.0	0.0	161.3

(€ millions)	Q4 2009	Q4 2008 restated	Change	H2 2009	H2 2008 restated	Change
SALES	696.1	788.9	- 11.8%	1.399.7	1.675.1	- 16.4%
CURRENT OPERATING INCOME⁽³⁾	69.1	79.5	- 13.1%	138.9	173.1	- 19.8%
Financial expense	(24.3)	(16.7)		(38.5)	(26.5)	
Current income tax	(12.4)	(16.0)		(27.5)	(37.8)	
Minority interests	(0.4)	(0.5)		(0.3)	(1.5)	
NET INCOME FROM CURRENT OPERATIONS⁽⁴⁾	32.0	46.3	- 30.9%	72.6	107.3	- 32.3%
Other revenue and expenses, net	(24.4)	(80.7)		(43.0)	(90.4)	
NET INCOME⁽⁴⁾	7.6	(34.4)	n.a.	29.6	16.9	n.a.

The Board of Directors met on February 15, 2010 to close financial statements for the full year 2009. Audit procedures have been performed and audit reports are currently being issued.

CONSOLIDATED INCOME STATEMENT

(€ millions)	2009	2008
Revenue	2,773.7	3,449.2
Current revenue and expenses	(2,524.8)	(3,034.6)
Raw materials and consumables used	(1,026.1)	(1,268.5)
External expenses	(674.9)	(890.7)
Staff expenses	(587.1)	(651.5)
Taxes and duties	(42.6)	(53.0)
Amortization, depreciation and impairment losses	(181.4)	(193.2)
Other current revenue and expenses	(12.6)	11.9
Share in net income of associates	(0.1)	10.4
Current operating income	248.9	414.6
Other operating revenue and expenses	(87.1)	(114.9)
Income on assets disposals	4.3	0.1
Impairment losses, restructuring and litigation	(91.4)	(115.0)
Operating income	161.8	299.7
Net financial debt expense	(69.1)	(57.0)
Income from securities	2.2	4.1
Gross financial debt expense	(71.3)	(61.1)
Other financial revenue and expenses	(14.3)	9.9
Other financial revenue	121.1	282.9
Other financial expenses	(135.4)	(273.0)
Financial income (loss)	(83.4)	(47.1)
Income taxes	(37.1)	(88.9)
Net income	41.3	163.7
Net income, Group share	41.3	161.3
Net income, minority interests	-	2.4
Net income, Group share	41.3	161.3
Net income from current operations, Group share	119.3	267.1
Other net operating revenue and expenses, Group share	(78.0)	(105.8)
<i>Net basic earnings per share from current operations (in €)</i>	<i>1.66</i>	<i>3.96</i>
<i>Net basic earnings per share (in €)</i>	<i>0.57</i>	<i>2.39</i>
<i>Diluted net earnings per share (in €)</i>	<i>0.57</i>	<i>2.39</i>
<i>Average exchange rate euro/USD</i>	<i>1.3945</i>	<i>1.4708</i>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€ millions)	2009	2008
Non-current assets	2,740.5	2,839.9
Goodwill	897.5	899.4
Intangible assets	43.8	45.0
Mining assets	377.2	395.6
Property, plant and equipment	1,224.1	1,314.0
Investments in associates	50.0	50.0
Available-for-sale financial assets	7.5	7.1
Other financial assets	23.2	13.8
Other receivables	43.7	40.4
Derivative financial assets	17.6	18.7
Deferred tax assets	55.9	55.9
Current assets	1,190.8	1,508.0
Inventories	440.5	611.0
Trade receivables	364.4	523.3
Other receivables	110.7	154.2
Derivative financial assets	5.0	1.1
Marketable securities and other financial assets	5.6	4.4
Cash and cash equivalents	264.6	214.0
Consolidated assets	3,931.3	4,347.9
Equity, Group share	1,836.9	1,526.4
Capital	150.8	125.6
Premiums	339.4	115.8
Reserves	1,305.4	1,123.7
Net income, Group share	41.3	161.3
Minority interests	18.9	19.9
Shareholders' equity	1,855.8	1,546.3
Non-current liabilities	1,388.9	1,449.8
Provisions for employee benefits	103.9	133.2
Other provisions	157.7	153.7
Loans and financial debts	1,037.7	1,054.7
Other debts	9.5	13.6
Derivative financial liabilities	16.5	19.2
Deferred tax liabilities	63.6	75.4
Current liabilities	686.6	1,351.8
Other provisions	18.6	20.8
Trade payables	260.7	337.9
Income taxes payable	20.6	13.4
Other debts	185.7	199.7
Derivative financial liabilities	2.9	49.8
Loans and financial debts	186.0	727.3
Bank overdrafts	12.1	2.9
Consolidated equity and liabilities	3,931.3	4,347.9
<i>Net financial debt</i>	<i>964.3</i>	<i>1,566.1</i>
<i>Closing exchange rate euro/USD</i>	<i>1.4406</i>	<i>1.3917</i>

CONSOLIDATED STATEMENT OF CASH FLOWS

(€ millions)	2009	2008
Cash flow from operating activities	520.5	365.2
Cash flow generated by current operations	657.3	580.5
Interests paid	(67.2)	(46.6)
Income taxes on current operating income and financial income (loss)	(26.1)	(127.1)
Dividends received from available-for-sale financial assets	0.4	0.2
Cash flow generated by other operating revenue and expenses	(43.9)	(41.8)
Cash flow from investing activities	(115.5)	(366.1)
Acquisitions of intangible assets and property, plant and equipment	(138.4)	(247.9)
Acquisitions of investments in consolidated entities after deduction of cash acquired	(10.9)	(142.6)
Acquisitions of available-for-sale financial assets	-	-
Disposals of intangible assets and property, plant and equipment	18.8	20.9
Disposals of investments in consolidated entities after deduction of cash disposed of	14.2	0.9
Disposals of available-for-sale financial assets	0.1	0.3
Net change in financial assets	(1.2)	(0.6)
Paid-in interests	1.9	2.9
Cash flow from financing activities	(365.7)	145.8
Capital increases	249.0	0.9
Capital decreases		(17.4)
Disposals (acquisitions) of treasury shares		11.5
Dividends paid to shareholders	(62.8)	(119.0)
Dividends paid to minority interests	(0.8)	(0.7)
Loan issues	8.2	490.8
Loan repayments	(402.4)	(15.2)
Net change in other debts	(156.9)	(205.1)
Change in cash and cash equivalents	39.3	144.9
€ millions)	2009	2008
Opening cash and cash equivalents	211.2	70.8
Change in cash and cash equivalents	39.3	144.9
Impact of changes due to changes in perimeter	(2.3)	-
Impact of changes due to exchange rate fluctuations	4.5	(4.4)
Impact of changes in accounting policies	(0.1)	(0.1)
Closing cash and cash equivalents	252.6	211.2
Cash and cash equivalents	264.6	214.0
Bank overdrafts	(12.1)	(2.8)