PRESS RELEASE

PARIS, FEBRUARY 14, 2018

IMERYS
TRANSFORM TO PERFORM

Imerys announces significant improvement in 2017 results

- **+ 10.4% increase in revenue on current basis (+ 3.3% organic growth(1))**
- **Current operating income up + 11.3% to 648 M€, operating margin improves to 14.1%**
- **Growth target exceeded for net income from current operations: + 11.4%**
- **Robust generation of current free operating cash flow at 358 M€, with substantial capital expenditure program**
- **Further + 11.0% growth in dividend to €2.075 per share proposed**

Chairman & CEO Gilles Michel commented:

"In 2017, the Group's results improved substantially and its cash flow generation was robust. Imerys largely exceeded its growth target for net income from current operations. 2017 was a major year in the rollout of Imerys' strategy. The Group broadened its business portfolio with the acquisition of Kerneos, the world leader in calcium aluminate specialties on the fast-growing building chemicals market. It enhanced its existing offering through several bolt-on acquisitions and developed its international footprint, particularly in China. 2018 should be another year of growth in net income from current operations. Imerys will benefit from the quality of its business model, its operational discipline, the contribution of recent acquisitions and substantial capital expenditure on production capacities, as well as from innovation, excellence programs and internal efficiency."

On February 14, 2018, Imerys' Board of Directors examined the definitive financial statements for 2017. These will be put to the Shareholders' General Meeting for approval on May 4, 2018. The audit procedures on consolidated accounts have been performed. The certification report on consolidated financial statements will be issued after finalizing the review of the Board of Directors' management report and the procedures required for the filing of the registration document.

Consolidated results (€ millions)	2016	2017	Change
Revenue	4,165.2	4,598.4	+ 10.4%
Current EBITDA (2)	818.9	889.6	+ 8.6%
Current operating income (2)	582.1	648.1	+ 11.3%
Operating margin	14.0%	14.1%	+ 0.1 point
Net income from current operations, Group's share (2)	362.1	403.4	+ 11.4%
Net income, Group's share	292.8	368.2	+ 25.8%
Financing			
Paid capital expenditure	278.5	340.9	+ 22.4%
Current free operating cash flow (3)	394.6	358.4	- 9.2%
Shareholders' equity	2,914.2	2,878.2	- 1.2%
Net financial debt	1,366.5	2,246.4	+ 64.4%
Data per share (euros)			
Net income from current operations, Group's share (2)(4)	4.60	5.11	+ 11.0%
Proposed dividend	1.870	2.075	+ 11.0%

(1) *Organic growth: growth at comparable Group structure and exchange rates, or "on comparable basis"*

(2) *Throughout this press release, "Current" means " before other operating revenue and expenses", as defined in the notes to the financial statements relating to the consolidated income statement*

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

(4) The weighted average number of outstanding shares was 79 015 367 in 2017 against 78 714 966 in 2016.

HIGHLIGHTS

On July 18. 2017, Imerys closed the acquisition of Kerneos, the world leader in high-performance calcium aluminate binders for the growing building chemicals market. Thanks to its expertise in calcium aluminate technology, Kerneos develops high performance binders that contribute key properties (rapid hardening, self-leveling, sealing and wear, abrasion 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. This operation enables the Group to strengthen its innovation capability with a world-class technology platform (2 R&D centers in France and China) and to step up its presence in China with 3 new plants.

Kerneos is consolidated as of July 18. 2017 and is already contributing to Imerys' development. The Group confirms its value creation targets, including annual synergies estimated at €23 million within 3 years.

Imerys also completed several bolt-on acquisitions in 2017, which contributed for €133.0 million to revenue for the financial year and enabled the Group to broaden its specialty offering and develop its geographic presence in emerging countries such as Brazil, India and particularly China, where the Group now generates more than 7% of its revenue.

DIVIDEND

At the General Meeting of May 4, 2018, the Board of Directors will propose a dividend of €2.075 per share, corresponding to a + 11.0% increase compared with 2017, i.e. a total estimated payout of €165 million which represents 41% of the Group's share of net income from current operations. This proposal reflects the Board's confidence in the Group's fundamentals and development prospects. The dividend would be paid out from May 15, 2018.

DETAILED COMMENTARY ON THE GROUP'S RESULTS

+ 10.4% INCREASE IN REVENUE

Non-audited quarterly data (€ millions)	2016 Revenue	2017 Revenue	Revenue change	Of which volume effect	Of which price-mix effect	Comparable change
1st quarter	1,038.1	1,113.2	+ 7.2%	+ 2.4%	+ 0.0%	+ 2.4%
2nd quarter	1,058.6	1,107.1	+ 4.6%	+ 0.2%	+ 1.0%	+ 1.2%
3rd quarter	1,029.8	1,173.2	+ 13.9%	+ 2.8%	+ 0.9%	+ 3.6%
4th quarter	1,038.7	1,204.9	+ 16.0%	+ 3.2%	+ 2.9%	+ 6.1%
Year	**4,165.2**	**4,598.4**	**+ 10.4%**	**+ 2.2%**	**+ 1.1%**	**+ 3.3%**

Revenue in 2017 totaled €4,598.4 million, a + 10.4% increase compared with 2016. This improvement can be explained by:

- a + 3.3% organic growth in a markedly improved global macroeconomic environment, particularly in the second half. New products, which represents 12.5% of the turnover, continue to support a price-mix component that remains positive at + 1.1%;
- a significant Group structure effect of + 329.2 million (+ 7.9%), particularly due to the consolidation of Kerneos from July 18, 2017 (€196.0 million) and the external growth operations completed in late 2016 (including Alteo and SPAR) and in 2017 (including Damolin, Regain Polymers and Zhejiang Zr-Valley);
- a negative exchange rate effect totaling - €34.7 million in 2017 (- 0.8%), due to a - €68.4 (- 3.3%) million currency translation impact in the second half of 2017, particularly due to the dollar.

CURRENT OPERATING INCOME UP + 11.3%

Non-audited quarterly data (€ millions)	2016	2017	Change
1st quarter	135.4	147.2	+ 8.7%
Operating margin	*13.0%*	*13.2%*	*+ 0.2 pt*
2nd quarter	157.7	165.4	+ 4.9%
Operating margin	*14.9%*	*14.9%*	*-*
3rd quarter	148.5	166.9	+ 12.4%
Operating margin	*14.4%*	*14.2%*	*- 0.2 pt*
4th quarter	140.6	168.6	+ 20.0%
Operating margin	*13.5%*	*14.0%*	*+ 0.5 pt*
Year	**582.1**	**648.1**	**+ 11.3%**
Operating margin	***14.0%***	***14.1%***	***+ 0.1 pt***

Current operating income totaled €648.1 million in 2017, a +11.3% increase from 2016. The Group's **operating margin** improved by 10 basis points to 14.1%, and takes into account a - €12.6 million negative exchange rate impact in the second half, as well as several acquisitions completed in 2017, whose contribution to current operating income amounted to + €26.0 million for revenue of €329.2 million.

In 2017, Imerys benefited from the positive contribution of volumes (+ €53.9 million) and the price-mix component (+ €37.5 million) totaling + €91.4 million. The increase in variable costs (external production costs) remains under control at + €10.0 million, thanks to operating excellence programs and in a context of rising prices for some raw materials.

The + €45.3 million rise in fixed costs and general expenses (personnel and internal production costs) results from the sharp upturn in activity, from capital expenditure in production capacities, innovation, human resources and from programs intended to strengthen the Group's competitiveness and support its future growth. These programs relate to industrial excellence (control of industrial costs, quality improvement, traceability and process reliability, safety improvement and capacity optimization), commercial excellence (improvement of customer offering and optimization of sales & marketing approach) and internal efficiency (system convergence, pooling resources and optimizing costs).

In this context, return on capital employed before tax improved by + 0.1 point compared with 2016 to 12.2%.

+ 11.4% INCREASE IN NET INCOME FROM CURRENT OPERATIONS

Net income from current operations increased + 11.4% [(1)] to €403.4 million (€362.1 million in 2016). It takes the following into account:

- financial expense of - €79.2 million (- €63.9 million in 2016) due to greater exchange rate effects from the 3rd quarter onward and to the financial impact of partial repurchase of 2020 bond in December (- €12 million euros). Net interest expense totaled €46.5 million in 2017 (€52.7 million in 2016), which corresponds to an average cost of debt of 1.8%;
- a - €164.6 million tax charge (- €154.1 million in 2016), reflecting, in particular, the impact of a lower effective tax rate of 28.9% (29.7% in 2016), which benefits from the US tax reform.

The **Group's share of net income from current operations per share** increased + 11.0% to €5.11.

+ 25.8% GROWTH IN NET INCOME

Other operating income and expenses. net of tax totaled - €35.2 million in 2017 (- €69.3 million in 2016) and include transaction costs in particular. After taking these other operating income and expenses into account, the **Group's share of net income** totaled €368.2 million (€292.8 million in 2016), a + 25.8% increase.

(1) As a reminder, the Group published on July 27, an objective of year-on-year growth of over 7 % in net income from current operations, including external growth.

HIGH GENERATION OF CURRENT FREE OPERATING CASH FLOW

(€ millions)	2016	2017
Current EBITDA	818.9	889.6
Change in operating working capital requirement (WCR)	14.4	-11.7
Paid capital expenditure	-278.5	- 340.9
Notional tax	-173.1	-187.5
Other	13	8.9
Current free operating cash flow	394.6	358.4

Imerys generated robust levels of **current free operating cash flow** in 2017 (€358.4 million vs. €394.6 million the previous year). This mainly results from the following items:

- an increase in current **EBITDA** to €889.6 million;
- a 22.4% rise in **paid capital expenditure** to **€**340.9 million, including in particular the continuation of the pluri-annual capital expenditure plan for mobile energy (cf. list of capital projects in appendix). This substantial capital expenditure program represents 134% of depreciation expense;
- a - €11.7 million change in operating **working capital requirement in** 2017, compared with + €14.4 million in 2016, as a result of high activity in the 4th quarter. As a share of revenue, working capital requirement improved to 22.3% in 2017 (23.6 % in 2016).

FINANCIAL STRUCTURE

(€ millions)	2016	2017
Net debt, end of period	1,366.5	2,246.4
Average net debt of the period	1,516.5	1,873.2
Shareholders' equity	2,914.2	2,878.2
Current EBITDA	818.9	889.6
Net debt / shareholders' equity	46.9%	78.1%
Net debt / Current EBITDA	1.7 x	2.5 x

Net financial debt amounts to €2.246.4 million as of December 31. 2017, a + €879.9 million increase compared with December 31. 2016. It takes into account payment of the acquisitions made in 2017, particularly Kerneos, €149.6 million of dividend payments and €27.0 million of share buybacks under the Group's treasury share purchase program.

The sound financial structure is rated Baa2 by Moody's and BBB by Standard & Poor's, with a stable outlook in both cases.

It is worth recalling that on January 10, 2017, Imerys issued a €600 million bond with a 10-year maturity and an annual coupon of 1.50%. The offer was oversubscribed threefold and benefited from highly favorable market terms, enabling Imerys to anticipate funding of the Kerneos acquisition.

In addition, on December 5, the Group made a partial reimbursement of the 2020 bond for €176.5 million to optimize the cost of its debt.

Consequently, as of December 31, 2017, Imerys' bond financing amounted to €2.0 billion with an average maturity of 7.4 years. The Group also has €1.3 billion bilateral credit lines. As a result, the Group's **financial resources** totaled €3.3 billion with an average maturity of 5.8 years.

COMMENTARY BY BUSINESS GROUP

Solutions for Energy & Specialties

(29% of consolidated revenue in 2017)

Non-audited quarterly data (€ millions)	2016	2017	Change (as reported)	Change at comp. basis
1st quarter revenue	300.8	321.6	+ 6.9%	+ 1.0%
2nd quarter revenue	316.2	332.0	+ 5.0%	+ 0.7%
3rd quarter revenue	319.6	338.7	+ 6.0%	+ 5.3%
4th quarter revenue	314.0	334.3	+ 6.4%	+ 9.0%
Full-year revenue	**1,250.7**	**1,326.6**	**+ 6.1%**	**+ 4.0%**
Current operating income	**129.9**	**141.1**	**+ 8.6%**	
Operating margin	*10.4%*	*10.6%*	*+ 0.2 pt*	

The **Solutions for Energy & Specialties business group's revenue** totaled €1.326.6 million in 2017, up + 6.1%. This increase takes into account a + 37.5 million structure effect, mainly from the acquisitions in the Monolithic Refractories division and, to a lesser extent, the Carbonates and Graphite & Carbon divisions. It also includes a - €11.9 million negative exchange rate effect over the year (- €24.6 million in the second half).

At comparable structure and exchange rates, revenue rose + 4.0% over the year as a whole, reflecting an overall improvement in activity that was especially visible in the second part of the year.

The Solutions for Energy & Specialties business group's **current operating income** rose + 8.6% to €141.1 million, thanks to higher volumes and the positive effect of product prices and mix.

The **Carbonates** division benefited from positive trends in demand on its main markets in the fourth quarter. The Group continued to develop in emerging countries while broadening its specialty offering through the acquisition of Micronita (Brazil, November 2017) and Vimal Microns (India, February 2018).

The **Monolithic Refractories** division, which markets refractory solutions for a wide range of high-temperature industrial equipment, benefited from expanding industrial markets. The Group completed several external growth operations (SPAR, N.G. Johnson, Set Linings and Fagersta Eldfasta) that enabled it to develop in installation services in Europe and on the petrochemicals, power generation, cement and incineration markets in North America.

The **Graphite & Carbon** division recorded sustained sales in mobile energy (Lithium-ion batteries particularly for electric vehicles) and conductive polymer markets. The Group supported these markets' growth with substantial capital expenditure, including new carbon black and synthetic graphite production units and the development of a mine and a new processing plant for natural graphite. In addition, Imerys has acquired Nippon Power Graphite (NPG), a small technology company with a pilot production line for graphite processing.

The activity of the **Oilfield Solutions** division, now a major and enduring player in the ceramic proppants industry in North America, remained subdued and the negative contribution to the Group's current operating income was below €20 million.

Filtration & Performance Additives

(27% of consolidated revenue in 2017)

Non-audited-quarterly data (€ millions)	2016	2017	Change (as reported)	Change at comp. basis
1st quarter revenue	278.2	312.4	+ 12.3%	+ 6.5%
2nd quarter revenue	292.1	317.0	+ 8.5%	+ 4.0%
3rd quarter revenue	282.0	302.2	+ 7.1%	+ 4.8%
4th quarter revenue	292.2	305.5	+ 4.5%	+ 6.1%
Full-year revenue	**1,144.5**	**1,237.0**	**+ 8.1%**	**+ 5.3%**
Current operating income	**214.6**	**254.2**	**+ 18.4%**	
Operating margin	*18.8%*	*20.6%*	*+ 1.8 pt*	

The **Filtration & Performance Additives business group's revenue** totaled **€**1.237.0 million in 2017. a + 8.1% increase compared with 2016. It takes into account a + €44.1 million structure effect, mainly relating to the acquisitions of Damolin (industrial absorbents) and, to a lesser extent, Regain Polymers (plastics recycling). The exchange rate impact amounts to - €12.4 million in 2017 (- €23.0 million in the second half).

The business group's growth was robust throughout 2017, totaling + 5.3% at comparable structure and exchange rates for the year. The sales reflect the development of new products, in particular.

The business group's **current operating income**, up + 18.4% to €254.2 million, benefited from higher volumes and a favorable mix due to the new product development strategy. It includes a + €6.7 million structure effect.

Trends were positive across all market segments in the **Performance Additives** division. In particular, the Group increased its production capacity for automotive polymers. It also strengthened its position in plastic recycling solutions with the acquisition of Regain Polymers in the United Kingdom.

The **Filtration** division's sales benefited from a firm consumer products sector (beers, wine, edible oils. sweeteners. etc.). Moreover, the Group continued its developments in new market segments, particularly in health (high-purity solutions for blood plasma fractionation), cosmetics (a new expanded perlite unit for exfoliating creams) and agriculture.

The **Metallurgy** division took advantage of a good commercial dynamic in a context of healthy market trends in casting and steelmaking. It expanded its specialty offering through the integration of Damolin and launched several new products.

Ceramic Materials

(25% of consolidated revenue in 2017)

Non-audited quarterly data (€ millions)	2016	2017	Change (as reported)	Change at comp. basis
1st quarter revenue	323.2	310.9	- 3.8%	- 4.7%
2nd quarter revenue	311.4	300.9	- 3.3%	- 2.9%
3rd quarter revenue	293.8	285.9	- 2.7%	- 1.8%
4th quarter revenue	293.6	285.3	- 2.9%	- 0.2%
Full-year revenue	**1,222.0**	**1,183.0**	**- 3.2%**	**- 2.5%**
Current operating income	**223.4**	**212.7**	**- 4.8%**	
Operating margin	*18.3%*	*18.0%*	*- 0.3 pt*	

The **Ceramic Materials business group's revenue** totaled €1.183.0 million in 2017. The - 3.2% current change from 2016 factors in a - €7.2 million exchange rate effect (- €11.7 million in the second half) and a structure impact of - €1.8 million (divestment of a site).

At comparable structure and exchange rates, the business group's revenue levelled out in the fourth quarter due to the sequential improvement in the Roofing division.

Current operating income totaled €212.7 million in 2017 and corresponds to a margin rate that remains high thanks to tight control of operating costs.

The **Kaolin** division continued its development in ceramic and specialty application markets (paint, rubber, plastic, ink, etc.), while the environment remained negative for the paper market.

The **Roofing** division's sales levelled out in the fourth quarter. Clay roof tile sales were down - 1.5% year-on-year (source: French roof tiles & bricks federation - FFTB), as a consequence of weak renovation markets (75% of roof tile sales). In addition, the Group continued to develop its integrated roofing offering (roofing accessories, solar tiles).

The **Ceramics** division's sales were healthy, particularly in sanitary ware, tableware and technical ceramics. They were driven by emerging countries (Asia, Eastern Europe and Middle East).

High Resistance Minerals

(19% of consolidated revenue in 2017)

Non-audited quarterly data (€ millions)	2016	2017	Change (as reported)	Change at comp. basis
1st quarter revenue	148.3	184.2	+ 24.2%	+ 14.6%
2nd quarter revenue	151.5	171.5	+ 13.2%	+ 4.4%
3rd quarter revenue	146.5	263.1	+ 79.5%	+ 10.7%
4th quarter revenue	151.4	296.2	+ 95.7%	+ 13.2%
Full-year revenue	**597.8**	**915.0**	**+ 53.1%**	**+ 10.7%**
Current operating income	**78.0**	**111.5**	**+ 43.0%**	
Operating margin	*13.0%*	*12.2%*	*- 0.8 pt*	

Revenue for the **High Resistance Minerals business group**, which mainly serves high temperature industries (steel, foundry, glass, aluminum, etc.), abrasives and construction (high performance calcium aluminate binders), totaled €915.0 million in 2017, a + 53.1% increase on a current basis compared with 2016. This change takes into account a + €256.8 million structure effect, mainly due to the integration of Kerneos in the second half and, to a lesser extent, the Alteo Group's specialty alumina production activities, which were consolidated from the end of 2016 and Zhejiang Zr-Valley's zirconia derivatives in China, from the end of July 2017. Exchange rate effects totaled - €3.6 million in 2017 (- €9.6 million in the second half).

At comparable structure and exchange rates, the High Resistance Minerals business group's **sales** increased + 10.7%. They benefited from good commercial momentum and from innovation on high-potential markets.

Current operating income rose + 43.0% to €111.5 million in 2017. Growth in volumes and a positive price-mix effect kept profitability high, although the Group has to deal with higher prices for some raw materials and a heavy negative exchange rate effect towards the end of the year.

Sales of the **Refractory Minerals** and **Kerneos** divisions, which were grouped together in a new **Aluminates** division, were firm. They benefitted from the upturn on refractory markets, which was accentuated by a catch-up effect, and the development of the building chemicals market for the construction and civil engineering sectors. The Group confirms the amount of synergies announced upon the acquisition of Kerneos (€23 million on year 3).

The **Fused Minerals** division's activity was boosted by the upturn in industrial activity, which directly benefited the abrasives market. In this context, sales of ultrafine alumina for high performance abrasives picked up speed.

Financial Calendar 2018

April 27 (after market close)	1st quarter 2018 results
May 4. 11am	Shareholders' General Meeting
July 27 (after market close)	1st half 2018 results
October 30 (after market close)	3rd quarter 2018 results

The above dates are tentative and may be updated on the Group's website at ***www.imerys.com***. in the *Investors & Analysts/Financial Agenda* section.

Presentation

The press release is available from the Group's website ***www.imerys.com*** via the *News* section on the home page.

The presentation of the 2017 results will begin at 11am (Paris time) on February 15 and will be streamed live on the Group's website.

The world leader in mineral-based specialty solutions for industry*. with €4.6 billion revenue and close to 18,000 employees in 2017. 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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APPENDICES

1. CONSOLIDATED REVENUE

Consolidated revenue (€ millions)	Q1 2016	Q 2 2016	Q 3 2016	Q 4 2016	Q 1 2017	Q 2 2017	Q3 2017
Energy Solutions & Specialties	300.8	316.2	319.6	314.0	321.6	332.0	338.7
Filtration & Performance Additives	278.2	292.1	282.0	292.2	312.4	317.0	302.2
Ceramic Materials	323.2	311.4	293.8	293.6	310.9	300.9	285.9
High Resistance Minerals	148.3	151.5	146.5	151.4	184.2	171.5	263.1
Holding & Eliminations	(12.4)	(12.6)	(12.1)	(12.5)	(15.9)	(14.3)	(16.7)
Consolidated revenue	**1,038.1**	**1,058.6**	**1,029.8**	**1,038.7**	**1,113.2**	**1,107.1**	**1,173.2**

Revenue by division (€ millions)	Q4 2016	Q4 2017	Reported change	Group structure	Exchange rates	Comp. change
Energy Solutions & Specialties	314.0	334.3	+ 6.4%	+ 2.2%	- 4.7%	+ 9.0%
Filtration & Performance Additives	292.2	305.5	+ 4.5%	+ 3.3%	- 4.8%	+ 6.1%
Ceramic Materials	293.6	285.3	- 2.9%	+ 0.6%	- 3.2%	- 0.2%
High Resistance Minerals	151.4	296.2	+ 95.7%	+ 86.8%	- 4.3%	+ 13.2%
Holding & Eliminations	(12.5)	(16.4)	n.s.	n.s.	n.s.	n.s.
Consolidated revenue	**1,038.7**	**1,204.9**	**+ 16.0%**	**+ 14.1%**	**- 4.2%**	**+ 6.1%**

Revenue by geographic destination (€ millions)	2017 revenue	2017 vs. 2016 change (reported)	% of 2016 revenue	% of 2017 revenue
Western Europe	1,975.7	+ 10.6%	43%	43%
of which France	500.0	+ 5.5%	11%	11%
USA / Canada	1,114.3	+ 8.0%	25%	24%
Emerging countries	1,291.2	+ 14.6%	27%	28%
Other (Japan/ Australia)	217.2	- 1.4%	5%	5%
Total	**4,598.4**	**+ 10.4%**	**100%**	**100%**

2. 2017 Development capital expenditure

End-markets	Project description	Country	Division	Capacity increase	New products/ technologies	Geographical expansion
Automotive	Talc production capacity for polymers	U.S.A. France	Performance Additives	✓	✓	
Mobile energy	Carbon black production capacity	Belgium	Graphite & Carbon	✓	✓	
	Opening of new natural graphite mine	Namibia				✓
	New synthetic graphite production unit	Switzerland		✓	✓	
Healthcare	Diatomite production capacity for blood plasma fractiionation	U.S.A.	Filtration	✓	✓	
Paper	New Fiberlean plants: new micro-fibrillated cellulose–based technology	U.S.A. India	Carbonates		✓	
Agri-food and hygiene	Carbonates production capacity for plastic fillms	China	Carbonates	✓		
Cosmetics	Expanded perlite production capacity	Spain	Filtration		✓	

3. 2017 Bolt-on acquisitions

Bolt-on acquiistions	Full year revenue	Activity	Country	Division	Portfolio expansion	Geographical expansion
Damolin	~ €50 m	Absorbants for industrial use	Denmark	Metallurgy	✓	
Alteo	~ €50 m	Specialty aluminates for abrasives	France Germany	Fused Minerals	✓	
Regain Polymers	~ €30 m	Plastics recycling	U. K.	Performance additives	✓	
Zhejiang Zr-Valley	~ €30 €m	Zirconia derivatives for various specialty applications	China	Fused Minerals	✓	✓
SPAR	~ €20 m	Monolithic Refractories	U.S.A.	Monolithic Refractories		✓
Micron-Ita **Vimal Microns**	~ €15 m	Micronized ground calcium carbonates for polymer applications	Brazil India	Carbonates		✓
NG Johnson **Set Linings** **Fagersta Eldfasta**	~ €10 m	Installation of monolithic refractories	U. K. Germany Sweden	Monolithic Refractories		✓
Nippon Power Graphite	ns	Pilot production line for graphite anodes for Lithium-ion batteries	Japan	Graphite & Carbon	✓	✓

4. EXAMPLES OF REINFORCEMENT OF SPECIALTY MINERALS OFFER BY INNOVATION

	Market	Applications	Division	Product	Service
New applications	Electric vehicles	**Increased performance of lithium ion batteries** for electrical cars → Lower CO2 emissions	Graphite & Carbon	✓	
	Health & Beauty	**Natural mineral solution** in cosmetics → Respect of the environment	Performance Additives	✓	
	Renovation and new construction	**Solar tiles** → More energy efficient constructions	Roofing	✓	
	Industrial equipment	Ultra-fine alumina for **high-performance abrasives** → Improved resistance of abrasives	Fused Minerals	✓	
	Recycling	**Compatibilization of used plastics** → Recycling	Performance Additives	✓	✓
	Industry	**Additives for cryogenic insulation** for liquefied gas storage → Energy efficiency	Filtration	✓	✓
Incremental innovations	Automotive	**Performance of automotive plastics** → Lighter cars	Performance Additives	✓	
	Refractories for high temperature pour industries	**High-purity andalousite** → Thermal and mechanical resistance	Aluminates	✓	
	Foundry	**Bentonite-based binder** → Improvement in molding precision and yield	Metallurgy	✓	

5. Key results indicators

(€ millions)	9 months 2016	9 months 2017	Change
Revenue	3,126.5	3,393.5	+ 8.5%
Currrent Operating Income	441.5	479.5	+ 8.6%
Current financial expense	(47.5)	(63.1)	
Current taxes	(117.2)	(122.8)	
Minority interests	(2.3)	(0.4)	
Net income from current operations	274.5	293.2	+ 6.8%
Other operating income and expenses. nets	(55.5)	(25.4)	
Net income, Group's share	**219.0**	**267.8**	**+ 22.3%**

(€ millions)	Q4 2016	Q4 2017	Change
Revenue	1,038.7	1,204.9	+ 16%
Currrent Operating Income	140.6	168.6	+ 20%
Current financial expense	(16.4)	(16.1)	
Current taxes	(36.9)	(41.9)	
Minority interests	0.3	(0.5)	
Net income from current operations	87.6	110.2	-
Other operating income and expenses. nets	(13.8)	(9.8)	
Net income, Group's share	**73.8**	**100.4**	**+ 36.0%**

6. Glossary

- 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 as an 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 as an appendix to this press release).

SUMMARY OF FINANCIAL STATEMENTS AS OF DECEMBER 31, 2017

CONSOLIDATED INCOME STATEMENT

(€ millions)	2017	2016
Revenue	**4,598.4**	**4,165.2**
Current income and expenses	**(3,950.3)**	**(3,583.1)**
Raw materials and consumables used	(1,429.8)	(1,303.2)
External expenses	(1,251.6)	(1,115.7)
Staff expenses	(987.5)	(898.6)
Taxes and duties	(51.0)	(49.1)
Amortization, depreciation and impairment losses	(265.6)	(225.8)
Other current income and expenses	35.2	9.3
Current operating income	**648.1**	**582.1**
Other operating income and expenses	**(53.6)**	**(81.3)**
Gain or loss from obtaining or losing control	(11.0)	(14.5)
Other non-recurring items	(42.6)	(66.8)
Operating income	**594.5**	**500.8**
Net financial debt expense	**(46.5)**	**(52.7)**
Income from securities	10.2	12.3
Gross financial debt expense	(56.7)	(65.0)
Other financial income and expenses	**(32.7)**	**(11.2)**
Other financial income	212.1	236.5
Other financial expenses	(244.8)	(247.7)
Financial income (loss)	**(79.2)**	**(63.9)**
Income taxes	(146.2)	(142.2)
Net income	**369.1**	**294.7**
Net income, Group share(1)	368.2	292.8
Net income, share of non-controlling interests	0.9	1.9

(1) Net income per share		
Basic net income per share (in €)	*4.66*	*3.72*
Diluted net income per share (in €)	*4.59*	*3.66*

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€ millions)	2017	2016
Non-current assets	**5,251.5**	**4,343.3**
Goodwill	2,135.5	1,674.7
Intangible assets	305.5	81.6
Mining assets	592.6	585.4
Property, plant and equipment	1,896.0	1,686.5
Joint ventures and associates	115.5	122.5
Other financial assets	52.1	40.0
Other receivables	46.3	40.5
Derivative financial assets	22.5	17.8
Deferred tax assets	85.5	94.3
Current assets	**2,216.4**	**2,389.1**
Inventories	840.2	712.5
Trade receivables	676.1	608.1
Other receivables	302.4	234.4
Derivative financial assets	7.0	14.9
Other financial assets(1)	8.8	9.6
Cash and cash equivalents(1)	381.9	809.6
Consolidated assets	**7,468.0**	**6,732.4**
Equity, Group share	**2,827.6**	**2,861.5**
Capital	159.2	159.2
Premiums	529.1	529.7
Reserves	1,771.0	1,879.8
Net income, Group share	368.3	292.8
Equity, share of non-controlling interests	**50.6**	**52.7**
Equity	**2,878.2**	**2,914.2**
Non-current liabilities	**2,859.8**	**2,356.7**
Employee benefit liabilities	321.3	295.4
Other provisions	394.6	343.8
Loans and financial debts(1)	1,986.3	1,601.7
Other debts	20.2	38.5
Derivative financial liabilities	2.7	4.6
Deferred tax liabilities	134.7	72.7
Current liabilities	**1,729.9**	**1,461.5**
Other provisions	27.1	22.6
Trade payables	510.9	422.7
Income taxes payable	100.9	79.1
Other debts	417.2	336.5
Derivative financial liabilities	6.0	5.2
Loans and financial debts(1)	664.9	584.0
Bank overdrafts(1)	2.9	11.4
Consolidated equity and liabilities	**7,468.0**	**6,732.4**
(1) Positions included in the calculation of the net financial debt	*2,246.4*	*1,366.5*

CURRENT FREE OPERATING CASH FLOW

(€ millions)	2017	2016
Current operating income	648.1	582.1
Operating amortization, depreciation and impairment losses[1]	265.6	225.8
Net change in operating provisions	(23.9)	7.0
Share in net income of joint ventures and associates	(6.0)	(1.7)
Dividends received from joint ventures and associates	5.8	5.6
Operating cash flow before taxes (current EBITDA)	**889.6**	**818.8**
Notional taxes on current operating income[2]	(187.5)	(173.1)
Current net operating cash flow	**702.1**	**645.7**
Paid capital expenditures[3] & [4]	**(340.9)**	**(278.5)**
Intangible assets	(22.8)	(9.5)
Property, plant and equipment	(276.3)	(230.1)
Overburden mining assets[5]	(58.0)	(48.9)
Debts on acquisitions	16.2	10.0
Carrying amount of current asset disposals	**8.9**	**13.0**
Change in the operational working capital requirement	**(11.7)**	**14.4**
Inventories	(52.9)	58.5
Trade accounts receivable, advances and down payments received	(18.9)	(25.5)
Trade accounts payable, advances and down payments paid	60.1	(18.6)
Current free operating cash flow	**358.4**	**394.6**

(1) Operating amortization, depreciation and impairment losses	*265.6*	*225.8*
Net operating amortization and depreciation (Appendix 1 of the consolidated statement of cash flows)	*265.5*	*225.6*
Finance leases depreciation (Appendix 3 of the consolidated statement of cash flows)	*0.1*	*0.2*
(2) Effective tax rate on current operating income	*28.9%*	*29.7%*
(3) Paid capital expenditure	*(340.9)*	*(278.5)*
Acquisitions of intangible assets and property, plant and equipment (Consolidated statement of cash flows)	*(340.7)*	*(278.4)*
Finance lease acquisitions (Appendix 3 of the consolidated statement of cash flows)	*(0.2)*	*(0.1)*
(4) Recognized capital expenditures / asset depreciation ratio	*134.5%*	*127.8%*
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		
Increases in asset amortization and depreciation	*265.6*	*225.8*
(5) Overburden mining assets	*(58.0)*	*(48.9)*
Overburden mining assets - capital expenditure	*(58.0)*	*(48.9)*

CHANGE IN NET FINANCIAL DEBT

(€ millions)	2017	2016
Current free operating cash flow	**358.4**	**394.6**
Financial income (loss)	(79.2)	(63.9)
Financial impairment losses and unwinding of the discount	(1.2)	5.0
Income taxes on financial income (loss)	22.9	19.0
Change in income tax debt	5.0	30.1
Change in deferred taxes on current operating income	26.8	22.1
Change in other items of working capital	(21.2)	10.7
Share-based payments expense	13.4	10.5
Change in fair value of operational hedge instruments	2.1	0.9
Change in dividends receivable from available-for-sale financial assets	(0.8)	(0.2)
Current free cash flow	**326.2**	**428.8**
External growth	**(1,060.1)**	**(84.6)**
Acquisitions of investments in consolidated entities after deduction of the net debt acquired	(1,056.9)	(78.5)
Acquisitions of investments in consolidated entities from non-controlling interests	(0.2)	(0.1)
Acquisitions of available-for-sale financial assets	(3.0)	(6.0)
Disposals	**10.2**	**28.5**
Disposals of investments in consolidated entities after deduction of the net debt disposed of	4.8	27.5
Non-recurring disposals of intangible assets and property plant and equipment	5.4	1.0
Transaction costs	**(19.3)**	**(13.5)**
Changes in estimate of the contingent remuneration of the seller	**9.5**	**0.0**
Cash flow from other operating income and expenses	**(13.6)**	**(41.9)**
Dividends paid to shareholders and non-controlling interests	**(149.6)**	**(139.4)**
Financing requirement	**(896.7)**	**177.9**
Transactions on equity	(0.5)	(49.8)
Net change in financial assets	(4.1)	(4.3)
Change in net financial debt	**(901.3)**	**123.8**

(€ millions)	2017	2016
Opening net financial debt	**(1,366.5)**	**(1,480.4)**
Change in net financial debt	(901.3)	123.8
Impact of changes due to exchange rate fluctuations	21.4	(9.9)
Closing net financial debt	**(2,246.4)**	**(1,366.5)**