

PRESS RELEASE

Paris, November 6, 2007

Non-audited consolidated results to September 30, 2007 Net income from current operations up + 3.0%

On Monday, November 5, the Board of Directors of Imerys, meeting under the chairmanship of Aimery Langlois-Meurinne, examined the non-audited results to September 30, 2007 as presented by Gérard Buffière, Chief Executive Officer.

CONSOLIDATED RESULTS (non-audited, € millions)	9/30/2007	9/30/2006	Current change
Sales	2,552.6	2,477.3	+ 3.0%
Current operating income ⁽²⁾	361.8	345.7	+ 4.7%
Net income from current operations ⁽³⁾⁽⁴⁾	231.9	225.2	+ 3.0%
Net income ⁽⁴⁾	216.7	116.2	n.a.
Net income from current operations per share ⁽³⁾⁽⁴⁾	€3.66	€3.55	+ 3.3%

(1) At comparable Group structure and exchange rates; (2) Operating income before other operating revenue and expenses; (3) Net income before other operating revenue and expenses, net; (4) Group's share.

During the 3rd quarter of 2007, Imerys' markets remained healthy overall except those related to the US construction sector which are facing ongoing difficulties. The monetary environment was marked by further depreciation of the US dollar. The Group's energy bill was stable overall.

In the last quarter, four additional acquisitions enabled the Group to enhance its minerals portfolio and strengthen its positions in high-growth regions (Asia, Latin America, Eastern Europe).

In that context, the Group made further progress with an improvement in its operating performance during the first nine months of 2007. Sales increased + 3.0% from the first nine months of 2006 (+ 4.2% at comparable Group structure and exchange rates). Current operating income rose + 4.7% (+ 8.6% at comparable Group structure and exchange rates) and net income from current operations + 3.0%.

Gérard Buffière said, "Since the start of 2007, the Group's main financial indicators have progressed, on the back of growing volumes and a further improvement in the product offering. Our recent acquisitions in emerging countries will soon contribute to our growth.

The Group's economic environment has nevertheless deteriorated since the end of the summer, with rises in several cost factors and a further slump in the US housing construction market. Moreover, US dollar continues to depreciate. Notwithstanding the impact of these factors on our current operating income, the Group maintains the objective of modest growth in net current income in 2007.

In 2008, I remain fully confident in the Group's ability to achieve the announced structural cost improvements, although fluctuations in exchange rates may reduce their contribution to our results."



IMERYS
TRANSFORM TO PERFORM

SALES

Sales for the first nine months of 2007 totaled €2,552.6 million, up + 3.0% compared with the same period in 2006 (+ 2.3% in the 1st half; + 4.5% in the 3rd quarter). This trend over the first nine months of the year includes:

- negative exchange rate impact for - €71.2 million (- 2.9%, of which - 3.2% in the 1st half and - 2.2% in the 3rd quarter);
- an acceleration in the positive net effect of changes in Group structure to + €42.7 million (+ 1.7%, of which + 1.1% in the 1st half and + 2.9% in the 3rd quarter), corresponding to the difference between the positive contribution of the acquisitions made since 2006^(a) (+ €51.7 million) and the impact of divestments (- €9.0 million, mainly from the sale of clay roof tile and brick businesses in Spain and Portugal and the trading activity for ceramic craftsmen).

At comparable Group structure and exchange rates, sales increased + 4.2% (+ 4.4% in the 1st half; + 3.8% in the 3rd quarter), reflecting:

- an improvement in product offering (+ 2.2%), comparable to that achieved in the 1st half and once again across all three business groups;
- a rise in sales volumes (+ 2.0%, of which + 2.1% in the 1st half and + 1.8% in the 3rd quarter), with business remaining healthy in Monolithic Refractories.

Sales trends by business group were as follows:

SALES (€ millions)	Q3 2007	Q3 2006	Current change	Comparable change ⁽¹⁾
Performance Minerals & Pigments	279.2	281.4	- 0.8%	+ 1.2%
- of which Pigments for Paper	192.3	187.5	+ 2.6%	+ 4.3%
Materials & Monolithics	252.0	235.6	+ 6.9%	+ 5.9%
Ceramics, Refractories, Abrasives & Filtration	322.4	298.4	+ 8.0%	+ 5.3%
IMERYS GROUP⁽²⁾	847.8	811.5	+ 4.5%	+ 3.8%

SALES (€ millions)	9/30/2007	9/30/2006	Current change	Comparable change ⁽¹⁾
Performance Minerals & Pigments	844.0	864.9	- 2.4%	+ 1.0%
- of which Pigments for Paper	566.2	575.6	- 1.6%	+ 2.4%
Materials & Monolithics	763.0	701.7	+ 8.7%	+ 9.0%
Ceramics, Refractories, Abrasives & Filtration	963.4	925.9	+ 4.1%	+ 3.7%
IMERYS GROUP⁽²⁾	2,552.6	2,477.3	+ 3.0%	+ 4.2%

(1) At comparable structure and exchange rates; (2) After holding companies and eliminations.

Performance Minerals & Pigments

The business group's markets have shown contrasting trends since the beginning of the year.

Performance Minerals markets (paint, plastics, adhesives, etc.) remain healthy in Europe, but with a slower growth rate. However, they are still affected by the ongoing difficulties of the US construction sector, which seemed to worsen towards the end of the 3rd quarter.

In Pigments for Paper, global printing and writing paper production increased by an estimated + 1.6% over the first nine months of the year. This growth remains sharp in Asia (+ 6.5%), while production decreased slightly in Europe and North America, because of further paper mill closures.

(a) Acquisitions taken into account in changes in Group structure: see appendix 1

The business group's sales to September 30, 2007 amounted to €844.0 million (- 2.4% vs. September 30, 2006). This decrease is entirely due to the negative impact of exchange rates for - €33.7 million (- 3.9%). Changes in Group structure had a limited effect (+ 0.5%).

Allowing for these two items, sales increased + 1.0% over the period (+ 0.9% in the 1st half; + 1.2% in the 3rd quarter) with a slight improvement in the product offering. Volumes were stable overall, with the growth in Pigments for Paper offsetting the decrease in Performance Minerals. As the US construction market deteriorated further, it was decided to adjust US production capacity of kaolin for performance minerals in line with demand in order to reduce the cost base.

Materials & Monolithics

In Building Materials, the new single-family housing market in France was stable over the first eight months of the year (+ 0.5% as at the end of August), with the slowdown in economic conditions from the beginning of 2007 (- 7% as at the end of May) followed by an upturn in construction start-ups from June (+ 12% from June to August). Over the period, the roofing segment was stable, while clay products continued to grow in structure bricks (+ 4.5% over 8 months).

The Monolithic Refractories market continued to enjoy very firm business, thanks to a sound European steel sector and the growth in Asian markets.

Sales to September 30, 2007 were €763.0 million, up + 8.7% compared with September 30, 2006. This trend takes into account foreign exchange impact of - €5.0 million (- 0.7%) and the net effect of changes in Group structure for + €3.0 million (+ 0.4%), including:

- the sales contribution (+ €5.5 million) of the acquisitions made during the period: ACE, the Indian leader in monolithic refractories (consolidated since September) and B&B Refractories, a South African company specializing in the installation and maintenance of refractory products (consolidated since August 2007);
- the impact of the divestment (- €2.5 million) of the business group's clay roof tile and brick businesses in Spain and Portugal.

At comparable structure, sales grew + 9.0% over the period (+ 10.6% in the 1st half; + 5.9% in the 3rd quarter). This rise reflects the combined effects of higher sales volumes, particularly in Monolithic Refractories, and an improved product offering. The slower growth in sales in the 3rd quarter results from softer business in building materials in France during that period – a direct consequence of the downturn in housing start-ups in the 2nd quarter.

Ceramics, Refractories, Abrasives & Filtration

In the 3rd quarter, trends on the business group's markets were similar to the 1st half.

Minerals Ceramics markets were stable in Europe but remained affected by ongoing difficulties in the US construction sector. Minerals for Refractories continue to benefit from the dynamic global steel sector. Minerals for Abrasives markets remain healthy, while filtration markets are stable with some geographic disparities.

Sales to September 30, 2007 were €963.4 million (+ 4.1% compared with September 30, 2006). This trend takes into account foreign exchange impact of - €32.8 million (- 3.5%) and the net effect of changes in Group structure for + €35.7 million, i.e. + 3.9%:

- over the period, the sales contribution of acquisitions^(b) was + €44.7 million, with eight operations completed since the beginning of the year, mainly in emerging countries;
- trading activities for ceramic craftsmen were divested in April 2007 (- €9.0 million).

At comparable Group structure and exchange rates, sales rose + 3.7% over the period (+ 3.0% in the 1st half; + 5.3% in the 3rd quarter), with an improvement in the product offering and slightly higher volumes.

The business group continues to develop in Asia, with the signing in late August 2007 of a final agreement for the acquisition of Astron China, a major global player in the production, sale and trading of zircon-based products for the ceramics, refractories and investment casting markets. Completion of the agreement remains subject to certain prior conditions and should take place by the end of the year.

(b) Acquisitions taken into account in changes in Group structure: see appendix 1

OTHER INCOME STATEMENT ITEMS

Current operating income

Current operating income rose + 4.7% (+ 6.2% in the 1st half; + 1.7% in the 3rd quarter) to €361.8 million for the first nine months of 2007, compared with €345.7 million for the same period in 2006. This result takes into account:

- significant foreign exchange impact (- €16.6 million of which - €11.8 million in the 1st half and - €4.8 million in the 3rd quarter), mainly due to the depreciation of the US dollar against the euro;
- net effect of changes in Group structure of + €2.9 million (of which + €1.1 million on the 1st half and + €1.8 million in the 3rd quarter).

Allowing for foreign exchange and Group structure effects, current operating income grew by + €29.8 million, i.e. + 8.6%. Over the period, an improved product offering and higher sale volumes more than offset the negative impact of variable costs (mainly raw materials and logistical costs) and the rise in fixed costs and general expenses.

The Group's overall operating margin was 14.2%, in line with the margin for the 1st half of the year and an improvement on September 30, 2006 (14.0%).

Net income from current operations, Group's share

The Group's share of net income from current operations is €231.9 million for the first nine months of 2007, compared with €225.2 million for the same period in 2006. This + 3.0% increase, identical to the rise during the 1st half, is driven by:

- the significant rise in financial expense to - €41.9 million, from - €31.4 million for the same period in 2006, resulting from an increase in both average debt (because of the dynamic acquisitions policy this year) and interest rates. Furthermore, during the summer the Group carried out arbitrages on its interest rate positions, leading to a non-recurrent gain of + €4.2 million in the 3rd quarter of 2007^(c);
- a current tax charge of - €89.0 million, compared with - €88.4 million in 2006, which represents a slight decrease in the effective tax rate at 27.8% compared with 28.1% for the first nine months of 2006.

At €3.66 compared with €3.55 in 2006, net income from current operations per share rose + 3.3%. The average weighted number of outstanding shares decreased slightly to 63,333,017, compared with 63,488,671 for the first nine months of 2006.

Net income, Group's share

The Group's share of net income totaled €216.7 million as on September 30, 2007, compared with €116.2 million for the same period in 2006. In 2007, it includes - €15.2 million in other operating revenue and expenses, net, mainly in Performance Minerals in the United States. It was decided to adjust the activity's production capacities in accordance with demand, given the ongoing weakness of the US construction market.

In 2006, net income took into account - €109.0 million in other operating revenue and expenses, net, mainly due to the Group's reorganization plan for kaolin production.

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The world leader in adding value to minerals, Imerys is active in 45 countries through over 250 industrial and commercial sites. The Group achieved €3.3 billion in sales in 2006. 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.

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(c) You are reminded that financial income as on September 30, 2006 also took into account the positive impact of foreign exchange transactions for + €8.9 million.

**NON-AUDITED CONSOLIDATED RESULTS
AS ON SEPTEMBER 30, 2007**

1. Consolidated sales

Change in consolidated sales	% current change	% structure effect	% foreign exchange effect	% comparable change ^(*)
IMERYS GROUP	+ 3.0%	+ 1.7%	- 2.9%	+ 4.2%

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

Quarterly change	Q1 07	Q2 07	Q3 07	9/30/2007
IMERYS GROUP – current change	+ 1.8%	+ 2.9%	+ 4.5%	+ 3.0%
IMERYS GROUP – comparable change, of which:	+ 4.3%	+ 4.5%	+ 3.8%	+ 4.2%
Performance Minerals & Pigments, of which:	+ 0.7%	+ 1.1%	+ 1.2%	+ 1.0%
– <i>Pigments for Paper</i>	+ 1.8%	+ 1.2%	+ 4.3%	+ 2.4%
Materials & Monolithics	+ 10.7%	+ 10.6%	+ 5.9%	+ 9.0%
Ceramics, Refractories, Abrasives & Filtration	+ 2.3%	+ 3.6%	+ 5.3%	+ 3.7%

Sales by business group	9/30/2007	9/30/2006
Performance Minerals & Pigments	33%	35%
Materials & Monolithics	30%	28%
Ceramics, Refractories, Abrasives & Filtration	37%	37%
IMERYS GROUP	100%	100%
Sales by geographic destination		
France	20%	20%
Rest of Europe	41%	40%
TOTAL EUROPE	61%	60%
North America	22%	24%
Other	17%	16%
IMERYS GROUP	100%	100%

2. Simplified income statement

(€ millions)	Q3 07	Q3 06	Change	9/30/07	9/30/06	Change
SALES	847.8	811.5	+ 4.5%	2,552.6	2,477.3	+ 3.0%
CURRENT OPERATING INCOME	118.8	116.9	+ 1.7%	361.8	345.7	+ 4.7%
Financial income (expense)	(12.9)	(13.1)		(41.9)	(31.4)	
Current tax	(28.7)	(27.9)		(89.0)	(88.4)	
Minority interests	(1.3)	(1.1)		(2.4)	(2.9)	
Equity method	1.2	0.2		3.4	2.2	
NET INCOME FROM CURRENT OPERATIONS	77.1	74.9	+ 3.0%	231.9	225.2	+ 3.0%
Other operating revenue and expenses, net	(11.8)	(13.6)		(15.2)	(109.0)	
NET INCOME	65.3	61.3	+ 6.6%	216.7	116.2	n.a.
NET INCOME FROM CURRENT OPERATIONS PER SHARE (euros)	€1.22	€1.18	+ 3.6%	€3.66	€3.55	+ 3.3%

APPENDIX 1 – ACQUISITIONS INCLUDED IN CHANGES IN GROUP STRUCTURE
AS ON SEPTEMBER 30, 2007

MATERIALS & MONOLITHICS	Sales (full-year)= €55 million	Consolidated from
ACE (India)	Monolithic refractories	September 2007
B&B Refractories (South Africa)	Specialist in refractory product installation and maintenance	August 2007
CERAMICS, REFRACTORIES, ABRASIVES & FILTRATION	Sales (full-year)= €172 million	
AGS (France)	Chamottes for refractories and ceramics	February 2006
Baotou Jing Yuang Graphite Co Ltd (China)	Natural graphite	February 2007
UCM Group PLC (Great Britain)	Fused zircon and magnesia for refractories, ceramics and electrical equipment	April 2007
Yilong & Xinlong (China)	Vermiculite (insulation, etc.) and andalusite for refractories	May 2007
Perfiltra (Argentina)	Perlite for beverage filtration	May 2007
ZAF (China)	Brown corundum for abrasives	June 2007
Jumbo Mining Ltd (India)	Feldspar for ceramics	June 2007
Vatutinsky (Ukraine)	Chamottes for refractories	July 2007
The Feldspar Corporation (United States)	Feldspar and kaolin for ceramics	September 2007
GROUP	Sales (full-year) = €227 million	
GROUP	Contribution as on 30/09/2007 = €51.7 million	