PARIS, FEBRUARY 12, 2015

Imerys records further improvement in results in 2014, and achieves its target of growth in net income from current operations

- **2014 revenue of €3,688 million, up + 3.2% year-on-year on a comparable basis [1]**
- **Improved operating margin at 13.4% (+ 0.5 point)**
- **Net income from current operations up + 4.0% to €316 million**
- **Proposed dividend €1.65 per share (+ 3.1%)**

Imerys' Board of Directors, meeting on February 12, 2015 under the chairmanship of Gilles Michel, examined the definitive financial statements for 2014. These will be submitted for approval at the Shareholders' General Meeting to be held on April 30, 2015.

Consolidated results (€ millions)	**2014**	**2013**	**% current change**
Revenue	3,688.2	3,697.6	- 0.3%
Current operating income [2]	494.6	477.0	+ 3.7%
Operating margin	*13.4%*	*12.9%*	*+ 0.5 point*
Net income from current operations, Group's share [3]	316.3	304.2	+ 4.0%
Net income, Group's share	271.6	242.0	n.a.
Financing			
Paid capital expenditure	241.5	253.1	- 4.6%
Current free operating cash flow [4]	244.1	306.4	- 20.3%
Shareholders' equity	2,470.5	2,271.7	+ 8.7%
Net financial debt	869.9	885.4	- 1.8%
Data per share (euros)			
Net income from current operations, Group's share [3] [5]	€4.15	€4.03	+ 3.0%
Proposed dividend	€1.65	€1.60	+ 3.1%
Headcount as of December 31	14,900	15,805	- 6.0%

Chairman & CEO Gilles Michel commented:

"By leveraging the Group's strengths and implementing its strategy, Imerys returned to positive organic growth in 2014, improved its profitability across all business groups, and achieved its target of growth in net income from current operations. We will confidently continue our development in 2015 by responsively adjusting our industrial footprint to demand and seizing the growth opportunities arising from changes in the global environment. With the forthcoming integration of S&B, the results of which were solid in 2014, Imerys reaffirms its determination to further strengthen its growth potential."

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[1] *Throughout this current press release, "on a comparable basis" means "at comparable Group structure and exchange rates".*
[2] *Throughout this press release, "Current operating income" means operating income before other operating revenue and expenses. On a comparable basis, revenue increased + 3.2% and current operating income + 2.5%.*
[3] *Group's share of net income before other operating revenue and expenses net.*
[4] *Current free operating cash flow: EBITDA after deduction of notional tax, changes in working capital requirement and paid capital expenditure.*
[5] *The weighted average number of outstanding shares was 76,134,904 in 2014 compared with 75,551,408 in 2013.*

ECONOMIC ENVIRONMENT

The global economic environment was marked by sharp geographic contrasts in 2014. The US economy was even more buoyant than in the previous year. Activity in Northern Europe and Germany, which had shown some improvement since the end of 2013, slowed down in the second half, particularly in the industrial sector. In France, the fall in housing starts continued to weigh on new construction. Trends varied widely in emerging markets, with an upturn in activity in India but slower growth in China and Brazil.

In this context, the significant appreciation trend in the euro against some currencies, observed in the first part of the year turned around, in parallel to the fall in oil prices.

KEY EVENTS

On November 5, 2014, Imerys announced a strategic combination concerning the integration of S&B's activities. A global player and European leader in bentonite (binders for foundry, sealing solutions, additives for drilling and for consumer products), S&B is the world leader in continuous casting fluxes for the steel industry as well as in wollastonite (functional additives for polymers and paints). S&B also provides perlite-based solutions used in building materials and horticulture. The transaction should be earnings-accretive from the first year of integration and create value from the third full year of consolidation. The acquisition price was determined on the basis of an equity value of €525 million for all shares. It will be paid in cash for approximately €311 million, financed by the bond issue completed by Imerys in December 2014, and in shares with 3.7 million Imerys shares to be issued on a preemptive basis[6] to the Kyriacopoulos family, S&B's shareholder for more than 80 years. Following this rights issue, this will represent approximately 4.7% of Imerys' share capital [7]. Including S&B's net financial debt which amounted to €225 million as of December 31, 2014, Imerys would maintain a robust financial structure with a gearing ratio below 60% after the transaction [8].

The final regulatory authorizations are expected in the next few days, in which case closing should take place at the end of the month.

Furthermore, the perimeter of the Energy Solutions & Specialties business group evolved with the divestment of four calcium carbonate production units serving the paper market and two additional acquisitions in the Monolithic Refractories and Carbonates businesses.

EVENTS AFTER THE END OF THE PERIOD

No significant events have occurred between the end of the period and the date of the Board of Directors meeting.

OUTLOOK

In this early part of the year, uncertainties remain over the prospects for an upturn in the European economy. Emerging countries' trajectories diverged further, with in particular strong momentum in Asia outside China and more difficult prospects in Brazil and South Africa. Growth was firm in the United States, particularly in consumer goods, construction and manufacturing industry. The proppants market is affected by the impact of the drop in oil prices.

In 2015, he Group will strive to remain highly responsive, in order to adapt its industrial layout, cost structure and product offering on any markets that evolve unfavorably, but also to seize any opportunities that arise from

[6] *Using the authorization granted to Imerys' Board of Directors by the Shareholders' Combined General Meeting of April 25, 2013*
[7] *Based on the total number of Imerys shares as of December 31, 2014*
[8] *See press release of November 5, 2014, available on www.imerys.com*

currency fluctuations and price falls for some production factors. The momentum on innovation projects and new developments is set to continue, while the proppants contribution will be lower.

In addition, the integration of S&B, which recorded revenue of €412 million in 2014 (excluding the bauxite activity, which does not come under the scope of the acquisition), should help to speed up the Group's growth in the coming years.

CORPORATE GOVERNANCE

At its meeting on February 12, 2015, Imerys' Board of Directors approved the draft resolutions to be submitted to the Shareholders' General Meeting on April 30. With respect to changes in the composition of the Board, these resolutions provide for, in particular:

- The renewal for a period of 3 years of the terms of office as Directors of Mrs Marie-Françoise Walbaum, Mr Xavier Le Clef and Mr Gilles Michel, which were nearing expiry;
- The arrival at the Board of Directors of Mr. Ulysses Kyriacopoulos, member of the founding family and majority shareholder in S&B Group, in the context of its strategic combination with Imerys [(9)];
- And, finally, the appointment as new Directors of Mrs Giovanna Kampouri Monnas and Mrs Katherine Taaffe Richard.

Also at the meeting, Mr. Jocelyn Lefebvre, who had not requested the renewal of his term of office, which was nearing expiry, was warmly thanked by the Board for his outstanding contribution to the Board and its Committees for more than 20 years. The Board also deeply regretted that the term of office of Mr Gérard Buffière, the Group's former CEO, could not be extended for statutory reasons and expressed its sincere gratitude for successfully driving the Group until 2011, followed by his support as a Director and a member of the Strategic Committee.

The proposed changes in the composition of the Board reflect its desire to increase the international, female and diverse nature of the skills represented on it.

In addition, the Board stated its intention to maintain the combination of the offices of Chairman of the Board of Directors and CEO and to renew Mr Gilles Michel in his position, subject to the renewal of his Directorship by the next Shareholders' General Meeting.

DIVIDEND

At the Shareholders' General Meeting of April 30, 2015, the Board of Directors will propose payment of a dividend of €1.65 per share, corresponding to a + 3.1% increase compared with the dividend distributed in 2014, i.e. a total payout of €125.2 million[(10)] representing 39.6% of the Group's share of net income from current operations. This proposal is in line with Imerys' historical payout ratio. The dividend should be paid out from May 12, 2015.

[9] *pursuant to the provisions of the shareholders' agreement entered into by the Kyriacopoulos family and the GBL group*

[10] *Based on the total number of Imerys shares as of December 31, 2014, excluding shares to be issued to the Kyriacopoulos family in the context of the combination with S&B*

DETAILED REVIEW OF THE GROUP'S RESULTS

REVENUE

	Revenue *(€ millions)*	**Change in Revenue** *(% previous year)*	**Comparable change in Revenue** *(% previous year)*	**Of which Volume effect**	**Of which Price/Mix effect**
2012	3,884.8	+ 5.7%	- 2.1%	- 5.4%	+ 3.3%
2013	3,697.6	- 4.8%	- 1.3%	- 2.5%	+ 1.2%
2014	**3,688.2**	**- 0.3%**	**+ 3.2%**	**+ 1.7%**	**+ 1.5%**

Non-audited quarterly data	**2014 Revenue** *(€ millions)*	**2013 Revenue** *(€ millions)*	**Change in Revenue** *(% previous year)*	**Comparable change** *(% previous year)*	**Of which Volume effect**	**Of which Price/Mix effect**
1er quarter	904.1	929.3	- 2.7%	+ 5.0%	+ 3.3%	+ 1.7%
2ème quarter	933.8	951.4	- 1.9%	+ 3.7%	+ 2.0%	+ 1.7%
1er half	**1,837.9**	**1,880.7**	**- 2.3%**	**+ 4.4%**	**+ 2.7%**	**+ 1.7%**
3ème quarter	943.8	925.6	+ 2.0%	+ 3.9%	+ 2.4%	+ 1.5%
4ème quarter	906.5	891.3	+ 1.7%	+ 0.1%	- 1.0%	+ 1.1%
2nd half	**1,850.3**	**1,816.9**	**+ 1.8%**	**+ 2.0%**	**+ 0.7%**	**+ 1.3%**

- **+ 3.2% comparable growth in revenue, reflecting the ramp-up of new capacities and new products, in particular**
- **Price/mix effect positive again in all four business groups**
- **Negative exchange rate and structure effects**

At comparable Group structure and exchange rates, revenue in 2014 totaled €3,688.2 million, a + 3.2% increase, i.e. + €118.6 million from 2013, almost two-thirds of which come from new capacities. Growth, which was + 4.2% over the first nine months of 2014, was stable in the fourth quarter compared with the same period the previous year, particularly due to an unfavorable basis of comparison in most activities (4th quarter 2013 revenue was + 3.4% higher on comparable basis than 4th quarter 2012).

- For the full year, the rise in sales volumes represents + €63.2 million (+ 1.7%), driven by the ramp-up of new capacities.
- The price/mix effect, which is positive in all business groups, increased + €55.4 million (+ 1.5%), supported by innovation.
- In 2014, new products generated €449 million in revenue (+ 35% vs. 2013) and now account for 12% of the Group's consolidated sales (vs. 9% in 2013).

On a current basis, revenue decreased - 0.3% compared with 2013, because of the following Group structure and exchange rate impacts:

- Net change in Group structure for - €90.7 million (- 2.5%), particularly comprised of:
  - The impact of the divestment of the Imerys Structure activity (May 2013: - €28.8 million) and four calcium carbonate plants (January 2014: - 75.9 million), as well as the shutdown of Les Ardoisières d'Angers (December 2013: - €12.8 million);
  - the positive contribution of acquisitions (+ €28.8 million) in Monolithic Refractories (Indoporlen and Tokai mid-2013; Termorak – February 2014) and in Carbonates (Kinta Powdertec Sdn Bhd – July 2014).
- A negative exchange rate effect of - €37.3 million (- 1.0%), resulting from the negative impact of the euro's appreciation against some currencies in the first half of 2014 (- €67.2 million), particularly the US dollar, a trend that turned around in the second half (+ €29.9 million).

REVENUE BY GEOGRAPHIC DESTINATION (CURRENT CHANGE)

(€ millions)	**2014 Revenue**	**2013 Revenue**	**% change 2014 vs. 2013**	**% 2014 consolidated revenue**
Western Europe	1,646.8	1,725.8	*- 4.6%*	44.7%
of which France	*470.1*	*549.3*	*- 14.4%*	*12.8%*
USA / Canada	877.7	825.2	*+ 6.4%*	23.8%
Emerging countries	974.2	956.4	*+ 1.9%*	26.4%
Other (Japan/ Australia)	189.4	190.2	*- 0.4%*	5.1%
Total	**3,688.2**	**3,697.6**	***- 0.3%***	**100%**

The breakdown of revenue in euros by geographic destination reflects the North American market's strong growth in 2014. In the United States, Imerys benefited from vibrant traditional markets and the ramp-up of its Wrens plant in ceramic proppants.

Currency fluctuations [(11)] partly conceal the healthy growth in activity in emerging zones, despite contrasting trends from one country to another: India and Southeast Asia are dynamic, whereas the slowdown continues in Brazil.

Lower sales in Western Europe, particularly France (13% of the Group's revenue vs. 15% in 2013) are mainly due to the divestment of the Structure activity in 2013, but also to the continued slump in new construction.

[11] *Change in exchange rate vs. the euro, 2014 vs. 2013: Canadian dollar - 7%; India rupee - 4%; Brazilian real - 9%; South African rand - 12%.*

CURRENT OPERATING INCOME

Non-audited quarterly data (€ millions)	2014	2013	% change	% comparable change
1st quarter	117.3	117.0	+ 0.3%	+ 3.7%
Operating margin	*13.0%*	*12.6%*	*+ 0.4 point*	
2nd quarter	130.4	127.0	+ 2.7%	+ 3.9%
Operating margin	*14.0%*	*13.3%*	*+ 0.7 point*	
1st half	**247.7**	**244.0**	**+ 1.5%**	**+ 3.8%**
Operating margin	***13.5%***	***13.0%***	***+ 0.5 point***	
3rd quarter	127.0	123.5	+ 2.8%	- 1.1%
Operating margin	*13.5%*	*13.3%*	*+ 0.2 point*	
4th quarter	119.8	109.5	+ 9.4%	+ 3.6%
Operating margin	*13.2%*	*12.3%*	*+ 0.9 point*	
2nd half	**246.9**	**233.0**	**+ 5.9%**	**+ 1.1%**
Operating margin	*13.3%*	*12.8%*	*+ 0.5 point*	
Year	**494.6**	**477.0**	**+ 3.7%**	**+ 2.5%**
Operating margin	*13.4%*	*12.9%*	*+ 0.5 point*	

- **50 basis point improvement in operating margin to 13.4%**
- **Improved profitability in all business groups**
- **Volume growth and firm product price/mix**

Current operating income totaled €494.6 million. At comparable structure and exchange rates, it improved + 2.5% compared with 2013:

- Growth in volumes, which contributed + €27.1 million, partly explains the rise in fixed production costs and general expenses. More than half of their total increase relates to the launch of new capacities and higher R&D spending.
- In a low-inflation environment, the product price/mix effect (+ €45.0 million) covers the increase in variable costs (- €5.4 million).

On a current basis, current operating income rose + 3.7% in 2014. It includes a favorable currency translation effect of + €12.6 million, resulting from the depreciation of currencies on the cost base in some countries where Imerys exports its specialties (Brazil, South Africa) and a structure effect of - €6.9 million (see Revenue paragraph).

Given these items, the Group's **operating margin** improved by 50 basis points to 13.4%.

NET INCOME FROM CURRENT OPERATIONS

Imerys achieved its growth target for net income from current operations in 2014: it rose + 4.0% to €316.3 million, above the €304.2 million achieved in 2013.

Net income from current operations takes the following items into account:

- a + €7.6 million improvement in financial expense (- €45.1 million in 2014 vs. - €52.7 million in 2013), made up of the following three components:
    - <u>interest expense on net financial debt</u> totaled - €40.2 million (- €46.7 million in 2013). Average net financial debt was lower than 2013 and Imerys also benefited from the drop in interest rate on its cost of financing;

- the net financial cost of pensions and other changes in provisions represented – €10.7 million (- €13.5 million in 2013);
- the net impact of foreign exchange and financial instruments was a gain of + €5.8 million (+ €7.4 million in 2013).

- - €131.5 million current tax charge (- €118.0 million in 2013), which represents an effective tax rate that, at 29.2%, is higher than in 2013 (27.8%), because of the impact of fiscal changes, particularly in France, and the the weight of geographic breakdown on results.

NET INCOME

Other operating income and expenses, net of tax, and **net income from assets held for sale** total - €44.7 million after tax (compared with - €62.2 million in 2013). They include the following items:

- Income of + €41.6 million after tax, including gains on the disposal of four calcium carbonate for paper units in Europe and the United States[12], acquisition costs and termination fees under the AMCOL acquisition contract in March (minus the expenses incurred by Imerys with respect to this operation);
- Restructuring costs for - €56.2 million, reflecting, in particular, the additional expenses related to the programs begun in 2013 (closure of Venezuelan activities, shutdown of Les Ardoisières d'Angers), and the various restructuring projects launched in 2014 (kaolin for paper, refocusing in China, reorganization of European Refractories Minerals activities);
- Impairment of goodwill on the Chinese zirconium activity in the High Resistance Minerals business group for - €30.1 million, net. Within its zirconium business portfolio, the Group decided to focus on higher value-added products in China. Pursuant to the Group's accounting principles, the resulting decrease in forecasted cash flows for this entity led to this impairment being recorded.

After taking into account other operating income and expenses, net of tax, the Group's share of net income amounted to €271.6 million in 2014 (€242.0 million in 2013).

[12] *Including income from these assets for January 2014. As of December 31, 2013, the relevant units are classified as "Assets intended for divestment", with the effective divestment taking place on January 31, 2014. The net income of these units with respect to January 2014 was therefore recorded as "Income from assets intended for divestment".*

CASH FLOW

(€ millions)	2014	2013
EBITDA	**673.8**	**650.4**
Change in operating working capital requirement (WCR)	(48.9)	32.0
Paid capital expenditure	(241.5)	(253.1)
Current free operating cash flow*	**244.1**	**306.4**
Paid financial expense (net of tax)	(21.0)	(24.3)
Other WCR items	4.4	6.1
Current free cash flow	**227.5**	**288.2**
* including subsidies, value of divested assets and miscellaneous	5.3	9.8

- **Increase in working capital requirement related to start-up inventories for new capacities**
- **Further development capital expenditure**
- **Current free operating cash flow at 244 M€**

At 23.0% of annualized sales in the last quarter [13],and compared with a good level in 2013 (21.8%), the increase in operating working capital requirement remains under control and results from the constitution of start-up inventories for new capacities (mainly in proppants in the United States and in fused alumina in Bahrain).

Paid capital expenditure totaled €241.5 million in 2014. The booked amount (€240.0 million) represents 115% of depreciation expense (compared with 121% in 2013). Selective development capital expenditure continued for €82.2 million (€106.3 million in 2013) to support the Group's growth potential. Details of the main projects are given under each business group.

Consequently, Imerys maintained sound **current free operating cash flow** at €244.1 million in 2014 (€306.4 million in 2013).

[13] *Continuation of factoring contract signed on July 23, 2009 under which transferred receivables are deconsolidated, with the risks and benefits related to receivables transferred to the factor bank. €45.7 million in receivables was factored as at December 31, 2014.*

SOUND FINANCIAL STRUCTURE

(€ millions)	**December 31, 2014**	**June 30, 2014**	**December 31, 2013**
Paid dividends	(125.3)	(123.7)	(119.2)
Net debt, end of period	869.9	878.0	885.4
Average net debt of the period	922.3	893.1	971.0
Shareholders' equity	2,470.5	2,311.5	2,271.7
EBITDA	673.8	338.4	650.4
Net debt / shareholders' equity	35.2%	38.0%	39.0%
Net debt / EBITDA	1.3x	1.3x	1.4x

- **Decrease in net financial debt**
- **Sound financial structure**

Net financial debt totaled €869.9 million as of December 31, 2014, a €15.5 million decrease from December 31, 2013. It notably includes the payment of €125.3 million in dividends, the final payment of part of the additional contractual price for PyraMax Ceramics, LLC, the divestment of four Carbonates units and the termination fees received from AMCOL.

Finally, on December 3, 2014, Imerys completed the placement of a €500 million bond maturing in December 2024 with an annual coupon of 2.0%, and of a €100 million tap on its November 2020 bond. The offers were oversubscribed 2.5 times. Benefiting from highly favorable market conditions, these additional resources enable the Group to anticipate the financing of the acquisition of S&B's main activities and meet its general financing needs.

Consequently, as of December 31, 2014, and before settlement of the acquisition of S&B, Imerys' total **financial resources** amount to €2.8 billion. After deduction of gross financial debt, available non-cash resources total €1.3 billion with an average maturity of 5.2 years.

Imerys' unsecured senior debt is rated Baa-2 by Moody's with a stable outlook, while the short-term outlook is P-2, also with a stable outlook.

Including S&B's net financial debt, which totaled €225 million as of December 31, 2014, Imerys would maintain a sound financial structure with gearing below 60%, upon completion of the transaction.

REVIEW BY BUSINESS GROUP

ORGANIZATION

The composition of Imerys' business groups was changed in 2014 as a result of the strategic combination with S&B announced in November. The Kaolin activity was integrated into the Ceramic Materials business group and S&B's activities will be integrated into the Filtration & Performance Additives business group [(14)]. All 2014 financial data will therefore be presented under the new organization. Historical financial data for the past two financial years has also been restated and is given in appendix to the present press release.

Energy Solutions & Specialties

(35% of consolidated revenue)

(€ millions)	**2014**	**2013**	**Current change**	**Comparable change**
1st quarter revenue	303.2	306.7	- 1.2%	+ 8.3%
2nd quarter revenue	321.1	313.8	+ 2.3%	+ 10.3%
1st **half revenue**	**624.2**	**620.6**	**+ 0.6%**	**+ 9.3%**
3rd quarter revenue	338.9	319.9	+ 5.9%	+ 12.5%
4th quarter revenue	315.5	307.8	+ 2.5%	+ 4.6%
2nd half revenue	**654.3**	**627.6**	**+ 4.2%**	**+ 8.6%**
Full-year revenue	**1,278.6**	**1,248.2**	**+ 2.4%**	**+ 9.0%**
Current operating income	**149.5**	**128.1**	**+ 16.7%**	**+ 28.2%**
Operating margin	*11.7%*	*10.3%*	*+ 1.4 point*	
Booked capital expenditure	**84.5**	**89.5**	**- 5.6%**	
% depreciation expense	***147%***	***165%***		

The Energy Solutions & Specialties business group's **revenue** totaled €1,278.6 million 2014, up + 9.0% at comparable structure and exchange rates compared with 2013, thanks to good performance in all four of the business group's activities. New capacities contributed additional revenue of €76 million in 2014 compared with 2013.

On a current basis, the business group's revenue, up + 2.4% from 2013, takes into account a structure effect of - €49.5 million relating to the divestment of four carbonate for paper units. This divestment was partly offset by bolt-on acquisitions in the Monolithic Refractories and Carbonates activities, essentially in Asia. Furthermore, a negative exchange rate effect of - €31.9 million (mainly the euro's depreciation against the US dollar) was recorded.

At €149.5 million in 2014, **current operating income** improved + 16.7% compared with 2013, outpacing growth in revenue. It benefited from the contribution of new capacities as well as tight control over fixed costs and general expenses, despite the launch of new capacities. **Current operating margin** rose to 11.7% in 2014, a + 1.4 point improvement on 2013.

Capital expenditure programs continued, totaling €84.5 million in 2014. They included new calcium carbonate capacities in the USA and Malaysia to address market growth in plastics and polymers, doubling of carbon black production capacity, increase in natural graphite capacity in Canada, construction of a third monolithic refractory manufacturing unit in India, and completion of the second ceramic proppants plant in the United States.

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[14] *Subject to the approval of the relevant authorities*

The expansion of the **Carbonates** activity, which mainly serves the consumer goods, construction, board, packaging and paper markets, continued, particularly in the United States where it benefited from favorable trends on the construction and consumer goods markets (particularly plastic packaging and food film). These offset the decrease in the paper market. Sales were also firm in Asia, particularly in polymers and construction. In January 2014, the Group divested four calcium carbonate for paper plants in Europe and the United States and, in the third quarter of 2014, a production unit in Tunisia (- 77.3 million structure effect). In addition, in July 2014 it acquired Kinta Powdertec Sdn Bhd, a ground calcium carbonate producer supplying the plastics, polymers, and coatings industries in Malaysia.

The **Monolithic Refractories** activity, which serves high-temperature industries (steel, metallurgy, power generation, incineration, foundry, cement, petrochemicals, etc.), posted good results in the Nordic countries, India and Asia, taking into consideration the + 1.1% rise in global steel production compared with 2013[15]. Following Indoporlen (Indonesia) in June 2013 and Tokai (Japan) in July 2013, the Group acquired in February 2014 the Finnish company Termorak, which strengthened its offering in refractory design and installation for the petrochemical and thermal industries.

The **Graphite & Carbon** activity was buoyant in 2014, particularly in the mobile energy sector. Sales growth in carbon black for Lithium-Ion batteries (mass-market electronics and automotive sector) was firm in Asia, where the Group bolstered its sales & marketing teams. This activity also opened an applied R&D center in Japan to support its key local customers. Trends were healthy in most of the activity's other applications, particularly automotive, electronics and polymers.

In the **Oilfield Solutions** activity, the Wrens proppants plant has ramped up as expected and made a positive contribution to results from the second half. Revenue of the Oilfield Solutions activity totaled almost €100 million in 2014, which represented less than 3% of Imerys consolidated revenue. However, the market for ceramic proppants has turned at the end of last year because of falling oil prices.

[15] *World Steel Association*

Filtration & Performance Additives

(18% of consolidated revenue)

(€ millions)	**2014**	**2013**	**Current change**	**comparable change**
1st quarter revenue	159.0	155.7	+ 2.1%	+ 5.9%
2nd quarter revenue	165.8	166.7	- 0.5%	+ 3.2%
1st half revenue	**324.9**	**322.4**	**+ 0.8%**	**+ 4.5%**
3rd quarter revenue	167.8	159.7	+ 5.0%	+ 6.3%
4th quarter revenue	165.4	152.6	+ 8.3%	+ 0.8%
2nd half revenue	**333.1**	**312.4**	**+ 6.6%**	**+ 3.6%**
Full-year revenue	**658.0**	**634.8**	**+ 3.7%**	**+ 4.1%**
Current operating income	**113.4**	**100.8**	**+ 12.5%**	**+ 8.8%**
Operating margin	*17.2%*	*15.9%*	*+ 1.3 point*	
Booked capital expenditure	**42.9**	**27.7**	**+ 54.9%**	
% depreciation expense	*125%*	*83%*		

Revenue for the **Filtration & Performance Additives** business group, which serves the agri-food industry and a large number of intermediate industries (plastics, paint, rubber, catalysts, paper, pharma, personal care & beauty, etc.), totaled €658.0 million in 2014, a + 4.1% increase at comparable structure and exchange rates compared with 2013. Growth was driven by consumer goods (beverages, food, etc.), and demand for capital goods (particularly automotive) and in construction (new and renovation) in North America. In Europe, a slight improvement was observed but the contrasts between countries remain high. The business group's buoyancy also stems from the development of new applications (e.g. talc for automotive polymers) and the extension of its offering into new segments (cosmetics, pharmaceutical specialties, recycled polymers).

On a current basis, the business group's revenue increased + 3.7%. This change factors in a negative exchange rate impact of €- 4.9 million.

Current operating income totaled €113.4 million in 2014, a + 8.8% increase at comparable structure and exchange rates compared with 2013. **Current operating margin** improved by + 1.3 point to 17.2% thanks to good cost control, higher volumes and a greater contribution from new products.

Capital expenditure increased sharply (€42.9 million in 2014 vs. €27.7 million in 2013) and was dedicated to capacity increases on existing production sites. These included the extension of production capacity for diatomite for the pharmaceutical industry in the United States and for high aspect ratio talc for the automotive industry in France and the United States. Their full effect is expected from 2015.

Ceramic Materials

(31% of consolidated revenue)

(€ millions)	**2014**	**2013**	**Current change**	**Comparable change**
1st quarter revenue	289.5	315.4	- 8.2%	+ 1.4%
2nd quarter revenue	292.5	306.9	- 4.7%	- 0.1%
1st half revenue	**582.1**	**622.3**	**- 6.5%**	**+ 0.7%**
3rd quarter revenue	295.1	297.3	- 0.7%	- 2.0%
4th quarter revenue	279.7	284.8	- 1.8%	- 2.6%
2nd half revenue	**574.8**	**582.1**	**- 1.3%**	**- 2.3%**
Full-year revenue	**1,156.9**	**1,204.4**	**- 3.9%**	**- 0.8%**
Current operating income	**211.0**	**219.7**	**- 3.9%**	**- 9.9%**
Operating margin	*18.2%*	*18.2%*	*stable*	
Booked capital expenditure	**69.5**	**65.0**	**+ 6.9%**	
% depreciation expense	*82%*	*72%*		

The **Ceramic Materials** business group's **revenue** totaled €1,156.9 million in 2014. The decrease in revenue was limited to - 0.8% at comparable structure and exchange rates compared with 2013, thanks to the development of specialty applications in the Kaolin activity, growth on ceramics markets and a resilient renovation sector despite slack new construction trends in France.

On a current basis, revenue decreased - 3.9% par rapport à 2013. This trend takes into account a - €44.1 million structure effect relating to divestments in France and a + 5.8 million exchange rate effect.

Current operating income totaled to €211.0 million in 2014, a - 9.9% drop at comparable structure and exchange rates compared with 2013. On a current basis, the decrease in current operating income was limited to - 3.9% thanks to a + €12.5 exchange rate effect. However, cost reduction efforts helped keep **current operating margin** at 18.2%, despite lower sales.

Capital expenditure amounted to €69.5 million, a + 6.9% rise compared with 2013. It now includes the setup of a new formulation platform in Brazil.

The **Kaolin** activity developed new specialty applications to offset the structural slump in the printing & writing paper market in mature countries (- 3.1% in 2014[16]). The end of the year was marked by the announcement of several facility closures by papermakers in the United States and Europe. However, paper production (- 1.4% worldwide) continued to grow in emerging countries, albeit at a slower pace (+ 0.6%).

In Clay Roof Tiles in France, the resilient renovation segment, which accounts for almost two-thirds of sales, partly offset the slump in new construction, which reached a new low in 2014 (single-family housing starts - 20.0% vs. 2013[17]). In this context, the decrease in clay roof tile sales was limited to – 3.8% in 2014[18]. The change in the activity's structure reflects the divestment of Imerys Structure as of May 1, 2013 and the shutdown of Les Ardoisières d'Angers in December 2013.

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[16] *RISI and Imerys estimates*
[17] *Source: French sustainable development commission (CGDD)*
[18] *Source: French roof tiles & bricks federation (FFTB)*

The **Minerals for Ceramics** activity benefited from the results of its geographic redeployment strategy (Mediterranean Basin, Middle East, Asia) and its diversification beyond its traditional businesses through a dynamic innovation policy. Growth was driven by new capacities in Southeast Asia, South America and the Middle East, particularly in floor tiles, tableware and sanitaryware. Sales held out well in Europe, particularly in the tableware segment.

High Resistance Minerals

(16% of consolidated revenue)

(€ millions)	2014	2013	Current change	Comparable change
1st quarter revenue	163.3	162.5	+ 0.5%	+ 4.4%
2nd quarter revenue	165.6	175.0	- 5.4%	- 1.7%
1st half revenue	**328.9**	**337.5**	**- 2.6%**	**+ 1.3%**
3rd quarter revenue	154.2	159.0	- 3.0%	- 4.3%
4th quarter revenue	158.6	157.3	+ 0.8%	- 3.0%
2nd half revenue	**312.9**	**316.3**	**- 1.1%**	**- 3.6%**
Full-year revenue	**641.7**	**653.8**	**- 1.9%**	**- 1.1%**
Current operating income	**72.8**	**70.1**	**+ 3.8%**	**- 6.8%**
Operating margin	*11.3%*	*10.7%*	*+ 0.6 point*	
Booked capital expenditure	**41.0**	**61.0**	**- 32.9%**	
% depreciation expense	*134%*	*209%*		

2014 **revenue** for the **High Resistance Minerals** business group, which mainly serves the high-temperature (steel, foundry, glass, aluminum, etc.) and abrasives industries, totaled €641.7 million in 2014, a - 1.1% decrease at comparable structure and exchange rates compared with 2013. Manufacturing activity recorded slight growth in Europe in early 2014 but slowed down from mid-year, while remaining vibrant in North America. In China, the construction and industrial sectors showed signs of a slowdown.

On a current basis, the - 1.9% decrease in revenue compared with 2013 takes into account, in particular, a negative exchange rate effect of - €5.5 million, mainly related to the euro's depreciation against the US dollar and the South African rand.

Current operating income totaled €72.8 million in 2014, a - 6.8% decrease at comparable structure and exchange rates compared with 2013, due to lower volumes. The + 3.8% rise on a current basis includes a + €5.9 exchange rate impact. However, **current operating margin** recovered to 11.3% in 2014 thanks to cost reduction efforts and industrial asset optimization.

Following the construction of the fused alumina plant in Bahrain in 2013, the pace of **capital expenditure** remained firm at €41.0 million. In 2014, the Group started a new production line for ultrafine alumina in Austria for high-performance applications in abrasives, and a new zirconia alumina line in China.

The **Refractory Minerals** activity's sales held out well because of vibrant demand in North America, its main market, particularly in casting and refractories.

The **Fused Minerals** activity, which is sensitive to manufacturing activity through abrasives, saw a decrease in sales, particularly in the second half, because of a slack European market. The refocusing of the Chinese zirconia activity on higher value-added specialty products contributed to the improvement in its margin, despite a lower contribution to revenue. Qualification of products from the fused alumina plant in Bahrain is progressing to schedule and the unit will ramp up in 2015.

Financial agenda 2015

April 29 (after market close)	1st quarter 2015 results
April 30	Shareholders' General Meeting
July 29 (after market close)	1st half 2015 results
October 29 (after market close)	3rd quarter 2015 results

All above dates are tentative and may change. Updates are available on the Group's website at ***www.imerys.com***, in the *Investors & Analysts/Financial Agenda section*.

Meeting

The press release is available from the Group's website ***www.imerys.com*** with access via the homepage in the "News" *section*.

Imerys is holding a presentation meeting today at 6:30pm (Paris time) at "*L'Hôtel des Arts & Métiers*" (9 bis avenue d'Iéna, 75116 Paris) to comment on the 2014 results. This conference will be webcast live on the Group's website.

The world leader in mineral-based specialty solutions for industry, *with €3.7 billion revenue and 14,900 employees in 2014, Imerys transforms a unique range of minerals to deliver essential functions (heat resistance, mechanical strength, conductivity, coverage, barrier effect, etc.) that are essential to its customers' products and manufacturing processes.*

Whether mineral components, functional additives, process enablers or finished products, Imerys' solutions contribute to the quality of a great number of applications in consumer goods, industrial equipment or construction. Combining expertise, creativity and attentiveness to customers' needs, the Group's international teams constantly identify new applications and develop high value-added solutions under a determined approach to responsible development. These strengths enable Imerys to develop through a sound, profitable business model.

More comprehensive information about Imerys *may be obtained from its website (www.imerys.com) under Regulated Information, particularly in its Registration Document filed with the Autorité des marchés financiers on March 20, 2014 under number D.14-0173 (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 Registration Document.*

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CONSOLIDATED RESULTS TO DECEMBER 31, 2014

APPENDIX

(non-audited quarterly data)

1. CONSOLIDATED REVENUE BREAKDOWN

Comparable quarterly change 2014 vs. 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014
	+ 5.0%	+ 3.7%	+ 3.9%	+ 0.1%
Reminder 2013 vs. 2012	**Q1 2013**	**Q2 2013**	**Q3 2013**	**Q4 2013**
	- 4.0%	- 3.8%	- 0.4%	+ 3.4%

Revenue by business group New organisation (€ millions)	09/30/14	09/30/13	Current change %	Group structure %	Exchange rates %	Comp. change %
Energy Solutions & Specialties	963.1	940.4	+ 2.4%	- 3.7%	- 4.2%	+ 10.4%
Filtration & Performance Additives	492.6	482.1	+ 2.2%	0.0%	- 3.0%	+ 5.1%
Ceramic Materials	877.1	919.6	- 4.6%	- 4.2%	- 0.2%	- 0.2%
High Resistance Minerals	483.1	496.5	- 2.7%	+ 0.1%	- 2.3%	- 0.5%
Holding & Eliminations	(34.2)	(32.4)	n.s.	n.s.	n.s.	n.s.
Total	**2,781.7**	**2,806.3**	**- 0.9%**	**- 2.6%**	**- 2.4%**	**+ 4.2%**

Revenue by business group (€ millions)	Q4 2014	Q4 2013	Current change %	Group structure %	Exchange rates %	Comp. change %
Energy Solutions & Specialties	315.5	307.8	+ 2.5%	- 4.7%	+ 2.6%	+ 4.6%
Filtration & Performance Additives	165.4	152.6	+ 8.3%	+ 1.4%	+ 6.1%	+ 0.8%
Ceramic Materials	279.7	284.8	- 1.8%	- 1.7%	+ 2.6%	- 2.6%
High Resistance Minerals	158.6	157.3	+ 0.8%	+ 0.1%	+ 3.7%	- 3.0%
Holding & Eliminations	(12.7)	(11.3)	n.s.	n.s.	n.s.	n.s.
Total	**906.5**	**891.3**	**+ 1.7%**	**- 1.9%**	**+ 3.5%**	**+ 0.1%**

Quarterly change	Q1 2014	Q2 2014	Q3 2014	Q4 2014	31/12/2014
Imerys Group – current change	**- 2.7%**	**- 1.9%**	**+ 2.0%**	**+ 1.7%**	**- 0.3%**
Imerys Group – comparable change, of which:	**+ 5.0%**	**+ 3.7%**	**+ 3.9%**	**+ 0.1%**	**+ 3.2%**
Energy Solutions & Specialties	+ 8.3%	+ 10.3%	+ 12.5%	+ 4.6%	+ 9.0%
Filtration & Performance Additives	+ 5.9%	+ 3.2%	+ 6.3%	+ 0.8%	+ 4.1%
Ceramic Materials	+ 1.4%	- 0.1%	- 2.0%	- 2.6%	- 0.8%
High Resistance Minerals	+ 4.4%	- 1.7%	- 4.3%	- 3.0%	- 1.1%

Distribution of revenue by business group	2014	2013
Energy Solutions & Specialties	35%	34%
Filtration & Performance Additives	18%	17%
Ceramic Materials	31%	32%
High Resistance Minerals	16%	17%

2. Revenue items by activity and geographic zone Key figures: new organization

1. Energy Solutions & Specialties

Revenue by activity in %	2014
Carbonates	43%
Monolithic Refractories	41%
Graphite & Carbon	9%
Oilfield Solutions	7%
Total	**100%**

Revenue by geographic zone	2014
Western Europe	35%
United States / Canada	24%
Emerging countries	33%
Other (Japan / Australia)	8%
Total	**100%**

(€ millions)	2012	2013	2014
Revenue	1,287.9	1,248.2	1,278.6
Current operating income	143.2	128.1	149.5
Operating margin	11.1%	10.3%	11.7%
Headcount	4,616	5,238	4,958

2. Filtration & Performance Additives

Revenue by activity in %	2014
Performance & Filtration Minerals	100%
Total	**100%**

Revenue by geographic zone	2014
Western Europe	35%
United States / Canada	31%
Emerging countries	29%
Other (Japan / Australia)	5%
Total	**100%**

(€ millions)	2012	2013	2014
Revenue	634.8	634.8	658.0
Current operating income	90.3	100.8	113.4
Operating margin	14.2%	15.9%	17.2%
Headcount	2,575	2,580	2,518

3. Ceramic Materials

Revenue by activity in %	2014
Kaolin	40%
Minerals for Ceramics	33%
Clay Roof Tiles	27%
Total	**100%**

Revenue by geographic zone	2014
Western Europe	64%
United States / Canada	18%
Emerging countries	16%
Other (Japan / Australia)	2%
Total	**100%**

(€ millions)	2012	2013	2014
Revenue	1,270.6	1,204.4	1,156.9
Current operating income	209.6	219.7	211.0
Operating margin	16.5%	18.2%	18.2%
Headcount	5,092	4,478	4,269

4. High Resistance Minerals

Revenue by activity in %	2014
Fused Minerals	59%
Refractory Minerals	41%
Total	**100%**

Revenue by geographic zone	2014
Western Europe	38%
United States / Canada	27%
Emerging countries	30%
Other (Japan / Australia)	5%
Total	100%

(€ millions)	2012	2013	2014
Revenue	743.8	653.8	641.7
Current operating income	95.3	70.1	72.8
Operating margin	12.8%	10.7%	11.3%
Headcount	3,453	3,210	2,841

3. GLOSSARY

Throughout this press release:

- the term **"on a comparable basis"** means: "at comparable Group structure and exchange rates";
  - Restatement of the foreign exchange effect consists of calculating aggregates for the current year at the exchange rate of the previous year. The impact of exchange rate instruments qualifying as hedging instruments is taken into account in current data.
  - Restatement of Group structure effect of newly consolidated entities consists of:
    - for entities entering the consolidation scope in the current year, subtracting the contribution of the acquisition from the aggregates of the current year,
    - for entities entering the consolidation scope in the previous year, subtracting the contribution of the acquisition from January 1 of the current year, until the last day of the month of the current year when the acquisition was made the previous year;
  - Restatement of entities leaving the consolidation scope consists of:
    - for entities leaving the consolidation scope in the current year, subtracting the departing entity's contributions from the aggregates of the previous year as from the first day of the month of divestment,
    - for entities leaving the consolidation scope in the previous year, subtracting the departing entity's contributions from the aggregates of the previous year;
- the term **"Current operating income"** means operating income before other operating income and expenses;
- the term **"Net income from current operations"** means the Group's share of income before other operating revenue and expenses, net;
- the term **"Current free operating cash flow"** means EBITDA after deduction of notional tax, changes in working capital requirement and paid capital expenditure and including subsidies, value of divested assets and miscellaneous (see change in net financial debt in the appendix to this press release);
- the term **"Current free cash flow"** means Current free operating cash flow less financial expense (net of tax) and other working capital requirement items (see change in net financial debt in the appendix to this press release).

4. KEY INCOME INDICATORS

(€ millions)	**9 months 2014**	**9 months 2013**	**Change**
Revenue	**2,781.7**	**2,806.3**	- 0.9%
Current operating income	**374.7**	**367.5**	+ 2.0%
Current financial income	(38.1)	(40.8)	
Current tax	(96.6)	(91.2)	
Minorities	(0.9)	(2.0)	
Net income from current operations (1)	**239.1**	**233.5**	+ 2.4%
Other revenue and expenses, net	(32.5)	(34.0)	
Net income (1)	**206.6**	**199.5**	+ 3.5%

(1) Group's share.

(€ millions)	Q4 2014	Q4 2013	Variation
Revenue	**906.5**	**891.3**	**+ 1.7%**
Current operating income	**119.8**	**109.5**	**+ 9.4%**
Current financial income	(7.0)	(11.9)	
Current tax	(34.8)	(26.8)	
Minorities	(0.8)	(0.1)	
Net income from current operations (1)	**77.2**	**70.7**	**+ 9.2%**
Other revenue and expenses, net	(12.2)	(28.2)	
Net income (1)	**65.0**	**42.5**	**n.a.**

(1) Group's share.

APPENDIX
SUMMARY OF FINANCIAL STATEMENTS AS OF DECEMBER 31, 2014

The Board of Directors met on February 12, 2015 to close the financial statements for 2014. Audit procedures have been carried out and the audit reports are being issued.

CONSOLIDATED INCOME STATEMENT

(€ millions)	2014	2013
Revenue	**3,688.2**	**3,697.6**
Current income and expenses	**(3,193.6)**	**(3,220.6)**
Raw materials and consumables used	(1,199.4)	(1,273.8)
External expenses	(1,010.3)	(975.1)
Staff expenses	(746.4)	(753.1)
Taxes and duties	(47.3)	(50.3)
Amortization, depreciation and impairment losses	(209.5)	(207.8)
Other current income and expenses	19.3	39.5
Current operating income	**494.6**	**477.0**
Other operating income and expenses	**(59.8)**	**(80.1)**
Gain or loss from obtaining or losing control	58.9	(0.9)
Other non-recurring items	(118.7)	(79.2)
Operating income	**434.8**	**396.9**
Net financial debt expense	**(40.2)**	**(46.6)**
Income from securities	6.8	4.5
Gross financial debt expense	(47.0)	(51.1)
Other financial income and expenses	**(4.9)**	**(6.1)**
Other financial income	122.9	159.9
Other financial expenses	(127.8)	(166.0)
Financial income (loss)	**(45.1)**	**(52.7)**
Income taxes	(117.4)	(100.1)
Net income of assets held for sale	1.0	-
Net income	**273.3**	**244.1**
Net income, Group share[(1) & (2)]	271.6	242.0
Net income, share of non-controlling interests	1.7	2.1
(1) Net income per share		
Basic net income per share (in €)	*3.57*	*3.20*
Diluted net income per share (in €)	*3.51*	*3.17*
(2) Net income from current operations, Group share	*316.3*	*304.2*
Basic net income from current operations per share (in €)	*4.15*	*4.03*
Diluted net income from current operations per share (in €)	*4.09*	*3.98*
Other operating income and expenses net of income taxes, Group share	*(45.7)*	*(62.2)*
Net income of assets held for sale	*1.0*	*-*

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€ millions)	Notes	2014	2013
Non-current assets		**3,341.5**	**3,156.3**
Goodwill	16	1,106.8	1,060.5
Intangible assets	17	78.3	72.6
Mining assets	18	459.7	428.2
Property, plant and equipment	18	1,503.2	1,404.8
Joint ventures and associates	9	83.3	83.1
Other financial assets	21.1	26.0	27.7
Other receivables	21.1	37.8	37.1
Derivative financial assets	24.4	11.7	7.5
Deferred tax assets	13	34.7	34.8
Current assets		**2,080.9**	**1,677.3**
Inventories	20	670.0	588.3
Trade receivables	21.1	538.8	512.3
Other receivables	21.1	180.3	144.9
Derivative financial assets	24.4	6.1	4.4
Other financial assets[1]	24.2	29.3	81.5
Cash and cash equivalents[1]	24.2	656.4	345.9
Assets held for sale	25	**-**	**39.3**
Consolidated assets		**5,422.4**	**4,872.9**
Equity, Group share		**2,444.4**	**2,247.5**
Capital	22	151.8	152.5
Premiums		334.1	362.1
Reserves		1,686.9	1,490.9
Net income, Group share		271.6	242.0
Equity, share of non-controlling interests		**26.1**	**24.2**
Equity		**2,470.5**	**2,271.7**
Non-current liabilities		**2,121.6**	**1,799.4**
Employee benefit liabilities	23.1	306.5	227.1
Other provisions	23.2	258.4	239.3
Loans and financial debts[1]	24.2	1,494.3	1,190.3
Other debts	24.3	11.7	88.3
Derivative financial liabilities	24.4	7.6	0.5
Deferred tax liabilities	13	43.1	53.9
Current liabilities		**830.3**	**793.3**
Other provisions	23.2	24.3	18.3
Trade payables	24.1	411.9	376.3
Income taxes payable		3.0	26.7
Other debts	24.3	307.7	236.0
Derivative financial liabilities	24.4	14.6	6.3
Loans and financial debts[1]	24.2	66.9	124.0
Bank overdrafts[1]	24.2	1.9	5.7
Liabilities related to assets held for sale	25	**-**	**8.5**
Consolidated equity and liabilities		**5,422.4**	**4,872.9**
(1) Net financial debt	*24.2*	*869.9*	*885.4*

CONSOLIDATED STATEMENT OF CASH FLOW

(€ millions)	2014	2013
Cash flow from operating activities	**434.3**	**463.4**
Cash flow generated by current operations	654.0	702.8
Interests paid	(53.7)	(53.7)
Income taxes on current operating income and financial income (loss)	(150.9)	(131.5)
Dividends received from available-for-sale financial assets	(0.1)	0.3
Cash flow generated by other operating income and expenses	(15.0)	(54.5)
Cash flow from investing activities	**(223.1)**	**(362.8)**
Acquisitions of intangible assets and property, plant and equipment	(241.4)	(252.7)
Acquisitions of investments in consolidated entities after deduction of cash acquired	(67.5)	(176.4)
Acquisitions of available-for-sale financial assets		
Disposals of intangible assets and property, plant and equipment	7.9	12.0
Disposals of investments in consolidated entities after deduction of cash disposed of	70.9	58.5
Disposals of available-for-sale financial assets		
Net change in financial assets	0.5	(8.5)
Paid-in interests	6.5	4.3
Cash flow from financing activities	**92.2**	**25.3**
Capital increases and decreases	(28.0)	40.5
Disposals (acquisitions) of treasury shares	(14.5)	(5.0)
Dividends paid to shareholders	(122.4)	(116.9)
Dividends paid to non-controlling interests	(2.8)	(2.3)
Acquisitions of investments in consolidated entities from non-controlling interests	(3.5)	(2.9)
Loan issues	607.2	329.9
Loan repayments	(307.7)	(142.9)
Net change in other debts	(36.1)	(75.1)
Cash flow from assets held for sale	0.6	-
Change in cash and cash equivalents	**304.0**	**125.9**

(€ millions)	2014	2013
Opening cash and cash equivalents	**340.2**	**241.3**
Change in cash and cash equivalents	304.0	125.9
Impact of changes due to exchange rate fluctuations	10.3	(27.0)
Closing cash and cash equivalents	**654.5**	**340.2**
Cash	218.2	228.8
Cash equivalents	438.2	117.1
Bank overdrafts	(1.9)	(5.7)

NOTE A: CASH FLOW GENERATED BY CURRENT OPERATIONS

(€ millions)	2014	2013
Net income	**273.3**	**244.1**
Adjustments	**413.8**	**414.1**
Income taxes	117.4	100.1
Share in net income of joint ventures and associates	(4.6)	(5.3)
Dividends received from joint ventures and associates	1.7	2.2
Impairment losses on goodwill	30.1	-
Share in net income of associates out of the recurring business	1.9	(0.2)
Other operating income and expenses excluding impairment losses on goodwill	27.8	80.3
Net operating amortization and depreciation	209.2	207.5
Net operating impairment losses on assets	4.8	(6.4)
Net operating provisions	(20.5)	(10.2)
Dividends receivable from available-for-sale financial assets	-	(0.1)
Net interest income and expenses	41.9	46.7
Share-based payments expense	9.5	8.3
Change in fair value of hedge instruments	(1.8)	(6.6)
Income from current disposals of intangible assets and property, plant and equipment	(2.6)	(2.2)
Net income of assets held for sale	(1.0)	-
Change in the working capital requirement	**(33.1)**	**44.6**
Inventories	(56.3)	25.8
Trade accounts receivable, advances and down payments received	(15.0)	(23.6)
Trade accounts payable, advances and down payments paid	22.6	29.8
Other receivables and debts	15.6	12.6
Cash flow generated by current operations	**654.0**	**702.8**

NOTE B: CASH FLOW GENERATED BY OTHER OPERATING INCOME AND EXPENSES

(€ millions)	2014	2013
Other operating income and expenses	**(59.8)**	**(80.1)**
Adjustments	**44.8**	**25.6**
Impairment losses on goodwill	30.1	-
Other net operating amortization and depreciation	6.5	9.9
Other net operating provisions	34.5	22.4
Income from disposals of consolidated investments and available-for-sale financial assets	(41.1)	(5.3)
Share in net income of associates out of the recurring business	1.9	(0.2)
Income taxes paid on other operating income and expenses	12.9	(1.2)
Cash flow generated by other operating income and expenses	**(15.0)**	**(54.5)**

CURRENT FREE OPERATING CASH FLOW

(€ millions)	2014	2013
Current operating income	494.6	477.0
Operating amortization, depreciation and impairment losses[(1)]	209.5	207.8
Net change in operating provisions	(27.5)	(31.3)
Share in net income of joint ventures and associates	(4.6)	(5.3)
Dividends received from joint ventures and associates	1.8	2.2
Operating cash flow before taxes (current EBITDA)	**673.8**	**650.4**
Notional taxes on current operating income[(2)]	(144.6)	(132.7)
Current net operating cash flow	**529.2**	**517.7**
Paid capital expenditures[(3) & (4)]	**(241.5)**	**(253.1)**
Intangible assets	(8.3)	(18.0)
Property, plant and equipment	(188.9)	(192.9)
Overburden mining assets[(5)]	(42.8)	(39.4)
Debts on acquisitions	(1.5)	(2.8)
Carrying amount of current asset disposals	**5.3**	**9.8**
Change in the operational working capital requirement	**(48.9)**	**32.0**
Inventories	(56.4)	25.8
Trade accounts receivable, advances and down payments received	(15.0)	(23.6)
Trade accounts payable, advances and down payments paid	22.5	29.8
Current free operating cash flow	**244.1**	**306.4**