

## Imerys achieves target with + 8.0% growth in net income from current operations in 2015

- + 10.8% rise in revenue (- 4.6% on comparable basis<sup>(1)</sup>)
- Firm operating margin at 13.2%
- Positive contribution from S&B and execution of synergies in line with objectives
- Financial soundness strengthened by high generation of current free operating cash flow at 343 M€
- 209 M€ net non-cash impairment charge on the Oilfield Solutions division
- Further increase in dividend proposed to €1.75 per share

Imerys' Board of Directors, meeting on February 11, 2016, examined the definitive financial statements for 2015. These will be submitted for approval at the Shareholders' General Meeting to be held on May 4, 2016.

Consolidated results (€ millions)	2014	2015	% current change
Revenue	3,688.2	4,086.7	+ 10.8%
Current operating income <sup>(2)</sup>	494.6	538.1	+ 8.8%
<i>Operating margin</i>	13.4%	13.2%	- 0.2 point
Net income from current operations, Group's share <sup>(3)</sup>	316.3	341.5	+ 8.0%
Net income, Group's share	271.6	68.4	n.a.
<b>Financing</b>			
Paid capital expenditure	241.5	271.6	+ 12.5%
Current free operating cash flow <sup>(4)</sup>	244.1	342.5	+ 40.3%
Shareholders' equity	2,470.5	2,671.8	+ 8.1%
Net financial debt	869.9	1 480.4	+ 70.2%
<b>Data per share (euros)</b>			
Net income from current operations, Group's share <sup>(3) (5)</sup>	€4.15	€4.31	+ 3.7%
Proposed dividend	€1.65	€1.75	+ 6.1%
<b>Headcount as at 31 December</b>	14,900	16,130	+ 8.3%

*Chairman & CEO Gilles Michel commented:*

"Growth in net income from current operations is in line with the target set for 2015. This result, achieved in difficult overall market conditions, attests once again to the quality of the Group's fundamentals and to its teams' responsiveness. In an environment that remains uncertain in the early part of this year, the Group will continue to implement its action plans to protect/improve its operating performance. Furthermore, it will also benefit from the full-year contribution of S&B, with which synergies will continue to ramp up, and the first positive contributions of the other recent acquisitions. In accordance with its development strategy and high cash generation, the Group will continue to invest, in a controlled manner, in innovation and the extension of its activity portfolio."

<sup>1</sup> "on a comparable basis" means "at comparable Group structure and exchange rates". See glossary at the end of the present release.

<sup>2</sup> Operating income before other operating revenue and expenses. See glossary at the end of the present release.

<sup>3</sup> Group's share of net income before other operating revenue and expenses net.

<sup>4</sup> Current free operating cash flow: EBITDA after deduction of notional tax, changes in working capital requirement and paid capital expenditure.

<sup>5</sup> The weighted average number of outstanding shares was 79,275,846 in 2015 compared with 76,134,904 in 2014.

## 2015 HIGHLIGHTS

On February 26, 2015, Imerys completed the acquisition of S&B. A global player and European leader in bentonite (binders for foundry, sealing solutions, additives for drilling and functional additives), S&B is also the world leader in continuous casting fluxes for steel and in wollastonite (functional additives for polymers and paints). It also provides perlite-based solutions used in building materials and horticulture. This acquisition, which was accretive on Imerys' net income from current operations per share in 2015, should create value from 2018, with total annual synergies estimated at over €25 million, half of which will be achieved in 2016.

Other external growth operations were completed in 2015:

- On October 30, Imerys completed the acquisition of the Precipitated Calcium Carbonate (PCC) division of Solvay, Europe's leading producer of fine and ultra-fine PCC, which is used as a functional additive in specialty applications. It operates 4 plants in Europe (Austria, France, Germany, UK) and mainly serves the automotive (polymers, etc.), construction (paints, coatings, sealants) and consumer goods (health & beauty, etc.) markets. It generated €59 million revenue in 2014.
- On November 1<sup>st</sup>, the Group acquired BASF's paper hydrous kaolin (PHK) activity in the US. This transaction enables Imerys to improve its service offering for the paper industry through optimization of its production assets and generate incremental revenue of \$60 million on a full-year basis.
- On October 27, Imerys completed the acquisition of Matisco, a specialized manufacturer of metal accessories for roofing, enabling the Imerys Group to broaden its offering for the roofing market in France by integrating a wide range of accessories (rainwater drainage profiles, waterproofing, etc.). Matisco posted revenue of €23 million in 2014.

In the context of a sharp downturn on the ceramic proppants market in the United States, the Group recorded a non-cash impairment charge on the Oilfield Solutions division corresponding to a net loss of value of €209 million. The prospects of an upturn in this activity in the short term, which still seemed possible early in the year, have become more remote since the second half. These non-recurrent items do not undermine the Group's sound balance sheet.

## POST-CLOSING EVENTS

No significant events have occurred between the end of the period and the date of the Board of Directors meeting.

## 2016 OUTLOOK

Imerys can draw on real strengths to face a highly uncertain macroeconomic environment. The Group will not only benefit from S&B's full-year contribution, but also from the continued momentum of innovation projects and new developments. In addition, Imerys will continue to manage its costs with discipline and adjust its industrial assets to market trends.

## **CORPORATE GOVERNANCE**

At its meeting on February 11, 2016, Imerys' Board of Directors approved the draft resolutions to be submitted to the Shareholders' General Meeting on May 4.

With respect to changes in the composition of the Board, these resolutions provide for, in particular:

- Approval of the coopting in 2015 of Mr. Colin Hall and Mr. Laurent Raets as Directors;
- Renewal of the terms of offices as Directors of Mr. Ian Gallienne and Mr. Laurent Raets, which were nearing expiry;
- And the appointment of Mrs. Odile Desforges and Mr. Arnaud Vial as new members.

At this meeting, the Board noted that Mrs. Fatine Layt, Mr. Robert Peugeot and Mr. Amaury de Seze, whose terms of office were nearing expiry, had not requested their renewal. The Board, who thanked them all warmly for their outstanding contribution to the work of the Board and its Committees throughout the past years, paid tribute in particular to Amaury de Seze as Vice-Chairman and proposed Mr. Paul Desmarais III to succeed him in that capacity.

The new composition of the Board reflects its wish for a more international profile, greater gender balance (40% female members following the General Meeting) and a more diverse set of skills among its members.

## **DIVIDEND**

The Board of Directors will propose the payment of a €1.75 dividend per share to the Shareholders' General Meeting of May 4, 2016. This corresponds to a + 6.1% increase compared with the dividend paid in 2015, i.e. a total distributed amount of €139 million, which represents 40.6% of net income from current operations. This proposal reflects the Board's confidence in the Group's development potential. The dividend should be paid out from May 12, 2016.

## DETAILED REVIEW OF THE GROUP'S RESULTS

### REVENUE

	Revenue (€ millions)	Change in Revenue (% previous year)	Comparable change in Revenue (% previous year)	Of which Volume effect	Of which Price/Mix effect
2013	3,697.6	- 4.8%	- 1.3%	- 2.5%	+ 1.2%
2014	3,688.2	- 0.3%	+ 3.2%	+ 1.7%	+ 1.5%
<b>2015</b>	<b>4,086.7</b>	<b>+ 10.8%</b>	<b>- 4.6%</b>	<b>- 5.9%</b>	<b>+ 1.3%</b>

<i>Non-audited quarterly data</i>	2014 Revenue (€ millions)	2015 Revenue (€ millions)	Change in Revenue (% previous year)	Comparable change (% previous year)	Of which Volume effect	Of which Price/Mix effect
1 <sup>st</sup> quarter	904.1	973.6	+ 7.7%	- 4.5%	- 5.9%	+ 1.3%
2 <sup>nd</sup> quarter	933.8	1,083.7	+ 16.1%	- 3.3%	- 4.8%	+ 1.5%
3 <sup>rd</sup> quarter	943.8	1,027.2	+ 8.8%	- 5.6%	- 6.5%	+ 0.9%
4 <sup>th</sup> quarter	906.5	1,002.2	+ 10.6%	- 5.1%	- 6.2%	+ 1.1%

- **Integration of S&B and positive impact of exchange rates**
- **Volumes affected by fall in ceramic proppants market**
- **Development of new products**
- **Positive price/mix in each business group**

**Revenue** in 2015 totaled €4,086.7 million, a + 10.8% increase on a current basis from 2014. This growth results from:

- a positive net Group structure effect of + €350.3 million (+ 9.5%) mainly comprised of the consolidation since March 1, 2015 of S&B and, to a lesser extent, the acquisitions made in the Kaolin, Carbonates, Roofing and Monolithic Refractories divisions;
- a positive exchange rate effect of + €218.2 million (+ 5.9%), relating to the euro's depreciation against the US dollar in particular.

At comparable Group structure and exchange rates, revenue decreased - 4.6% in 2015 compared with 2014 and - 5.3% in the second half, due to the persistent weakness of some markets and geographic zones, as well as a particularly unfavorable basis of comparison in ceramic proppants (gradual ramp-up of production during the previous year). Excluding ceramic proppants, comparable change in revenue is - 2.7% in the second half and - 2.5% for full-year 2015.

In this difficult environment, revenue from new products increased + 8.5% to €490 million, i.e. a + 29.9% rise excluding ceramic proppants, which contributed €21 million in 2015 vs. €90 million in 2014. The price/mix effect remained firm at + 1.3% for the whole Group for 2015 (+ €46.0 million).

## CURRENT OPERATING INCOME

<i>Non-audited quarterly data (€ millions)</i>	<b>2014</b>	<b>2015</b>	<b>% change</b>
1 <sup>st</sup> quarter	117.3	123.2	+ 5.0%
<i>Operating margin</i>	13.0%	12.7%	- 0.3 point
2 <sup>nd</sup> quarter	130.4	150.8	+ 15.7%
<i>Operating margin</i>	14.0%	13.9%	- 0.1 point
3 <sup>rd</sup> quarter	127.0	135.0	+ 6.3%
<i>Operating margin</i>	13.5%	13.1%	- 0.4 point
4 <sup>th</sup> quarter	119.8	129.1	+ 7.7%
<i>Operating margin</i>	13.2%	12.9%	- 0.3 point
<b>Year</b>	<b>494.6</b>	<b>538.1</b>	<b>+ 8.8%</b>
<i>Operating margin</i>	13.4%	13.2%	- 0.2 point

- **Firm operating margin at 13.2%**
- **Favorable impact of price-mix component and exchange rates**
- **Effectiveness of cost reduction programs**

**Current operating income**, at €538.1 million in 2015, grew + 8.8% compared with 2014. It includes a favorable exchange rate effect of + €41.1 million, reflecting in particular the euro's depreciation against the dollar, and a + €47.7 million Group structure effect that includes S&B's contribution.

The slump in sales volumes (- €95.9 million) is partly offset by group structure and exchange rates effects. Current operating income also benefits from a favorable trend in the activity mix and the effectiveness of management measures:

- Change in product price/mix (+ €35.1 million);
- Improvement in variable costs (+ €19.6 million), supported in particular by the I-Cube operating excellence program;
- Decrease in fixed costs and general expenses (+ €20.4 million).

The Group's **operating margin** remains firm at 13.2% (13.4% in 2014).

## NET INCOME FROM CURRENT OPERATIONS

**Net income from current operations** rose + 8.0% to €341.5 million (€316.3 million in 2014). It includes the following items:

- Financial expense for - €55.5 million (vs. - €45.1 million in 2014), with three components:
  - interest expense on net financial debt for - €49.1 million in 2015 (vs. - €40.2 million in 2014). This increase is mainly due to the rise in average net financial debt over the period (€1,467.0 million in 2015 vs. €922.3 million in 2014), mainly relating to the acquisition of S&B;
  - net financial cost of pensions and other changes in provisions for - €14.9 million in 2015 (vs. - €10.7 million one year earlier);
  - net impact of foreign exchange and financial instruments, corresponding to a gain of + €8.5 million in 2015 (vs. + €5.8 million in 2014).
- - €140.5 million current tax charge (- €131.5 million in 2014). The effective tax rate is stable at 29.1% (29.2% in 2014).

**Net income from current operations per share** increased + 3.7% to €4.31. It takes into account a + 4.1% increase in the weighted average number of outstanding shares, following the issue of new shares with respect to the acquisition of S&B.

## NET INCOME

**Other operating income and expenses, net of tax**, total - €273.1 million (vs. - €44.7 million one year earlier). They include the following items:

- Restructuring costs for - €64.1 million, comprised in particular of restructuring expenses relating to the integration of S&B and the adaptation of the industrial facilities to the market evolution.
- Non-cash impairment charge on the Oilfield Solutions division (Energy Solutions & Specialties business group), corresponding to a net loss of value of €209.0 million, half of which is on the whole goodwill and the rest on part of the division's assets.

After taking into account other operating income and expenses, net of tax, **the Group's share of net income** amounted to €68.4 million in 2015 (€271.6 million in 2014).

## CASH FLOW

(€ millions)	2014	2015
<b>EBITDA</b>	<b>673.8</b>	<b>745.4</b>
Change in operating working capital requirement (WCR)	(48.9)	21.8
Paid capital expenditure	(241.5)	(271.6)
Current notional tax	(144.6)	(156.7)
<b>Current free operating cash flow*</b>	<b>244.1</b>	<b>342.5</b>
Paid financial expense (net of tax)	(21.0)	(31.8)
Other WCR items	4.4	27.7
<b>Current free cash flow</b>	<b>227.5</b>	<b>338.4</b>

\* including subsidies, value of divested assets and miscellaneous

5.3

3.6

- **Further development capital expenditure**
- **High generation of current free operating cash flow at 343 M€**

The Group's operating working capital requirement, stated as a percentage of annualized sales in the last quarter, amounted to 23.5% in 2015.

**Paid capital expenditure** totaled €271.6 million in 2015. The booked amount (€274.2 million) represents 122% of depreciation expense (vs. 115% in 2014). Development capital expenditure continued selectively, totaling €78.4 million (€82.2 million in 2014), to support the Group's growth potential. Details of the main projects are given under each business group.

Consequently, Imerys generated substantially higher **current free operating cash flow** in 2015, at €342.5 million (€244.1 million in 2014).

## FINANCIAL STRUCTURE

(€ millions)	December 31, 2014	December 31, 2015
Paid dividends	(125.3)	(132.6)
Net debt, end of period	869.9	1,480.4
Average net debt of the period	922.3	1,467.0
Shareholders' equity	2,470.5	2,671.8
EBITDA	673.8	745.4
Net debt / shareholders' equity	35.2%	55.4%
Net debt / EBITDA	1.3x	2.0x

- **Increase in net financial debt due to acquisition of S&B**
- **Sound financial ratios**

The Group's **net financial debt** grew + €610.5 million to €1,480.4 million as of December 31, 2015, mainly due to the acquisition of S&B, which was completed at the end of February 2015 and paid partly in cash, partly in stock, the payment of dividends for an amount of €132.6 million and purchases of the Group's own shares under its buyback program. These transactions concerned 1.5% of the Company's capital, i.e. €74 million.

Imerys therefore has €2.9 billion in **total financial resources** as of December 31, 2015. After deduction of gross financial debt, available non-cash resources total €1 billion with an average maturity of 4.6 years.

Imerys' financial ratios remain sound with gearing at 55% and net financial debt at 2.0 times EBITDA.

On November 20, 2015, Moody's confirmed its rating for Imerys' unsecured senior debt, at Baa-2 since 2011 with a stable outlook. The short-term rating was also confirmed at P-2, also with a stable outlook.

## REVIEW BY BUSINESS GROUP

### Energy Solutions & Specialties

(31% of consolidated revenue 2015)

Non-audited quarterly data (€ millions)	2014	2015	Current change	Comparable change
1 <sup>st</sup> quarter revenue	303.2	312.5	+ 3.1%	- 4.7%
2 <sup>nd</sup> quarter revenue	321.1	323.5	+ 0.8%	- 3.5%
3 <sup>rd</sup> quarter revenue	338.9	314.1	- 7.3%	- 9.7%
4 <sup>th</sup> quarter revenue	315.5	303.0	- 4.0%	- 8.1%
<b>Full-year revenue</b>	<b>1,278.6</b>	<b>1,253.1</b>	<b>- 2.0%</b>	<b>- 6.6%</b>
<b>Current operating income</b>	<b>149.5</b>	<b>119.7</b>	<b>- 19.9%</b>	<b>- 21.0%</b>
<i>Operating margin</i>	11.7%	9.6%	- 2.1 points	
<b>Booked capital expenditure</b>	<b>84.5</b>	<b>85.5</b>	<b>+ 1.2%</b>	
<i>% depreciation expense</i>	147%	170%		

The **Energy Solutions & Specialties** business group's **revenue** totaled €1,253.1 million in 2015, a - 2.0% decrease on a current basis. This change factors in a positive exchange rate effect of + €59.2 million (+ 4.6%) and reflects a sharp downturn in the **Oilfields Solutions** division because of the fall in the US ceramic proppants market, with an unfavorable basis of comparison in the second half. On a comparable basis, the business group's sales therefore decreased - 6.6% but were stable excluding ceramic proppants.

The **Carbonates** division's sales continued to benefit from the development of specialty applications for consumer goods and construction, particularly in the United States (plastic films, polymers, paint, etc.). Solvay's precipitated calcium carbonate activities were consolidated from October 30.

In the **Monolithic Refractories** division, which serves high-temperature industries (steel, metallurgy, power generation, incineration, casting, cement, petrochemicals etc.), demand held out well in Europe on industrial markets but declined on steel markets.

The **Graphite & Carbone** division's sales for electronics and automotive markets (lithium-ion batteries) were buoyant in 2015.

In the **Oilfield Solutions** division, demand for ceramic proppants for non-conventional oilfields flumped further in the 4<sup>th</sup> quarter, against a backdrop of falling oil prices since late 2014. This division's negative impact on the Group's current operating income totaled - €27 million for the year as a whole. In 2016, assuming unchanged market conditions, this figure should not be higher than for 2015.

**Current operating income** decreased - 19.9% to €119.7 million (- €29.8 million) and improved slightly (+ 0.3%) excluding ceramic proppants. It includes an exchange rate of + €2.8 million. Current operating income reflects the decrease in volumes, a positive price/mix effect and lower fixed costs and general expenses due to the adjustments to the fall in demand for ceramic proppants.

Taking these factors into account, the business group's **operating margin** decreased - 2.1 points to 9.6%.

**Capital expenditure** in 2015 includes two new production units in India: a new ground calcium carbonate (GCC) production line for the high value-added board packaging market and Caldey's third plant, to meet growth in monolithic refractory products in India and the Middle East. Another major capital project was a new carbonates production unit for food plastic film in Sylacauga, Alabama (United States).



Under its innovation programs, Imerys developed FiberLean™, a patented and innovative manufacturing technology for micronized cellulose ("MFC") composite with great potential in multiple industries. The Food and Drug Administration (FDA) recently authorized its use as a food contact substance. The first commercial applications are in paper and packaging markets. Imerys signed two commercial contracts with leading paper groups in 2015, for which two on-site plants are under construction in the United States and India.

## Filtration & Performance Additives

(26% of consolidated revenue 2015)

Non-audited quarterly data (€ millions)	2014	2015	Current change	Comparable change
1 <sup>st</sup> quarter revenue	159.0	218.9	+ 37.6%	+ 2.8%
2 <sup>nd</sup> quarter revenue	165.8	306.2	+ 84.7%	+ 3.6%
3 <sup>rd</sup> quarter revenue	167.8	284.5	+ 69.6%	- 0.1%
4 <sup>th</sup> quarter revenue	165.4	271.9	+ 64.4%	+ 2.7%
<b>Full-year revenue</b>	<b>658.0</b>	<b>1 081.5</b>	<b>+ 64.4%</b>	<b>+ 2.2%</b>
<b>Current operating income</b>	<b>113.4</b>	<b>178.1</b>	<b>+ 57.0%</b>	<b>+ 9.6%</b>
<i>Operating margin</i>	17.2%	16.5%	- 0.7 point	
<b>Booked capital expenditure</b>	<b>42.9</b>	<b>64.9</b>	<b>+ 51.3%</b>	
<i>% depreciation expense</i>	125%	111%		

The **Filtration & Performance Additives** business group's **revenue** totaled €1,081.5 million in 2015, including a + €350.5 million structure effect, mainly relating to the consolidation of S&B over 10 months, and a positive exchange rate impact of + €58.4 million. S&B's operational integration was completed in the 4<sup>th</sup> quarter and synergies are being implemented in accordance with the Group's expectations.

The business group's growth was vibrant in the 4<sup>th</sup> quarter and amounted to + 2.2% at constant structure and exchange rates for the year as a whole. Its activity was buoyed by the rapid development of new products. In addition, the sales of the **Performance Minerals** and **Minerals for Filtration** activities benefited from a vibrant automotive sector and a firm consumer goods market, respectively.

The **Additives for Metallurgy** division, resulting from the integration of S&B, held out well against the slump in steel production, particularly in Europe, thanks to the foundry sector, of which a large share of outlets are related to the automotive market.

The business group's **current operating income**, at €178.1 million, rose + 57.0%. It takes into account a significant structure impact (+ €45.7 million), including the first synergies relating to S&B, and favorable exchange effects (+ €8.1 million).

Under this new configuration, **operating margin** totaled 16.5%.

**Capital expenditure** programs continued in 2015, particularly with the aim of increasing production capacity in talc for automotive polymers at the Luzenac (France) and Timmins (Ontario, Canada) plants. The programs also include the setup of a new talc refining process for the automotive sector in Vermont (USA).

## Ceramic Materials

(28% of consolidated revenue 2015)

Non-audited quarterly data (€ millions)	2014	2015	Current change	Comparable change
1 <sup>st</sup> quarter revenue	289.5	291.0	+ 0.6%	- 6.3%
2 <sup>nd</sup> quarter revenue	292.5	301.4	+ 3.0%	- 1.7%
3 <sup>rd</sup> quarter revenue	295.1	285.8	- 3.1%	- 4.4%
4 <sup>th</sup> quarter revenue	279.7	294.2	+ 5.2%	- 4.7%
<b>Full-year revenue</b>	<b>1,156.9</b>	<b>1,172.4</b>	<b>+ 1.3%</b>	<b>- 4.2%</b>
<b>Current operating income</b>	<b>211.0</b>	<b>210.1</b>	<b>- 0.4%</b>	<b>- 11.0%</b>
<i>Operating margin</i>	18.2%	17.9%	- 0.3 point	
<b>Booked capital expenditure</b>	<b>69.5</b>	<b>78.2</b>	<b>+ 12.5%</b>	
<i>% depreciation expense</i>	82%	92%		

The **Ceramic Materials**' business group's **revenue** totaled €1,172.4 million in 2015. The + 1.3% current increase compared with 2014 includes a + 4.9% exchange rate effect (+ €57.1 million) and a + 0.6% structure impact (+ €7.5 million), relating in particular to the acquisitions of BASF's paper hydrous kaolin (PHK) activity in the United States and of Matisco's metal accessories activities in the Roofing division. The - 4.2% comparable decrease in revenue mainly results from slack construction markets in France and the paper market's slump.

In 2015, the **Roofing** division carried out its activities on a French clay roof tile market that was - 7.0% lower than in 2014<sup>(6)</sup>. The division's sales decrease slowed down in the 4<sup>th</sup> quarter while construction permits levelled out, showing a slight decrease on a rolling twelve-month basis to the end of November 2015. Furthermore, single-family housing sales, an advance indicator of roof tile sales, grew + 7.3% in the 3<sup>rd</sup> quarter of 2015<sup>(7)</sup>.

In the **Kaolin** division, the Group continued its developments in specialty applications, particularly in the United States, while the North American paper market slumped significantly. The contribution of BASF's PHK activities partly offset lower sales for paper in the 4<sup>th</sup> quarter.

In the **Ceramics** division, the Group continues to benefit from its strategy of geographic repositioning in emerging countries and from its development in new segments. Sales were also firm in traditional markets (floor tiles, sanitaryware, tableware).

**Current operating income** decreased slightly by - 0.4% to €210.1 million in 2015 and includes a + €20.1 million exchange rate effect. It reflects the decrease in volumes, partly offset by the product price/mix and tight control of general expenses.

In this context, the business group's **operating margin** remained sound at 17.9% in 2015.

**Capital expenditure** includes production capacity extension in kaolin for the ceramics industry to serve growth in Southeast Asia.

<sup>6</sup> Source: French Roof Tiles & Bricks Federation (FFTB) – December 2015 newsflash 2015

<sup>7</sup> Source: French Sustainable Development Commission, November 2015

## High Resistance Minerals

(15% of consolidated revenue 2015)

<i>Non-audited quarterly data (€ millions)</i>	<b>2014</b>	<b>2015</b>	<b>Current change</b>	<b>Comparable change</b>
1 <sup>st</sup> quarter revenue	163.3	165.3	+ 1.2%	- 7.4%
2 <sup>nd</sup> quarter revenue	165.6	165.0	- 0.4%	- 10.4%
3 <sup>rd</sup> quarter revenue	154.2	156.0	+ 1.1%	- 3.4%
4 <sup>th</sup> quarter revenue	158.6	143.1	- 9.7%	- 10.5%
<b>Full-year revenue</b>	<b>641.7</b>	<b>629.4</b>	<b>- 1.9%</b>	<b>- 8.0%</b>
<b>Current operating income</b>	<b>72.8</b>	<b>81.6</b>	<b>+ 12.1%</b>	<b>- 3.3%</b>
<i>Operating margin</i>	11.3%	13.0%	+ 1.7 point	
<b>Booked capital expenditure</b>	<b>41.0</b>	<b>42.7</b>	<b>+ 4.0%</b>	
<i>% depreciation expense</i>	134%	143%		

The **High Resistance Minerals** business group, which mainly serves the high temperature (steel, casting, glass, aluminum, etc.) and abrasive product industries, posted **revenue** of €629.4 million in 2015, a - 1.9% decrease on a current basis from 2014. This change takes into account a €44.9 million positive exchange rate effect and a - €6.0 million structure impact, relating to the divestment of a minerals trading activity in the United States at the end of June 2015. The - 8.0% decrease in revenue on a comparable basis mainly results from the downturn on the refractories market and the refocusing on high value-added products.

The **Refractory Minerals** division coped with slack demand in the United States and in Asia, while sales held out well in Europe.

In the **Fused Minerals** division, demand was stable in Europe, unlike in Brazil and China where the Group completed its refocusing in higher value-added products.

At €81.6 million, the business group's **current operating income** recovered. It includes a + €10.2 million exchange rate effect and benefits from the business group's cost reduction and activity restructuring programs.

In this context, the business group's **operating margin** improved + 1.7 point to 13.0%.

The business group's main development **capital expenditure** involved a new production line in Austria for ultra-fine alumina for high-performance applications in abrasives.

## Financial agenda 2016

April 29 (before market opening)	1 <sup>st</sup> quarter 2016 results
May 4 at 11:00am	Shareholders' General Meeting
July 27 (after market close)	1 <sup>st</sup> half 2016 results
October 28 (before market opening)	3 <sup>rd</sup> quarter 2016 results

All above dates are tentative and may change. Updates are available on the Group's website at [www.imerys.com](http://www.imerys.com), in the *Investors & Analysts/Financial Agenda* section.

## Presentation

The press release is available from the Group's website [www.imerys.com](http://www.imerys.com) with access via the homepage in the "News" section.

The presentation for the 2015 results will be held on February 12, 2016 at 11am and streamed live on the Group's website.

*The world leader in mineral-based specialty solutions for industry, with €4.1 billion revenue and 16,130 employees in 2015, 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](http://www.imerys.com)) under Regulated Information, particularly in its Registration Document filed with the Autorité des marchés financiers on March 19, 2015 under number D.15-0173 (also available from the Autorité des marchés financiers website, [www.amf-france.org](http://www.amf-france.org)). Imerys draws the attention of investors to chapter 4, "Risk Factors and Internal Control", of its Registration Document.*

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

<u>Analyst/Investor relations:</u> Vincent Gouley - + 33 (0)1 49 55 64 69 <a href="mailto:finance@imerys.com">finance@imerys.com</a>	<u>Press contacts:</u> Vincent Gouley - + 33 (0)1 49 55 64 69 Philémon Tassel - + 33 (0)6 30 10 96 11 Sarah Fornier - + 33 (0)7 87 40 83 50
--	--

## CONSOLIDATED RESULTS TO DECEMBER 31, 2015

### APPENDIX

(non-audited quarterly data)

#### 1. CONSOLIDATED REVENUE BREAKDOWN

Comparable quarterly change 2015 vs. 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015
	- 4.5%	- 3.3%	- 5.6%	- 5.1%
Comparable quarterly change 2014 vs. 2013	Q1 2014	Q2 2014	Q3 2014	Q4 2014
	+ 5.0%	+ 3.7%	+ 3.9%	+ 0.1%

Revenue by business group (€ millions)	09/30/14	09/30/15	Current change %	Group structure %	Exchange rates %	Comp. change %
Energy Solutions & Specialties	963.1	950.2	- 1.3%	- 0.7%	+ 5.4%	- 6.0%
Filtration & Performance Additives	492.6	809.6	+ 64.3%	+ 51.9%	+ 10.4%	+ 2.1%
Ceramic Materials	877.1	878.1	+ 0.1%	- 0.9%	+ 5.1%	- 4.1%
High Resistance Minerals	483.1	486.2	+ 0.6%	- 0.5%	+ 8.3%	- 7.2%
Holding & Eliminations	(34.2)	(39.6)				
<b>Total</b>	<b>2,781.7</b>	<b>3,084.5</b>	<b>+ 10.9%</b>	<b>+ 8.6%</b>	<b>+ 6.8%</b>	<b>- 4.4%</b>

Revenue by business group (€ millions)	Q4 2014	Q4 2015	Current change %	Group structure %	Exchange rates %	Comp. change %
Energy Solutions & Specialties	315.5	303.0	- 4.0%	+ 1.9%	+ 2.3%	- 8.1%
Filtration & Performance Additives	165.4	271.9	+ 64.4%	+ 57.3%	+ 4.4%	+ 2.7%
Ceramic Materials	279.7	294.2	+ 5.2%	+ 5.4%	+ 4.4%	- 4.7%
High Resistance Minerals	158.6	143.1	- 9.7%	- 2.3%	+ 3.0%	- 10.5%
Holding & Eliminations	(12.7)	(10.2)	n.s.	n.s.	n.s.	n.s.
<b>Total</b>	<b>906.5</b>	<b>1,002.2</b>	<b>+ 10.6%</b>	<b>+ 12.4%</b>	<b>+ 3.3%</b>	<b>- 5.1%</b>

Revenue by geographic destination (€ millions)	2015 revenue	% change 2015 vs 2014 (Current change)	% consolidated revenue 2014	% consolidated revenue 2015
Western Europe	1,795.8	+ 9.1%	45%	44%
<i>of which France</i>	464.3	- 1.2%	13%	11%
USA / Canada	1,000.3	+ 14.0%	24%	24%
Emerging countries	1,091.3	+ 12.0%	26%	27%
Japan/ Australia	199.3	+ 5.2%	5%	5%
<b>Total</b>	<b>4,086.7</b>	<b>+ 10.8%</b>	<b>100%</b>	<b>100%</b>

Distribution of revenue by business group	2014	2015
Energy Solutions & Specialties	35%	31%
Filtration & Performance Additives	18%	26%
Ceramic Materials	31%	28%
High Resistance Minerals	16%	15%

## 2. KEY RESULTS INDICATORS

(€ millions)	9 months 2014	9 months 2015	Change
<b>Revenue</b>	<b>2,781.7</b>	<b>3,084.5</b>	<b>+ 10.9%</b>
<b>EBITDA</b>	<b>515.2</b>	<b>575.3</b>	<b>+ 11.7%</b>
<b>Current Operating Income</b>	<b>374.7</b>	<b>409.0</b>	<b>+ 9.1%</b>
Current financial expense	(38.1)	(39.5)	
Current taxes	(96.6)	(107.9)	
Minority interests	(0.9)	(1.7)	
<b>Net income from current operations <sup>(1)</sup></b>	<b>239.1</b>	<b>259.9</b>	<b>+ 8.7%</b>
Other operating income and expenses, net	(32.5)	(41.4)	
<b>Net income <sup>(1)</sup></b>	<b>206.6</b>	<b>218.5</b>	<b>+ 5.8%</b>

(1) Group share.

(€ millions)	Q4 2014	Q4 2015	Change
<b>Revenue</b>	<b>906.5</b>	<b>1 002.2</b>	<b>+ 10.6%</b>
<b>EBITDA</b>	<b>158.6</b>	<b>170.1</b>	<b>+ 7.3%</b>
<b>Current Operating Income</b>	<b>119.8</b>	<b>129.1</b>	<b>+ 7.8%</b>
Current financial expense	(7.0)	(16.0)	
Current taxes	(34.8)	(32.6)	
Minority interests	(0.8)	1.1	
<b>Net income from current operations <sup>(1)</sup></b>	<b>77.2</b>	<b>81.6</b>	<b>+ 5.7%</b>
Other operating income and expenses, net	(12.2)	(231.7)	
<b>Net income <sup>(1)</sup></b>	<b>65.0</b>	<b>(150.1)</b>	<b>n.a.</b>

(1) Group share.

## 3. GLOSSARY

- 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;
- the term "**Current free cash flow**" means Current free operating cash flow less financial expense (net of tax) and other working capital requirement items.

**APPENDIX**  
**SUMMARY OF FINANCIAL STATEMENTS AS OF DECEMBER 31, 2015**

The Board of Directors met on February 11, 2016 to close the financial statements for 2015. Audit procedures have been carried out and the audit reports are being issued.

**CONSOLIDATED INCOME STATEMENT**

(€ millions)	2015	2014
<b>Revenue</b>	<b>4,086.7</b>	<b>3,688.2</b>
<b>Current income and expenses</b>	<b>(3,548.6)</b>	<b>(3,193.6)</b>
Raw materials and consumables used	(1,299.5)	(1,199.4)
External expenses	(1,117.8)	(1,010.3)
Staff expenses	(877.7)	(746.4)
Taxes and duties	(51.9)	(47.3)
Amortization, depreciation and impairment losses	(225.5)	(209.5)
Other current income and expenses	23.8	19.3
<b>Current operating income</b>	<b>538.1</b>	<b>494.6</b>
<b>Other operating income and expenses</b>	<b>(357.2)</b>	<b>(59.8)</b>
Gain or loss from obtaining or losing control	(8.4)	58.9
Other non-recurring items	(348.8)	(118.7)
<b>Operating income</b>	<b>180.9</b>	<b>434.8</b>
<b>Net financial debt expense</b>	<b>(49.1)</b>	<b>(40.2)</b>
Income from securities	9.5	6.8
Gross financial debt expense	(58.6)	(47.0)
<b>Other financial income and expenses</b>	<b>(6.4)</b>	<b>(4.9)</b>
Other financial income	241.8	122.9
Other financial expenses	(248.2)	(127.8)
<b>Financial income (loss)</b>	<b>(55.5)</b>	<b>(45.1)</b>
Income taxes	(56.3)	(117.4)
Net income of assets held for sale	-	1.0
<b>Net income</b>	<b>69.1</b>	<b>273.3</b>
Net income, Group share <sup>(1) &amp; (2)</sup>	68.4	271.6
Net income, share of non-controlling interests	0.7	1.7
<i>(1) Net income per share</i>		
Basic net income per share (in €)	0.86	3.57
Diluted net income per share (in €)	0.85	3.51
<i>(2) Net income from current operations, Group share</i>		
Basic net income from current operations per share (in €)	4.31	4.15
Diluted net income from current operations per share (in €)	4.24	4.09
Other operating income and expenses net of income taxes, Group share	(273.1)	(45.7)
Net income of assets held for sale	-	1.0



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(€ millions)	2015	2014
<b>Non-current assets</b>	<b>4,189.1</b>	<b>3,341.5</b>
Goodwill	1,631.3	1,106.8
Intangible assets	105.1	66.4
Mining assets	552.3	471.6
Property, plant and equipment	1,589.6	1,503.2
Joint ventures and associates	126.2	83.3
Other financial assets	31.6	26.0
Other receivables	33.5	37.8
Derivative financial assets	15.0	11.7
Deferred tax assets	104.5	34.7
<b>Current assets</b>	<b>1,979.7</b>	<b>2,080.9</b>
Inventories	738.3	670.0
Trade receivables	578.1	538.8
Other receivables	223.6	180.3
Derivative financial assets	5.0	6.1
Other financial assets <sup>(1)</sup>	19.6	29.3
Cash and cash equivalents <sup>(1)</sup>	415.1	656.4
<b>Consolidated assets</b>	<b>6,168.8</b>	<b>5,422.4</b>
<b>Equity, Group share</b>	<b>2,644.1</b>	<b>2,444.4</b>
Capital	159.2	151.8
Premiums	530.2	334.1
Reserves	1,886.3	1,686.9
Net income, Group share	68.4	271.6
<b>Equity, share of non-controlling interests</b>	<b>27.8</b>	<b>26.1</b>
<b>Equity</b>	<b>2,671.9</b>	<b>2,470.5</b>
<b>Non-current liabilities</b>	<b>2,224.2</b>	<b>2,121.6</b>
Employee benefit liabilities	322.9	306.5
Other provisions	304.2	258.4
Loans and financial debts <sup>(1)</sup>	1,500.0	1,494.3
Other debts	42.4	11.7
Derivative financial liabilities	1.9	7.6
Deferred tax liabilities	52.8	43.1
<b>Current liabilities</b>	<b>1,272.7</b>	<b>830.3</b>
Other provisions	19.2	24.3
Trade payables	441.0	411.9
Income taxes payable	50.4	3.0
Other debts	315.6	307.7
Derivative financial liabilities	19.2	14.6
Loans and financial debts <sup>(1)</sup>	423.8	66.9
Bank overdrafts <sup>(1)</sup>	3.5	1.9
<b>Consolidated equity and liabilities</b>	<b>6,168.8</b>	<b>5,422.4</b>
<i>(1) Positions included in the calculation of the net financial debt</i>	<i>1,480.4</i>	<i>869.9</i>

## CONSOLIDATED STATEMENT OF CASH FLOW

(€ millions)	2015	2014
<b>Cash flow from operating activities</b>	<b>544.5</b>	<b>416.5</b>
Cash flow generated by current operations	760.4	654.0
Interests paid	(61.7)	(53.7)
Income taxes on current operating income and financial income (loss)	(105.8)	(150.9)
Dividends received from available-for-sale financial assets	0.3	(0.1)
Cash flow generated by other operating income and expenses	(48.7)	(32.8)
<b>Cash flow from investing activities</b>	<b>(610.5)</b>	<b>(205.3)</b>
Acquisitions of intangible assets and property, plant and equipment	(271.6)	(241.4)
Acquisitions of investments in consolidated entities after deduction of cash acquired	(351.0)	(67.5)
Transaction costs	(10.6)	10.4
Changes in estimate of the contingent remuneration of the seller	(0.2)	7.4
Acquisitions of available-for-sale financial assets	(0.4)	-
Disposals of intangible assets and property, plant and equipment	7.2	7.9
Disposals of investments in consolidated entities after deduction of cash disposed of	6.7	70.9
Net change in financial assets	0.2	0.5
Paid-in interests	9.2	6.5
<b>Cash flow from financing activities</b>	<b>(154.4)</b>	<b>92.2</b>
Capital increases and decreases in cash	(10.0)	(28.0)
Disposals (acquisitions) of treasury shares	(11.8)	(14.5)
Dividends paid to shareholders	(132.5)	(122.4)
Dividends paid to non-controlling interests	(0.1)	(2.8)
Acquisitions of investments in consolidated entities from non-controlling interests	-	(3.5)
Loan issues	23.5	607.2
Loan repayments	(342.8)	(307.7)
Net change in other debts	319.3	(36.1)
<b>Cash flow from assets held for sale</b>	<b>-</b>	<b>0.6</b>
<b>Change in cash and cash equivalents</b>	<b>(220.4)</b>	<b>304.0</b>

(€ millions)	2015	2014
<b>Opening cash and cash equivalents</b>	<b>654.5</b>	<b>340.2</b>
Change in cash and cash equivalents	(220.4)	304.0
Impact of changes due to exchange rate fluctuations	(22.5)	10.3
<b>Closing cash and cash equivalents</b>	<b>411.6</b>	<b>654.5</b>
Cash	286.8	218.2
Cash equivalents	128.3	438.2
Bank overdrafts	(3.5)	(1.9)

## NOTE A: CASH FLOW GENERATED BY CURRENT OPERATIONS

(€ millions)	2015	2014
<b>Net income</b>	<b>69.1</b>	<b>273.3</b>
<b>Adjustments</b>	<b>683.3</b>	<b>413.8</b>
Income taxes	56.3	117.4
Share in net income of joint ventures and associates	(8.1)	(4.6)
Dividends received from joint ventures and associates	7.4	1.7
Impairment losses on goodwill	118.8	30.1
Share in net income of associates out of the recurring business	0.1	1.9
Other operating income and expenses excluding impairment losses on goodwill	238.3	27.8
Net operating amortization and depreciation	225.1	209.2
Net operating impairment losses on assets	-	4.8
Net operating provisions	(9.4)	(20.5)
Dividends receivable from available-for-sale financial assets	(0.1)	-
Net interest income and expenses	49.1	41.9
Share-based payments expense	7.3	9.5
Change in fair value of hedge instruments	2.2	(1.8)
Income from current disposals of intangible assets and property, plant and equipment	(3.7)	(2.6)
Net income of assets held for sale	-	(1.0)
<b>Change in the working capital requirement</b>	<b>8.0</b>	<b>(33.1)</b>
Inventories	6.1	(56.3)
Trade accounts receivable, advances and down payments received	41.2	(15.0)
Trade accounts payable, advances and down payments paid	(25.5)	22.6
Other receivables and debts	(13.8)	15.6
<b>Cash flow generated by current operations</b>	<b>760.4</b>	<b>654.0</b>

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

(€ millions)	2015	2014
<b>Other operating income and expenses</b>	<b>(357.2)</b>	<b>(59.8)</b>
<b>Adjustments</b>	<b>308.5</b>	<b>27.0</b>
Transaction costs	10.6	(10.4)
Changes in estimate of the contingent remuneration of the seller	0.2	(7.4)
Income from disposals of consolidated investments and available-for-sale financial assets	(2.4)	(41.1)
Impairment losses on goodwill	118.8	30.1
Income from non-recurring disposals of intangible assets and property, plant and equipment	0.1	-
Other net operating amortization and depreciation	153.0	6.5
Other net operating provisions	15.0	34.5
Share in net income of associates out of the recurring business	0.1	1.9
Income taxes paid on other operating income and expenses	13.1	12.9
<b>Cash flow generated by other operating income and expenses</b>	<b>(48.7)</b>	<b>(32.8)</b>

## CURRENT FREE OPERATING CASH FLOW

(€ millions)	2015	2014
Current operating income	538.1	494.6
Operating amortization, depreciation and impairment losses	225.5	209.5
Net change in operating provisions	(17.5)	(27.5)
Share in net income of joint ventures and associates	(8.1)	(4.6)
Dividends received from joint ventures and associates	7.4	1.8
<b>Operating cash flow before taxes (current EBITDA)</b>	<b>745.4</b>	<b>673.8</b>
Notional taxes on current operating income	(156.7)	(144.6)
<b>Current net operating cash flow</b>	<b>588.7</b>	<b>529.2</b>
<b>Paid capital expenditures</b>	<b>(271.6)</b>	<b>(241.5)</b>
Intangible assets	(48.9)	(8.3)
Property, plant and equipment	(174.4)	(188.9)
Overburden mining assets	(50.9)	(42.8)
Debts on acquisitions	2.6	(1.5)
<b>Carrying amount of current asset disposals</b>	<b>3.6</b>	<b>5.3</b>
<b>Change in the operational working capital requirement</b>	<b>21.8</b>	<b>(48.9)</b>
Inventories	6.1	(56.4)
Trade accounts receivable, advances and down payments received	41.2	(15.0)
Trade accounts payable, advances and down payments paid	(25.5)	22.5
<b>Current free operating cash flow</b>	<b>342.5</b>	<b>244.1</b>