PRESS RELEASE

PARIS, OCTOBER 27, 2016

IMERYS
TRANSFORM TO PERFORM

Improved results for the nine months ended September 30, 2016; full year 2016 growth outlook confirmed for net income from current operations

- **+ 1.4% increase in revenue**
  - Contribution from acquisitions completed in 2015
  - Market environment still contrasted
  - Evolution at comparable Group structure and exchange rates: - 2.3%
- **+ 8.0% increase in current operating income**
  - Contribution of synergies from acquisitions
  - Effective execution of operational excellence programs
  - Product offering enhanced
- **+ 5.6% increase in net income from current operations**
- **Confirmation of 2016 outlook for growth in net income from current operations comparable to 1st half**

Chairman & CEO Gilles Michel commented,

"Current operating income grew + 8.0% during the first nine months of the year, in a market environment that was still contrasted. This good performance results from the enhancement of our specialty product offering, the ramp-up of synergies from acquisitions and our effective cost measures. On the basis of the results for the first nine months, Imerys therefore confirms that it is targeting growth in full year net income from current operations to be comparable to that of the 1st half, assuming unchanged market conditions and environment."

Consolidated results Unaudited - € millions	9 months 2015	9 months 2016	Change (reported)
Revenue	3,084.5	3,126.5	+ 1.4 %
Current operating income (1)	409.0	441.5	+ 8.0 %
Operating margin	13.3 %	14.1 %	+ 0.8 pt
Net income from current operations, Group's share (1)	259.9	274.5	+ 5.6 %
Net income from current operations, Group's share, per share (in euros) (2)	3.28 €	3.48 €	+ 6.2 %
Net income, Group share	218.5	219.0	+ 0.2 %

(1) Throughout this press release, "current" means " before other operating revenue and expenses" as defined in the notes to the financial statements on the consolidated income statement

(2)The weighted average number of outstanding shares: 78,774,246 in the first nine months of 2016 (79,204,998 in the first nine months of 2015)

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ANALYSIS OF RESULTS FOR THE FIRST NINE MONTHS OF YEAR

REVENUE OF €3,127 MILLION

Unaudited quarterly data (€ millions)	2015 Revenue	2016 Revenue	Change	Like-for-like change	o/w volume effect	o/w Price/Mix effect
1st quarter	973.6	1,038.1	+ 6.6 %	- 1.8 %	- 2.6 %	+ 0.8 %
2nd quarter	1,083.7	1,058.6	- 2.3 %	- 2.6 %	- 3.3 %	+ 0.8 %
1st half	2,057.3	2,096.7	+ 1,9 %	- 2.2 %	- 3.0 %	+ 0.8 %
3rd quarter	1,027.2	1,029.8	+ 0.3 %	- 2.5 %	- 3.2 %	+ 0.7 %
Cumulative 9 months	**3,084.5**	**3,126.5**	**+ 1.4 %**	**- 2.3 %**	**- 3.0 %**	**+ 0.7 %**

Revenue for the first 9 months of 2016 totaled €3,126.5 million. The + 1.4% rise on a reported basis compared with the same period in the prior year takes the following items into account:

- A positive Group structure effect of + €136.0 million (+ 4.4%), which includes the consolidation of external growth operations completed in 2015 (S&B since March 2015, as well as precipitated calcium carbonates, hydrous kaolin for paper and roofing accessories since November 2015);
- A negative exchange rate effect of - €22.6 million (- 0.7%), mainly resulting from the euro's appreciation against several currencies.

At comparable Group structure and exchange rates, revenue decreased - 2.3% compared with the first 9 months of 2015. This was due to a poor demand on certain markets, including steelmaking and paper, which was partly offset by a positive price-mix effect of + 0.7%, supported by new products.

+ 8.0% GROWTH IN CURRENT OPERATING INCOME

Non-audited quarterly data (€ millions)	2015	2016	Change
1st quarter	123.2	135.4	+ 9.9%
Operating margin	*12,7 %*	*13,0 %*	*+ 0.3 point*
2nd quarter	150.8	157.7	+ 4.5 %
Operating margin	*13,9 %*	*14,9 %*	*+ 1.0 point*
1st half	274.0	293.0	+ 6.9 %
Operating margin	*13,3 %*	*14,0 %*	*+ 0.7 point*
3rd quarter	135.0	148.5	+ 10.0 %
Operating margin	*13.1%*	*14.4%*	*+ 1.3 point*
Cumulative 9 months ended September 30	**409.0**	**441.5**	**+ 8.0 %**
Operating margin	***13.3%***	***14.1%***	***+ 0.8 point***

Current operating income totaled €441.5 million to September 30, 2016, a + 8.0% rise from the same period in 2015. It includes a Group structure effect of + €14.2 million relating to S&B and the other acquisitions completed in late 2015. It also includes a favorable exchange rate impact of + €29.8 million, resulting from the devaluation of the Brazilian real in particular. This aspect should be seen in the context of the €13.4 million negative impact on costs due to high inflation in Brazil, from where the Group exports.

Current operating income improved thanks to the enhanced specialty product offering, to the ramp-up of synergies from acquisitions and to the improvement in fixed and variable costs, driven by operating excellence programs and procurement efficiencies.

In this context, the Group's **operating margin**, which also benefited from a favorable trend in the activity mix, improved by + 80 basis points to 14.1% (13.3% as of September 30, 2015).

+ 5.6% GROWTH IN NET INCOME FROM CURRENT OPERATIONS

Net income from current operations rose + 5.6% to €274.5 million (€259.9 million as of September 30, 2015). It factors in - €47.5 million of financial expense. This figure is higher compared with the one of the first 9 months of 2015 (- €39.5 million) due to a lower contribution from foreign exchange and financial instruments (- €2.0 million vs. + €10.6 million). On the contrary, interest expense decreased slightly to - €37.8 million compared with - €38.9 million for the first 9 months of 2015. In addition, the - €117.2 million tax charge (- €107.9 million in the first 9 months of 2015) reflects an effective tax rate of 29.7% (29.2% for the first 9 months of 2015).

Net income from current operations per share, which benefited from share buybacks, improved + 6.2% to €3.48.

NET INCOME

Group's share of net income was €219.0 million (€218.5 million for the first 9 months of 2015), after taking other operating income and expenses, net of tax, into account**.**

Other operating income and expenses, net of tax, amounted to - €55.5 million compared with- €41.4 million as of September 30, 2015. This concerns several restructuring projects, mainly in Monolithic Refractories and Refractory Minerals (particularly through €23 million depreciation in China in the 3rd quarter).

SOUND FINANCIAL STRUCTURE MAINTAINED

The Group's net financial debt, totaling €1.5 billion as of September 30, 2016, was stable compared with June 30, 2016. As of September 30, 2016, the Group's ratio of net financial debt to EBITDA on a rolling twelve-month basis was 1.9x.

BUSINESS GROUP'S ACTIVITY IN THE FIRST 9 MONTHS OF THE YEAR

REVENUE BY BUSINESS GROUP

Unaudited data (€ millions)	9 months 2015	9 months 2016	Change reported	Group structure	Exchange rates	Change Like-for-like
Energy Solutions & Specialties	950.2	936.6	- 1.4 %	+ 4.3 %	- 1.4 %	- 4.3 %
Filtration & Performance Additives	809.6	852.3	+ 5.3 %	+ 6.6 %	- 1.1 %	- 0.2 %
Ceramic Materials	878.1	928.4	+ 5.7 %	+ 6.2 %	+ 0.0 %	- 0.6 %
High Resistance Minerals	486.2	446.4	- 8.2 %	- 2.6 %	- 0.2 %	- 5.4 %
Holding & Eliminations	(39.6)	(37.2)	-	-	-	-
Total revenue	3,084.5	3,126.5	+ 1.4 %	+ 4.4 %	- 0.7 %	- 2.3 %

Energy Solutions & Specialties

(30% of consolidated revenue to September 30, 2016)

Unaudited quarterly data (€ millions)	2015	2016	Change (reported)	Change (like-for-like)
1st quarter revenue	312.5	300.8	- 3,7 %	- 6,8 %
2nd quarter revenue	323.5	316.2	- 2,3 %	- 2,9 %
1st half revenue	636.0	617.0	- 3.0 %	- 4,8 %
3rd quarter revenue	314.1	319.6	+ 1.7 %	- 3.2 %
Cumulative 9 months	**950.2**	**936.6**	**- 1.4 %**	**- 4.3 %**

The **Energy Solutions & Specialties** business group's revenue totaled €936.6 million in the first 9 months of 2016 (- 1.4% on a reported basis). This decrease factors in a positive structure effect of + €40.6 million relating to the acquisition of Solvay's European precipitated calcium carbonate activities (November 2015), integration of which is on track with plan, and an unfavorable exchange rate effect of - €13.4 million.

At comparable structure and exchange rates, revenue decreased - 4.3% compared with the same period in 2015, mainly because of the decline in the refractories market.

The **Carbonates** division's sales benefited from a vibrant North American and South-East Asian markets and from the development of specialty products, while the paper market continued to decline. In addition, in the 1st half of 2016, Imerys set up FiberLean ™ Technologies, a technological joint venture held 50/50 with Omya, to promote research & development on microfibrillated cellulose (MFC) across multiple applications and sectors.

In the **Monolithic Refractories** division, Europe was penalized by low numbers of industrial maintenance projects, unlike India and Southeast Asia which remained buoyant. In this context, on September 1, the Group enhanced its geographic positioning by acquiring SPAR, a North American producer of monolithic refractories that mainly serves the petrochemicals, power generation, cement and incineration markets. In addition, as of October 3, it developed its service offering by integrating Fagersta Eldfasta, a Swedish company specializing in refractory products.

The increase in the **Graphite & Carbon** division's sales was driven by high market growth in lithium-ion batteries for mobile energy. To meet robust demand, the Group launched multi-year investment program to enhance research & development, expand geographic coverage, but also to increase industrial capacities and mining resources (particularly through the joint-venture with Gecko in Namibia).

In the **Oilfield Solutions** division, the Group maintained an active industrial and commercial presence on a market that remained weak. For the year as a whole, assuming unchanged market conditions, the Group confirms that the division's negative contribution to the Group's operating income should not be higher than in 2015 (- €27 million).

Filtration & Performance Additives

(27% of consolidated revenue to September 30, 2016)

Unaudited quarterly data (€ millions)	2015	2016	Change (reported)	Change (like-for-like)
1st quarter revenue	218.9	278.2	+ 27,1 %	+ 2,3 %
2nd quarter revenue	306.2	292.1	- 4,6 %	- 1,7 %
1st half revenue	525.1	570.3	+ 8,6 %	+ 0,0 %
3rd quarter revenue	284.5	282.0	- 0.9 %	- 0.5 %
Cumulative 9 months	**809.6**	**852.3**	**+ 5.3 %**	**- 0.2 %**

The **Filtration & Performance Additives** business group's revenue totaled €852.3 million for the first 9 months of 2016, a + 5.3% increase. It includes a foreign exchange impact of - €9.3 million and a + €53.4 million structure effect, mainly from the acquisition of S&B (as from March 2015), for which synergy plan is progressing well.

The increase in revenue at comparable structure and exchange rates for the first 9 months of 2016 results from the fast development of new products, which is offset by slack conditions on some of the business group's markets (steel and certain areas of the foundry market).

Sales of **Performance Additives** division were driven by the development of applications of wollastonite (from S&B) and talc, particularly for automotive polymers. In addition, in cosmetics the Group won the Industrial Minerals Association (IMA) innovation award for ImerCare, a perlite-based product that can replace the plastic microbeads used in body scrubs.

The **Filtration** division benefited from firm consumer goods and medical therapeutics sectors, as well as the development of new segments.

The **Metallurgy** division, which serves the foundry and steel industries, improved its cost structure and enriched its product offering.

Ceramic Materials

(29% of consolidated revenue to September 30, 2016)

Unaudited quarterly data (€ millions)	2015	2016	Change (reported)	Change (like-for-like)
1st quarter revenue	291.0	323.2	+ 11,1 %	+ 2,8 %
2nd quarter revenue	301.4	311.4	+ 3,3 %	- 2,3 %
1st half revenue	592.4	634.6	+ 7,1 %	+ 0,2 %
3rd quarter revenue	285.8	293.8	+ 2.8 %	- 2.1 %
Cumulative 9 months	**878.1**	**928.4**	**+ 5.7 %**	**- 0.6 %**

The **Ceramic Materials** business group's **revenue** totaled €928.4 million. The + 5.7% reported change from the first 9 months of 2015 takes into account a + €54.9 million structure impact, mainly relating to the acquisition of BASF's hydrous kaolin activity in the Unites States and that of Matisco's roofing accessories in the Roofing division in November 2015. It takes into account a + €0.2 million exchange rate effect.

At comparable structure and exchange rates, revenue decreased slightly compared with the first 9 months of 2015.

In the **Roofing** division, the upturn in the French roof tiles market didn't materialize (market down - 0.5% for the first 9 months of 2016[(1)]). New single-family housing starts increased very slightly and the renovation market remained lackluster over the period.

The **Kaolin** division's sales continued to be impacted by the erosion of the paper market, which was partly offset by its developments in specialty applications (rubber, plastics, paints, sealants and adhesives, etc.).

The **Ceramics** division's activity was healthy, thanks to further geographic repositioning towards faster growth regions. During the third quarter, the Group sold two Spanish plants to Samca, a Spanish industrial group, and with whom it also signed exclusive distribution agreements in Spain and abroad (July 2016).

[1] *Source: French roof tiles & bricks federation (FFTB): September 2016 newsflash*

High Resistance Minerals

(14% of consolidated revenue to September 30, 2016)

Unaudited quarterly data (€ millions)	2015	2016	Change (reported)	Change (like-for-like)
1st quarter revenue	165.3	148.3	- 10,3 %	- 6,4 %
2nd quarter revenue	165.0	151.5	- 8,1 %	- 4,4 %
1st half revenue	330.3	299.8	- 9,2 %	- 5,4 %
3rd quarter revenue	156.0	146.5	- 6.0 %	- 5.5 %
Cumulative 9 months	**486.2**	**446.4**	**- 8.2 %**	**- 5.4 %**

The **High Resistance Minerals** business group's **revenue** totaled €446.4 million. On a reported basis, it decreased - 8.2% compared with the first 9 months of 2015 and includes a - €12.7 million structure effect relating mostly to the divestment of a minerals trading activity in the United States at the end of June 2015. At comparable structure and exchange rates, the - 5.4%, sales decrease can be primarily attributed to the refractories market.

In this context, the Group continued to restructure its industrial asset base in **Refractory Minerals**, particularly in China.

In the **Fused Minerals** division, specialty zirconia and fused alumina products held out well and the ramp-up of the Bahrain plant enabled the Group to extend its geographic coverage.

Imerys should receive tomorrow the European Commission's agreement for the acquisition of specialty alumina production activities from the Alteo group, providing Imerys commits to disposing of the activities of the La Bâthie plant (France). The operations that would be ultimately retained by Imerys achieve annual revenue of approximately €50 million with a workforce of 150. This transaction, which should enable Imerys to broaden and optimize its product offering, is subject to personnel representative information and consultation procedures, and should be closed by the end of the year.

Financial calendar 2017

February 16	2016 results
April 28	1st quarter 2017 results
May 3 at 11am	Shareholders' General Meeting
July 28	1st half 2017 results
October 31	3rd quarter 2017 results

These dates are tentative and may change. Updates are available on the Group's website at ***www.imerys.com***, in the *Investors & Analysts/Financial Agenda* section

Conference call

The press release is available from the Group's website ***www.imerys.com*** with access via the homepage in the *News* section. The results for the first 9 months of 2016 will be commented upon in a conference call on Friday, October 28, 2016 at 10am (Paris time). The call will be webcast live on the Group's website at ***www.imerys.com.***

The world leader in mineral-based specialty solutions for industry, *with €4 billion revenue and 16,000 employees, Imerys delivers high value-added, functional solutions to a great number of sectors, from processing industries to consumer goods and building products. The Group draws on its knowledge of applications, scientific expertise and technological know-how to beneficiate its mineral resources, develop formulations and produce synthetic minerals. These contribute essential properties to customers' products and performance, including refractoriness, hardness, conductivity, opacity, durability, purity, lightness, filtration, absorption and repellency. Imerys is determined to develop responsibly, in particular by fostering the emergence of environmentally-friendly products and processes.*

More comprehensive information about Imerys *may be obtained from its website (www.imerys.com) under Regulated Information, particularly in its Registration Document filed with the Autorité des marchés financiers on March 17, 2016 under number D. 16-0153 (also available from the Autorité des marchés financiers website, www.amf-france.org). Imerys draws the attention of investors to chapter 4, "Risk Factors and Internal Control", of its Registration Document.*

Disclaimer: *This document contains projections and other forward-looking statements. Investors are cautioned that such projections and forward-looking statements are subject to various risks and uncertainties (many of which are difficult to predict and generally beyond the control of Imerys) that could cause actual results and developments to differ materially from those expressed or implied.*

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APPENDIX TO CONSOLIDATED RESULTS TO SEPTEMBER 30, 2016

(Non-audited quarterly data)

1. CONSOLIDATED REVENUE BREAKDOWN

Revenue by business group (€ millions)	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016
Energy Solutions & Specialties	312.5	323.5	314.1	303.0	300.8	316.2	319.6
Filtration & Performance Additives	218.9	306.2	284.5	271.9	278.2	292.1	282.0
Ceramic Materials	291.0	301.4	285.8	294.2	323.2	311.4	293.8
High Resistance Minerals	165.3	165.0	156.0	143.1	148.3	151.5	146.5
Holding & Eliminations	(14.1)	(12.4)	(13.2)	(10.2)	(12.4)	(12.6)	(12.1)
Total	**973.6**	**1,083.7**	**1,027.2**	**1,002.2**	**1,038.1**	**1,058.6**	**1,029.8**

Revenue by business group (€ millions)	Q3 2015	Q3 2016	Change (reported)	Group Structure	Foreign Exchange	Change (like-for-like)
Energy Solutions & Specialties	314.1	319.6	+ 1.7 %	+ 4.5 %	+ 0.5 %	- 3.2 %
Filtration & Performance Additives	284.5	282.0	- 0.9 %	+ 0.1 %	- 0.5 %	- 0.5 %
Ceramic Materials	285.8	293.8	+ 2.8 %	+ 3.7 %	+ 1.2 %	- 2.1 %
High Resistance Minerals	156.0	146.5	- 6.0 %	- 0.7 %	+ 0.1 %	- 5.5 %
Holding & Eliminations	(13.2)	(12.1)	n.s.	n.s.	n.s.	n.s.
Total	**1,027.2**	**1,029.8**	**+ 0.3 %**	**+ 2.3 %**	**+ 0.4 %**	**- 2.5 %**

Revenue by region (€ millions)	9 months 2016 revenue	Change 9 months '16 vs. 9 months '15 (reported)	%total revenue 9 months '15	%total revenue 9 months '16
Western Europe	1,361.2	+ 0,6%	44%	44%
o/w France	*363.5*	*+ 2,9 %*	*11%*	*12%*
USA / Canada	771.3	+ 1,0%	25%	25%
Emerging markets	830.2	+ 1,2 %	27%	26%
Japan / Australia	163.8	+ 11,6 %	4%	5%
Total	**3,126.5**	**+ 1.4 %**	**100%**	**100%**

2. KEY INCOME INDICATORS

(€ millions)	Q3 2015	Q3 2016	Change
Revenue	1,027.2	1,029.8	+ 0.3 %
Current operating income	135.0	148.5	+ 10.0 %
Current financial expense	(16.0)	(18.4)	
Current taxes	(33.8)	(39.1)	
Minority interest	-	(0.4)	
Net income from current operations	85.2	90.6	+ 6.3 %
Other operating income and expenses, net	(11.9)	(29.7)	
Net income	**73.3**	**60.9**	**- 16.9 %**

(€ millions)	9 months 2015	9 months 2016	Change
Revenue	3,084.5	3,126.5	+ 1.4 %
Current operating income	409.0	441.5	+ 8.0 %
Current financial expense	(39.5)	(47.5)	
Current taxes	(107.9)	(117.2)	
Minority interest	(1.7)	(2.3)	
Net income from current operations	259.9	274.5	+ 5.6 %
Other operating income and expenses, net	(41.4)	(55.5)	
Net income	**218.5**	**219.0**	**+ 0.2 %**

1. GLOSSARY

Throughout this press release:

- the term **"on a comparable basis"** means: "at comparable Group structure and exchange rates";
  - Restatement of the foreign exchange effect consists of calculating aggregates for the current year at the exchange rate of the previous year. The impact of exchange rate instruments qualifying as hedging instruments is taken into account in current data.
  - Restatement of Group structure effect of newly consolidated entities consists of:
    - for entities entering the consolidation scope in the current year, subtracting the contribution of the acquisition from the aggregates of the current year,
    - for entities entering the consolidation scope in the previous year, subtracting the contribution of the acquisition from January 1 of the current year, until the last day of the month of the current year when the acquisition was made the previous year;
  - Restatement of entities leaving the consolidation scope consists of:
    - for entities leaving the consolidation scope in the current year, subtracting the departing entity's contributions from the aggregates of the previous year as from the first day of the month of divestment,
    - for entities leaving the consolidation scope in the previous year, subtracting the departing entity's contributions from the aggregates of the previous year;
- the term **« volume effect »** corresponds to the sum of the change in sales volumes of each division between the current year and the previous one, valued at the average sales price of the previous year.
- the term **« price-mix effect »** corresponds to the sum of the change in average prices by product family of each division between the current year and the previous one, applied to volumes of the current year.
- the term **"Current operating income"** means operating income before other operating income and expenses;
- the term **"Net income from current operations"** means the Group's share of income before other operating revenue and expenses, net.