2015

Half-year Financial Report

IMERYS
TRANSFORM TO PERFORM

Table of contents

1/ HALF-YEAR ACTIVITY REPORT 3

- Detailed review of the Group's results 4
- Events after the end of the period 7
- Outlook 7
- Review by business group 7
- Related parties and risk factors 11

2/ CONDENSED FINANCIAL STATEMENTS 13

- Financial statements 13
- Information by segments 20
- Notes to the financial statements 24

3/ STATUTORY AUDITORS' REVIEW REPORT 47

4/ PERSON RESPONSIBLE FOR THE HALF-YEAR FINANCIAL REPORT 49

1 | Half-Year Activity Report

In the 1st half of 2015, the economic environment was characterized by marked disparities between the three major geographic zones where the Group operates.

Activity remained vibrant overall in North America in the 2nd quarter despite a slack start to the year and the sharp downturn in oil-related activities. Although signs of a recovery appeared in Europe, driven in particular by consumer goods, the trend was more contrasting in the industry, while the construction sector remained negative in France. The dynamics of emerging countries were very different from country to country, with continued growth in India and Southeast Asia, recession in Brazil and a downturn in construction-related sectors in China.

In this context, Imerys' results improved in 1st half 2015. Revenue is up + 11,9% to €2,057 million on current basis. At comparable Group structure and exchange rates, 1st half 2015 revenue is down - 3,9% compared to the same period in 2014, in particular due to the decrease in volumes with the slump in ceramic proppants market in the United States. The current operating income increases up + 10.6% to €274 million with an operating margin which remains firm at 13.3%. The net income from current operations improves to €175 million, up + 11,0%.

(€ millions)	06.30.2015	06.30.2014	% current change
Consolidated results			
Revenue	2,057.3	1,837.9	+ 11.9%
Current operating income (1)	274.0	247.7	+ 10.6%
Operating margin	*13.3%*	*13.5%*	*- 0.2 point*
Net income from current operations, Groupe share (2)	174.7	157.5	+ 11.0%
Net income, Group share	145.2	131.5	+ 10.4 %.
Financing			
Paid capital expenditure	121.5	106.6	+ 14.0%
Current free operating cash flow (3)	141.4	105.7	+ 33.8%
Shareholders' equity	2 936.9	2 311.5	+ 27.1%
Net financial debt	1 487.9	878.0	+ 69,5%
Data per share			
Net income from current operations, Group share, per share (2) & (4)	2.22 €	2.06 €	+ 7.8 %

(1) Throughout this present activity report, "Current operating income" means operating income before other operating revenue and expenses. On a comparable basis, current operating income decreased - 7.1%.

(2) Group's share of net income before other operating revenue and expenses net.

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

(4) The weighted average number of outstanding shares was 78,736,146 in H1 2015 compared with 76,329,586 in H1 2014.

On February 26, 2015, Imerys completed its acquisition of S&B. A global player and European player in bentonite (binders for foundry, sealing solutions, additives for drilling and for consumer products), S&B is also the world leader in continuous casting fluxes for the steel industry and in wollastonite (functional additives for polymers and paints) and provides perlite-based solutions for building materials and horticulture. The full integration of S&B, which is consolidated as of March 1, is progressing in line with the Group's expectations and should be effective from October 1. This acquisition, which will be accretive on Imerys' net income from current operations per share from 2015, should create value from 2018, with annual synergies run-rate estimated at more than €25 million, half of which should be achieved in 2016.

In addition, the Group continued its development and signed on May 7, 2015 an exclusive agreement with Solvay to acquire its PCC (precipitated calcium carbonates) division comprising 4 plants in Europe (Germany, Austria, France and the United Kingdom). This business serves mainly the automotive (polymers), building (paints, coatings, sealants) and consumer goods markets (health & beauty, agriculture, etc.) through specialty applications. It generated €59 million revenue in 2014. The conclusion of this transaction remains subject to the approval of the relevant regulatory authorities and to consultation with employee representatives; it should take place in the 2nd half of the year.

DETAILED REVIEW OF THE GROUP'S RESULTS

REVENUE

Non-audited quaterly data	Revenue 2015 (€ millions)	Revenue 2014 (€ millions)	Change in revenue (% previous year)	Comparable Change (1) (% previous year)	of which Volume	of which Price/Mix
1st quarter	973.6	904.1	+ 7.7%	- 4.5%	- 5.9%	+ 1.3%
2nd quarter	1,083.7	933.8	+ 16.1%	- 3.3%	- 4.8%	+ 1.5%
1st half	**2,057.3**	**1,837.9**	**+ 11.9%**	**- 3.9%**	**- 5.3%**	**+ 1.4%**

Revenue for the 1st half of 2015 amounts to €2,057.3 million, an + 11.9% increase on a current basis compared with the same period in 2014. This improvement results from:

- a positive Group structure effect of + €143.2 million (+ 7.8%), which mainly includes the consolidation since March 1, 2015 of S&B and, to a lesser extent, bolt-on acquisitions in Monolithic Refractories (Termorak in Finland - February 2014) and Carbonates (Kinta Powdertech in Malaysia - July 2014). This structure effect is net of the divestment of four calcium carbonate units in January 2014;
- a positive exchange rate effect of + €147.4 million (+ 8.0%), related to the appreciation of many currencies against the euro.

At comparable Group structure and exchange rates, revenue for the 1st half of 2015 shows a - 3.9% drop compared with the same period in 2014. Volumes decreased by - 5.3% (- €97.8 million) compared with a high basis of comparison in the 1st half of 2014. Excluding ceramic proppants, comparable change in revenue improved from - 3.5% in the 1st quarter to - 1.3% in the 2nd.

The price/mix effect was positive in every business group and represents + 1.4% for the Group as a whole (+ €26.7 million).

Revenue by geographic zone of destination (current change)

(€ millions)	Revenue H1 2015	% change H1 15 vs. H1 14	% of consolidated revenue as of 06.30.2015	% of consolidated revenue as of 06.30.2014
Western Europe	901.8	+ 7.8%	44%	46%
of which France	*241.3*	*- 1.3%*	*12%*	*13%*
United States / Canada	508.0	+ 19.4%	25%	23%
Emerging countries	548.1	+ 13.9%	26%	26%
Others (Japan / Australia)	99.4	+ 5.2%	5%	5%
Total	**2,057.3**	**+ 11.9%**	**100%**	**100%**

Sales grew in every region, except for France where the 1st quarter of 2014 was marked by strong activity in clay roof tiles. The Group benefited from the rise in the US dollar, as well as from the integration of S&B's activities.

(1) Throughout the present activity report, "comparable change" or "on a comparable basis" mean "at comparable Group structure and exchange rates".

CURRENT OPERATING INCOME

Non-audited quarterly data **(€ millions)**	**2015**	**2014**	**% Change**	**% Comparable change**
1st quarter	123.2	117.3	+ 5.0%	- 9.0%
Operating margin	*12.7%*	*13.0%*	*- 0.3 point*	
2nd quarter	150.8	130.4	+ 15.7%	- 5.5%
Operating margin	*13.9%*	*14.0%*	*- 0.1 point*	
1er semestre	**274.0**	**247.7**	**+ 10.6%**	**- 7.1%**
Operating margin	***13.3%***	***13.5%***	***- 0.2 point***	

Curent operating income, at €274.0 million in the 1st half of 2015, rose + 10.6% compared with the same period in 2014. It includes a favorable exchange rate effect of €24.1 million, reflecting the appreciation of the US dollar against several currencies, and a Group structure effect of €19.9 million, which includes the contribution of S&B.

At comparable Group structure and exchange rates, current operating income decreased - 7.1% compared with 1st half 2014. This drop reflects the impact of lower sales volumes (- €48.5 million) and the positive contribution of management measures:

- improved variable costs (+ €12.2 million);
- stable fixed costs and general expenses;
- evolution of product price/mix (+ €20.0 million).

Consequently, the Group's **operating margin** remains sound at 13.3%.

NET INCOME FROM CURRENT OPERATIONS

Net income from current operations rose + 11.0% to €174.7 million (€157.5 million in 1st half 2014). It takes the following items into account:

- Financial expense for - €23.5 million (- €27.9 million in 1st half 2014), comprised of the three following items:
  - net interest expense on financial debt for - €26.7 million in the 1st half of 2015 (compared with - €20.1 million in 1st half of 2014). This increase is mainly due to the rise in average financial debt over the period, relating to the acquisition of S&B (€1,379 million in 1st half of 2015 against €893 million in 1st half 2014);
  - net financial cost of pension charges and other changes in provisions for - €7.0 million in the 1st half of 2015 (compared with - €5.2 million one year earlier);
  - the net impact of foreign exchange and financial instruments corresponds to gains of + €10.2 million in the 1st half of 2015 (compared with expense of - €2.7 million in 1st half 2014).
- A current tax charge of - €74.1 million (- €62.1 million in 1st half 2014). The effective tax rate increased, as expected, to 29.6% (28.3% in 1st half 2014), reflecting the change in the geographic distribution of the business mix.

NET INCOME

Other operating income and expenses, net of tax and **net income of assets held for sale** totaled - €29.5 million in the 1st half of 2015 (compared with - €26.0 million in 1st half 2014) with 2 components:

- - €25.9 million in restructuring costs after tax, corresponding to the adjustment of the Oilfield Solutions activity to a downturn on the ceramic proppant market (- €3.6 million) and the integration of S&B (- €8.4 million);
- acquisition costs of - €3.6 million after tax.

After taking other operating income and expenses, net of tax, into consideration, the **Group's share of net income** totaled €145.2 million in the 1st half of 2015 (€131.5 million in 1st half 2014).

CASH FLOW

(€ millions)	06.30.2015	12.31.2014	06.30.2014
EBITDA	**381.2**	**673.8**	**338.4**
Changes in operating working capital requirement	(38.3)	(48.9)	(57.4)
Paid capital expenditure	(121.5)	(241.5)	(106.6)
Current free operating cash flow*	**141.4**	**244.1**	**105.7**
Financial cash flow financier (net of tax)	(10.5)	(21.0)	(20.0)
Other working capital requirement items	11.1	4.4	8.5
Current free cash flow	**142.0**	**227.5**	**94.2**
* including subsidies, value of divested assets and misc.	1.0	5.3	1.4

The change in operating working capital requirement (- €38.3 million) improved in comparison to the 1st half of 2014 (- €57.3 million). At 23.1% as of June 30, 2015, the ratio of **operating working capital requirement** *(2)* to annualized sales in the last quarter increased marginally compared with the same period in 2014 (22.4%)

Paid industrial **capital expenditure** totaled €121.5 million in the 1st half of 2015. The booked amount (€97.7 million) represents 86% of depreciation expense, in line with the 1st half of 2014 (89%).

In this context, Imerys generated healthy **current free operating cash flow** (€141.4 million in the 1st half of 2015, compared with €105.7 million one year earlier).

FINANCIAL STRUCTURE

(€ millions)	06.30.2015	12.31.2014	06.30.2014
Paid dividends	(132.6)	(125.3)	(123.7)
Net financial debt, end of period	1,487.9	869.9	878.0
Average net debt	1,379.3	922.3	893.1
Shareholders' equity	2,936.9	2,470.5	2,311.5
EBITDA *(3)*	381.2	673.8	338.4
Net debt / Shareholders' equity	50.7%	35.2%	38.0%
Net debt / EBITDA	2.1x	1.3x	1.3x

During the 1st half of 2015, the Group's **net financial debt** increased by + €618 million to €1,487.9 million as of June 30, 2015, mainly due to the acquisition of S&B, which was finalized in late February 2015 and paid in cash and in shares.

During the period, Imerys generated €142.0 million in current free cash flow *(4)* exceeding the €132.6 million paid out for the dividend.

As regards financing, Imerys' **total financial resources** stood at €2.9 billion as of June 30, 2015, with average maturity 4.8 years.

Imerys' financial indebtedness ratios remain sound: net debt represents 51% of shareholders' equity, and 2.1 times EBITDA. Imerys long-term credit rating assigned by Moody's is "Baa-2" with a stable outlook. The short-term rating is "P-2", also with a stable outlook.

(2) Continuation of factoring contract signed on July 23, 2009 under which transferred receivables are deconsolidated, with the risks and benefits related to receivables transferred to the factor bank. €51.9 million in receivables was factored as of June 30, 2015.

(3) EBITDA rolling 12 months.

(4) Current free operating cash flow after financial expense and other working capital requirement items.

EVENTS AFTER THE END OF THE PERIOD

The consolidated half-year financial statements as of June 30, 2015 were closed by the Board of Directors at its meeting on July 29, 2015. No significant event is to be reported between the closing date and that of the Board of Directors.

OUTLOOK

Imerys will continue to operate in a contrasting economic environment. The Group will benefit from healthy demand trends in several regions such as the USA, India and Southeast Asia and in sectors that continue to show growth, such as automotive and consumer goods. On the contrary, some of its markets will remain depressed (paper, construction in France), while visibility on ceramic proppants markets for non-conventional oil exploitation remains limited.

In this context, the Group will actively manage its costs and cash, while keeping its production assets flexible. It will further implement its growth strategy and benefit from the first synergies with S&B.

Given this environment and the performance achieved in the 1st half, Imerys is confident in its ability to generate firm growth in net income from current operations in 2015.

REVIEW BY BUSINESS GROUP

REVENUE BY BUSINESS GROUP

(€ millions)	Revenue H1 2015	Revenue H1 2014	% Current change	% Structure effect	% Exchange Rate effect	% Comparable change
Revenue of which:	**2,057.3**	**1,837.9**	**+ 11.9%**	**+ 7.8%**	**+ 8.0%**	**- 3.9%**
Energy Solutions & Specialties	636.0	624.2	+ 1.9%	- 0.6%	+ 6.5%	- 4.1%
Filtration & Performance Additives	525.1	324.9	+ 61.6%	+ 46.6%	+ 11.9%	+ 3.2%
Ceramic Materials	592.4	582.1	+ 1.8%	- 0.9%	+ 6.6%	- 4.0%
High Resistance Minerals	330.3	328.9	+ 0.4%	+ 0.4%	+ 8.9%	- 8.9%
Holding Company & Eliminations	(26.5)	(22.2)	n.s.	n.s.	n.s.	n.s.

ENERGY SOLUTIONS & SPECIALITIES

(31% of consolidated revenue in 1st half 2015)

Non-audited quarterly data **(€ millions)**	2015	2014	% Current change	% Comparable change
1st quarter revenue	312.5	303.2	+ 3.1%	- 4.7%
2nd quarter revenue	323.5	321.1	+ 0.8%	- 3.5%
1st half revenue	**636.0**	**624.2**	**+ 1.9%**	**- 4.1%**
Current operating income	64.4	72.1	- 10.7%	- 17.1%
Operating margin	*10.1%*	*11.5%*	*- 1.4 point*	
Booked capital expenditure	39.0	35.2	+ 10.8%	
As of % depreciation	*157%*	*129%*		

The **Energy Solutions & Specialties** business group's revenue totaled €636.0 million in the 1st half of 2015, a - 4.1% decrease at comparable Group structure and exchange rates compared with the same period in 2014. This change is mainly due to the slump on the ceramic proppants market in the United States as a result of lower oil prices. Excluding proppants, the business group's revenue increased + 0.6% in the 1st half of 2015 on a comparable basis.

On a current basis, the + 1.9% rise in the business group's revenue from the 1st half of 2014 mainly corresponds to a positive exchange rate impact for + €40.9 million.

Sales of **Carbonates** which mainly serves the consumer goods, construction, board & packaging and paper markets, continued to benefit from the development of specialty applications (plastic films, polymers, etc.).

The **Monolithic Refractories** activity, which serves high-temperature industries (steel, metallurgy, power generation, incineration, foundry, cement, petrochemicals, etc.), benefited from healthy activity in Asia and firm markets in Europe.

The **Graphite & Carbon** activity's sales on the electronics and automotive markets (Lithium-ion batteries, high conductivity polymers) continued to grow in the 1st half of 2015.

The **Oilfield Solutions** activity had a negative impact on the Group's current operating income of approximately - €11 million in the 1st half (- €7 million in 2nd quarter 2015). Imerys completed the adjustment measures needed in light of the sharp fall in demand on the US ceramic proppants market. The commercial, industrial and technical organization in place protects the Group's capacity to take advantage of an upturn in demand, which today remains uncertain.

Current operating income decreased - 10.7% to €64.4 million (- €7.7 million). It improved + 4.6% to €75.5 million excluding ceramic proppants. It includes an impact from exchange rates of + €5.2 million and of Group structure for - €0.6 million. Current operating income reflects lower volumes, a positive price-mix effect, lower fixed costs and general expenses delivered by the adjustment measures implemented in response to lower demand on the ceramic proppants market.

Given these items, the business group's **operating margin** recorded a - 1.4 point decrease to 10.1%. Excluding ceramic proppants, it was 12.2%.

Capital expenditure in the 1st half of 2015 includes two new production units in India: a production line of Carbonates to serve the high value added coated board industry and the third Calderys' plant.

FILTRATION & PERFORMANCE ADDITIVES

(25% of consolidated revenue in 1st half 2015)

Non-audited quarterly data **(€ millions)**	**2015**	**2014**	**% Current change**	**% Comparable change**
1st quarter revenue	218.9	159.0	+ 37.6%	+ 2.8%
2nd quarter revenue	306.2	165.8	+ 84.7%	+ 3.6%
1st half revenue	**525.1**	**324.9**	**+ 61.6%**	**+ 3.2%**
Current operating income	88.0	58.0	+ 51.6%	+ 5.9%
Operating margin	*16.8%*	*17.9%*	*- 1.1 point*	
Booked capital expenditure	21.5	13.3	+ 61,9%	
As of % depreciation	*80%*	*81%*		

The **Filtration & Performance Additives** business group's **revenue** totaled €525.1 million in the 1st half of 2015, a + 61.6% increase on a current basis due to a + €38.5 million positive exchange rate impact and the positive effect of changes in structure resulting from the integration of S&B for 4 months. S&B's bentonite and continuous casting flux activities are integrated into the newly created **Additives for Metallurgy** activity. Perlite-based solutions, wollastonite and S&B's other activities have joined the business group's existing activities.

Filtration & Performance Minerals markets showed healthy trends, particularly in North America and Europe. The activity's momentum was driven by the development of new applications (talc for polymers in the automotive sector, for example) and the extension of its offering into new segments (cosmetics, pharmaceutical specialties, recycled polymers). At comparable Group structure and exchange rates, revenue increased + 3.2% compared with the same period in 2014.

The new **Additives for Metallurgy** activity was fueled by steel, automotive, industrial equipment and construction markets that were varied from one side of the Atlantic to the other. S&B has major assets on Milos (several bentonite and perlite mines and processing sites) but only generates a very small portion of its revenue in Greece. The Group took preventive financial and operating measures to enable it to cope with any consequences of the Greek financial crisis and to run its local operations normally in the event of disruptions.

Current operating income, at €88.0 million, rose + 51.6% in the 1st half of 2015. It includes a significant structure effect (+ €19.6 million) and a favorable exchange rate effect (+ €6.9 million).

Operating margin was 16.8% (17.9% in 1st half 2014) and includes S&B.

Capital expenditure programs continued in the 1st half of 2015 in order to increase production capacities of Celpure™, a filtration agent for edible and pharmaceutical liquids (USA), and support developments in polymers (high shape factor talc for the automotive industry in France and the USA, ImerPlast™ plastic recycling solution in the UK).

CERAMIC MATERIALS

(28% of consolidated revenue in 1st half 2015)

Non-audited quarterly data **(€ millions)**	**2015**	**2014**	**% Current change**	**% Comparable change**
1st quarter revenue	291.0	289.5	+ 0.6%	- 6.3%
2nd quarter revenue	301.4	292.5	+ 3.0%	- 1.7%
1st half revenue	**592.4**	**582.1**	**+ 1.8%**	**- 4.0%**
Current operating income	106.8	104.4	+ 2.3%	- 5.0%
Operating margin	*18.0%*	*17.9%*	*+ 0.1 point*	
Booked capital expenditure	21.4	20.9	+ 2,7%	
As of % depreciation	*48%*	*50%*		

The **Ceramic Materials** business group's **revenue** totaled €592.4 million in the 1st half of 2015. The + 1.8% increase on a current basis compared with the 1st half of 2014 takes into account a + €38.7 million exchange rate effect.

At comparable Group structure and exchange rates, revenue decreased - 4.0% compared with the 1st half of 2014, primarily because of a high basis of comparison in France. Seasonal trends in the **Roofing** activity's sales in the 1st quarter were unusual, whereas early 2014 had benefited from particularly mild weather. Volumes, however, levelled out in the 2nd quarter compared with the same period the previous year. Single-family housing starts continued to decrease in France in the 1st half of 2015 and sales of clay roof tiles in the sector as a whole fell - 10% compared with the 1st half of 2014 [(5)].

Whereas the **Kaolin** activity was hit by the sharp slump on the paper market in the United States, specialty activities kept up a positive momentum in the 1st half, particularly in North America. Furthermore, the Group signed on June 8, 2015 an agreement with BASF to acquire its global paper hydrous kaolin business (PHK), including production site in Wilkinson County, Georgia, United States. This transaction, which is pending approval from the relevant regulatory authorities, would enable Imerys to optimize its production for the paper market. The operation is expected to be finalized during the 3rd quarter.

The **Minerals for Ceramics** activity continued to benefit from its diversification and geographic repositioning strategy, and from firm business on its traditional markets.

(5) French roof tiles & bricks federation (FFTB): June 2015 newsflash

Current operating income rose + 2.3% to €106.8 million in the 1st half of 2015 (+ €2.4 million) and takes into account a + €7.7 million exchange rate impact. It reflects lower volumes, which was partly offset by the product price/mix effect and the decrease in variable costs.

The business group's **operating margin** amounted to 18.0% in the 1st half of 2015, a slight improvement from the 1st half of 2014 (17.9%).

Capital expenditure includes the increase in kaolin production capacity for the ceramics industry in Thailand to meet the increase in demand in Southeast Asia.

HIGH RESISTANCE MINERALS

(16% of consolidated revenue in 1st half 2015)

Non-audited quarterly data **(€ millions)**	**2015**	**2014**	**% Current change**	**% Comparable change**
1st quarter revenue	165.3	163.3	+ 1.2%	- 7.4%
2nd quarter revenue	165.0	165.6	- 0.4%	- 10.4%
1st half revenue	**330.3**	**328.9**	**+ 0.4%**	**- 8.9%**
Current operating income	41.4	36.5	+ 13.6%	- 1.7%
Operating margin	*12.5%*	*11.1%*	*+ 1.4 point*	
Booked capital expenditure	14.1	19.0	- 25,8%	
As of % depreciation	*87%*	*138%*		

Revenue of the **High Resistance Minerals** business group, which mainly serves high-temperature industries (steel, foundry, glass, aluminum, etc.) and abrasive products, totaled €330.3 million in the 1st half of 2015, a - 8.9% decrease at comparable Group structure and exchange rates compared with the 1st half of 2014, particularly because of a high basis of comparison and the impact of lower steel production in North America. On a current basis, the + 0.4% increase in revenue compared with the 1st half of 2014 includes a positive exchange effect of + €29.4 million, in particular.

The **Refractory Minerals** activity was hit by the decrease in North American demand resulting from the slump in steel production. Furthermore, the activity divested a mineral processing plant in Newell, USA, at the end of June.

The **Fused Minerals** activity improved in relative terms in the 2nd quarter compared with the first three months of the year. It benefited from refocused activities in China and the gradual ramp-up of the Bahrain fused alumina plant.

The business group's **current operating income totaled** €41.4 million (including a + €4.5 million exchange rate effect) thanks to cost reduction efforts, refocusing on high value-added products in China and optimization of industrial assets.

In this context, the business group's **operating margin** improved by + 1.4 point to 12.5%.

The main development **capital expenditure** is a new production line in Austria for ultra-fine alumina for high-performance applications in abrasives.

RELATED PARTIES AND RISK FACTORS

RELATED PARTIES

Related parties disclosures in the 1st half of 2015 are detailed in the present Half-Year Financial Report: Chapter 2 - Financial Statements - *Note 22*.

RISK FACTORS

An analysis of major risks is regularly conducted within the Group. It results in the mapping of the estimated potential impact of each identified risk and the extent to which it is controlled. This risk analysis and management process is described in detail in the Report of the Chairman of the Board of Directors in section 4.2 of the 2014 Registration Document. The main risks and risk factors the Group is facing and their management as well as associated control methods are presented in section 4.1 of the 2014 Registration Document. The main categories of identified risks in chapter 4, section 1 of the 2014 Registration Document are : *Risks Related to Imerys' Business, Industrial and Environmental Risks, Legal Risks, Risk Relating to Financial Markets.*

Information related to Management of risks arising from financial liabilities in the 1st half of 2015 are detailed in the present Half-Year Financial Report: Chapter 2 - Financial Statements - *Note 19.3*.

Management considers that assessment of main risks and uncertainties for the last six months of the year 2015 is unchanged with respect to the description provided in chapter 4, section 1 of the 2014 Registration Document.

FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

(€ millions)	Notes	06.30.2015	06.30.2014	2014
Revenue	4	**2,057.3**	**1,837.9**	**3,688.2**
Current income and expenses		**(1,783.3)**	**(1,590.2)**	**(3,193.6)**
Raw materials and consumables used	5	(665.6)	(601.9)	(1,199.4)
External expenses	6	(545.1)	(491.5)	(1,010.3)
Staff expenses	7	(431.5)	(381.1)	(746.4)
Taxes and duties		(28.7)	(23.9)	(47.3)
Amortization, depreciation and impairment losses		(113.4)	(100.5)	(209.5)
Other current income and expenses		1.0	8.7	19.3
Current operating income		**274.0**	**247.7**	**494.6**
Other operating income and expenses	8	**(42.4)**	**(28.7)**	**(59.8)**
Gain or loss from obtaining or losing control		(5.9)	54.4	58.9
Other non-recurring items		(36.5)	(83.1)	(118.7)
Operating income		**231.6**	**219.0**	**434.8**
Net financial debt expense		**(26.7)**	**(20.1)**	**(40.2)**
Income from securities		4.5	3.0	6.8
Gross financial debt expense		(31.2)	(23.1)	(47.0)
Other financial income and expenses		**3.2**	**(7.8)**	**(4.9)**
Other financial income		136.0	52.9	122.9
Other financial expenses		(132.8)	(60.7)	(127.8)
Financial income (loss)	9	**(23.5)**	**(27.9)**	**(45.1)**
Income taxes	10	(61.2)	(60.4)	(117.4)
Net income of assets held for sale		-	1.0	1.0
Net income		**146.9**	**131.7**	**273.3**
Net income, Group share(1) & (2)	11	145.2	131.5	271.6
Net income, share of non-controlling interests		1.7	0.2	1.7
(1) Net income per share				
Basic net income per share (in €)	*12*	*1.84*	*1.72*	*3.57*
Diluted net income per share (in €)	*12*	*1.82*	*1.70*	*3.51*
(2) Net income from current operations, Group share	*11*	*174.7*	*157.5*	*316.3*
Basic net income from current operations per share (in €)	*12*	*2.22*	*2.06*	*4.15*
Diluted net income from current operations per share (in €)	*12*	*2.19*	*2.03*	*4.09*
Other operating income and expenses net of income taxes, Group share	*8*	*(29.5)*	*(27.0)*	*(45.7)*
Net income of assets held for sale		*-*	*1.0*	*1.0*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(€ millions)	Notes	06.30.2015	06.30.2014	2014
Net income		**146.9**	**131.7**	**273.3**
Items never reclassified subsequently to profit or loss				
Post-employment employee benefits		**64.6**	**(45.0)**	**(87.9)**
Actuarial gains and (losses), excess of the actual return on assets over their normative return in profit or loss and assets limitations		64.6	(45.0)	(87.9)
Income taxes on items never reclassified	10	**(12.7)**	**11.0**	**20.9**
Items that may be reclassified subsequently to profit or loss				
Cash flow hedges		**(0.9)**	**3.9**	**(10.9)**
Recognition in equity	19.2	(13.7)	3.8	(12.8)
Reclassification in profit or loss	19.2	12.8	0.1	1.9
Translation reserve		**100.7**	**55.1**	**148.0**
Recognition in equity		103.7	54.9	148.8
Reclassification in profit or loss		(3.0)	0.2	(0.8)
Income taxes on items that may be reclassified	10	**10.2**	**(1.2)**	**16.4**
Other comprehensive income		**161.9**	**23.8**	**86.5**
Total comprehensive income		**308.8**	**155.5**	**359.8**
Total comprehensive income, Group share		306.2	154.8	355.9
Total comprehensive income, share of non-controlling interests		2.6	0.7	3.9

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€ millions)	Notes	06.30.2015	06.30.2014	2014
Non-current assets		**4,284.4**	**3,182.1**	**3,341.5**
Goodwill	13	1,738.1	1,053.2	1,106.8
Intangible assets	14	96.0	72.9	66.4
Mining assets	15	497.2	425.0	471.6
Property, plant and equipment	15	1,685.1	1,423.3	1,503.2
Joint ventures and associates		137.1	81.0	83.3
Other financial assets		30.1	25.8	26.0
Other receivables		39.0	41.6	37.8
Derivative financial assets	19.2	11.2	11.8	11.7
Deferred tax assets		50.6	47.5	34.7
Current assets		**2,137.9**	**1,768.2**	**2,080.9**
Inventories	17	781.8	631.8	670.0
Trade receivables		657.0	577.9	538.8
Other receivables		250.8	187.6	180.3
Derivative financial assets	19.2	4.2	5.9	6.1
Other financial assets(1)	19.1	21.1	35.7	29.3
Cash and cash equivalents(1)	19.1	423.0	329.3	656.4
Consolidated assets		**6,422.3**	**4,950.3**	**5,422.4**
Equity, Group share		**2,907.8**	**2,287.3**	**2,444.4**
Capital		161.0	153.5	151.8
Premiums		586.3	386.0	334.1
Reserves		2,015.3	1,616.4	1,686.9
Net income, Group share		145.2	131.4	271.6
Equity, share of non-controlling interests		**29.1**	**24.2**	**26.1**
Equity		**2,936.9**	**2,311.5**	**2,470.5**
Non-current liabilities		**2,176.4**	**1,487.4**	**2,121.6**
Employee benefit liabilities		285.3	279.1	306.5
Other provisions	18	279.3	250.5	258.4
Loans and financial debts(1)	19.1	1,500.8	893.2	1,494.3
Other debts		40.8	14.0	11.7
Derivative financial liabilities	19.2	3.6	0.5	7.6
Deferred tax liabilities		66.6	50.1	43.1
Current liabilities		**1,309.0**	**1,151.4**	**830.3**
Other provisions	18	20.9	20.4	24.3
Trade payables		492.2	435.4	411.9
Income taxes payable		67.8	56.2	3.0
Other debts		272.8	274.8	307.7
Derivative financial liabilities	19.2	15.9	4.4	14.6
Loans and financial debts(1)	19.1	436.4	355.7	66.9
Bank overdrafts(1)	19.1	3.0	4.5	1.9
Consolidated equity and liabilities		**6,422.3**	**4,950.3**	**5,422.4**
(1) Positions included in the calculation of the net financial debt	*19.1*	*1,487.9*	*878.0*	*869.9*

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity, Group share									Equity, share of non-controlling interests	
			Reserves								
(€ millions)	Capital	Premiums	Treasury shares	Cash flow hedges	Translation reserve	Other reserves	Subtotal	Net income, Group share	Subtotal		Total
Equity as of January 1, 2014	**152.5**	**362.1**	**(6.9)**	**(2.9)**	**(395.7)**	**1,896.4**	**1,490.9**	**242.0**	**2,247.5**	**24.2**	**2,271.7**
Total comprehensive income	**-**	**-**	**-**	**2.5**	**55.1**	**(34.2)**	**23.4**	**131.4**	**154.8**	**0.7**	**155.5**
Transactions with shareholders	**1.0**	**23.9**	**(12.1)**	**0.0**	**0.0**	**114.2**	**102.1**	**(242.0)**	**(115.0)**	**(0.7)**	**(115.7)**
Allocation of 2013 net income	-	-	-	-	-	242.0	242.0	(242.0)	0.0	-	0.0
Dividend (€1.60 per share)	-	-	-	-	-	(122.4)	(122.4)	-	(122.4)	(1.3)	(123.7)
Capital increases in cash	1.0	23.9	-	-	-	-	0.0	-	24.9	-	24.9
Transactions on treasury shares	-	-	(12.1)	-	-	(10.2)	(22.3)	-	(22.3)	-	(22.3)
Share-based payments	-	-	-	-	-	4.8	4.8	-	4.8	-	4.8
Transactions with non-controlling interests	-	-	-	-	-	-	0.0	-	0.0	0.6	0.6
Equity as of June 30, 2014	**153.5**	**386.0**	**(19.0)**	**(0.4)**	**(340.6)**	**1,976.4**	**1,616.4**	**131.4**	**2,287.3**	**24.2**	**2,311.5**
Total comprehensive income	**-**	**-**	**-**	**(10.5)**	**104.6**	**(33.2)**	**60.9**	**140.2**	**201.1**	**3.2**	**204.3**
Transactions with shareholders	**(1.7)**	**(51.9)**	**8.6**	**0.0**	**0.0**	**1.0**	**9.6**	**0.0**	**(44.0)**	**(1.3)**	**(45.3)**
Dividend	-	-	-	-	-	-	0.0	-	0.0	(1.5)	(1.5)
Capital increases in cash	0.1	2.3	-	-	-	(0.4)	(0.4)	-	2.0	1.1	3.1
Capital decreases in cash	(1.8)	(54.2)	-	-	-	-	0.0	-	(56.0)	-	(56.0)
Transactions on treasury shares	-	-	8.6	-	-	(0.8)	7.8	-	7.8	-	7.8
Share-based payments	-	-	-	-	-	4.7	4.7	-	4.7	-	4.7
Transactions with non-controlling interests	-	-	-	-	-	(2.5)	(2.5)	-	(2.5)	(0.9)	(3.4)
Equity as of December 31, 2014	**151.8**	**334.1**	**(10.4)**	**(10.9)**	**(236.0)**	**1,944.2**	**1,686.9**	**271.6**	**2,444.4**	**26.1**	**2,470.5**
Total comprehensive income	**-**	**-**	**-**	**0.3**	**108.4**	**52.3**	**161.0**	**145.2**	**306.2**	**2.6**	**308.8**
Transactions with shareholders	**9.2**	**252.2**	**(3.6)**	**0.0**	**0.0**	**171.0**	**167.4**	**(271.6)**	**157.2**	**0.4**	**157.6**
Allocation of 2014 net income	-	-	-	-	-	271.6	271.6	(271.6)	0.0	-	0.0
Dividend (€1.65 per share)	-	-	-	-	-	(132.5)	(132.5)	-	(132.5)	(0.1)	(132.6)
Capital increases in kind	7.5	206.9	-	-	-	34.4	34.4	-	248.8	-	248.8
Capital increases in cash	1.7	45.9	-	-	-	-	0.0	-	47.6	-	47.6
Transactions on treasury shares	-	-	(3.6)	-	-	(7.0)	(10.6)	-	(10.6)	-	(10.6)
Share-based payments	-	-	-	-	-	3.7	3.7	-	3.7	-	3.7
Transactions with non-controlling interests	-	-	-	-	-	0.2	0.2	-	0.2	0.5	0.7
Reclassification	-	(0.6)	-	-	-	0.6	0.6	-	0.0	-	0.0
Equity as of June 30, 2015	**161.0**	**586.3**	**(14.0)**	**(10.6)**	**(127.6)**	**2,167.5**	**2,015.3**	**145.2**	**2,907.8**	**29.1**	**2,936.9**

CONSOLIDATED STATEMENT OF CASH FLOWS

(€ millions)	Notes	06.30.2015	06.30.2014	2014
Cash flow from operating activities		**221.5**	**165.9**	**434.3**
Cash flow generated by current operations	Appendix 1	320.7	276.2	654.0
Interests paid		(37.2)	(41.9)	(53.7)
Income taxes on current operating income and financial income (loss)		(31.7)	(59.9)	(150.9)
Dividends received from available-for-sale financial assets		0.2	-	(0.1)
Cash flow generated by other operating income and expenses	Appendix 2	(30.5)	(8.5)	(15.0)
Cash flow from investing activities		**(396.7)**	**(64.5)**	**(223.1)**
Acquisitions of intangible assets and property, plant and equipment	Appendix 3	(121.5)	(106.6)	(241.4)
Acquisitions of investments in consolidated entities after deduction of cash acquired	13	(286.6)	(35.8)	(67.5)
Disposals of intangible assets and property, plant and equipment	Appendix 3	2.3	2.8	7.9
Disposals of investments in consolidated entities after deduction of cash disposed of		2.7	70.4	70.9
Disposals of available-for-sale financial assets		-	0.4	-
Net change in financial assets		2.3	1.4	0.5
Paid-in interests		4.1	2.9	6.5
Cash flow from financing activities		**(61.6)**	**(122.8)**	**92.2**
Capital increases and decreases in cash		47.6	24.9	(28.0)
Disposals (acquisitions) of treasury shares		(10.6)	(22.3)	(14.5)
Dividends paid to shareholders		(132.5)	(122.4)	(122.4)
Dividends paid to non-controlling interests		(0.1)	(1.3)	(2.8)
Acquisitions of investments in consolidated entities from non-controlling interests		-	-	(3.5)
Loan issues(1)		116.9	92.7	607.2
Loan repayments(2)		(327.3)	(301.6)	(307.7)
Net change in other debts(3)		244.4	207.2	(36.1)
Cash flow from assets held for sale		**-**	**0.6**	**0.6**
Change in cash and cash equivalents		**(236.8)**	**(20.8)**	**304.0**

(€ millions)	06.30.2015	06.30.2014	2014
Opening cash and cash equivalents	**654.5**	**340.2**	**340.2**
Change in cash and cash equivalents	(236.8)	(20.8)	304.0
Impact of changes due to exchange rate fluctuations	2.3	5.4	10.3
Closing cash and cash equivalents (4)	**420.0**	**324.8**	**654.5**
Cash	272.8	251.2	218.2
Cash equivalents	150.2	78.1	438.2
Bank overdrafts	(3.0)	(4.5)	(1.9)

(1) Of which as of June 30, 2015, €110.0 million bilateral credit lines utilization and in 2014, a €600.0 million bond issue as part of the Euro Medium Term Note program (EMTN) (Note 19.3).

(2) Of which as of June 30, 2015, the repayment for an amount of €314.6 million of the high yield bond of the S&B group (Note 13) and in 2014, a repayment of a bond issue of €300.0 million as part of the Euro Medium Term Note program (EMTN) (Note 19.3).

(3) Of which as of June 30, 2015, a 266.5 million commercial papers issue (163.0 million as of June 30, 2014).

(4) As of June 30, 2015, the position "Closing cash and cash equivalents" comprises a balance of €4.8 million (€1.0 million as of June 30, 2014 and €3.8 million as of December 31, 2014) not available for Imerys SA and its subsidiaries, of which €4.0 million (€0.9 million as of June 30, 2014 and €1.1 million as of December 31, 2014) with respect to foreign exchange control legislations and €0.8 million (€0.1 million as of June 30, 2014 and €2.7 million as of December 31, 2014) with respect to statutory requirements. As of June 30, 2015, foreign exchange control legislation applies in particular to the Greek entities controlled as a result of the S&B group acquisition (Notes 13 and 20).

Appendix 1: cash flow generated by current operations

(€ millions)	Notes	06.30.2015	06.30.2014	2014
Net income		**146.9**	**131.7**	**273.3**
Adjustments		**246.6**	**205.0**	**413.8**
Income taxes	10	61.2	60.4	117.4
Share in net income of joint ventures and associates		(3.7)	(2.9)	(4.6)
Dividends received from joint ventures and associates		3.8	0.9	1.7
Impairment losses on goodwill	8 & 13	0.5	30.1	30.1
Share in net income of associates out of the recurring business		-	0.4	1.9
Other operating income and expenses excluding impairment losses on goodwill		41.9	(1.8)	27.8
Net operating amortization and depreciation	Appendix 3	113.2	100.3	209.2
Net operating impairment losses on assets		(0.8)	3.6	4.8
Net operating provisions		0.8	(5.7)	(20.5)
Net interest income and expenses		26.8	19.7	41.9
Share-based payments expense		3.7	4.8	9.5
Change in fair value of hedge instruments		0.5	(2.3)	(1.8)
Income from current disposals of intangible assets and property, plant and equipment		(1.3)	(1.5)	(2.6)
Net income of assets held for sale		-	(1.0)	(1.0)
Change in the working capital requirement		**(72.8)**	**(60.5)**	**(33.1)**
Inventories		(25.7)	(42.5)	(56.3)
Trade accounts receivable, advances and down payments received		(33.1)	(70.4)	(15.0)
Trade accounts payable, advances and down payments paid		20.5	55.5	22.6
Other receivables and debts		(34.5)	(3.1)	15.6
Cash flow generated by current operations		**320.7**	**276.2**	**654.0**

Appendix 2: cash flow generated by other operating income and expenses

(€ millions)	Notes	06.30.2015	06.30.2014	2014
Other operating income and expenses	8	**(42.4)**	**(28.7)**	**(59.8)**
Adjustments		**11.9**	**20.2**	**44.8**
Impairment losses on goodwill	8 & 13	0.5	30.1	30.1
Other net operating amortization and depreciation	Appendix 3	12.0	9.1	6.5
Other net operating provisions	8	(6.2)	24.2	34.5
Income from non-recurring disposals of intangible assets and property, plant and equipment	8	0.1	-	-
Income from disposals of consolidated investments and available-for-sale financial assets	8	(1.8)	(40.3)	(41.1)
Share in net income of associates out of the recurring business		-	0.4	1.9
Income taxes paid on other operating income and expenses		7.3	(3.3)	12.9
Cash flow generated by other operating income and expenses		**(30.5)**	**(8.5)**	**(15.0)**

Appendix 3: table of indirect references to the notes

	Notes	06.30.2015	06.30.2014	2014
Consolidated statement of cash flows				
Acquisitions of intangible assets and property, plant and equipment		(121.5)	(106.6)	(241.4)
Intangible assets	14	(7.2)	(3.4)	(8.3)
Property, plant and equipment	15	(90.5)	(85.5)	(231.8)
Neutralization of activated restoration provisions		-	-	0.1
Change in payables on acquisitions of intangible assets and property, plant and equipment		(23.8)	(17.7)	(1.5)
Disposals of intangible assets and property, plant and equipment		2.3	2.8	7.9
Property, plant and equipment	15	0.8	1.2	4.6
Income on asset disposals		1.3	1.5	2.6
Income on non-recurring asset disposals	8	(0.1)	-	-
Change in receivables on disposals of intangible assets and property, plant and equipment		0.3	0.1	0.7
Appendix 1				
Net operating amortization and depreciation		113.2	100.3	209.2
Increases in amortization - intangible assets	14	5.3	4.0	7.8
Increases in depreciation - property, plant and equipment	15	109.7	96.6	204.4
Amortization and depreciation reversals - intangible assets and property, plant and equipment		(1.6)	(0.1)	(2.7)
Neutralization of finance leases depreciation		(0.2)	(0.2)	(0.3)
Appendix 2				
Other net operating amortization and depreciation		12.0	9.1	6.5
Impairment losses - intangible assets	14	0.1	0.4	0.5
Impairment losses - property, plant and equipment	15	11.9	8.7	7.4
Reversal of impairment losses - property, plant and equipment	15	-	-	(1.4)

INFORMATION BY SEGMENTS

The reported segments correspond to the four business groups of Imerys: Energy Solutions & Specialties (ESS); Filtration & Performance Additives (F&PA); Ceramic Materials (CM) and High Resistance Minerals (HRM). Each of the reported segments is thus engaged in the production and rendering of related goods and services presenting geological, industrial and commercial synergies and results from the aggregation of the Cash-Generating Units followed each month by the Executive Management in its business reporting. The Executive Management considers that the holding structures dedicated to the centralized financing of the Group are no segments. Their aggregates are thus presented in a reconciliation column with inter-segment eliminations (IS&H).

Consolidated income statement

Revenue from transactions of Imerys with each of its external customers never exceeds a threshold of 10.0% of the Group's revenue.

As of June 30, 2015

(€ millions)	ESS	F&PA	CM	HRM	IS&H	Total
External revenue	**635.9**	**523.0**	**587.8**	**320.6**	**(10.0)**	**2,057.3**
Sales of goods	521.5	473.6	510.0	312.7	(10.1)	1,807.7
Rendering of services	114.4	49.4	77.8	7.9	0.1	249.6
Inter-segment revenue	**0.1**	**2.1**	**4.6**	**9.7**	**(16.5)**	**0.0**
Revenue	**636.0**	**525.1**	**592.4**	**330.3**	**(26.5)**	**2,057.3**
Current operating income	**64.4**	**88.0**	**106.8**	**41.4**	**(26.6)**	**274.0**
of which amortization, depreciation and impairment losses	(20.0)	(28.4)	(45.7)	(16.3)	(0.7)	(111.1)
Other operating income and expenses	**(10.9)**	**(17.0)**	**(9.7)**	**(1.8)**	**(3.0)**	**(42.4)**
Operating income	**53.5**	**71.0**	**97.1**	**39.6**	**(29.6)**	**231.6**
Financial income (loss)	**(3.0)**	**3.0**	**11.5**	**(1.3)**	**(33.7)**	**(23.5)**
Interest income	0.1	0.1	3.5	0.3	0.5	4.5
Interest expenses	(0.6)	(2.4)	(0.3)	(1.0)	(26.7)	(31.0)
Income taxes	**(18.7)**	**(23.5)**	**(32.8)**	**(8.6)**	**22.4**	**(61.2)**
Net income	**31.8**	**50.5**	**75.8**	**29.7**	**(40.9)**	**146.9**

As of June 30, 2014

(€ millions)	ESS	F&PA	CM	HRM	IS&H	Total
External revenue	**623.7**	**322.6**	**572.7**	**318.9**	**0.0**	**1,837.9**
Sales of goods	496.0	284.4	493.1	309.7	-	1,583.2
Rendering of services	127.7	38.2	79.6	9.2	-	254.7
Inter-segment revenue	**0.5**	**2.3**	**9.4**	**10.0**	**(22.2)**	**0.0**
Revenue	**624.2**	**324.9**	**582.1**	**328.9**	**(22.2)**	**1,837.9**
Current operating income	**72.1**	**58.0**	**104.4**	**36.5**	**(23.3)**	**247.7**
of which amortization, depreciation and impairment losses	(27.4)	(16.3)	(42.0)	(13.8)	(1.0)	(100.5)
Other operating income and expenses	**22.9**	**(4.8)**	**(21.2)**	**(43.2)**	**17.6**	**(28.7)**
Operating income	**95.0**	**53.2**	**83.2**	**(6.7)**	**(5.7)**	**219.0**
Financial income (loss)	**(1.4)**	**(0.6)**	**-**	**(2.8)**	**(23.1)**	**(27.9)**
Interest income	-	-	2.4	0.2	0.4	3.0
Interest expenses	(0.4)	-	(0.3)	(0.6)	(21.2)	(22.5)
Income taxes	**(24.9)**	**(16.5)**	**(24.7)**	**(7.8)**	**13.5**	**(60.4)**
Net income of assets held for sale	**1.1**	**-**	**-**	**(0.1)**	**-**	**1.0**
Net income	**69.8**	**36.1**	**58.5**	**(17.4)**	**(15.3)**	**131.7**

As of December 31, 2014

(€ millions)	ESS	F&PA	CM	HRM	IS&H	Total
External revenue	**1,274.5**	**652.9**	**1,136.9**	**622.6**	**1.3**	**3,688.2**
Sales of goods	1,014.4	573.5	976.5	606.2	1.1	3,171.7
Rendering of services	260.1	79.4	160.4	16.4	0.2	516.5
Inter-segment revenue	**4.1**	**5.1**	**20.0**	**19.1**	**(48.3)**	**0.0**
Revenue	**1,278.6**	**658.0**	**1,156.9**	**641.7**	**(47.0)**	**3,688.2**
Current operating income	**149.5**	**113.4**	**211.1**	**72.8**	**(52.2)**	**494.6**
of which amortization, depreciation and impairment losses	(57.3)	(34.3)	(85.1)	(30.7)	(2.1)	(209.5)
Other operating income and expenses	**10.3**	**(8.6)**	**(32.6)**	**(58.8)**	**29.9**	**(59.8)**
Operating income	**159.8**	**104.8**	**178.5**	**14.0**	**(22.3)**	**434.8**
Financial income (loss)	**0.7**	**0.3**	**5.4**	**(4.3)**	**(47.2)**	**(45.1)**
Interest income	0.1	0.1	5.6	0.4	0.7	6.9
Interest expenses	(0.7)	(0.1)	(0.7)	(1.6)	(45.4)	(48.5)
Income taxes	**(47.8)**	**(30.4)**	**(49.0)**	**(16.2)**	**26.0**	**(117.4)**
Net income of assets held for sale	**1.1**	**-**	**-**	**(0.1)**	**-**	**1.0**
Net income	**113.8**	**74.7**	**134.9**	**(6.6)**	**(43.5)**	**273.3**

Consolidated statement of financial position

As of June 30, 2015

(€ millions)	ESS	F&PA	CM	HRM	IS&H	Total
Capital employed - Assets	**1,723.8**	**1,775.9**	**1,434.3**	**903.3**	**44.8**	**5,882.1**
Goodwill[(1)]	385.9	804.1	262.7	284.7	0.7	1,738.1
Intangible assets and property, plant and equipment[(2)]	826.6	509.9	689.6	243.9	8.3	2,278.3
Inventories	199.9	170.4	191.3	220.2	-	781.8
Trade receivables	224.4	195.7	147.0	97.7	(7.8)	657.0
Other receivables - non-current and current	75.0	43.3	75.2	55.8	40.5	289.8
Joint ventures and associates	12.0	52.5	68.5	1.0	3.1	137.1
Unallocated assets						**540.2**
Total assets						**6,422.3**
Capital employed - Liabilities	**282.7**	**214.4**	**231.3**	**131.0**	**14.2**	**873.6**
Trade payables	178.7	112.1	140.7	76.3	(15.6)	492.2
Other debts - non-current and current	79.7	76.0	89.9	46.3	21.7	313.6
Income taxes payable	24.3	26.3	0.7	8.4	8.1	67.8
Provisions	**114.3**	**171.5**	**229.6**	**72.8**	**(2.7)**	**585.5**
Unallocated liabilities						**2,026.3**
Total non-current and current liabilities						**3,485.4**
Total capital employed	**1,441.1**	**1,561.5**	**1,203.0**	**772.3**	**30.6**	**5,008.5**
(1) Increases in goodwill	*-*	*590.3*	*-*	*-*	*-*	*590.3*
(2) Acquisitions of intangible assets and property, plant and equipment	*50.3*	*25.0*	*29.4*	*14.4*	*2.4*	*121.5*

As of June 30, 2014

(€ millions)	ESS	F&PA	CM	HRM	IS&H	Total
Capital employed - Assets	**1,525.5**	**709.8**	**1,405.5**	**822.2**	**31.7**	**4,494.7**
Goodwill(1)	344.3	198.9	250.2	259.0	0.8	1,053.2
Intangible assets and property, plant and equipment(2)	702.5	290.0	702.5	217.8	8.4	1,921.2
Inventories	171.9	92.8	168.4	198.7	-	631.8
Trade receivables	230.0	105.5	140.7	110.4	(8.7)	577.9
Other receivables - non-current and current	65.5	22.6	79.8	33.3	28.4	229.6
Joint ventures and associates	11.3	-	63.9	3.0	2.8	81.0
Unallocated assets						**455.6**
Total assets						**4,950.3**
Capital employed - Liabilities	**265.3**	**137.1**	**217.1**	**113.8**	**47.1**	**780.4**
Trade payables	161.9	69.5	134.5	88.3	(18.8)	435.4
Other debts - non-current and current	85.1	51.8	82.7	21.4	47.8	288.8
Income taxes payable	18.3	15.8	(0.1)	4.1	18.1	56.2
Provisions	**103.4**	**110.2**	**236.5**	**68.0**	**31.9**	**550.0**
Unallocated liabilities						**1,308.4**
Total non-current and current liabilities						**2,638.8**
Total capital employed	**1,260.2**	**572.7**	**1,188.4**	**708.4**	**(15.4)**	**3,714.3**
(1) Increases in goodwill	*5.9*	*-*	*-*	*3.8*	*-*	*9.7*
(2) Acquisitions of intangible assets and property, plant and equipment	*40.2*	*16.5*	*29.6*	*19.4*	*0.9*	*106.6*

As of December 31, 2014

(€ millions)	ESS	F&PA	CM	HRM	IS&H	Total
Capital employed - Assets	**1,623.3**	**754.3**	**1,404.3**	**854.4**	**21.7**	**4,658.0**
Goodwill(1)	370.8	207.5	254.6	273.2	0.7	1,106.8
Intangible assets and property, plant and equipment(2)	768.1	320.3	710.1	237.3	5.4	2,041.2
Inventories	186.2	108.3	166.3	209.2	-	670.0
Trade receivables	224.6	97.6	129.9	94.9	(8.2)	538.8
Other receivables - non-current and current	61.5	20.6	76.9	37.9	21.0	217.9
Joint ventures and associates	12.1	-	66.5	1.9	2.8	83.3
Unallocated assets						**764.4**
Total assets						**5,422.4**
Capital employed - Liabilities	**283.2**	**135.5**	**215.5**	**102.9**	**(2.8)**	**734.3**
Trade payables	173.0	62.9	123.8	70.2	(18.0)	411.9
Other debts - non-current and current	99.1	61.0	91.6	33.7	34.0	319.4
Income taxes payable	11.1	11.6	0.1	(1.0)	(18.8)	3.0
Provisions	**114.7**	**115.4**	**230.8**	**70.0**	**58.3**	**589.2**
Unallocated liabilities						**1,628.4**
Total non-current and current liabilities						**2,951.9**
Total capital employed	**1,340.1**	**618.8**	**1,188.8**	**751.5**	**24.5**	**3,923.7**
(1) Increases in goodwill	*16.5*	*-*	*-*	*3.8*	*-*	*20.3*
(2) Acquisitions of intangible assets and property, plant and equipment	*82.0*	*43.1*	*71.4*	*43.1*	*1.8*	*241.4*

Information by geographical location

The following table presents revenue by geographical location of the businesses of the Group:

(€ millions)	06.30.2015	06.30.2014	2014
France	320.9	339.2	650.8
Other European countries	790.4	702.2	1,387.2
North America	584.5	479.8	995.5
Asia - Oceania	278.7	236.5	493.2
Other countries	82.8	80.2	161.5
Revenue by geographical location of the businesses of the Group	**2,057.3**	**1,837.9**	**3,688.2**

The following table presents revenue by geographical location of customers:

(€ millions)	06.30.2015	06.30.2014	2014
France	241.3	244.4	470.1
Other European countries	766.9	699.6	1,371.3
North America	543.8	450.5	929.2
Asia - Oceania	365.9	307.5	644.1
Other countries	139.4	135.9	273.5
Revenue by geographical location of customers	**2,057.3**	**1,837.9**	**3,688.2**

The following tables present the carrying amount of goodwill, intangible assets and property, plant and equipment by geographical zone:

As of June 30, 2015

(€ millions)	Goodwill	Intangible assets and property, plant and equipment	Total
France	211.1	248.8	459.9
Other European countries	950.0	588.0	1,538.0
North America	295.1	909.9	1,205.0
Asia - Oceania	219.2	202.4	421.6
Other countries	62.7	329.2	391.9
Total	**1,738.1**	**2,278.3**	**4,016.4**

As of June 30, 2014

(€ millions)	Goodwill	Intangible assets and property, plant and equipment	Total
France	211.5	255.6	467.1
Other European countries	345.8	443.9	789.7
North America	248.6	703.2	951.8
Asia - Oceania	178.9	167.1	346.0
Other countries	68.4	351.4	419.8
Total	**1,053.2**	**1,921.2**	**2,974.4**

As of December 31, 2014

(€ millions)	Goodwill	Intangible assets and property, plant and equipment	Total
France	211.6	257.3	468.9
Other European countries	349.2	460.0	809.2
North America	273.8	795.3	1,069.1
Asia - Oceania	206.6	181.5	388.1
Other countries	65.6	347.1	412.7
Total	**1,106.8**	**2,041.2**	**3,148.0**

NOTES TO THE FINANCIAL STATEMENTS

2015 HALF-YEAR SIGNIFICANT EVENTS

This paragraph aims at enabling the reader to easily identify easily the main notes addressing the significant events of the period.

- Imerys acquires the S&B group: *Note 13 - Goodwill; Note 20 - Changes in the scope of consolidation.*
- Imerys signs exclusive agreement with Solvay to acquire its PCC business: *Note 20 - Changes in the scope of consolidation*.

BASIS OF PREPARATION

Note 1 Referential

The June 30, 2015 half-year financial statements are intended to provide an update on the complete set of annual financial statements as of December 31, 2014 compliant with IFRSs adopted within the European Union (hereafter “the Referential”). They are established in a condensed form in compliance with IAS 34, Interim financial information and do not include all disclosures for a complete set of financial statements as published for the annual closing. They shall thus be reviewed in relation with the Group annual financial statements published as of December 31, 2014. The adoption process within the European Union may create temporary time-lags at the closing date between the Referential and IFRSs, but such a time-lag does not exist as of June 30, 2015. The financial statements have been closed on July 29, 2015 by the Board of Directors of Imerys SA, the Parent Company of the Group.

Note 2 Changes in accounting policies

2.1 Mandatory changes

Anticipated application

Imerys did not apply by anticipation any standard or interpretation in 2014 and 2015.

Application upon effective date

Amendments to IAS 19, Employee Contributions. This amendment simplifies the recognition of contributions paid independently of the number of years of service by employees with respect to defined benefit plans. This amendment has no significant impact on the financial statements of Imerys.

IFRIC 21, Levies. This interpretation clarifies certain practical difficulties related to the determination of the date at which a levy, i.e. a tax other than income taxes, is recognized. This interpretation addresses among others the identification of the obligating event of a levy, the levies triggered by thresholds, the measurement of levies in interim financial statements, etc. This interpretation has no significant impact on the financial statements of Imerys.

2.2 Voluntary changes

Imerys is not performing any voluntary change in accounting policy in 2015. In 2014, in anticipation of the acquisition of the S&B group announced in November 2014 *(Note 13)*, the Group's managerial organization had been modified, resulting in a revision of the business groups' structure over the 2014 period.

Note 3 Standards and interpretations effective after the closing date

On the basis of the last projected adoption agenda of IFRSs within the European Union dated July 23, 2015 published by the EFRAG (European Financial Reporting Advisory Group), Imerys will apply the following standards and interpretations after June 30, 2015.

3.1 Application in 2016

The adoption process of the following amendments is in progress within the European Union as of June 30, 2015.

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture. This amendment provides that where the sale or contribution to an entity under significant influence or joint control relates to a business, the transferor fully recognizes the gain or loss on disposal and fair value remeasurement of any retained residual interest. However, where the sale or contribution relates to an asset, the transferor only recognizes the gain or loss on disposal and fair value remeasurement of any retained residual interest to the extent of the percentage of the transaction realized over third parties.

Amendments to IAS 1: Disclosure Initiative. These amendments aim at improving the relevance of disclosures through increased focus on the issuer's professional judgment and materiality.

Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortization. Intangible assets and property, plant and equipment standards provide that amortization and depreciation represent the consumption of the economic benefits embodied in an asset. These amendments clarify that the level of revenue generated by such assets cannot be considered as an appropriate basis to measure that consumption. The intangible assets and items of property, plant and equipment of Imerys are generally amortized and depreciated on a straight-line basis and by exception, mainly for mining assets, in accordance with the units of production method. These amendments thus have no impact for the Group.

Besides, the amendments to standards IFRS 10, IFRS 12 and IAS 28 related to consolidation exceptions granted to investment entities, the amendments to standard IFRS 11 concerning the acquisitions of interests in agreements under which the parties are not holding rights into the net asset of a business, but shares of specific assets and liabilities, standard IFRS 14, Regulatory Deferral Accounts, the amendments to standard IAS 27 on the equity method in separate financial statements, as well as the amendments to standards IAS 16 and IAS 41 on bearer plants, do not apply to the transactions, events or conditions existing within the Group.

3.2 Application in 2018

As of June 30, 2015, the adoption process of the following standards and amendments is in progress within the European Union.

Amendments to IFRS 7, Financial Instruments: Disclosures. These amendments state in particular the disclosures that enable to understand the bridge, at the adoption date of standard IFRS 9 (see hereafter), between the old and new financial instruments categories and the old and new measurement rules for the financial instruments held at that date.

IFRS 9, Financial Instruments. IFRS 9 is intended to replace current standard IAS 39 on financial instruments. The improvements introduced by IFRS 9 include a model for classification and measurement of financial instruments, an impairment loss model based upon expected losses and no longer upon past credit events, as well as a new approach to hedge accounting. Imerys is investigating the impacts related to these changes.

Amendments to IFRS 9, Financial Instruments. These amendments state in particular that the entities that will adopt IFRS 9 as of January 1, 2018 will not have to restate any comparative period. At that date, the bridge between the old and new financial instruments categories will be explained, as a result of the amendments to IFRS 7, by the disclosures provided in the notes and the difference between the old and new valuations of the financial instruments held at that date will be recognized as an adjustment of the consolidated equity as of January 1, 2018.

IFRS 15, Revenue from Contracts with Customers. This new standard, whose objective is to replace the current standard on revenue, is based upon two principles: recognition of the sale when the customer obtains control over the good or service and measurement for the amount of the expected payment. Considering the nature of the contracts between Imerys and its customers, the Group anticipates impacts limited to sales of goods performed under some specific incoterms, as well as certain service contracts.

NOTES TO THE CONSOLIDATED INCOME STATEMENT

Note 4 Revenue

(€ millions)	06.30.2015	06.30.2014	2014
Sales of goods	1,807.7	1,583.2	3,171.6
Rendering of services	249.6	254.7	516.6
Total	**2,057.3**	**1,837.9**	**3,688.2**

Revenue is made up of sales of goods and rendering of services whose greater part corresponds to the reinvoicing of the freight cost of the product. Revenue amounts to €2,057.3 million in the 1st half of 2015 (€1,837.9 million in the 1st half of 2014 and €3,688.2 million in 2014), i.e. an increase of + 11.9% (- 2.3% in the 1st half of 2014 and - 0.3% in 2014), including a positive effect of + €147.4 million due to foreign currency changes (- €67.2 million in the 1st half of 2014 and - €37.3 million in 2014) and a positive structure impact of + €143.2 million (- €57.6 million in the 1st half of 2014 and - €90.7 million in 2014). At comparable structure and foreign currency rates, it decreases by - 3.9% (+ 4.4% in the 1st half of 2014 and + 3.2% in 2014).

Note 5 Raw materials and consumables used

(€ millions)	06.30.2015	06.30.2014	2014
Raw materials	(298.3)	(284.4)	(541.6)
Energy	(189.7)	(186.3)	(367.0)
Chemicals	(34.4)	(34.9)	(71.4)
Other consumables	(108.9)	(80.2)	(164.2)
Merchandises	(63.9)	(62.5)	(122.3)
Change in inventories	25.7	42.6	56.4
Internally generated property, plant and equipment	3.9	3.8	10.7
Total	**(665.6)**	**(601.9)**	**(1,199.4)**

Note 6 External expenses

(€ millions)	06.30.2015	06.30.2014	2014
Freight	(253.2)	(230.1)	(464.7)
Operating leases	(30.5)	(31.5)	(64.9)
Subcontracting	(61.1)	(55.8)	(111.6)
Maintenance and repair	(57.1)	(50.7)	(103.7)
Fees	(44.7)	(32.4)	(83.4)
Other external expenses	(98.5)	(91.0)	(182.0)
Total	**(545.1)**	**(491.5)**	**(1,010.3)**

Note 7 Staff expenses

(€ millions)	06.30.2015	06.30.2014	2014
Salaries	(336.1)	(285.2)	(574.8)
Social security contributions	(61.6)	(59.9)	(116.8)
Net change in employee benefit liabilities	4.0	6.3	29.5
Contributions to defined employee benefit plans	(10.2)	(16.4)	(31.1)
Contributions to defined contribution plans	(11.1)	(9.4)	(18.6)
Profit-sharing	(12.7)	(11.6)	(24.3)
Other employee benefits	(3.8)	(4.9)	(10.3)
Total	**(431.5)**	**(381.1)**	**(746.4)**

Note 8 Other operating income and expenses

(€ millions)	06.30.2015	06.30.2014	2014
Gain or loss from obtaining or losing control	**(5.9)**	**54.4**	**58.9**
Transaction costs	(7.0)	14.1	10.4
Changes in estimate of the contingent remuneration of the seller	(0.6)	-	7.4
Income from disposal of consolidated businesses	1.7	40.3	41.1
Other non-recurring items	**(36.5)**	**(83.1)**	**(118.7)**
Impairment losses on goodwill	(0.5)	(30.1)	(30.1)
Impairment losses on restructuring	(12.0)	(9.1)	(6.5)
Income on non-recurring asset disposals	(0.1)	-	-
Restructuring expenses paid	(30.1)	(19.3)	(45.7)
Change in provisions	6.2	(24.2)	(34.5)
Share in net income of associates out of the recurring business	-	(0.4)	(1.9)
Other operating income and expenses	**(42.4)**	**(28.7)**	**(59.8)**
Income taxes	12.9	1.7	14.1
Other operating income and expenses net of income taxes, Group share	**(29.5)**	**(27.0)**	**(45.7)**

Other operating income and expenses in the 1st half of 2015

Gross “Other operating income and expenses” amount to - €42.4 million: - €10.9 million in the Energy Solutions & Specialties business group (of which mainly - €10.6 million of restructuring expenses paid); - €17.0 million in the Filtration & Performance Additives business group (of which mainly - €9.2 million of restructuring provisions); - €9.7 million in the Ceramic Materials business group (of which mainly - €12.2 million of restructuring expenses paid); - €1.8 million in the High Resistance Minerals business group; and - €3.0 million in the holdings (of which mainly - €6.7 million related to transaction costs). Income taxes gains and losses on “Other operating income and expenses" amount to + €12.9 million. “Other operating income and expenses net of income taxes, Group share” thus amount to - €29.5 million, of which - €4.6 million with no cash impact and - €24.9 million in cash.

Other operating income and expenses in the 1st half of 2014

Gross "Other operating income and expenses" amounted to - €28.7 million: + €22.9 million in the Energy Solutions & Specialties business group (of which mainly the income on disposal of four industrial sites specialized in the transformation of calcium carbonate *(Note 20)*); - €4.8 million in the Filtration & Performance Additives business group (of which mainly - €4.3 million of restructuring expenses paid); - €21.2 million in the Ceramic Materials business group (of which mainly - €11.4 million of restructuring expenses paid); - €43.2 million in the High Resistance Minerals business group (of which mainly - €30.1 million of impairment loss on the goodwill of the Zirconia Cash Generating Unit); and + €17.6 million in the holdings (of which mainly + €21.4 million related to the friendly takeover bid of Imerys over the American group Amcol and including mainly a termination indemnity received from the former *(Note 20)*). Income taxes gains and losses on "Other operating income and expenses" amounted to + €1.7 million. "Other operating income and expenses net of income taxes, Group share" thus amounted to - €27.0 million, of which - €90.8 million with no cash impact and + €63.8 million in cash.

2014 other operating income and expenses

Gross "Other operating income and expenses" amounted to - €59.8 million: + €10.3 million in the Energy Solutions & Specialties business group (of which mainly the income on disposal of four industrial sites specialized in the transformation of calcium carbonate *(Note 20)* and - €31.0 of provisions, impairment losses and restructuring expenses paid); - €8.6 million in the Filtration & Performance Additives business group (of which mainly - €7.8 million of provisions and restructuring expenses paid); - €32.6 million in the Ceramic Materials business group mainly corresponding to provisions, impairment losses and restructuring expenses paid; - €58.8 million in the High Resistance Minerals business group (of which mainly - €26.3 million of provisions and restructuring expenses paid and - €30.1 million of impairment loss on the goodwill of the Zirconia Cash Generating Unit); and + €29.9 million in the holdings (of which mainly + €20.9 million related to the friendly takeover bid of Imerys over the American group Amcol and including mainly a termination indemnity received from the former *(Note 20)*). Income taxes gains and losses on "Other operating income and expenses" amounted to + €14.1 millon. 2014 "Other operating income and expenses net of income taxes, Group share" thus amounted to - €45.7 million, of which - €102.8 million with no cash impact and + €57.1 million in cash.

Note 9 Financial income (loss)

The tables hereafter disclose the financial income (loss) by categories of financial instruments. These result from contracts whose execution symmetrically creates a financial asset of one party to the contract and a financial liability or an equity instrument of the other party. Financial instruments are related to one of the following categories: "Available-for-sale financial assets" (investments in non-consolidated entities), "Financial assets and liabilities at fair value through profit or loss" (other current financial assets and derivatives not eligible to hedge accounting), "Loans and receivables" (trade receivables, cash and cash equivalents), or "Financial liabilities at amortized cost (bonds, bank loans, trade payables, bank overdrafts).

Hedge derivatives are disclosed in a separate column since the exceptional character of hedge accounting excludes any relation to one of the above categories. This note presents disclosures on financial instruments in accordance with these categories. The classification logic of financial instrument assets and liabilities transversally applies to their changes in profit or loss. For example, "Revenue" is attached to "Amortized cost" as its counterparts in "Trade receivables" or "Cash and cash equivalents" belong to that category in the assets. In addition, in order to enable the reconciliation between the disclosures and the financial statements, these notes include a column "Non IAS 39" that includes the following items:

- non IAS 39 financial assets and liabilities: short-term employee benefit assets and liabilities (IAS 19), share-based payments (IFRS 2), finance lease liabilities (IAS 17);
- non-financial assets and liabilities: intangible assets (IAS 38), property, plant and equipment (IAS 16), mining assets (IFRS 6), inventories (IAS 2), income taxes assets and liabilities (IAS 12), prepaid expenses (IAS 38), provisions (IAS 37), defined employee benefit assets and liabilities (IAS 19), grants (IAS 20).

As of June 30, 2015

(€ millions)	Available-for-sale financial assets	Fair value through profit or loss: Non derivative	Fair value through profit or loss: Non hedge derivatives	Loans and receivables	Financial liabilities at amortized cost	Hedge derivatives: Fair value	Hedge derivatives: Cash flow	Non IAS 39	Total
Net financial debt expense	**0.0**	**4.5**	**(0.3)**	**0.0**	**(30.9)**	**0.0**	**0.0**	**0.0**	**(26.7)**
Income from securities	-	4.5	-	-	-	-	-	-	4.5
Gross financial debt expense	-	-	(0.3)	-	(30.9)	-	-	-	(31.2)
Other financial income and expenses	**0.0**	**0.0**	**(0.1)**	**1.4**	**8.6**	**0.0**	**0.3**	**(7.0)**	**3.2**
Net exchange rate differences	-	-	2.2	-	8.7	-	0.7	-	11.6
Expense and income on derivative instruments	-	-	(2.3)	-	-	-	(0.4)	-	(2.7)
Financial income and expenses of defined employee benefit plans	-	-	-	-	-	-	-	(5.1)	(5.1)
Unwinding of other provisions	-	-	-	-	-	-	-	(1.9)	(1.9)
Other financial income and expenses	-	-	-	1.4	(0.1)	-	-	-	1.3
Financial income (loss)	**0.0**	**4.5**	**(0.4)**	**1.4**	**(22.3)**	**0.0**	**0.3**	**(7.0)**	**(23.5)**

As of June 30, 2014

(€ millions)	Available-for-sale financial assets	Fair value through profit or loss: Non derivative	Fair value through profit or loss: Non hedge derivatives	Loans and receivables	Financial liabilities at amortized cost	Hedge derivatives: Fair value	Hedge derivatives: Cash flow	Non IAS 39	Total
Net financial debt expense	**0.0**	**3.0**	**1.9**	**0.0**	**(25.0)**	**0.0**	**0.0**	**0.0**	**(20.1)**
Income from securities	-	3.0	-	-	-	-	-	-	3.0
Gross financial debt expense	-	-	1.9	-	(25.0)	-	-	-	(23.1)
Other financial income and expenses	**0.2**	**0.0**	**0.1**	**0.8**	**(4.0)**	**0.0**	**0.0**	**(4.9)**	**(7.8)**
Net exchange rate differences	-	-	-	-	(2.9)	-	1.4	0.2	(1.3)
Expense and income on derivative instruments	-	-	0.1	-	-	-	(1.4)	-	(1.3)
Financial income and expenses of defined employee benefit plans	-	-	-	-	-	-	-	(3.7)	(3.7)
Unwinding of other provisions	-	-	-	-	-	-	-	(1.4)	(1.4)
Other financial income and expenses	0.2	-	-	0.8	(1.1)	-	-	-	(0.1)
Financial income (loss)	**0.2**	**3.0**	**2.0**	**0.8**	**(29.0)**	**0.0**	**0.0**	**(4.9)**	**(27.9)**

As of December 31, 2014

(€ millions)	Available-for-sale financial assets	Fair value through profit or loss: Non derivative	Fair value through profit or loss: Non hedge derivatives	Loans and receivables	Financial liabilities at amortized cost	Hedge derivatives: Fair value	Hedge derivatives: Cash flow	Non IAS 39	Total
Net financial debt expense	**0.0**	**6.8**	**1.4**	**0.0**	**(48.4)**	**0.0**	**0.0**	**0.0**	**(40.2)**
Income from securities	-	6.8	-	-	-	-	-	-	6.8
Gross financial debt expense	-	-	1.4	-	(48.4)	-	-	0.0	(47.0)
Other financial income and expenses	**0.2**	**0.0**	**0.0**	**2.6**	**2.8**	**0.0**	**0.0**	**(10.5)**	**(4.9)**
Net exchange rate differences	-	-	(3.6)	-	6.1	-	0.4	0.2	3.1
Expense and income on derivative instruments	-	-	3.6	-	-	-	(0.4)	-	3.2
Financial income and expenses of defined employee benefit plans	-	-	-	-	-	-	-	(7.6)	(7.6)
Unwinding of other provisions	-	-	-	-	-	-	-	(3.1)	(3.1)
Other financial income and expenses	0.2	-	-	2.6	(3.3)	-	-	-	(0.5)
Financial income (loss)	**0.2**	**6.8**	**1.4**	**2.6**	**(45.6)**	**0.0**	**0.0**	**(10.5)**	**(45.1)**

Note 10 Income taxes

Income taxes recognized in profit or loss

(€ millions)	06.30.2015	06.30.2014	2014
Payable and deferred income taxes			
Income taxes payable	**(66.6)**	**(65.5)**	**(103.6)**
Income taxes payable for the period	(66.2)	(66.0)	(107.8)
Income taxes payable - Prior period adjustments	(0.4)	0.5	4.2
Deferred taxes	**5.4**	**5.1**	**(13.8)**
Deferred taxes due to changes in temporary differences	5.4	5.1	(13.9)
Deferred taxes due to changes in income tax rates	-	-	0.1
Total	**(61.2)**	**(60.4)**	**(117.4)**
Income taxes by level of income			
Income taxes on current operating and financial income (loss)	**(74.1)**	**(62.1)**	**(131.5)**
Current operating and financial income (loss) taxes payable	(73.9)	(62.2)	(114.3)
Current operating and financial income (loss) deferred taxes	(0.2)	0.1	(17.2)
Income taxes on other operating income and expenses	**12.9**	**1.7**	**14.1**
Income taxes payable on other operating income and expenses	7.3	(3.3)	10.7
Deferred taxes on other operating income and expenses	5.6	5.0	3.4
Total	**(61.2)**	**(60.4)**	**(117.4)**

Income taxes recognized in equity

(€ millions)	06.30.2015	06.30.2014	2014
Actuarial gains and (losses), excess of the actual return on assets over their normative return in profit or loss and assets limitations	(12.7)	11.0	20.9
Income taxes on items never reclassified	**(12.7)**	**11.0**	**20.9**
Cash flow hedges	**1.2**	**(1.3)**	**2.9**
Income taxes recognized in equity	5.7	(1.3)	3.5
Income taxes reclassified in profit or loss	(4.5)	-	(0.6)
Translation reserve	**9.0**	**0.1**	**13.5**
Income taxes recognized in equity	9.0	0.1	13.5
Other comprehensive income	**10.2**	**(1.2)**	**16.4**
Total	**(2.5)**	**9.8**	**37.3**

Income taxes paid

The amount of income taxes paid in the 1st half of 2015 amounts to €24.4 million (€63.2 million in the 1st half of 2014 and €138.0 million in 2014).

Analysis of the effective income tax rate excluding non-recurring items

	06.30.2015	06.30.2014	2014
Legal tax rate in France	**34.4%**	**34.4%**	**34.4%**
National rates differences	(6.3)%	(6.3)%	(6.9)%
Europe	(3.6)%	(3.3)%	(3.3)%
North America	(2.2)%	(2.6)%	(3.2)%
Asia - Oceania	(0.8)%	(0.6)%	(0.7)%
Other countries	0.3%	0.2%	0.3%
Permanent differences (including tax incentives)	(0.4)%	(1.6)%	(1.2)%
3.0% contribution on the Imerys SA dividend	0.7%	0.8%	0.8%
Impact of tax losses	0.1%	0.6%	1.0%
Income taxes at different rates and bases	1.2%	1.7%	1.8%
Impact of investments under the equity method	(0.5)%	(0.5)%	(0.3)%
Others (tax credits, reassessments and tax provisions, deferred taxes adjustments in bases and rates, etc.)	0.4%	(0.8)%	(0.4)%
Effective tax rate on current operating and financial income (loss)[(1)]	**29.6%**	**28.3%**	**29.2%**

(1) 29.6% = €74.1 million (income taxes on current operating income and financial income (loss)) / [€274.0 million (current operating income) - €23.5 million (financial income (loss))].

Analysis of the effective income tax rate including non-recurring items

	06.30.2015	06.30.2014	2014
Legal tax rate in France	**34.4%**	**34.4%**	**34.4%**
Impact of national rate differences	(6.3)%	(8.0)%	(7.2)%
Europe	(3.6)%	(3.0)%	(3.3)%
North America	(2.2)%	(6.5)%	(4.3)%
Asia - Oceania	(0.9)%	1.4%	0.2%
Other countries	0.4%	0.1%	0.2%
Permanent differences (including tax incentives)	(1.3)%	(0.7)%	(1.8)%
3.0% contribution on the Imerys SA dividend	0.9%	1.0%	0.9%
Impact of tax losses	0.8%	2.6%	2.2%
Income taxes at different rates and bases	1.1%	3.2%	1.9%
Impact of investments under the equity method	(0.6)%	(0.5)%	(0.2)%
Others (tax credits, reassessments and tax provisions, deferred taxes adjustments in bases and rates, etc.)	0.4%	(0.5)%	(0.1)%
Effective tax rate on operating and financial income (loss)[(1)]	**29.4%**	**31.5%**	**30.1%**

(1) 29.4% = €61.2 million (income taxes) / [€231.6 million (operating income) - €23.5 million (financial income (loss))].

Note 11 Net income from current operations and net income, Group share

(€ millions)	06.30.2015	06.30.2014	2014
Current operating income	274.0	247.7	494.6
Financial income (loss)	(23.5)	(27.9)	(45.1)
Income taxes on current operating income and financial income (loss)	(74.1)	(62.1)	(131.5)
Non-controlling interests	(1.7)	(0.2)	(1.7)
Net income from current operations, Group share	**174.7**	**157.5**	**316.3**
Other operating income and expenses - gross	(42.4)	(28.7)	(59.8)
Income taxes	12.9	1.7	14.1
Net income of assets held for sale	**-**	**1.0**	**1.0**
Net income, Group share	**145.2**	**131.5**	**271.6**

Note 12 Earnings per share

(€ millions)	06.30.2015	06.30.2014	2014
Numerator			
Net income, Group share	145.2	131.5	271.6
Net income from current operations, Group share	174.7	157.5	316.3
Denominator			
Weighted average number of shares used for the calculation of the basic income per share	78,736,146	76,329,586	76,134,904
Impact of share option conversion	1,238,816	1,219,119	1,151,247
Weighted average number of shares used for the calculation of the diluted income per share	79,974,962	77,548,705	77,286,151
Basic income per share, Group share *(in €)*			
Basic net income per share	1.84	1.72	3.57
Basic net income from current operations per share	2.22	2.06	4.15
Diluted income per share, Group share *(in €)*			
Diluted net income per share	1.82	1.70	3.51
Diluted net income from current operations per share	2.19	2.03	4.09

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

Note 13 Goodwill

Table of changes

The goodwill recognized upon acquisitions mainly represents development prospects of the acquired businesses within Imerys.

(€ millions)	06.30.2015	06.30.2014	2014
Opening carrying amount	**1,106.8**	**1,060.5**	**1,060.5**
Gross amount	1,174.0	1,091.2	1,091.2
Impairment losses	(67.2)	(30.7)	(30.7)
Incoming entities	590.3	9.7	20.3
Impairment losses(1)	(0.5)	(30.1)	(30.1)
Exchange rate differences	41.5	13.1	56.1
Closing carrying amount	**1,738.1**	**1,053.2**	**1,106.8**
Gross amount	1,811.2	1,113.8	1,174.0
Impairment losses	(73.1)	(60.6)	(67.2)

(1) Impairment losses on goodwill are disclosed in Note 16.

The following table analyzes the rows “Acquisitions of investments in consolidated entities” of the consolidated statement of cash flows:

(€ millions)	06.30.2015	06.30.2014	2014
Cash paid	**(367.9)**	**(36.1)**	**(72.4)**
Cost of investments acquired	(623.8)	(4.2)	(19.3)
Capital increases in kind	248.8	-	-
Payables on acquisitions of investments	7.1	(31.9)	(53.1)
Cash from acquired entities	**81.3**	**0.3**	**1.4**
Total	**(286.6)**	**(35.8)**	**(71.0)**
Acquisitions of investments in consolidated entities after deduction of cash acquired	(286.6)	(35.8)	(67.5)
Acquisitions of investments in consolidated entities from non-controlling interests	-	-	(3.5)
Incoming entities of the period - Settlement in cash	(360.8)	(4.2)	(18.5)
Incoming entities of the period - Settlement in shares	(14.2)	-	-
Incoming entities of the period - Cash from acquired entities	81.3	0.3	1.4
Incoming entities of the period - Payables on acquisitions of investments	14.2	-	-
Incoming entities of the period - Purchase price adjustments on acquisitions of investments	21.0	(0.6)	-
Incoming entities of prior periods	(28.1)	(31.3)	(53.9)

Provisional purchase accounting in the 1st half of 2015

S&B. On February 26, 2015, Imerys acquired 100.00% of the voting rights corresponding to the major industrial minerals businesses of the Greek group S&B, mainly in bentonite (binders for foundry, sealing solutions, additives for drilling and for consumer products), continuous casting fluxes for the steel industry, wollastonite (functional additives for polymers and paints) and perlite (mineral solutions used in building materials and horticulture). These businesses were acquired from the Kyriacopoulos family and the investment fund Rhône Capital for €623.8 million, of which €339.8 million paid in cash, €263.0 million in Imerys shares and €21.0 million to be paid as performance-related contingent consideration. The cash and shares remitted to the seller when control was obtained were financed respectively by the bond issue completed by Imerys in December 2014 and by the issue of 3.7 million Imerys shares on a preemptive basis. After this transaction, the interest of the Kyriacopoulos family in the capital of Imerys SA amounts to 4.70 % approximately. The fair value measurement of most assets and liabilities identifiable at the date control was obtained was entrusted to independent experts. As of June 30, 2015, the high yield bond (€314.6 million) and employee benefits (€31.6 million) were recognized on the basis of final evaluation reports. The measurements of mineral reserves, intangible assets, property, plant and equipment, inventories, provisions and income tax assets and liabilities are in progress. Pending the results, the corresponding positions were temporarily maintained at their pre-acquisition historical values. The goodwill resulting from the difference between that partially remeasured net asset and the value of the investment thus amounts to a provisional value of €590.3 million as of June 30, 2015. Since its acquisition, the S&B group generated a contribution of €149.0 million to the revenue. If the acquisition had been performed as of January 1, 2015, the contribution to revenue would have amounted to €212.5 million.

Note 14 Intangible assets

(€ millions)	Software	Trademarks, patents and licenses	Mining and use rights	Other intangible assets	Total
Carrying amount as of January 1, 2014	**9.9**	**4.1**	**12.4**	**46.2**	**72.6**
Gross amount	64.8	16.3	14.0	73.7	168.8
Amortization and impairment losses	(54.9)	(12.2)	(1.6)	(27.5)	(96.2)
Incoming entities	-	-	-	(0.1)	(0.1)
Acquisitions	2.3	0.3	0.2	5.5	8.3
Increases in amortization	(4.4)	(1.3)	(0.3)	(1.8)	(7.8)
Impairment losses	-	-	(0.5)	-	(0.5)
Reclassification and other	11.8	0.1	(11.5)	(10.9)	(10.5)
Exchange rate differences	1.5	0.2	0.3	2.4	4.4
Carrying amount as of January 1, 2015	**21.1**	**3.4**	**0.6**	**41.3**	**66.4**
Gross amount	84.6	18.5	1.8	61.9	166.8
Amortization and impairment losses	(63.5)	(15.1)	(1.2)	(20.6)	(100.4)
Incoming entities	0.2	8.1	-	14.6	22.9
Acquisitions	1.1	2.4	(0.1)	3.8	7.2
Increases in amortization	(3.2)	(0.7)	0.1	(1.5)	(5.3)
Impairment losses	-	-	-	(0.1)	(0.1)
Reclassification and other	1.2	(0.1)	-	-	1.1
Exchange rate differences	1.4	0.2	-	2.2	3.8
Carrying amount as of June 30, 2015	**21.8**	**13.3**	**0.6**	**60.3**	**96.0**
Gross amount	82.2	31.8	1.8	96.9	212.7
Amortization and impairment losses	(60.4)	(18.5)	(1.2)	(36.6)	(116.7)

Note 15 Property, plant and equipment

(€ millions)	Mining assets	Land and buildings	Plant and equipment	Down payments and assets under construction	Other property, plant and equipment	Total
Carrying amount as of January 1, 2014	**428.2**	**278.9**	**791.3**	**283.2**	**51.4**	**1,833.0**
Gross amount	699.2	493.9	2,813.0	285.3	207.4	4,498.8
Depreciation and impairment losses	(271.0)	(215.0)	(2,021.7)	(2.1)	(156.0)	(2,665.8)
Incoming entities	(7.0)	5.0	0.6	4.5	-	3.1
Outgoing entities	-	-	(0.6)	-	(0.2)	(0.8)
Acquisitions	45.4	6.8	45.1	122.9	11.6	231.8
Disposals	(1.1)	(0.8)	(1.7)	(0.1)	(0.9)	(4.6)
Increases in depreciation	(48.5)	(13.5)	(127.8)	-	(14.6)	(204.4)
Impairment losses	-	(0.3)	(5.7)	(1.3)	(0.1)	(7.4)
Reversals of impairment losses	-	0.2	1.2	-	-	1.4
Reclassification and other	24.5	14.5	261.8	(299.0)	7.7	9.5
Exchange rate differences	30.1	13.8	52.0	14.4	2.9	113.2
Carrying amount as of January 1, 2015	**471.6**	**304.6**	**1,016.2**	**124.6**	**57.8**	**1,974.8**
Gross amount	790.8	539.8	3,258.6	126.4	231.0	4,946.6
Depreciation and impairment losses	(319.2)	(235.2)	(2,242.4)	(1.8)	(173.2)	(2,971.8)
Incoming entities	11.9	25.5	104.8	9.5	14.3	166.0
Outgoing entities	-	(0.1)	(2.2)	-	-	(2.3)
Acquisitions	19.5	-	10.8	51.4	8.8	90.5
Disposals	-	-	0.3	(0.3)	(0.8)	(0.8)
Increases in depreciation	(23.5)	(8.7)	(65.5)	-	(12.0)	(109.7)
Impairment losses	-	-	(9.8)	(1.6)	(0.5)	(11.9)
Reclassification and other	0.9	4.4	27.2	(39.0)	7.3	0.8
Exchange rate differences	16.8	8.9	41.7	5.5	2.0	74.9
Carrying amount as of June 30, 2015	**497.2**	**334.6**	**1,123.5**	**150.1**	**76.9**	**2,182.3**
Gross amount	832.5	585.3	3,690.6	153.5	331.8	5,593.7
Depreciation and impairment losses	(335.3)	(250.7)	(2,567.1)	(3.4)	(254.9)	(3,411.4)

Note 16 Impairment tests

The impairment test on the Cash Generating Units (CGUs) performed systematically on the annual closing is only renewed on the half-year closing where an impairment loss indicator is identified. Since no impairment loss indicator has been identified, the impairment test on the CGUs is not renewed as of June 30, 2015. That absence of impairment loss indicator applies in particular to the Greek entities controlled as a result of the S&B group acquisition *(Notes 13 and 20)*. It also applies to the Oilfield Solutions CGU whose markets continue to provide long-term growth prospects in spite of strong short-term volatility. The developments of this CGU's markets, whose capital employed amount to €447.5 million as of June 30, 2015, shall thus be subject to careful surveillance over the coming months. As of December 31, 2014, this test had required the recognition of an impairment loss of €30.1 million on the goodwill of the Zirconia CGU of the High Resistance Minerals business group. The sensitivity tests performed as of December 31, 2014 *(Note 19, Chapter 5 of the 2014 Registration Document)* evidenced that an unfavorable evolution of forecasted cash flows, discount rates or perpetual growth rates could require the recognition of a new goodwill impairment on the Fused Zircona CGU of the High Resistance Minerals business group as well as a goodwill impairment on the Kaolin CGU of the Ceramic Materials business group. As of June 30, 2015, the evolution of these assumptions does not require the recognition of any impairment. However, these CGUs continue to be subject to careful surveillance.

Note 17 Inventories

(€ millions)	06.30.2015 Gross amount	06.30.2015 Write-down	06.30.2015 Carrying amount	06.30.2014 Gross amount	06.30.2014 Write-down	06.30.2014 Carrying amount	2014 Gross amount	2014 Write-down	2014 Carrying amount
Raw materials	338.6	(12.4)	326.2	280.9	(12.8)	268.1	299.5	(13.2)	286.3
Work in progress	81.5	(0.4)	81.1	65.4	(0.4)	65.0	75.1	(0.6)	74.5
Finished goods	325.0	(8.8)	316.2	268.1	(10.3)	257.8	276.6	(10.1)	266.5
Merchandises	60.6	(2.3)	58.3	43.9	(3.0)	40.9	44.7	(2.0)	42.7
Total	**805.7**	**(23.9)**	**781.8**	**658.3**	**(26.5)**	**631.8**	**695.9**	**(25.9)**	**670.0**

Note 18 Provisions

(€ millions)	06.30.2015	06.30.2014	2014
Other non-current provisions	279.3	250.5	258.4
Other current provisions	20.9	20.4	24.3
Total	**300.2**	**270.9**	**282.7**

Other provisions are analyzed as follows:

(€ millions)	Products warranties	Environ-mental and dismantling obligations	Mine sites restoration	Legal, social and regulatory risks	Total
Balance as of January 1, 2014	**26.4**	**48.2**	**92.1**	**90.9**	**257.6**
Changes in the scope of consolidation	0.8	2.7	-	(11.5)	(8.0)
Increases	5.6	3.7	6.6	54.8	70.7
Utilizations	(4.8)	(3.5)	(4.6)	(16.7)	(29.6)
Non-utilized decreases	(1.6)	(0.8)	-	(13.7)	(16.1)
Unwinding expense	-	0.9	2.2	-	3.1
Reclassification and other	(1.0)	(1.5)	(0.3)	(4.6)	(7.4)
Exchange rate differences	0.1	3.0	5.2	4.1	12.4
Balance as of January 1, 2015	**25.5**	**52.7**	**101.2**	**103.3**	**282.7**
Changes in the scope of consolidation	-	-	8.7	3.3	12.0
Increases	1.5	0.7	0.8	14.0	17.0
Utilizations	(1.6)	(2.5)	(2.0)	(12.8)	(18.9)
Non-utilized decreases	(0.8)	(0.5)	-	(2.0)	(3.3)
Unwinding expense	-	0.8	1.1	-	1.9
Reclassification and other	0.1	(0.1)	-	(1.0)	(1.0)
Exchange rate differences	0.1	2.7	4.6	2.4	9.8
Balance as of June 30, 2015	**24.8**	**53.8**	**114.4**	**107.2**	**300.2**

Note 19 Financial liabilities

19.1. Financial debt

The net financial debt is the net position of Imerys towards the market and the financial institutions, i.e. the total of financing liabilities subscribed towards the market and the financial institutions in the form of bonds, bank credits and finance leases, decreased by cash, cash equivalents and other current financial assets. The net financial debt is used in the management of the financial resources of the Group. This indicator is used in particular in the calculation of financial ratios that Imerys has to comply with under financing agreements entered into with financial markets *(Note 19.3)*.

The present note analyses the change in the net financial debt in two steps: from current operating income to current free operating cash flow; and from current free operating cash flow to the change in net financial debt. The following table presents the link between the net financial debt and the consolidated statement of financial position with a distinction between non-derivative and derivative financial instruments. Derivative financial instruments included in the calculation of the net financial debt correspond to financing hedge instruments assets and liabilities since they are part of the future cash outflows of this aggregate *(Note 19.3)*. The operational hedge instruments *(Note 19.2)* are not included in the calculation of the net financial debt.

(€ millions)	Notes	06.30.2015	06.30.2014	2014
Non-derivative financial liabilities		**1,940.2**	**1,253.4**	**1,563.1**
Loans and financial debts - non-current		1,500.8	893.2	1,494.3
Loans and financial debts - current		436.4	355.7	66.9
Bank overdrafts		3.0	4.5	1.9
Non-derivative financial assets		**(444.1)**	**(365.0)**	**(685.7)**
Other financial assets		(21.1)	(35.7)	(29.3)
Cash and cash equivalents		(423.0)	(329.3)	(656.4)
Hedge derivatives		**(8.2)**	**(10.4)**	**(7.5)**
Financing hedge instruments - liabilities	19.2	4.7	1.8	8.7
Financing hedge instruments - assets	19.2	(12.9)	(12.2)	(16.2)
Net financial debt		**1,487.9**	**878.0**	**869.9**

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)	**06.30.2015**	**06.30.2014**	**2014**
Current operating income	274.0	247.7	494.6
Operating amortization, depreciation and impairment losses[(1)]	113.4	100.5	209.5
Net change in operating provisions	(6.3)	(7.8)	(27.5)
Share in net income of joint ventures and associates	(3.7)	(2.9)	(4.6)
Dividends received from joint ventures and associates	3.8	0.9	1.8
Operating cash flow before taxes (current EBITDA)	**381.2**	**338.4**	**673.8**
Notional taxes on current operating income[(2)]	(81.0)	(70.0)	(144.6)
Current net operating cash flow	**300.2**	**268.4**	**529.2**
Paid capital expenditures[(3) & (4)]	**(121.5)**	**(106.6)**	**(241.5)**
Intangible assets	(7.2)	(3.4)	(8.3)
Property, plant and equipment	(72.4)	(71.0)	(188.9)
Overburden mining assets	(18.1)	(14.5)	(42.8)
Debts on acquisitions	(23.8)	(17.7)	(1.5)
Carrying amount of current asset disposals	**1.0**	**1.3**	**5.3**
Change in the operational working capital requirement	**(38.3)**	**(57.4)**	**(48.9)**
Inventories	(25.7)	(42.5)	(56.4)
Trade accounts receivable, advances and down payments received	(33.1)	(70.4)	(15.0)
Trade accounts payable, advances and down payments paid	20.5	55.5	22.5
Current free operating cash flow	**141.4**	**105.7**	**244.1**

(1) Operating amortization, depreciation and impairment losses	*113.4*	*-*	*209.5*
Net operating amortization and depreciation (Appendix 1 of the consolidated statement of cash flows)	*113.2*	*100.3*	*209.2*
Finance leases depreciation (Appendix 3 of the consolidated statement of cash flows)	*0.2*	*0.2*	*0.3*
(2) Effective tax rate on current operating income	*29.6%*	*28.3%*	*29.2%*
(3) Paid capital expenditure	*(121.5)*	*-*	*(241.5)*
Acquisitions of intangible assets and property, plant and equipment (Consolidated statement of cash flows)	*(121.5)*	*(106.6)*	*(241.4)*
Finance lease acquisitions (Appendix 3 of the consolidated statement of cash flows)	*-*	*-*	*(0.1)*
(4) Recognized capital expenditures / asset depreciation ratio	*86.2%*	*(88.5)%*	*114.6%*
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	*113.4*	*100.5*	*209.5*

Change in net financial debt

(€ millions)	06.30.2015	06.30.2014	2014
Current free operating cash flow	**141.4**	**105.7**	**244.1**
Financial income (loss)	(23.5)	(27.9)	(45.1)
Financial impairment losses and unwinding of the discount	6.1	5.0	10.9
Income taxes on financial income (loss)	7.0	7.9	13.2
Change in income tax debt	42.2	2.7	(36.6)
Change in deferred taxes on current operating income	0.1	(0.5)	17.1
Change in other items of working capital	(34.5)	(3.1)	15.5
Share-based payments expense	3.7	4.8	9.5
Change in fair value of operational hedge instruments	(0.7)	(0.4)	(1.0)
Change in dividends receivable from available-for-sale financial assets	0.2	-	(0.1)
Current free cash flow	**142.0**	**94.2**	**227.5**
External growth	**(868.9)**	**(36.4)**	**(72.3)**
Acquisitions of investments in consolidated entities after deduction of the net debt acquired	(868.9)	(36.4)	(68.8)
Acquisitions of investments in consolidated entities from non-controlling interests	-	-	(3.5)
Disposals	**2.7**	**71.3**	**71.5**
Disposals of investments in consolidated entities after deduction of the net debt disposed of	2.7	70.9	71.5
Disposals of available-for-sale financial assets	-	0.4	-
Cash flow from other operating income and expenses	**(30.5)**	**(8.5)**	**(15.0)**
Dividends paid to shareholders and non-controlling interests	**(132.6)**	**(123.7)**	**(125.2)**
Financing requirement	**(887.3)**	**(3.1)**	**86.5**
Transactions on equity	285.8	2.6	(42.5)
Net change in financial assets	2.6	1.0	0.3
Cash flow from assets held for sale	**-**	0.6	**0.6**
Change in net financial debt	**(598.9)**	**1.1**	**44.9**

(€ millions)	06.30.2015	06.30.2014	2014
Opening net financial debt	**(869.9)**	**(885.4)**	**(885.4)**
Change in net financial debt	(598.9)	1.1	44.9
Impact of changes due to exchange rate fluctuations	(19.1)	6.7	(29.4)
Impact of changes in fair value of interest rate hedges	-	(0.4)	-
Closing net financial debt	**(1,487.9)**	**(878.0)**	**(869.9)**

19.2. Derivative instruments

The following table presents the derivative instruments recognized in the assets and liabilities in accordance with the hedged risks: foreign exchange, interest rate, energy price and conversion of financial statements risks. The total of this table distinguishes between on the one hand, non-current and current items and on the other hand, between hedge instruments related to operations (hedge of operating foreign exchange risk and energy price risk) and financing (financing foreign exchange rate risk, interest rate risk and conversion of financial statements risk).

	06.30.2015			06.30.2014			2014		
(€ millions)	**Assets**	**Liabilities**	**Net**	**Assets**	**Liabilities**	**Net**	**Assets**	**Liabilities**	**Net**
Foreign exchange risk	**3.1**	**12.9**	**(9.8)**	**5.0**	**2.1**	**2.9**	**6.1**	**9.7**	**(3.6)**
Forward derivative instruments	2.7	12.6	(9.9)	5.0	2.1	2.9	5.5	9.4	(3.9)
Optional derivative instruments	0.4	0.3	0.1	-	-	0.0	0.6	0.3	0.3
Interest rate risk	**10.6**	**0.3**	**10.3**	**8.4**	**0.4**	**8.0**	**11.0**	**0.0**	**11.0**
Forward derivative instruments	10.6	-	10.6	8.4	0.4	8.0	11.0	-	11.0
Optional derivative instruments	-	0.3	(0.3)	-	-	0.0	-	-	0.0
Energy price risk	**1.1**	**3.0**	**(1.9)**	**0.9**	**2.3**	**(1.4)**	**0.0**	**4.9**	**(4.9)**
Forward derivative instruments	-	-	0.0	-	-	0.0	-	-	0.0
Optional derivative instruments	1.1	3.0	(1.9)	0.9	2.3	(1.4)	-	4.9	(4.9)
Conversion of financial statements risk	**0.6**	**3.3**	**(2.7)**	**3.4**	**0.1**	**3.3**	**0.7**	**7.6**	**(6.9)**
Forward derivative instruments	0.6	3.3	(2.7)	3.4	0.1	3.3	0.7	7.6	(6.9)
Optional derivative instruments	-	-	0.0	-	-	0.0	-	-	0.0
Total	**15.4**	**19.5**	**(4.1)**	**17.7**	**4.9**	**12.8**	**17.8**	**22.2**	**(4.4)**
Non-current	11.2	3.6	7.6	11.8	0.5	11.3	11.7	7.6	4.1
Current	4.2	15.9	(11.7)	5.9	4.4	1.5	6.1	14.6	(8.5)
Operational hedge instruments	2.5	14.8	(12.3)	5.5	3.1	2.4	1.6	13.5	(11.9)
Financing hedge instruments	12.9	4.7	8.2	12.2	1.8	10.4	16.2	8.7	7.5

As part of its policy of management of the foreign exchange, interest rate and energy price risks, Imerys holds derivative instruments intended to hedge certain future purchases and sales in foreign currencies, a portion of its floating rate financing and part of its future energy consumption in the United States, in the United Kingdom and in France. These positions qualify as cash flow hedges. The following table presents the amounts before income taxes recognized in equity in this respect as well as the reclassifications in profit or loss.

(€ millions)	**Foreign exchange rate risk**	**Interest rate risk**	**Energy price risk**	**Total**
Balance as of January 1, 2014	**(5,1)**	**0,0**	**0,9**	**(4,2)**
Recognition in equity	6,1	(0,4)	(1,9)	3,8
Reclassification in profit or loss	0,4	-	(0,3)	0,1
Balance as of June 30, 2014	**1,4**	**(0,4)**	**(1,3)**	**(0,3)**
of which reclassification to profit or loss expected within 12 months	1,4	(0,4)	(1,3)	(0,3)
Recognition in equity	(10,4)	0,4	(6,6)	(16,6)
Reclassification in profit or loss	(1,3)	-	3,1	1,8
Balance as of December 31, 2014	**(10,3)**	**0,0**	**(4,8)**	**(15,1)**
of which reclassification to profit or loss expected within 12 months	(10,3)	-	(4,8)	(15,1)
Recognition in equity	(12,9)	0,2	(1,0)	(13,7)
Reclassification in profit or loss	9,2	(0,2)	3,8	12,8
Balance as of June 30, 2015	**(14,0)**	**0,0**	**(2,0)**	**(16,0)**
of which reclassification to profit or loss expected within 12 months	(14,0)	-	(2,0)	(16,0)

19.3. Borrower's liquidity risk

Description of the risk. The borrower's liquidity risk is the risk whereby Imerys would not be in a position to meet the repayment obligations of its financial liabilities. The maturity on issue as of June 30, 2015 presented hereafter enables to assess the exposure of the Group to this risk.

	2015		2016 - 2020		2021 and later		
(€ millions)	**Capital**	**Interests**	**Capital**	**Interests**	**Capital**	**Interests**	**Total**
Non-derivative financial liabilities	**439.1**	**23.2**	**529.8**	**162.9**	**951.1**	**62.6**	**2,168.7**
Eurobond / EMTN	-	20.0	503.0	150.0	900.0	40.0	1,613.0
Private placements	-	3.2	26.8	12.9	51.1	22.6	116.6
Commercial paper issues	266.5	-	-	-	-	-	266.5
Bilateral facilities	110.0	-	-	-	-	-	110.0
Facilities due within one year	62.6	-	-	-	-	-	62.6
Hedge derivatives	**(8.2)**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**(8.2)**
Financing hedge instruments - liabilities	4.7	-	-	-	-	-	4.7
Financing hedge instruments - assets	(12.9)	-	-	-	-	-	(12.9)
Future cash outflows with respect to gross financial debt	**430.9**	**23.2**	**529.8**	**162.9**	**951.1**	**62.6**	**2,160.5**
Non-derivative financial liabilities	**3.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**3.0**
Bank overdrafts	3.0	-	-	-	-	-	3.0
Non-derivative financial assets	**(444.1)**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**(444.1)**
Other current financial assets	(21.1)	-	-	-	-	-	(21.1)
Cash and cash equivalents	(423.0)	-	-	-	-	-	(423.0)
Future cash outflows with respect to net financial debt	**(10.2)**	**23.2**	**529.8**	**162.9**	**951.1**	**62.6**	**1,719.4**
of which items recognized as of June 30, 2015 (net financial debt)	(10.2)	17.2	529.8	-	951.1	-	1,487.9
Non-derivative financial liabilities	**765.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**765.0**
Trade payables	492.2	-	-	-	-	-	492.2
Other debts	272.8	-	-	-	-	-	272.8
Hedge derivatives	**12.3**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**12.3**
Operational hedge instruments - liabilities	14.8	-	-	-	-	-	14.8
Operational hedge instruments - assets	(2.5)	-	-	-	-	-	(2.5)
Future cash outflows	**767.1**	**23.2**	**529.8**	**162.9**	**951.1**	**62.6**	**2,496.7**

In addition, a large part of the debt at fixed rate on issue being swapped into floating rate, the maturity of the net financial debt after interest rate swap is analyzed as follows:

(€ millions)	**2015**	**2016 - 2020**	**2021 and later**	**Total**
Debt at fixed rate	**9.0**	**526.8**	**900.0**	**1,435.9**
Debt at fixed rate on issue	9.0	526.8	951.1	1,487.0
Swap fixed rate into floating rate	-	-	(51.1)	(51.1)
Debt at floating rate	**(2.1)**	**3.0**	**51.1**	**52.0**
Debt at floating rate on issue	439.1	3.0	-	442.0
Net cash and other current financial assets	(441.1)	-	-	(441.1)
Swap fixed rate into floating rate	-	-	51.1	51.1
Net financial debt	**7.0**	**529.8**	**951.1**	**1,487.9**

Management of the risk. For part of its financing, Imerys is required to comply with several covenants. The main restrictive terms and conditions attached to certain bilateral facilities and to part of the bond issues under private placements are as follows:

- purpose: general corporate financing requirement;
- obligations in terms of financial ratio compliance:
  - the ratio consolidated net financial debt / consolidated equity shall, in accordance with the related financing contracts, be inferior or equal to 1.50 or 1.60 at each half-year or annual closing of consolidated financial statements. As of June 30, 2015, the ratio amounts to 0.51 (0.38 as of June 30, 2014 and 0.35 as of December 31, 2014);
  - the ratio consolidated net financial debt / consolidated EBITDA of the last 12 months shall, in accordance with the related financing contracts, be inferior or equal to 3.75 at each half-year or annual closing of consolidated financial statements. As of June 30, 2015, the ratio amounts to 2.08 (1.34 as of June 30, 2014 and 1.29 as of December 31, 2014);
- absence of any lien in favor of lenders.

The failure to comply with the above obligations on one of the related financing contracts could lead to the cancellation of its available amount and, upon demand of the related creditor(s), make the amount of the corresponding financial debt immediately callable. Apart from two exceptions, the financing contracts of the Group do not provide for any cross default with each other in case of breach of a mandatory covenant applicable to one of these contracts. As of June 30, 2015, Imerys has a long-term Baa2 rating of Baa2 outlook Stable by Moody's (Baa2 outlook Stable as of June 30, 2014 and Baa2 outlook Stable as of December 31, 2014).

As of June 5, 2015, Imerys has updated its new Euro Medium Term Note program (EMTN) with the Commission de Surveillance du Secteur Financier (Luxemburg). The program amounts to €1.0 billion and enables the issue of notes considered as ordinary bonds of a maturity of one month to thirty years. As of June 30, 2015, outstanding securities total €951.1 million (€350.6 million as of June 30, 2014 and €948.2 million as of December 31, 2014). Imerys also has a commercial paper program limited to €800.0 million (€800.0 million as of June 30, 2014 and €800.0 million as of December 31, 2014) rated P-2 by Moody's (P-2 as of June 30, 2014 and P-2 as of December 31, 2014). As of June 30, 2015, outstanding securities total €266.5 million (€223.0 million as of June 30, 2014 and €0.0 million as of December 31, 2014). As of June 30, 2015, Imerys has access to €1,405.0 million of bank facilities (€1,285.0 million as of June 30, 2014 and €1,355.0 million as of December 31, 2014) part of which secures the issued commercial paper in accordance with the financial policy of the Group.

OTHER INFORMATION

Note 20 Changes in the scope of consolidation

Holdings. On May 7, 2015, following its binding offer, Imerys announced having entered into exclusive negotiations with the Belgian group Solvay to acquire its PCC (precipitated calcium carbonates) division comprising four plants in Europe. This business, that mainly serves the automotive, building and consumer goods markets, generated €59.0 million revenue in 2014. Subject to the advice of the employee representatives and approval by the relevant regulatory authorities, the completion of this transaction should become effective during the second half of 2015.

Besides, on March 7, 2014, at the end of a friendly cash takeover bid announced one month earlier over Amcol, a global leader in bentonite listed on the New York Stock Exchange, Imerys had decided not to raise its last bid and the agreements entered into with Amcol were terminated, giving right to the payment by Amcol of a termination indemnity whose amount, reduced by the other costs of the transaction, amounted to €20.9 million (€21.4 million in the 1st half of 2014) *(Note 8).*

Energy Solutions & Specialties (ESS). The last significant evolution of the consolidation scope of the Energy Solutions & Specialties business group corresponds to the disposal, on January 31, 2014, of four industrial sites specialized in the transformation of calcium carbonate for the paper market in Europe and in the United States. The gain on disposal had been recognized in other operating revenue and expenses *(Note 8)*. On April 10, 2013, the business group had acquired the Pyramax company, an industrial complex specialized in the manufacturing of proppants used in the non-conventional extraction of oil and gas.

Filtration & Performance Additives (F&PA). On February 26, 2015, the Filtration & Performance Additives business group acquired the bentonite, continuous casting fluxes for the steel industry, wollastonite and perlite businesses of the S&B group *(Note 13)*. The business group had not performed any significant acquisition since it took control of the Brazilian company Itatex specialized in the production and sale of specialties based upon kaolin and clay for paints, polymers and rubbers on May 24, 2012.

Ceramic Materials (CM). On September 30, 2013, the Ceramic Materials business group had sold 100.00% of the voting rights of its clay bricks, walls and chimney blocks business to the Bouyer Leroux group.

High Resistance Minerals (HRM). The High Resistance Minerals did not perform any significant integration since that of Astron China, a major producer of zircon-based products, acquired over on February 5, 2008.

Note 21 Currency rates

(€1 =)	Foreign currencies	06.30.2015 Closing	06.30.2015 Average	06.30.2014 Closing	06.30.2014 Average	2014 Closing	2014 Average
Argentina	ARS	10.1669	9.8421	11.1076	10.7373	10.3992	10.7800
Australia	AUD	1.4550	1.4261	1.4537	1.4989	1.4829	1.4719
Brazil	BRL	3.4715	3.3057	3.0082	3.1482	3.2249	3.1202
Canada	CAD	1.3839	1.3774	1.4589	1.5029	1.4063	1.4661
Chile	CLP (100)	7.1003	6.9323	7.5201	7.5768	7.3857	7.5666
China	CNY	6.8405	6.8394	8.4035	8.4149	7.4291	8.1628
Hungary	HUF (100)	3.1493	3.0757	3.0930	3.0693	3.1554	3.0871
India	INR	71.3354	70.2013	82.0754	83.3015	76.8908	81.0477
Indonesia	IDR (100)	149.3843	144.7077	162.4815	160.5825	150.7610	157.4892
Japan	JPY (100)	1.3701	1.3423	1.3844	1.4040	1.4523	1.4031
Malaysia	MYR	4.2362	4.0624	4.3854	4.4777	4.2444	4.3443
Mexico	MXN	17.5332	16.8909	17.7124	17.9747	17.8679	17.6550
Russia	RUB	62.3550	64.6810	46.3779	47.9924	72.3370	50.9518
Singapore	SGD	1.5068	1.5064	1.7047	1.7279	1.6058	1.6823
South Africa	ZAR	13.6416	13.3043	14.4597	14.6758	14.0353	14.4037
Sweden	SEK	9.2150	9.3417	9.1762	8.9535	9.3930	9.0985
Switzerland	CHF	1.0413	1.0569	1.2156	1.2215	1.2024	1.2146
Taiwan	TWD	34.4436	34.8728	40.8929	41.4003	38.2610	40.2586
Thailand	THB	37.7960	36.8010	44.3230	44.6170	39.9100	43.1469
Turkey	TRY	2.9953	2.8613	2.8969	2.9678	2.8320	2.9065
Ukraine	UAH	23.4309	23.9922	16.0839	14.3641	19.1492	15.8732
United Kingdom	GBP	0.7114	0.7326	0.8015	0.8213	0.7789	0.8061
United States	USD	1.1189	1.1164	1.3658	1.3703	1.2141	1.3285

Note 22 Related parties

External related parties of Imerys

The related parties of Imerys are the Canadian group Power and the Belgian group Frère-CNP. These groups are the ultimate controlling parties of Imerys. Through their joint venture Parjointco, they exercise joint control on the Swiss group Pargesa that controls Imerys through a direct investment in the Belgian group GBL. In this respect, Pargesa and GBL are related parties of Imerys. Imerys is not party to any contract with its external related parties.

Key management personnel of Imerys

The managers qualifying as related parties as of June 30, 2015 are the 17 members of the Board of Directors (15 members as of June 30, 2014 and 17 members as of December 31, 2014) and the 8 members of the Executive Committee (8 members as of June 30, 2014 and 8 members as of December 31, 2014) *(Note 27, Chapter 6 of the 2014 Registration Document)*.

Post-employment benefits for Imerys employees

The post-employment benefit plans for the benefit of Imerys employees are related parties. The amount of the contributions to external funds recognized as an expense in the 1st half of 2015 amounts to €8.8 million (€14.5 million as of June 30, 2014 and €26.1 million in 2014), of which mainly €5.0 million to Imerys UK Pension Fund Trustees Ltd., United Kingdom (€6.4 million as of June 30, 2014 and €12.9 million in 2014) and €1.8 million to Comerica, United States (€6.4 million as of June 30, 2014 and €9.8 million in 2014).

FCPE Imerys Actions

The FCPE Imerys Actions is managed by BNP Paribas Asset Management SAS. Its management is controlled by a Supervisory Board of 12 members, equally made up of shareholders' and Imerys representatives. As Imerys exercises together with the shareholders a joint control over the FCPE Imerys Actions, the FCPE Imerys Actions is a related party. The amounts recognized in the 1st half of 2015 (in the 1st half of 2014 and in 2014) for the FCPE Imerys Actions are immaterial.

Note 23 Events after the end of the period

The consolidated half-year financial statements as of June 30, 2015 were closed by the Board of Directors at its meeting on July 29, 2015. No significant event is to be reported between the closing date and that of the Board of Directors.

Deloitte & Associés
185, avenue Charles-de-Gaulle
92524 Neuilly-sur-Seine Cedex
S.A. with a share capital of € 1.723.040

Statutory Auditor
Member of compagnie régionale de Versailles

ERNST & YOUNG et Autres
1/2, place des Saisons
92400 Courbevoie - Paris-La Défense 1
S.A.S. with variable capital

Statutory Auditor
Member of compagnie régionale de Versailles

Statutory auditors' review report on the half-yearly financial information

For the period from January 1 to June 30, 2015

This is a free translation into English of the statutory auditors' review report on the half-yearly financial information issued in French and is provided solely for the convenience of English-speaking users. This report includes information relating to the specific verification of information given in the group's half-yearly management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your annual general meeting and in accordance with the requirements of article L. 451-1-2 III of the French monetary and financial code ("*Code monétaire et financier"*), we hereby report to you on:

- the review of the accompanying condensed half-yearly consolidated financial statements of Imerys, for the period from January 1 to June 30, 2015;
- the verification of the information presented in the half-yearly management report.

These condensed half-yearly consolidated financial statements are the responsibility of the board of directors. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with professional standards applicable in France and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed half-yearly consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 - standard of the IFRSs as adopted by the European Union applicable to interim financial information.

2. Specific verification

We have also verified the information presented in the half-yearly management report on the condensed half-yearly consolidated financial statements subject to our review.

We have no matters to report as to its fair presentation and consistency with the condensed half-yearly consolidated financial statements.

Neuilly-sur-Seine and Paris-La Défense, July 29, 2015
The Statutory Auditors
French original signed by

Deloitte & Associés
Frédéric Gourd

ERNST & YOUNG et Autres
Jean-Roch Varon

1 - Person responsible for the Half-Year Financial Report

Gilles Michel, Chairman and Chief Executive Officer

2 - Certificate of the person responsible for the Half-Year Financial Report

I certify that to the best of my knowledge the condensed financial statements for the past six months have been prepared in accordance with the applicable set of accounting standards and give a true and fair view of the assets, liabilities, financial position and profit or loss of the reporting entity and the companies included in the scope of consolidation, and that the enclosed half-year activity report includes a fair review of the material events that occurred in the first six months of the financial year, their impact on the financial statements, an account of the main related-party transactions as well as a description of the principal risks and the principal uncertainties for the remaining six months of the year.

Paris, July 29, 2015

Gilles Michel
Chairman and Chief Executive Officer

154 rue de l'Université - F-75007 Paris
Telephone: +33 (0)1 49 55 63 00
Fax: +33 (0)1 49 55 63 01
www.imerys.com

Financial Communication
Telephone: +33 (0)1 49 55 66 55
Fax: +33 (0)1 49 55 63 16
email: finance@imerys.com

TRANSFORM TO PERFORM

Imerys - French limited liability company
(Société Anonyme)
Share capital €159,854,546
Trade Register RCS Paris 562 008 151

IMERYS
TRANSFORM TO PERFORM