

**FIRST SUPPLEMENT DATED 20 DECEMBER 2016
TO THE BASE PROSPECTUS DATED 10 JUNE 2016**



IMERYS
€2,500,000,000
EURO MEDIUM TERM NOTE PROGRAMME

This supplement (the "**Supplement**") constitutes a first supplement to, and must be read in conjunction with, the base prospectus dated 10 June 2016 (the "**Base Prospectus**") which constitutes a base prospectus for the purposes of the Directive 2003/71/EC, as amended (the "**Prospectus Directive**") prepared in relation to the €2,500,000,000 Euro Medium Term Note Programme (the "**Programme**") established by Imerys (the "**Issuer**") and approved by the *Commission de surveillance du secteur financier* in Luxembourg (the "**CSSF**") on 10 June 2016. Terms defined in the Base Prospectus have the same meaning when used in this Supplement.

Application has been made to the CSSF in its capacity as competent authority for the purposes of the Prospectus Directive and under the Luxembourg *loi relative aux prospectus pour valeurs mobilières* dated 10 July 2005 (the "**Prospectus Law**") for approval of this Supplement as a supplement to the Base Prospectus for the purposes of Article 16 of the Prospectus Directive and Article 13 of the Prospectus Law.

This Supplement has been prepared for the purposes of supplementing the following sections of the Base Prospectus:

- Cover Page;
- "General Description of the Programme";
- "Documents Incorporated by Reference";
- "Recent Developments"; and
- "General Information".

To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case), the information contained in this Supplement is in accordance with the facts and contains no omission likely to affect its import. The Issuer accepts responsibility for the information contained in this Supplement.

Save as disclosed in this Supplement, there has been no significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus since the publication thereof which is capable of affecting the assessment of Notes to be issued under the Programme.

Copies of this Supplement will be available (i) without charge at the specified office of the Paying Agent and (ii) on the website of the Luxembourg Stock Exchange (www.bourse.lu).

To the extent that there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by this Supplement and (b) any other statement in or incorporated by reference into the Base Prospectus, the statement in (a) above shall prevail.

COVER PAGE

By virtue of this Supplement, the fifth paragraph of the cover page of the Base Prospectus is deleted and replaced with the following:

The long-term debt of the Issuer is rated Baa-2 (stable outlook) by Moody's Deutschland GmbH and BBB (stable outlook) by Standard & Poor's Credit Market Services France SAS. Notes issued under the Programme may be rated or unrated. The rating of the Notes, if any, will be specified in the relevant Final Terms. Whether or not each credit rating applied for in relation to a relevant series of Notes will be issued by a credit rating agency established in the European Union and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**") will be disclosed in the Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the European Union and registered under the CRA Regulation unless the rating is provided by a credit rating agency operating in the European Union before 7 June 2010 which has submitted an application for registration in accordance with the CRA Regulation and such registration is not refused. Each of Moody's Deutschland GmbH and Standard & Poor's Credit Market Services France SAS is established in the European Union and is registered under the CRA Regulation and it appears on the latest update of the list of registered credit rating agencies (as of 1 December 2015) published by ESMA. Credit ratings are subject to revision, suspension or withdrawal at any time, without notice, by the relevant rating organisation. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency. Potential purchasers of Notes should inform themselves of the rating(s), if any, applicable to a tranche of Notes before making any decision to purchase such Notes.

This Base Prospectus, together with the documents incorporated by reference in it, will be made available on the website of the Luxembourg Stock Exchange (www.bourse.lu).

GENERAL DESCRIPTION OF THE PROGRAMME

By virtue of this Supplement, Subparagraph "Rating" of the "General Description of the Programme" section on page 24 of the Base Prospectus is deleted and replaced with the following:

Rating:

The long-term debt of the Issuer is rated Baa-2 (stable outlook) by Moody's Deutschland GmbH and BBB (stable outlook) by Standard & Poor's Credit Market Services France SAS. Notes to be issued under the Programme may be rated or unrated. The rating of the Notes, if any, will be specified in the relevant Final Terms. Whether or not each credit rating applied for in relation to a relevant Series of Notes will be issued by a credit rating agency established in the European Union and registered under the CRA Regulation will be disclosed in the Final Terms. Credit ratings are subject to revision, suspension or withdrawal at any time by the relevant rating organisation. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents, which have previously been published or are published simultaneously with this Supplement and have been filed with the CSSF, are incorporated by reference by virtue of this Supplement in the Base Prospectus on page 25:

- the French language *Rapport Financier Semestriel 2016* which contains the financial statements of the Issuer for the half-year ending 30 June 2016 and the auditors' limited review report thereon dated 27 July 2016 (the "**2016 Half-Year Financial Report**"); and
- the French language *communiqué de presse* announcing the results of the third quarter ending 30 September 2016 dated 27 October 2016 (the "**Q3 Press Release**").

In accordance with Article 28.4 of Commission Regulation (EC) n° 809/2004, the non-incorporated parts of the 2016 Half-Year Financial Report and the Q3 Press Release are not relevant for the investors.

The following table cross-references the pages of the Documents Incorporated by Reference. The information incorporated by reference that is not included in the cross-reference list is considered as additional information and is not required by the relevant schedules of Commission Regulation (EC) n° 809/2004.

| Information | Page numbers in the applicable document |
|--|--|
| Historical financial information | <p>2016 Half-Year Financial Report <i>Non-audited consolidated Half-Year financial statements as of 30 June 2016</i></p> <ul style="list-style-type: none"> - Consolidated income statement: page 11 - Consolidated statement of comprehensive income: page 12 - Consolidated statement of financial position: page 13 - Consolidated statement of changes in equity: page 14 - Consolidated statement of cash flows: pages 15 to 17 - Notes to the financial statements: pages 18 to 40 - Accounting principles and policies: pages 18 to 20 |
| | <p>Q3 Press Release <i>Non-audited consolidated third quarter results as of 30 September 2016</i></p> <ul style="list-style-type: none"> - Consolidated Results: page 1 - Detailed Review of the Group's Results: pages 2 to 7 - Consolidated Revenue Breakdown: page 9 - Key Income Indicators: page 10 |
| Statutory auditors' review report of the historical 2016 half-year financial information | - page 41 of the 2016 Half-Year Financial Report |

Free English language translations of the Documents Incorporated by Reference in this Supplement are available, for information purpose only, on the website of Imerys at the following addresses:

[http://www.imerys.com/Scopi/Group/imeryscom/imeryscom.nsf/pagesref/REBA-AC9J2F/\\$File/2016%20Half-Year%20Financial%20Report_UK.pdf](http://www.imerys.com/Scopi/Group/imeryscom/imeryscom.nsf/pagesref/REBA-AC9J2F/$File/2016%20Half-Year%20Financial%20Report_UK.pdf)

[http://www.imerys.com/Scopi/Group/imeryscom/imeryscom.nsf/pagesref/REBA-AF5KBF/\\$File/CDP_T3_2016_V0.pdf](http://www.imerys.com/Scopi/Group/imeryscom/imeryscom.nsf/pagesref/REBA-AF5KBF/$File/CDP_T3_2016_V0.pdf)

For the avoidance of doubt, the English language translations of the Documents Incorporated by Reference in the Base Prospectus by this Supplement do not form part of the Base Prospectus.

The Issuer will, at the specified office of the Paying Agent for the time being during normal business hours, make available, free of charge, a copy of any or all of the Documents Incorporated by Reference herein. All Documents Incorporated by Reference in this Supplement will also be available on the website of the Luxembourg Stock Exchange (www.bourse.lu) and on the website of Imerys at the following addresses:

[http://www.imerys.com/Scopi/Group/imeryscom/imeryscom.nsf/pagesref/REBA-AC9J2F/\\$File/Rapport%20Financier%20Semestriel%202016_FR.pdf](http://www.imerys.com/Scopi/Group/imeryscom/imeryscom.nsf/pagesref/REBA-AC9J2F/$File/Rapport%20Financier%20Semestriel%202016_FR.pdf)

[http://www.imerys.com/Scopi/Group/imeryscom/imeryscom.nsf/pagesref/REBA-AF5KBF/\\$File/CDP_T3_2016_VF.pdf](http://www.imerys.com/Scopi/Group/imeryscom/imeryscom.nsf/pagesref/REBA-AF5KBF/$File/CDP_T3_2016_VF.pdf)

RECENT DEVELOPMENTS

The following press releases are inserted at the end of the "Recent Developments" section on page 37 of the Base Prospectus (and such press releases are also available on the website of Imerys at the following address: <http://www.imerys.com/scopi/group/imeryscom/imeryscom.nsf/pagesref/SBDD-8QGMYYV?opendocument&lang=en&function>):

1. Extract of the press release dated 11 December 2016

Imerys takes a further step in its development strategy with the contemplated acquisition of Kerneos

- World leader in calcium aluminate-based high-performance binders
- Extension of specialty minerals offering for industry in growth, complementary markets
- Close fit with Imerys' business model
- A rapidly value-creating acquisition

Less than two years after S&B's acquisition, Imerys takes a further step in its development strategy with today's announcement of the contemplated acquisition of Kerneos. With this operation, the Group would again enhance its specialty offering in high-potential markets and improve its growth and profitability profile while creating value.

Thanks to its expertise in calcium aluminate technologies, Kerneos develops performance binders that contribute key properties (rapid hardening, self-leveling, sealing and wear, corrosion or heat resistance), to its customers' innovating solutions for 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 an access to quality mining reserves and resources, a global sales network, 9 high-performance production sites in 5 countries and great innovation capability, Kerneos fits perfectly with Imerys' business model and has a sound history of growth and profitability. Over the past three years, Kerneos has achieved annual average sales growth of + 3.3%, of which + 7.1% organic growth in construction technologies. With operations in Europe, North America and emerging countries, and 1,500 employees, Kerneos posted consolidated revenue of €415 million over the last 12 months as of September 30, 2016. Over the same period, EBITDA grew + 8.0% to almost €100 million, while current operating cash flow totaled €74 million before tax, i.e. 18% of revenue.

Finally, the acquisition project of Kerneos, for an estimated total enterprise value of ca. €880 million, would be in full compliance with Imerys' external growth criteria. It would have a positive impact on net income from current operations per share from the first year of consolidation and would rapidly create value thanks notably to synergies estimated at €23 million. The transaction, entirely funded by the Group's available resources, would maintain Imerys' financial soundness and complies with its goal of keeping an investment grade credit rating. It remains subject to relevant workers' council consultation, as well as regulatory authorities' approval and should be completed mid-2017.

Gilles Michel, Imerys Chairman & CEO, stated:

“With the contemplated acquisition of Kerneos, Imerys is strengthening its growth and profitability profile by integrating performing assets and broadening its specialty offering for industry on high-potential markets. By welcoming teams that share the same culture of operating excellence and globally acknowledged innovation capability, Imerys would reach a new milestone in its development strategy that will create value for its shareholders and customers.”

Conference call

[Imerys organized a conference call on December 12, 2016, a recording of which as well as the related slide deck are available on the Group's website www.imerys.com.]

2. Press release dated 27 October 2016

Jean-François Claver and Thierry Materne join the Imerys Group Executive Committee

Imerys, the leader in mineral-based specialty solutions for industry, announces the appointment of Jean-François Claver and Thierry Materne to the Imerys Group Executive Committee.

Jean-François Claver is appointed Chief Industrial Officer. He graduated as Industrial Engineer from *Ecole Centrale de Paris* and has a Master of Science from Cornell University (New York). He worked for sixteen years at Pechiney before taking industrial management responsibilities at Alcan, Vallourec, Lafarge, Etex. He joined Imerys in 2015 as Mining & Industrial Operations Director.

Thierry Materne, Chief Innovation Officer, is in charge of Innovation and Strategic Marketing. He has a PhD in Chemistry and Materials Science. He worked for more than 11 years in research & development at Goodyear Tire & Rubber in Europe and the USA, developing more than 60 patents in a wide range of areas. He then joined Dow Corning, Sabic Innovative Plastics (ex-GE Plastics) and finally Imerys in 2016.

GENERAL INFORMATION

By virtue of this Supplement, Subparagraphs (3) and (6) of the "General Information" section on page 90 of the Base Prospectus are deleted and replaced with the following:

- (3) Save as disclosed in section "Recent Developments" on pages 6 to 7 of this Supplement, there has been no significant change in the financial or trading position of the Group since 30 June 2016.
- (6) During the 12 months preceding the date of this Supplement, there have been no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) which may have, or have had in the recent past, significant effects on the Group's financial position or profitability.