

Imerys closes acquisition of S&B, a major player in industrial minerals

Imerys completed yesterday the acquisition of the main activities of S&B, a major player in industrial minerals, from its shareholders, the founding Kyriacopoulos family and the investment fund Rhône Capital.

S&B, which achieved revenue of €412 million in 2014⁽¹⁾, is a global player and the European leader in bentonite (binders for foundry, sealing solutions, additives for drilling and for consumer products), the world leader in continuous casting fluxes for the steel industry, in wollastonite (functional additives for polymers and paints) and in perlite-based solutions used in building materials and horticulture. Through this transaction, Imerys will accelerate its development by broadening its specialty offering.

The acquisition price for the S&B group was determined on the basis of an equity value of €525 million for all shares, increased by a performance amount not to exceed €33 million. It was paid in cash for approximately €311 million, financed by the bond issue completed by Imerys in December 2014, and by the issue of 3.7 million Imerys shares on a preemptive basis⁽²⁾ to the Kyriacopoulos family, S&B's shareholder for more than 80 years. The Kyriacopoulos family, whose capital interest in Imerys now represents approximately 4.7% following this rights issue, has entered into a shareholders' agreement with the GBL group⁽³⁾ under which Mr Ulysses Kyriacopoulos' membership of the Board of Directors will be proposed at the next Shareholders' General Meeting.

The S&B group will be fully consolidated in Imerys' accounts as of March 1, 2015 and will be part of the Group's Filtration & Performance Additives business group.

The transaction should be accretive on Imerys' net income from current operations per share from 2015 and create value as from its third full year of consolidation.

In connection with its integration within Imerys, S&B decided to redeem all of its high-yield senior secured notes for a total principal amount of €275 million bearing interest at 9.25% and maturing in 2020. This redemption, which will be funded by Imerys' available financial resources, will help to optimize the consolidated financial debt of the Group.

Including S&B's net financial debt, which amounted to €225 million as of December 31, 2014, Imerys' financial structure remains robust with a gearing below 60%.

¹ *Non-audited pro-forma data excluding the metallurgical bauxite activity, which is outside the scope of acquisition and was recently divested by S&B – Source: S&B.*

² *Using the authorization granted to Imerys' Board of Directors by the Ordinary & Extraordinary Shareholders' General Meeting of April 25th, 2013.*

³ *With no intention of acting in concert.*

About Imerys

The world leader in mineral-based specialty solutions for industry, with €3.7 billion revenue and 14,900 employees in 2014, 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:** 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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