

LETTER TO SHAREHOLDERS 70

41	5,53 %	55,47	2,62	4,96	52,85	16,04	19
10	1,20 %	132,05	3,32	2,58	128,73	16,04	19
62	0,75 %	83,68	1,17	1,42	82,51	16,04	19
15	3,20 %	36,18	0,75	2,12	35,43	16,04	19
73	0,80 %	67,78	2,11	2,46	65,67	16,04	19
28	9,33 %	39,31	0,49	1,26	38,82	16,04	19
45	1,65 %	91,55	0,20	0,23	91,35	16,04	19
73	7,80 %	87,78	2,11	2,46	85,67	16,04	19
28	9,33 %	39,31	0,49	1,26	38,82	16,04	19
62	3,75 %	83,68	1,17	1,42	82,51	16,04	19
15	6,20 %	36,18	0,75	2,12	35,43	16,04	19
		87,78	2,11	2,46	85,67	16,04	19

RESULTS

- Improved results in 1st half 2016

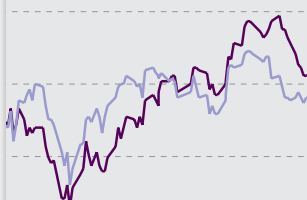
PAGE 2



NEWS

- Imerys signs exclusive agreement with the Alteo Group for the acquisition of its specialty alumina activities
- Imerys develops natural graphite offering for European and Asian markets
- Imerys and Omya form technological joint venture

PAGE 3



SHAREHOLDER'S NOTEBOOK

- Share price evolution
- Stock market news
- Did you know?
- Capital structure
- Contacts

PAGE 4

MESSAGE



Gilles MICHEL

Chairman and Chief Executive Officer

Dear Shareholders,

In the first half of 2016, Imerys further improved its operating performance on markets that slumped less than in the previous year. Although some markets stabilized, including clay roof tiles in France and ceramic proppants in the United States, several others continued to drop, such as steel and paper. However, the Group's activity continued to benefit from firm trends in the consumer goods, automotive and construction sectors, particularly in the United States.

In this context, revenue grew + 1.9% on a current basis and - 2.2% at comparable Group structure and exchange rates. Current operating income increased + 6.9% to €293 million, with an operating income that rose + 70 basis points to 14.0%. The high amount of current operating free cash flow, at €177 million, enables the Group to maintain a sound financial structure.

In the coming months, Imerys' market environment will be marked by greater macroeconomic risks and uncertainties. In addition, the Group will continue to draw on its strategy of external growth and innovation in order to broaden its specialty offering while keeping up strict management of costs and cash.

2016 will be another year of improvement. I am confident in the Group's ability to generate growth in its net income from current operations on a comparable level to the first half of 2016, at unchanged market conditions and environment.

Thank you, Dear Shareholders, on behalf of all Imerys' employees, for your loyalty and trust.

Gilles Michel



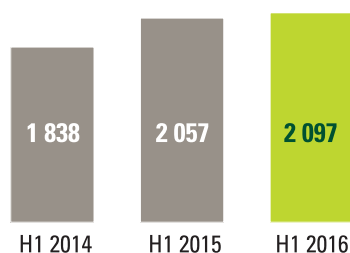
IMERYS
TRANSFORM TO PERFORM

Improved results in 1st half 2016

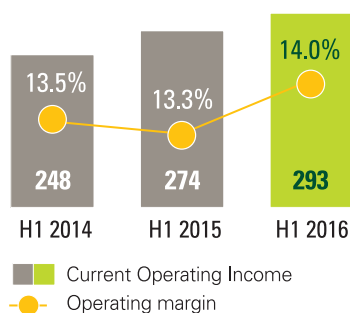
In the 1st half of 2016, Imerys continued to improve its operating performance.

These results were driven by external growth with the ramp-up of synergies from acquisitions, as well as operating excellence and innovation programs.

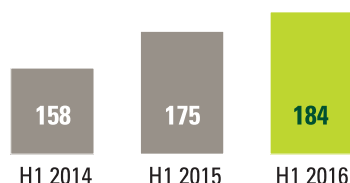
Consolidated revenue (€m)



Current operating income¹ (€m), operating margin (%)



Net income from current operations² (€m)



- ¹ Current operating income: operating income before other operating revenue and expenses
² Net income from current operations: Group's share of net income before other operating revenue and expenses

INCREASE IN REVENUE TO €2,097 MILLION

The Group's revenue in the 1st half of 2016 totaled €2,097 million, a + 1.9% increase on a current basis from the same period in 2015. This improvement results from a + 5.4% positive Group structure effect that includes the consolidation of external growth operations completed in 2015 (S&B as of March 2015, and the precipitated calcium carbonate (PCC), hydrous kaolin for paper and roofing accessories activities as of November 2015) and a negative exchange rate effect of - 1.3%, due in particular to the euro's appreciation against a number of currencies.

At comparable Group structure and exchange rates, revenue decreased - 2.2% compared with the 1st half of 2015, reflecting a relatively brighter economic environment with, nevertheless, several markets still in a slump (steel, paper, etc.). It benefited from a + 0.8% price-mix effect, driven by new products.

CURRENT OPERATING INCOME UP + 6.9%

Current operating income totaled €293 million in the 1st half of 2016, a + 6.9% increase compared with the 1st half of 2015. It includes a + €12 million Group structure effect from S&B and from the other acquisitions completed late 2015. It also factors in a favorable exchange rate effect of + €17 million, mainly due to the depreciation of the Brazilian real.

Current operating income also benefited from the ramp-up of synergies from acquisitions, the favorable trend in the activity mix and the effectiveness of management measures with a + €16 million price-mix effect and a + €7 million improvement in fixed and variable costs, supported by the operating excellence program and tight purchasing control.

In this context, the Group's operating margin improved by + 70 basis points to 14.0% (13.3% in 1st half 2015).

87,73	9,80 %	36,18 0,75 2
39,28	3,33 %	87,78 2,11 2
20,10	2,16 %	39,31 0,49 1
112,15	11,30 %	20,13 0,30 1
87,73	8,80 %	112,23 0,77 0
39,28	3,33 %	87,78 2,11 2
91,45	1,65 %	39,31 0,49 1
55,41	5,53 %	91,55 0,20 0
		55,47 2,62 4
132,10	1,20 %	132,05 3,32 2
83,62	8,75 %	83,68 1,17 1
36,15	3,20 %	36,18 0,75 2
87,73	8,80 %	87,78 2,11 2
39,28	9,33 %	39,31 0,49 1
91,45	1,65 %	91,55 0,20 0
87,73	7,80 %	87,78 2,11 2
39,28	9,33 %	39,31 0,49 1
83,62	3,75 %	83,68 1,17 1
36,15	6,20 %	36,18 0,75 2
87,73	7,80 %	87,78 2,11 2
	9,33 %	39,31 0,49 1

+ 5.2% RISE IN NET INCOME FROM CURRENT OPERATIONS

Net income from current operations increased + 5.2% to €184 million. It includes - €29 million in financial expense compared with - €23 million in the 1st half of 2015 because of a lower contribution from foreign exchange and financial instruments (interest expense decreased slightly to - €25 million compared with - €27 million in the 1st half of 2015) and a - €78 million tax charge, i.e. an effective tax rate of 29.6%, on a par with the same period in 2015. Net income from current operations per share increased + 5.0% to €2.33.

The full press release and slideshow are available at www.imerys.com in the News & Media Center section.



Imerys develops natural graphite offering for European and Asian markets

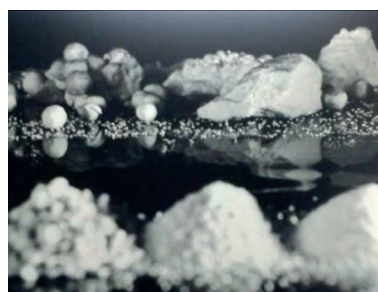
With the Graphite & Carbon division's sales buoyed by high growth in lithium-ion batteries for mobile energy, Imerys has created a company, in which it holds a majority stake in partnership with Gecko Namibia to develop its natural graphite offering for European and Asian markets.



The company, which should start production in 2017, holds mineral resources and a processing plant in Namibia.



Imerys signs exclusive agreement with the Alteo Group for the acquisition of its specialty alumina activities



Imerys has signed an exclusive agreement with Alteo for the acquisition of its specialty alumina activities for a large number of refractory, abrasive and ceramic applications.

With €80 million in revenue and 290 employees in 2015, the Alteo Group sells its products in Europe, North America and Asia-Pacific.

This operation would enable Imerys to broaden and optimize its product offering. It is subject to prior consultation with employee representatives and approval by the relevant regulatory authorities. It could be completed in the second half of 2016.

Imerys and Omya form technological joint venture

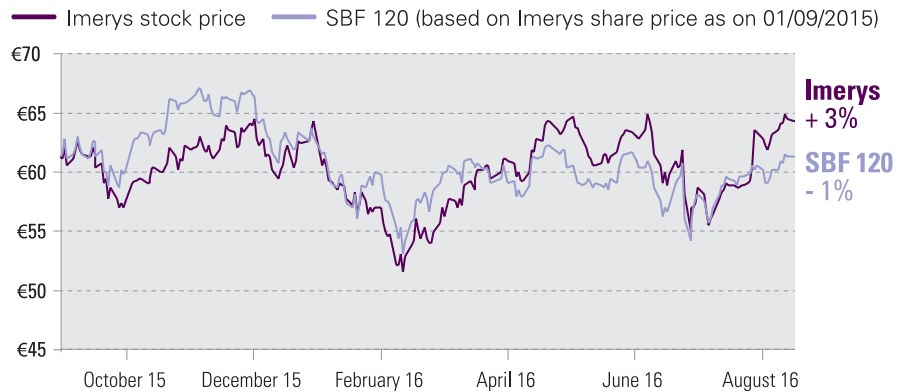
Imerys has created FiberLean™ Technologies, a 50/50 joint venture with Omya, to promote research and development in micro fibrillated cellulose (MFC) for a great number of applications and sectors.

Micro fibrillated cellulose is a recyclable, sustainable material that offers exceptional performances and adds value in multiple industrial and consumer markets.

The first commercial application was achieved in the packaging paper sector to raise production quality, improve productivity and reduce costs.

Imerys share price over one year

The Company's share outperformed the SBF 120 year-on-year, rising + 3% while the SBF 120 decreased - 1 % over the same period. After a low in late June 2016 due to uncertainties over Brexit, Imerys stock, like the market, resumed its growth from July, regaining + 10% (+ 5% for the SBF 120), of which + 4% (+ 0% for the SBF120) following the announcement of good operating performance over the first 6 months of the year.



IMERYS ON THE STOCK MARKET

ISIN: FR0000120859 - NK
Euronext Paris - Eurolist - Local Stocks
Compartment A (Blue Chips)
(eligible for deferred settlement service)

Data as of August 30, 2016

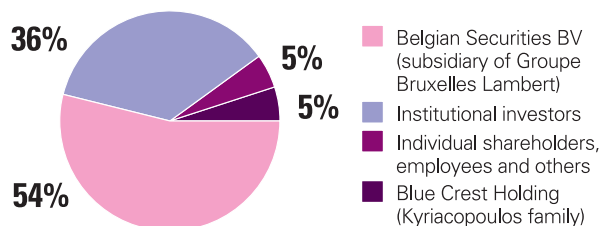
- **Number of shares:** 79 705 385
- **Nominal value:** €2.00
- **Closing price:** €63,17
- **Market capitalization:** €5.0 billion

Stock market news

On June 1, 2016 Imerys appointed an investment services provider for the purposes of buying back its own shares and cancelling them to offset the dilution resulting from its stock option plans. This agreement comes under its share buyback program as published on May 2, 2016 and approved by the Combined Shareholders' Meeting of May 4, 2016.

Shareholder structure

As of June 30, 2016, Imerys' share capital was made as follows:



NEXT DATE

- **Friday October 28, before trading:**
3rd quarter 2016 results

CONTACTS Financial Communication

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DID YOU KNOW?

You can download this Letter to Shareholders directly from our website (<http://www.imerys.com>, Finance Section > Individual Shareholders > Documents) or sign up to receive it by email. The Group is committed to a sustainable development approach. By avoiding the printing and routing of the paper document, you make an active contribution to this process.

Sign up to our emailing list now by contacting shareholders@imerys.com.