

Imerys reports increase in results in 1st half 2017

- + 5.9% revenue growth
- + 6.7% increase in current operating income, operating margin improvement to 14.1%
- €151 million current free operating cash flow, higher development capital expenditure
- Acquisition of Kerneos effective since July 18, 2017
- 2017 objective: year-on-year growth in net income from current operations above 7% at constant market conditions and exchange rates

Chairman & CEO Gilles Michel commented:

“In the 1st half of 2017, Imerys improved its results in a market environment that was positive overall. In the second half of the year, while the Group will continue to benefit from its development strategy and from its operating excellence and innovation programs, it will also start to reap the profits from the integration of its recent acquisitions, particularly Kerneos. In this context and at constant market conditions and exchange rates, the Group is confident in its ability to grow its net income from current operations in 2017 by more than 7% compared to last year.”

Consolidated results (€ millions)	1 st half 2016	1 st half 2017	% change on current basis
Revenue	2,096.7	2,220.3	+ 5.9%
Current EBITDA ⁽¹⁾	416.9	428.3	+ 2.7%
Current operating income ⁽¹⁾	293.0	312.6	+ 6.7%
<i>Operating margin</i>	14.0%	14.1%	+ 10 bp
Net income from current operations, Group's share ⁽¹⁾	183.9	189.7	+ 3.2%
Net income, Group's share	158.1	172.2	+ 8.9%
Financing			
Paid capital expenditure	116.7	144.8	+ 24.1%
Current free operating cash flow ^{(1) (2)}	176.7	150.6	- 14.7%
Shareholders' equity	2,644.2	2,833.9	+ 7.2%
Net financial debt	1,524.1	1,508.8	- 1.0%
Per share data (euros)			
Net income from current operations, Group's share ^{(1) (3)}	€2.33	€2.40	+ 3.0%

¹ Throughout this press release, "Current" means "before other operating revenue and expenses".

² Current free operating cash flow: current EBITDA after deduction of notional tax, changes in working capital requirement and paid capital expenditure.

³ The weighted average number of outstanding shares was 79,035,849 in 1st half 2017 compared with 78,909,966 in 1st half 2016

POST JUNE 30, 2017 CLOSING EVENT

On July 18, Imerys closed the acquisition of Kerneos, the world leader in high-performance calcium aluminate binders. With revenue of €417 million and EBITDA of €99 million in 2016, Kerneos develops high performance binders that contribute key properties (rapid hardening, self-leveling, sealing and wear, corrosion or heat resistance), to its customers' innovative solutions for the 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 this operation, the Group enhances its specialty offering in high-potential markets and improves its growth and profitability profile while creating value.

This transaction is expected to have a positive impact on net income from current operations per share from the first full year of consolidation and to rapidly create value, notably thanks to synergies estimated at €23 million in third full year of consolidation.

Kerneos is consolidated in Imerys' accounts since July 18, 2017, and will be part of the High Resistance Minerals business group.

The acquisition is entirely funded from the Group's available resources; it preserves Imerys' sound financial situation, while complying with its goal of maintaining an "investment grade" credit rating.

DETAILED COMMENTARY ON THE GROUP'S RESULTS

REVENUE INCREASE TO €2,220 MILLION

<i>Unaudited quarterly data</i>	Revenue 2016 (€ millions)	Revenue 2017 (€ millions)	Change (% prior year)	Comparable change⁽⁴⁾ (% prior year)	Of which volume effect	Of which price-mix effect
1 st quarter	1,038.1	1,113.2	+ 7.2%	+ 2.4%	+ 2.4%	+ 0.0%
2 nd quarter	1,058.6	1,107.1	+ 4.6%	+ 1.2%	+ 0.2%	+ 1.0%
1 st half	2,096.7	2,220.3	+ 5.9%	+ 1.8%	+ 1.4%	+ 0.5%

Revenue for the 1st half of 2017 totaled €2,220.3 million, a + 5.9% increase on a reported basis from the same period in 2016. This improvement results from:

- A + 1.8% organic growth. Increase in revenue at comparable Group structure and exchange rates reflects an overall improvement in activity in the 1st half of 2017, with the significant exception of the kaolin market for the paper industry. Excluding the Ceramic Materials business group, which includes the Kaolin division, volumes rose + 3.9%. As previously stated, the 1st quarter was marked by significant inventory rebuilding in the downstream supply chain of the High Resistance Minerals business group. The price-mix component was positive at + 0.5% (of which + 1.0% in the 2nd quarter) thanks to new products, in particular;
- A + €51.8 million positive Group structure effect (+ 2.5%), which includes the consolidation of the acquisitions completed in 2016 (such as Alteo and SPAR) and early 2017 (Damolin in particular);
- A + €33.7 million positive exchange rate effect (+ 1.6%), mainly due to the appreciation of the US dollar in the 1st quarter.

⁴ Comparable change means "at comparable Group structure and exchange rates"

CURRENT OPERATING INCOME UP + 6.7%

<i>Non-audited quarterly data (€ millions)</i>	2016	2017	% change
1 st quarter	135.4	147.2	+ 8.7%
<i>Operating margin</i>	13.0%	13.2%	+ 0.2 point
2 nd quarter	157.7	165.4	+ 4.9%
<i>Operating margin</i>	14.9%	14.9%	stable
1st half	293.0	312.6	+ 6.7%
<i>Operating margin</i>	14.0%	14.1%	+ 0.1 point

Current operating income totaled €312.6 million in the 1st half of 2017, a + 6.7% increase against the 1st half of 2016. The Group's **operating margin** improved by + 10 basis points to 14.1% even though several small bolt-on acquisitions completed in 2016 are not yet contributing.

Imerys' profitability benefited from a positive contribution from volumes (+ €19.3 million), the price-mix component (+ €8.8 million) and variable costs, which improved by €0.5 million thanks to operating excellence programs and efficient procurement. Fixed costs and overheads increased by €20.9 million, due on one hand to the increase in production and, on the other, the gradual setup of the human and industrial resources needed to ensure the Group's future growth (excellence programs, development teams, additional production capacities, etc.).

+ 3.2% INCREASE IN NET INCOME FROM CURRENT OPERATIONS

Net income from current operations rose + 3.2% to €189.7 million (€183.9 million in 1st half 2016). It takes the following into account:

- Financial expense of - €42.2 million, which was mostly driven up by an increase in interest expense following two bond issues completed in March 2016 and January 2017 for a total amount of €1.2 billion. Thanks to these, the Group was able to anticipate its financing needs, such as for the acquisition of Kerneos, on favorable terms.
- A - €79.8 million tax charge (- €78.1 million in 1st half 2016), reflecting an effective tax rate of 29.5% (29.6% in 1st half 2016).

The **Group's share of net income from current operations per share** rose + 3.0% to €2.40.

NET INCOME UP + 8.9%

Other operating income and expenses, net of tax, most of which correspond to transaction costs, totaled - €17.5 million in the 1st half of 2017 compared with - €25.8 million in the 1st half of 2016. After taking these other operating income and expenses, **the Group's share of net income reached** €172.2 million (€158.1 million in 1st half 2016).

ROBUST GENERATION OF CURRENT FREE OPERATING CASH FLOW

(€ millions)	H1 2016	H1 2017
Current EBITDA	416.9	428.3
Change in operating working capital requirement (WCR)	(48.3)	(44.4)
Paid capital expenditure	(116.7)	(144.8)
Current notional tax	(86.8)	(92.2)
Subsidies, value of divested assets and miscellaneous	11.6	3.7
Current free operating cash flow	176.7	150.6
Paid financial expense (net of tax)	(14.4)	(30.4)
Other WCR items	15.4	(7.3)
Current free cash flow	177.7	113.0

Imerys generated high **current free operating cash flow** at €150.6 million in the 1st half of 2017, compared with €176.7 million in the 1st half 2016. It mainly results from the following items:

- A + €11.4 million increase in current **EBITDA**;
- A - €44.4 million **change in operating working capital requirement**, compared with - €48.3 million in the 1st half of 2016, with operating working capital requirement representing 22.5% of annualized sales;
- **Paid capital expenditure**, which totaled €144.8 million in the 1st half of 2017. The booked amount (€118.4 million) represents 96% of the depreciation charge.

FINANCIAL STRUCTURE

(€ millions)	30 June 2016	31 December 2016	30 June 2017
Paid dividends	(138.9)	(139.0)	(149.2)
Net debt, end of period	1,524.1	1,366.5	1,508.8
Average net debt of the period	1,556.3	1,516.5	1,489.2
Shareholders' equity	2,644.2	2,914.2	2,833.9
Current EBITDA	416.9	818.9	428.3
Net debt / shareholders' equity	57.6%	46.9%	53.2%
Net debt / current EBITDA ⁽⁵⁾	1.8 x	1.7 x	1.8 x

The Group's net financial debt amounts to €1,508.8 million as of the end of June 2017, representing 53% of shareholders' equity and 1.8x EBITDA. Generation of €150.6 million in current free operating cash flow in the 1st half of 2017 covered the dividend distribution (€149.2 million).

Thanks to the €600 million bond with a 10-year maturity and an annual coupon of 1.5% issued in January 2017 and the reimbursement, in April 2017, of an outstanding €500 million bond with an annual coupon of 5%, the Group was able to extend its average debt maturity to 7.5 years and reduce its average financial cost to 2.2%.

Following the announcement of the Kerneos acquisition project, Moody's long-term credit rating for Imerys, which has been Baa 2 since 2011, was confirmed and with a stable outlook. Standard & Poors' credit rating for the Group is BBB, also with a stable outlook.

⁵ EBITDA on a rolling 12-month basis

COMMENTARY BY BUSINESS GROUP

REVENUE BY BUSINESS GROUP

(€ millions)	H1 2016	H1 2017	% Change on current basis	Group Structure %	Exchange rates %	% Change on comparable basis
Revenue, of which	2,096.7	2,220.3	+ 5.9%	+ 2.5%	+ 1.6%	+ 1.8%
Energy Solutions & Specialties	617.0	653.6	+ 5.9%	+ 3.0%	+ 2.1%	+ 0.9%
Filtration & Performance Additives	570.3	629.4	+ 10.4%	+ 3.3%	+ 1.9%	+ 5.2%
Ceramic Materials	634.6	611.8	- 3.6%	- 0.5%	+ 0.7%	- 3.8%
High Resistance Minerals	299.8	355.7	+ 18.6%	+ 7.2%	+ 2.0%	+ 9.5%
Holding & Eliminations	(25.0)	(30.2)	n.s.	n.s.	n.s.	n.s.

Energy Solutions & Specialties

(29% of consolidated revenue in 1st half 2017)

Quarterly data (unaudited) (€ millions)	2016	2017	Change on current basis (%)	Change on comp. basis (%)
1 st quarter revenue	300.8	321.6	+ 6.9%	+ 1.0%
2 nd quarter revenue	316.2	332.0	+ 5.0%	+ 0.7%
1st half revenue	617.0	653.6	+ 5.9%	+ 0.9%
Current Operating Income	67.0	68.8	+ 2.6%	
Operating margin	10.9%	10.5%	- 0.4 point	

The **Energy Solutions & Specialties** business group's **revenue** totaled €653.6 million in the 1st half of 2017 (+ 5.9% on a reported basis). This change takes into account a + €18.5 million positive structure effect, mainly resulting from the acquisitions in the Monolithic Refractories division (in particular SPAR in the United States and several smaller acquisitions) and an exchange rate impact of + €12.7 million. At comparable structure and exchange rates, revenue increased + 0.9% from the same period in 2016.

The **Carbonates** division's sales benefited from the favourable trend in the construction and packaging markets, while the paper market remained weak.

In the **Monolithic Refractories** division, activity was stable in the first half of 2017. While sales held out well in India and Asia-Pacific, they decreased slightly in Europe.

The **Graphite & Carbon** division's sales remained vibrant in the 1st half of 2017. The Group continued to implement its investment program (R&D, industrial capacities and mineral resources), through the acquisition of Nippon Power Graphite (NPG), a technology development company which is active in materials for lithium-ion battery anodes, and the startup of the new natural graphite production unit in Namibia.

In the **Oilfield Solutions** division, the Group maintained an active industrial and commercial presence on a ceramic proppant market that remained as weak as in the previous year. Over the year as a whole, at unchanged market conditions and foreign exchanges, the Group confirms that this division's negative contribution to the Group's operating income should not be greater than in 2016 (- €23 million).

Current operating income rose + 2.6% to €68.9 million, particularly thanks to a positive price-mix effect and lower variable costs.

Given these items, the business group's **operating margin** is 10.5%.

Filtration & Performance Additives

(28% of consolidated revenue in 1st half 2017)

Quarterly data (unaudited) (€ millions)	2016	2017	Change on current basis (%)	Change on comparable basis (%)
1 st quarter revenue	278.2	312.4	+ 12.3%	+ 6.5%
2 nd quarter revenue	292.1	317.0	+ 8.5%	+ 4.0%
1st half revenue	570.3	629.4	+ 10.4%	+ 5.2%
Current Operating Income	105.0	125.0	+ 19.0%	
<i>Operating margin</i>	<i>18.4%</i>	<i>19.9%</i>	<i>+ 1.5 point</i>	

The **Filtration & Performance Additives** business group's **revenue** totaled €629.4 million in the 1st half of 2017, a + 10.4% increase. It takes into account a structure effect of + €18.8 million related to the acquisition of Damolin, and an exchange rate effect of + €10.6 million.

At comparable structure and exchange rates, revenue increased + 5.2% in the 1st half of 2017.

On robust markets, particularly polymers for the automotive sector, the **Performance Additives** division's sales continued to grow, despite a strike at one of the main production sites in the 2nd quarter of 2017.

The **Filtration** division benefited from the growth of its markets in the 1st half of 2017 (filtration of edible or industrial liquids, etc.). The Group continued its developments, particularly in the health & beauty, construction and agriculture markets.

The **Metallurgy** division enjoyed a healthy sales momentum, the upturn on steel markets and the integration of Damolin's specialty offering (industrial absorbents, etc.).

The business group's **operating income** grew + 19.0% to €125 million in the 1st half of 2017. **Operating margin** improved + 1.5 point to 19.9%.

Furthermore, Imerys appointed an independent international organization⁽⁶⁾ to conduct an audit on the supply chain of its Pakistani supplier of talc from Afghanistan. The audit's findings showed that, given changes in these supply conditions, compliance with the Group's requirements of its suppliers could no longer be guaranteed. Consequently, the Group has discontinued the purchases in question, which represent less than 1% of its talc sales, and alternative sourcing has been set up.

⁶ ACAS Consulting

Ceramic Materials

(27% of consolidated revenue in 1st half 2017)

Quarterly data (unaudited) (€ millions)	2016	2017	Change on current basis (%)	Change on comparable basis (%)
1 st quarter revenue	323.2	310.9	- 3.8%	- 4.7%
2 nd quarter revenue	311.4	300.9	- 3.3%	- 2.9%
1st half revenue	634.6	611.8	- 3.6%	- 3.8%
Current Operating Income	113.7	107.0	- 5.9%	
<i>Operating margin</i>	<i>17.9%</i>	<i>17.5%</i>	<i>- 0,4 point</i>	

The **Ceramic Materials** business group's **revenue** amounted to €611.8 million in the 1st half of 2017. The - 3.6% change compared with the 1st half of 2016 factors in a + €4.5 million exchange rate effect and a slight structure impact of - €3.2 million (divestment of a site). It can be primarily attributed to the slump in the paper market and to an unfavorable basis of comparison related to the one-time volumes that the Kaolin division had benefited from in the early months of 2016, as it was integrating BASF's paper hydrous kaolin acquired at the end of 2015.

In the **Roofing** division, the clay roof tile market was down - 2.0% in the first half year, according to FFTB (Fédération française de tuiles et briques), particularly due to a lackluster renovation market, while new construction continued its growth momentum. The trend, however, improved in the second quarter 2017.

The **Ceramics** division's sales showed healthy trends on the floor tile, sanitary ware and technical ceramics markets, and were particularly driven by emerging countries.

In this context, **current operating income** fell - 5.9% to €107.0 million in the 1st half of 2017 and **operating margin** was 17.5%, a - 0.4 point decrease compared with the 1st half of 2016.

High Resistance Minerals

(16% of consolidated revenue in 1st half 2017)

Quarterly data (unaudited) (€ millions)	2016	2017	Change on current basis (%)	Change on comparable basis (%)
1 st quarter revenue	148.3	184.2	+ 24.2%	+ 14.6%
2 nd quarter revenue	151.5	171.5	+ 13.2%	+ 4.4%
1st half revenue	299.8	355.7	+ 18.6%	+ 9.5%
Current Operating Income	40.0	47.5	+ 18.8%	
<i>Operating margin</i>	13.3%	13.4%	+ 0.1 pt	

The **High Resistance Minerals** business group's **revenue** totaled €355.7 million in the 1st half of 2017. On a reported basis, it increased + 18.6% compared with the 1st half of 2016. It includes a structure effect of + €21.6 million relating to the consolidation of the Alteo Group's specialty aluminas and a + €6.0 million exchange rate impact.

At comparable structure and exchange rates, sales growth in the **Fused Minerals** and **Refractory Minerals** divisions, which had been boosted by inventory rebuilding in the 1st quarter (+ 14.6%) amounted to + 4.4% in the 2nd quarter. It was supported by a strong refractory market and industrial output.

The business group's **current operating income** rose 18.8% to €47.5 million in the 1st half of 2017. The business group's **operating margin** increased + 0.1 point to 13.4%.

On June 29, 2017, Imerys signed an agreement for the acquisition of Zhejiang Zr-Valley, a leading producer of zirconium oxychloride and high-purity zirconia in China which generates revenue of approximately CNY 220 million (€29 million). The transaction should be closed during the 3rd quarter of 2017.

Financial calendar 2017

October 31 (after market close)	3 rd quarter 2017 results
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The above date is tentative and may be updated 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, via the News section on the home page.

The results for the 1st half of 2017 will be discussed at a conference call at 10:00 am today (Paris time), to be streamed live on the Group's website www.imerys.com.

The world leader in mineral-based specialty solutions for industry, with €4.2 billion revenue and close to 16,000 employees, Imerys delivers high value-added, functional solutions to a great number of sectors, from processing industries to consumer goods. The Group draws on its knowledge of applications, technological expertise and its material science know-how to deliver resources based on beneficiation of its mineral resources, synthetic minerals and formulations. 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 Autorité des marchés financiers on March 21, 2017 under number D.17-0190 (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.

***Disclaimer:** This document contains projections and other forward-looking statements. Investors are cautioned that such projections and forward-looking statements are subject to various risks and uncertainties (many of which are difficult to predict and generally beyond the control of Imerys) that could cause actual results and developments to differ materially from those expressed or implied.*

The present document is a translation of the French language version for information purposes only. In the event of any discrepancies, ambiguity or conflict between the French text and this translation, the French text will prevail. Only the French language version is binding.

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FIRST HALF 2017 RESULTS

APPENDICES

(Unaudited quarterly data)

1. CONSOLIDATED SALES BREAKDOWN

Revenue by business group (€ millions)	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Energy Solutions & Specialties	332.0	321.6	314.0	319.6	316.2	300.8
Filtration & Performance Additives	317.0	312.4	292.2	282.0	292.1	278.2
Ceramic Materials	300.9	310.9	293.6	293.8	311.4	323.2
High Resistance Minerals	171.5	184.2	151.4	146.5	151.5	148.3
Holdings & Eliminations	(14.3)	(15.9)	(12.5)	(12.1)	(12.6)	(12.4)
Total	1,107.1	1,113.2	1,038.7	1,029.8	1,058.6	1,038.1

REVENUE BY GEOGRAPHIC DESTINATION (CURRENT CHANGE)

(€ millions)	Revenue H1 2017	% change H1 2017 vs. H12016	% of consolidated revenue H1 2017	% of consolidated revenue H1 2016
Western Europe	954.0	+ 3.5%	43%	44%
<i>of which France</i>	251.8	+ 0.9%	11%	12%
USA / Canada	559.5	+ 8.8%	25%	25%
Emerging countries	603.7	+ 9.8%	27%	26%
Other (Japan/ Australia)	103.1	- 7.1%	5%	5%
TOTAL	2,220.3	+ 5.9%	100%	100%

2. KEY INCOME INDICATORS

(in € millions)	Q1 2016	Q1 2017	Change
Revenue	1,038.1	1,113.2	+ 7.2%
Current operating income	135.4	147.2	+ 8.7%
Financial income	(17.3)	(25.8)	
Current tax	(34.2)	(35.8)	
Minority interests	(1.1)	(0.2)	
Net income from current operations, Group share	82.7	85.3	+ 3.1%
Other operating income and expenses, net	(10.3)	(6.5)	
Net income, Group share	72.4	78.8	+ 8.8%

(in € millions)	Q2 2016	Q2 2017	Change
Revenue	1,058.6	1,107.1	+ 4.6%
Current operating income	157.7	165.4	+ 4.9%
Financial income	(11.8)	(16.3)	
Current tax	(43.9)	(44.0)	
Minority interests	(0.8)	(0.7)	
Net income from current operations, Group share	101.2	104.4	+ 3.2%
Other operating income and expenses, net	(15.5)	(11.0)	
Net income, Group share	85.7	93.4	+ 9.0%

(in € millions)	H1 2016	H1 2017	Change
Revenue	2,096.7	2,220.3	+ 5.9%
Current operating income	293.0	312.6	+ 6.7%
Financial income	(29.1)	(42.2)	
Current tax	(78.1)	(79.8)	
Minority interests	(1.9)	(0.9)	
Net income from current operations, Group share	183.9	189.7	+ 3.2%
Other operating income and expenses, net	(25.8)	(17.5)	
Net income, Group share	158.1	172.2	+ 8.9%

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 "**volume effect**" corresponds to the sum of the change in sales volumes of each division between the current year and the previous one, valued at the average sales price of the previous year.
- the term "**price-mix effect**" corresponds to the sum of the change in average prices by product family of each division between the current year and the previous one, applied to volumes of the current 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).

APPENDIX:
SUMMARY OF FINANCIAL STATEMENTS AS OF JUNE 30, 2017

The Board of Directors met on July 26, 2017 to close the financial statements for the first half ended June 30, 2017. The audit reports are included in the first-half financial report available on the Internet site www.imerys.com (Finance section/ Regulated Information / Periodic Information) or by request (e-mail : finance@imerys.com, tel. : + 33 (0)1 49 55 64 01).

CONSOLIDATED INCOME STATEMENT

(€ millions)	06.30.2017	06.30.2016	2016
Revenue	2,220.3	2,096.7	4,165.2
Current income and expenses	(1,907.7)	(1,803.7)	(3,583.1)
Raw materials and consumables used	(687.5)	(655.9)	(1,303.2)
External expenses	(605.6)	(563.7)	(1,115.7)
Staff expenses	(475.0)	(446.9)	(898.6)
Taxes and duties	(28.6)	(27.1)	(49.1)
Amortization, depreciation and impairment losses	(122.8)	(113.2)	(225.8)
Other current income and expenses	11.8	3.1	9.3
Current operating income	312.6	293.0	582.1
Other operating income and expenses	(24.2)	(33.4)	(81.3)
Gain or loss from obtaining or losing control	(14.5)	(1.9)	(14.5)
Other non-recurring items	(9.7)	(31.5)	(66.8)
Operating income	288.4	259.6	500.8
Net financial debt expense	(27.4)	(24.9)	(52.7)
Income from securities	5.3	6.0	12.3
Gross financial debt expense	(32.7)	(30.9)	(65.0)
Other financial income and expenses	(14.8)	(4.2)	(11.2)
Other financial income	111.7	126.0	236.5
Other financial expenses	(126.5)	(130.2)	(247.7)
Financial income (loss)	(42.2)	(29.1)	(63.9)
Income taxes	(73.1)	(70.5)	(142.2)
Net income	173.1	160.0	294.7
Net income, Group share ⁽¹⁾	172.2	158.1	292.8
Net income, share of non-controlling interests	0.9	1.9	1.9

(1) Net income per share

Basic net income per share (in €)	2.18	2.00	3.72
Diluted net income per share (in €)	2.14	1.97	3.66

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€ millions)	06.30.2017	06.30.2016	2016
Non-current assets	4,309.8	4,140.1	4,343.3
Goodwill	1,692.6	1,619.1	1,674.7
Intangible assets	72.4	72.9	81.6
Mining assets	560.3	570.4	585.4
Property, plant and equipment	1,624.2	1,561.2	1,686.5
Joint ventures and associates	115.7	144.5	122.5
Other financial assets	96.8	27.3	40.0
Other receivables	33.5	37.5	40.5
Derivative financial assets	24.8	24.7	17.8
Deferred tax assets	89.5	82.5	94.3
Current assets	2,358.8	2,462.7	2,389.1
Inventories	711.3	722.5	712.5
Trade receivables	665.8	638.4	608.1
Other receivables	262.3	259.5	234.4
Derivative financial assets	8.1	20.9	14.9
Other financial assets ⁽¹⁾	8.5	11.3	9.6
Cash and cash equivalents ⁽¹⁾	702.8	810.1	809.6
Consolidated assets	6,668.6	6,602.8	6,732.4
Equity, Group share	2,786.9	2,602.8	2,861.5
Capital	159.9	159.4	159.2
Premiums	550.8	536.6	529.7
Reserves	1,904.0	1,748.7	1,879.8
Net income, Group share	172.2	158.1	292.8
Equity, share of non-controlling interests	47.0	41.4	52.7
Equity	2,833.9	2,644.2	2,914.2
Non-current liabilities	2,902.8	2,877.9	2,356.7
Employee benefit liabilities	261.2	372.5	295.4
Other provisions	333.6	310.0	343.8
Loans and financial debts ⁽¹⁾	2,189.9	2,115.9	1,601.7
Other debts	33.0	40.9	38.5
Derivative financial liabilities	-	5.7	4.6
Deferred tax liabilities	85.1	32.9	72.7
Current liabilities	931.9	1,080.7	1,461.5
Other provisions	22.9	21.2	22.6
Trade payables	460.2	448.7	422.7
Income taxes payable	98.9	84.2	79.1
Other debts	292.0	266.3	336.5
Derivative financial liabilities	6.3	7.6	5.2
Loans and financial debts ⁽¹⁾	48.3	214.3	584.0
Bank overdrafts ⁽¹⁾	3.3	38.4	11.4
Consolidated equity and liabilities	6,668.6	6,602.8	6,732.4
<i>(1) Positions included in the calculation of the net financial debt</i>	<i>1,508.8</i>	<i>1,524.1</i>	<i>1,366.5</i>

CURRENT FREE OPERATING CASH FLOW

The current free operating cash flow is the residual cash flow resulting from current operating business and remaining after payment of current operating income taxes and operating capital expenditure, receipt of the disposal proceeds of operating assets and adjustment from cash changes in operational working capital requirement.

(€ millions)	06.30.2017	06.30.2016	2016
Current operating income	312.6	293.0	582.1
Operating amortization, depreciation and impairment losses ⁽¹⁾	122.8	113.2	225.8
Net change in operating provisions	(8.9)	9.1	7.0
Share in net income of joint ventures and associates	(0.8)	(2.7)	(1.7)
Dividends received from joint ventures and associates	2.6	4.3	5.6
Operating cash flow before taxes (current EBITDA)	428.3	416.9	818.8
Notional taxes on current operating income ⁽²⁾	(92.2)	(86.7)	(173.1)
Current net operating cash flow	336.1	330.2	645.7
Paid capital expenditures^{(3) & (4)}	(144.8)	(116.7)	(278.5)
Intangible assets	(2.9)	(3.1)	(9.5)
Property, plant and equipment	(90.1)	(65.3)	(230.1)
Overburden mining assets ⁽⁵⁾	(25.4)	(23.8)	(48.9)
Debts on acquisitions	(26.4)	(24.5)	10.0
Carrying amount of current asset disposals	3.7	11.5	13.0
Change in the operational working capital requirement	(44.4)	(48.3)	14.4
Inventories	(16.9)	12.9	58.5
Trade accounts receivable, advances and down payments received	(63.0)	(75.4)	(25.5)
Trade accounts payable, advances and down payments paid	35.5	14.2	(18.6)
Current free operating cash flow	150.6	176.7	394.6
<i>(1) Operating amortization, depreciation and impairment losses</i>	122.8	113.2	225.8
<i>Net operating amortization and depreciation (Appendix 1 of the consolidated statement of cash flows)</i>	122.8	113.0	225.6
<i>Finance leases depreciation (Appendix 3 of the consolidated statement of cash flows)</i>	-	0.2	0.2
<i>(2) Effective tax rate on current operating income</i>	29.5%	29.6%	29.7%
<i>(3) Paid capital expenditure</i>	(144.8)	(116.7)	(278.5)
<i>Acquisitions of intangible assets and property, plant and equipment (Consolidated statement of cash flows)</i>	(144.8)	(116.7)	(278.4)
<i>Finance lease acquisitions (Appendix 3 of the consolidated statement of cash flows)</i>	-	-	(0.1)
<i>(4) Recognized capital expenditures / asset depreciation ratio</i>	96.4%	81.4%	127.8%
<i>The recognized capital expenditures / asset depreciation ratio equals the paid capital expenditures (except for debts on acquisitions) divided by the increases in amortization and depreciation</i>			
<i>Increases in asset amortization and depreciation</i>	122.8	113.2	225.8
<i>(5) Overburden mining assets</i>	(25.4)	(23.9)	(48.9)
<i>Overburden mining assets - capital expenditure</i>	(25.4)	(23.8)	(48.9)
<i>Neutralization of activated restoration provisions</i>	-	(0.1)	-

CHANGE IN NET FINANCIAL DEBT

(€ millions)	06.30.2017	06.30.2016	2016
Current free operating cash flow	150.6	176.7	394.6
Financial income (loss)	(42.2)	(29.1)	(63.9)
Financial impairment losses and unwinding of the discount	(0.7)	6.1	5.0
Income taxes on financial income (loss)	12.4	8.6	19.0
Change in income tax debt	4.2	16.7	30.1
Change in deferred taxes on current operating income	14.4	11.5	22.1
Change in other items of working capital	(32.9)	(19.8)	10.7
Share-based payments expense	6.7	5.3	10.5
Change in fair value of operational hedge instruments	-	1.9	0.9
Change in dividends receivable from available-for-sale financial assets	0.4	(0.2)	(0.2)
Current free cash flow	112.9	177.7	428.8
External growth	(84.7)	(16.0)	(84.6)
Acquisitions of investments in consolidated entities after deduction of the net debt acquired	(84.5)	(15.9)	(78.5)
Acquisitions of investments in consolidated entities from non-controlling interests	(0.2)	(0.1)	(0.1)
Acquisitions of available-for-sale financial assets	-	-	(6.0)
Disposals	3.8	9.1	28.5
Disposals of investments in consolidated entities after deduction of the net debt disposed of	3.8	8.1	27.5
Non-recurring disposals of intangible assets and property plant and equipment	-	1.0	1.0
Transaction costs	(13.7)	(2.8)	(13.5)
Cash flow from other operating income and expenses	(8.9)	(23.5)	(41.9)
Dividends paid to shareholders and non-controlling interests	(149.1)	(139.0)	(139.4)
Financing requirement	(139.7)	5.5	177.9
Transactions on equity	22.8	(55.1)	(49.8)
Net change in financial assets	(53.1)	0.4	(4.3)
Change in net financial debt	(170.0)	(49.2)	123.8

(€ millions)	06.30.2017	06.30.2016	2016
Opening net financial debt	(1,366.5)	(1,480.4)	(1,480.4)
Change in net financial debt	(170.0)	(49.2)	123.8
Impact of changes due to exchange rate fluctuations	27.7	5.5	(9.9)
Closing net financial debt	(1,508.8)	(1,524.1)	(1,366.5)