PRESS RELEASE

PARIS, JULY 30, 2014

IMERYS
TRANSFORM TO PERFORM

Imerys announces improved results in first half 2014

- **Revenue at 1,838 M€, up + 4.4% on a comparable basis [1] (- 2.3% on current basis)**
- **Higher operating margin at 13.5%**
- **Ramp-up of new production facilities**
- **+ 1.6% growth in net income from current operations at 158 M€**
- **2014 objective: new increase in net income from current operations**

Imerys' Board of Directors, meeting today under Gilles Michel's chairmanship, reviewed the Group's financial statements for the first half ended June 30, 2014.

Consolidated results *(€ millions)*	**First half 2014**	**First half 2013**	**% current change**
Revenue	1,837.9	1,880.7	- 2.3%
Current operating income [2]	247.7	244.0	+ 1.5%
Operating margin	*13.5%*	*13.0%*	*+ 0.5 point*
Net income from current operations, Group's share [3]	157.5	155.0	+ 1.6%
Net income, Group's share	131.5	128.7	n.a.
Financing			
Paid capital expenditure	106.6	119.5	- 10.8%
Current free operating cash flow [4]	105.7	129.0	- 18.1%
Shareholders' equity	2,311.5	2,287.6	+ 1.0%
Net financial debt	878.0	1,054.5	- 16.7%
Data per share (euros)			
Net income from current operations, Group's share [3] [5]	€2.06	€2.06	n.s.

Chairman & CEO Gilles Michel commented:

"In an economic environment where positive signals have appeared on some of its markets in Europe, Imerys is continuing its development strategy. In the first half, revenue of the four business groups grew on a comparable basis and profitability increased. In the coming months, the Group should benefit from a modest improvement in demand, from the ramp-up of its new production facilities and from the contribution of new products. With a refocused scope of business and assuming current economic trends continue, Imerys' objective is to achieve, in 2014, a new increase in its net income from current operations."

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[1] *Throughout this press release, "On a comparable basis" means "At comparable Group structure and exchange rates".*

[2] *Throughout this press release, "Current operating income" means operating income before other operating revenue and expenses. On a comparable basis, the change in current operating income is + 3.8% (change in revenue + 4.4%).*

[3] *Group's share of net income before other operating revenue and expenses net.*

[4] *Current free operating cash flow: EBITDA after deduction of notional tax, changes in working capital requirement and paid capital expenditure.*

[5] *The weighted average number of outstanding shares increased + 1.3% to 76,329,586 in the 1st half 2014 (75,365,106 in the 1st half 2013).*

ECONOMIC ENVIRONMENT

In the 1st half of 2014, the economic environment was characterized by marked disparities between the three major geographic zones where the Group operates. In North America, activity remained firm despite harsh weather conditions early in the year. In Europe some signs of improvement appeared, particularly in Northern Europe, but at this point they are uneven and remain fragile. Activity levels vary and growth is weaker overall in emerging countries.

Compared with the 1st half of 2013, the euro appreciated significantly compared with a large number of currencies, particularly the US dollar, the Japanese yen, the Brazilian real, the Indian rupee and the South African rand.

RECENT EVENTS

On January 31, 2014, Imerys divested four calcium carbonate industrial units serving the paper market that had posted total revenue of approximately €75 million in 2012.

Two acquisitions were completed during the half: the Finnish company Termorak strengthened the Monolithic Refractories activity and Kinta Powdertec Sdn Bhd will expand the Carbonates footprint in Asia (see section on the Energy Solutions & Specialties business group).

On March 10, the Group decided not to raise further the offer it launched one month earlier to acquire AMCOL International Corporation, judging that the operation could not be carried out in accordance with its value creation objectives.

Finally, the new plants that came on stream in late 2013 (proppants in Wrens, USA, carbon black in Belgium and lime in Brazil) continue to ramp up, while the fused alumina plant in Bahrain went into operation in early July 2014.

EVENTS AFTER JUNE 30, 2014

The half-year consolidated financial statements as of June 30, 2014 were closed by the Board of Directors at its meeting on July 30, 2014. No significant event is to be reported between the closing date and that of the Board of Directors.

OUTLOOK

For Imerys, the second half of 2014 begins in a macroeconomic environment that is comparable to the first six months of the year. Assuming that these market conditions continue to prevail, Imerys should achieve an increase in net income from current operations in 2014 compared to the previous year. The diversification of the business portfolio, the ramp-up of new capacities and the contribution of new products, together with cost control efforts, will contribute to that result, notwithstanding the adverse effect of exchange rates and changes in the scope of business.

In addition, as part of the implementation of its 2012-2016 strategy, the Group is continuing its R&D, innovation and capital expenditure programs with a view to taking advantage of the robust demand, particularly in the United States, supporting new product launches and expanding its geographic footprint.

DETAILED REVIEW OF THE GROUP'S RESULTS

REVENUE

Non-audited quarterly data	Revenue 2014 (*€ millions*)	Revenue 2013 (*€ millions*)	Change in revenue (*% previous year*)	Comparable change (*% previous year*)	Of which Volume effect	Of which Price/Mix effect
1st quarter	904.1	929.3	- 2.7%	+ 5.0%	+ 3.3%	+ 1.7%
2nd quarter	933.8	951.4	- 1.9%	+ 3.7%	+ 2.0%	+ 1.7%
1st half	**1,837.9**	**1,880.7**	**- 2.3%**	**+ 4.4%**	**+ 2.7%**	**+ 1.7%**

- **Consolidated revenue up + 4.4% on a comparable basis**
- **Contribution from all business groups to growth on a comparable basis**

Revenue for the 1st half of 2014 totals €1,837.9 million, a - 2.3% change on a current basis from the same period in 2013. This decrease results from:

- A negative foreign exchange effect of - €67.2 million (- 3.6%), due to the euro's appreciation against a large number of currencies, particularly the US dollar; this impact is mainly explained by the effect of converting revenue achieved in the other currencies into euros;
- A negative Group structure effect of - €57.6 million (- 3.1%). It corresponds to the impact of the divestments of Imerys Structure, the four calcium carbonate plants and the shutdown of the Ardoisières d'Angers activity (roofing slates in France), mitigated by the contribution of the acquisitions in Monolithic Refractories (Indoporlen, Tokai and Termorak).

At comparable Group structure and exchange rates, 1st half revenue for 2014 rose + 4.4% compared with the same period in 2013. All business groups contribute to this increase. Volumes recovered + 2.7% (+ €49.9 million) compared with the low levels of the 1st half of 2013. Imerys benefited from a relative improvement in European demand, particularly in the automotive sector, construction and some industrial segments, as well as from the ramp-up of production in new plants. Sales from the new facilities totaled almost €30 million. The price/mix component was positive in all four business groups and represented + 1.7% for the Group as a whole (+ €32.0 million).

REVENUE BY GEOGRAPHIC DESTINATION (CURRENT CHANGE)

(€ millions)	**H1 2014 revenue**	**% change H1 '14 vs. H1 13**	**% consolidated revenue H1 '14**	**% consolidated revenue H1 '13**
Western Europe	836.6	- 5.4%	46%	47%
of which France	*244.4*	*- 16.6%*	*13%*	*16%*
United States/Canada	425.5	+ 1.5%	23%	22%
Emerging countries	481.3	- 1.1%	26%	26%
Other (Japan/Australia)	94.5	+ 4.2%	5%	5%
Total	**1,837.9**	**- 2.3%**	**100%**	**100%**

In Western Europe, changes in scope explain the decrease in revenue recorded between 1st half 2013 and 1st half 2014. France now represents 13% of the Group's total revenue, following the divestment of clay brick activities and a carbonates for paper plant in the country.

In North America, revenue was supported by vibrant traditional markets (consumer goods, construction, etc.) and the launch of the Wrens plant (USA). They increased by more than + 5%, excluding the foreign exchange effect (US dollar: - 4%; Canadian dollar - 13% against the euro compared with 1st half 2013). In emerging countries, growth is hidden by the continued significant depreciation of many currencies (Indian rupee - 15%; Brazilian real: - 18%; South African rand: - 21%).

CURRENT OPERATING INCOME

Non-audited quarterly data (€millions)	**2014**	**2013**	**% change**	**% comparable change**
1st quarter	117.3	117.0	+ 0.3%	+ 3.7%
Operating margin	*13.0%*	*12.6%*	*+ 0.4 point*	
2nd quarter	130.4	127.0	+ 2.7%	+ 3.9%
Operating margin	*14.0%*	*13.3%*	*+ 0.7 point*	
1st half	**247.7**	**244.0**	**+ 1.5%**	**+ 3.8%**
Operating margin	***13.5%***	***13.0%***	***+ 0.5 point***	

- **Improved operating margin at 13.5%**
- **Higher volumes, favorable product price/mix**
- **Fixed production costs and general expenses under control**

Current operating income stood at €247.7 million in the 1st half of 2014. The + 1.5% rise compared with the same period in 2013 takes the following items into account:

- Negative Group structure impact of - €5.1 million (- 2.1%), relating to the divestments of the Imerys Structure activity and of the four calcium carbonate plants. The effect of these operations was partly offset by the contribution of Tokai, Indoporlen and Termorak (Monolithic Refractories) and the shutdown of the Ardoisières d'Angers activity;
- An unfavorable foreign exchange effect of - €0.5 million (- 0.2%), reflecting the conversion into euros of income achieved in other currencies, mitigated by a transactional effect: the cost base in the countries from which Imerys exports its specialties benefited from the depreciation of those currencies.

On a comparable basis, current operating income increased + 3.8% compared with the 1st half of 2013. In a low-inflation environment, the product price/mix effect (+ €24.0 million) covers the rise in variable costs (- €4.7 million, mainly concerning energy in the USA and Brazil). Growth in volumes, which contributed + €21.5 million, partly explains the rise in fixed production costs and general expenses. Almost two-thirds of the total increase (+ €24.4 million) relates to the launch of new production capacities. The increase in fixed costs and general expenses is therefore under control.

Consequently, the Group's **operating margin** stood at 13.5% in the 1st half of 2014, a + 0.5 point improvement on the 1st half of 2013.

NET INCOME FROM CURRENT OPERATIONS

In the 1st half of 2014, **net income from current operations** increased + 1.6% to €157.5 million (€155.0 million in 1st half 2013). It takes the following items into account:

- Financial expense for - €27.9 million (- €27.8 million in 1st half 2013), comprises of the following three components:
    - net interest expense on financial debt stood at - €20.1 million in the 1st half of 2014 (compared with - €25.4 million in 1st half 2013). The decrease in interest expense is due to the reduction in the average financial debt over the period, combined with lower cost of debt ;
    - net financial cost of pensions and other changes in provisions decreased slightly compared with the 1st half of 2013 (- €5.0 million in 1st half 2014 vs. - €6.9 million in 1st half 2013) as new market parameters were taken into account;
    - the net impact of foreign exchange and financial instruments constituted an expense of - €2.8 million in the 1st half of 2014 (compared with gains of + €4.5 million in 1st half 2013).

  The order of magnitude of the first two components of financial expense can be extrapolated over full-year 2014, all else being equal. The exchange rate and financial instruments component is unpredictable by nature.
- A - €62.1 million current tax charge (- €60.1 million in 1st half 2013). The effective tax rate increased, as expected, to 28.3% (27.8% in 1st half 2013), particularly as a result of the heavier taxes in France.

NET INCOME

Other operating income and expenses, net of tax and the **Net income of assets held for sale** amounted to - €26.0 million in the 1st half of 2014 (- €26.3 million in 1st half 2013) and included the following items:

- Income of + €37.0 million after tax, comprised in particular of gains from the disposal of four calcium carbonate units serving the paper market, including the results of these assets for the month of January 2014[6], acquisition costs (Indoporlen, Tokai, Termorak, Kinta Powdertec Sdn Bhd, etc.) and termination fees under the AMCOL acquisition contract, minus the expenses incurred by Imerys with respect to this operation;
- Restructuring charges (- €32.9 million after tax), mostly made of additional expenses related to the programs initiated in 2013 (closure of Venezuelan activities, shutdown of the Ardoisières d'Angers activity, restructuring of kaolin for paper and some activities in China) and the reorganization of European Refractory Minerals activities, which was launched in early 2014.
- Impairment of goodwill on the Chinese zirconium activity in the High Resistance Minerals business group (- €30.1 million, net of tax). Within its zirconium business portfolio, the Group opted to focus on more technical products in China. Pursuant to the Group's accounting principles, the resulting decrease in forecasted cash

[6] *As of December 31, 2013, these plants have been classified as "Assets held for sale", the actual disposal being completed on January 31, 2014. Accordingly, the net income from these sites for the month of January 2014 was recognized as 'Income from assets held for sale".*

flow for this entity led to an impairment of €30.1 million being recorded on June 30, 2014. The net goodwill assigned to the zirconium activity now totals €58.2 million. This impairment has no impact on the Group's cash position.

After taking other operating income and expenses into consideration, net of tax, the **Group's share of net income** stood at €131.5 million in the 1st half of 2014 (€128.7 million in 1st half 2013).

CASH FLOW

(€ millions)	**H1 2014**	**2013**	**H1 2013**
EBITDA	**338.4**	**650.4**	**335.8**
Change in operating working capital requirement	(57.4)	32.0	(23.5)
Paid capital expenditure	(106.6)	(253.1)	(119.5)
Current free operating cash flow*	**105.7**	**306.4**	**129.0**
Paid financial expense (net of tax)	(20.0)	(38.0)	(20.1)
Other working capital items	8.5	19.8	5.7
Current free cash flow	**94.2**	**288.2**	**114.6**
* including subsidies, value of divested assets and miscellaneous	1.4	9.8	4.1

- **Operating working capital requirement stable at 22% of annualized sales**
- **Continuation of targeted development capital expenditure**

At 22.4% of annualized sales for the last quarter, the **operating working capital requirement**[7] was stable compared with the same period in 2013. The change in operating working capital requirement (- €57.4 million) results from the build-up of inventories in new plants.

Paid capital expenditure stood €106.6 million in the 1st half of 2014. The booked amount (€88.9 million) represents 89% of depreciation, a comparable percentage to the 1st half of 2013 (92%). Maintenance and overburden capital expenditure were in line with previous half-year periods and development capital expenditure totaled €36.5 million. New projects were launched to support the Group's growth potential. Details of these projects are given for the relevant business group.

In that context, Imerys generated healthy **current free operating cash flow** (€105.7 million in 1st half 2014 vs. €129.0 million one year earlier).

[7] *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 million in receivables was factored as of June 30, 2014.*

SOUND FINANCIAL STRUCTURE

(€ millions)	June 30, 2014	December 31, 2013	June 30, 2013
Paid dividends	(123.7)	(119.2)	(117.5)
Net debt, end of period	878.0	885.4	1,054.5
Average net debt of the period	893.1	971.0	984.0
Shareholders' equity	2,311.5	2,271.7	2,287.6
EBITDA	338.4	650.4	335.8
Net debt / shareholders' equity	38.0%	39.0%	46.1%
Net debt / EBITDA[8]	1.3x	1.4x	1.6x

- **Decrease in net financial debt compared with June 30, 2013**
- **Sound financial ratios**

As of June 30, 2014, Imerys' financial structure remains robust, with no significant change in the Group's **net financial debt** during the 1st half.

During this period, Imerys paid €123.7 million in dividends to its shareholders, representing a distribution rate of around 40% of net income from current operations. Imerys also realized gains from disposal of four calcium carbonate units, acquired Termorak (Monolithic Refractories activity) and paid part of the earn-out for the acquisition of PyraMax Ceramics, LLC for USD42.5 million. Imerys' financial indebtedness ratios remain sound (net debt: 38.0% of shareholders' equity, 1.3 times EBITDA).

As regards financing, Imerys' **total financial resources** stood at €2.2 billion as of June 30, 2014, with an average maturity of 3.9 years. On April 25, 2014 the Group repaid a €300 million bond issue bearing interest at a nominal rate of 5.125% at its maturity. This repayment was refinanced early on November 14, 2013 on very favorable terms. Imerys carried out a €300 million bond issue maturing in November 2020, with a 2.5% annual coupon. As of June 30th, 2014, available financial resources excluding cash totaled more than €920 million.

On May 14, 2014, Moody's confirmed the long-term credit rating (unsecured senior debt) assigned to Imerys in 2011, "Baa-2" with a stable outlook. The short-term rating "P-2", also with a stable outlook, was also reaffirmed.

[8] *EBITDA over 12 sliding months.*

REVIEW BY BUSINESS GROUP

REVENUE BY BUSINESS GROUP

(€ millions)	**H1 2014**	**H1 2013**	**Current change %**	**Structure effect %**	**Exchange rate effect %**	**Comp. change %**
Revenue of which:	**1,837.9**	**1,880.7**	**- 2.3%**	**- 3.1%**	**- 3.6%**	**+ 4.4%**
Energy Solutions & Specialties	624.1	620.6	+ 0.6%	- 3.5%	- 5.2%	+ 9.3%
Filtration & Performance Additives	558.6	573.8	- 2.6%	- 0.7%	- 3.1%	+ 1.2%
Ceramic Materials	345.7	369.0	- 6.3%	- 8.6%	- 0.7%	+ 3.0%
High Resistance Minerals	328.9	337.5	- 2.6%	+ 0.1%	- 3.9%	+ 1.3%
Holding Company & Eliminations	(19.4)	(20.2)	n.s.	n.s.	n.s.	n.s.

Energy Solutions & Specialties

(34% of consolidated revenue in 1st half 2014)

Non-audited quarterly data (€ millions)	**2014**	**2013**	**Current change**	**Comp. change**
1st quarter revenue	303.1	306.7	- 1.2%	+ 8.3%
2nd quarter revenue	321.0	313.9	+ 2.3%	+ 10.3%
1st half revenue	**624.1**	**620.6**	**+ 0.6%**	**+ 9.3%**
Current operating income	74.4	68.4	+ 8.8%	+ 22.9%
Operating margin	*11.9%*	*11.0%*	*+ 0.9 point*	
Booked capital expenditure	32.5	32.6	- 0.3%	
As % of depreciation expense	*119%*	*122%*		

The high-temperature industries (steel, metallurgy, power generation, incineration, casting, cement, petrochemicals etc.) served by **Monolithic Refractories** and some **Graphite & Carbon** applications were slightly up compared with the low levels of activity in the 1st half of 2013. Global steel production grew + 2.5% over the first six months of 2014 compared with the same period in the previous year, with a + 3.8% rise in Europe (source: World Steel Association). Growth was firm in the mobile energy sector (**Graphite & Carbon**), particularly in the Li-ion battery segment. The rise in the non-conventional oilfield sector continued in the United States (**Oilfield Solutions**). **Carbonates** markets were healthy overall, except for printing & writing paper in North America and Europe. Consumer sectors held out well, while construction (new buildings and renovation) remained buoyant in North America and showed some signs of improvement in Northern Europe and the United Kingdom.

On February 14, 2014, Calderys (Monolithic Refractories) acquired Termorak, a Finnish company specialized in the design, sourcing and installation of refractory materials that achieved revenue of €17 million in 2012. The acquisition broadens Calderys' offering for the petrochemicals, paper and thermal industry sectors and enlarges its footprint in Northern and Eastern Europe.

The acquisition of Kinta Powdertec Sdn Bhd, a producer of ground calcium carbonate (GCC) for the plastic, polymer and coatings industries, bolsters this activity's position in Asia. Based in Malaysia, Kinta Powdertec Sdn Bhd achieved revenue of approximately €5 million in 2013. The operation was completed on June 30 and became effective on July 2, 2014.

First-half **revenue**, at €624.1 million (+ 0.6% on a current basis), takes the following items into account:

- Negative foreign exchange impact of - €32.2 million (appreciation of the euro, mainly against the US dollar);
- An unfavorable structure effect (- €22.0 million) relating to the divestment in late January 2014 of the four calcium carbonate for paper plants (- €38.7 million in 1st half[9]). This impact was partly offset (by + €16.7 million) by the contribution of the acquisitions made in Monolithic Refractories (Indoporlen in June 2013, Tokai in July 2013 and Termorak in February 2014).

On a comparable basis, revenue grew significantly (+ 9.3%), driven in particular by a slight improvement in demand and the first sales from the plants that recently came on stream. The second proppant plant in the United States, the new carbon black for Li-ion batteries line in Belgium and the lime unit in Brazil together generated almost €30 million in revenue in the 1st half of 2014.

Current operating income follows the same trend, climbing + 8.8% to €74.4 million (+ €6.0 million). Excluding foreign exchange (- €5.3 million) and Group structure (- €4.4 million) effects, it increased + 22.9% thanks to significant growth in volumes. Fixed costs and general expenses include costs for the launch of new activities, which were gradually absorbed by the sales generation. The product price/mix effect was firm.

Taking those factors into account, the business group's **operating margin** improved + 0.9 point to 11.9%.

Capital expenditure remained high in the 1st half of 2014 with the launch of capacity extensions, particularly in the United States where the Carbonates activity is building a new production line to supply the plastic packaging industry. In India, Calderys is starting a construction project for its third plant.

[9] *As of December 31, 2013, these plants have been classified as "Assets held for sale", the actual disposal being completed on January 31, 2014. Accordingly, the net income from these sites for the month of January 2014 was recognized as 'Income from assets held for sale". The Group structure impact on revenue and current operating income consequently relates to full first half 2014.*

Filtration & Performance Additives

(30% of consolidated revenue in 1st half 2014)

Quarterly non-audited data (€ millions)	**2014**	**2013**	**Current change**	**Comp. change**
1st quarter revenue	273.6	281.3	- 2.8%	+ 1.7%
2nd quarter revenue	285.0	292.5	- 2.5%	+ 0.7%
1st half revenue	**558.6**	**573.8**	**- 2.6%**	**+ 1.2%**
Current operating income	77.4	79.1	- 2.2%	- 7.9%
Operating margin	*13.9%*	*13.8%*	*+ 0.1 point*	
Booked capital expenditure	28.1	24.3	+ 15.6%	
as % of depreciation expense	*73%*	*57%*		

The **Filtration & Performance Additives** business group is a supplier to a great number of industries (agri-food, plastics, paint, rubber, catalysts, paper, pharma, personal care & beauty etc.). Its activity is driven by trends in consumer goods (beverages, food, magazines, packaging, etc.), capital goods (particularly automotive) and construction (new buildings and renovation).

In the 1st half of 2014, trends were positive overall on the business group's main markets. Demand was firm in North America, particularly in the automotive and construction sectors, despite the adverse weather conditions that disrupted industrial activity early in the year. The demand trend was more positive in Europe. Production of printing & writing paper continued to decrease in mature regions (- 2% - RISI and Imerys estimates) and grow in emerging countries (+ 2%).

Revenue totaled €558.6 million in the 1st half of 2014 (- 2.6% compared with the 1st half of 2013). This change factors in a negative foreign exchange impact of - €18.0 million and a limited structure effect (- €4.0 million, relating to the transfer of Goonvean's revenue (UK) in ceramic markets to the Ceramic Materials business group).

On a comparable basis, sales grew +1.2%, thanks to buoyant conditions in North America, where the business group achieved almost a third of its revenue, the growing use of minerals (e.g. talc for automotive polymers) and the first sales of new products (e.g. ImerPlast™, a mineral solution which allows for polymer recycling). However, the business group's volumes decreased slightly overall because of the continued rationalization of papermaking capacities in Europe and North America, which affected the Kaolins activity.

Current operating income, at €77.4 million, decreased slightly (- 2.2%, i.e. - €1.7 million) in the 1st half of 2014. It includes a very limited structure effect and a favorable foreign exchange effect (+ €4.6 million), with the depreciation of the Brazilian real easily offsetting cost inflation in the country (taxes and purchases in other currencies). For the business group as a whole, the product price/mix effect outweighed the rise in variable costs. Fixed costs and general expenses increased. They included expenses for the launch of FiberLean™, an innovative micro-fibrillated cellulose (MFC) composite for which Imerys has patented the manufacturing process. By increasing the proportion of mineral filler in paper, FiberLean™ improves its properties and enables papermakers to save costs and increase productivity.

In this context, the **operating margin** worked out at 13.9% (13.8% in 1st half of 2013).

The business group launched new **capital expenditure** programs with the aim of increasing its production capacities for Celpure™, an edible or pharmaceutical liquid filtration agent (USA), and supporting the launch of innovations (ImerPlast™ production line in the UK and the first facility for FiberLean™ in the USA).

Ceramic Materials

(19% of consolidated revenue in 1st half 2014)

Non-audited quarterly data (€ millions)	**2014**	**2013**	**Current change**	**Comp. change**
1st quarter revenue	173.8	188.8	- 7.9%	+ 4.6%
2nd quarter revenue	171.9	180.2	- 4.6%	+ 1.3%
1st half revenue	**345.7**	**369.0**	**- 6.3%**	**+ 3.0%**
Current operating income	82.6	80.1	+ 3.2%	+ 4.1%
Operating margin	*23.9%*	*21.7%*	*+ 2.2 points*	
Booked capital expenditure	8.7	12.8	- 32.0%	
As % of depreciation expense	*43%*	*58%*		

In **Building Materials** in France (supply of clay roof tiles and roofing accessories by Imerys Toiture), a resilient roofing renovation segment partly offset the slump in new single-family housing starts (- 13.9% over 12 sliding months to end June 2014 - source: French sustainable development commission (CGDD)). Good weather conditions in the 1st quarter of 2014 supported sales of clay roof tiles, which grew + 2% compared with the 1st half of 2013 for the industry as a whole (source: French roof tiles & bricks federation (FFRB)).

The **Minerals for Ceramics** activity was driven by the construction sector, which grew in most geographic areas, including Northern Europe and the United Kingdom.

In the 1st half of 2014, **revenue** totaled €345.7 million. The - 6.3% decrease compared with the 1st half of 2013 is entirely due to the negative effect of changes in scope (- €31.7 million, i.e. - 8.6%). It includes the divestment of Imerys Structure (May 2013), the shutdown of Ardoisières d'Angers (December 2013) and a positive internal structure effect of + €4.0 million (transfer of Goonvean's ceramic activities revenue from the Filtration & Performance Additives business group). The foreign exchange effect is also negative at - €2.6 million (Minerals for Ceramics).

At comparable structure and exchange rates, first-half revenue increased + 3.0% against a favorable basis of comparison for Building Materials. Geographic repositioning (Mediterranean Basin, Middle East, Asia) and adjustments of the product range enables the Minerals for Ceramics activity to seize market growth.

Current operating income rose + 3.2% to €82.6 million in the 1st half of 2014 (+ €2.5 million) and includes a Group structure effect of - €1.4 million. On a comparable basis, the + 4.1% increase in current operating income was supported by the contribution of volumes and the product price/mix component, as well as tight cost control.

The business group's **operating margin** stood at 23.9% in the 1st half of 2014 (21.7% in 1st half 2013).

Capital expenditure mainly focused on the efficiency of industrial assets.

High Resistance Minerals

(17% of consolidated revenue in 1st half 2014)

Non-audited quarterly data (€ millions)	2014	2013	Current change	Comp. change
1st quarter revenue	163.3	162.5	+ 0.5%	+ 4.4%
2nd quarter revenue	165.6	175.0	- 5.4%	- 1.7%
1st half revenue	**328.9**	**337.5**	**- 2.6%**	**+ 1.3%**
Current operating income	36.5	37.4	- 2.7%	- 2.9%
Operating margin	*11.1%*	*11.1%*	*stable*	
Booked capital expenditure	19.0	24.6	- 22.8%	
As % of depreciation expense	*138%*	*184%*		

Through **Fused Minerals** and **Refractory Minerals** specialties, the business group is exposed to the high-temperature industry (steel, metal casting, glass, aluminum, etc.), industrial equipment and capital goods markets (machine tools, automotive, etc.). In the 1st half of 2014, manufacturing activity held out well despite adverse weather conditions in North America, while a slight improvement was observed on some segments in Europe (automotive casting, etc.). In China, industrial output grew but the construction segment slowed down.

At €328.9 million, the business group's **revenue** (- 2.6% vs. 1st half 2013) includes a negative currency translation effect for - €13.2 million (- 3.9%, relating to the euro against US dollar and South African rand).

On a comparable basis, revenue increased + 1.3%. The slight decrease in volumes relates to the refocusing of the Chinese zirconium activity on more technical products. In the business group's other activities, volumes held out well.

The business group's **current operating income** was €36.5 million (including a - €0.7 exchange rate effect). At comparable structure and exchange rates, the - 2.9% decrease in current operating income results from the evolution of Fused Minerals activities in China. The firm product price/mix effect covered the increase in costs.

In that context, the business group's **operating margin** was stable at 11.1%.

Development **capital expenditure** mainly concerned the end of construction of the fused alumina plant in Bahrain.

Financial agenda 2014

October 31 (before market open)	Third quarter 2014 results

The above dates are tentative and may be updated 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.

Imerys is holding today, at 6:30pm (Paris time), a conference call during which the 1st half 2014 results will be commented on. The call will be webcast live on the Group's website ***www.imerys.com***.

The world leader in mineral-based specialty solutions for industry*, with €3.7 billion revenue and 15,800 employees in 2013,* ***Imerys*** *transforms a unique range of minerals to deliver essential functions (heat resistance, mechanical strength, conductivity, coverage, barrier effect, etc.) that are essential to its customers' products and manufacturing processes.*

Whether mineral components, functional additives, process enablers or finished products, Imerys' solutions contribute to the quality of a great number of applications in consumer goods, industrial equipment or construction. Combining expertise, creativity and attentiveness to customers' needs, the Group's international teams constantly identify new applications and develop high value-added solutions under a determined approach to responsible development. These strengths enable Imerys to develop through a sound, profitable business model.

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 20, 2014 under number D.14-0173 (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.*

Warning on projections and forward-looking statements: *The declarations made in this document contain projections and 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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FIRST HALF 2014 RESULTS

APPENDIX

(non audited quarterly data)

1. CONSOLIDATED REVENUE BREAKDOWN

Comparable quarterly change 2014 vs. 2013	Q1 2014	Q2 2014		
	+ 5.0%	+ 3.7%		
Comparable quarterly change 2013 vs. 2012	**Q1 2013**	**Q2 2013**	**Q3 2013**	**Q4 2013**
	- 4.0%	- 3.8%	- 0.4%	+ 3.4%

Revenue by business group *(€ millions)*	Q2 2014	Q1 2014	Q4 2013	Q3 2013	Q2 2013	Q1 2013
Energy Solutions & Specialties	321.0	303.1	307.7	319.9	313.9	306.7
Filtration & Performance Additives	285.0	273.6	272.2	286.2	292.5	281.3
Ceramic Materials	171.9	173.8	164.1	169.5	180.2	188.8
High Resistance Minerals	165.6	163.3	157.3	159.0	175.0	162.5
Holding Company & Eliminations	(9.6)	(9.7)	(10.0)	(9.0)	(10.2)	(10.0)
Total	**933.8**	**904.1**	**891.3**	**925.6**	**951.4**	**929.3**

2. KEY INCOME INDICATORS

(€ millions)	Q1 2014	Q1 2013	Change
Revenue	**904.1**	**929.3**	**- 2.7%**
Current operating income	**117.3**	**117.0**	**+ 0.3%**
Financial expense	(14.7)	(15.8)	
Current taxes	(28.9)	(28.3)	
Minority interests	(0.0)	(0.3)	
Net income from current operations [(1)]	**73.7**	**72.5**	**+ 1.7%**
Other operating income and expenses, net	3.9	(2.5)	
Net income [(1)]	**77.6**	**70.1**	**+ 10.8%**

(€ millions)	Q2 2014	Q2 2013	Change
Revenue	**933.8**	**951.4**	**- 1.9%**
Current operating income	**130.4**	**127.0**	**+ 2.7%**
Financial expense	(13.2)	(12.0)	
Current taxes	(33.2)	(31.8)	
Minority interests	(0.2)	(0.8)	
Net income from current operations [(1)]	**83.8**	**82.5**	**+ 1.5%**
Other operating income and expenses, net	(29.9)	(23.8)	
Net income [(1)]	**53.9**	**58.6**	**- 8.3%**

(€ millions)	**H1 2014**	**H1 2013**	**Change**
Revenue	**1,837.9**	**1,880.7**	**- 2.3%**
Current operating income	**247.7**	**244.0**	**+ 1.5%**
Financial expense	(27.9)	(27.8)	
Current taxes	(62.1)	(60.1)	
Minority interests	(0.2)	(1.1)	
Net income from current operations (1)	**157.5**	**155.0**	**+ 1.6%**
Other operating income and expenses, net	(26.0)	(26.3)	
Net income (1)	**131.5**	**128.7**	**+ 2.1%**

(1) Group's share.

3. 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 **"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;
- the term **"Current free operating cash flow"** means EBITDA after deduction of notional tax, changes in working capital requirement and paid capital expenditure and including subsidies, value of divested assets and miscellaneous (see change in net financial debt in the appendix to this press release);
- the term **"Current free cash flow"** means Current free operating cash flow less financial expense (net of tax) and other working capital requirement items (see change in net financial debt in the appendix to this press release).

APPENDIX
SUMMARY OF FINANCIAL STATEMENTS AS OF JUNE 30, 2014

The Board of Directors met on July 30, 2014 to close the financial statements for the six months ending on June 30, 2014. Audit procedures have been carried out and the audit reports are included in the first-half financial report available on the Internet site **www.imerys.com** (Finance section/ Regulated Information / Periodic Information) or by request (e-mail : **finance@imerys.com**, tel. : + 33 (0)1 49 55 64 01).

CONSOLIDATED INCOME STATEMENT

(€ millions)	**06.30.2014**	**06.30.2013**	**2013**
Revenue	**1,837.9**	**1,880.7**	**3,697.6**
Current income and expenses	**(1,590.2)**	**(1,636.7)**	**(3,220.6)**
Raw materials and consumables used	(601.9)	(651.3)	(1,273.8)
External expenses	(491.5)	(495.0)	(975.1)
Staff expenses	(381.1)	(385.5)	(753.1)
Taxes and duties	(23.9)	(25.2)	(50.3)
Amortization, depreciation and impairment losses	(100.5)	(105.5)	(207.8)
Other current income and expenses	8.7	25.8	39.5
Current operating income	**247.7**	**244.0**	**477.0**
Other operating income and expenses	**(28.7)**	**(33.4)**	**(80.1)**
Gain or loss from obtaining or losing control	54.4	(3.7)	(0.9)
Other non-recurring items	(83.1)	(29.7)	(79.2)
Operating income	**219.0**	**210.6**	**396.9**
Net financial debt expense	**(20.1)**	**(25.4)**	**(46.6)**
Income from securities	3.0	0.2	4.5
Gross financial debt expense	(23.1)	(25.6)	(51.1)
Other financial income and expenses	**(7.8)**	**(2.4)**	**(6.1)**
Other financial income	52.9	96.9	159.9
Other financial expenses	(60.7)	(99.3)	(166.0)
Financial income (loss)	**(27.9)**	**(27.8)**	**(52.7)**
Income taxes	(60.4)	(53.0)	(100.1)
Net income of assets held for sale	1.0	-	-
Net income	**131.7**	**129.8**	**244.1**
Net income, Group share (1) & (2)	131.5	128.7	242.0
Net income, share of non-controlling interests	0.2	1.1	2.1
(1) Net income per share			
Basic net income per share (in €)	*1.72*	*1.71*	*3.20*
Diluted net income per share (in €)	*1.70*	*1.69*	*3.17*
(2) Net income from current operations, Group share	*157.5*	*155.0*	*304.2*
Basic net income from current operations per share (in €)	*2.06*	*2.06*	*4.03*
Diluted net income from current operations per share (in €)	*2.03*	*2.03*	*3.98*
Other operating income and expenses net of income taxes, Group share	*(27.0)*	*(26.3)*	*(62.2)*
Net income of assets held for sale	*1.0*	*-*	*-*

SUMMARY OF FINANCIAL STATEMENTS AS OF JUNE 30, 2014

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€ millions)	06.30.2014	06.30.2013	2013
Non-current assets	**3,182.1**	**3,300.3**	**3,156.3**
Goodwill	1,053.2	1,098.1	1,060.5
Intangible assets	72.9	65.5	72.6
Mining assets	425.0	459.9	428.2
Property, plant and equipment	1,423.3	1,456.0	1,404.8
Joint ventures and associates	81.0	83.0	83.1
Other financial assets	25.8	24.9	27.7
Other receivables	41.6	56.1	37.1
Derivative financial assets	11.8	6.4	7.5
Deferred tax assets	47.5	50.4	34.8
Current assets	**1,768.2**	**1,808.3**	**1,677.3**
Inventories	631.8	637.5	588.3
Trade receivables	577.9	575.2	512.3
Other receivables	187.6	198.0	144.9
Derivative financial assets	5.9	0.9	4.4
Other financial assets (1)	35.7	65.4	81.5
Cash and cash equivalents (1)	329.3	331.3	345.9
Assets held for sale	**-**	**97.0**	**39.3**
Consolidated assets	**4,950.3**	**5,205.6**	**4,872.9**
			0.0
Equity, Group share	**2,287.3**	**2,260.0**	**2,247.5**
Capital	153.5	151.2	152.5
Premiums	386.0	333.4	362.1
Reserves	1,616.4	1,646.7	1,490.9
Net income, Group share	131.4	128.7	242.0
Equity, share of non-controlling interests	**24.2**	**27.6**	**24.2**
Equity	**2,311.5**	**2,287.6**	**2,271.7**
Non-current liabilities	**1,487.4**	**1,682.8**	**1,799.4**
Employee benefit liabilities	279.1	217.3	227.1
Other provisions	250.5	232.3	239.3
Loans and financial debts (1)	893.2	1,009.2	1,190.3
Other debts	14.0	136.2	88.3
Derivative financial liabilities	0.5	1.7	0.5
Deferred tax liabilities	50.1	86.1	53.9
Current liabilities	**1,151.4**	**1,191.7**	**793.3**
Other provisions	20.4	17.4	18.3
Trade payables	435.4	412.6	376.3
Income taxes payable	56.2	44.8	26.7
Other debts	274.8	262.1	236.0
Derivative financial liabilities	4.4	8.7	6.3
Loans and financial debts (1)	355.7	436.1	124.0
Bank overdrafts (1)	4.5	10.0	5.7
Liabilities related to assets held for sale	**-**	**43.5**	**8.5**
Consolidated equity and liabilities	**4,950.3**	**5,205.6**	**4,872.9**
(1) Net financial debt	*878.0*	*1,054.5*	*885.4*

SUMMARY OF FINANCIAL STATEMENTS AS OF JUNE 30, 2014

CONSOLIDATED STATEMENT OF CASH FLOW

In addition to the table presented below, analyses on the change in the net financial debt:

- from current operating income to current free operating cash flow;
- and from current free operating cash flow to the change in net financial debt

are disclosed in Note 20 to the Condensed financial statements, Chapter 2 of the First-Half Financial Report 2014.

(€ millions)	06.30.2014	06.30.2013	2013
Cash flow from operating activities	**165.9**	**180.9**	**463.4**
Cash flow generated by current operations	276.2	311.2	702.8
Interests paid	(41.9)	(46.0)	(53.7)
Income taxes on current operating income and financial income (loss)	(59.9)	(62.5)	(131.5)
Dividends received from available-for-sale financial assets	-	0.2	0.3
Cash flow generated by other operating income and expenses	(8.5)	(22.0)	(54.5)
Cash flow from investing activities	**(64.5)**	**(242.4)**	**(362.8)**
Acquisitions of intangible assets and property, plant and equipment	(106.6)	(119.5)	(252.7)
Acquisitions of investments in consolidated entities after deduction of cash acquired	(35.8)	(127.0)	(176.4)
Disposals of intangible assets and property, plant and equipment	2.8	5.2	12.0
Disposals of investments in consolidated entities after deduction of cash disposed of	70.4	0.5	58.5
Disposals of available-for-sale financial assets	0.4	-	-
Net change in financial assets	1.4	(1.7)	(8.5)
Paid-in interests	2.9	0.1	4.3
Cash flow from financing activities	**(122.8)**	**149.6**	**25.3**
Capital increases and decreases	24.9	10.3	40.5
Disposals (acquisitions) of treasury shares	(22.3)	(0.9)	(5.0)
Dividends paid to shareholders	(122.4)	(116.9)	(116.9)
Dividends paid to non-controlling interests	(1.3)	(0.6)	(2.3)
Acquisitions of investments in consolidated entities from non-controlling interests	-	(3.6)	(2.9)
Loan issues [(1)]	92.7	194.9	329.9
Loan repayments [(2)]	(301.6)	(23.8)	(142.9)
Net change in other debts [(3)]	207.2	90.2	(75.1)
Cash flow from assets held for sale	**0.6**	**-**	**-**
Change in cash and cash equivalents	**(20.8)**	**88.1**	**125.9**

(€ millions)	06.30.2014	06.30.2013	2013
Opening cash and cash equivalents	**340.2**	**241.3**	**241.3**
Change in cash and cash equivalents	(20.8)	88.1	125.9
Impact of changes due to exchange rate fluctuations	5.4	(8.1)	(27.0)
Closing cash and cash equivalents	**324.8**	**321.3**	**340.2**
Cash [(4)]	251.2	219.1	228.8
Cash equivalents [(5)]	78.1	112.2	117.1
Bank overdrafts	(4.5)	(10.0)	(5.7)

(1) Of which, as of December 31, 2013, a €300.0 million bond issue as part of the new Euro Medium Term Note program (EMTN) (Note 20.3 - Borrower's liquidity risk).

(2) Of which, as of June 30, 2014, a repayment of a bond issue of €300.0 million.

(3) Of which, as of June 30, 2014, a €163.0 million commercial papers issue (Note 20.3 - Market liquidity risk).

(4) As of June 30, 2014, cash comprises a balance of €6.0 million (€6.6 million as of June 30, 2013 and €6.2 million as of December 31, 2013) not available for Imerys SA and its subsidiaries, of which €0.9 million (€1.5 million as of June 30, 2013 and €1.1 million as of December 31, 2013) with respect to foreign exchange control legislations and €5.1 million (€5.1 million as of June 30, 2013 and €5.1 million as of December 31, 2013) with respect to statutory requirements.

(5) Cash equivalents are highly liquid investments indexed on a monetary market rate and whose amount is known or subject to insignificant uncertainty.

NOTE A: CASH FLOW GENERATED BY CURRENT OPERATIONS

(€ millions)	06.30.2014	06.30.2013	2013
Net income	**131.7**	**129.8**	**244.1**
Adjustments	**205.0**	**207.3**	**414.1**
Income taxes	60.4	53.0	100.1
Share in net income of joint ventures and associates	(2.9)	(2.2)	(5.3)
Dividends received from joint ventures and associates	0.9	1.2	2.2
Impairment losses on goodwill	30.1	-	-
Share in net income of associates out of the recurring business	0.4	-	(0.2)
Other operating income and expenses excluding impairment losses on goodwill	(1.8)	33.4	80.3
Net operating amortization and depreciation	100.3	105.4	207.5
Net operating impairment losses on assets	3.6	(3.8)	(6.4)
Net operating provisions	(5.7)	(1.6)	(10.2)
Dividends receivable from available-for-sale financial assets	-	(0.2)	(0.1)
Net interest income and expenses	19.7	24.8	46.7
Share-based payments expense	4.8	4.2	8.3
Change in fair value of hedge instruments	(2.3)	(5.8)	(6.6)
Income from current disposals of intangible assets and property, plant and equipment	(1.5)	(1.1)	(2.2)
Net income of assets held for sale	(1.0)	-	-
Change in the working capital requirement	**(60.5)**	**(25.9)**	**44.6**
Inventories	(42.5)	(1.5)	25.8
Trade accounts receivable, advances and down payments received	(70.4)	(70.5)	(23.6)
Trade accounts payable, advances and down payments paid	55.5	48.5	29.8
Other receivables and debts	(3.1)	(2.4)	12.6
Cash flow generated by current operations	**276.2**	**311.2**	**702.8**

NOTE B: CASH FLOW GENERATED BY OTHER OPERATING INCOME AND EXPENSES

(€ millions)	06.30.2014	06.30.2013	2013
Other operating income and expenses	**(28.7)**	**(33.4)**	**(80.1)**
Adjustments	**20.2**	**11.4**	**25.6**
Impairment losses on goodwill	30.1	-	-
Other net operating amortization and depreciation	9.1	1.8	9.9
Other net operating provisions	24.2	4.4	22.4
Income from disposals of consolidated investments and available-for-sale financial assets	(40.3)	0.8	(5.3)
Share in net income of associates out of the recurring business	0.4	-	(0.2)
Income taxes paid on other operating income and expenses	(3.3)	4.4	(1.2)
Cash flow generated by other operating income and expenses	**(8.5)**	**(22.0)**	**(54.5)**

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)	06.30.2014	06.30.2013	2013
Current operating income	247.7	244.0	477.0
Operating amortization, depreciation and impairment losses [(1)]	100.5	105.5	207.8
Net change in operating provisions	(7.8)	(12.7)	(31.3)
Share in net income of joint ventures and associates	(2.9)	(2.2)	(5.3)
Dividends received from joint ventures and associates	0.9	1.2	2.2
Operating cash flow before taxes (current EBITDA)	**338.4**	**335.8**	**650.4**
Notional taxes on current operating income [(2)]	(70.0)	(67.9)	(132.7)
Current net operating cash flow	**268.4**	**267.9**	**517.7**
Paid capital expenditures [(3) & (4)]	**(106.6)**	**(119.5)**	**(253.1)**
Intangible assets	(3.4)	(3.9)	(18.0)
Property, plant and equipment	(71.0)	(74.0)	(192.9)
Overburden mining assets [(5)]	(14.5)	(19.5)	(39.4)
Debts on acquisitions	(17.7)	(22.1)	(2.8)
Carrying amount of current asset disposals	**1.3**	**4.1**	**9.8**
Change in the operational working capital requirement	**(57.4)**	**(23.5)**	**32.0**
Inventories	(42.5)	(1.5)	25.8
Trade accounts receivable, advances and down payments received	(70.4)	(70.5)	(23.6)
Trade accounts payable, advances and down payments paid	55.5	48.5	29.8
Current free operating cash flow	**105.7**	**129.0**	**306.4**

(1) Operating amortization, depreciation and impairment losses	*-*	*105.5*	*207.8*
Net operating amortization and depreciation (Appendix 1 of the consolidated statement of cash flows)	*100.3*	*105.4*	*207.5*
Finance leases depreciation (Appendix 3 of the consolidated statement of cash flows)	*0.2*	*0.1*	*0.4*
(2) Effective tax rate on current operating income	*28.3%*	*27.8%*	*27.8%*
(3) Paid capital expenditure	*-*	*(119.5)*	*(253.1)*
Acquisitions of intangible assets and property, plant and equipment (Consolidated statement of cash flows)	*(106.6)*	*(119.5)*	*(252.7)*
Finance lease acquisitions (Appendix 3 of the consolidated statement of cash flows)	*-*	*-*	*(0.4)*
(4) Recognized capital expenditures / asset depreciation ratio	*88.5%*	*92.3%*	*120.5%*
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	*100.5*	*105.5*	*207.8*
(5) Overburden mining assets	*(14.5)*	*(19.5)*	*(39.4)*
Overburden mining assets - capital expenditure	*(14.5)*	*(19.2)*	*(39.1)*
Neutralization of activated restoration provisions	*-*	*(0.3)*	*(0.3)*

CHANGE IN NET FINANCIAL DEBT

(€ millions)	06.30.2014	06.30.2013	2013
Current free operating cash flow	**105.7**	**129.0**	**306.4**
Financial income (loss)	(27.9)	(27.8)	(52.7)
Financial impairment losses and unwinding of the discount	5.0	6.7	13.8
Income taxes on financial income (loss)	7.9	7.7	14.6
Change in income tax debt	2.7	(11.5)	(24.5)
Change in deferred taxes on current operating income	(0.5)	9.1	11.0
Change in other items of working capital	(3.1)	(2.4)	12.6
Share-based payments expense	4.8	4.2	8.3
Change in fair value of operational hedge instruments	(0.4)	(0.5)	(1.4)
Change in dividends receivable from available-for-sale financial assets	-	0.1	0.1
Current free cash flow	**94.2**	**114.6**	**288.2**
External growth	**(36.4)**	**(151.9)**	**(202.1)**
Acquisitions of investments in consolidated entities after deduction of the net debt acquired	(36.4)	(148.3)	(199.2)
Acquisitions of investments in consolidated entities from non-controlling interests	-	(3.6)	(2.9)
Disposals	**71.3**	**0.5**	**58.5**
Disposals of investments in consolidated entities after deduction of the net debt disposed of	70.9	0.5	58.5
Disposals of available-for-sale financial assets	0.4	-	-
Cash flow from other operating income and expenses	**(8.5)**	**(22.0)**	**(54.5)**
Dividends paid to shareholders and non-controlling interests	**(123.7)**	**(117.5)**	**(119.2)**
Financing requirement	**(3.1)**	**(176.3)**	**(29.1)**
Transactions on equity	2.6	9.4	35.5
Net change in financial assets	1.0	(1.0)	(4.6)
Cash flow from assets held for sale	**0.6**	**-**	**1.4**
Change in net financial debt	**1.1**	**(167.9)**	**3.2**

(€ millions)	06.30.2014	06.30.2013	2013
Opening net financial debt	**(885.4)**	**(874.8)**	**(874.8)**
Change in net financial debt	1.1	(167.9)	3.2
Impact of changes due to exchange rate fluctuations	6.7	(13.7)	(15.8)
Impact of changes in fair value of interest rate hedges	(0.4)	1.9	2.0
Closing net financial debt	**(878.0)**	**(1,054.5)**	**(885.4)**