

Results to September 30, 2016

Conference call
October 28, 2016

Gilles MICHEL - Chairman & Chief Executive Officer
Olivier PIROTTE - Chief Financial Officer



Disclaimer

More comprehensive information about Imerys may be obtained on its website (www.imerys.com), under Regulated Information, including its Registration Document filed under No D.16-0153 on March 17, 2016 with Autorité des marchés financiers. Imerys draws the attention of investors to the “Risk factors and Internal control” set forth in section 4 of the Registration Document.

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.

Photo credits: Imerys photo library, Reserved Rights, xxx.

Results to September 30, 2016

Results	4
Outlook	14
Appendix	16

Results



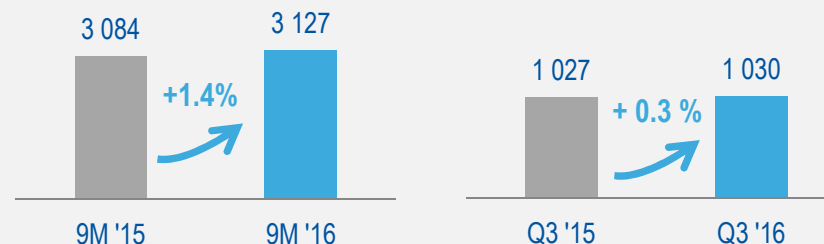
Improvement in 9 months 2016 results

- **+1.4%** increase in revenue
 - ◆ Contribution from acquisitions completed in 2015

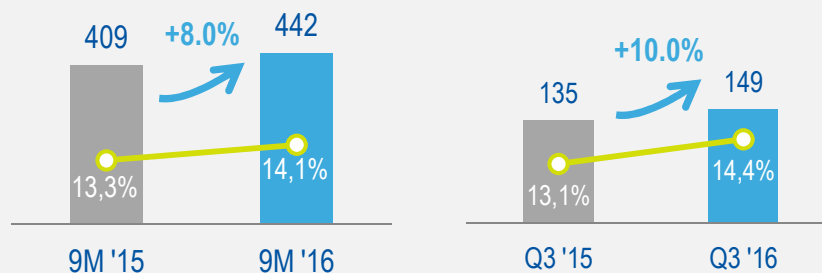
- **Current operating income up +8.0%**
 - ◆ Contribution of synergies from acquisitions
 - ◆ Efficiency of operational excellence programs
 - ◆ Strengthening of products offering

- **+5.6%** increase in net income from current operations, in line with the 1st half

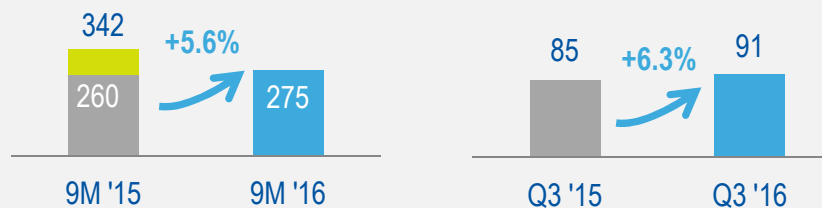
Revenue (M€)



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



Net income from current operations (M€)



■ FY 2015 ■ 9M 2015 ■ 9M 2016



IMERYS

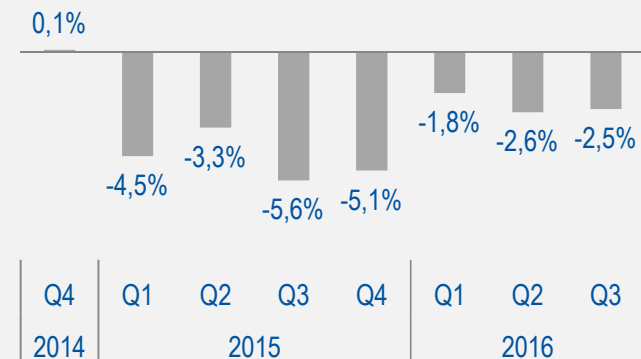
Market conditions

Construction and renovation	19% revenue ^(*)	<ul style="list-style-type: none"> Sustained growth of individual and collective housing starts in the US (+ 6.1% 8M 2016 ⁽¹⁾) Moderate and contrasted growth in Europe
Current Consumption	15%	<ul style="list-style-type: none"> Firm current consumption (food and beverage, consumer electronics, cosmetics, etc.)
Paper	14%	<ul style="list-style-type: none"> Decrease in printing and writing paper production in mature economies⁽²⁾ (- 3.4% in Q2 2016 vs Q2 2015)
Iron & Steel	12%	<ul style="list-style-type: none"> Stabilization in the US: 9M 2016 vs 9M 2015 ⁽³⁾ (- 1.4%) Drop of European steel markets (- 4.8%)
Automotive	10%	<ul style="list-style-type: none"> Stabilization of car sales in the US 8M 2016 (+ 0.6%) ⁽⁴⁾ vs. historically high level in 2015 + 7.1% increase in Europe at end of September 2016⁽⁵⁾
Roofing in France	7%	<ul style="list-style-type: none"> Clay tiles market stabilization: - 0.5% in 9M 2016 ⁽⁶⁾ Slight increase in new individual housing starts 8M 2016 (+ 0.5% vs. 8M 2015) ⁽⁷⁾
US Non conventional oil exploration	< 1%	<ul style="list-style-type: none"> Stabilization of the number of rigs in the US in Q3 2016 vs H1 2016⁽⁸⁾

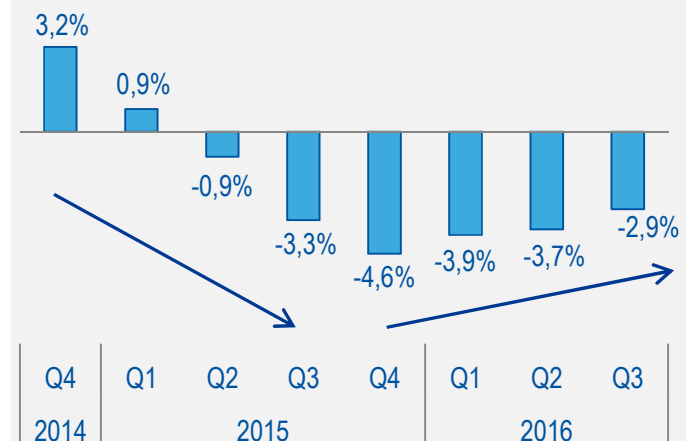
(*) 2015 estimates

(1) Census (2) RISI (3) Worldsteel (4) Automakers & WSJ (5) JD Power (6) Fédération Française de Tuiles et Briques (7) Commissariat Général au Développement Durable; (8) Baker Hughes

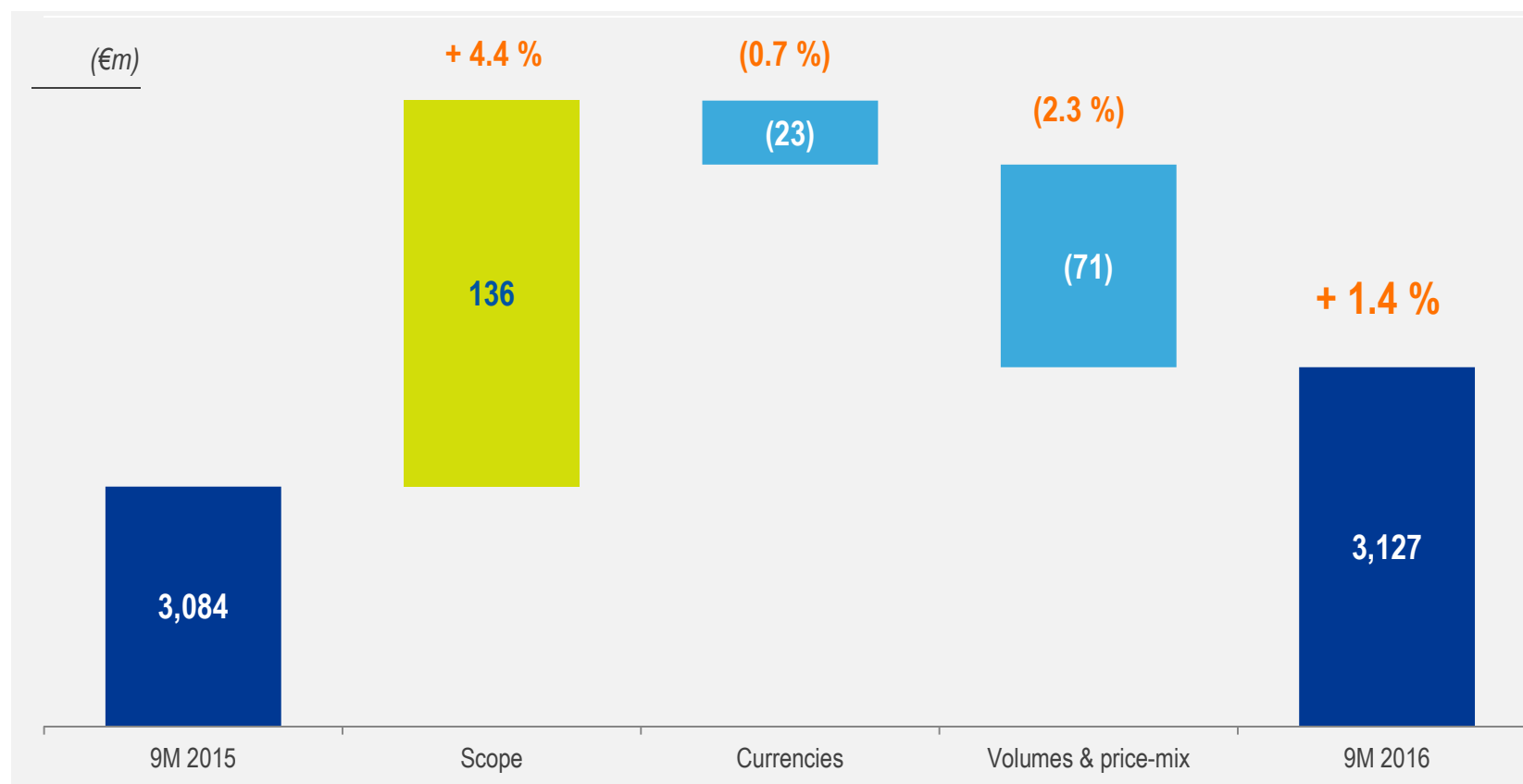
Quarterly organic growth



Organic growth – rolling twelve months



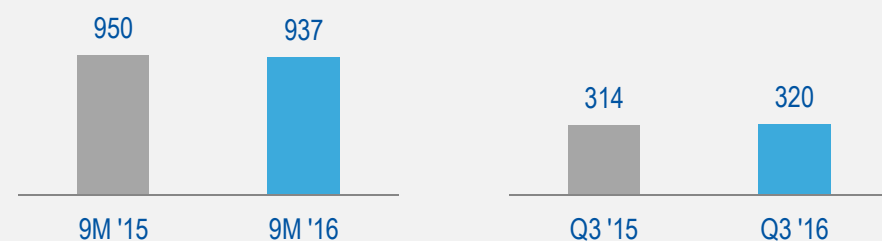
9M 2016 revenue increase to €3,127 m



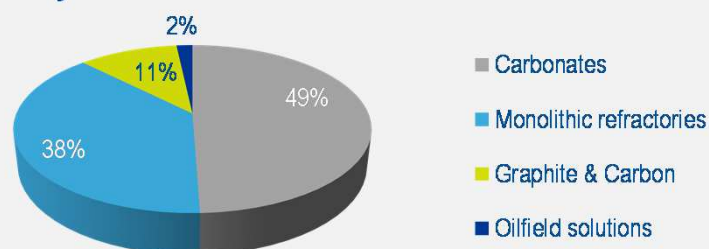
- Contribution from acquisitions completed in 2015
- Slower decline in sales volumes (- 3.0 %) vs. 9M 2015 (- 5.7 %)
- Contribution from new products: price-mix effect of + 0.7 %

Energy Solutions & Specialties (30% of consolidated revenue at September 30, 2016)

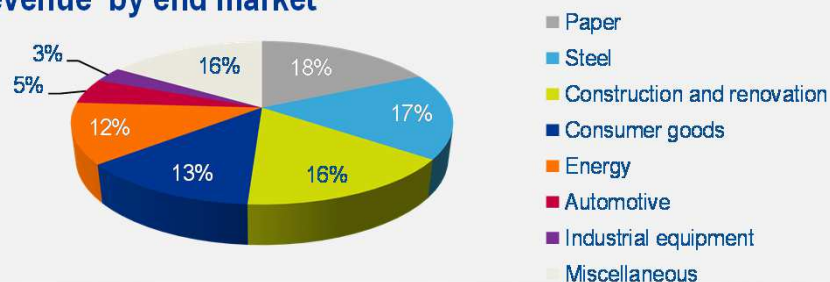
Revenue (€m)



Revenue by division



Revenue by end market*



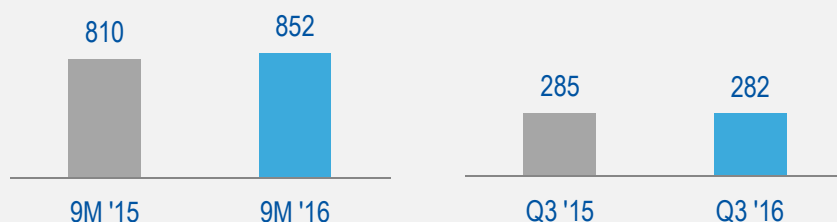
*2015 data

1. Throughout the presentation: "LFL" (like-for-like) means "at comparable Group's structure and exchange rates"

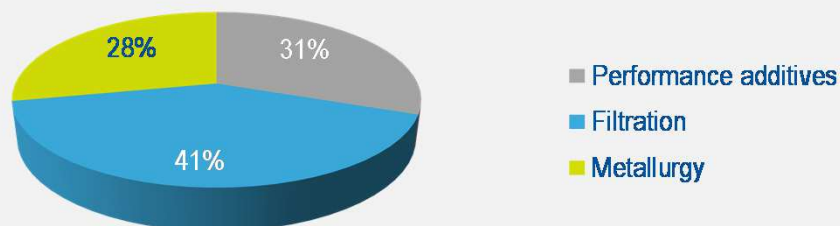
- 9M 2016 revenue: - 1.4% reported, - 4.3% LFL¹
- Carbonates: positive momentum in the US and in South-East Asia; growth in specialty products
- Monolithic refractories: weak European market
 - ◆ Well-oriented demand in India and Asia
 - ◆ Acquisitions: SPAR (USA), Fagersta Eldfasta (Sweden)
- Strong demand for graphite in lithium-ion batteries for mobile energy
 - ◆ Significant multi-annual investment program
- Ceramic proppants: active industrial and sales presence maintained in lackluster market
 - ◆ Impact of negative contribution to full year 2016 current operating income below 2015 level (- 27 M€) confirmed

Filtration & Performance Additives (27% of consolidated revenue at September 30, 2016)

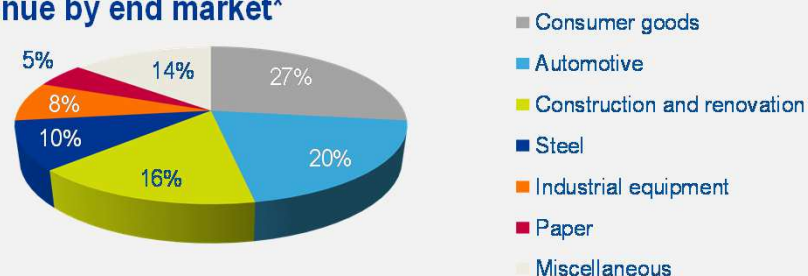
Revenue (€m)



Revenue by division



Revenue by end market*

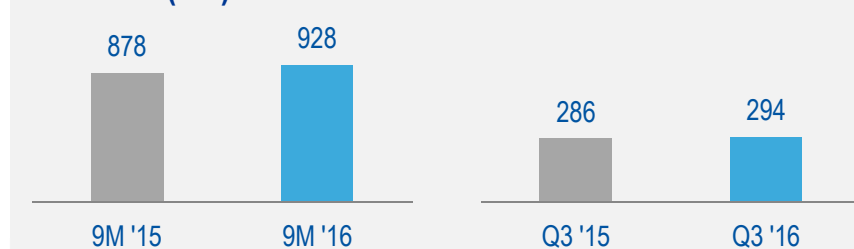


*2015 data

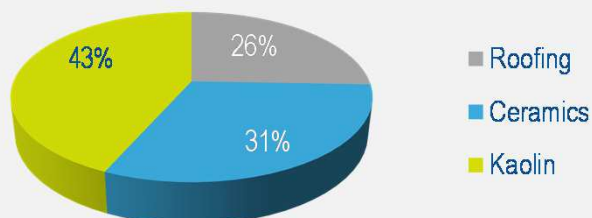
- 9M 2016 revenue: **+ 5.3%** (S&B in particular), **- 0.2%** LFL
- S&B integration progressing well
- Sale growth in Performance Additives division: talc and wollastonite for polymers used in automotive industry
- Steady performance of Filtration division supported by consumer goods and new applications (healthcare & beauty, etc.)
- Improving cost structure and enlarging of products offering from Metallurgy division in a context of weak markets

Ceramic Materials (29% of consolidated revenue at September 30, 2016)

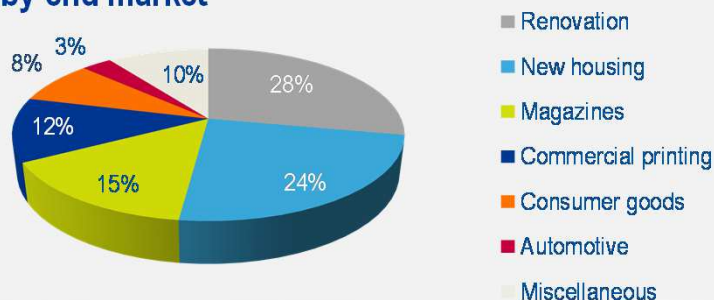
Revenue (€m)



Revenue by division



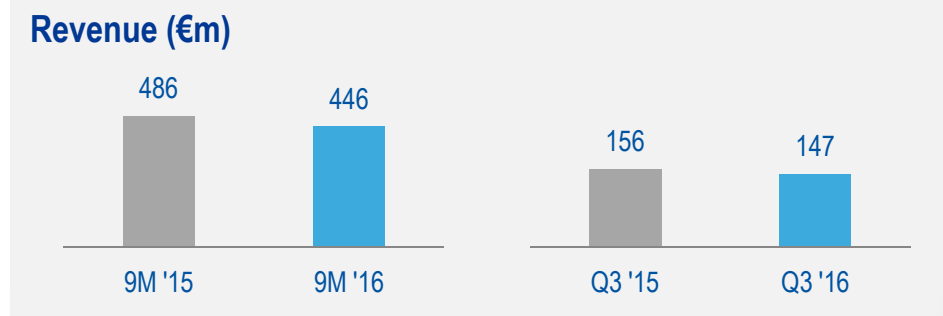
Revenue by end market*



*2015 data

- 9M 2016 revenue up by **+ 5.7%** reported, **- 0,6%** LFL
- Ceramics: good commercial activity; continuation of refocusing strategy; partnership agreement signed with Spanish group Samca
- Roofing: robust performance in a market showing no signs of recovery, especially in renovation
- Kaolin: decline in paper market partly offset by development of specialty applications

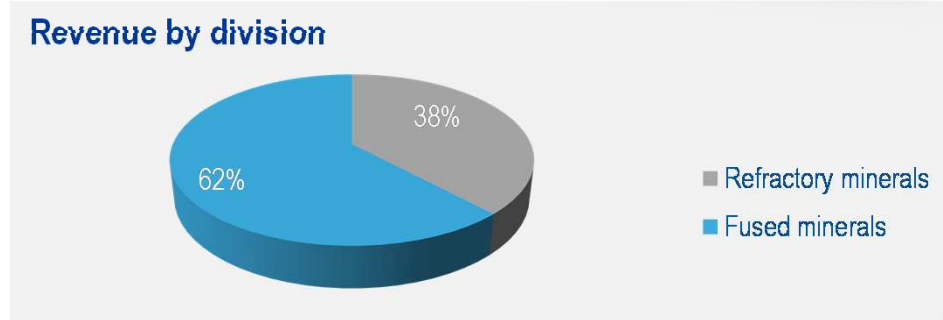
High Resistance Minerals (14% of consolidated revenue at September 30, 2016)



- 9M 2016 revenue: - 8.2% reported, - 5.4% LFL

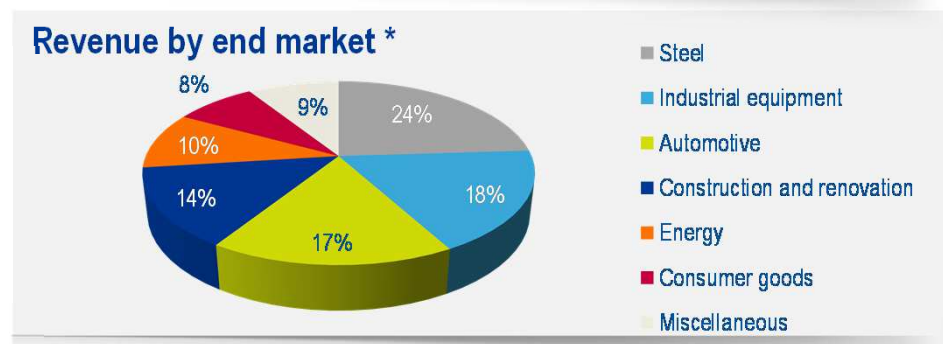
Fused minerals

- ◆ Resilient alumina products and specialty zirconium
- ◆ Fused alumina production ramp-up in Bahrein



Refractory minerals

- ◆ Lower steel production
- ◆ Continued restructuring, in China in particular

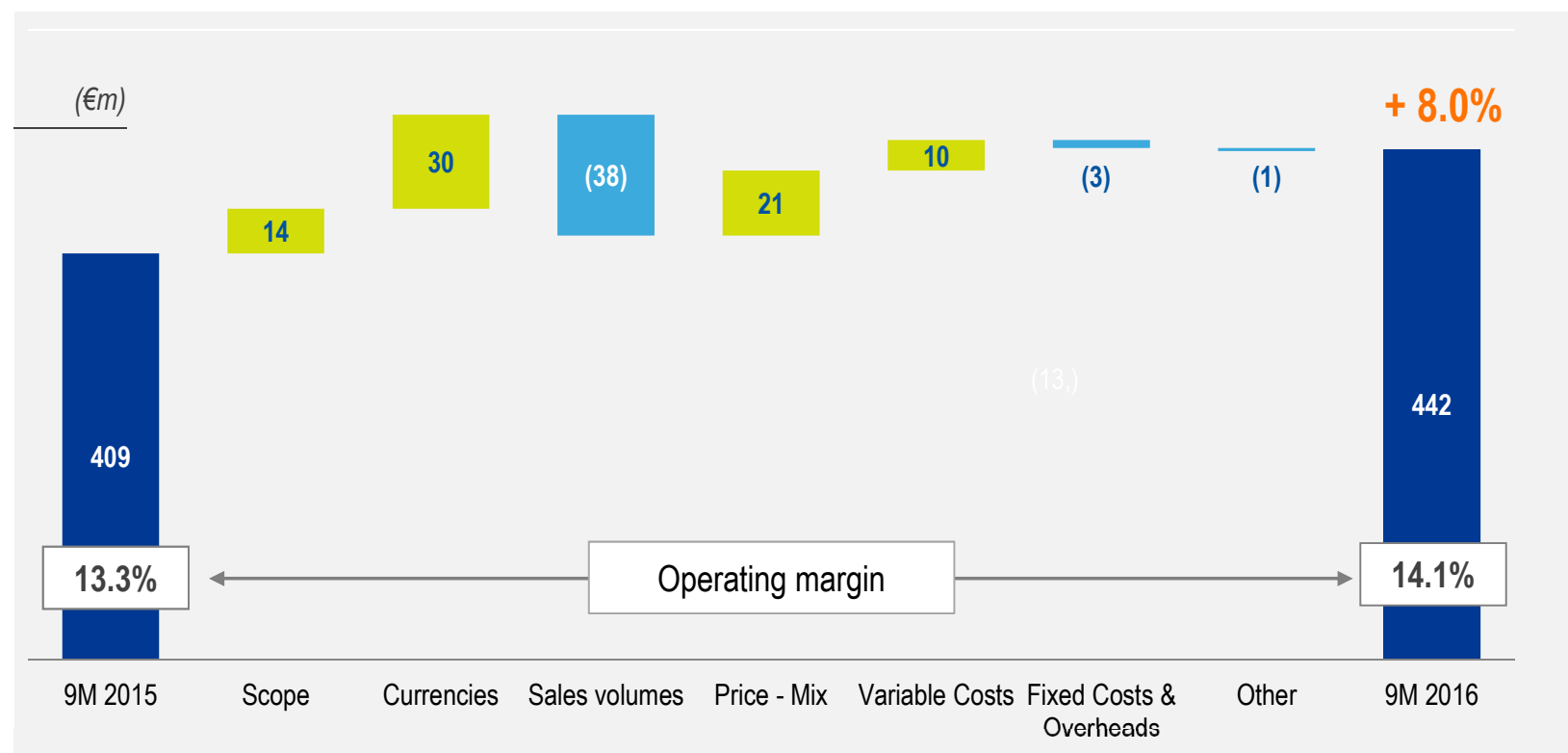


*2015 data

- Acquisition of part of Group Alteo's specialty alumina activities approved by European Commission; closing expected by the end of 2016



Current operating income up + 8.0%



- Incremental synergies realized from acquisitions, in particular from S&B
- Product offering further enhanced
- Favorable evolution of business mix
- Positive transaction impact from currencies reflecting depreciation of Brazilian real (+ €20.6m) to be analyzed against costs inflation in Brazil (- €13.4m)
- Tangible improvement in variable and fixed costs (+ €7.1m), supported by operational excellence programs and effective procurement management

Net income from current operations up by + 5.6 %

€m	9M 2015	9M 2016	Change
Current operating income	409.0	441.5	+ 8.0 %
Current financial expense	(39.5)	(47.5)	
<i>of which: Interest expense, net</i>	(38.9)	(37.8)	
<i>Average net financial debt for the period</i>	1,439.0	1,546.4	
Current income tax	(107.9)	(117.2)	
<i>Current tax rate</i>	29.2 %	29.7 %	
Minority Interests	(1.7)	(2.3)	
Net income from current operations, Group's share	259.9	274.5	+ 5.6 %
Net income from current operations, Group's share, per share, in euros ⁽¹⁾	3.28	3.48	+ 6.2 %
Other operating income and expenses, net and net income of assets held for sale	(41.4)	(55.5)	
Net income, Group share	218.5	219.0	

- Increase in other income and expenses primarily attributable to the depreciation of a refractories activity in China (€23m)

(1) Average weighted number of outstanding shares: 78 774 246 (9M2016) against 79 204 998 (9M2015)

Outlook



2016 Outlook

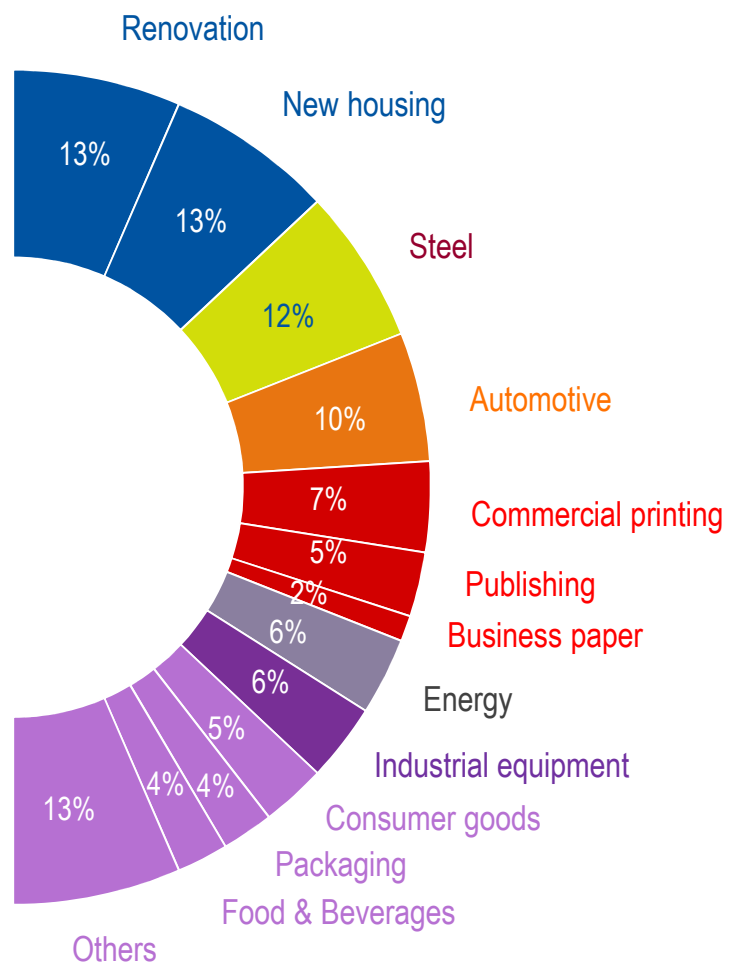
- Continuation of innovation and operational excellence programs in contrasted markets
- Pursuing development strategy, thanks to a sound financial structure and efficient business model
- 2016 objective confirmed: increase in current net income for the full year comparable to that of the first half (+ 5.2% for the record), assuming unchanged market conditions

Appendix

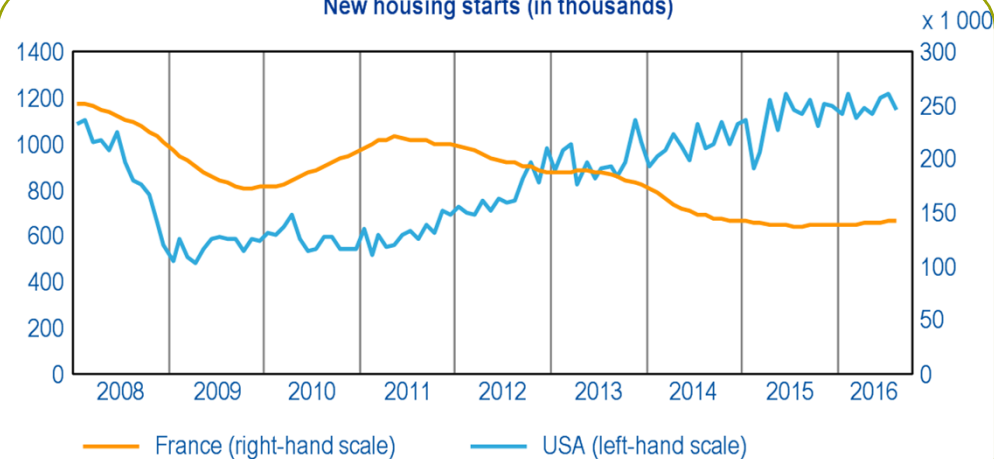


Market indicators for construction, printing & writing paper

2015 revenue

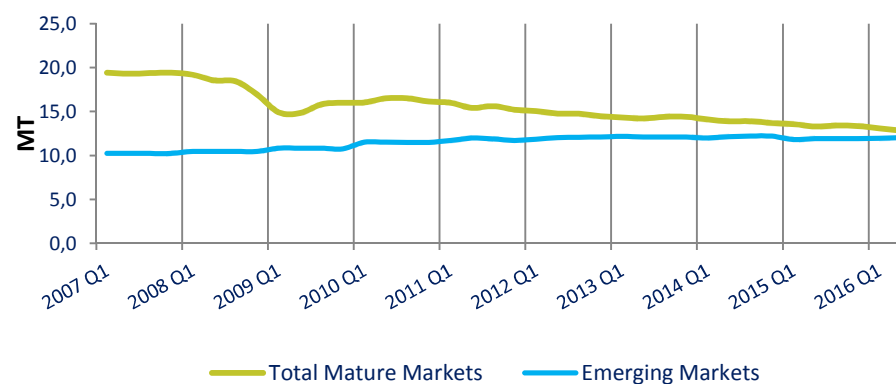


New housing starts (in thousands)



Source: Thomson Reuters Datastream

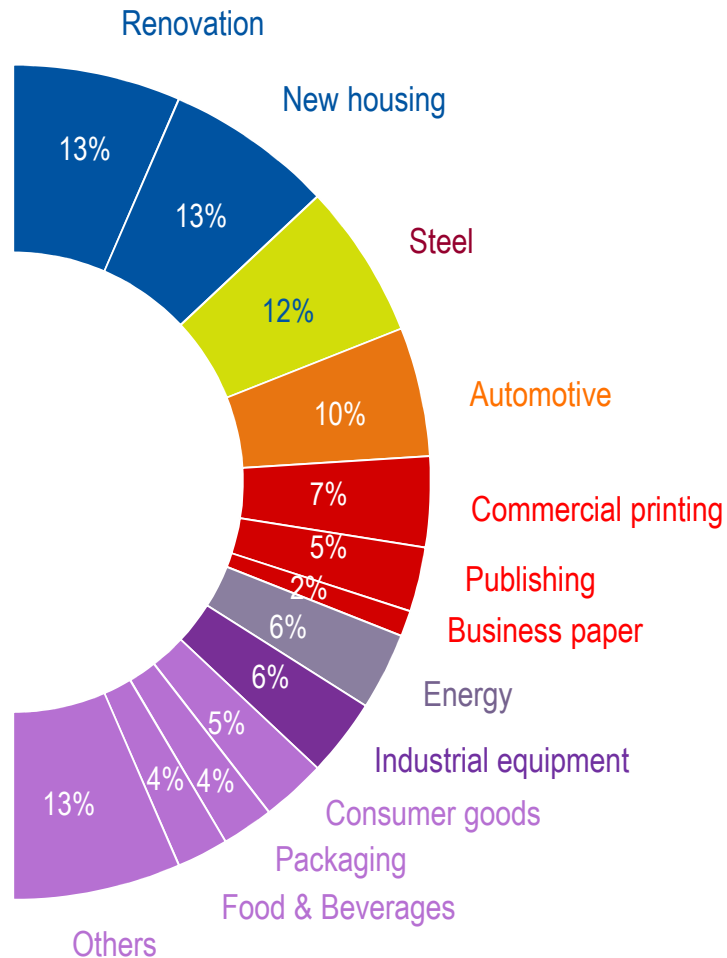
Printing & writing paper (in millions of tons)



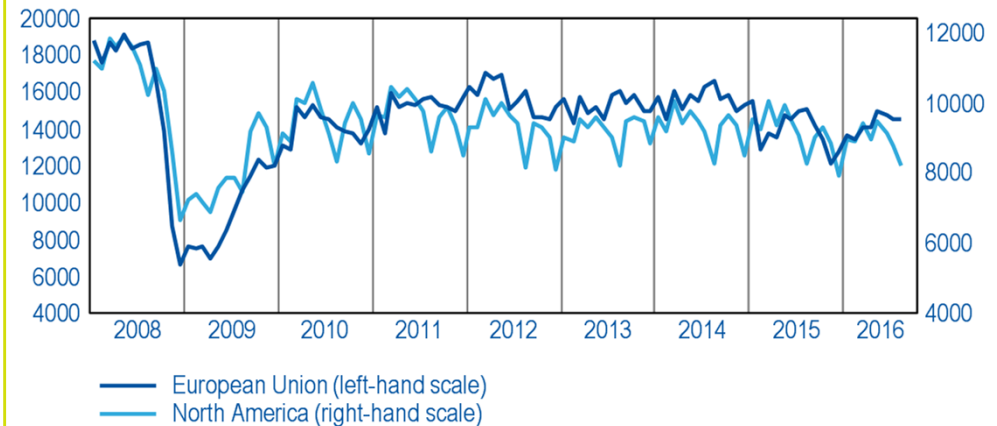
Source : RISI

Indicators for steel production and passenger car registrations

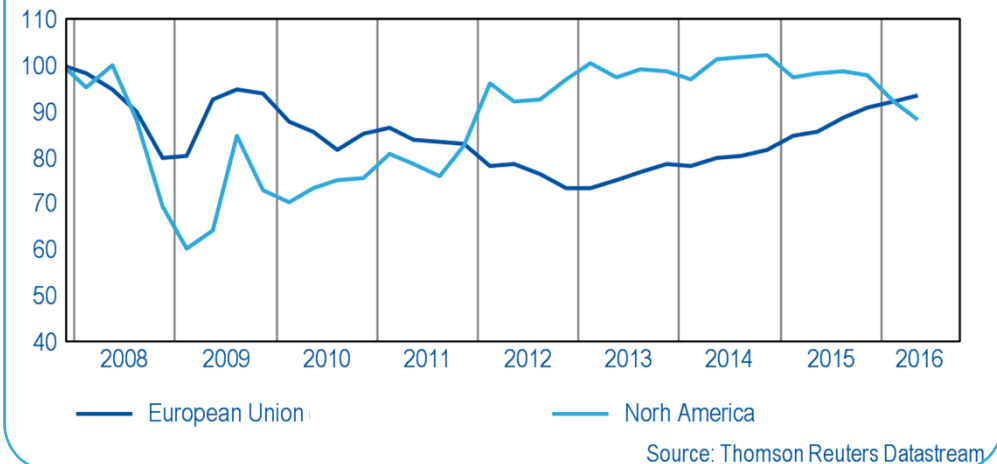
2015 revenue



Steel production (in thousands of tons)

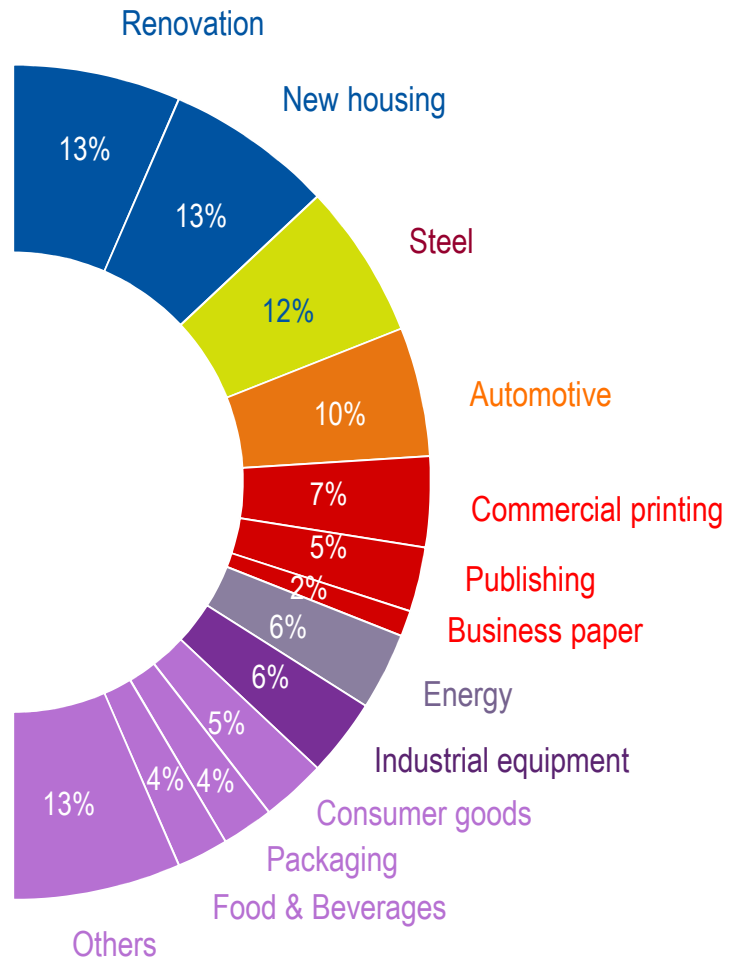


Passenger car registrations (basis 100 in Q4 2007)



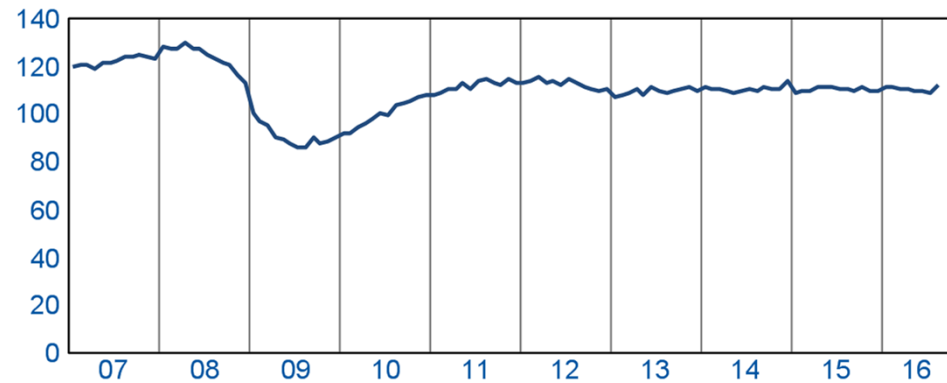
Industrial production indicator: industrial equipment

2015 revenue



New orders index (machine and industrial equipment manufacturing)

(adjusted for seasonal effects and working days) - EU



Source: Thomson Reuters Datastream

New orders index (machine and industrial equipment manufacturing) - US

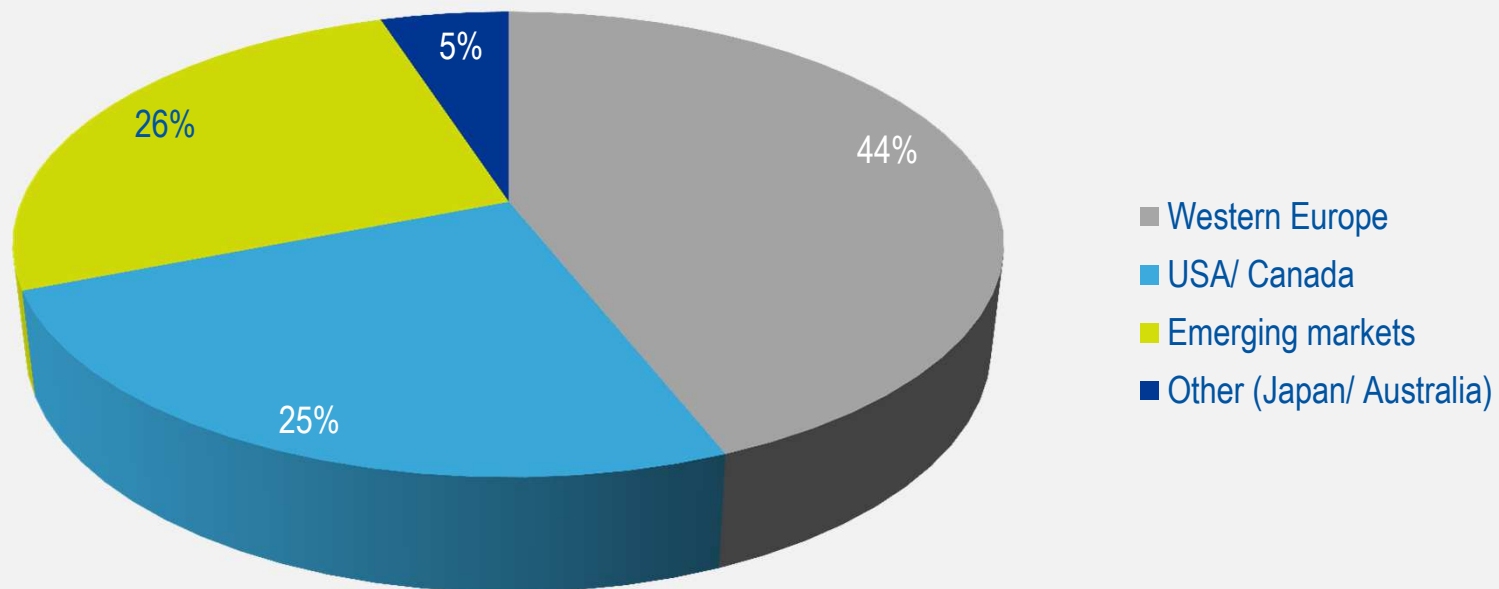
(adjusted for seasonal effects)



Source: Thomson Reuters Datastream

Revenue by region

9M 2016 revenue



Revenue and current operating income by quarter

Revenue (€m)	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016
Energy Solutions & Specialties	303.2	321.1	338.9	315.5	312.5	323.5	314.1	303.0	300.8	316.2	319.6
Filtration & Performance Additives	159.0	165.8	167.8	165.4	218.9	306.2	284.5	271.9	278.2	292.1	282.0
Ceramic Materials	289.5	292.5	295.1	279.7	291.0	301.4	285.8	294.2	323.2	311.4	293.8
High Resistance Minerals	163.3	165.6	154.2	158.6	165.3	165.0	156.0	143.1	148.3	151.5	146.5
Eliminations & Holding companies	(10.9)	(11.2)	(12.2)	(12.7)	(14.1)	(12.4)	(13.2)	(10.2)	(12.4)	(12.6)	(12.1)
Total revenue	904.1	933.8	943.8	906.5	973.6	1,083.7	1,027.2	1,002.2	1,038.1	1,058.6	1,029.8

LFL growth	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016
Energy Solutions & Specialties	+ 8.3 %	+ 10.3 %	+ 12.5 %	+ 4.6 %	- 4.7 %	- 3.5 %	- 9.7 %	- 8.1 %	- 6.8 %	- 2.9 %	- 3.2 %
Filtration & Performance Additives	+ 5.9 %	+ 3.2 %	+ 6.3 %	+ 0.8 %	+ 2.8 %	+ 3.6 %	- 0.1 %	+ 2.7 %	+ 2.3 %	- 1.7 %	- 0.5 %
Ceramic Materials	+ 1.4 %	- 0.1 %	- 2.0 %	- 2.6 %	- 6.3 %	- 1.7 %	- 4.4 %	- 4.7 %	+ 2.8 %	- 2.3 %	- 2.1 %
High Resistance Minerals	+ 4.4 %	- 1.7 %	- 4.3 %	- 3.0 %	- 7.4 %	- 10.4 %	- 3.4 %	- 10.5 %	- 6.4 %	- 4.4 %	- 5.5 %
Total LFL growth	+ 5.0 %	+ 3.7 %	+ 3.9 %	+ 0.1 %	- 4.5 %	- 3.3 %	- 5.6 %	- 5.1 %	- 1.8 %	- 2.6 %	- 2.5 %

Current operating income	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016
Total current operating income (€m)	117.3	130.4	127	119.8	123.2	150.8	135	129.1	135.4	157.7	148.5
Operating margin	13.0 %	14.0 %	13.5 %	13.2 %	12.7 %	13.9 %	13.1 %	12.9 %	13.0 %	14.9 %	14.4 %

Current operating income and operating margin by semester

Curent operating income (€m)	H1 2012	H2 2012	H1 2013	H2 2013	H1 2014	H2 2014	H1 2015	H2 2015	H1 2016
Energy Solutions & Specialties	77.5	65.7	67.9	60.2	72.1	77.5	64.4	55.3	67.0
Filtration & Performance Additives	45.4	44.9	51.3	49.6	58.0	55.4	88.0	90.1	105.0
Ceramic Materials	112.5	97.0	108.5	111.2	104.4	106.7	106.8	103.3	113.7
High Resistance Minerals	53.6	41.6	37.4	32.7	36.5	36.3	41.4	40.2	40.0
Eliminations & Holding companies	(23.6)	(26.6)	(21.0)	(20.7)	(23.2)	(29.0)	(26.5)	(24.8)	(32.7)
Total current operating income	265.4	222.7	244.0	233.0	247.7	246.9	274.0	264.1	293.0

Operating margin	H1 2012	H2 2012	H1 2013	H2 2013	H1 2014	H2 2014	H1 2015	H2 2015	H1 2016
Energy Solutions & Specialties	11.8 %	10.4 %	10.9 %	9.6 %	11.5 %	11.8 %	10.1 %	9.0 %	10.9 %
Filtration & Performance Additives	14.3 %	14.2 %	15.9 %	15.9 %	17.9 %	16.6 %	16.8 %	16.2 %	18.4 %
Ceramic Materials	17.3 %	15.7 %	17.4 %	19.1 %	17.9 %	18.6 %	18.0 %	17.8 %	17.9 %
High Resistance Minerals	13.9 %	11.7 %	11.1 %	10.3 %	11.1 %	11.6 %	12.5 %	13.4 %	13.3 %
Group operating margin	13.4 %	11.7 %	13.0 %	12.8 %	13.5 %	13.3 %	13.3 %	13.0 %	14.0 %

Current financial expense

€m	9M 2015	9M 2016
Interest expense, net	(38.9)	(37.8)
Unwinding of long-term provisions and change in other provisions	(2.9)	(2.8)
Net interest expense on pensions	(8.3)	(4.9)
Currency translation, other financial income and expense and financial instruments	10.6	(2.0)
Current financial expense	(39.5)	(47.5)

Energy Solutions & Specialties

■ Carbonates

- ◆ Natural (GCC) and Precipitated (PCC) Calcium Carbonates used as filling or coating pigment for paper production and functional additives for paints, plastics, etc..

■ Monolithic Refractories

- ◆ Unshaped refractory materials used to protect industrial equipment from high temperatures in heavy industries (steel, cement, power generation, petro-chemicals, etc.)
- ◆ Protection for furnaces, kilns, crucibles and incinerators

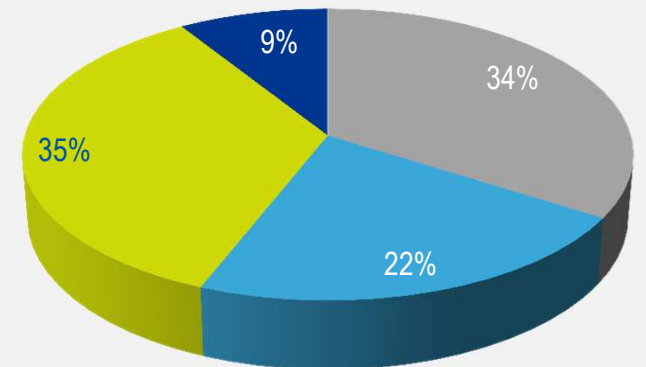
■ Graphite & Carbon

- ◆ High performance graphite powder for mobile energy, electronics and engineering, refractories for the transport and automotive markets

■ Oilfield Solutions

- ◆ Production of ceramic proppants for non-conventional oil and gas exploration

9M 2016 revenue by region



■ Western Europe ■ USA/ Canada
■ Emerging markets ■ Other (Japan/ Australia)

Filtration & Performance Additives

■ Performance Additives

- ◆ Additives for paints, plastics, polymers, rubbers, adhesives, sealants, pharma & personal care (mainly talc, mica and wollastonite, etc.)
- ◆ Perlite based solutions used in building materials and horticulture

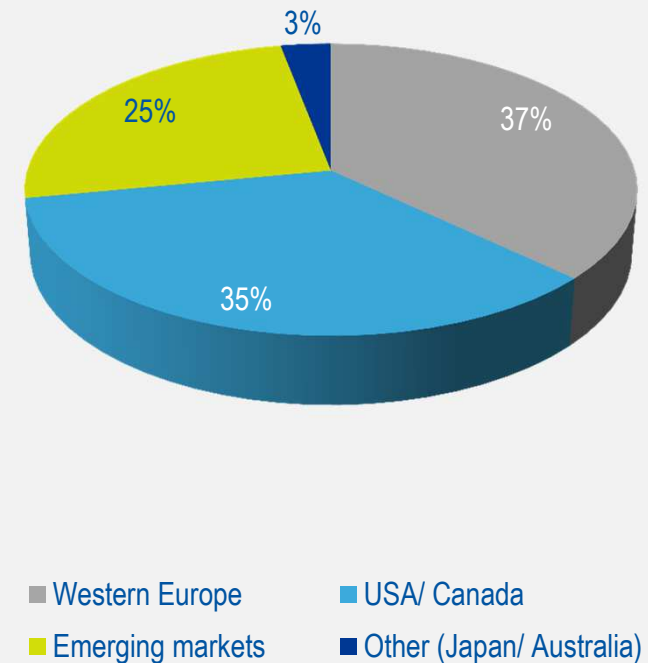
■ Filtration

- ◆ Filtration minerals providing filter aid for edible liquids such as beer, wine, oil, fruit juice, etc. (mainly diatomite and perlite)

■ Metallurgy

- ◆ Bentonite (binders for foundry, sealing solutions, additives for drilling and for consumer products) and continuous casting fluxes for the steel industry

9M 2016 revenue by region



Ceramic Materials

■ Roofing

- ◆ Clay roof tiles in France

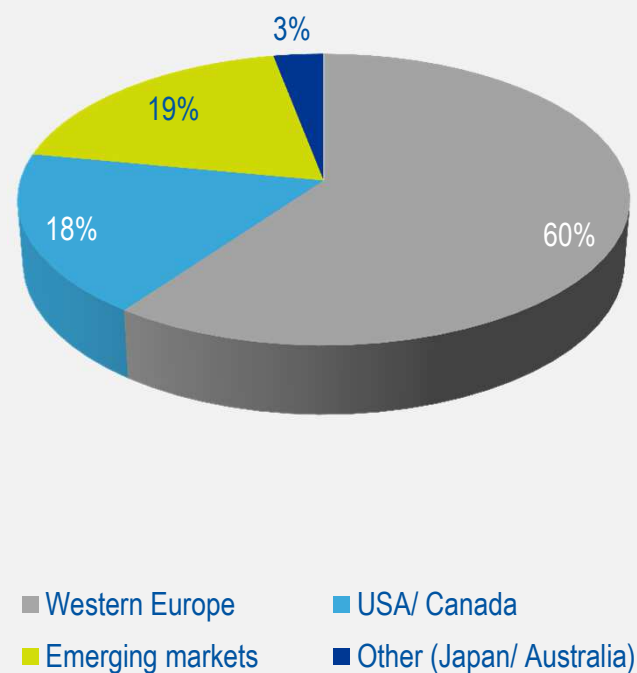
■ Ceramics

- ◆ Raw materials and bodies for tableware, sanitary and floor tiles, quartz, technical ceramics

■ Kaolin

- ◆ Kaolin for applications in the paper, paints, plastics, ceramics and refractories markets, etc.

9M 2016 revenue by region



High Resistance Minerals

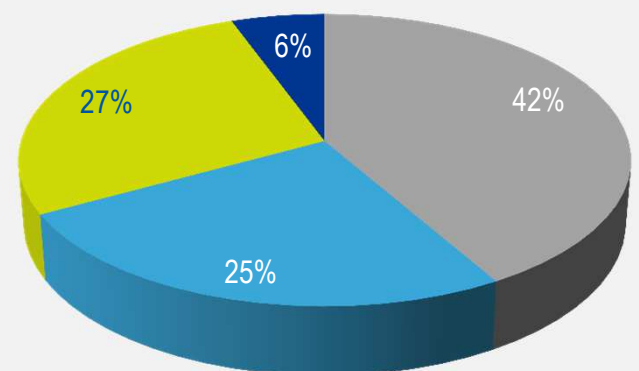
■ Fused Minerals

- ◆ Fused alumina and bauxite for abrasives (cutting, grinding and polishing mills, sandpapers), zirconium for refractories, oxygen sensor

■ Refractory Minerals

- ◆ Production of acidic refractory minerals including andalusite, chamottes

9M 2016 revenue by region



■ Western Europe ■ USA/ Canada
■ Emerging markets ■ Other (Japan/ Australia)



Contacts

Imerys

154 rue de l'Université
75007 PARIS
+ 33 (0) 1 49 55 63 00
www.imerys.com

Analysts / Investors

Vincent Gouley
+ 33 (0) 1 49 55 64 69
vincent.gouley@imerys.com

