

Imerys records growth in results in 1st quarter 2015

- **+ 7.7% rise in revenue**
 - Positive contribution of S&B and positive exchange rates impact
 - - 4.5% at comparable Group structure and exchange rates: atypical quarter, high comparison basis
- **Growth in current operating income (+ 5.0%) and net income from current operations (+ 6.1%) on healthy fundamentals**

The results for the 1st quarter ending March 31, 2015, will be discussed in the conference call to be held today at 18:30 CET. It will be webcast live at www.imerys.com.

Consolidated results <i>Non-audited - € millions</i>	1st quarter 2015	1st quarter 2014	% current change
Revenue	973.6	904.1	+ 7.7%
Current operating income ⁽¹⁾	123.2	117.3	+ 5.0%
<i>Operating margin</i>	12.7%	13.0%	- 0.3 point
Net income from current operations, Group's share ⁽²⁾	78.2	73.7	+ 6.1%
Net income, Group's share	68.5	77.6	n.a.
Net income, Group's share, per share ⁽³⁾	€1.01	€0.97	+ 4.1%

Chairman & CEO Gilles Michel commented, "During the first quarter, Imerys' results improved overall. This performance is the result of our external growth strategy, our geographic positioning and of a better operational performance, despite an unusually slow start of the year and a high comparison basis. In the coming months, we will benefit from S&B integration and its expected synergies, but also from our new products and our investments while maintaining continued emphasis on costs control and cash generation."

¹ Throughout this press release, "Current operating income" means operating income before other operating revenue and expenses. At comparable Group structure and exchange rates, revenue decreased - 4.5% and current operating income - 9.0%.

² Group's share of net income before other operating revenue and expenses, net.

³ The weighted average number of outstanding shares was 77 278 568 in the 1st quarter of 2014, compared with 76,222,621 in the 1st quarter of 2014.

ECONOMIC ENVIRONMENT

In North America, activity remained buoyant overall, with the exception of steel and unconventional oil production.

In Europe, industrial output, which had stopped declining at the end of last year, has not yet shown any clear sign of recovery. In France, new housing starts continued to slide.

In emerging markets, contrasts between countries remain sharp with further growth achieved in India and Southeast Asia and a marked slowdown in Brazil and China.

RECENT EVENTS

On February 26, 2015, Imerys completed the acquisition of S&B ⁽⁴⁾ which has been consolidated from March 1, 2015. 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.

OUTLOOK

In Europe, the first signs of an upturn that appeared at the end of the first quarter of 2015 have yet to be confirmed. In the United States, the growth momentum is expected to continue on most markets, except for proppants and steelmaking.

In this context, the Group will continue to implement its strategy. It will benefit from the synergies that are expected from the integration of S&B, both in terms of development and costs. It will maintain a strong focus on cash management, while preserving flexibility in its industrial footprint.

⁴ See press releases of November 5, 2014 and February 27, 2015.

DETAILED COMMENTARY ON THE GROUP'S RESULTS

REVENUE

- **S&B Integration and positive impact of exchange rates**
- **Lower revenue at comparable Group structure and exchange rates ⁽⁵⁾, with atypical volumes and a high comparison basis**
- **Positive price/mix effect in all business groups**

Revenue for the 1st quarter of totaled €973.6 million, a + 7.7% increase from the same period in 2014. This increase results from:

- a positive structure effect of + 37.7 million (+ 4.2%), mainly comprised of the consolidation as of March 2015 of S&B and, to a lesser extent, bolt-on acquisitions in Monolithic Refractories (Termorak in Finland - February 2014) and Carbonates (Kinta Powdertech in Malaysia - July 2014) ;
- a positive exchange rate effect of + €72.4 million (+ 8.0%), due to the euro's depreciation against a large number of currencies, particularly the US dollar.

At comparable Group structure and exchange rates, 1st quarter 2015 revenue decreased by - 4.5% compared with the same period in 2014. The - 5.9% decrease (- €53.2 million) in volumes compared with the 1st quarter of 2014 is mainly due to the fall in demand for proppants in the United States and a slower start of the activity compared to the same period last year, in Roofing and Fused Minerals in particular). Comparable growth totaled + 5.0% in the 1st quarter of 2014, compared to the same period in 2013.

The price/mix component was positive in every business group and grew + 1.3% for the Group as a whole (+ €12.6 million).

REVENUE BY GEOGRAPHIC DESTINATION (CURRENT CHANGE)

(€ millions)	Q1 2015 revenue	% change Q115 vs. Q114	% of consolidated revenue Q115	% of consolidated revenue Q114
Western Europe	429.2	+ 1.8%	44%	47%
<i>of which France</i>	120.6	- 6.9%	12%	14%
USA / Canada	237.0	+ 17.3%	24%	22%
Emerging countries	258.2	+ 10.6%	27%	26%
Other (Japan/ Australia)	49.3	+ 4.4%	5%	5%
Total	973.6	+ 7.7%	100%	100%

Sales are improving in all geographic zones except for France, which was driven by a comparatively good first quarter 2014 in Roofing. They benefitted from the euro's depreciation against a large number of currencies, as well as from the integration of S&B's activities.

⁵ Throughout this press release, "comparable" means "at comparable Group structure and exchange rates".

<i>(non-audited - € millions)</i>	Q1 2015	Q1 2014	Current change %	Structure effect %	Ex-change rate effect %	Compar-able change %
Revenue of which:	973.6	904.1	+ 7.7%	+ 4.3%	+ 8.0%	- 4.5%
Energy Solutions & Specialties	312.5	303.2	+ 3.1%	+ 0.3%	+ 7.4%	- 4.7%
Filtration & Performance Additives	218.9	159.0	+ 37.3%	+ 24.0%	+ 10.5%	+ 2.8%
Ceramic Materials	291.0	289.5	+ 0.6%	- 0.6%	+ 7.5%	- 6.3%
High Resistance Minerals	165.3	163.3	+ 1.2%	+ 0.2%	+ 8.4%	- 7.4%
Holding & Eliminations	(14.0)	(10.9)	n.s.	n.s.	n.s.	n.s.

Energy Solutions & Specialties

(32% of consolidated revenue)

The **Energy Solutions & Specialties** business group's **revenue** totaled €312.5 million in the first quarter of 2015, a - 4.7% decrease at comparable structure and exchange rates compared with the same period in 2014. This trend is mainly due to a slump on the proppant market in the United States resulting from the drop in oil prices.

On a reported basis, the + 3.1% year-on-year increase in the business group's revenue, can be primarily attributed to a positive exchange rate impact of + €22.4 million.

The **Carbonates** activity, which mainly serves the consumer goods, construction, board & packaging and paper markets, benefited from favorable trends in the US and in Asia.

The **Monolithic Refractories** activity, which serves high-temperature industries (steel, metallurgy, power generation, incineration, foundry, cement, petrochemicals, etc.), performed well with healthy activity in Asia-Pacific and India.

In the **Graphite & Carbon** activity, sales for mobile energy and polymers continued to grow with the ramp-up of the second carbon black production line in Belgium.

The **Oilfield Solutions** activity had a negative impact on the Group's current operating income of approximately - 5 million euros in the 1st quarter. Imerys took necessary adjustment measures in light of lower demand for ceramic proppants in the US and with a view to preserve the integrity of its sales, industrial and technical assets, in anticipation of a potential recovery of this market.

Filtration & Performance Additives

(22% of consolidated revenue)

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 €218.9 million in the 1st quarter of 2015, a + 2.8% increase at comparable structure and exchange rates. Benefitting from well oriented markets in the US and Europe, the business group's expansion is also fuelled by 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 reported basis, the + 37.3% year-on-year increase reflects one month of consolidation of S&B and a positive exchange rate impact of + €16.8 million.

Ceramic Materials

(30% of consolidated revenue)

The **Ceramic Materials** business group's **revenue** totaled €291.0 million in the 1st quarter of 2015. On a reported basis, the + 0.6% year-on-year increase takes into account + €21.7 million in exchange rate effects.

Revenue decreased by - 6.3% at comparable structure and exchange rates compared with the same period in 2014, mainly as a result of a high basis of comparison in France: the seasonal sales pattern of the **Roofing** activity was unusual in this year's first quarter, whereas the weather had been particularly mild in the beginning of 2014. New housing starts in France continued to decrease in the 1st quarter of 2015 and sales of clay roof tiles for the trade as a whole recorded a - 14.8% decrease from the same period in 2014⁽⁶⁾.

Kaolin specialty activities grew in particular in North America in the first quarter of 2015; the printing & writing paper market is structurally declining.

The **Minerals for Ceramics** activity held out well thanks to a strategy of geographic deployment (South America, Middle-East, Asia) and diversification.

High Resistance Minerals

(16% of consolidated revenue)

Revenue for the **High Resistance Minerals** business group, which mainly serves the high-temperature (steel, foundry, glass, aluminum, etc.) and abrasives industries, totaled €165.3 million in the first quarter of 2015, a - 7.4% decrease at comparable structure and exchange rates compared with 2014, particularly because of a high basis of comparison. On a reported basis, the + 1.2% rise in revenue from 2014 notably includes a positive exchange rate effect of + €13.8 million.

The **Refractory Minerals** activity's sales held out well in Europe and Asia. Demand however slowed down in North America mainly as a result of the decrease in steel production.

The **Fused Minerals** activity suffered from a high basis of comparison as the 1st quarter of 2014 benefited from an upturn in industrial equipment. The fused zirconium activity is progressing in Europe and in the US, as well as in China on high value-added products.

CURRENT OPERATING INCOME

- **Improvement in current operating income**
- **Firm price/mix component**
- **First positive contribution from S&B**

Current operating income was €123.2 million in the 1st quarter of 2015.

On a reported basis, current operating income rose + 5.0% in the first quarter of 2015. It includes a favorable exchange rate effect for + €10.6 million, mostly resulting from the appreciation of the US dollar versus a number of currencies. The + €5.8 million structure effect includes a pro forma contribution from S&B which is estimated at 5.1 million euros.

⁶ FFTB (French roof tiles & bricks federation): March 2015 newflash

At comparable structure and exchange rates, the - 9.0% year-on-year change takes the following into account:

- Lower sales volumes (- € 26.1 million)
- Contained increase in fixed costs and overheads (- €6.6 million)
- Firm price-mix component (+ €10.9 million)
- Improved variable costs (+ €6.3 million).

The Group's **operating margin** amounted to 12.7%, down - 0.3 percentage points versus the first quarter of 2014, as a result of the change in the relative weight of the Group's various activities in the first quarter of 2015.

NET INCOME FROM CURRENT OPERATIONS

Net income from current operations grew + 6.1% to €78.2 million (€73.7 million in the 1st quarter of 2014). It takes the following items into account:

- Financial expense for - €11.0 million (vs. - €14.7 million in the 1st quarter of 2014), made up of 3 items:
 - An increase in interest expense on financial debt (- €12.8 million in the 1st quarter of 2015, compared with - €11.4 million in the 1st quarter of 2014), due to a rise in average financial debt over the period resulting from the acquisition of S&B;
 - The net financial cost of pensions and other changes in provisions amounted to - €3.7 million (- €2.2 million in 1st quarter 2014) ;
 - The net impact of foreign exchange and financial instruments was a gain of + €5.5 million (vs. expense of - €1.1 million in the 1st quarter of 2014).
- A - €33.0 million current tax charge (- €28.9 million in 1st quarter 2014), which represents a slight increase in the effective tax rate to 29.5% (28.2% in 1st quarter 2014), particularly reflecting the effect of higher taxes, including (e.g. France), and the geographic distribution of results.

NET INCOME

Other income and expense before tax totaled - €12.8 million in the 1st quarter of 2015. Their net of tax amount (- €9.7 million in 1st quarter 2015) is comprised of the following items:

- a total amount of - €3.8 million after tax, mainly comprising acquisition and divestment costs;
- Restructuring costs of - €5.9 million after tax, mainly relating to the ceramic proppants activity and to the adjustment of production capacities to the demand evolution.

After taking other operating income and expense, net of tax, into account, **the Group's share of net income** totaled €68.5 million in 1st quarter 2015 (€77.6 million in 1st quarter 2014).

FINANCIAL SITUATION

Net financial debt, which totaled €870 million on December 31, 2014, amounts to approximately €1.5 billion as of March 31, 2015, due to the integration of S&B from March 1, 2015. Imerys' long-term credit rating (unsecured senior debt, rated in 2011) is rated by Moody's "Baa-2" with a stable outlook and its short-term debt "P-2" also with a stable outlook.

Financial agenda 2014

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

Conference call

The press release is available from the Group's website www.imerys.com with access via the homepage in the "News" section. The 1st quarter 2015 results will be discussed in a **conference call today at 6:30pm** (Paris time). This conference will be webcast live on the Group's website www.imerys.com.

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 19, 2015 under number D.15-0173 (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.

Warning on projections and forward-looking statements: *The declarations made in this document contain projections and 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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FIRST QUARTER 2015 RESULTS (NON-AUDITED)

APPENDIX

1. CONSOLIDATED REVENUE BREAKDOWN

Comparable quarterly change 2015 vs. 2014	Q1 2015			
	- 4.5%			
Reminder 2014 vs. 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014
	+ 5.0 %	+ 3.7 %	+ 3.9 %	+ 0.1 %

Revenue by business group (€ millions)	Q1 2015	Q4 2014	Q1 2014
Energy Solutions & Specialties	312.5	315.5	303,2
Filtration & Performance Additives	218.9	165,4	159,0
Ceramic Materials	291.0	279,7	289,5
High Resistance Minerals	165.3	158.6	163.3
Holding Company & Eliminations	(14.1)	(12.7)	(10.9)
Total	973.6	906.5	904.1

Quarterly change (non-audited)	Q1 2014	Q1 2013	Current change %	Structure effect %	Exchange rate effect %	Comp. change %
Revenue of which:	904.1	929.3	- 2.7%	- 3.9 %	- 3.8 %	+ 5.0 %
Energy Solutions & Specialties	303.2	306.7	- 1.2 %	- 3.9 %	- 5.5 %	+ 8.3 %
Filtration & Performance Additives	159.0	155.7	+ 2.1 %	- 0.1 %	- 3.7 %	+ 5.9 %
Ceramic Materials	289.5	315.4	- 8.2 %	- 7.7 %	- 1.9 %	+ 1.4 %
High Resistance Minerals	163.3	162.5	+ 0.5 %	0.0 %	- 3.9 %	+ 4.4 %
Holding Company & Eliminations	(10.9)	(11.1)	n.s.	n.s.	n.s.	n.s.

2. KEY INCOME INDICATORS

<i>(€ millions)</i>	Q1 2015	Q1 2014	Change
Revenue	973.6	904.1	+ 7.7 %
Current operating income	123.2	117.3	+ 5.0 %
Financial expense	(11.0)	(14.7)	
Current taxes	(33.0)	(28.9)	
Minority interests	(1.0)	(0.0)	
Net income from current operations ⁽¹⁾	78.2	73.7	+ 6.1 %
Other operating income and expenses, net	(9.7)	3.9	
Net income ⁽¹⁾	68.5	77.6	n.a.

(1) Group's share.