

PRESS RELEASE

Paris, April 29, 2010

Imerys Announces 1st Quarter 2010 Results Operating Margin Objective Achieved

- Organic sales growth: + 9.5%
- Upturn in activities related to industrial sector with a significant inventory rebuilding effect
- Back to a double-digit operating margin: 11.2%
- Strong increase in net income from current operations

Results for the 1st quarter ending on March 31, 2010 will be commented on by Gérard Buffière, Chief Executive Officer of Imerys, at the Ordinary and Extraordinary Shareholders' Meeting to be held at 11am today. It will be webcasted live at www.imerys.com.

CONSOLIDATED RESULTS non-audited (€ millions)	1 st quarter 2010	1 st quarter 2009	% current change	% comparable change ⁽¹⁾
Revenue	751.6	694.3	+ 8.2%	+ 9.5%
Current operating income ⁽²⁾	84.1	44.4	+ 89.4%	+ 101.4%
<i>Operating margin</i>	11.2%	6.4%	+ 4.8 points	
Net income from current operations, Group share ⁽³⁾	45.1	14.6	+ 209.0%	
Net income, Group share	45.0	- 6.6	n.s.	
Net income from current operations, Group share, per share ⁽³⁾⁽⁴⁾	€0.60	€0.23	+ 157.2%	

(1) At comparable Group structure and exchange rates.

(2) Operating income before other operating revenue and expenses.

(3) Group's share of net income, before other operating revenue and expenses, net.

(4) The weighted average number of outstanding shares rose to 75,428,057 compared with 62,786,408 in the 1st quarter of 2009, as a result of the rights issue of June 2, 2009.

Gérard Buffière stated, "Economic activity has been slowly improving since the second half of 2009. Imerys benefited from this. Thanks to the actions taken since late 2008, the Group achieved an operating margin of 11.2% for the first quarter of 2010. We are confident in Imerys' ability to resume growth in 2010."



IMERYS
TRANSFORM TO PERFORM

ECONOMIC ENVIRONMENT

The improvement observed on the Group's main markets since the second half of 2009 continued into the first quarter of 2010. Business was firmer overall than in the historically low levels of the first quarter of 2009. Emerging countries show strong growth. Economic activity in Europe and North America was affected by poor weather conditions in January and February.

Industrial production-related sectors, which were the worst hit by the global economic crisis and inventory reduction trends, recorded a significant upturn in business, particularly due to inventory rebuilding in the value chain. Thus, in the first quarter of 2010, global steel production grew + 29% compared with the same period in 2009 and returned to its first quarter 2008 level. Output in North America and Europe is however still approximately - 20% lower than pre-recession levels, while growth continues in China.

Global production of printing and writing paper increased slowly.

In France, the construction sector was hit by adverse weather conditions early in the year. Moreover, single-family housing starts remain low, not taking yet full advantage of the upturn in sales of new individual housings observed since mid-2009. In North America, housing starts are stagnating at historically low levels.

Directly consumer-related sectors such as the filtration market held out well.

DOUBLE-DIGIT OPERATING MARGIN OBJECTIVE ACHIEVED

Thanks to the actions implemented from the end of 2008, the Group succeeded in restoring a double-digit operating margin (11.2%). Fixed costs and overheads remained stable over the quarter despite a + 7.6% increase in volumes.

OUTLOOK

In early 2010, most markets are positively orientated and growth is high in emerging countries. Business, however, remains far below pre-recession levels. The recent positive trend, therefore, needs to be borne out in the coming quarters. In this context, the Group will maintain its efforts in tight operating management in order to improve its operating margin over time.

DETAILED COMMENTARY ON THE GROUP'S RESULTS

SALES

- **Contrasting increases in sales volumes**
- **Sharp rise in industrial equipment-related activities, thanks to inventory rebuilding in particular**
- **Favorable trend in product price and mix**

Sales for the 1st quarter of 2010 totaled €751.6 million, up + 8.2% from the same period in 2009. This growth takes into account:

- A - €4.9 million Group structure effect⁽¹⁾;
- A - €3.8 million foreign exchange effect, mainly reflecting the US dollar's depreciation against the euro on average for the quarter compared with the same period in the previous year.

At comparable Group structure and exchange rates, sales growth (+ 9.5% vs. 1st quarter 2009) reflects the overall upturn in sales volumes (+ 7.6%). This trend, however, varied from one business group to another.

The price/mix effect improved + 1.9% thanks to inventory rebuilding in specialty products, which had a positive effect on the mix.

It should be pointed out that business in the 1st quarter of 2009, which was especially impacted by the inventory reduction trend, forms a favorable basis of comparison for the 1st quarter of 2010.

Sales by business group

(non-audited, € millions)	1 st quarter 2010	1 st quarter 2009	Current change %	Structure effect %	Foreign exchange effect %	Comparable change ⁽²⁾ %
Sales, of which:	751.6	694.3	+ 8.2%	- 0.7%	- 0.6%	+ 9.5%
Minerals for Ceramics, Refractories, Abrasives & Foundry	244.6	193.0	+ 26.6%	- 0.1%	- 1.9%	+ 28.6%
Performance & Filtration Minerals	137.6	118.5	+ 16.2%	- 0.9%	- 2.7%	+ 19.8%
Pigments for Paper	167.4	158.7	+ 5.5%	-	- 1.6%	+ 7.1%
Materials & Monolithics	212.1	228.9	- 7.4%	- 1.6%	+ 2.6%	- 8.4%
Holding Companies & Eliminations	(10.1)	(4.8)	n.s.	n.s.	n.s.	n.s.

Sales by geographic destination

(non-audited, € millions)	1 st quarter 2010 sales	% change 1 st quarter 2010 vs. 1 st quarter 2009	% consolidated sales in 1 st quarter 2010
Western Europe	365.2	- 2%	49%
United States / Canada	157.7	+ 13%	21%
Japan / Australia	37.1	+ 10%	5%
Emerging countries	191.6	+ 29%	25%
Total	751.6	+ 8.2%	100%

In the 1st quarter of 2010, sales to emerging countries rose + 29% compared with the 1st quarter of 2009, thanks to the strong momentum of the Indian and Chinese economies. Western Europe was affected by the weakness of Building Materials. The sharp improvement recorded in North America marks the activity's gradual return to normal, together with the rebuilding of inventory in some industrial chains despite poor weather conditions.

(1) Deconsolidation of Xinlong (China, late January 2009), divestment of Planchers Fabre (France, May 2009).

(2) At comparable structure and exchange rates.

Minerals for Ceramics, Refractories, Abrasives & Foundry *(32% of consolidated sales)*

Minerals for Refractories, Fused Minerals (particularly Abrasives) and Graphite markets benefited from the turnaround in the steel, industrial equipment and automotive sectors and from a progressive inventory rebuilding trend in the segments that were worst hit by the economic crisis. Over the period, the Minerals for Ceramics markets improved slightly, construction in developed countries showed no significant signs of improvement.

Sales, at €244.6 million for the 1st quarter of 2010, rose + 26.6% compared with the 1st quarter of 2009 (which was down - 33.0% from 1st quarter 2008). An analysis of this change shows:

- A limited structure effect of - €0.3 million;
- Foreign exchange impact of - €3.8 million.

The sharp upturn in demand in Fused Minerals, Minerals for Refractories, Graphite & Carbon and, to a lesser extent, in Minerals for Ceramics, explains the increase in revenue, which also benefited from sales of high value-added products.

Several production facilities that were temporarily idled in 2008 and 2009 were restarted during the quarter.

Performance & Filtration Minerals *(18% of consolidated sales)*

During the 1st quarter of 2010, Performance Minerals markets (paint, plastic, adhesives, etc.) improved in North America and Europe compared with the very low levels of the 1st quarter 2009. Minerals for Filtration improved compared the year-ago period, which was affected by inventory reductions by the Group's customers and by distributors.

Sales totaled €137.6 million in the 1st quarter of 2010 (+ 16.2%). This increase factors in an unfavorable foreign exchange effect of - €3.3 million and the limited effect of changes in structure⁽¹⁾ (- €1.1 million). At comparable Group structure and exchange rates, the increase reflects the significant upturn in sales volumes, Minerals for Filtration business benefited from a strong effect of inventory rebuilding by its customers and distributors. Product prices and mix improved.

The industrial plan for optimizing the Minerals for Filtration activity is now delivering the expected results with the improvement in production volumes.

Pigments for Paper *(22% of consolidated sales)*

The recovery of the paper sector, which began in 2009, continued into the 1st quarter of 2010. Global production of printing and writing paper rose + 5.3% compared with the trough of the 1st quarter of 2009. This rise is driven by printers rebuilding their inventory in Europe and North America. In emerging countries, business remains buoyant.

In that context, **sales**, at €167.4 million in the 1st quarter of 2010, rebounded + 5.5%. This change includes a - €2.4 million in foreign exchange impact. At comparable Group structure and exchange rates, the increase reflects higher sales volumes, particularly in North America, and a slight improvement in the price/mix component.

⁽¹⁾ Deconsolidation of Xinlong (China, late January 2009).

Materials & Monolithics *(28% of consolidated sales)*

In January and February, particularly adverse weather conditions temporarily affected all construction activities in France, and notably roofing renovation. As of end of March 2010, on a twelve-month rolling basis, the number of single-family housing starts remained low, down approximately - 13%⁽¹⁾ from the previous period (April 2008 to March 2009). In that difficult environment, decreases of approximately - 19 %⁽²⁾ and - 6%⁽²⁾ were recorded for clay roofing products and clay bricks, respectively.

Monolithic Refractories markets benefited from the sharp upturn in steelmaking and, more generally, all activities involving liquid metal production. Other segments (cement, glass, incineration, petrochemicals, etc.) that had been less affected by the economic crisis improved slightly, whereas the number of orders with respect to new furnace building projects remains limited.

At €212.1 million, the business group's **sales** (- 7.4% in 1st quarter 2010 vs. 1st quarter 2009) take into account:

- a - €3.6 million structure impact⁽³⁾,
- a + €5.9 million foreign exchange effect.

At comparable Group structure and exchange rates, the decrease in turnover reflects the significant fall in Building Materials sales volumes.

CURRENT OPERATING INCOME

- **Current operating income up + 89%**
- **Upturn in volumes**
- **Further reduction in variable costs**

Current operating income totaled €84.1 million for the 1st quarter of 2010. It factors in a negative foreign exchange effect (- €5.3 million), mainly due to the US dollar's depreciation against the euro over the period. Changes in structure had negligible effect.

At comparable Group structure and exchange rates, current operating income increased twofold from the 1st quarter of 2009. This performance is due to:

- higher sales volumes contributing for + €12.7 million,
- an improvement in product prices and mix, at + €5.9 million,
- a decrease in variable costs for - €15.0 million,
- the reduction in fixed costs and overheads (- €5.0 million).

The last two factors benefited from a favorable basis of comparison in relation to the 1st quarter of 2009.

The Group's operating margin was 11.2% (6.4% in the 1st quarter of 2009).

NET INCOME FROM CURRENT OPERATIONS

Net income from current operations amounted to €45.1 million (vs. €14.6 million in 1st quarter 2009). This sharp rise is due to growth in current operating income and takes the following items into account:

- a financial expense of - €19.9 million (vs. - €24.0 million in 1st quarter 2009), including an unfavorable foreign exchange effect (- €1.9 million),
- a tax charge of - €18.0 million (- €5.7 million in 1st quarter 2009), which represents a stable effective tax rate of 28.0%.

(1) Source: French Ministry of Ecology, Energy, Sustainable development and Sea.

(2) Source: FF'IB, French Federation for Roof tiles and bricks.

(3) Divestment of Planchers Fabre (France, May 2009).

NET INCOME

After taking into account other operating revenue and expenses, net of tax (- €0.1 million over the period, vs. - €21.2 million for the same period the previous year), **the Group's share of net income** for the 1st quarter of 2010 totaled + €45.0 million (vs. a net loss of - €6.6 million in 1st quarter 2009).

FINANCIAL SITUATION

The Group's financial situation remained sound at the end of the 1st quarter of 2010, with no significant change in net debt since December 31, 2009, despite adverse currency fluctuations.

Availability of information

The present press release is available on the Group's website www.imerys.com, and can be consulted from the home page in the "Press Releases" section.

Imerys will be commenting on its 1st quarter 2010 results at the Annual General Shareholders' Meeting held today at 11:00 am (CET). This meeting will be webcasted live on the Group's internet site, www.imerys.com.

Financial communication agenda

- 1st half 2010 results: July 30;
- 3rd quarter 2010 results: November 3.

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

The world leader in adding value to minerals, Imerys is active in 47 countries through more than 240 industrial and commercial 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 1, 2010 under number D.10-0205 (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 projections and forward-looking statements: *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 the control of Imerys) that could cause actual results and developments to differ materially from those expressed or implied*

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1st Quarter 2010 Results (non-audited)
Appendix

1. Consolidated sales breakdown

Quarterly change at comparable Group structure and exchange rates, 2010 vs. 2009	Q1 2010			
	+ 9.5%			
2009 vs. 2008 (reminder)	Q1 2009	Q2 2009	Q3 2009	Q4 2009
	- 23.8%	- 26.0%	- 20.9%	- 7.6%

Sales by business group	Q1 2010	Q1 2009
Minerals for Ceramics, Refractories, Abrasives & Foundry	32%	27%
Performance & Filtration Minerals	18%	17%
Pigments for Paper	22%	23%
Materials & Monolithics	28%	33%
TOTAL	100%	100%

Sales by geographic destination	Q1 2010	Q1 2009
Western Europe	49%	54%
- of which France	18%	23%
United States / Canada	21%	20%
Japan / Australia	5%	5%
Emerging countries	25%	21%
TOTAL	100%	100%

2. Simplified income statement

(€ millions)	Q1 2010	Q1 2009	Change
REVENUE	751.6	694.3	+ 8.2%
CURRENT OPERATING INCOME⁽¹⁾	84.1	44.4	+ 89.4%
Financial income (expense)	(19.9)	(24.0)	
Current taxes	(18.0)	(5.7)	
Minority interests	(1.2)	(0.1)	
NET INCOME FROM CURRENT OPERATIONS⁽²⁾	45.1	14.6	+ 209.0%
Other operating revenue and expenses, net	(0.1)	(21.2)	
NET INCOME (LOSS)⁽²⁾	45.0	(6.6)	n.s.

(1) Of which share in income of affiliates

(2) Group's share.