

LETTER TO SHAREHOLDERS 77

MESSAGE

Conrad KEIJZER

Chief Executive Officer



Dear Shareholders,

I first want to thank you for your confidence in appointing me a Director of Imerys at the General Meeting of May 4, 2018. I am aware of my responsibility as CEO and I do recognize your Group has been transformed under Gilles Michel's management over the past 7 years. Imerys is now a Group in good financial health that has grown not only organically but also by value-creating acquisitions.

So it's with enthusiasm and great pride that I join Imerys' 18,000 employees. Early 2018, the good 1st quarter results show how well we are delivering on our strategy. Our activities posted growth, buoyed by an improvement on most of our markets in most geographic zone. Revenue increased + 8.5%, of which + 4.2% at comparable structure and exchange rates compared with the 1st quarter of 2017, and net income from current operations showed double-digit growth at + 11.8%.

The macroeconomic environment, however, remains marked by uncertainties over currencies and an inflationary trend that we cannot ignore. In this context, all our employees remain vigilant on costs and committed to increasing the value we add for customers.

Thanks to professional, engaged teams, extensive innovation efforts, contributions from recent acquisitions and higher competitiveness, Imerys has the strengths needed to keep improving its performance and results. 2018 should therefore be another year of growth in net income from current operations.

Please be assured, dear shareholder, of my commitment to further successes for our Group, on the strength of your support.

Conrad Keijzer

CEO and Director of Imerys following the General Meeting of May 4, 2018, Conrad Keijzer took over from Gilles Michel, who remains Chairman of the Board of Directors, and whose term of office was renewed for 3 years.

A 49-year-old Dutch national, a large part of his career was with the Akzo Nobel group in executive operating and international positions. A member of the group's Executive Committee in charge of its development in Asia, until 2018 he managed the Performance Coatings division, which achieved revenue of almost €6 billion in 2016.

| | | |
|-------|--------|-------|
| 17.19 | -0.06 | -0.14 |
| 17.12 | +0.56 | 1.91 |
| 42.14 | +0.17 | 3.52 |
| 27.07 | +0.26 | 0.89 |
| 21.18 | +0.26 | 0.89 |
| 27.33 | -1.14 | -4.08 |
| 13.53 | +13.53 | 3.32 |
| 9.51 | +0.82 | 0.54 |
| 25.32 | +0.41 | 1.62 |
| 29.81 | +0.28 | 1.73 |

RESULTS

- Increase in earnings for 1st quarter 2018

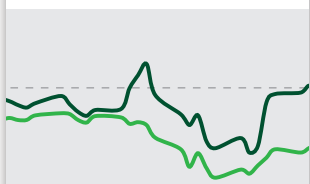
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NEWS

- Technological partnerships with Penn State University and MIT in the USA
- Further development in India with acquisition of Vimal Microns

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SHAREHOLDER'S NOTEBOOK

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Increase in earnings for 1st quarter 2018

After a positive 2017, Imerys' financial results improved again in the first quarter of 2018, reflecting sound performance.



+ 8.5% GROWTH IN REVENUE

Revenue for the first quarter of 2018 amounts to 1,208 M€, up + 8.5% compared to the same period of 2017. This increase reflects + 4.2% organic growth, thanks in particular to a robust price-mix effect (+ 3.0%). In markets that continue to show positive trends, volumes rose by + 1.2%, with activity that was impacted by adverse weather conditions.

Revenue also includes a positive scope effect of + 129 M€ (+ 11.6%), of which 108 M€ from Kerneos, as well as the significant adverse impact of exchange rates for - 81 M€ (- 7.3%).

CURRENT OPERATING INCOME UP + 4.8%

Current operating income totaled 154 M€, up + 4.8% compared to the first quarter of 2017. Excluding the impact of exchange rates (- 13 M€), it rose + 15.1%, thanks in particular to a positive price-mix effect of + 31 M€, which offset the increase in variable costs (+ 19 M€), and a gradual improvement in the

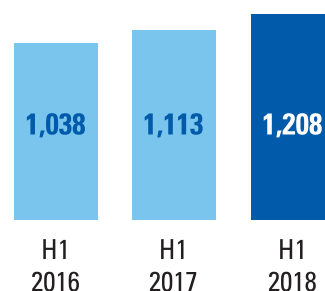
contribution from recent acquisitions (+ 14 M€), notably Kerneos. Sales volumes contributed + 7 M€.

Moreover, the + 17 M€ increase in fixed costs and overheads includes further investments in new production capacity, innovation, skill development and transformation programs designed to increase the Group's competitiveness and support its growth. Thus, the Group's operating margin remains firm at 12.8% for the first quarter of 2018, despite the negative impact of exchange rates.

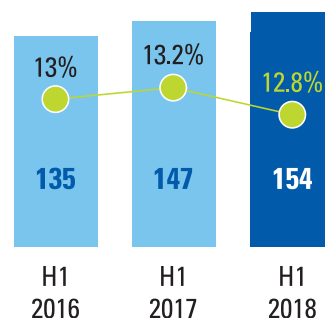
NET INCOME FROM CURRENT OPERATIONS UP + 11.8%

Net income from current operations rose + 11.8% to 95 M€. It includes financial expense that decreased from - 26 M€ in the first quarter of 2017 to - 20 M€ in first quarter 2018, due to a - 6 M€ decrease in financial costs. The - 39 M€ tax charge corresponds to an effective tax rate of 29.0%. Net income from current operations, Group share, per share is up + 11.5% to €1.21.

Consolidated revenue (M€)

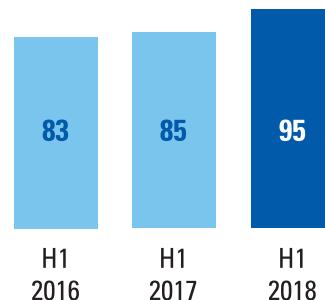


Current operating income ⁽¹⁾ (M€) and operating margin (%)



■ Current operating income
● Operating margin

Net income from current operations ⁽²⁾ (M€)



(1) Current operating income: operating income before other operating income and expenses

(2) Net income from current operations: Group's share of net income, before other operating income and expenses, net of tax.

The full press release and slide deck are available in the News & Media Center of the website www.imerys.com.



Technological partnerships with Penn State University and MIT in the USA

As the first stage in a strategy to set up dialogue and cooperation with international universities, Thierry Materne, VP Innovation at Imerys, signed a 5-year research partnership for the joint development of innovative projects with Penn State University, a major US research cluster.

The Group also joined the Industrial Liaison Program (ILP) at Massachusetts Institute of Technology (MIT), which is intended to create and develop mutually beneficial relations between MIT and major global corporations.

These partnerships will enable the Group's innovation teams not only to dialogue and cooperate with other scientists, experts and academics, but also to gain access to content that is likely to help Imerys design innovative solutions to meet the challenges of tomorrow's world.



PennState



Massachusetts
Institute of
Technology



Thierry Materne, VP Innovation Imerys, (right) and Neil Sharkey, VP Research Penn State, sign the new partnership.

Further development in India with acquisition of Vimal Microns

Imerys is stepping up its presence in India by acquiring the carbonate activities of Vimal Microns, a leading Indian producer of ground calcium carbonate.



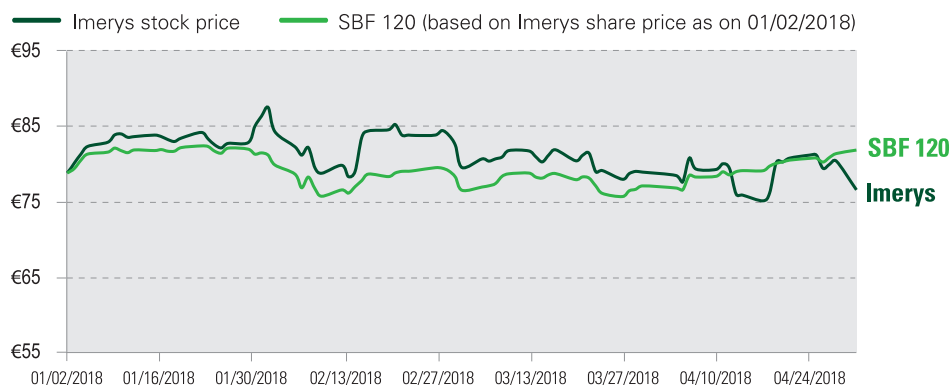
With almost 200 employees, this activity achieves revenue of approximately 500 million rupees (7 M€).

Through this operation, Imerys, a global carbonate producer, is stepping up its presence in India, particularly in growing specialty applications (polymers and coatings).

The new entity will support the Group's regional development in India by broadening its offering for paint, polymer applications and PVC pipes.

Share price evolution from January 1, 2018 to April 30, 2018

After a volatile 2017, Imerys shares benefited from the overall improvement on its markets and results, reflected in a sound performance on the stock market since the second half of 2017. Since the start of 2018, this performance has however been impacted by the geopolitical uncertainties weighing on financial markets. In this context, Imerys share price decreased slightly compared with SBF 120 that grew + 3.6% over the period.



NEWS IN BRIEF

General Meeting

The following resolutions were passed at the Board of Directors' Meeting and Combined General Shareholders' Meeting of May 4, 2018:

- Approval of 2017 financial statements;
- Net dividend of €2.075 per share, a + 11.4% increase compared with 2017; payout on May 15, 2018;
- The renewal for 3 years of the terms of office as Directors of Mrs. Marie-Françoise Walbaum, Mr. Gilles Michel and Mr. Ulysses Kyriacopoulos;
- Appointment of Mr. Conrad Keijzer as a new Director for 3 years.

Following the cooptation of Mrs. Lucile Ribot as a new Director by the Board, the non-renewal of Mrs. Giovanna Kampouri Monnas, Mrs. Katherine Taaffe Richard and Mr. Xavier Le Clef, and the resignation of Mr. Laurent Raets (appointed Censor by the Board) and Mr. Arnaud Vial, the Board of Directors is now comprised of 14 members, of which 2 employee representative directors, 6 independent members and 5 women.

CONTACTS Financial Communication

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DIARY

- **Friday July 27, after trading:** 1st half 2018 results
- **Tuesday October 30, after trading:** 3rd quarter 2018 results

IMERYS ON THE STOCK MARKET

(data as of April 30, 2018)

Euronext Paris - Eurolist - local values
Compartment A (large caps)
(eligible for deferred settlement service)

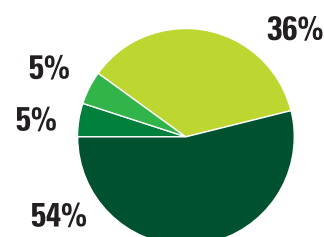
- **Number of shares:** 79,703,540
- **Nominal value:** €2
- **Closing price:** €75.6
- **Market capitalization:** €6.0 billion

Indexes SBF 120
DJ EuroStoxx 600
FTSE4Good

Codes ISIN: R0000120859 - NK
Reuters: IMTP.PA
Bloomberg: NK.FP

SHAREHOLDING (Imerys estimates)

As of March 31, 2018, Imerys' capital is made up as follows:



- Belgian Securities BV (subsidary of Groupe Bruxelles Lambert)
- Blue Crest Holding (Kyriacopoulos family)
- Individual shareholders, employees and others
- Institutional investors