



PRESS RELEASE

Financial Results for the First Half of 2009 (IFRS)

FIRST HALF 2009 HIGHLIGHTS FOR CONTINUING OPERATIONS

- Sales of approximately €158 million, 34% lower than the first half of 2008. The second quarter of 2008 had the highest recorded sales performance in S&B's history
- EBITDA and Operating profit below prior year by 49% and 72% respectively, due to lower volumes and despite stable pricing
- Net operating expenses reduction of 20% or €6.4 million realized consistently through the first half of 2009
- Significant improvement in cash flow from operations, which was up by €36.7 million
- €28.5 million or 14% reduction in net debt since the beginning of the year from €203.1 to €174.6 million

Continuing Operations (€ 000s)	Half Year 2009	Half Year 2008	% change	Q2 2009	Q2 2008	% change
Net Sales	157,621	237,142	-33.5%	78,064	126,081	-38.1%
EBITDA	18,148	35,291	-48.6%	9,085	18,316	-50.4%
Operating profit	6,239	21,995	-71.6%	2,919	11,825	-75.3%
Profit before tax	2,487	14,682	-83.1%	1,418	8,037	-82.4%
EPS (after tax & minorities in €)	0.0600	0.3308	-81.9%	0.0364	0.1922	-81.1%

Efthimios Vidalis, CEO of S&B, commented:

"Our revenue for the first half was in line with the activity levels observed in the end-use metallurgical and construction sectors, which have yet to show signs of strengthening demand. In these challenging conditions, we recorded stable sales for both quarterly periods of the six months, however lagging by comparison to last year's record breaking sales performance for the same period. We achieved a 20% reduction in operating expenses, which demonstrates our ability to manage through the current environment and quickly deliver on set targets. In combination with tight control on working capital and cash management efficiencies, cash flow was significantly improved and this has led to a further reduction in net debt, in line with plans.

The downturn for our business may be bottoming out. When demand strengthens and the production chain we supply begins to commission idle capacity and re-establish effective inventory levels, we expect to capitalize on the cost reduction initiatives we have implemented thus far. Measures which have been designed to reduce our Group's cost base, will continue to be implemented in a phased manner and the rate of savings achieved in operating expenses in the first half, is expected to be sustained for the full year. All these measures are focused on maintaining a solid and more efficient infrastructure, which will be complemented by enhanced liquidity and an improved capital structure through the upcoming share capital increase. During this downturn we have maintained our market positions and we expect that our team will drive our Group's recovery when market conditions become favourable once again."

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Operational highlights

Continuing Operations, which are the basis for the like-for-like comparison between first half 2009 and 2008 and which reflect the Group's focused involvement on industrial minerals, recorded consolidated sales of €157.6 million for the first half of 2009, lower by 33.5% in comparison to the €237.1 million of the prior year period. Despite the easing in the prices of certain cost elements, such as oil and sea freights, EBITDA decreased by 48.6%, to €18.1 million from €35.3 million in 2008, reflecting sharp volume declines across all product divisions. Operating profits were lower by 71.6% at €6.2 million from €22.0 million and net profits amounted to €1.8 million, down by 82.5% from the corresponding €10.4 million of 2008.

The volume declines witnessed in the first six months of 2009 have been in line with the trends experienced during the last two months of 2008. Operations worldwide have been affected by the negative developments in the metallurgical (steel, foundry, iron ore, aluminum) and construction related industries, which absorb almost three quarters of the Group's revenues. The sharp decrease in the top line is the result of significant reduction in the activity of major clients, which has led them to curtail their production capacity as they focused on reducing their inventories to match demand patterns.

Due to the critical and customized function that our products perform for our clients, market shares have broadly remained stable across all divisions, while we have also managed to maintain pricing levels. This reflects the quality and loyalty of our customer relationships. Our teams remain close to our customers providing them with value added support, consistent with our Market to Mine philosophy, according to which, we develop innovative, customized and complete industrial mineral solutions enabling our customers to optimize their own industrial process and product performance.

A number of positive developments had a favourable impact on our cost base during the first six months of 2009, which was not directly visible in our bottom line, as they were offset by the large volume (and respective revenue) declines across all divisions. Oil prices and sea freight rates, were lower on average by 53% and 75%, respectively, compared to the first six months of 2008. Besides these costs which are not directly controlled by the Group, we placed emphasis on managing production related costs aligning production output to that of main customers and to the new demand dynamics in the marketplace.

In addition, the Group has implemented cost saving initiatives in the area of operating expenses, initially concentrating in discretionary spend areas, such as, non-critical travel and hospitality expenses, entertainment, expenses for employee events, consultant fees, etc. Over the course of the six-month period, efforts for reducing costs were intensified and a broader implementation of measures was adopted, which included the simplification of our legal and operational structure, management and realignment of our headcount, headquarters' space reduction and subleasing of the excess space, a wage freeze and overall variable compensation reduction for middle and senior management. These efforts have contributed to overall net operating expenses being reduced by 19.6% or €6.4 million, from €32.9 million in the first half of 2008 to €26.4 million in the respective 2009 period.

The results of these efforts coupled with working capital and cash management initiatives are evident by the €36.7 million improvement in free cash flow from operations over the first half of 2008 (pre-tax and net capital expenditure the improvement is approximately €32 million compared to the first half of 2008) and €30.6 million of net cash flow generated from the beginning of 2009. S&B's net debt position has been reduced by €28.5 million in a period of 6 months, from €203.1 million at the end of 2008 to €174.6 million at the end of June 2009. In addition, part of the Group's debt has been refinanced and switched to a longer term maturity. More specifically, about €50 million of short term maturity debt was successfully refinanced during the period, with a 2-year term. In addition, as announced in May, S&B is to launch a rights issue later this year intended to provide the Group with increased financial flexibility.

Divisional performance (amounts in €000s)

Bentonite	Half Year 2009	Half Year 2008	% change	Q2 2009	Q2 2008	% change
Net Sales	74,982	105,952	-29.2%	37,445	58,103	-35.6%
EBITDA	15,841	24,320	-34.9%	8,533	12,626	-32.4%
Profit before tax	11,520	19,615	-41.3%	6,802	10,208	-33.4%

Sales in Bentonite were approximately 29% below last year at €75 million. EBITDA stood at €16 million and profit before tax was approximately €12 million, declining 35% and 41%, respectively, with margin improvements quarter on quarter. The foundry and iron ore pelletizing segments, which account for more than half of the division's revenue, are directly influenced by the same demand drivers as steel.

Perlite	Half Year 2009	Half Year 2008	% change	Q2 2009	Q2 2008	% change
Net Sales	31,470	37,679	-16.5%	16,088	19,908	-19.2%
EBITDA	4,947	5,279	-6.3%	2,568	2,847	-9.8%
Profit before tax	3,262	3,665	-11.0%	1,666	1,934	-13.9%

Perlite revenue was €31 million, approximately 17% below last year. Sales performance sequentially improved quarter on quarter. Construction activity levels worldwide continue to impact this division, although other segments such as horticulture continue to perform well. Profitability margins are improved (sequentially and versus prior year) due to sales mix, currency and freight rate benefits.

Bauxite	Half Year 2009	Half Year 2008	% change	Q2 2009	Q2 2008	% change
Net Sales	12,883	24,594	-47.6%	6,234	13,620	-54.2%
EBITDA	2,514	6,284	-60.0%	1,038	3,402	-69.5%
Profit before tax	-748	2,261	-133.1%	-820	1,519	-154.0%

Bauxite revenue was approximately 48% below last year, reflecting worldwide demand for aluminium and steel. Absolute sales were stable quarter on quarter but the second quarter was faced with the strongest quarterly performance in Q2 2008. Profitability is the result of the drop in sales and high fixed costs.

Stollberg	Half Year 2009	Half Year 2008	% change	Q2 2009	Q2 2008	% change
Net Sales	26,366	47,021	-43.9%	13,433	23,423	-42.7%
EBITDA	2,924	9,486	-69.2%	1,720	4,282	-59.8%
Profit before tax	1,089	7,585	-85.6%	820	3,331	-75.4%

Continuous casting fluxes reported revenue of €26 million, approximately 44% lower than last year, reflecting slight quarter-on-quarter improvements. Performance is directly related to the steel industry developments

Otavi	Half Year 2009	Half Year 2008	% change	Q2 2009	Q2 2008	% change
Net Sales	11,610	21,608	-46.3%	4,701	10,914	-56.9%
EBITDA	503	2,272	-77.9%	-224	1,357	-116.5%
Profit before tax	107	1,533	-93.0%	-436	827	-152.7%

Revenue for Otavi stood at approximately €12 million, 46% lower than last year. Refractory segment sales have driven this performance as they are highly dependent on demand for steel. However, Otavi as well, was up against its best ever quarter in the second quarter of the previous year.

Outlook

There are no clear indications of an upturn in underlying demand; therefore we remain cautious with regards to our outlook for the rest of 2009. Given the weaknesses and uncertainty observed in key end-use segments, we anticipate sustained low volumes for the medium term. Results comparison in the second half of the year may be slightly better leading to sequential improvement for the second over the first half of the year.

We believe that the downturn for our business is bottoming out and if these conditions prevail, additional cash generation improvements will not be of the magnitude witnessed thus far. However, cost saving initiatives that have been designed to lower the Group's operational cost structure, will continue to be implemented, in a phased way. In combination with a potential turnaround in business activity levels over the medium term, our actions are anticipated to enhance margins and profitability.

Other Items

Share Capital Increase

The Board of Directors proposed to the Annual General Meeting of Shareholders (AGM) held on June 16th 2009, to raise funds up to the amount of €40 million through a Share Capital Increase to be paid in cash, with a rights issue in favor of existing shareholders of 1 new share for every 3 existing shares held. The rights issue was approved and the funds raised will be used to strengthen the Group's balance sheet by further reducing its net debt. The recommendation for a share capital increase reinforces and complements management's emphasis on cash management and on further reducing the Group's cost base. Additionally, through the deleveraging of our balance sheet, a healthy capital structure will be maintained and provide for increased financial flexibility in the future. The founding Kyriacopoulos family as the controlling shareholder and SCR-SIBELCO N.V as a major shareholder have stated their intention to exercise their preemption rights in the Share Capital Increase. The issue price of the new shares will be €4 per new share.

The whole process of the Share Capital Increase is currently at the stage of approval of the Offering Circular by the Hellenic Capital Market Commission and it is expected to be finalized within the next couple of months.

Foundry Acquisition in the United States

As previously mentioned, on February 2, 2009, we proceeded with a small but strategic foundry acquisition for Bentonite in the US. A bentonite activity plant and inventories of Bentonite Performance Minerals LLC, a subsidiary of Halliburton Energy Services, was acquired in Waterloo, Iowa for an approximate consideration of USD 0,7 million. While not material in terms of cost or contribution to overall Group operations, this acquisition provides S&B with strategic benefits and synergies with regard to its distribution network and geographic presence in the US, as the foundry supply market in North America, is further consolidated.

Perlite Expander Facilities Acquired in the United States

On July 2, 2009 the Group concluded an agreement for the acquisition of the corporate interests of "Miller LLC" which is engaged in perlite expansion at North Carolina State of USA. The total purchase price amounted to approximately USD 1,1 million. Similar to the aforementioned acquisition of the Bentonite division, this acquisition of expander facilities for the Perlite division reinforces our strategy to capture additional value from expanded perlite in the Southeastern United States and to optimize operational infrastructure in close geographic proximity in the area.

About S&B Industrial Minerals

S&B Industrial Minerals is a multinational Group of companies, its purpose being to provide innovative industrial solutions by developing and transforming natural resources into value creating products. Utilizing the multiple properties of industrial minerals, S&B offers a portfolio of customized solutions for a broad range of applications (including foundry, steel-making, construction & building materials, metallurgy and horticulture), operating responsibly and adhering to the sustainable development principles of the triangle: economy - society - environment. It holds leading positions in its main sectors (bentonite, perlite, bauxite and casting fluxes). S&B was established in Greece in 1934, is listed on the Athens Stock Exchange (ticker:ARBA), is active in 21 countries across 5 continents, in 2008 it had a Group turnover of over Euro 450 million, and employs approximately 2,050 people worldwide. For more information, please visit S&B's website at www.sandb.com

Conference Call and Live Audio Webcast

S&B's Management will host a conference call for the investment community today, August 6, 2009, at 4 pm Athens Time, 2 pm London Time, 9 am New York Time.

In addition, there will be a live audio webcast of the conference call accessible through the S&B website at www.sandb.com. Participants should register on the website approximately 10 minutes prior to the start of the call. Following the conference call, the audio webcast will be archived on S&B's website.

Slide Presentation

A slide presentation on the Half Year 2009 Results will also be available on S&B's corporate website in the Investor Relations section.

Contacts:

S&B Industrial Minerals S.A.

Haris Kotsokolos
Investor Relations Manager
Tel: +30 210 6296157
Email: h.kotsokolos@sandb.com

European financial media contact

Financial Dynamics London
Greg Quine
Tel: +44 20 7269 7206
Email: greg.quine@fd.com

US financial media contact

Capital Link New York
Nicolas Bornozis
Tel: +1 212 661 7566
Email: sandb@capitallink.com

Note Regarding Forward-Looking Statements

This document may contain forward-looking statements about S&B, including statements reflecting management's current view relating to future market conditions, future events and expected operational and financial performance. Forward-looking statements may be found throughout this document. Although we believe that the expectations reflected in these forward-looking statements are reasonable, we cannot assure you that these expectations will materialize. Because forward-looking statements are based on assumptions and estimates, and are subject to risks and uncertainties, actual results could differ materially from those described or implied herein. S&B does not undertake any obligation to publicly update or revise any forward-looking statements included in this document, whether as a result of new information, future events or otherwise, except as required by applicable law or stock exchange regulation.



ATTACHMENTS

1. Condensed consolidated income statement for the six months ended June 30,2009
2. Condensed consolidated income statement for the three months ended June 30,2009
3. Condensed consolidated balance sheet as at June 30, 2009
4. Condensed consolidated cash flow statement for the six months ended June 30,2009

The attached basic and condensed financial statements should be read in conjunction with the relevant notes to the full financial statements for the period, which can be found on our company's website at www.sandb.com

CONDENSED CONSOLIDATED INCOME STATEMENT (in €'000s except for earnings per share)

	The Group	
	1/1 - 30/6/2009	1/1 -30/6/2008
	Continuing operations	Continuing operations
Sales	157,621	237,142
Cost of sales	(124,965)	(182,290)
Gross Profit	32,656	54,852
Net operating expenses	(26,417)	(32,857)
Operating profit	6,239	21,995
Net Finance costs	(4,319)	(7,631)
Gain / (loss) from the disposal of associates and subsidiaries	708	(320)
Share of (loss)/profit of associates	(141)	638
Profit before tax	2,487	14,682
Income tax expense	(670)	(4,322)
Net profit	1,817	10,360
Net profit attributable to:		
Owners of the Company	1,852	10,227
Minority interests	(35)	133
	1,817	10,360
Earnings per share		
Basic	0.0600	0.3308
Diluted	0.0597	0.3286
Weighted average number of shares		
Basic	30,860,202	30,921,167
Diluted	31,024,890	31,122,924

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CONDENSED CONSOLIDATED INCOME STATEMENT (in €'000s except for earnings per share)

	The Group	
	1/4 - 30/6/2009	1/4 -30/6/2008
	Continuing operations	Continuing operations
Sales	78,064	126,081
Cost of sales	(61,752)	(97,692)
Gross Profit	16,312	28,389
Net operating expenses	(13,393)	(16,564)
Operating profit	2,919	11,825
Net Finance costs	(2,233)	(3,704)
Gain / (loss) from the disposal of associates and subsidiaries	708	(320)
Share of (loss)/profit of associates	24	236
Profit before tax	1,418	8,037
Income tax expense	(194)	(2,003)
Net profit	1,224	6,034
Net profit attributable to:		
Owners of the Company	1,122	5,953
Minority interests	102	81
	1,224	6,034
Earnings per share		
Basic	0.0364	0.1922
Diluted	0.0362	0.1908
Weighted average number of shares		
Basic	30,849,850	30,965,673
Diluted	31,028,534	31,204,490

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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (in € '000s)

	The Group	
	June 30, 2009	December 31, 2008
<u>ASSETS</u>		
Non-current assets		
Property, plant and equipment	189,243	185,979
Intangible assets	106,616	107,607
Other non-current assets	36,461	36,694
	332,320	330,280
Current assets		
Inventories	75,497	92,159
Trade and other receivables	66,119	75,032
Cash and cash equivalents	30,617	13,434
	172,233	180,625
Total Assets	504,553	510,905
<u>EQUITY AND LIABILITIES</u>		
Equity attributable to owners of the Company	190,630	192,445
Minority interests	1,293	1,334
Total equity	191,923	193,779
Non-current liabilities		
Interest-bearing loans and borrowings	154,772	119,735
Other non-current liabilities	52,757	52,313
	207,529	172,048
Current liabilities		
Short-term borrowings	50,489	96,848
Other current liabilities	54,612	48,230
	105,101	145,078
Total equity and liabilities	504,553	510,905

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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (in €'000s)

	The Group	
	1/1 - 30/6 2009	1/1 - 30/6 2008
Cash flows from operating activities		
Profit before tax from continuing operations	2,487	14,682
Profit before tax from discontinued operations	-	5,569
Profit before tax	2,487	20,251
Adjustments for:		
- Depreciation and amortization	12,050	12,840
- Net finance costs	4,319	7,848
- Provisions, net	(512)	2,093
- Share of loss/(profit) of associates	141	(638)
- Gain of the disposal of associates and subsidiaries	(708)	(5,037)
- Gain on disposal of property, plant and equipment	(142)	(1,227)
	17,635	36,130
(Increase) / Decrease in:		
- Inventories	16,136	(1,016)
- Trade and other receivables	9,723	(18,321)
Increase / (Decrease) in:		
- Trade and other payables	6,452	915
Income tax paid	(1,688)	(5,020)
Payments for staff leaving indemnities and environmental rehabilitation	(987)	(2,148)
Net cash flows from operating activities	47,271	10,540
Cash flows from investing activities		
- Capital expenditure	(12,896)	(15,421)
- Capitalized depreciation	297	272
- Proceeds from disposal of property, plant and equipment	250	3,678
- Business combinations and investments in consolidated entities	(768)	(886)
- Other investing activities	1,110	954
Net cash flows used in investing activities	(12,007)	(11,403)
Cash flows used in financing activities:		
- Treasury shares purchase	(167)	(174)
- Net (decrease)/increase in borrowing	(11,388)	19,079
- Dividends paid	(37)	(9,670)
- Interest and other finance costs paid	(5,082)	(7,604)
- Payments for the settlement of derivatives	(1,632)	-
Net cash flows (used in) / from financing activities	(18,306)	1,631
- Net foreign exchange difference on cash flows	324	162
Net increase in cash and cash equivalents	17,282	930
Cash and cash equivalents at the beginning of the period	13,434	15,310
- Net foreign exchange difference on cash and cash equivalents at the beginning of the period	(99)	(480)
Less: Cash and cash equivalents of discontinued operations at the beginning of the period	-	(998)
Cash and cash equivalents at period end	30,617	14,762

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