

Imerys takes a further step in its development strategy with the contemplated acquisition of Kerneos

- **World leader in calcium aluminate-based high-performance binders**
- **Extension of specialty minerals offering for industry in growth, complementary markets**
- **Close fit with Imerys' business model**
- **A rapidly value-creating acquisition**

Less than two years after S&B's acquisition, Imerys takes a further step in its development strategy with today's announcement of the contemplated acquisition of Kerneos. With this operation, the Group would again enhance its specialty offering in high-potential markets and improve its growth and profitability profile while creating value.

Thanks to its expertise in calcium aluminate technologies, Kerneos develops performance binders that contribute key properties (rapid hardening, self-leveling, sealing and wear, corrosion or heat resistance), to its customers' innovating solutions for construction (screed and adhesive tiles mortars, etc.), civil engineering (sewage system infrastructure, etc.) or refractories (protection of blast furnaces, thermal power plant, etc.) sectors.

With an access to quality mining reserves and resources, a global sales network, 9 high-performance production sites in 5 countries and great innovation capability, Kerneos fits perfectly with Imerys' business model and has a sound history of growth and profitability. Over the past three years, Kerneos has achieved annual average sales growth of + 3.3%, of which + 7.1% organic growth in construction technologies. With operations in Europe, North America and emerging countries, and 1,500 employees, Kerneos posted consolidated revenue of €415 million over the last 12 months as of September 30, 2016. Over the same period, EBITDA grew + 8.0% to almost €100 million, while current operating cash flow totaled €74 million before tax, i.e. 18% of revenue.

Finally, the acquisition project of Kerneos, for an estimated total enterprise value of ca. €880 million, would be in full compliance with Imerys' external growth criteria. It would have a positive impact on net income from current operations per share from the first year of consolidation and would rapidly create value thanks notably to synergies estimated at €23 million. The transaction, entirely funded by the Group's available resources, would maintain Imerys' financial soundness and complies with its goal of keeping an investment grade credit rating. It remains subject to relevant workers' council consultation, as well as regulatory authorities' approval and should be completed mid-2017.

Gilles Michel, Imerys Chairman & CEO, stated:

"With the contemplated acquisition of Kerneos, Imerys is strengthening its growth and profitability profile by integrating performing assets and broadening its specialty offering for industry on high-potential markets. By welcoming teams that share the same culture of operating excellence and globally acknowledged innovation capability, Imerys would reach a new milestone in its development strategy that will create value for its shareholders and customers."

Conference call

Imerys is organizing on December 12, 2016 a conference call at 9:00 am Paris time (8:00 am London time). You can access it:

- Either by telephone using one of the following numbers:
France: +33 (0)1 70 77 09 46 / International: +44 (0) 203 367 9453;
- Or live on www.imerys.com or directly at:

<http://event.onlineseminarsolutions.com/wcc/r/1331098-1/EAFFB8CFAAAD3CDE8C985C9A319F98A3?partnerref=rss-events>

The slide deck will be available from the Group's website www.imerys.com in the News section of the home page shortly before the conference call.

A recording of the conference call will be available on Tuesday 13, December pm on www.imerys.com.

The world leader in mineral-based specialty solutions for industry, with €4 billion revenue and 16,000 employees, Imerys delivers high value-added, functional solutions to a great number of sectors, from processing industries to consumer goods and building products. The Group draws on its knowledge of applications, scientific expertise and technological know-how to beneficiate its mineral resources, develop formulations and produce synthetic minerals. These contribute essential properties to customers' products and performance, including refractoriness, hardness, conductivity, opacity, durability, purity, lightness, filtration, absorption and repellency. Imerys is determined to develop responsibly, in particular by fostering the emergence of environmentally-friendly products and processes.

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 17, 2016 under number D. 16-0153 (also available from the Autorité des marchés financiers website, www.amf-france.org). Imerys draws the attention of investors to chapter 4, "Risk Factors and Internal Control", of its Registration Document.

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