Financial Results for the Nine Months 2011 (IFRS)

NINE MONTH 2011 HIGHLIGHTS

- **Sales increased 9% in the nine months of 2011 compared to the nine months of 2010**
- **EBITDA and operating profit increased by 15% and 39% respectively during the nine months of 2011 compared to the nine months of 2010**
- **€10 million investment in state-of-the-art warehouse in Greece to reduce environmental impact of the handling of dried bentonite and enhance operating efficiency**
- **New matrix organization in place from September 1st designed to enhance S&B's ability to meet and exceed customer needs**

€ 000s	Nine Months 2011	Nine Months 2010	% change	Q3 2011	Q3 2010	% change
Net Sales	344,140	315,025	9.2%	114,327	111,333	2.7%
EBITDA	54,439	47,485	14.6%	19,820	19,587	1.2%
Operating profit	33,438	24,012	39.3%	12,439	12,182	2.1%
Profit before tax	28,025	19,920	40.7%	10,976	9,889	11.0%
Net profit [1]	18,173	13,199	37.7%	7,772	7,580	2.5%
EPS [2]	0.3556	0.2575	38.1%	0.1521	0.1480	2.8%

[1] Net profit attributable to shareholders

[2] Based on net profit attributable to shareholders and the basic weighted average numbers of shares

Kriton Anavlavis, CEO of S&B, commented:

"The third quarter has been one of our best in terms of profitability, contributing to a strong performance for the nine months, with our margins and profitability continuing to improve. In what remains a softening economic environment, we've maintained our market positions in key segments and achieved good growth broadly across our portfolio. We are particularly proud of our new, state-of-the-art warehouse commissioned in our Milos operations in Greece, testament of our unwavering focus on our values of respect for our people, the environment and the local communities where we operate.

We expect 2011 will be one of our best ever years despite increasing global economic uncertainty and persistent high external costs. Our new collaborative organizational structure is in operation and our leadership teams are utilizing this platform to create a more efficient organization, one which can meet and exceed our customers' needs. With even greater focus on our markets and our customers we will be able to better capitalize on our global operations and achieve sustainable value growth for our business."

Operational highlights

Our Group's performance during the third quarter of 2011 reaffirmed the positive trend of the first half and contributed to a solid performance overall for the nine month period. Demand in most of our key markets remained favorable but slightly below the second quarter of 2011, particularly in the iron ore pelletizing, construction building materials and horticulture segments. Global steel production continued to grow on a year-on-year basis but production output showed a slowdown during the third quarter. The automotive industry remained enhanced in our key geographies, while industrial production, excluding construction, continued to be higher than the previous year both in Europe and the US, a positive indicator for our strengthened business. On the contrary, while construction activity showed slight improvements in Western Europe and North America, it deteriorated further in Southern Europe.

Consolidated Group revenue amounted to €344.1 million in the nine months of 2011, which represents a 9.2% increase compared to €315.0 million in the same prior year period. This reflects marginally higher sales volumes during the period, as well as improved pricing and a more favorable product mix. In addition, we have realized productivity gains, especially due to the recovering bauxite production. The combination of these factors offset the adverse effect of rising input costs, leading to continued margin expansion and higher profitability. External costs related to production materials continued to increase, driven in part by higher oil prices, but also due to supply and demand dynamics. Crude oil prices were on average approximately 45% higher for the nine months of 2011 compared to the same period in 2010. Besides the adverse impact on production costs, the higher oil prices have largely offset the anticipated benefits from lower ocean freight rates that were lower on average by 41% during the nine months of 2011 compared to the same period in 2010.

Gross profit increased by 17.1% during the nine months of the year to €84.8 million and gross margin was 24.6% compared to 23.0% in the same period in 2010. During the nine month period, EBITDA and operating profit increased by 14.6% and 39.3% to €54.4 million and €33.4 million, respectively. The growth for both EBITDA and operating profit is substantially higher than the 9.2% revenue growth, reflecting substantial margin increases. EBITDA margin increased to 15.8% in the nine months of 2011 from 15.1% in the same period in 2010 and operating margin increased by 210 basis points to 9.7% from 7.6%. Net interest expenses were €4.7 million in the nine months of 2010, significantly higher from €3.5 million in the same period in 2010 with more than two thirds of the increase being the result of higher interest rates.

Net profit attributed to shareholders of the Group amounted to €18.2 million (€0.36 per share) for the nine months of 2011 compared to €13.2 million (€0.26 per share) in the respective period of 2010, representing a significant 38% increase.

Pre-tax operating free cash flow (net of capital expenditure) for the nine months of 2011 was €9.1 million compared to €19.4 million in the nine months of 2010. Higher EBITDA has been offset, by planned, higher capital expenditure that reached €28.9 million in the nine months of 2011 compared to €16.9 million in the nine months of 2010. Working capital was slightly higher at 19% of sales compared to 18% at the end of 2010. In addition, higher income taxes paid and a significantly higher return to shareholders had an adverse impact in the change in net debt, which increased in the nine months by €16.7 million to €129.6 million from €112.9 million at the end of 2010.

During the period, €15 million of interest-bearing loans were repaid. Moreover, we refinanced a €20 million bond loan maturing in March 2011 with a two year term loan maturing in March 2013 and issued in June 2011 a new common bond loan of €20 million with a two year maturity.

Divisional performance (amounts in € 000s)

Bentonite	Nine Months 2011	Nine Months 2010	% change	Q3 2011	Q3 2010	% change
Net Sales	156,614	143,971	8.8%	52,353	52,609	-0.5%
EBITDA	38,979	39,129	-0.4%	13,666	16,380	-16.6%
Profit before tax	31,314	31,077	0.8%	11,062	13,301	-16.8%

With the exception of pelletizing and pet litter absorbents, demand remained favorable, especially for the foundries, drilling and civil engineering segments. The third quarter is compared to an exceptional quarter in 2010. However, profit margins improved equally from this year's second quarter and half year period, despite persistent high input costs.

Perlite	Nine Months 2011	Nine Months 2010	% change	Q3 2011	Q3 2010	% change
Net Sales	52,246	51,101	2.2%	16,452	16,863	-2.4%
EBITDA	9,872	7,466	32.2%	3,220	3,113	3.4%
Profit before tax	6,776	4,504	50.4%	2,179	2,087	4.4%

The North American market for formed products related to construction activity improved and construction activity from China was robust with strong pricing benefits for profitability. This has helped to offset a slow horticulture segment and a weak construction market in Southern Europe.

Bauxite	Nine Months 2011	Nine Months 2010	% change	Q3 2011	Q3 2010	% change
Net Sales	26,209	22,157	18.3%	10,619	7,533	41.0%
EBITDA	4,409	-448	1084.2%	2,988	137	2081.0%
Profit before tax	-2,497	-9,091	72.5%	493	-1,763	128.0%

Revenue was substantially enhanced driven by both the metallurgical and cement segments. In addition, the production rate continued to increase contributing to a significant turnaround in profitability both in the third quarter and nine month periods. The third quarter marks the first return to profitability for this division since the fourth quarter of 2009.

Continuous Casting Fluxes	Nine Months 2011	Nine Months 2010	% change	Q3 2011	Q3 2010	% change
Net Sales	77,019	69,309	11.1%	25,131	23,413	7.3%
EBITDA	15,389	15,568	-1.1%	4,489	5,112	-12.2%
Profit before tax	12,384	12,601	-1.7%	3,506	4,130	-15.1%

Revenue performance was closely aligned to global steel production both for the quarter and nine month period, however a slowdown was apparent in the latter part of the third quarter. Pressure on profitability is the result of higher raw material costs and adverse profit mix from India and Brazil.

Minerals Trading	Nine Months 2011	Nine Months 2010	% change	Q3 2011	Q3 2010	% change
Net Sales	30,989	27,658	12.0%	9,386	10,474	-10.4%
EBITDA	4,564	3,760	21.4%	1,157	1,183	-2.2%
Profit before tax	4,292	3,394	26.5%	1,066	1,059	0.7%

Performance continued to be driven by the Glass & Ceramics segments as the refractories segment was stagnant. The traditionally slow third quarter for this division compares to an exceptional third quarter in 2010, while tight expense management helped to minimize the effect on profitability from higher raw material prices.

Outlook

With our nine months performance and barring any major economic disruptions for the last quarter of the year, we are on track to deliver a considerably improved performance for 2011. Industrial production has evolved favourably both in Europe and the US. However, the recent slowdown in global steel production seems likely to continue into the last quarter of this year and oscillating construction markets remain varying from region to region with the exception of China. Our focus for the rest of the year rests on controlling our costs and keeping our margins, in what is increasingly becoming a dampened economic environment.

Looking forward, it seems that global economic recovery is likely to continue, albeit at a much slower pace. Developing markets are expected to recover at a faster pace than developed markets, where considerable economic challenges, such as the European debt crisis or high unemployment rates, continue to unfold. External costs are expected to stay on an inflationary course and with tightening liquidity debt refinancing will be a challenge. Our focus will be on tightly controlling our costs internally, keeping our discipline on pricing, managing working capital prudently. We believe that with our new organizational structure, we are well positioned to respond to the opportunities and the challenges that lie ahead of us and to realize the full value of our market focused global operations.

Other items

€10 million environmental investment for a new state of the art warehouse

S&B commissioned a new warehouse for processed bentonite. This unique type of infrastructure internationally, best-in-class in the industrial minerals world, was designed and constructed specifically for S&B's facilities on Milos, Greece. It aims at minimizing the environmental impact from the handling (transportation – storing) of dried bentonite. At the same time it provides for operational benefits for the product's handling within the production facilities. It will result in a dramatic expected reduction in dust emissions, reaching standards that supersede legislative limits and outperform conditions set by the facility's permits.

New organizational structure

S&B proceeded with organizational changes with effect from September 1st 2011. The new structure is a matrix system, based on four geographic regions and four market segments. It will enable the achievement of operational efficiencies, meeting and exceeding customer expectations globally for additional sustainable solutions and exploiting growth dynamics in emerging regions. More details are available in our announcement dated July 27 2011 and can be found on our website at www.sandb.com

Capital return

A capital return to shareholders of €0.25 per share was approved at the Annual General Meeting (AGM) of shareholders on June 1 2011 and was paid to shareholders on July 25 2011.

Cancellation of treasury shares

The cancellation of 671,513 treasury shares which represented 1.3% of our share capital was approved at the AGM on June 1 2011 and executed on July 11 2011. The Company's share capital now stands at €51,110,687.00 divided into an equal numbers of shares of a nominal value of €1.00 each.

New CEO appointment, new Board of Directors

Mr. Kriton Anavlavis was appointed Executive Board member and CEO of the S&B Group on April 4 2011. His election was ratified by the AGM on June 1 2011. In addition the AGM elected a new and more flexible 12 member Board of Directors with a 3 year term, comprising two executive, three non-executive and seven independent non-executive members.

About S&B Industrial Minerals

__S&B Industrial Minerals__ is an international 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 Exchange (ticker:ARBA), is active in 20 countries across five continents, in 2010 it had a Group turnover of €420 million, and employs approximately 2,000 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, Thursday November 3, 2011, at 4:00 pm Athens Time, 2:00 pm London Time, 10:00 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 Nine Months 2011 Results will also be available on S&B's corporate website in the Investor Relations section.

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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 three month period ended September 30, 2011
2. Condensed consolidated income statement for the nine month period ended September 30, 2011
3. Condensed consolidated balance sheet as at September 30, 2011
4. Condensed consolidated cash flow statement for the nine month period ended September 30, 2011

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)

	1/7 - 30/09/2011	1/7 - 30/09/2010
Sales	114,327	111,333
Cost of sales	(85,687)	(82,325)
Gross Profit	**28,640**	**29,008**
Net operating expenses	(16,201)	(16,826)
Operating profit	**12,439**	**12,182**
Net Finance costs	(1,781)	(2,704)
Share of (loss)/profit of associates	318	411
Profit before tax	**10,976**	**9,889**
Income tax expense	(3,179)	(2,304)
Net profit	**7,797**	**7,585**
Net profit attributable to:		
Equity holders of the Company	7,772	7,580
Non-Controlling interests	25	5
	7,797	7,585
Earnings per share		
Basic	0.1521	0.1480
Diluted	0.1506	0.1459
Weighted average number of shares		
Basic	51,110,687	51,198,955
Diluted	51,623,835	51,944,022

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

	1/1 - 30/09/2011	1/1 - 30/09/2010
Sales	344,140	315,025
Cost of sales	(259,344)	(242,605)
Gross Profit	**84,796**	**72,420**
Net operating expenses	(51,358)	(48,408)
Operating profit	**33,438**	**24,012**
Net Finance costs	(5,944)	(4,918)
Share of profit/(loss) of associates	531	826
Profit before tax	**28,025**	**19,920**
Income tax expense	(9,890)	(7,007)
Net profit	**18,135**	**12,913**
Net profit attributable to:		
Equity holders of the Company	18,173	13,199
Non-Controlling interests	(38)	(286)
	18,135	**12,913**
Earnings per share		
Basic	0.3556	0.2575
Diluted	0.3528	0.2548
Weighted average number of shares		
Basic	51,110,687	51,260,400
Diluted	51,513,239	51,805,096

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

	The Group	
	September 30 2011	December 31 2010
ASSETS		
Non-current assets		
Property, plant and equipment	199,474	190,114
Goodwill & other intangible assets	103,742	105,185
Other non-current assets	35,871	37,701
	339,087	**333,000**
Current assets		
Inventories	87,797	77,056
Trade and other receivables	81,789	70,891
Cash and cash equivalents	44,278	42,724
	213,864	**190,671**
Total Assets	**552,951**	**523,671**
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company	244,058	242,397
Non-controlling interests	448	561
Total equity	**244,506**	**242,958**
Non-current liabilities		
Interest-bearing loans and borrowings	67,965	119,858
Other non-current liabilities	52,104	52,783
	120,069	**172,641**
Current liabilities		
Short-term borrowings & current portion of long-term debt	105,953	35,779
Other current liabilities	82,423	72,293
	188,376	**108,072**
Total equity and liabilities	**552,951**	**523,671**

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

	The Group	
	1/1 - 30/09 2011	1/1 - 30/09 2010
Cash flows from operating activities		
Profit before tax	**28,025**	**19,920**
Adjustments for:		
- Depreciation and amortization	20,470	22,647
- Net finance costs	5,944	4,918
- Provisions, net	3,974	2,974
- Share of (profit)/loss of associates	(531)	(826)
- (Gain)/Loss on disposal of property, plant and equipment	4	(65)
	57,886	**49,568**
(Increase) / Decrease in:		
- Inventories	(10,264)	(3,659)
- Trade and other receivables	(12,057)	(17,846)
Increase / (Decrease) in:		
- Trade and other payables	7,422	10,995
Income tax paid	(9,276)	(4,896)
Payments for staff leaving indemnities and environmental rehabilitation	(4,959)	(2,822)
Net cash flows from operating activities	**28,752**	**31,340**
Cash flows from investing activities		
- Capital expenditure	(28,898)	(17,200)
- Business combinations and investments in consolidated entities	(100)	(924)
- Proceeds from disposal of property, plant and equipment	17	105
- Proceeds from the sale of associate	-	550
- Government grants received	-	244
- Other investing activities	842	459
Net cash flows used in investing activities	**(28,139)**	**(16,766)**
Cash flows used in financing activities:		
- Capital return to shareholders	(12,767)	-
- Purchase of treasury shares	(7)	(978)
- Net (decrease)/increase in borrowing	18,209	(15,213)
- Dividends paid	(72)	(4,575)
- Interest and other finance costs paid	(4,545)	(3,632)
Net cash flows used in / (from) financing activities	**818**	**(24,398)**
- Net foreign exchange difference on cash flows	263	(428)
Net (decrease) / increase in cash and cash equivalents	**1,694**	**(10,252)**
Increase in restricted cash	190	-
Cash and cash equivalents at the beginning of the period	**42,724**	**49,573**
- Net foreign exchange difference on cash and cash equivalents at the beginning of the period	(330)	605
Cash and cash equivalents at period end	**44,278**	**39,926**