

Q1 2015 results

Conference Call
April 29, 2015



IMERYS
TRANSFORM TO PERFORM

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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.

NB:

- Throughout the presentation “comparable change” means “at comparable Group structure and exchange rates”.
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Improvement in results in Q1 2015

■ Revenue growth: + 7.7%

- ◆ S&B integration and positive exchange rates impact
- ◆ - 4.5% at comparable Group structure and exchange rates: atypical quarter, high comparison basis

■ Improved results on solid fundamentals

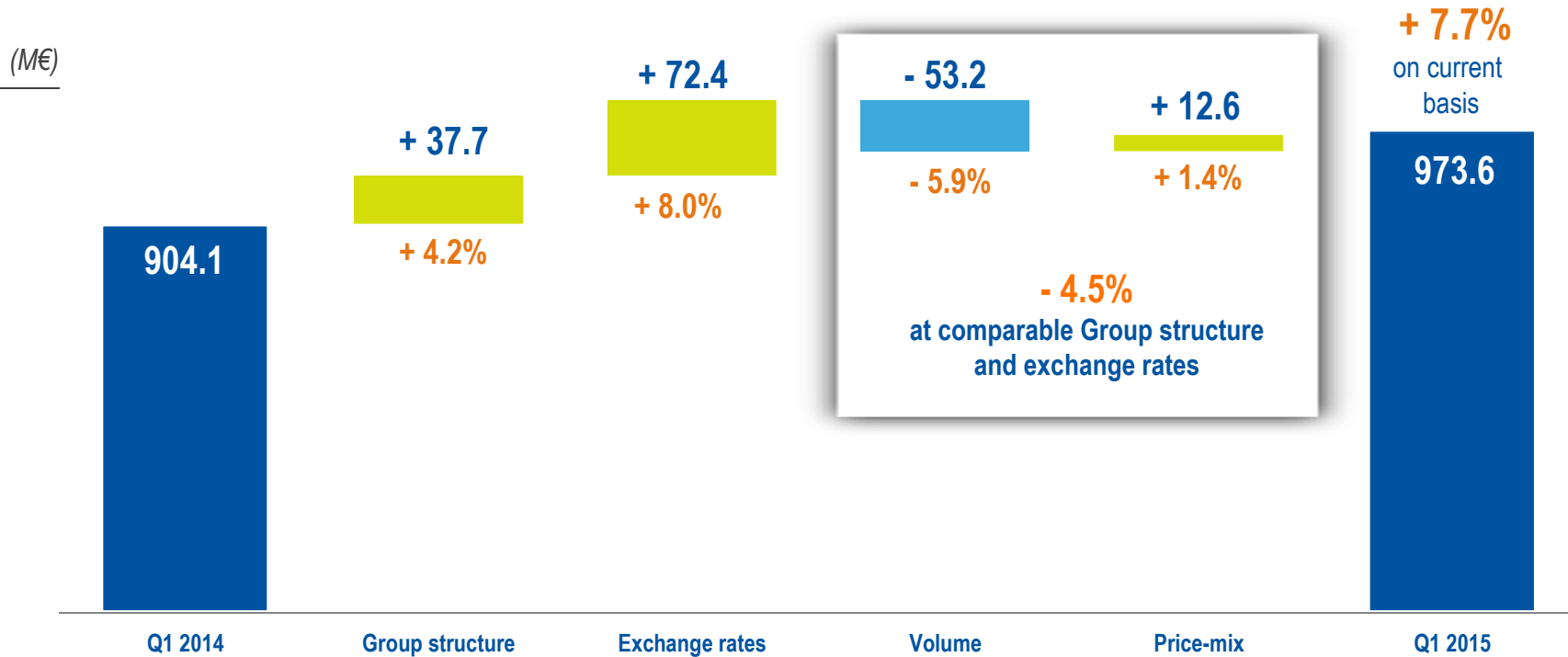
- ◆ Current operating income: + 5.0%
- ◆ Net income from current operations: + 6.1%

Revenue
974 M€

Current operating income
123 M€

Net income from current operations
78 M€

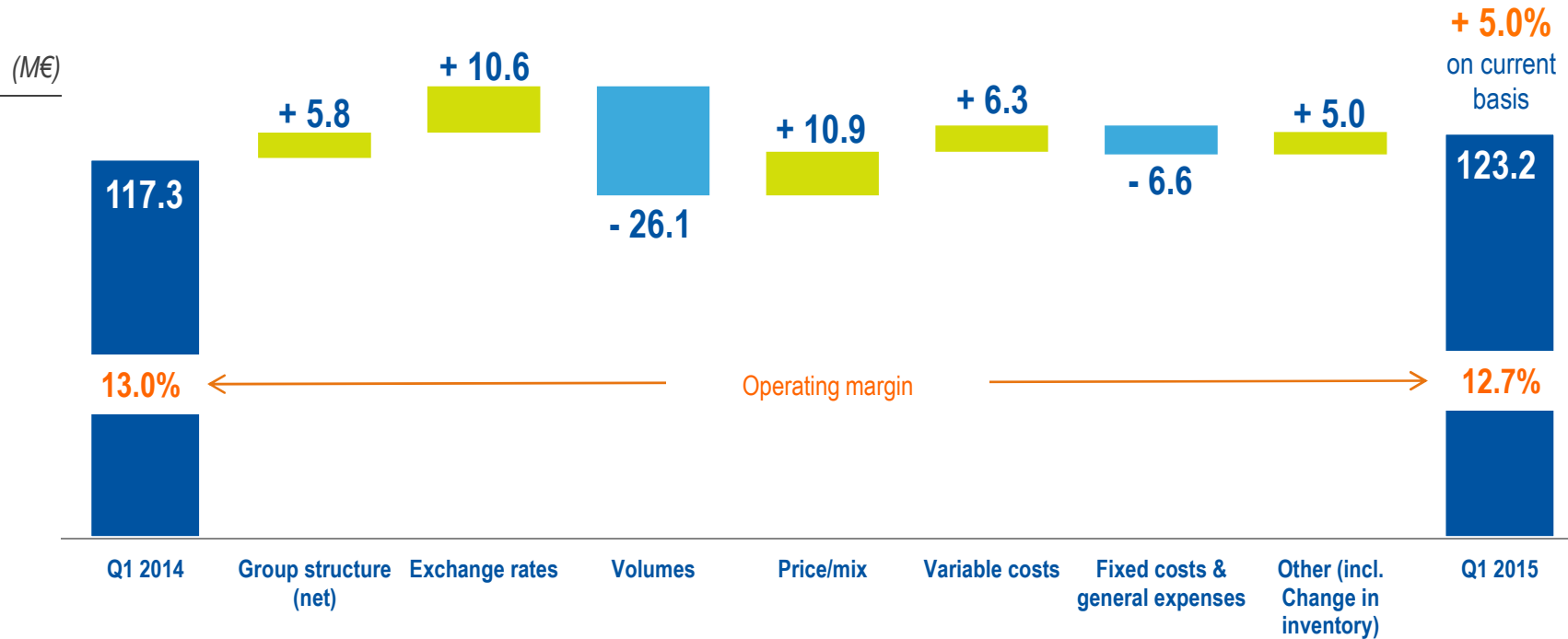
Top line growth despite unusual Q1 volume profile



- S&B integration from March and significant exchange rates effect
- Positive price-mix effect in all Business Groups
- Volume impacted by atypical combination of a slow start of the year and high comparison basis
- Sharp decline in proppants confirmed



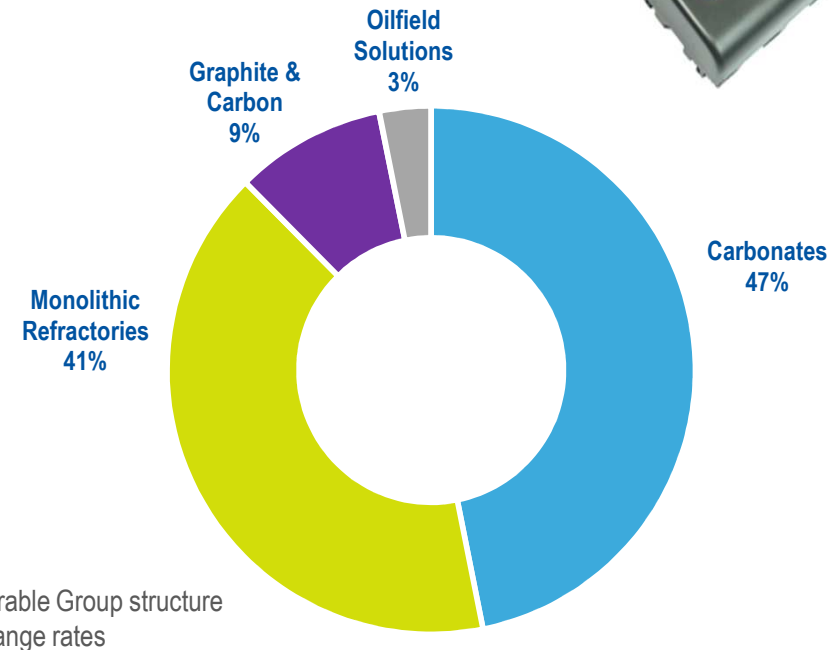
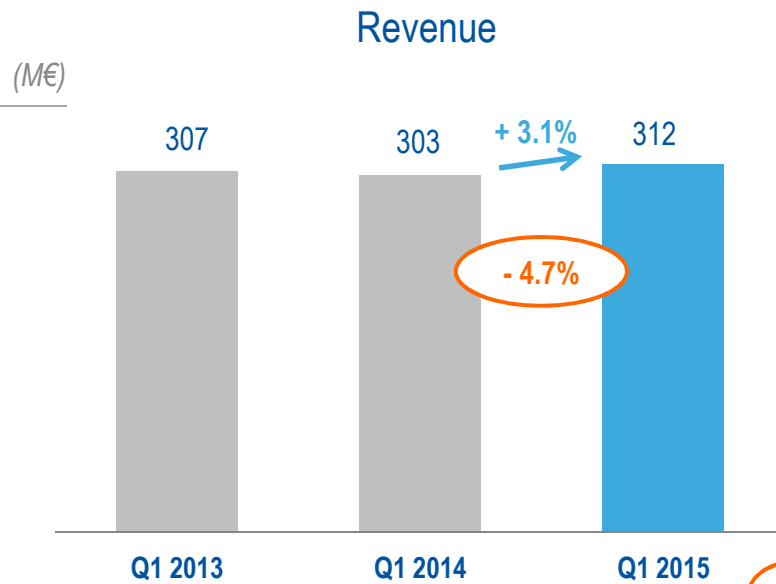
Current operating income growth on healthy fundamentals



- Positive contribution of S&B on first month of integration
- Benefits from USD exposure
- Positive contribution from price-mix in all Business Groups
- Decrease in variable costs
- Fixed costs & general expenses under control



Energy Solutions & Specialties (32% of Q1 2015 revenue)



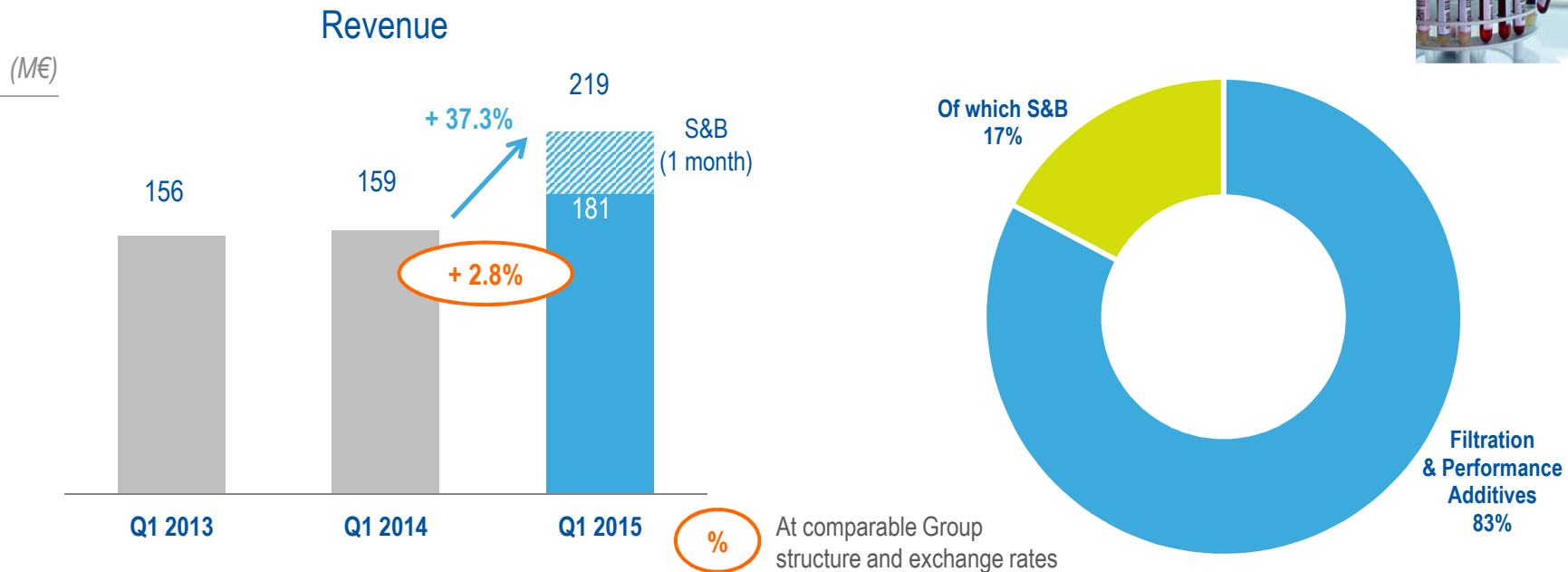
%

At comparable Group structure and exchange rates

- Adjustment measures to lower demand for ceramic proppants in the US
 - ◆ Integrity of industrial, sales and technical assets preserved ahead of potential market recovery
- Continued developments in the other business activities
 - ◆ Positive trend in Carbonates in the US and Asia
 - ◆ Good level of activity in Monolithic Refractories in Asia – Pacific and India
 - ◆ Continued traction in mobile energy and polymers for Graphite & Carbon



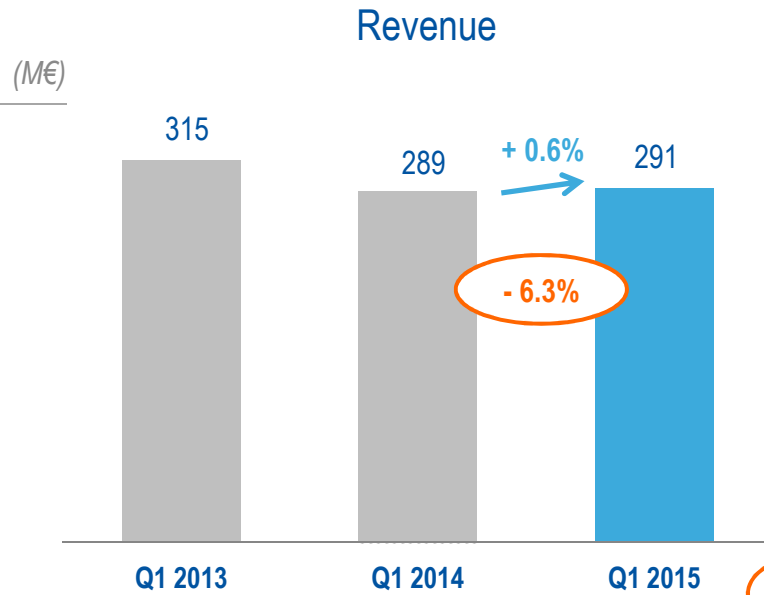
Filtration & Performance Additives (22% of Q1 2015 revenue⁽¹⁾)



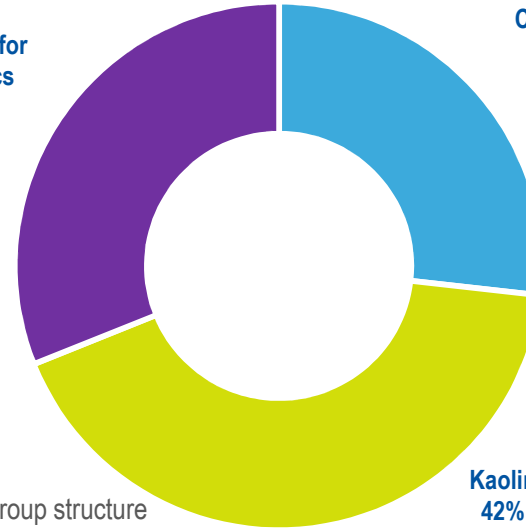
- Scope reflecting S&B integration
- Good market conditions in the US and Europe
- Growth momentum driven by innovation:
 - ◆ New applications in existing markets (e.g. automotive)
 - ◆ Expansion in other growing markets (health & beauty, agriculture, recycling etc.)

(1) Including 1 months of S&B.

Ceramic Materials (30% of Q1 2015 revenue)



Minerals for Ceramics
31%



Clay Roof Tiles
27%

Kaolin
42%

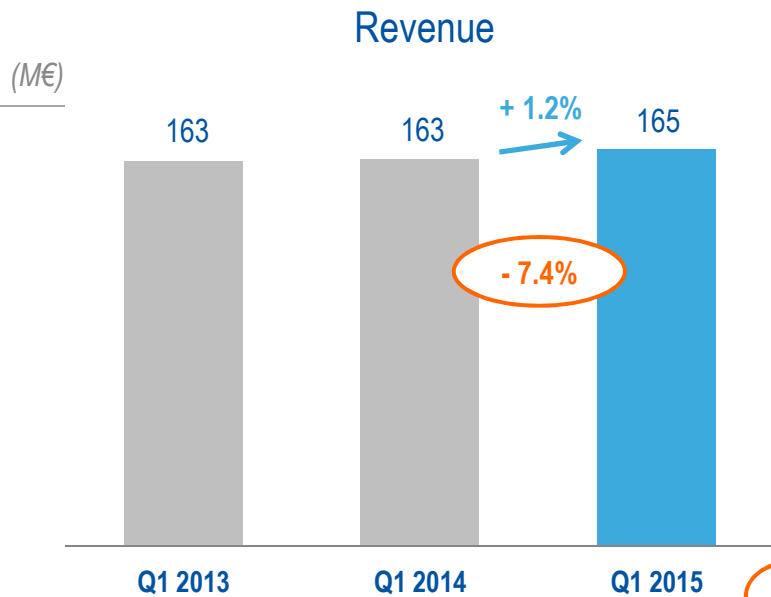
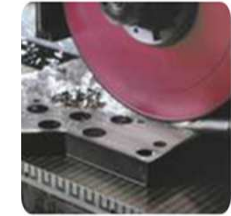
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At comparable Group structure and exchange rates

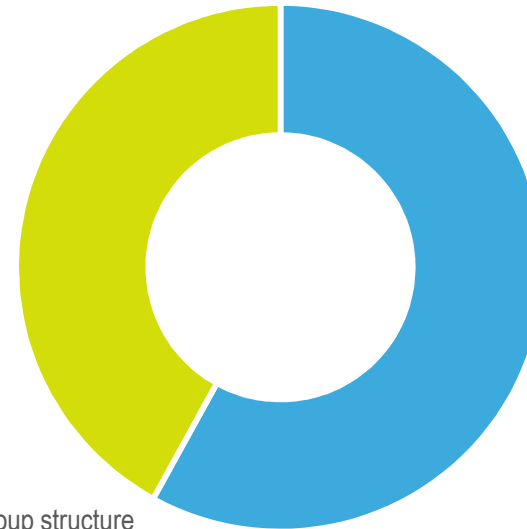
- Geographic repositioning and product diversification in Ceramics
- Healthy trend in Kaolin specialties in North America in particular
- Atypical quarter in Roofing:
 - ◆ Unusual seasonal pattern in January 2015
 - ◆ High comparison basis (exceptional activity due to mild weather in Q1 2014)



High Resistance Minerals (16% of Q1 revenue)



Refractory Minerals
42%



Fused Minerals
58%

%

At comparable Group structure and exchange rates

- Slow down in Refractory Minerals in the US despite a good level in Europe and Asia
- Unusual high comparison basis in Fused Minerals



Growth in net income from current operations

M€	Q1 2015	Q1 2014	Change
Current operating income ⁽¹⁾	123.2	117.3	+ 5.0%
Current financial expense	(11.0)	(14.7)	
Current income tax	(33.0)	(28.9)	
Minority interest	(1.0)	-	
Net income from current operations, Group's share ⁽²⁾⁽³⁾	78.2	73.7	+ 6.1%
Other operating income and expenses, net	(9.7)	3.9	
Net income, Group's share	68.5	77.6	n.a.
<i>Net income from current operations, Group's share, per share⁽⁴⁾</i>	1.01 €	0.97 €	+ 4.1%

- **Current income tax rate: 29.5% in Q1 2015 versus 28.2% in Q1 2014**
- **Other operating income and expenses including restructuring and acquisition costs**

1. Including share in income (loss) of affiliates

2. Net of minority interests

3. Net income before other operating income and expenses, net

4. Average weighted number of outstanding shares: 77,278,568 in Q1 2015 vs. 76,222,621 in Q1 2014

Outlook

Outlook

- Europe: no recovery as of yet, some initial signs to be confirmed
- US: positive momentum expected to remain robust across most markets, except proppants and steelmaking
- S&B integration
- Flexible production capabilities able to adjust to changes in demand
- Continued emphasis on cost control and cash generation

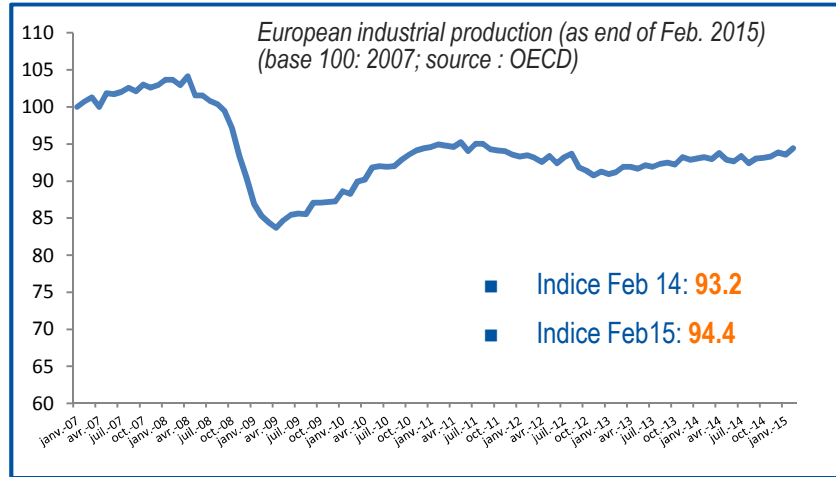
Q1 2015 Results

Conference Call of April 29, 2015

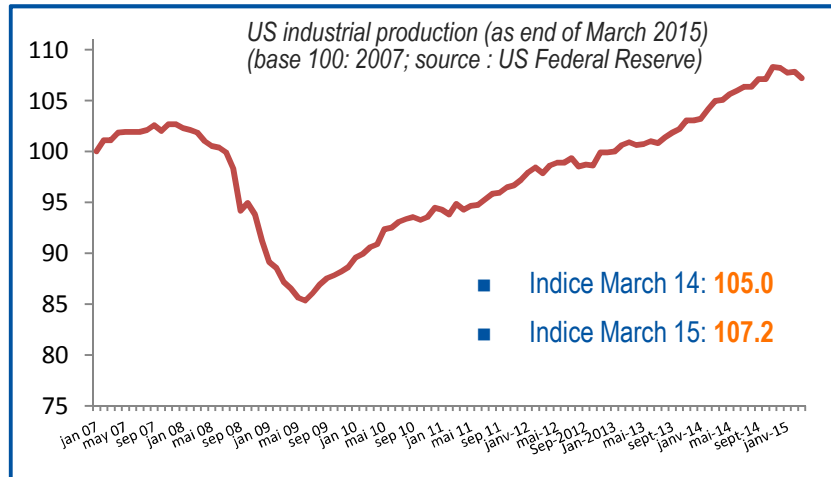
Appendix

Industrial production indicators

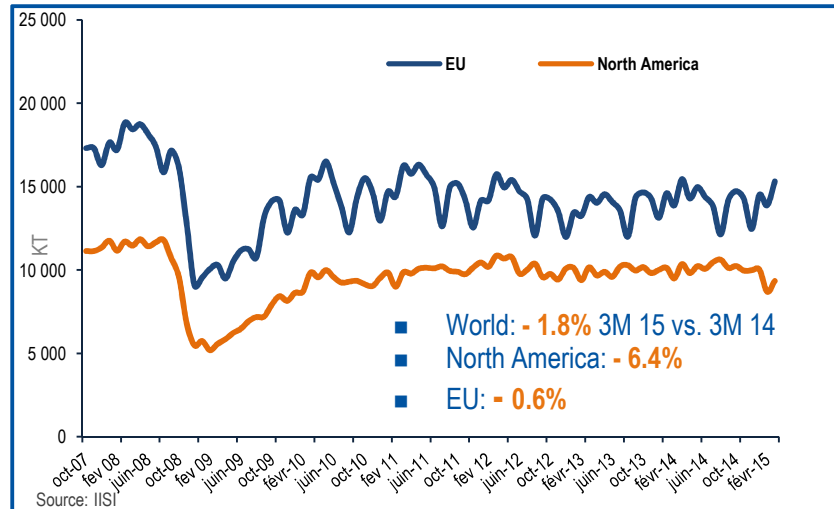
European industrial output



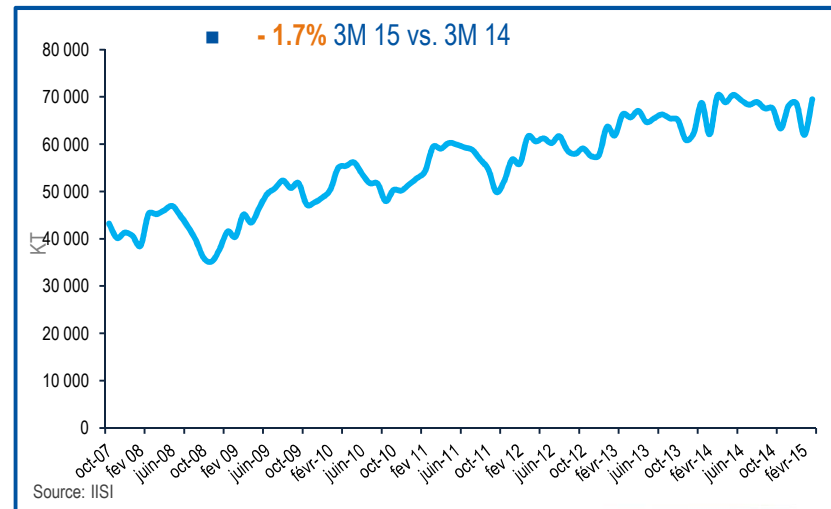
US industrial output



Steel production in Europe and North America (end of March 2015)

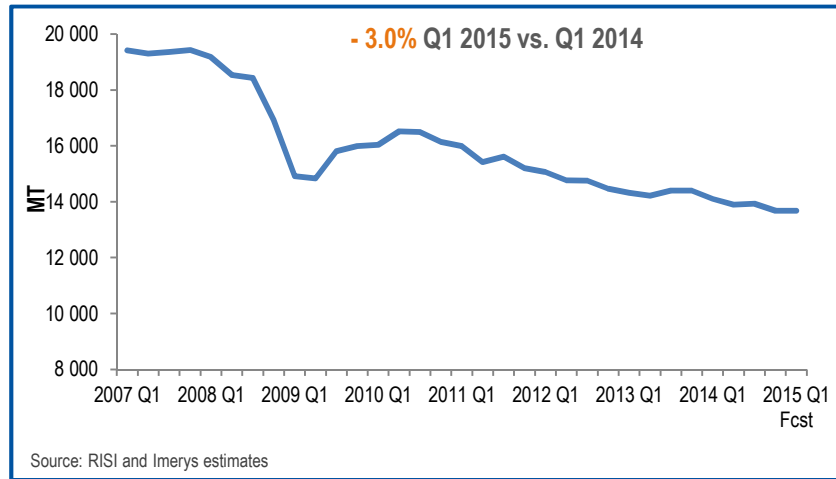


Steel production in China (end of March 2015)

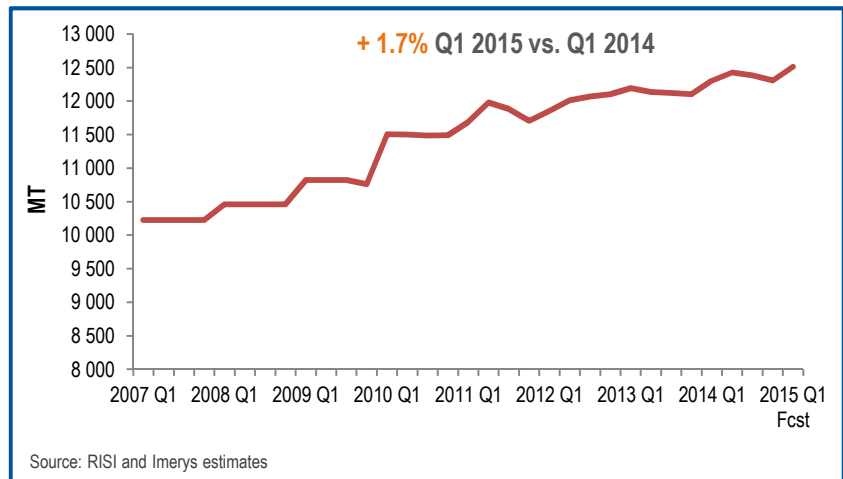


Other market indicators

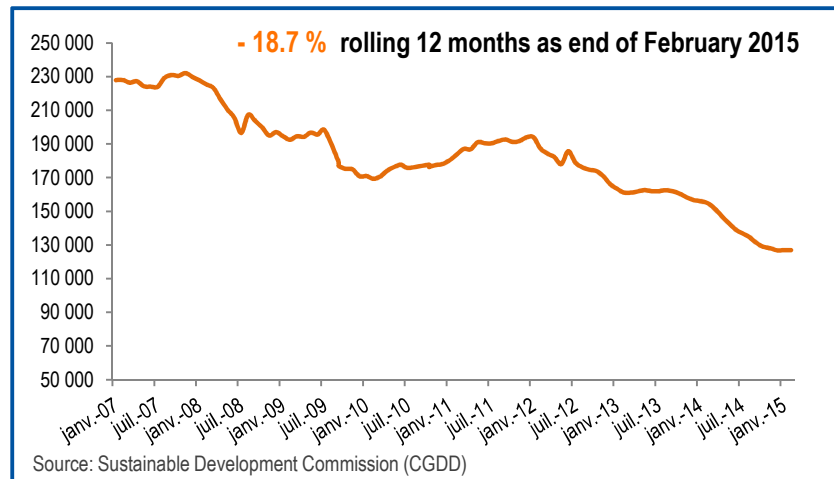
Printing paper production in mature countries



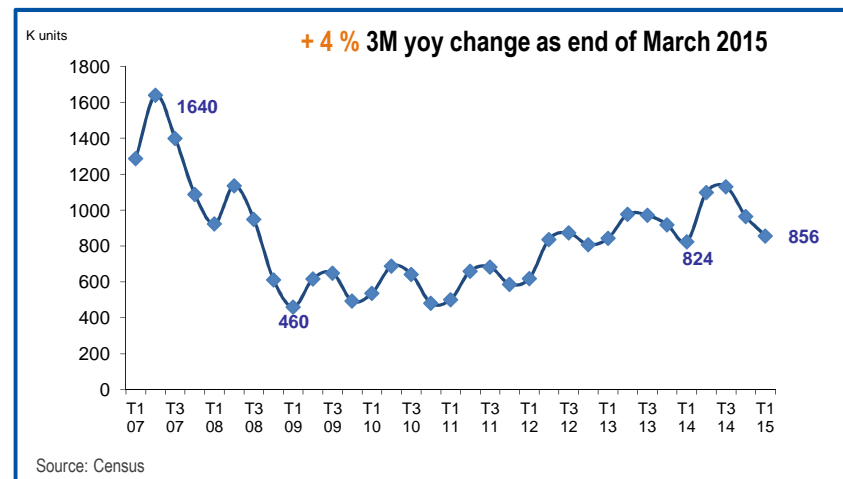
Printing paper production in emerging countries



Single-family housing starts in France



Housing starts in the United States



Revenue and Current Operating Income by quarter

Revenue (M€)	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015
Energy Solutions & Specialties	306,7	313,8	319,9	307,8	303,2	321,1	338,9	315,5	312,5
Filtration & Performance Additives	155,7	166,7	159,7	152,6	159,0	165,8	167,8	165,4	218,9
Ceramic Materials	315,4	306,9	297,3	284,8	289,5	292,5	295,1	279,7	291,0
High Resistance Minerals	162,5	175,0	159,0	157,3	163,3	165,6	154,2	158,6	165,3
Eliminations & Holding companies	-11,1	-11,0	-10,3	-11,3	-10,9	-11,2	-12,2	-12,7	-14,1
TOTAL	929,3	951,4	925,6	891,3	904,1	933,8	943,8	906,5	973,6

Comparable change	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015
Energy Solutions & Specialties	-	-	-	-	+ 8,3%	+ 10,3%	+ 12,5%	+ 4,6%	- 4,7%
Filtration & Performance Additives	-	-	-	-	+ 5,9%	+ 3,2%	+ 6,3%	+ 0,8%	+ 2,8%
Ceramic Materials	-	-	-	-	+ 1,4%	- 0,1%	- 2,0%	- 2,6%	- 6,3%
High Resistance Minerals	-	-	-	-	+ 4,4%	- 1,7%	- 4,3%	- 3,0%	- 7,4%
TOTAL	-	-	-	-	+ 5,0%	+ 3,7%	+ 3,9%	+ 0,1%	- 4,5%

Current operating income	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015
Current operating income (M€)	117,0	127,0	123,5	109,5	117,3	130,4	127,0	119,8	123,2
Operating margin	12,6%	13,3%	13,3%	12,3%	13,0%	14,0%	13,5%	13,2%	12,7%
Comparable change	-	-	-	-	+ 3,7%	+ 3,9%	- 1,1%	+ 3,6%	- 9,0%

Current financial expense

M€	Q1-15	Q1-14
Interest expense, net	(12.8)	(11.4)
Unwinding of long-term provisions and change in other provisions	(1.3)	(0.4)
Net interest expense on pensions	(2.4)	(1.8)
Currency translation, other financial income and expense and financial instruments	5.5	(1.1)
Current financial expense	(11.0)	(14.7)

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

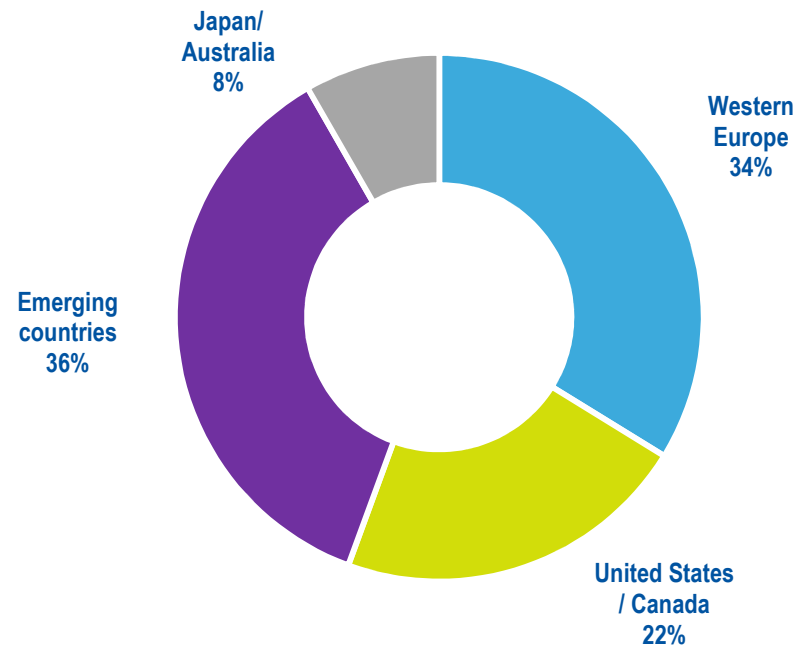
■ Graphite & Carbon:

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

■ Oilfield Solutions:

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

Q1 15 Revenue by geographic zone

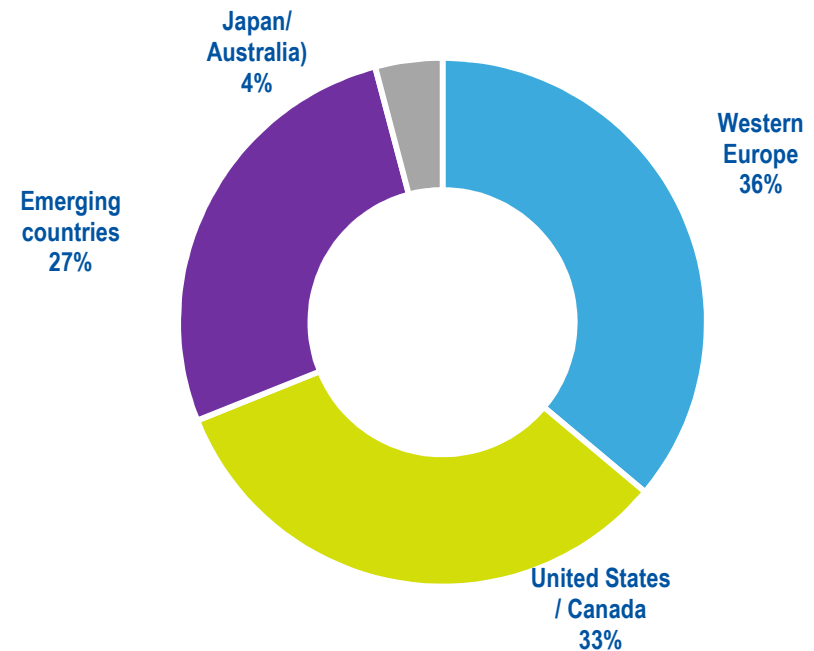


Filtration & Performance Additives

■ Filtration & Performance Additives:

- ◆ Minerals for Filtration (mainly diatomite and perlite): filter aid for edible liquids (beer, wine, oil, fruit juice, etc.)
- ◆ Performance Minerals (mainly talc and mica): additives for paints, plastics, polymers, rubbers, adhesives, sealants, pharma & personal care, etc.

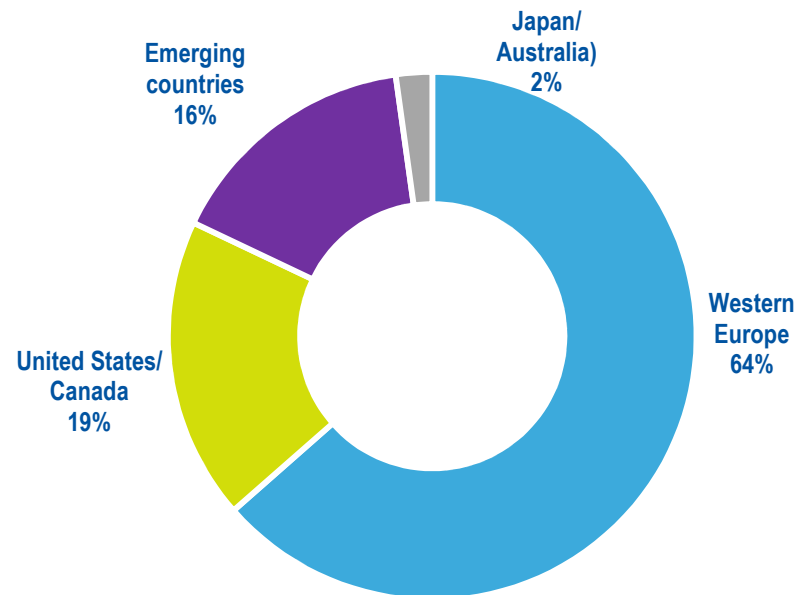
Q1 15 Revenue by geographic zone



Ceramic Materials

- Roofing:
 - ◆ Clay roof tiles in France
- Minerals for Ceramics:
 - ◆ Raw materials and bodies for tableware, sanitary and floor tiles, quartz, kiln furniture for the roof tile and ceramics industry
- Kaolins:
 - ◆ Kaolin for applications in the paper, paints, plastics, ceramics and refractories markets, etc.

Q1 15 Revenue by geographic zone



High Resistance Minerals

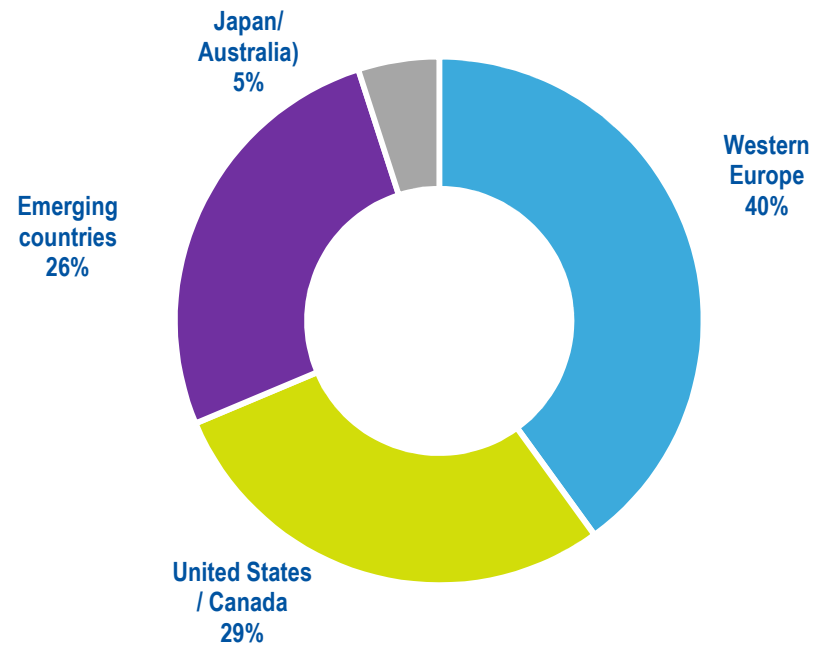
■ Fused Minerals:

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

■ Refractory Minerals:

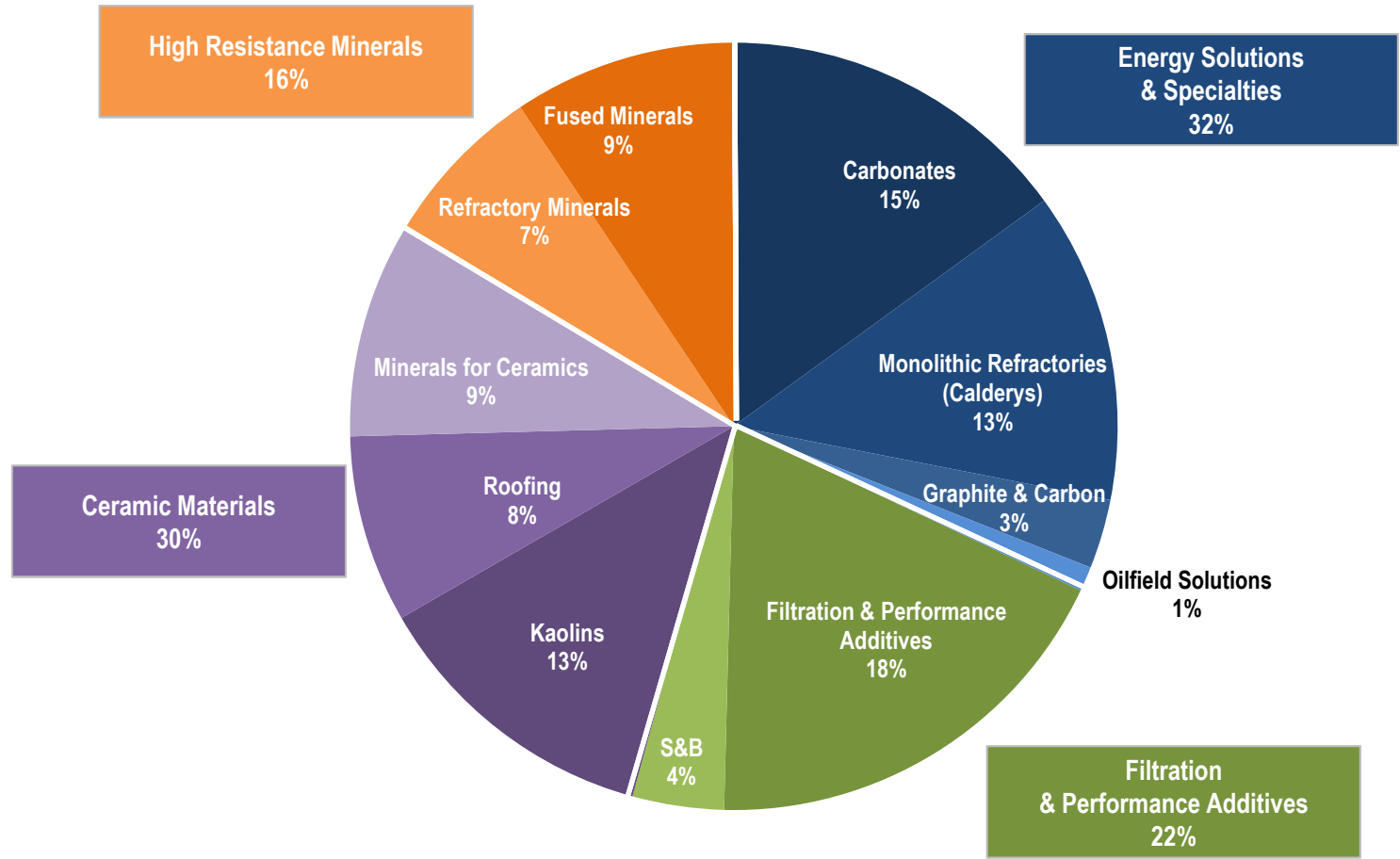
- ◆ Production of acidic refractory minerals including andalusite, chamottes

Q1 15 Revenue by geographic zone



Operating organization

Q1-15 revenue by activity





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