

Imerys accelerates its development and concludes a strategic combination with S&B, a major player in industrial minerals

Imerys announces today a strategic combination for the integration of the main activities of S&B, a major player in industrial minerals held by the Kyriacopoulos founder family (61%) and Rhône Capital (39%). Through this operation, Imerys would accelerate its development by enlarging its specialties offer. The transaction, partially paid in Imerys shares, would rapidly create value for Imerys' shareholders, based on a € 525 million equity value for 100% of the shares, increased by a performance amount not to exceed € 33 million. In this context, the Kyriacopoulos family, S&B's shareholders for more than 80 years, would become stockholders of Imerys together with its controlling shareholder, GBL group.

A major player in industrial minerals with a wide range of products and applications, S&B is serving diversified end-markets in Western Europe, North America as well as European and Asian emerging countries. A global supplier and European leader in **bentonite** (binders for foundry, sealing solutions, additives for drilling and for consumer products), S&B is the world leader in **continuous casting fluxes** for the steel industry as well as in **wollastonite** (functional additives for polymers and paints). S&B is providing also **perlite**-based solutions used in construction materials and horticulture.

Acting in 22 countries, S&B delivers a robust operating profitability. Its efficient industrial layout, based on abundant and well-located mineral resources, notably on Milos Island (Greece), and on performing assets, provide the company with very competitive positions in its markets. European activities of bauxite production for metallurgy would be excluded from the proposed transaction perimeter. The scope of the contemplated transaction had revenues of approximately € 207 million and a restated EBITDA margin close to 20% for the first-half 2014¹.

This strategic combination would be accretive to the Group's net income from current operations per share from the first year of integration and value creative from the third full year of consolidation, thanks especially to the significant development synergies that are expected. The consideration should be paid in cash for about € 311 million, financed by Imerys' available financial resources. The balance of € 214 million should be paid in Imerys shares to be issued on a preemptive basis exclusively to the Kyriacopoulos family². Including S&B's net financial debt which amounted € 235 million as of June 30, 2014, Imerys would maintain a very robust financial structure with a net financial debt to equity ratio below 60%, after the transaction.

The completion of this transaction remains subject to the approval of the relevant regulatory authorities and should take place during the first quarter of 2015. The Kyriacopoulos family, who would hold around 4.4% of Imerys' shares upon completion of the transaction, has entered into a shareholders' agreement with GBL group³ which would become effective as of completion date. This agreement in particular would grant to the Kyriacopoulos family the right of representation on the Imerys' Board of Directors⁴.

¹ Unaudited pro forma data – Source: S&B.

² Under the authorization granted to the Board of Directors by the Ordinary and Extraordinary Shareholders' General Meeting of April 25, 2013.

³ With no intent to act in concert.

⁴ Subject to the approval of Imerys shareholders at their next Annual General Meeting.

Gilles Michel, Chairman & CEO of Imerys, commented: *“This transaction represents a major milestone in Imerys’ development strategy. By welcoming S&B’s teams, sharing with us similar culture and values, we will strengthen together our global positions in the mineral-based specialty solutions for industry. The enrichment of the potential for innovation and the acceleration of the international deployment, based on the complementarity of our two companies, will be growth drivers that will create value for our shareholders. I would be glad to welcome a representative of the Kyriacopoulos family on Imerys Board of Directors.”*

Ulysses Kyriacopoulos, Chairman of S&B, added: *“By combining our operations with the world leader in industrial minerals, S&B takes a decisive step in its global growth strategy, for the benefit of its customers. Driven by the same strong entrepreneurial values, our employees will find new development opportunities in this combination. I would be honored to join the Board of Directors of Imerys alongside representatives of its controlling shareholders and participate in the strategic decisions that will accelerate its growth.”*

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, November 5, 2014, at 6:30pm Paris time / 5:30pm London time a conference call on the following phone numbers: France : 01 70 77 09 39 / International : + 44 20 336 794 53.

The slideshow (in English only) will be presented simultaneously with the URL’s link below:

<http://www.anywhereconference.com?UserAudioMode=DATA&Name=&Conference=135290488&PIN=851863>

It is recommended to connect to the website 10 minutes prior to the beginning of the conference call to test the functioning of the URL’s link below, download and install any necessary audio software. The conference call will be available for replay after a 24-hour delay on the Group’s Internet website www.imerys.com.

About Imerys

The world leader in mineral-based specialty solutions for industry, with €3.7 billion revenue in 2013 and 15,800 employees, **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 2013 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.

About S&B

S&B Industrial Minerals is a global diversified minerals and materials group, providing industrial solutions based on natural resources to serve a wide range of industrial applications in the global markets of metallurgy, foundry, construction and in various specialty niche sectors. Committed to Sustainable Development, S&B utilizes the multiple properties of industrial minerals to transform its mineral portfolio into customized industrial solutions that enhance the production processes of its customers and increase end-product performance. Through a well-balanced international presence and with leading positions in its markets, S&B operates in 22 countries, effecting sales in over 80 countries and employs approximately 1,900 people. The Kyriacopoulos family, S&B's founder and majority shareholder for more than 80 years is currently holding a 61% stake in the company alongside investment funds affiliated with Rhône Capital L.L.C..

Warning on projections and forward-looking statements: *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.*

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