

July 27, 2016 Conference call

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.

Note:

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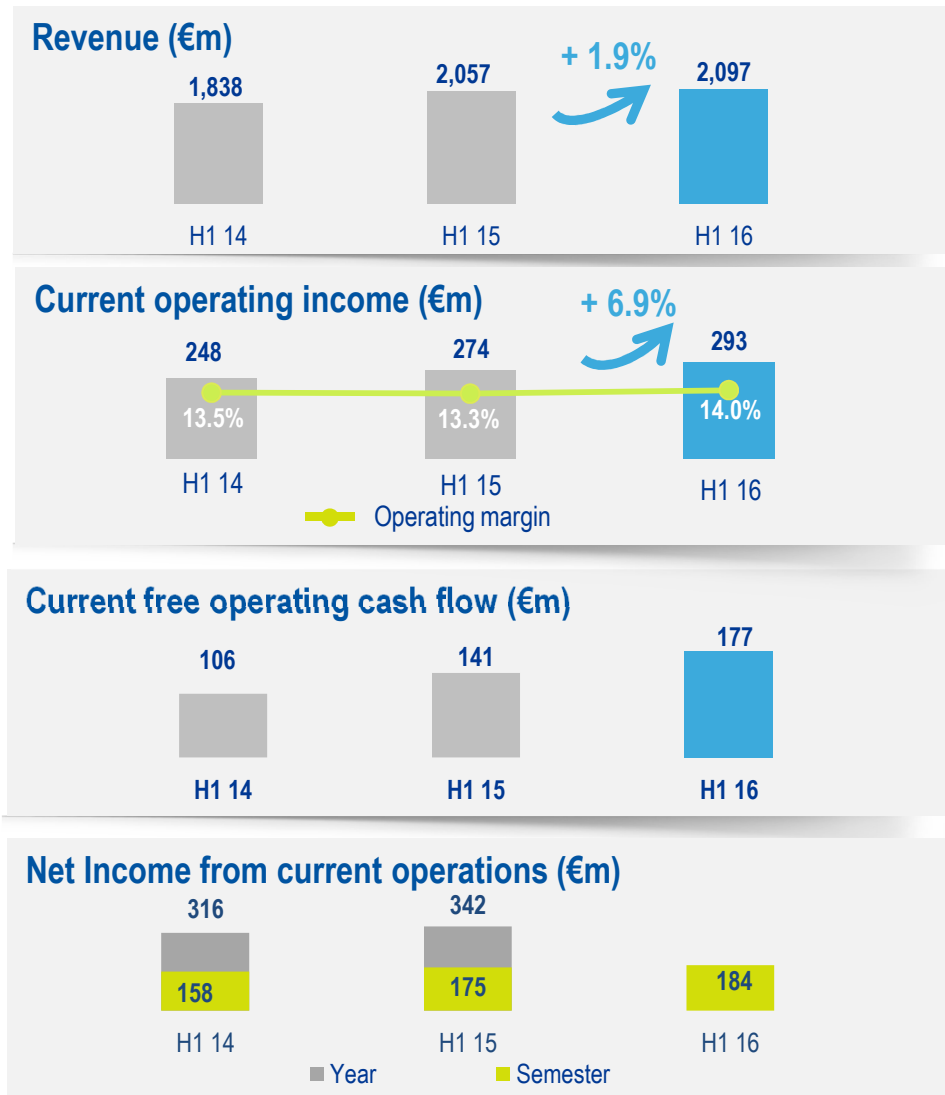
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Business review

First-Half 2016 Results

Outlook

Results increase in first-half 2016



■ Revenue growth of + 1.9%

- ◆ Integration of acquisitions completed in 2015
- ◆ Organic growth: - 2.2%, amid markets declining at slower pace

■ Current operating income up + 6.9%

- ◆ + 70 bp improvement in operating margin at 14.0 %
- ◆ Positive price-mix effect sustained by new products
- ◆ Effective cost management
- ◆ Synergies from acquisitions

■ Robust cash generation with current free operating cash flow at €177m

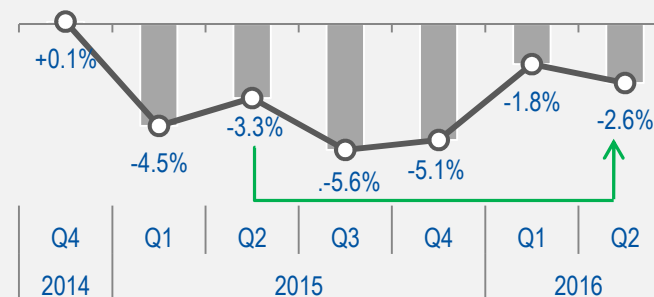
■ Net income from current operations up + 5.2%

Throughout the presentation, « organic growth » and « like-for-like » mean « at comparable Group's structure and exchange rates »

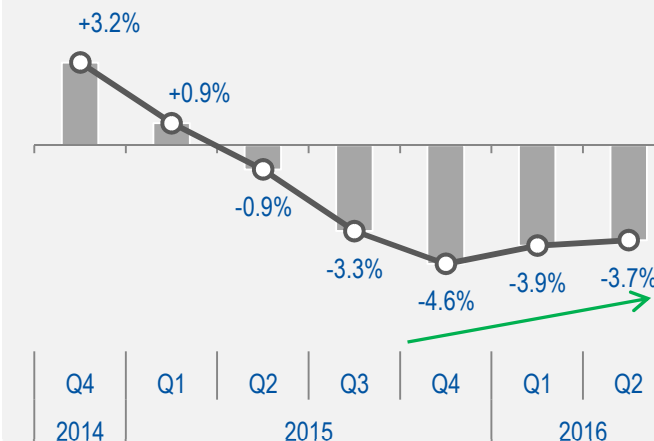
Relative improvement in market conditions

Construction and renovation	19% revenue ^(*)	<ul style="list-style-type: none"> Sustained growth of individual and collective housing starts in the US (+7.1% in H1 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 Q1 2016 vs Q1 2015)
Iron & Steel	12%	<ul style="list-style-type: none"> Stabilization in the US: H1 2016 vs H1 2015⁽³⁾ (-0.6%) Drop of European steel markets (-6.1%)
Automotive	10%	<ul style="list-style-type: none"> -7.9% decrease in car sales in the US in H1 2016⁽⁴⁾ vs. historically high level in 2015 +10% increase in Europe at end of May 2016⁽⁵⁾ Contrasted trends in emerging markets
Roofing in France	7%	<ul style="list-style-type: none"> Market stabilization: +0.4% in H1 2016 ⁽⁶⁾ Decrease in new individual housing starts in H1 2016 (-1.3% vs. H1 2015) ⁽⁷⁾
Non conventional oil exploration	< 1%	<ul style="list-style-type: none"> Ongoing weakness of ceramic proppants markets in a context of stable number of rigs in the US in Q2 2016 vs Q1 2016 ⁽⁸⁾

Quarterly organic growth



Organic growth – rolling twelve months



(*) 2015 estimates

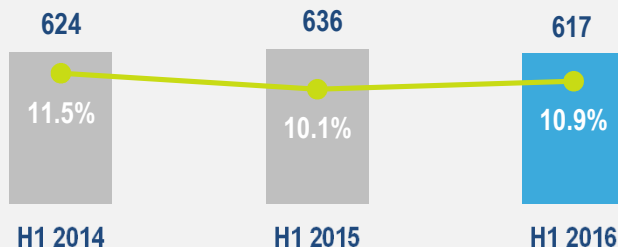
(1) Census (2) RISI (3) Worldsteel (4) Automakers & WSJ (5) Eurostat (6) Fédération Française de Tuiles et Briques

(7) Commissariat Général au Développement Durable; (8) Baker Hughes

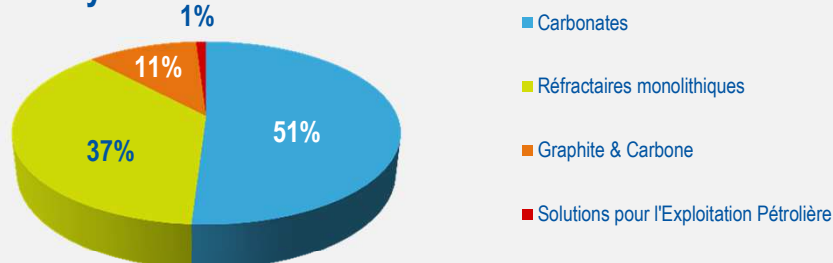
Energy Solutions & Specialties

(29 % of consolidated revenue in H1 2016)

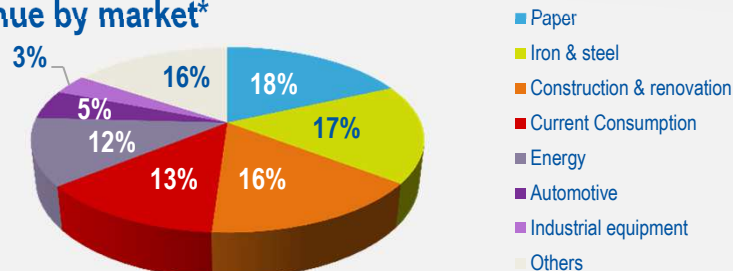
Revenue (€m) and operating margin



Revenue by division



Revenue by market*

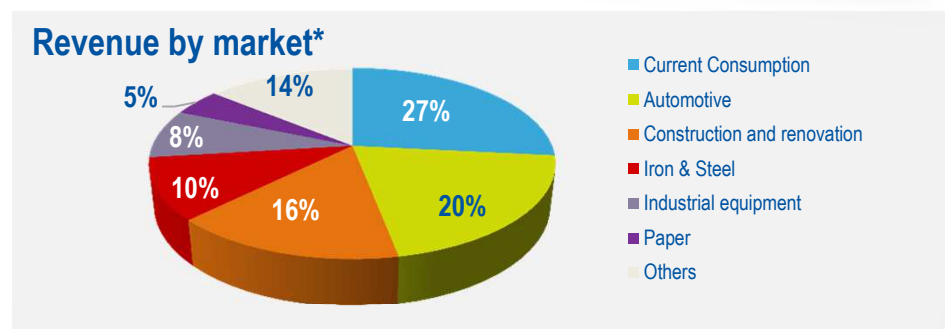
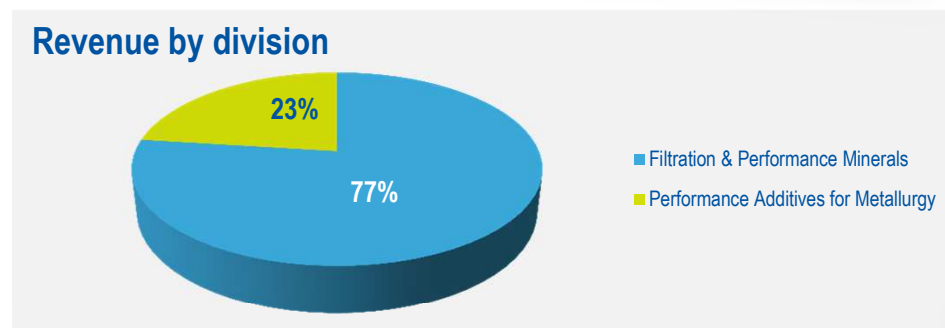
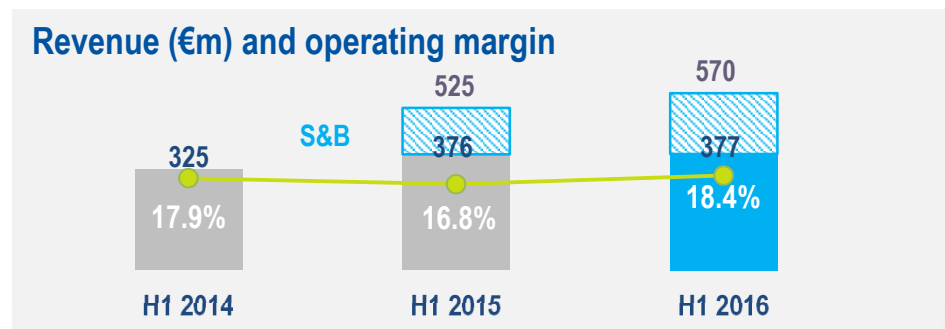


* 2015 data

- H1 2016 revenue: - **3.0%** on current basis, - **4.8%** organic growth vs. H1 2015
- Graphite: strong demand for lithium-ion batteries used in mobile energy
 - ◆ Creation of a company in Namibia to expand the Group's natural graphite offering
- Carbonates: capacity development and specialty product offering extension
- Monolithic Refractories: difficult iron & steel environment and slowdown of industrial markets
 - ◆ Ongoing development in India and Asia
 - ◆ Cost structure and industrial footprint optimization
- Oilfield Solutions: active commercial and industrial presence maintained in still weak market
 - ◆ Impact on the Group's current operating income should not be higher than in 2015 (- **€27m**)

Filtration & Performance Additives

(27 % of consolidated revenue as of H1 2016)

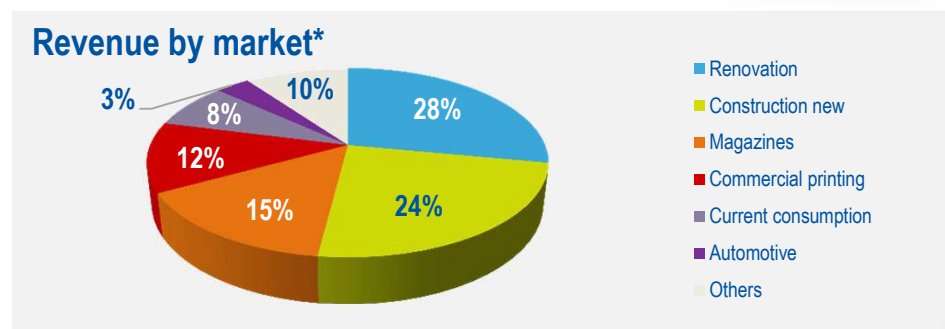
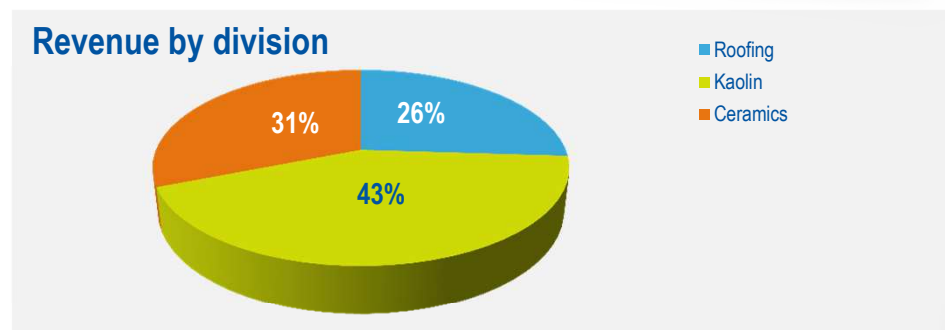
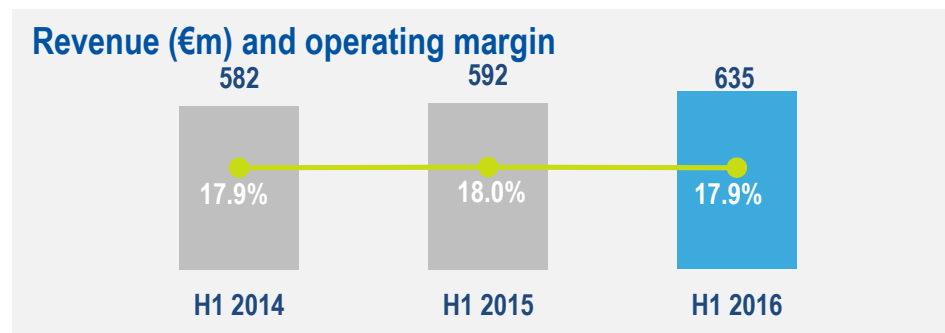


* 2015 data

- H1 2016 revenue: **+ 8.6%** including S&B, stable organic growth vs H1 2015 with tough comparison basis in Q2
- Increasing sales of Performance Minerals: talc and wollastonite for polymers used in the automotive industry
- Development of Minerals for Filtration in new segments (health & beauty, pharmacy)
- Good resilience of Performance Additives for Metallurgy in globally weak steel markets
- **+ 1.6 point** improvement in operating margin at **18.4%**
 - ◆ Increasing synergies from S&B in line with plan
 - ◆ Positive price-mix driven by development of new products

Ceramic Materials

(30 % of consolidated revenue in H1 2016)



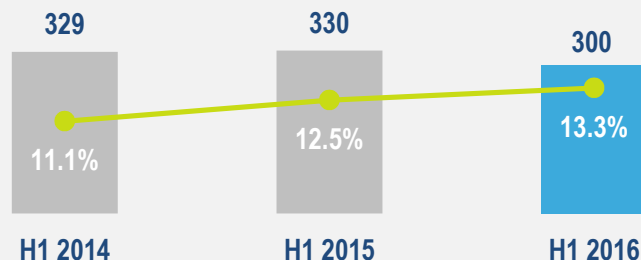
* Données 2015

- Revenue up **+ 7.1%** on current basis, **+ 0.2%** organic growth
- Ceramics: traditional markets holding up well
 - ◆ Pursuing repositioning strategy; partnership agreement with Spanish group Samca
- Roofing: solid performance in a stable market at historical lows
 - ◆ Contribution of Matisco consolidated since Q4 2015
- Kaolin: favorable product mix reflecting development of specialty applications
 - ◆ Contribution of hydrous kaolin acquired from BASF in the US in Q4 2015
- Stable operating margin at **17.9%**

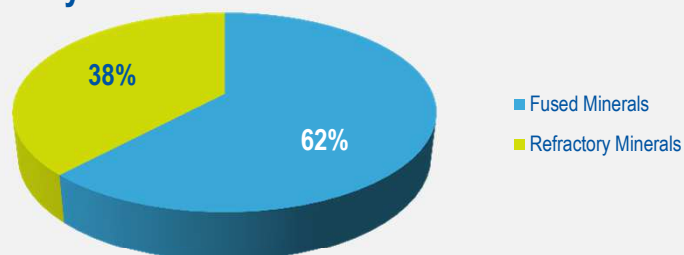
High Resistance Minerals

(14% of consolidated revenue in H1 2016)

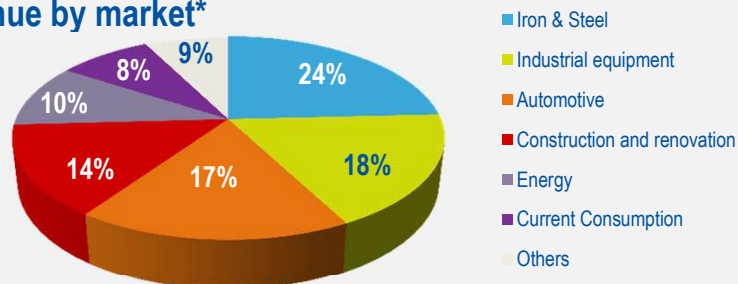
Revenue (€m) and operating margin



Revenue by division



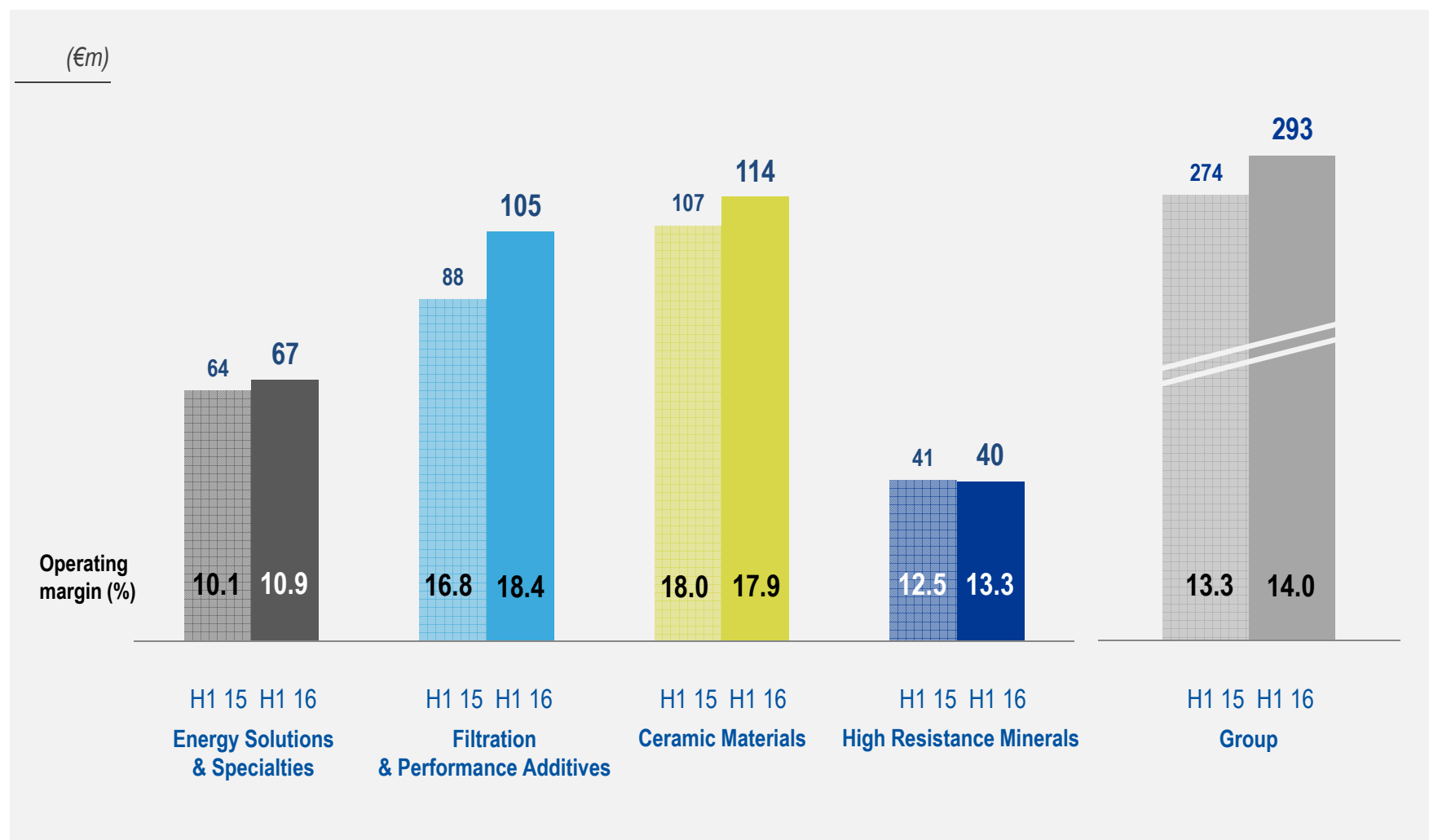
Revenue by market*



* 2015 data

- Revenue: - **5.4%** organic growth, - **9.2%** on current basis
- Pursuing strategic developments in Fused Minerals
 - ◆ Specialty products: Sol Gel for high performance abrasives
 - ◆ Fused alumina production ramping up in Bahrain
- Difficult market environment in Refractories: continuing restructuring programs
- Improvement in operating margin at **13.3%**
- Plan to acquire a specialty fused alumina activity from Alteo Group in Europe

Improvement in Current Operating Income



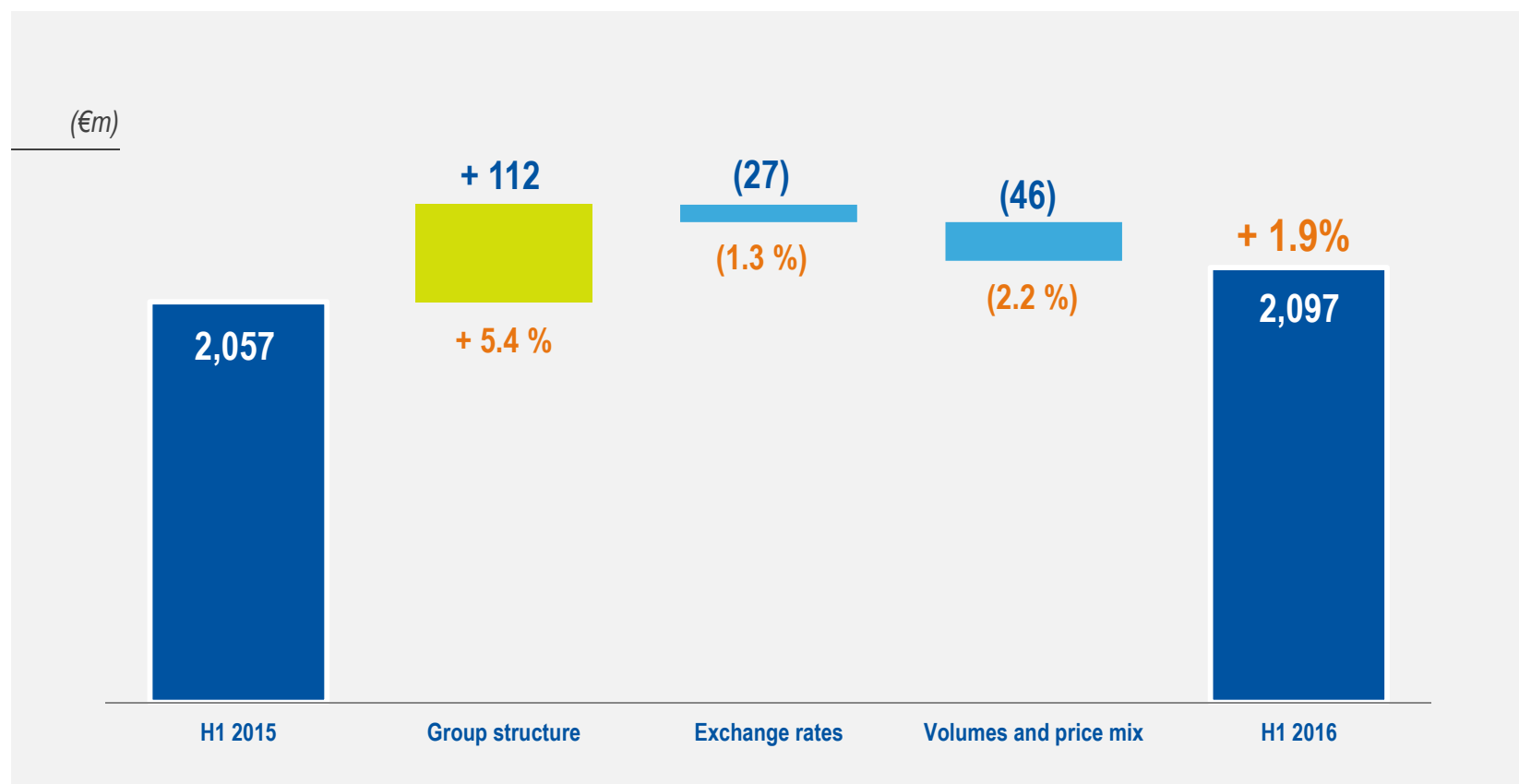
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Business review

First-Half 2016 Results

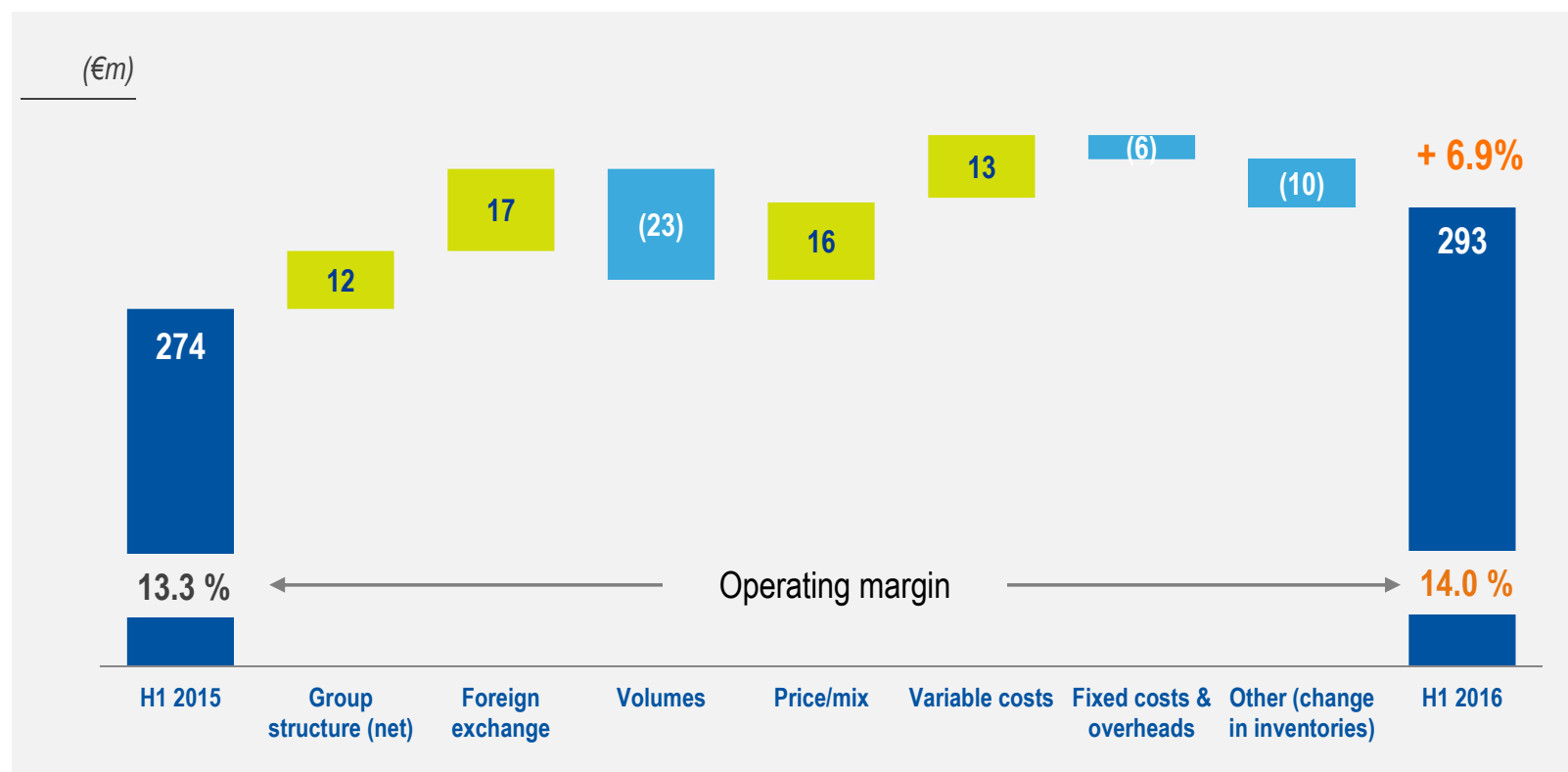
Outlook

Revenue increase to €2,097m



- Integration of acquisitions completed in 2015
- Volumes down by - 3.0% vs. - 5.3% in H1 2015
- Price mix effect holding up: + 0.8% ; development of new products

Current Operating Income up + 6.9%



- **+ 70 bp** improvement in operating margin to **14.0%**
- Increased synergies from acquisitions, S&B in particular
- Positive contribution from price/mix
- Favorable transaction impact from currencies reflecting depreciation of Brazilian real, to be analyzed against costs inflation in Brazil (**-€8m**)
- Tangible improvement in variable and fixed costs (**+€7m**), supported by operational excellence programs and effective procurement management

Net income from current operations up + 5.2%

€m	H1 2015	H1 2016	Change
Current operating income ⁽¹⁾	274.0	293.0	+ 6.9%
Current financial expense	(23.5)	(29.1)	
<i>of which: Interest expense, net</i>	(26.7)	(24.9)	
<i>Average net financial debt for the period</i>	1,379	1,556	
Current income tax	(74.1)	(78.1)	
<i>Current tax rate</i>	29.6 %	29.6 %	
Minority Interests	(1.7)	(1.9)	
Net income from current operations, Group's share⁽²⁾⁽³⁾	174.7	183.9	+ 5.2%
<i>Net income from current operations, Group's share, per share⁽⁴⁾</i>	2.22 €	2.33 €	+ 5.0%
Other operating income and expenses, net and net income of assets held for sale	(29.5)	(25.8)	
Net income, Group's share	145.2	158.1	+ 8.8%

1. Including share in income of affiliates

2. Net of minority interests

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

4. Average weighted number of outstanding shares 78,909,966 shares in H1 2016 against 78,736,146 in H1 2015

Solid cash flow generation in first-half 2016

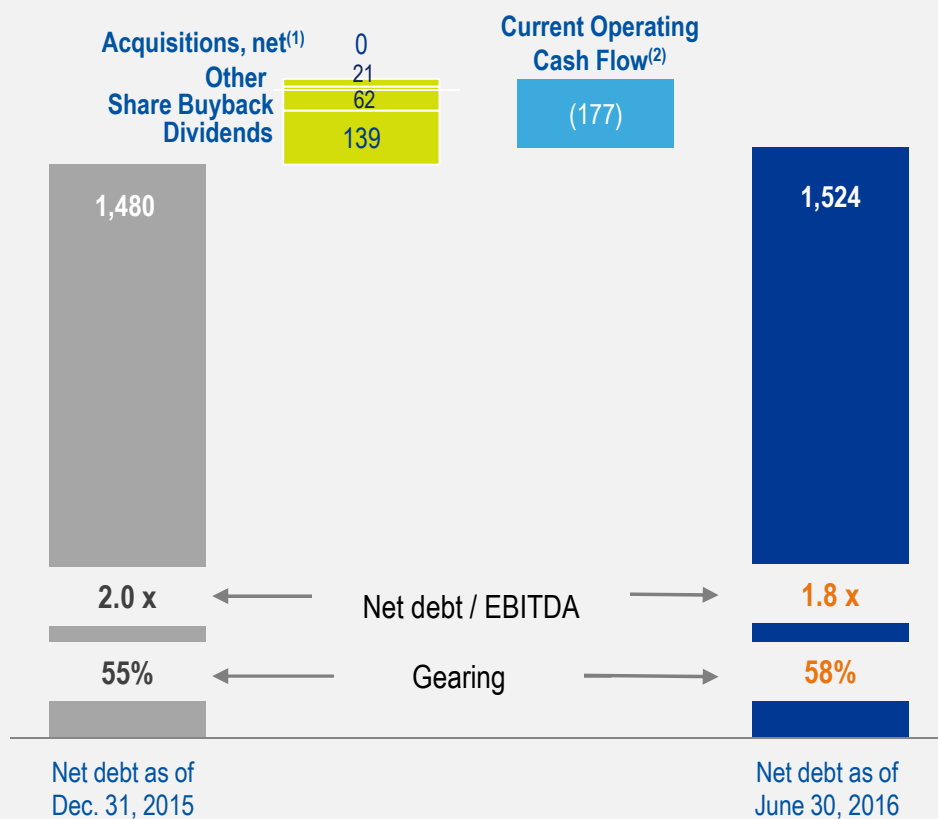
€m	H1 2015	H1 2016
EBITDA	381.2	416.9
Change in operating WCR	(38.3)	(48.3)
<i>WCR as a % of revenue</i>	23.1%	23.4%
Paid capital expenditure	(121.5)	(116.7)
Current notional tax	(81.0)	(86.8)
Other	1.0	11.6
Current free operating cash flow⁽¹⁾	141.4	176.7

- Booked capital expenditure: **€92.1m** i.e. **81%** of depreciation expense
 - ◆ Maintenance and overburden: **€64.6m**
 - ◆ Development capital expenditure: **€27.5m**

1. Current free operating cash flow = EBITDA – notional tax – change in operating WCR – paid capital expenditure.
Including subsidies, value of divested assets sold and misc.

Healthy financial situation maintained

Change in net financial debt (€m)



Financial resources:

- ◆ Total amount : **€3.5bn**
(maturity: **5.1 years**)
- ◆ Available resources excluding cash : **€1.2bn**

Long-term debt rated by Moody's: **Baa2, stable outlook**

1. Acquisitions net of disposals and shareholders' equity transactions

2. Current free cash flow = EBITDA – notional tax – change in operating WCR – paid capital expenditure – financial expense paid – other WCR

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Outlook

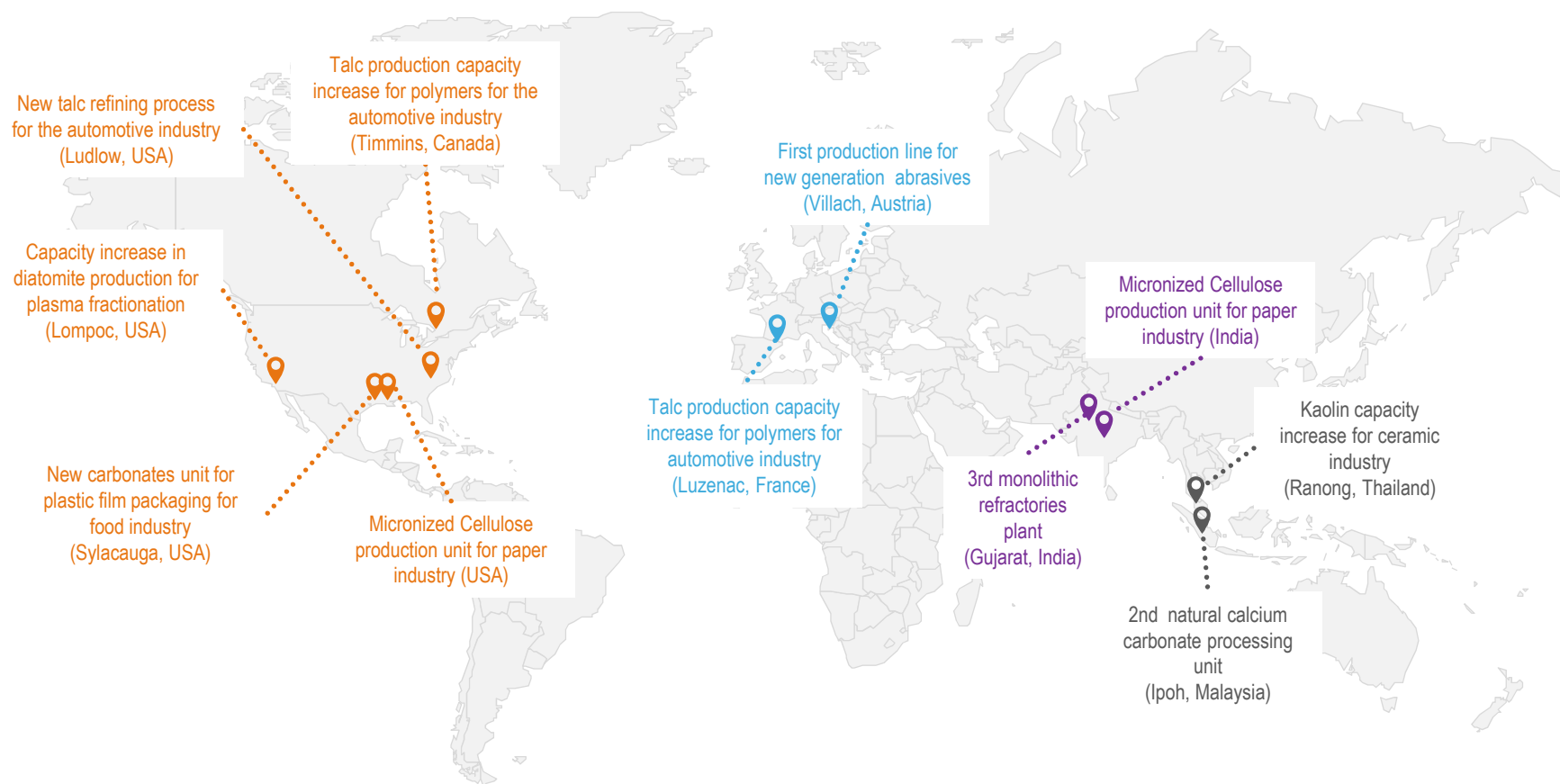
2016 Outlook

- **Another year of progress**
- **Outlook: increase in net income from current operations for the full year 2016 comparable to that of the first half, assuming a constant environment**
- **Tight management of costs, cash and industrial footprint, an ongoing priority**
- **Execution of development strategy**

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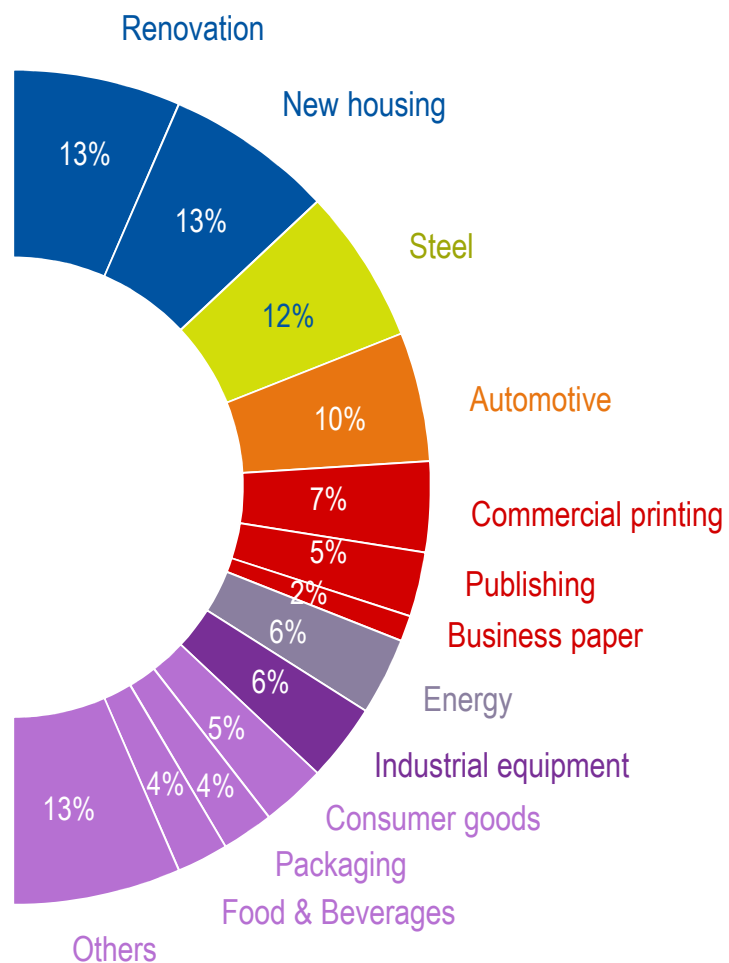
Appendix

Production capacity expansion

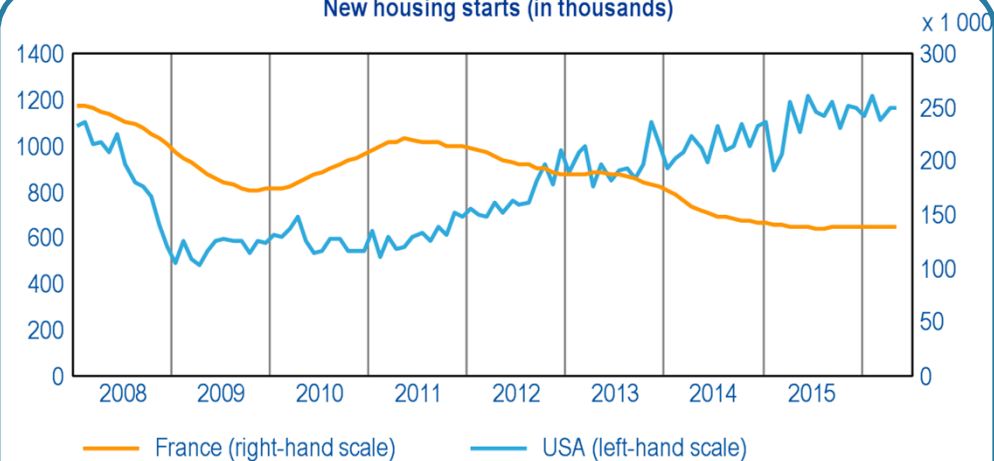


Market indicators for construction, printing & writing paper

2015 revenue

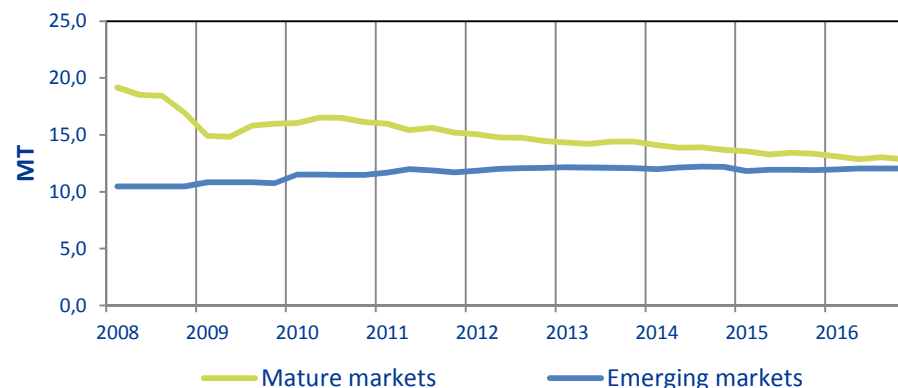


New housing starts (in thousands)



Source: Thomson Reuters Datastream

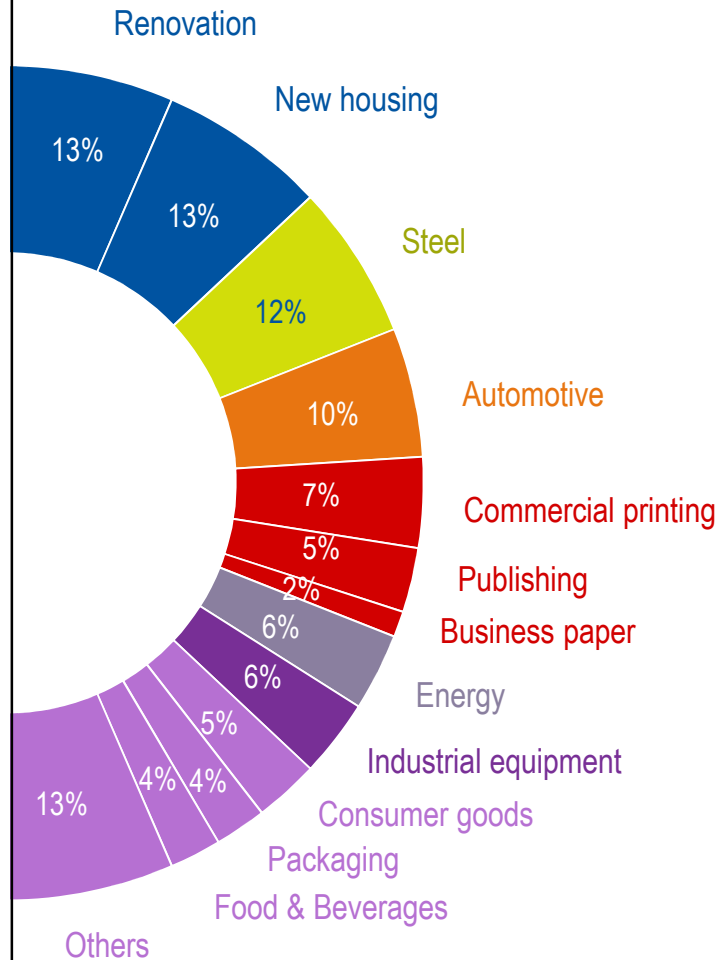
Printing & writing paper (in millions of tons)



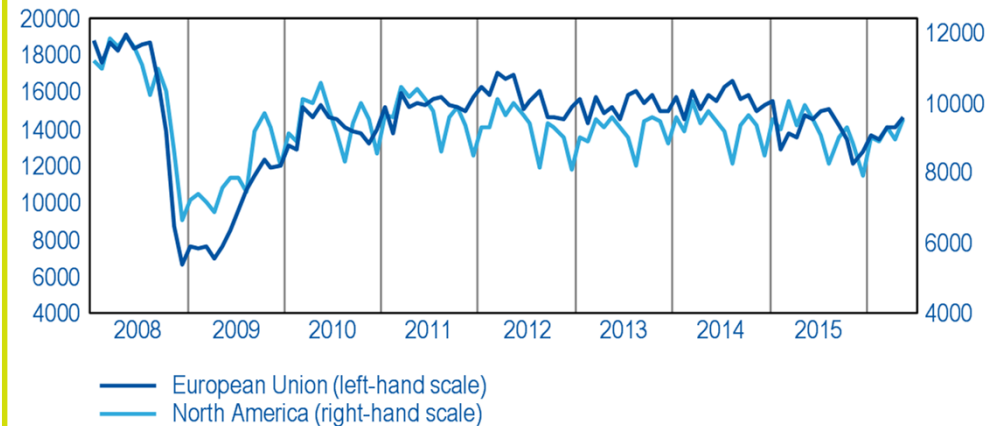
Source : RISI

Indicators for steel production and passenger car registrations

2015 revenue

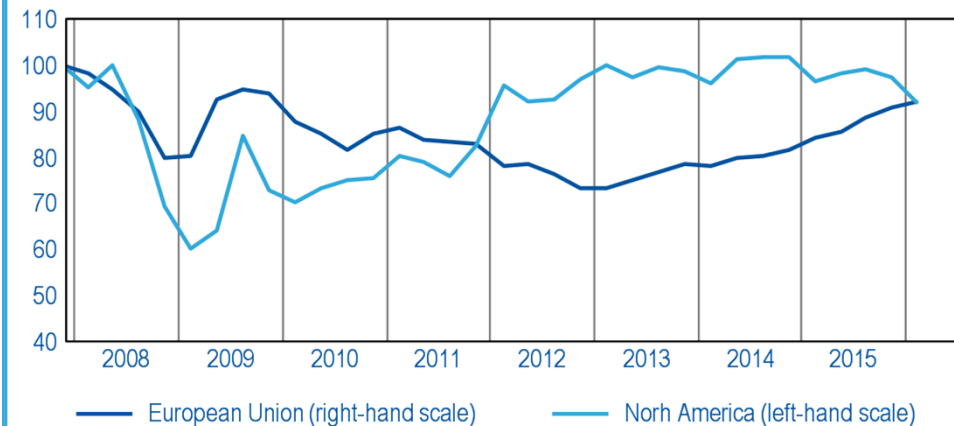


Steel production (in thousands of tons)



Source: Thomson Reuters Datastream

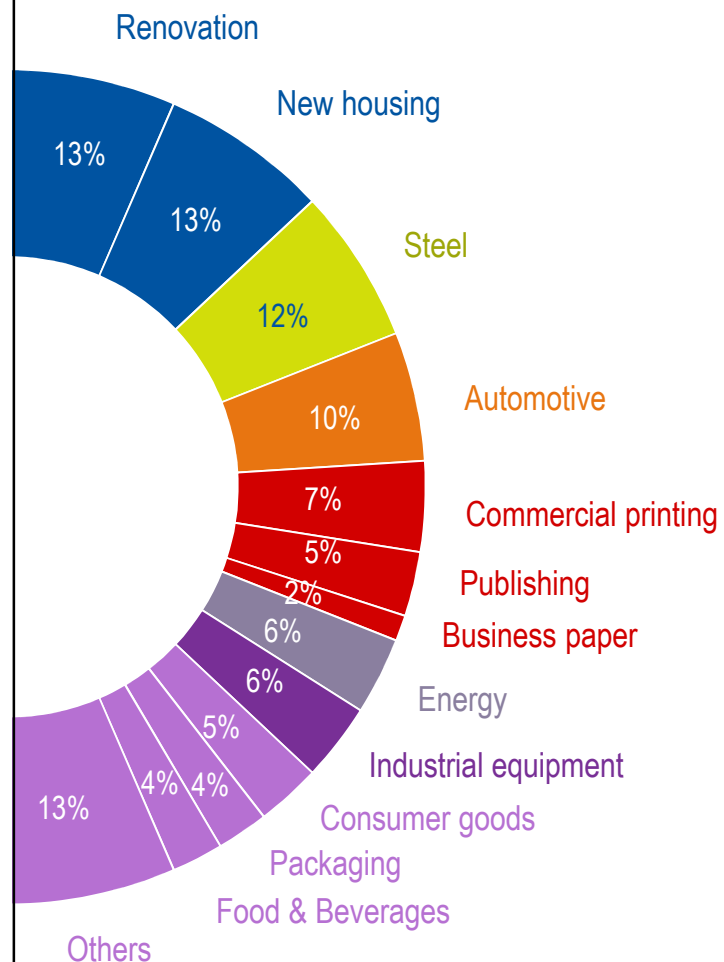
Passenger car registrations (basis 100 in Q4 2007)



Source: Thomson Reuters Datastream

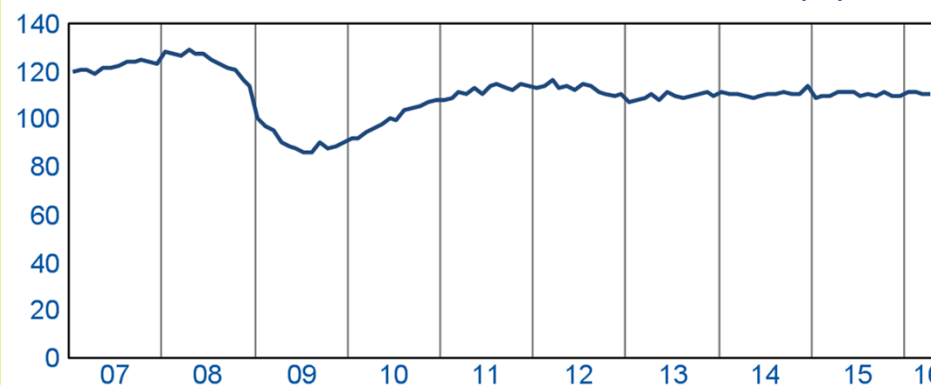
Industrial production indicator: industrial equipment

2015 revenue



New orders index (machine and industrial equipment manufacturing)

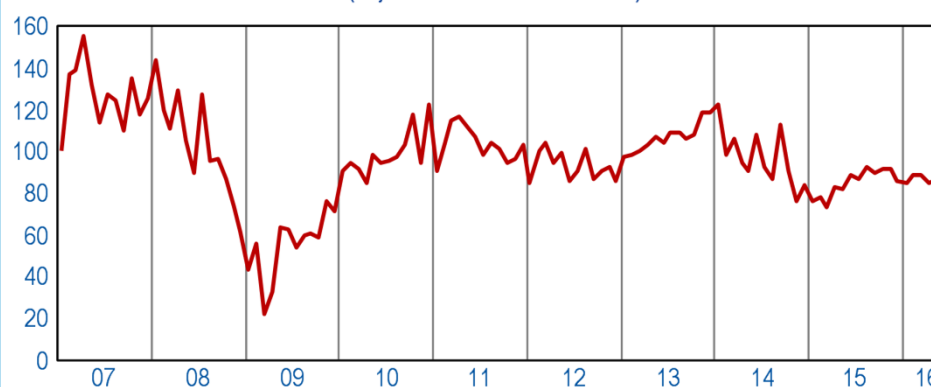
(adjusted for seasonal effects and working days) - EU (28)



Source: Thomson Reuters Datastream

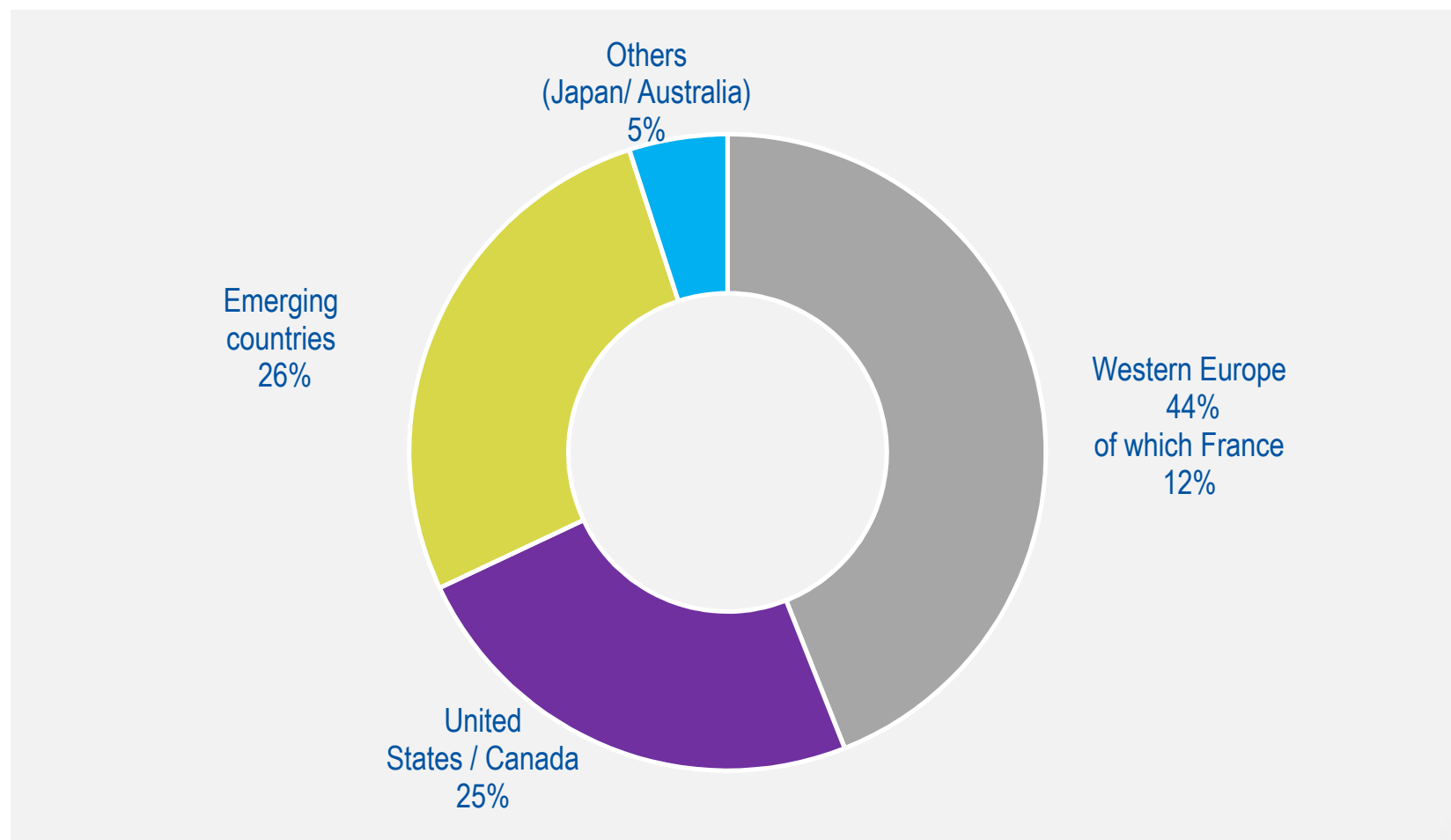
New orders index (machine and industrial equipment manufacturing) - US

(adjusted for seasonal effects)



Source: Thomson Reuters Datastream

Revenue by region: H1 2016



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	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016
Energy Solutions & Specialties	306.7	313.8	319.9	307.8	303.2	321.1	338.9	315.5	312.5	323.5	314.1	303.0	300.8	316.2
Filtration & Performance Additives	155.7	166.7	159.7	152.6	159.0	165.8	167.8	165.4	218.9	306.2	284.5	271.9	278.2	292.1
Ceramic Materials	315.4	306.9	297.3	284.8	289.5	292.5	295.1	279.7	291.0	301.4	285.8	294.2	323.2	311.4
High Resistance Minerals	162.5	175.0	159.0	157.3	163.3	165.6	154.2	158.6	165.3	165.0	156.0	143.1	148.3	151.5
Eliminations & Holding companies	(11.1)	(11.0)	(10.3)	(11.3)	(10.9)	(11.2)	(12.2)	(12.7)	(14.1)	(12.4)	(13.2)	(10.2)	(12.4)	(12.6)
TOTAL	929.3	951.4	925.6	891.3	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

LFL growth	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016
Energy Solutions & Specialties	-	-	-	-	+ 8.3%	+ 10.3%	+ 12.5%	+ 4.6%	- 4.7%	- 3.5%	- 9.7%	- 8.1%	- 6.8%	- 2.9%
Filtration & Performance Additives	-	-	-	-	+ 5.9%	+ 3.2%	+ 6.3%	+ 0.8%	+ 2.8%	+ 3.6%	- 0.1%	+ 2.7%	+ 2.3%	- 1.7%
Ceramic Materials	-	-	-	-	+ 1.4%	- 0.1%	- 2.0%	- 2.6%	- 6.3%	- 1.7%	- 4.4%	- 4.7%	+ 2.8%	- 2.3%
High Resistance Minerals	-	-	-	-	+ 4.4%	- 1.7%	- 4.3%	- 3.0%	- 7.4%	- 10.4%	- 3.4%	- 10.5%	- 6.4%	- 4.4%
TOTAL	-	-	-	-	+ 5.0%	+ 3.7%	+ 3.9%	+ 0.1%	- 4.5%	- 3.3%	- 5.6%	- 5.1%	- 1.8%	- 2.6%

Current operating income (€m)	Q1 2013	Q2 2013	Q3 2013	Q4 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016
Consolidated COI (M€)	117.0	127.0	123.5	109.5	117.3	130.4	127.0	119.8	123.2	150.8	135.0	129.1	135.4	157.7
Operating margin	12.6%	13.3%	13.3%	12.3%	13.0%	14.0%	13.5%	13.2%	12.7%	13.9%	13.1%	12.9%	13.0%	14.9%

Current operating income and operating margin by semester

Current 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	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%
TOTAL	13.4%	11.7%	13.0%	12.8%	13.5%	13.3%	13.3%	13.0%	14.0%

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

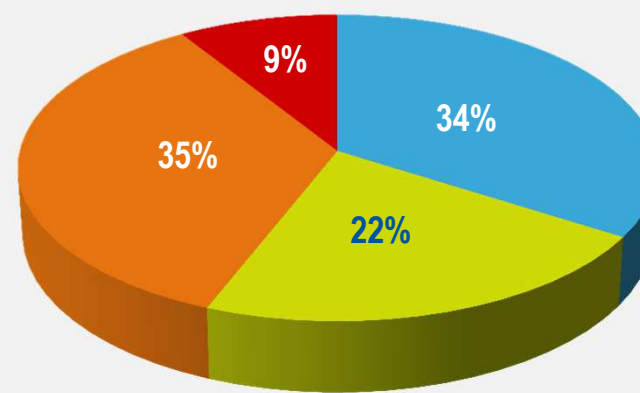
■ Graphite & Carbon

- ◆ 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

H1 2016 revenue by region



- Western Europe
- US/ Canada
- Emerging countries
- Others (Japan/Australia)

Filtration & Performance Additives

■ Performance Minerals

- ◆ 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

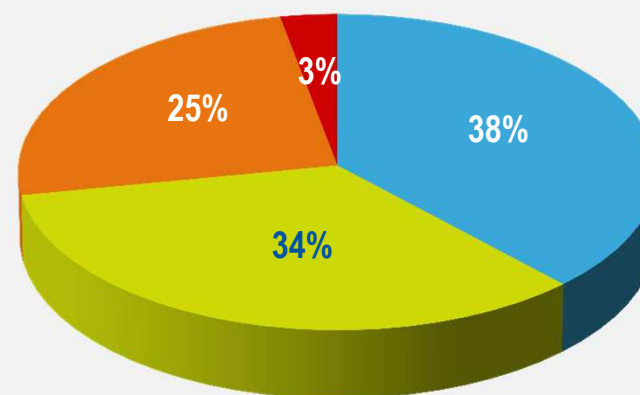
■ Minerals for Filtration

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

■ Additives for Metallurgy

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

H1 2016 revenue by region



- Western Europe
- US/ Canada
- Emerging countries
- Others (Japan/Australia)

Ceramic Materials

■ Roofing

- ◆ Clay roof tiles in France

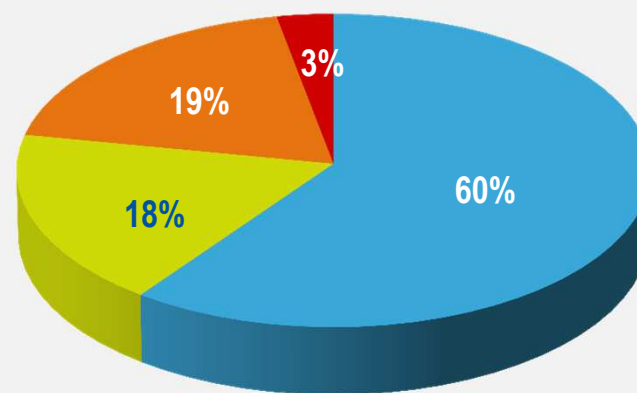
■ Ceramics

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

■ Kaolin

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

H1 2016 revenue by region



- Western Europe
- US/ Canada
- Emerging countries
- Others (Japan/Australia)

High Resistance Minerals

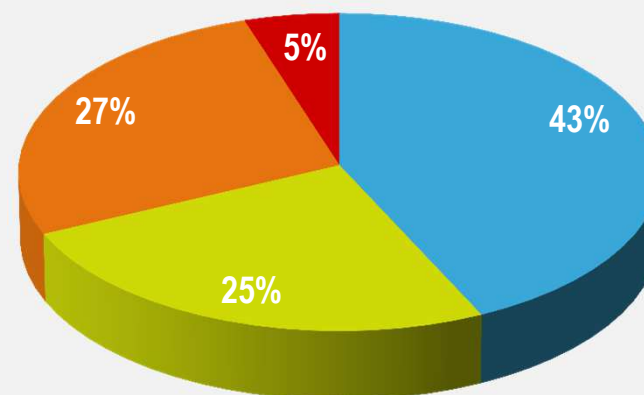
■ Fused Minerals

- ◆ 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

H1 2016 revenue by region



- Western Europe
- US/ Canada
- Emerging countries
- Others (Japan/Australia)

Current financial expense

M€	H1 2015	H1 2016
Interest expense, net	(26.7)	(24.9)
Unwinding of long-term provisions and change in other provisions	(1.9)	(1.9)
Net interest expense on pensions	(5.1)	(4.4)
Currency translation, other financial income and expense and financial instruments	10.2	2.0
Current financial expense	(23.5)	(29.1)
<i>Average net debt for the period</i>	1,379	1,556



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