



News Release

**For Immediate Release
12 December, 2016**

Astorg enters into an exclusive agreement with Imerys for the sale of Kerneos

Astorg today announces that it has entered into an exclusive agreement with Paris-headquartered Imerys, the world leader in mineral-based specialties for industry, for the sale of Kerneos and its affiliated companies ("Kerneos"). The proposed transaction is subject to the successful completion of the consultation process of the relevant "Comités d'entreprise" (French employee works councils) and the clearance from the relevant regulatory authorities. The transaction could close during the summer of 2017.

Kerneos is the world-leading manufacturer and supplier of calcium-aluminate based products. Calcium aluminates, invented by Kerneos when it was a division of the Lafarge group, are synthetic minerals obtained by reacting lime (typically sourced from limestone) and alumina (sourced from bauxite), at high temperatures. Kerneos' products are performance binders with unique characteristics that serve as critical ingredients to formulate specialized mortars, concretes, adhesives, and other building materials. Calcium aluminates are also used in the formulation of refractories, increasing their resistance to heat, abrasion and corrosion. The company has ca. 1,500 employees and operates nine production facilities in five countries: France, the United Kingdom, the United States, China and South Africa, as well as two red bauxite mining operations in Greece. Sales are split between Europe ca.50%, America ca.25% and Asia ca.25%.

Thierry Timsit, Managing Partner, and Stephane Epin, Partner at Astorg commented: *"We are very proud to have backed the spin-out of Kerneos from its parent company Materis. The management team, led by its outstanding CEO Jean-Marc Bianchi, has done a remarkable job to make the new stand-alone Kerneos a stronger and faster-growing global leader. Since 2014, we have supported and financed Kerneos' expansion by investing over Euros 150m in the company in a combination of greenfield industrial projects, acquisitions, and capital expenditures to both expand capacity and maintain a clear manufacturing edge in its US, Chinese and European sites. In addition, we have stimulated the R&D function to accelerate the time-to-market of new, breakthrough performance binders. Should we finalize current discussions, we have no doubts that Kerneos would have a bright future within the Imerys group, offering new opportunities and additional resources to a great talent pool."*



About Kerneos

After more a century of existence, Kerneos is considered as a pioneer and an expert in calcium aluminate technology. As a key supplier of specialty binders, Kerneos produces and develops a diverse range of high-tech calcium aluminate binders and additives. Driven by its expertise and innovation sense, Kerneos is active on several markets: building chemistry, refractory, merchants, wastewater, metallurgical fluxes, pipes and mining industries. The company employs more than 1,500 people in nearly 20 countries, supporting the development of its customers throughout the world.

About Astorg

Astorg is an independent private equity fund management company, specializing in European mid-market buyouts, with total funds under management of over €4 billion. Astorg seeks to partner with successful and entrepreneurial management teams, to acquire businesses - very often family-owned - with attractive growth prospects, which Astorg supports through the provision of experienced governance and adequate capital. Astorg enjoys a distinct entrepreneurial culture, a long-term shareholder perspective, and a lean decision-making body enhancing its reactivity. Although a multi-sector investor, Astorg has developed solid industry expertise in healthcare, business-to-business professional services and niche industrial companies selling differentiated, often technology-driven, products. Astorg has offices in London, Paris and Luxembourg, plus Senior Advisors based in Holland, Switzerland and Germany. Visit www.astorg.com

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