



**S&B Industrial Minerals S.A.**

**Financial Report**

**for the six-month period ended June 30, 2010**

This six month Financial Report is prepared in accordance with article 5 of L.3556/2007 and was approved by the Board of Directors of S&B Industrial Minerals S.A. on August 27, 2010. This Financial Report for the period 1.1.2010-30.06.2010 is made publicly available on the company's website at: [www.sandb.com](http://www.sandb.com) and it will be available to the investors for at least 5 (five) years commencing from the date of issue.

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# S&B Industrial Minerals S.A.

## FINANCIAL REPORT FOR THE SIX-MONTH PERIOD ENDED JUNE 30, 2010

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**A. BOARD OF DIRECTORS'  
STATEMENT**

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**BOARD OF DIRECTORS' STATEMENT**  
**(in accordance with the article 5, paragraph 2, of the Law 3556/2007)**

1. Ulysses P. Kyriacopoulos, The Chairman of the Board of Directors
  
2. Efthimios O. Vidalis, The Chief Executive Officer
  
3. Emmanuel J. Voulgaris, Director, specifically appointed by the Board of Directors at its meeting on August 27, 2010

**WE STATE THAT**

to the best of our knowledge :

- a. the Company's and the Group's Financial Statements for the six-month period ended June 30, 2010, which were prepared according to the prevailing accounting standards, present fairly the assets, the liabilities, the equity and the results of S&B Industrial Minerals S.A., as well as of the entities included in the consolidation, in accordance with the provisions of the Law 3556/2007, article 5, paragraphs 3 to 5 and that
  
- b. the half-year Board of the Directors' Report presents fairly the information that is required based on the Law 3556/2007, article 5, paragraph 6.

**The Chairman of the Board of  
Directors**

**The Chief Executive  
Officer**

**The Director**

Ulysses P. Kyriacopoulos

Efthimios O. Vidalis

Emmanuel J. Voulgaris

ID No AH042868

ID No Σ237368

ID No AB 656787

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**B. BOARD OF DIRECTORS'  
REPORT**

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## HALF YEAR 2010 REPORT OF THE BOARD OF DIRECTORS

### *Group results*

Consolidated sales for the S&B Industrial Minerals Group (“S&B” or the “Group”) for the six months of 2010 was € 203,7 million versus € 157,6 million in the respective period of 2009, representing an increase of 29,2% (\*). EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization) in the first six months 2010 increased by 53,7%, to € 27,9 million from € 18,1 million in the six months of 2009. Similarly, operating profit of € 11,8 million increased by 89,6% from € 6,2 million in the respective 2009 period and net profit of € 5,3 million increased by 193,2% from the corresponding € 1,8 million of the six months of 2009.

### *Business developments and financial performance*

First half 2010 results, represent a positive start for the year for almost all market segments and particularly for those related to metallurgical industries (steel, foundry, iron ore, aluminum). Business activity continued on the positive trend which had started to emerge from the last quarter of 2009. Sales volumes continued to strengthen during the first half of the current year, progressively improving during both the first and second quarters, contributing to the 29,2% revenue increase for the Group. Our six month performance in 2010 is benchmarked against a low base in the respective period in 2009 which was one of the most challenging periods operationally and financially in our Group’s history, due to the steep global economic downturn. However, we are very pleased by the fact that we have sustained our market positions broadly in all our market segments and we have been successful in maintaining pricing stability. This comes as a result of our unwavering focus on cultivating strong relationships with our customers even during distressed times and keeping our service levels and technical support, at the highest standards continuously. The increased sales volume in combination with a favorable product mix and the benefits from the cost saving measures that were implemented across the Group during 2009, contributed to profit margin expansion during the period. As a result, EBITDA and operating profit accelerated ahead of revenue with increases of 53,7% and 89,6% respectively, while net profit almost tripled compared to the first half of 2009.

More specifically, in Bentonite, total sales increased by 21,8% to € 91,4 million reflecting increased demand for metallurgical applications. The foundry and iron ore pelletizing segments which are linked to the steel and automotive industries and showed modest improvements in the last quarter of 2009, performed well during the first quarter of 2010 and have stabilized their growth momentum during the second quarter. Sales for the paper segment experienced solid growth although they account for a small percentage of the division’s sales. The segments of pet litter absorbents and civil engineering were behind last year’s six month revenues as consumers switched to lower value pet products and infrastructure projects in Europe remained stagnant.

Perlite revenue stood at € 34,2 million, higher by 8,8% compared to the six month period of 2009. Construction related markets continued to deteriorate further in Europe but were partly offset by slightly better performance from construction related activity in the US. Sales for horticulture applications have been resilient despite the fact that the latter part of the second quarter marks the beginning of the low season for agriculture. It is important to note that our North American construction related business is served primarily from the production facilities we operate in the Mediterranean, therefore the increase in freight charges, compared to the first half of 2009, has adversely influenced the performance of the division.

*\*Note: All percentages have been calculated using the full figures and not the abbreviated ones appearing in this report.*

Sales for Bauxite increased by 13,5% to € 14,6 million, driven by increased demand for all segments and particularly for the iron & steel making segment. Operations in Central Greece have faced significant challenges in following the increased demand due to critical delays in the normal licensing procedure for our mines and a temporary suspension of our mining activity in specific areas by decision of the Council of the Greek State.

The Continuous Casting Fluxes (CCF) division represented by the Stollberg brand, which is fully correlated to global steel production, recorded revenue of € 45,9 million, an increase of 74,1% compared to the first half of 2009. Consolidation of the granular flux production in Europe has been completed as planned and all customers have been retained in the transition process. Similarly, work is progressing in China with regards to the new plant to be constructed with Angang Steel and project execution is in-line with plans.

For Minerals Trading (processing, trading and selling of a variety of specialty minerals under the OTAVI brand), revenue increased by 48,0% to € 17,2 million. All segments (glass, ceramics, refractories) presented strong demand and sales to new applications continue to gain momentum.

External cost elements, such as oil prices and sea freight rates, were higher on average during the first half of 2010 by 49% and 93%, respectively compared to the first half of 2009. Consequently, this has adversely influenced cost of sales. In addition, a more conservative costing approach has been adopted in relation to our bauxite operations, in order to recognize in production costs various general expenses that were previously capitalized. We also incurred an accelerated depreciation charge, specifically for the second quarter, related to capitalized stripping investments. In addition, material imported from Turkey and Sardinia in order to partly satisfy bauxite sales demand has adversely impacted our costs. However, solid volume growth drove progressive plant utilization improvements, enabling gross profit to reach € 43,4 million, an increase of 33,2% compared to the first half of 2009. Gross margin expanded by 60 basis points compared to the first half of 2009, reflecting pricing and mix benefits, as well as increased operating leverage from higher volumes and cost benefits achieved from the implementation of our cost saving programs in the previous year.

Selling, General & Administrative expenses were € 33,1 million, an increase of 10,5% compared to the first half of 2009, supporting revenue growth of 29,2% and reflecting continued cost discipline as we continue to invest in our business. EBITDA and operating profit margins expanded by 220 and 180 basis points, respectively. EBITDA reached € 27,9 million, higher by 53,7% compared to € 18,1 million in the first half of 2009, while operating profit stood at € 11,8 million, 89,6% higher than the first half of the previous year.

Net financial expenses were € 2,2 million, reduced by 48,7% in comparison to € 4,3 million in the first half of 2009. This is mainly the result of:

- (a) a decrease of the average borrowing rate as the average Euribor 3 month rate during the first half of the year was lower by approximately 1 percentage point compared to the first half of 2009
- (b) a significant decrease of the Group's average net debt of approximately € 72 million from € 193 million in the first half of 2009 to € 121 million in the first half of 2010.

Profit before tax amounted to € 10,0 million, a fourfold increase compared to the first half of 2009.

The Group's effective tax rate was 46,9% for the half year period, although this is adversely affected by:

- (a) differences in results under IFRS versus statutory, which adversely influence the effective tax rate for the Group and especially that of the parent entity,
- (b) the extraordinary tax for social responsibility imposed on corporations by the Greek government,
- (c) an additional tax charge related to the conclusion of the ordinary tax audit of fiscal year 2008,

*\*Note: All percentages have been calculated using the full figures and not the abbreviated ones appearing in this report.*

and is expected to normalize by the end of the year. From 2011 onwards, we would expect the effective tax rate to revert towards our long-term average. Net profit amounted to € 5,3 million compared to € 1,8 million in the first half of 2009.

Our focus on managing working capital has remained strong as evidenced by the continued reduction by € 4,3 million or 6,2%, from € 69,4 million at the end of 2009 to € 65,0 million at the end of the first half of 2010. Despite the significant 29,2% increase in revenue, we have been successful in funding this growth with streamlined working capital requirements. Working capital as a percentage of sales was 16,0% at the end of the first half of 2010, compared to 20,7% at the end of 2009 and 27,6% at the end of the first half of 2009. During the first half of 2010 the Group realized capital investments of € 9,4 million compared to € 12,4 million in the first half of the previous year. Pre-tax operating free cash flow (net of capital expenditures) was € 12,9 million and net cash generated during the period was € 13,0 million, while the second quarter represented the 6<sup>th</sup> consecutive quarter of positive cash generation for our Group. As a result, the Group's net debt position has been further reduced during the second quarter of 2010 to € 108,9 million at the end of the first half, lower by € 13,0 million compared to € 121,9 million at the end of 2009.

## ***Significant Events***

### **Acquisitions**

#### ***Angang Steel***

On January 26, 2010 the Group signed an agreement for the establishment of a 30 year joint venture with the Angang Industry Group Co. Ltd., in the northern part of China (Liaoning Province). The agreement has been signed between Stollberg & Samil Co. Ltd, an existing jointly controlled entity of S&B in Korea and the Angang Industry Group Co. Ltd. an affiliate of Angang Steel Co. Ltd. (Angang). The total investment is estimated at USD 6 million. S&B's proportionate participation at Group level is USD 1,5 million out of which USD 0,8 million was paid as of June 30, 2010. The purpose of the newly formed company is to create an in-house supply of metallurgical fluxes for the steel production division of Angang, offering the advantages provided by S&B's world class production standards, quality control expertise and application know-how in continuous casting fluxes under the Stollberg brand. Within this scope, a new plant will be established in proximity of Angang's steel plant in the area. The new plant is expected to be operational in the fourth quarter of 2010.

#### ***Adventus***

On June 24, 2010, the Group signed an agreement with Adventus Intellectual Property Inc. (Canada based parent company of Adventus Americas Inc. and EnviroMetal Technologies Inc.) to form Adventus Europe GmbH, based in Germany. The total investment amounts to € 0,3 million and S&B Industrial Minerals GmbH (a Germany based affiliate of the S&B Group of companies) will participate in the new associate with a share of 42%. The purpose of the newly formed company is to support environmental engineering projects with biotechnology products in a growing market for clean-up of contaminated soil, sediment and groundwater sites. The Adventus portfolio of field-proven, sustainable technologies, provide the industry with significant advantages in terms of quality, pollutant-removal efficiency and operational excellence. Adventus Europe GmbH is expected to serve all EU member states as well as Switzerland, Norway, the Russian Federation and other countries in Eastern Europe.

### **Share Capital Increase and distribution of bonus shares**

A share capital increase by € 10.356.440 through the capitalization of tax-free reserves and the issue of 1 bonus share for every 4 existing shares was approved at the Annual General Meeting of shareholders on 17 June 2010. Following the required regulatory approvals, on 9 August 2010 the company issued 10.356.440 new common shares of a nominal value of € 1,00 bringing the total number of shares outstanding to 51.782.200. The company's share capital amounts to € 51.782.200 divided into 51.782.200 shares of nominal value of € 1,00 each. This transaction has no impact on the total shareholders' equity and, therefore, no change to the economic interest and voting rights of existing shareholders.

*\*Note: All percentages have been calculated using the full figures and not the abbreviated ones appearing in this report.*

## ***Business Risks***

The S&B Group systematically monitors, assesses and takes specific measures, in order to address risks that may arise. Such risks are associated with: Transportation, Fuel and Energy Prices, Raw Materials' adequacy and price, Environment, Health & Safety and Quality, Legal issues, Licensing and permitting and the financial environment.

- **Transportation Risks**

Given the geographic distribution of its mineral reserves, industrial facilities and markets, as well as the nature of its products, the Group makes extensive use of sea-going vessels for its transportation needs. Principal exposure is evaluated to stem from the shipments of bentonite and perlite from the east Mediterranean to the North American east coast, Northern Europe and to a lesser extent to the west Mediterranean. Part of this exposure is mitigated by medium-term contracts with ship-owners and ship operators. Management is continuously monitoring this risk and exploring alternative contractual and hedging strategies for managing the exposure. Other means of transportation (trucks, river barges and rail) are also extensively used, where the main risks that arise, come in the form of fuel price fluctuations (see energy risks below).

Management does not anticipate that the above mentioned transportation risks will substantially affect the Group's financial position in 2010.

- **Energy price Risks**

S&B is exposed to the risk of fluctuating prices for the various fuel and energy sources (mainly oil, natural gas and electricity) which form a significant part of its production and transportation activities. The Group's geographical locations and energy supply sources remain diversified, but a general and sharp increase in energy prices may have a significant impact on its operating profitability. Additionally, as energy supplies are sourced regionally, some local markets may temporarily be subject to significant but non-recurring price variations. Under these circumstances, management concentrates its efforts on reducing the effect on margins by focusing on energy savings and productivity improvements, while adjusting, where possible, its commercial policies. On a global level, the developments in energy markets have caused significant volatility in recent years. Management is continuously monitoring the exposure in the context of evaluating alternative sourcing and hedging strategies.

Management does not anticipate that the above mentioned energy price risks will substantially affect the Group's financial position in 2010.

- **Raw Materials Risks**

S&B generally possesses and maintains its own mineral reserves in its most crucial business segments (bentonite, perlite, bauxite and wollastonite). However, a smaller part of the industrial minerals activities is based on trading and processing of specialty minerals that are purchased from third-party suppliers. Although effort is devoted to secure the needed supply of such minerals through medium-term contracts, this has not always been possible and may not be, in the future.

The Group also purchases a number of raw materials (soda ash, coal, resins) that are used as additives in the production of the final products and other material (explosives, parts, packaging materials) that are used during the various production phases. Significant price volatility has been observed in most of these products, in recent years.

Management does not anticipate that the above mentioned raw material risks will substantially affect the Group's financial position in 2010.

- **Environmental, Health & Safety (EHS) and Quality Risks**

In every country in which S&B operates, it is subject to regulations concerning air emissions, noise, waste disposal and post-mining site restoration.

Most of the industrial activities that form S&B's core business have an impact, even if only a limited one, on the environment. In the majority of cases, that impact is inherent in mining activities and in facilities associated with the downstream processing of extracted minerals.

S&B tries to minimize the environmental health and safety impact of its operations and proactively manages environmental risks through implementation of appropriate measures. EHS related performance is monitored via a reporting and measurement grid, which includes 54 indicators, as well as, via EHS audits of the operations. S&B has rolled out a Corporate EHSQ (Environmental, Health, Safety and Quality) policy, emphasizing its commitment in monitoring and effectively addressing EHSQ aspects that originate from its operations. The policy criteria are applied in a manner sensitive to local cultures, customs and circumstances.

S&B has certified the Quality and Environmental management systems of the majority of its global operations as per ISO 9001 (quality) and ISO 14001 (environmental) standards. In December 2009 and May 2010 respectively, the Health & Safety (H&S) management system of CCF operations in India and the H&S management system of the French subsidiary S&B S.A.R.L., were certified as per the OHSAS 18001 standards and other operations in Germany and Greece are preparing to obtain such certification. Part of the remaining operations are in the process of pursuing both ISO 9001 and 14001 certification.

S&B strives to provide a safe working environment for its employees and sub-contractors in an effort to protect their health, maintain superior business reputation and minimize potential compensation liabilities. In this context, management makes every effort in properly training its employees and sub-contractors in the use of explosives and in the operation of heavy mobile equipment, such as underground mine equipment, trucks, loaders, forklifts and other. A corporate EHS committee was established in 2006, aiming at a gradual harmonization of policies and procedures across the Group.

Management does not anticipate that the above mentioned environmental, health, safety and quality risks will substantially affect the Group's financial position in 2010.

- **Legal and Licensing Risks**

As a global group with a diverse business portfolio, S&B is exposed to numerous legal risks, as well as risks associated with required licensing procedures with regards to operation rights, in the normal course of its business. The Corporate Legal department and the Mining Rights department monitor and assess centrally, major such risks.

Despite recent progress, the delays faced in the licensing process for bauxite operations combined with the interruption of the mining activities on a specific bauxite reserve located in the area of Municipality of Lidoriki in Central Greece (which has been lifted quite recently and allows resumption of operations in this particular deposit), has created significant production issues and has substantially affected the financial results of the Bauxite Division. Going forward, management envisions favourable progress in the licensing matters and thus estimates that the relevant negative impact will be mitigated.

There are no other similar cases that are expected to have a material adverse effect on the Group's financial position and operations.

- **Financial Risks**

The Group's business activities and its funding structure generate exposure to foreign exchange, interest rate and liquidity risks. Additionally, there are risks related to sea freights and the volatility of energy prices since both items represent a material component of the Group's cost structure.

### Foreign Currency, Freights and Energy Risks

According to market conditions the Group makes use of derivative instruments with a forward time horizon of one year, to hedge against its exposure to foreign currency rates, oil prices and freight rates.

Freights and energy are hedged by using the Supramax and the IPE Brent Indices respectively, as proxies for the Group's exposure.

### Interest Rate risk

The Group hedges part of its interest exposure in order to be protected against adverse interest rate fluctuations. In doing so, management evaluates current market conditions and future leverage, in order to reach a decision. The time horizon for hedging may be more than a year.

### Liquidity risk

Liquidity risk is managed by having available committed and uncommitted debt and credit facilities and by spreading the maturities of long-term debt in order to avoid concentration of refinancing risk. In addition, the group keeps a sufficient amount of cash in reserves.

Management does not anticipate that the above mentioned financial risks will substantially affect the Group's financial position in 2010.

- **Insurable Risks**

S&B carries insurance policies to cover against insurable risks.

It operates two Global insurance programs, one for Property Damage and Business Interruption and one for Civil Liability, both of which are centrally managed. In this way, the Group benefits, among other, from a uniform approach for risk and insurance.

Other local insurance programs are operated at subsidiary level, however Group Management monitors all such procedures and decision making for material amounts, is centralized.

### ***Prospects for the second semester of 2010***

The first half of 2010 has been encouraging for our Group. Demand for the end-user segments we serve gradually strengthened during the period. Steel consuming sectors drove our performance, as evidenced by the solid results of the Continuous Casting Fluxes and Bentonite Divisions. However, we remain watchful as to the strength and durability of the prevailing global economic recovery since the demand from steel consuming industries, such as the automotive, the heavy industries and construction, still lags current production levels. The second half of 2010 will be benchmarked against a second half in 2009 which was progressively better than the first half of that year. We anticipate that activity for our Continuous Casting Fluxes Division will level-off at current levels during the second half of 2010 and a similar trend, although with a time lag, is expected for the Bentonite Division.

The sovereign debt crisis continues to evolve, unemployment rates remain at high levels and global economic growth expectations look increasingly volatile. However, our priorities are clear and our focus has been -and will remain- on controlling costs and managing cash. It is important for our Group that whatever form the recovery takes, S&B is in a much stronger position to outpace it than it was even one year ago. We have an efficient and solid infrastructure with which we will support our margins in the future and a flexible capital position with which to pursue the right growth opportunities at the right time.

### ***Transactions among the Group/Company and Related Parties***

During the first semester of 2010, business transactions of the Group, as well as those of the Company, with the related parties have been carried out with common market terms and conditions. The Group or any of its related parties has not been engaged in any material transactions that were not in an arm's length basis. None of the transactions includes special terms or conditions.

Transactions with Group subsidiaries and associates are carried out in the normal course of the business operations of the Group. Outstanding balances at the period-end are unsecured, interest free and settlement occurs in cash within the agreed time period. The guarantees provided by S&B to its subsidiaries as of June 30, 2010 and December 31, 2009 are analyzed in Note 13 of the financial statements. The Management of the Company has not provided against the receivables due from its subsidiaries or associates as it does not anticipate any doubtfulness of such receivables, except for the case of Askana Ltd. against which a provision for doubtful debts has been established in 2008.

Intra-group balances and transactions among fully consolidated subsidiaries have been fully eliminated from the financial statements of the Group.

Balances and transactions (in thousand Euro) with related parties are the following (see note 11 of the interim financial statements):

#### **Group balances due from and to related parties**

Group balances due from related parties amount to € 1.789 and € 1.810 for June 30, 2010 and December 31, 2009 respectively. The most significant changes are the following:

- Increase in the amounts due from the associate entity "Laviosa Promasa S.A." (€ 430 and € 366 for 2010 and 2009, respectively) arising from industrial minerals sales.
- Increase in the amounts due from the jointly controlled entity "Cebo International B.V." (€ 1.043 and € 558 for 2010 and 2009, respectively) arising from industrial minerals sales to this entity.
- Increase in the amounts due from the associate entity "Xinyang Athenian Mining Co. Ltd" (€ 218 and € 63 for 2010 and 2009, respectively) arising from dividend distribution by the above associate which is not collected yet.
- Decrease in the amounts due from the associate entity "Laviosa Chimica Mineraria S.p.A." (€ 20 and € 662 for 2010 and 2009, respectively) arising from the collection of the amount due from Bentec Spa sale in 2009.

Group balances due to related parties amount to € 2.234 and € 1.864 for June 30, 2010 and December 31, 2009 respectively. The most significant change arises from industrial minerals purchases from related companies "Perlite Hellas S.A" (€ 1.209 and € 1.018 for 2010 and 2009, respectively) and "Rescon India Private Ltd" (€ 229 and € 115 for 2010 and 2009, respectively) which are still not settled.

#### **Company balances due from and to related parties**

Company balances due from related parties amount to € 16.639 and € 10.901 for June 30, 2010 and December 31, 2009 respectively. The most significant changes are the following:

- Increase in the amounts due from the subsidiary "S&B Holding GmbH" (€ 319 and € 0 for 2010 and 2009, respectively), arising from charges of financial expenses.
- Increase in the amounts due from the indirect subsidiaries "S&B Industrial Minerals GmbH" (€ 7.492 and € 4.525 for 2010 and 2009, respectively), "S&B Industrial Minerals North America Inc." (€ 2.402 and € 317 for 2010 and 2009, respectively) and "S&B Industrial Minerals S.A.R.L." (€ 3.263 and € 888 for 2010 and 2009, respectively) arising from industrial minerals sales to these entities.

- Decrease in the amounts due from the direct subsidiary “Isocon S.A.” (€ 1.870 and € 2.380 for 2010 and 2009, respectively) and the jointly controlled entity “Cebo International B.V.” (€ 201 and € 478 for 2010 and 2009, respectively) arising from industrial minerals sales to these entities.
- Decrease in the amounts due from the associate entity “Laviosa Chimica Mineraria S.p.A.” (€ 20 and € 662 for 2010 and 2009, respectively) arising from the collection of the amount due from Bentec Spa sale in 2009.

Company balances due to related parties amount to € 1.797 and € 1.671 for June 30, 2010 and December 31, 2009 respectively and regard industrial minerals purchases.

### **Group income / expenses**

Group income from related parties amounted to € 4.742 and € 2.893 for June 30, 2010 and June 30, 2009 respectively. The most significant changes are the following:

- Increase in the income from associate entity “Laviosa Promasa S.A.” (€ 1.215 and € 315 for 2010 and 2009, respectively) and the jointly controlled entity “Cebo International B.V.” (€ 3.480 and € 1.548 for 2010 and 2009, respectively) due to an increase in turnover of industrial minerals sales to these entities.
- Decrease in the income from associate entity “Laviosa Chimica Mineraria S.p.A.” (€ 40 and € 398 for 2010 and 2009, respectively) due to reduced industrial minerals sales to this entity and the related company “Motodynamics S.A.” (€ 0 and € 358 for 2010 and 2009, respectively) due to cease of services rendered.

Group expenses to related parties amounted to € 2.740 and € 1.907 for June 30, 2010 and June 30, 2009 respectively. The most significant changes are the following:

- Increase in the expense to the related companies “Perlite Hellas S.A.” (€ 1.061 and € 552 for 2010 and 2009, respectively), and “Rescon India Private Ltd” (€ 503 and € 241 for 2010 and 2009, respectively), arising from industrial minerals purchases.

### **Company income / expenses**

Company income from related parties amounted to € 27.289 and € 21.960 for June 30, 2010 and June 30, 2009 respectively. The most significant changes are the following:

- Increase in the income from indirect subsidiaries “S&B Industrial Minerals GmbH” (€ 10.406 and € 9.231 for 2010 and 2009, respectively), “S&B Industrial Minerals North America Inc.” (€ 8.611 and € 5.743 for 2010 and 2009, respectively), “S&B Industrial Minerals S.A.R.L.” (€ 2.375 and € 1.895 for 2010 and 2009, respectively) and “S&B Endustriyel Mineraller A.S.” (€ 413 and € 248 for 2010 and 2009, respectively) as well as from the jointly controlled entity “Cebo International B.V.” (€ 2.336 and € 1.275 for 2010 and 2009, respectively) and from the associate entity “Laviosa Promasa S.A.” (€ 1.247 and € 315 for 2010 and 2009, respectively) arising from industrial minerals sales to these entities.
- Decrease in the revenues from direct subsidiary entity “Isocon S.A.” (€ 1.100 and € 1.468 for 2010 and 2009, respectively) and from indirect subsidiaries “S&B Industrial Minerals S.L.U” (€ 181 and € 319 for 2010 and 2009, respectively), as well as from associate entity “Laviosa Chimica Mineraria S.p.A.” (€ 40 and € 398 for 2010 and 2009, respectively) due to a decrease in turnover of industrial minerals sales and from the related company “Motodynamics S.A.” (€ 0 and € 358 for 2010 and 2009, respectively) due to cease of services rendered.

Company expenses to related parties amounted to € 593 and € 1.141 for June 30, 2010 and June 30, 2009 respectively. The most significant changes are the following:

- Decrease in the turnover from direct subsidiary entity “Greek Helicon Bauxite S.A.” (€ 262 and € 388 for 2010 and 2009, respectively) and indirect subsidiary “S&B Industrial Minerals AD” (€ 107 and € 522 for 2010 and 2009, respectively), arising from reduced industrial minerals purchases.

Transactions and compensation of key management personnel and Board members of the Group for the six month period ended June 30, 2010 amounted to € 2.698 (€ 1.970 for the six month period ended June 30, 2009). Balances due to key management and Board members as of June 30, 2010 amounted to € 929 (€ 852 as of December 31, 2009).

Finally, transactions and compensation of key management and Board members of the Company for the six month period ended June 30, 2010 amounted to € 2.516 (€ 1.706 for the six month period ended June 30, 2009). Balances due to key management and Board members as of June 30, 2010 amounted to € 879 (€ 755 as of December 31, 2009).

Kifissia, August 27, 2010

On behalf of the Company's Board of Directors  
The Chief Executive Officer

**Efthimios O. Vidalis**

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**C. CERTIFIED AUDITORS'  
ACCOUNTANTS' REVIEW REPORT**

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**THIS REPORT HAS BEEN TRANSLATED FROM THE GREEK ORIGINAL****REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL INFORMATION**

To the Shareholders of  
S&B Industrial Minerals S.A.

*Introduction*

We have reviewed the accompanying interim statement of financial position of S&B Industrial Minerals S.A. (the “Company”) and the accompanying interim consolidated statement of financial position of the Company and its subsidiaries (the “Group”) as at 30 June 2010, the related consolidated and separate statements of income, comprehensive income, changes in equity and cash flows of the Company and the Group for the six-month period then ended, as well as the selected explanatory notes (the “interim condensed financial information”) which is an integral part of the six-month financial report of Law 3556/2007. Management is responsible for the preparation and presentation of this interim condensed financial information in accordance with International Financial Reporting Standards as endorsed by the European Union and applicable to interim financial reporting (“IAS 34”). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

*Scope of review*

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

*Conclusion*

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information is not prepared, in all material respects, in accordance with IAS 34.

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*Report on other legal and regulatory requirements*

Our review did not reveal any inconsistency between the information contained in the six-month financial report prepared in accordance with article 5 of Law 3556/2007 and the accompanying interim condensed financial information.

Athens, 27 August 2010

THE CERTIFIED AUDITOR ACCOUNTANT

VASSILIOS KAMINARIS  
S.O.E.L. No. 20411

ERNST & YOUNG (HELLAS)  
CERTIFIED AUDITORS ACCOUNTANTS S.A.  
11TH KLM. NATIONAL ROAD ATHENS – LAMIA  
144 51 METAMORFOSI  
S.O.E.L. No. 107

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## **D1. INTERIM CONDENSED FINANCIAL STATEMENTS**

The accompanying interim condensed Financial Statements have been approved by the Board of Directors of S&B Industrial Minerals S.A. on August 27, 2010.

**The Chairman  
of the Board of Directors**

**The Chief Executive  
Officer**

**The Chief Financial  
Officer**

**The Controller Greece**

**Ulysses P. Kyriacopoulos**

**Efthimios O. Vidalis**

**Kriton St. Anavlavis**

**Nikolaos Ch. Ioakim**

**ID No AH042868**

**ID No Σ237368**

**ID No Π062025**

**A' Class License No  
0002714**

**S&B Industrial Minerals S.A.**  
**CONSOLIDATED INCOME STATEMENT**  
**FOR THE SIX AND THE THREE MONTH PERIOD ENDED JUNE 30, 2010**  
(Amounts in thousand Euro, except for earnings per share)

<b>The Group</b>					
	<b>Note</b>	<b>1/1 - 30/06/2010</b>	<b>1/1 - 30/06/2009</b>	<b>1/4 - 30/06/2010</b>	<b>1/4 - 30/06/2009</b>
Sales	5	203.692	157.621	108.460	78.064
Cost of sales		(160.280)	(125.033)	(87.335)	(61.654)
<b>Gross Profit</b>		<b>43.412</b>	<b>32.588</b>	<b>21.125</b>	<b>16.410</b>
Administrative expenses		(21.259)	(18.685)	(10.613)	(9.783)
Selling expenses		(11.853)	(11.274)	(6.403)	(5.768)
Other income		2.065	3.777	903	2.066
Other expenses		(535)	(167)	(484)	(6)
<b>Operating profit</b>		<b>11.830</b>	<b>6.239</b>	<b>4.528</b>	<b>2.919</b>
Finance income	6	1.194	1.036	891	67
Finance costs	7	(3.408)	(5.355)	(1.603)	(2.300)
Gain from the disposal of associates		-	708	-	708
Share of profit / (loss) of associates		415	(141)	243	24
<b>Profit before tax</b>		<b>10.031</b>	<b>2.487</b>	<b>4.059</b>	<b>1.418</b>
Income tax expense	8	(4.703)	(670)	(2.640)	(194)
<b>Net profit</b>		<b>5.328</b>	<b>1.817</b>	<b>1.419</b>	<b>1.224</b>
<b>Attributable to:</b>					
Equity holders of the Company		5.619	1.852	1.582	1.122
Non-controlling interests		(291)	(35)	(163)	102
		<b>5.328</b>	<b>1.817</b>	<b>1.419</b>	<b>1.224</b>
<b>Earnings per share attributable to Equity holders of the Company:</b>					
Basic		0,1096	0,0458	0,0309	0,0277
Diluted		0,1085	0,0454	0,0306	0,0275
<b>Weighted average number of shares</b>					
Basic		51.288.603	40.465.440	51.238.729	40.451.866
Diluted		51.769.907	40.795.944	51.743.713	40.799.865

The accompanying notes are an integral part of these interim condensed financial statements.

**S&B Industrial Minerals S.A.**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE SIX AND THE THREE MONTH PERIOD ENDED JUNE 30, 2010**  
(Amounts in thousand Euro)

**The Group**

	<u>1/1 - 30/06/2010</u>	<u>1/1 - 30/06/2009</u>	<u>1/4 - 30/06/2010</u>	<u>1/4 - 30/06/2009</u>
<b>Net profit</b>	<b>5.328</b>	<b>1.817</b>	<b>1.419</b>	<b>1.224</b>
<b><u>Other comprehensive income</u></b>				
Translation of foreign operations:				
-Subsidiaries	9.295	568	5.494	(1.868)
-Associates	136	(32)	55	(13)
Valuation of available-for-sale financial assets	(96)	25	(71)	37
Valuation of derivatives	(843)	477	(383)	389
Income tax relating to the valuation of available-for-sale financial assets	23	(6)	17	(9)
Income tax relating to the valuation of derivatives	200	(119)	92	(97)
<b>Other comprehensive income/ (loss) for the period, net of tax</b>	<b>8.715</b>	<b>913</b>	<b>5.204</b>	<b>(1.561)</b>
<b>Total comprehensive income/ (loss) for the period, net of tax</b>	<b>14.043</b>	<b>2.730</b>	<b>6.623</b>	<b>(337)</b>
<b>Attributable to:</b>				
Equity holders of the Company	14.331	2.754	6.782	(425)
Non-controlling interests	(288)	(24)	(159)	88
	<b>14.043</b>	<b>2.730</b>	<b>6.623</b>	<b>(337)</b>

The accompanying notes are an integral part of these interim condensed financial statements.

**S&B Industrial Minerals S.A.**  
**SEPARATE INCOME STATEMENT**  
**FOR THE SIX AND THE THREE MONTH PERIOD ENDED JUNE 30, 2010**  
(Amounts in thousand Euro)

		<b>The Company</b>			
	<u>Note</u>	<u>1/1 - 30/06/2010</u>	<u>1/1 - 30/06/2009</u>	<u>1/4 - 30/06/2010</u>	<u>1/4 - 30/06/2009</u>
Sales	5	64.864	52.537	36.135	25.699
Cost of sales		(54.746)	(39.223)	(32.223)	(19.711)
<b>Gross Profit</b>		<b>10.118</b>	<b>13.314</b>	<b>3.912</b>	<b>5.988</b>
Administrative expenses		(12.732)	(10.224)	(6.339)	(5.386)
Selling expenses		(1.661)	(1.138)	(907)	(586)
Other income		2.531	3.193	1.237	1.306
Other expenses		(462)	(102)	(461)	-
<b>Operating (loss) / profit</b>		<b>(2.206)</b>	<b>5.043</b>	<b>(2.558)</b>	<b>1.322</b>
Finance income	6	1.165	876	856	340
Finance costs	7	(2.347)	(3.863)	(1.091)	(1.614)
Investment income		213	299	213	299
Gain from the disposal of associates		-	699	-	699
<b>(Loss) / profit before tax</b>		<b>(3.175)</b>	<b>3.054</b>	<b>(2.580)</b>	<b>1.046</b>
Income tax expense	8	(439)	(962)	(552)	(457)
<b>Net (loss) / profit</b>		<b>(3.614)</b>	<b>2.092</b>	<b>(3.132)</b>	<b>589</b>

The accompanying notes are an integral part of these interim condensed financial statements.

**S&B Industrial Minerals S.A.**  
**SEPARATE STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE SIX AND THE THREE MONTH PERIOD ENDED JUNE 30, 2010**  
(Amounts in thousand Euro)

	<b>The Company</b>			
	<u>1/1 - 30/06/2010</u>	<u>1/1 - 30/06/2009</u>	<u>1/4 - 30/06/2010</u>	<u>1/4 - 30/06/2009</u>
<b>Net (loss) / profit</b>	<b>(3.614)</b>	<b>2.092</b>	<b>(3.132)</b>	<b>589</b>
<b><u>Other comprehensive income</u></b>				
Valuation of available-for-sale financial assets	(96)	25	(71)	37
Valuation of derivatives	(843)	477	(383)	389
Income tax relating to the valuation of available-for-sale financial assets	23	(6)	17	(9)
Income tax relating to the valuation of derivatives	200	(119)	92	(97)
<b>Other comprehensive (loss) / income for the period, net of tax</b>	<b>(716)</b>	<b>377</b>	<b>(345)</b>	<b>320</b>
<b>Total comprehensive (loss) / income for the period, net of tax</b>	<b>(4.330)</b>	<b>2.469</b>	<b>(3.477)</b>	<b>909</b>

The accompanying notes are an integral part of these interim condensed financial statements.

**S&B Industrial Minerals S.A.**  
**STATEMENT OF FINANCIAL POSITION JUNE 30, 2010**  
(Amounts in thousand Euro)

	Note	The Group		The Company	
		June 30 2010	December 31 2009	June 30 2010	December 31 2009
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment		194.413	195.345	98.431	101.004
Investment properties		20.233	20.368	20.233	20.368
Goodwill		83.728	82.712	25.129	25.129
Other intangible assets		21.399	21.993	209	225
Investments in subsidiaries		-	-	133.570	126.070
Investments in associates		10.008	9.159	4.198	4.198
Deferred tax assets		2.617	3.442	1.155	738
Available-for-sale financial assets		135	230	135	230
Other non-current assets		2.887	2.674	507	501
		<b>335.420</b>	<b>335.923</b>	<b>283.567</b>	<b>278.463</b>
<b>Current assets</b>					
Inventories		65.408	65.093	21.848	23.256
Trade receivables		59.567	47.500	9.756	6.764
Due from related parties	11	1.789	1.810	16.639	10.901
Income tax receivables		163	561	-	-
Other current assets		14.243	10.396	8.720	6.727
Cash and cash equivalents		48.258	49.573	3.926	24.619
		<b>189.428</b>	<b>174.933</b>	<b>60.889</b>	<b>72.267</b>
<b>Total Assets</b>		<b>524.848</b>	<b>510.856</b>	<b>344.456</b>	<b>350.730</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to owners of the Company</b>					
Share capital		41.426	41.426	41.426	41.426
Share premium		42.329	42.329	42.329	42.329
Treasury shares		(2.959)	(2.268)	(2.959)	(2.268)
Share option plan reserve		2.012	1.760	2.012	1.760
Derivatives valuation reserve		(813)	(170)	(813)	(170)
Other reserves		98.830	102.268	100.698	104.136
Translation of foreign operations		3.123	(6.294)	-	-
Retained earnings		54.854	50.881	5.526	10.797
		<b>238.802</b>	<b>229.932</b>	<b>188.219</b>	<b>198.010</b>
Non-controlling interests		725	1.095	-	-
<b>Total equity</b>		<b>239.527</b>	<b>231.027</b>	<b>188.219</b>	<b>198.010</b>
<b>Non-current liabilities</b>					
Provision for staff leaving indemnities		17.434	17.815	8.469	8.151
Provision for environmental rehabilitation		13.777	13.838	11.299	11.427
Other provisions		2.215	2.424	225	234
Interest-bearing loans and borrowings		89.818	154.788	44.901	102.373
Deferred tax liabilities		15.377	15.300	-	-
Government grants		2.108	1.921	1.705	1.770
Other non-current liabilities		1.116	1.061	119	116
		<b>141.845</b>	<b>207.147</b>	<b>66.718</b>	<b>124.071</b>
<b>Current liabilities</b>					
Trade payables		42.065	33.664	13.574	9.942
Due to related parties	11	2.234	1.864	1.797	1.671
Short-term borrowings		2.288	1.626	-	-
Current portion of long-term interest bearing loans and borrowings		65.066	15.079	57.500	7.500
Income tax liabilities		4.173	2.551	1.478	1.798
Dividends payable		4.497	29	4.497	29
Other current liabilities		23.153	17.869	10.673	7.709
		<b>143.476</b>	<b>72.682</b>	<b>89.519</b>	<b>28.649</b>
<b>Total equity and liabilities</b>		<b>524.848</b>	<b>510.856</b>	<b>344.456</b>	<b>350.730</b>

The accompanying notes are an integral part of these interim condensed financial statements.

**S&B Industrial Minerals S.A.**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2010**  
(Amounts in thousand Euro)

	<b>The Group</b>										
	<b>Attributable to Equity holders of the Company</b>									<b>Non-controlling interests</b>	<b>Total equity</b>
	<b>Share Capital</b>	<b>Share Premium</b>	<b>Treasury Shares</b>	<b>Share option plan reserve</b>	<b>Derivatives valuation reserve</b>	<b>Other reserves</b>	<b>Translation of foreign operations</b>	<b>Retained earnings</b>	<b>Total</b>		
<b>January 1, 2009</b>	<b>31.011</b>	<b>11.596</b>	<b>(1.647)</b>	<b>1.272</b>	<b>(391)</b>	<b>100.483</b>	<b>(6.670)</b>	<b>56.791</b>	<b>192.445</b>	<b>1.334</b>	<b>193.779</b>
- Profit for the period	-	-	-	-	-	-	-	1.852	<b>1.852</b>	(35)	<b>1.817</b>
- Other comprehensive income for the period	-	-	-	-	358	19	525	-	<b>902</b>	11	<b>913</b>
- Total comprehensive income / (loss) for the period	-	-	-	-	<b>358</b>	<b>19</b>	<b>525</b>	<b>1.852</b>	<b>2.754</b>	<b>(24)</b>	<b>2.730</b>
- Dividends distribution	-	-	-	-	-	-	-	(4.962)	<b>(4.962)</b>	-	<b>(4.962)</b>
- Dividends paid to minority shareholders	-	-	-	-	-	-	-	-	-	(24)	<b>(24)</b>
- Share based payment	-	-	-	312	-	-	-	-	<b>312</b>	-	<b>312</b>
-Share capital increase	8	34	-	(46)	-	-	-	-	<b>(4)</b>	-	<b>(4)</b>
-Distribution of shares to personnel	50	209	-	-	-	-	-	-	<b>259</b>	-	<b>259</b>
- Purchase of treasury shares	-	-	(167)	-	-	-	-	-	<b>(167)</b>	-	<b>(167)</b>
-Transfers	-	-	-	-	-	644	-	(651)	<b>(7)</b>	7	-
<b>June 30, 2009</b>	<b>31.069</b>	<b>11.839</b>	<b>(1.814)</b>	<b>1.538</b>	<b>(33)</b>	<b>101.146</b>	<b>(6.145)</b>	<b>53.030</b>	<b>190.630</b>	<b>1.293</b>	<b>191.923</b>
<b>January 1, 2010</b>	<b>41.426</b>	<b>42.329</b>	<b>(2.268)</b>	<b>1.760</b>	<b>(170)</b>	<b>102.268</b>	<b>(6.294)</b>	<b>50.881</b>	<b>229.932</b>	<b>1.095</b>	<b>231.027</b>
- Profit for the period	-	-	-	-	-	-	-	5.619	<b>5.619</b>	(291)	<b>5.328</b>
- Other comprehensive income / (loss) for the period	-	-	-	-	(643)	(73)	9.418	10	<b>8.712</b>	3	<b>8.715</b>
- Total comprehensive income / (loss) for the period	-	-	-	-	<b>(643)</b>	<b>(73)</b>	<b>9.418</b>	<b>5.629</b>	<b>14.331</b>	<b>(288)</b>	<b>14.043</b>
- Dividends distribution	-	-	-	-	-	(3.314)	-	(1.657)	<b>(4.971)</b>	-	<b>(4.971)</b>
- Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(82)	<b>(82)</b>
- Income tax relating to the future distribution of reserves from tax-exempted income	-	-	-	-	-	(51)	-	-	<b>(51)</b>	-	<b>(51)</b>
- Share based payment	-	-	-	252	-	-	-	-	<b>252</b>	-	<b>252</b>
-Purchase of treasury shares	-	-	(691)	-	-	-	-	-	<b>(691)</b>	-	<b>(691)</b>
<b>June 30, 2010</b>	<b>41.426</b>	<b>42.329</b>	<b>(2.959)</b>	<b>2.012</b>	<b>(813)</b>	<b>98.830</b>	<b>3.124</b>	<b>54.853</b>	<b>238.802</b>	<b>725</b>	<b>239.527</b>

The accompanying notes are an integral part of these interim condensed financial statements.

**S&B Industrial Minerals S.A.**  
**SEPARATE STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2010**

(Amounts in thousand Euro)

	<b>The Company</b>							
	<b>Share Capital</b>	<b>Share Premium</b>	<b>Treasury Shares</b>	<b>Share option plan reserve</b>	<b>Derivatives valuation reserve</b>	<b>Other reserves</b>	<b>Retained earnings</b>	<b>Total</b>
<b>January 1, 2009</b>	<b>31.011</b>	<b>11.596</b>	<b>(1.647)</b>	<b>1.272</b>	<b>(391)</b>	<b>102.997</b>	<b>14.804</b>	<b>159.642</b>
- Profit for the period	-	-	-	-	-	-	2.092	<b>2.092</b>
- Other comprehensive income for the period	-	-	-	-	358	19	-	<b>377</b>
- Total comprehensive income for the period	-	-	-	-	<b>358</b>	<b>19</b>	<b>2.092</b>	<b>2.469</b>
- Dividends distribution	-	-	-	-	-	-	(4.962)	<b>(4.962)</b>
- Share based payment	-	-	-	312	-	-	-	<b>312</b>
-Share capital increase	8	34	-	(46)	-	-	-	<b>(4)</b>
-Distribution of shares to personnel	50	209	-	-	-	-	-	<b>259</b>
-Purchase of treasury shares	-	-	(167)	-	-	-	-	<b>(167)</b>
<b>June 30, 2009</b>	<b>31.069</b>	<b>11.839</b>	<b>(1.814)</b>	<b>1.538</b>	<b>(33)</b>	<b>103.016</b>	<b>11.934</b>	<b>157.549</b>
<b>January 1, 2010</b>	<b>41.426</b>	<b>42.329</b>	<b>(2.268)</b>	<b>1.760</b>	<b>(170)</b>	<b>104.136</b>	<b>10.797</b>	<b>198.010</b>
- Loss for the period	-	-	-	-	-	-	(3.614)	<b>(3.614)</b>
- Other comprehensive loss for the period	-	-	-	-	(643)	(73)	-	<b>(716)</b>
- Total comprehensive loss for the period	-	-	-	-	<b>(643)</b>	<b>(73)</b>	<b>(3.614)</b>	<b>(4.330)</b>
- Dividends distribution	-	-	-	-	-	(3.314)	(1.657)	<b>(4.971)</b>
- Income tax relating to the future distribution of reserves from tax-exempted income	-	-	-	-	-	(51)	-	<b>(51)</b>
- Share based payment	-	-	-	252	-	-	-	<b>252</b>
- Purchase of treasury shares	-	-	(691)	-	-	-	-	<b>(691)</b>
<b>June 30, 2010</b>	<b>41.426</b>	<b>42.329</b>	<b>(2.959)</b>	<b>2.012</b>	<b>(813)</b>	<b>100.698</b>	<b>5.526</b>	<b>188.219</b>

The accompanying notes are an integral part of these interim condensed financial statements.

**S&B Industrial Minerals S.A.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2010**  
(Amounts in thousand Euro)

	Note	The Group		The Company	
		1/1 - 30/06	1/1 - 30/06	1/1 - 30/06	1/1 - 30/06
		2010	2009	2010	2009
<b>Cash flows from operating activities</b>					
<b>Profit / (loss) before tax</b>		<b>10.031</b>	<b>2.487</b>	<b>(3.175)</b>	<b>3.054</b>
Adjustments for:					
- Depreciation and amortization		15.730	12.125	9.546	5.867
- Grants amortization		(77)	(75)	(65)	(75)
- Provisions, net		1.439	(512)	644	(737)
- Finance income		(1.194)	(1.036)	(1.165)	(876)
- Finance costs		3.408	5.355	2.347	3.863
- Investment income (net of foreign taxes)		-	-	(205)	(291)
- Share of (profit) / losses of associates		(415)	141	-	-
- Gain from the disposal of associates		-	(708)	-	(699)
- Gain from the disposal of property, plant and equipment		(74)	(142)	-	(71)
		<b>28.848</b>	<b>17.635</b>	<b>7.927</b>	<b>10.035</b>
(Increase) / Decrease in:					
- Inventories		(137)	16.136	1.626	2.617
- Trade receivables		(12.649)	6.296	(3.079)	6.179
- Due from related parties		(528)	1.007	(6.287)	4.723
- Other assets		(4.061)	2.420	(2.000)	879
Increase / (Decrease) in:					
- Trade payables		8.400	1.500	3.632	1.649
- Due to related parties		370	668	126	48
- Other liabilities		3.939	4.284	1.720	2.914
Staff leaving indemnities paid		(1.598)	(581)	(574)	(280)
Payments for environmental rehabilitation		(405)	(406)	(384)	(367)
Income tax paid		(1.815)	(1.688)	(1.094)	(1.464)
<b>Net cash flows from operating activities</b>		<b>20.364</b>	<b>47.271</b>	<b>1.613</b>	<b>26.933</b>
<b>Cash flows from investing activities</b>					
- Capital expenditure	12	(9.890)	(12.896)	(7.031)	(9.893)
- Capitalized depreciation	12	244	297	244	297
- Business combinations and investments in consolidated entities		(615)	(768)	(7.500)	(200)
- Proceeds from the sale of associate		550	550	550	550
- Dividends received		32	171	124	221
- Interest and other finance income received		300	109	191	17
- Proceeds from the settlement of derivatives		80	176	80	176
- Government grants received		264	104	-	-
- Proceeds from the disposal of property, plant and equipment		86	250	-	72
<b>Net cash flows used in investing activities</b>		<b>(8.949)</b>	<b>(12.007)</b>	<b>(13.342)</b>	<b>(8.760)</b>
<b>Cash flows used in financing activities:</b>					
- Purchase of treasury shares		(691)	(167)	(691)	(167)
- Net increase/ (decrease) of short-term borrowings		662	(8.388)	-	(9.101)
- Proceeds from long-term borrowings		-	50.000	-	42.500
- Repayment of long-term borrowings		(15.000)	(53.000)	(7.500)	(38.000)
- Dividends paid to the Equity holders of the Company, net of taxes		(5)	(13)	(5)	(13)
- Dividends paid to minority interests		(97)	(24)	-	-
- Payments for the settlement of derivatives		-	(1.632)	-	(1.632)
- Interest and other finance costs paid		(2.534)	(5.082)	(1.742)	(3.742)
<b>Net cash flows used in financing activities</b>		<b>(17.665)</b>	<b>(18.306)</b>	<b>(9.938)</b>	<b>(10.155)</b>
- Net foreign exchange difference on cash flows		3.290	324	974	228
<b>Net (decrease) / increase in cash and cash equivalents</b>		<b>(2.960)</b>	<b>17.282</b>	<b>(20.693)</b>	<b>8.246</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>49.573</b>	<b>13.434</b>	<b>24.619</b>	<b>879</b>
- Net foreign exchange difference on cash and cash equivalents at the beginning of the period		1.645	(99)	-	-
<b>Cash and cash equivalents at period end</b>		<b>48.258</b>	<b>30.617</b>	<b>3.926</b>	<b>9.125</b>

The accompanying notes are an integral part of these interim condensed financial statements.

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**D2. NOTES TO THE INTERIM  
CONDENSED FINANCIAL  
STATEMENTS**

**S&B Industrial Minerals S.A.**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**AS OF JUNE 30, 2010**

(Amounts in thousand Euro, unless otherwise stated)

**1. CORPORATE INFORMATION AND ACTIVITIES**

The S&B Industrial Minerals S.A. Group of companies (“the Group” or “S&B”) is a Group of companies mainly engaged, through the Greek company S&B Industrial Minerals S.A. (“the Company”) and its subsidiaries, in the extraction, processing, distribution and supply of industrial minerals, the production, distribution and supply of fluxes, the exploration for renewable sources of energy and the management and development of real estate property.

The activities of industrial minerals are related to bentonite, perlite, and bauxite products, to continuous casting fluxes (stollberg) and trading mineral applications such as wollastonite, spodumene, calcined chamotte etc. The principal activities are described in more detail in Note 14.

The Company was incorporated in Greece in 1934 and, since 1994, its shares are quoted on the Athens Stock Exchange. The S&B headquarters are located in Kifissia, Attica, 15 A. Metaxa street, P.C. 145 64, Greece. In 1978, the Shareholders Ordinary General Assembly extended the duration of the Company by 50 years up to 2034.

As of June 30, 2010 and 2009 the Group employed 2.006 and 2.086 employees, respectively, while the Company employed 636 and 689 employees, respectively.

**2. BASIS OF PREPARATION OF INTERIM CONDENSED FINANCIAL STATEMENTS**

The accompanying interim condensed consolidated and separate financial statements (hereinafter referred to as “the financial statements”) have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as endorsed by the European Union, and explicitly with the provisions of IAS 34 “Interim Financial Reporting”.

The financial statements are in accordance with the valid provisions of Corporate Law 2190/1920. There are no standards applied earlier from their effective date. Moreover, the financial statements have been prepared under the historical cost convention, except for financial instruments and available for sale financial assets which are measured at fair value. All amounts in the financial statements are presented in thousand of Euro (“€”) and are rounded to the nearest thousand, unless otherwise stated.

The financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the latest issued annual financial statements as at December 31, 2009.

The financial statements for the six month period ended June 30, 2010 were approved by the Company’s Board of Directors on August 27, 2010.

**S&B Industrial Minerals S.A.**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**AS OF JUNE 30, 2010**

(Amounts in thousand Euro, unless otherwise stated)

### **3. PRINCIPAL ACCOUNTING POLICIES**

The principal accounting policies adopted in the preparation of the interim financial statements, are consistent with those followed in the preparation of the annual financial statements for the year ended December 31, 2009, except for the adoption of new standards and interpretations as of January 1, 2010, as noted below:

- **IFRS 2 “Group Cash-settled Share-based Payment Transactions” (Amended):** This amendment clarifies the accounting for group cash-settled share-based payment transactions and how such transactions should be arranged in the individual financial statements of the subsidiary. The adoption of this amendment did not have any impact on the financial position or performance of the Group.
- **IFRS 3, “Business Combinations” (Revised) and IAS 27, “Consolidated and Separate Financial Statements” (Amended):** The Group applies the new standards as of January 1, 2010. The revised IFRS 3 introduces a number of changes in the accounting for business combinations which will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs and future reported results. Such changes include the expensing of acquisition-related costs and recognising subsequent changes in fair value of contingent consideration in the profit or loss (rather than by adjusting goodwill). The amended IAS 27 requires that a change in ownership interest of a subsidiary is accounted for as an equity transaction. Therefore such a change will have no impact on goodwill, nor will it give rise to a gain or loss. Furthermore the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. All the changes introduced by IFRS 3 (Revised) and IAS 27 (Amendment) will affect future acquisitions and transactions with non-controlling interests.
- **IAS 39 “Financial Instruments: Recognition and Measurement” - Eligible Hedged Items:** The amendment clarifies that an entity is permitted to designate a portion of the fair value changes or cash flow variability of a financial instrument as hedged item. This also covers the designation of inflation as a hedged risk or portion in particular situations. The amendment had no impact on the financial statements of the Group, as it has not entered into any such hedges.
- **IFRIC 17 “Distributions of Non-cash Assets to Owners”:** The interpretation provides guidance on how to account for non-cash distributions to owners. The interpretation clarifies when to recognize a liability, how to measure it and the associated assets, and when to derecognize the asset and liability. The interpretation had no impact on the financial statements as the Group has not made any non-cash distributions to shareholders.

In April 2009, the IASB issued its second omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard.

- **IFRS 8 “Operating Segment Information”:** Clarifies that segment assets and liabilities need only be reported when those assets and liabilities are included in measures that are used by the chief operating decision maker. As the Group’s chief operating decision maker does review segment assets and liabilities, the Group has continued to disclose this information in Note 14.

**S&B Industrial Minerals S.A.**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**AS OF JUNE 30, 2010**

(Amounts in thousand Euro, unless otherwise stated)

**3. PRINCIPAL ACCOUNTING POLICIES (continued)**

Other amendments resulting from improvements to IFRSs to the following standards did not have any impact on the accounting policies, financial position or performance of the Group:

- IFRS 2 “Share-based Payment”
- IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations”
- IAS 1 “Presentation of Financial Statements”
- IAS 7 “Statement of Cash Flows”
- IAS 17 “Leases”
- IAS 18 “Revenue”
- IAS 36 “Impairment of Assets”
- IAS 38 “Intangible Assets”
- IAS 39 “Financial Instruments: Recognition and Measurement”
- IFRIC 9 “Reassessment of Embedded Derivatives”
- IFRIC 16 “Hedges of a Net Investment in a Foreign Operation”

In May 2010, the IASB issued its third omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. The effective dates of the improvements are various and the earliest is for the financial year beginning 1 July 2010. Early application is permitted in all cases and this annual improvements project has not yet been endorsed by the EU.

- IFRS 3 “Business Combinations”
- IFRS 7 “Financial Instruments: Disclosures”
- IAS 1 “Presentation of Financial Statements”
- IAS 27 “Consolidated and Separate Financial Statements”
- IAS 34 “Interim Financial Reporting”
- IFRS 1 “First-time adoption”
- IFRIC 13 “Customer Loyalty Programmes”

The management of the Group is in the process of assessing the impact of the third omnibus on the financial statements.

The Group has not early adopted any other standard, interpretation or amendment that was issued but is not yet effective.

**S&B Industrial Minerals S.A.**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**AS OF JUNE 30, 2010**

(Amounts in thousand Euro, unless otherwise stated)

**4. ENTITIES INCLUDED IN THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

**4.1 Consolidation under the full method**

The subsidiaries of S&B included in the interim consolidated financial statements are the following:

Entity	Country	Field of activity	% Participation		Year Established / Acquired
			30/6/2010	31/12/2009	
<b>EUROPE</b>					
S&B Industrial Minerals AD	Bulgaria	Industrial Minerals	99,73%	99,73%	2003
Sibimin Overseas Ltd.	Cyprus	Industrial Minerals	99,99%	99,99%	1996
Cape Trahilas Enterprises Ltd.	Cyprus	Real Estate	75,00%	75,00%	2007
Cape Trahilas One Ltd.	Cyprus	Real Estate	75,00%	75,00%	2007
Cape Trahilas Two Ltd.	Cyprus	Real Estate	75,00%	75,00%	2007
Asian Minerals Ltd.	Cyprus	Holding	100,00%	100,00%	2006
S&B Industrial Minerals S.A.R.L.	France	Industrial Minerals	100,00%	100,00%	2001
Denain Anzin Metallurgie S.A.S.	France	Industrial Minerals	100,00%	100,00%	2004
S&B Industrial Minerals GmbH	Germany	Industrial Minerals	100,00%	100,00%	2001
S&B Holding GmbH	Germany	Holding	100,00%	100,00%	1992
SLS Baustoffe GmbH	Germany	Industrial Minerals	75,00%	75,00%	2001
Askana Ltd.	Georgia	Industrial Minerals	97,70%	97,70%	1998
Isocon S.A.	Greece	Industrial Minerals	60,00%	60,00%	1996
Greek Helicon Bauxites S.A.	Greece	Industrial Minerals	100,00%	100,00%	1995
Cape Trahilas One S.A.	Greece	Real Estate	75,00%	75,00%	2007
Cape Trahilas Two S.A.	Greece	Real Estate	75,00%	75,00%	2007
Cape Trahilas Three S.A.	Greece	Real Estate	75,00%	75,00%	2009
S&B Industrial Minerals Kft	Hungary	Industrial Minerals	100,00%	100,00%	2001
Sarda Perlite S.r.l.	Italy	Industrial Minerals	61,00%	61,00%	2001
S&B Industrial Minerals SP Z.O.O.	Poland	Industrial Minerals	100,00%	100,00%	2006
S&B Industrial Minerals Spain S.L.u.	Spain	Industrial Minerals	100,00%	100,00%	2000
<b>AMERICA</b>					
Stollberg do Brazil Ltda.	Brazil	Industrial Minerals	100,00%	100,00%	2004
Milos Island Resort Ltd.	B.V.I.	Real Estate	75,00%	75,00%	2009
S&B Industrial Minerals North America Inc.	U.S.A.	Industrial Minerals	100,00%	100,00%	1999
Stollberg Inc.	U.S.A.	Industrial Minerals	100,00%	100,00%	2004
<b>ASIA</b>					
S&B Industrial Minerals (Henan) Co. Ltd.	China	Industrial Minerals	100,00%	100,00%	1996
Guizhou S&B New-Typed Material Co. Ltd.	China	Industrial Minerals	100,00%	100,00%	2009
S&B Jilin Wollastonite Co Ltd.	China	Industrial Minerals	100,00%	100,00%	2005
S&B Industrial Minerals (Tianjin) Co. Ltd.	China	Industrial Minerals	100,00%	100,00%	2006
Panshi Huanyu Wollastonite Co. Ltd.	China	Industrial Minerals	100,00%	100,00%	2007
Stollberg India Pvt. Ltd.	India	Industrial Minerals	100,00%	100,00%	2004
S&B Endustriyel Mineraller A.Ş.	Turkey	Industrial Minerals	99,78%	99,72%	1996
Pabalk Maden A.Ş.	Turkey	Industrial Minerals	98,73%	98,73%	1995
<b>AFRICA</b>					
Naimex S.A.R.L.	Morocco	Industrial Minerals	100,00%	100,00%	2003
S&B Ind. Min. Morocco S.A.R.L.	Morocco	Industrial Minerals	100,00%	100,00%	2008

**S&B Industrial Minerals S.A.**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**AS OF JUNE 30, 2010**

(Amounts in thousand Euro, unless otherwise stated)

**4. ENTITIES INCLUDED IN THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**(continued)**

**4.2 Consolidation under the proportionate method**

The jointly controlled entities of S&B included in the interim consolidated financial statements are the following:

Entity	Country	Field of activity	% Participation		Year Established / Acquired
			30/6/2010	31/12/2009	
<b>EUROPE</b>					
Orykton GmbH	Germany	Industrial Minerals	50,00%	50,00%	2005
Cebo International B.V.	Netherlands	Holding	50,00%	50,00%	2007
Cebo Holland B.V.	Netherlands	Industrial Minerals	50,00%	50,00%	2007
Cebo Marine B.V.	Netherlands	Industrial Minerals	50,00%	50,00%	2007
Cebo U.K. Ltd.	G.Britain	Industrial Minerals	50,00%	50,00%	2007
<b>ASIA</b>					
Stollberg & Samil Co. Ltd.	Korea	Industrial Minerals	50,00%	50,00%	2004
Qing Dao Stollberg & Samil Co.Ltd. <sup>(1)</sup>	China	Industrial Minerals	48,32%	48,32%	2004

**Footnotes**

1. Qing Dao Stollberg & Samil Co.Ltd. is fully consolidated in the parent company's financial statements, namely Stollberg & Samil Co. Ltd, (96,64% interest).

**4.3 Equity method entities**

Entities consolidated under the equity method of accounting are the following:

Associate	Country	Field of activity	% Participation		Year Established / Acquired
			30/6/2010	31/12/2009	
Laviosa Chimica Mineraria S.p.A.	Italy	Industrial Minerals	35,00%	35,00%	1997
Laviosa Sanayi Ve Ticaret Ltd. <sup>(1)</sup>	Turkey	Industrial Minerals	35,00%	35,00%	2008
Laviosa Trimex Industries Ltd. <sup>(1)</sup>	India	Industrial Minerals	19,00%	19,00%	2009
Bentec S.p.A. <sup>(1)</sup>	Italy	Industrial Minerals	35,00%	35,00%	1999
Laviosa Promasa S.A <sup>(2)</sup>	Spain	Industrial Minerals	29,52%	29,52%	1997
Xinyang- Athenian Mining Co. Ltd. (XAMCO)	China	Industrial Minerals	25,00%	25,00%	1996
Angang Stollberg & Samil Co. Ltd. <sup>(3)</sup>	China	Industrial Minerals	25,00%	-	2010
Protovoulia Milos S.A.	Greece	Other activities	43,07%	43,07%	2007

**Footnotes**

1. Laviosa Sanayi Ve Ticaret Ltd., Laviosa Trimex Industries Ltd. and Bentec S.p.A. are fully consolidated in their parent's, Laviosa Chimica Mineraria S.p.A., financial statements (participation interest 100%, 55% and 100%, respectively).
2. The Company holds a direct participation interest of 20,10% in the associate Laviosa Promasa S.A. whereas the aggregate interest stated at the above table, derives indirectly due to the fact that the above mentioned company is also consolidated in the financial statements of Laviosa Chimica Mineraria S.p.A.
3. Angang Stollberg & Samil Co. Ltd is consolidated under the equity method in its parent's, Stollberg & Samil Co. Ltd, financial statements (participation interest 50%). For more details see Note 4 below.

**S&B Industrial Minerals S.A.**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**AS OF JUNE 30, 2010**

(Amounts in thousand Euro, unless otherwise stated)

**4. ENTITIES INCLUDED IN THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**(continued)**

On January 26, 2010 the Group signed an agreement for the establishment of a 30 year joint venture with the Angang Industry Group Co. Ltd., in the northern part of China (Liaoning Province). The agreement has been signed between Stollberg & Samil Co. Ltd, an existing jointly controlled entity of S&B in Korea, and the Angang Industry Group Co. Ltd., an affiliate of Angang Steel Co. Ltd. (Angang). The total investment amounts to USD 6 million. S&B's proportionate participation at Group level is USD 1,5 million out of which USD 0,8 million (€ 0,6 million) was paid as of June 30, 2010. The purpose of the newly formed joint venture is to create an in-house supply of metallurgical fluxes for the steel production division of Angang. Within this scope, a new plant will be established in proximity of Angang's steel plant in the area. The new plant is expected to be operational in the fourth quarter of 2010.

In the second quarter of 2010, S&B Holding GmbH increased its share capital by € 7.500, an amount which was fully paid by S&B Industrial Minerals S.A. in June 2010.

**S&B Industrial Minerals S.A.**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**AS OF JUNE 30, 2010**

(Amounts in thousand Euro, unless otherwise stated)

**5. SALES**

Sales in the interim financial statements are analyzed as follows:

	<b>The Group</b>			
	<b>1/1-30/06</b>	<b>1/1-30/06</b>	<b>1/4-30/6</b>	<b>1/4-30/6</b>
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
Bentonite	91.270	74.877	48.702	37.393
Perlite	34.205	31.470	18.713	16.088
Bauxite	14.624	12.883	7.616	6.234
Continuous casting fluxes	45.896	26.366	24.005	13.433
Minerals trading	17.021	11.550	9.001	4.693
Other	676	475	423	223
	<b>203.692</b>	<b>157.621</b>	<b>108.460</b>	<b>78.064</b>
	<b>The Company</b>			
	<b>1/1-30/06</b>	<b>1/1-30/06</b>	<b>1/4-30/6</b>	<b>1/4-30/6</b>
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
Bentonite	31.759	24.584	18.738	12.198
Perlite	17.805	14.595	9.358	7.044
Bauxite	14.624	12.883	7.616	6.234
Other	676	475	423	223
	<b>64.864</b>	<b>52.537</b>	<b>36.135</b>	<b>25.699</b>

**6. FINANCE INCOME**

Finance income in the interim financial statements is analyzed as follows:

	<b>The Group</b>			
	<b>1/1-30/06</b>	<b>1/1-30/06</b>	<b>1/4-30/6</b>	<b>1/4-30/6</b>
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
Foreign exchange gains, net	894	275	664	(589)
Gains from valuation and settlement of derivatives on freights	-	631	-	575
Interest income	300	109	227	60
Other	-	21	-	21
	<b>1.194</b>	<b>1.036</b>	<b>891</b>	<b>67</b>
	<b>The Company</b>			
	<b>1/1-30/06</b>	<b>1/1-30/06</b>	<b>1/4-30/6</b>	<b>1/4-30/6</b>
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
Foreign exchange gains, net	974	228	690	(251)
Gains from valuation and settlement of derivatives on freights	-	631	-	575
Interest income	191	17	166	16
	<b>1.165</b>	<b>876</b>	<b>856</b>	<b>340</b>

**S&B Industrial Minerals S.A.**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**AS OF JUNE 30, 2010**

(Amounts in thousand Euro, unless otherwise stated)

**7. FINANCE COSTS**

Finance costs in the interim financial statements are analyzed as follows:

	<b>The Group</b>			
	<b>1/1-30/06 2010</b>	<b>1/1-30/06 2009</b>	<b>1/4-30/6 2010</b>	<b>1/4-30/6 2009</b>
Interest expense on long term loans and borrowings	1.519	2.897	625	1.417
Interest expense on short term borrowings	712	951	396	135
Losses from valuation and settlement of derivatives on oil	-	328	-	100
Finance cost of environmental rehabilitation provision	353	323	177	237
Finance cost of staff leaving indemnities provision	486	519	243	261
Bank charges	282	273	134	118
Amortization of loan expenses	56	64	28	32
	<b>3.408</b>	<b>5.355</b>	<b>1.603</b>	<b>2.300</b>
	<b>The Company</b>			
	<b>1/1-30/06 2010</b>	<b>1/1-30/06 2009</b>	<b>1/4-30/6 2010</b>	<b>1/4-30/6 2009</b>
Interest expense on long term loans and borrowings	958	2.004	391	1.051
Interest expense on short term borrowings	642	764	357	49
Losses from valuation and settlement of derivatives on oil	-	328	-	100
Finance cost of environmental rehabilitation provision	329	302	164	216
Finance cost of staff leaving indemnities provision	255	272	127	136
Bank charges	135	161	38	46
Amortization of loan expenses	28	32	14	16
	<b>2.347</b>	<b>3.863</b>	<b>1.091</b>	<b>1.614</b>

**S&B Industrial Minerals S.A.**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**AS OF JUNE 30, 2010**

(Amounts in thousand Euro, unless otherwise stated)

**8. INCOME TAX (CURRENT AND DEFERRED)**

Income tax in the interim financial statements is analyzed as follows:

	<b>The Group</b>			
	<b>1/1-30/06</b>	<b>1/1-30/06</b>	<b>1/4-30/6</b>	<b>1/4-30/6</b>
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
Current income tax	3.833	1.101	2.429	231
Deferred income tax expense / (income)	870	(431)	211	(37)
	<b>4.703</b>	<b>670</b>	<b>2.640</b>	<b>194</b>
	<b>The Company</b>			
	<b>1/1-30/06</b>	<b>1/1-30/06</b>	<b>1/4-30/6</b>	<b>1/4-30/6</b>
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
Current income tax	634	595	634	116
Deferred income tax (income) / expense	(195)	367	(82)	341
	<b>439</b>	<b>962</b>	<b>552</b>	<b>457</b>

**S&B Industrial Minerals S.A.**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**AS OF JUNE 30, 2010**

(Amounts in thousand Euro, unless otherwise stated)

**8. INCOME TAX (CURRENT AND DEFERRED) (continued)**

The unaudited tax years of each company of the Group are as follows:

<b>Entity</b>	<b>Footnote</b>	<b>Country</b>	<b>Unaudited tax years</b>
<b>EUROPE</b>			
S&B Industrial Minerals AD		Bulgaria	2007-2009
S&B Industrial Minerals S.A.R.L.		France	2009
Denain Anzin Metallurgie S.A.S.		France	2006-2009
S&B Industrial Minerals GmbH		Germany	2006-2009
S&B Holding GmbH		Germany	2006-2009
SLS Baustoffe GmbH		Germany	2004-2009
Orykton GmbH		Germany	2005-2009
Askana Ltd.		Georgia	2003-2009
S&B Industrial Minerals S.A.	(3)	Greece	2009
Isocon S.A.		Greece	2007-2009
Greek Helicon Bauxites S.A.		Greece	2007-2009
Cape Trahilas One S.A.		Greece	2007-2009
Cape Trahilas Two S.A.		Greece	2007-2009
Cape Trahilas Three S.A.		Greece	2008-2009
S&B Industrial Minerals Spain S.L.u.		Spain	2004-2009
Sarda Perlite S.r.l.		Italy	2000-2009
Sibimin Overseas Ltd.		Cyprus	2004-2009
Asian Minerals Ltd.		Cyprus	2006-2009
Cape Trahilas Enterprises Ltd.		Cyprus	2007-2009
Cape Trahilas One Ltd.		Cyprus	2007-2009
Cape Trahilas Two Ltd.		Cyprus	2007-2009
Cebo International B.V.	(2)	Netherlands	2002-2009
Cebo Holland B.V.	(2)	Netherlands	2002-2009
Cebo Marine B.V.	(2)	Netherlands	2002-2009
Cebo U.K. Ltd.	(2)	G. Britain	2002-2009
S&B Industrial Minerals Kft.		Hungary	2002-2009
S&B Industrial Minerals SP Z.O.O.		Poland	2008-2009
<b>AMERICA</b>			
S&B Industrial Minerals North America Inc.	(1)	U.S.A.	2006-2009
Stollberg Inc.	(1)	U.S.A.	2006-2009
Stollberg do Brazil Ltda	(2)	Brazil	2002-2009
Milos Island Resort Ltd.		B.V.I.	2009
<b>ASIA</b>			
S&B Industrial Minerals (Henan) Co. Ltd.		China	2008-2009
S&B Jilin Wollastonite Co Ltd.		China	2005-2009
S&B Industrial Minerals (Tianjin) Co. Ltd.		China	2006-2009
Panshi Huanyu Wollastonite Co. Ltd.		China	2007-2009
Qing Dao Stollberg & Samil Co.Ltd.		China	2008-2009
S&B Endustriyel Mineraller A.Ş.		Turkey	2004-2009
Pabalk Maden A.Ş.		Turkey	2004-2009
Stollberg India Pvt. Ltd.		India	2009
Stollberg & Samil Co. Ltd.	(2)	Korea	2005-2009
<b>AFRICA</b>			
Naimex S.A.R.L.		Morocco	2006-2009
S&B Ind. Min. Morocco S.A.R.L.		Morocco	2008-2009

**Footnotes:**

- (1) These entities are currently being audited from the tax authorities for the year 2008.
- (2) The potential tax liabilities that may come up from a future tax audit until fiscal year 2003 for the companies of Stollberg Group and until fiscal year 2006 for the companies of Cebo Group, based on the acquisition agreement, are covered by the seller.
- (3) Within 2010, the tax authorities concluded ordinary tax audit of the Company for fiscal year 2008. An amount of € 424 of additional taxes was assessed, out of which € 182 were charged to the current period income statement. Within 2009, the

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tax authorities concluded the tax audits of the Company as well as the merged company Parnassos Insurance S.A. for the fiscal years 2006-2007. An amount of € 490 of additional taxes was assessed, out of which € 21 were charged to the comparative period's income statement.

## **9. EXISTING LIENS**

No liens exist on the Group's and the Company's assets.

## **10. PENDING LITIGATION AND ARBITRATION**

The Group is a party to various lawsuits and arbitration proceedings in the normal course of business, against which the Group has provided for an amount of € 509 and € 709 as of June 30, 2010 and December 31, 2009, respectively, (€ 404 and € 404 as of June 30, 2010, and December 31, 2009, respectively, for the Company) in the financial statements.

Moreover, by its decisions 8778/07 and 8779/07 the Hellenic Ministry for the Environment, Energy and Climate Change imposed penalties of € 224 and € 168, respectively, to the Company in 2007. The related amounts were paid in 2008. Furthermore, the Company appealed the above decisions before the Administrative Court of Athens which by its decisions 1630/2008 and 1631/2008 accepted the appeals and rejected the initial decisions of the Hellenic Ministry for the Environment, Energy and Climate Change. The above amounts were remitted to the Company in 2009. The pertinent authorities have repeated the procedure and by their decisions 2589/9.7.10 and 2588/9.7.10 have imposed to the Company the same amount of penalties € 224 and € 168, respectively. The amounts were provided for in the June 30, 2010 financial statements. However, following the related payment in the second half of 2010, the Company will appeal against the above decisions before the Administrative Court of Athens.

Except for these cases, for which the above amounts were considered in the interim financial statements of the Group and the Company respectively, the Group's Management believes that the outcome of any remaining litigation is not expected to have a material adverse effect on the Group's and the Company's financial position and operations.

## **11. RELATED PARTY TRANSACTIONS**

Transactions with related parties are made at arm's length and mainly relate to operating and partly to investing activities. Outstanding balances at the year-end are unsecured, interest free and are settled in cash within the timeframe agreed. The guarantees provided by the Company to its subsidiaries as of June 30, 2010 and December 31, 2009 are analyzed in Note 13. Company's Management has not provided against the receivables due from its subsidiaries or associates as it does not anticipate any doubtfulness of such receivables, except for the case of Askana Ltd. against which a provision for doubtful debts has been established in 2008. Intra-group balances and transactions among fully consolidated subsidiaries have been fully eliminated in the financial statements of the Group.



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**11. RELATED PARTY TRANSACTIONS (continued)**

The following tables present balances due to and from related parties as well as revenues and expenses with them for the Company:

	<b>The Company</b>			
	<b>Due from</b>		<b>Due to</b>	
	<b>June 30 2010</b>	<b>December 31 2009</b>	<b>June 30 2010</b>	<b>December 31 2009</b>
<b><u>Direct subsidiaries</u></b>				
Isocon S.A.	1.870	2.380	-	-
S&B Holding GmbH.	319	-	-	-
Sarda Perlite S.r.l.	31	-	367	511
Sibimin Overseas Ltd.	7	6	-	-
Greek Helicon Bauxite S.A.	2	13	867	705
	<b>2.229</b>	<b>2.399</b>	<b>1.234</b>	<b>1.216</b>
<b><u>Indirect subsidiaries</u></b>				
S&B Industrial Minerals GmbH	7.492	4.525	-	-
S&B Industrial Minerals North America Inc.	2.402	317	8	4
S&B Industrial Minerals S.A.R.L.	3.263	888	-	-
S&B Industrial Minerals Spain S.L.u.	181	712	-	-
S&B Endustriyel Mineraller A.S.	330	453	-	-
S&B Industrial Minerals (Henan) Co. Ltd.	10	8	6	6
S&B Industrial Minerals A.D.	-	-	549	442
Cape Trahilas Three S.A.	6	2	-	-
	<b>13.684</b>	<b>6.905</b>	<b>563</b>	<b>452</b>
<b><u>Associates</u></b>				
Laviosa Promasa S.A.	430	366	-	-
Laviosa Chimica Mineraria S.p.A.	20	662	-	-
	<b>450</b>	<b>1.028</b>	<b>-</b>	<b>-</b>
<b><u>Other related companies</u></b>				
Motodynamics S.A., Group of companies	41	39	-	-
Cebo International B.V.	201	478	-	-
ORYMIL S.A.	33	33	-	-
Other	1	19	-	3
	<b>276</b>	<b>569</b>	<b>-</b>	<b>3</b>
	<b>16.639</b>	<b>10.901</b>	<b>1.797</b>	<b>1.671</b>

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**11. RELATED PARTY TRANSACTIONS (continued)**

	<b>The Company</b>			
	<b>Revenues</b>		<b>Expenses</b>	
	<b>1/1-30/06 2010</b>	<b>1/1-30/06 2009</b>	<b>1/1-30/06 2010</b>	<b>1/1-30/06 2009</b>
<b><u>Direct subsidiaries</u></b>				
Isocon S.A.	1.100	1.468	-	-
S&B Holding GmbH	319	319	-	-
Sarda Perlite S.r.l.	122	-	175	186
Sibimin Overseas Ltd.	14	11	-	-
Greek Helicon Bauxite S.A.	4	1	262	388
	<b>1.559</b>	<b>1.799</b>	<b>437</b>	<b>574</b>
<b><u>Indirect subsidiaries</u></b>				
S&B Industrial Minerals GmbH	10.406	9.231	-	-
S&B Industrial Minerals North America Inc.	8.611	5.743	2	-
S&B Industrial Minerals S.A.R.L.	2.375	1.895	-	-
S&B Industrial Minerals Spain S.L.u.	181	319	-	-
Stollberg Inc.	106	103	-	-
S&B Endustriyel Mineraller A.S.	413	248	-	-
S&B Industrial Minerals AD	4	13	107	522
Cape Trahilas Enterprises Ltd.	-	263	-	-
Other	4	-	-	-
	<b>22.100</b>	<b>17.815</b>	<b>109</b>	<b>522</b>
<b><u>Associates</u></b>				
Laviosa Promasa S.A.	1.247	315	-	-
Laviosa Chimica Mineraria S.p.A.	40	398	-	-
	<b>1.287</b>	<b>713</b>	<b>-</b>	<b>-</b>
<b><u>Other related companies</u></b>				
Cebo International B.V.	2.336	1.275	-	-
Motodynamics S.A., Group of companies	-	358	-	-
ORYMIL S.A.	-	-	17	16
Other	7	-	30	29
	<b>2.343</b>	<b>1.633</b>	<b>47</b>	<b>45</b>
	<b>27.289</b>	<b>21.960</b>	<b>593</b>	<b>1.141</b>

Transactions and compensation of key management personnel and Board members of the Group for the six month period ended June 30, 2010 amounted to € 2.698 (€ 1.970 for the six month period ended June 30, 2009). Balances due to key management and Board members as of June 30, 2010 amounted to € 929 (€ 852 as of December 31, 2009).

Finally, transactions and compensation of key management and Board members of the Company for the six month period ended June 30, 2010 amounted to € 2.516 (€ 1.706 for the six month period ended June 30, 2009). Balances due to key management and Board members as of June 30, 2010 amounted to € 879 (€ 755 as of December 31, 2009).

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## **12. CAPITAL EXPENDITURE**

The Group realized capital expenditure for the six month periods ended June 30, 2010 and 2009 of € 9.646 and € 12.599, respectively, excluding the acquisitions through business combinations (the Company realized € 6.787 and € 9.596, respectively).

## **13. CONTINGENCIES - COMMITMENTS**

On June 30, 2010 and December 31, 2009 the Group has issued letters of guarantee for a total amount of € 7,3 million and € 6,1 million, respectively, while the Company has issued letters of guarantee for a total amount of € 2,9 million and € 2,7 million, respectively, relating mainly to mining rights and licenses. Further to the above, the Company as of June 30, 2010 had issued corporate guarantees to banks in favor of certain subsidiaries for the issuance of bank loans to them for a total amount of € 64,0 million (€ 76,0 million as of December 31, 2009).

## **14. SEGMENT INFORMATION**

For management purposes, the Group is organized into divisions based on the nature of the industrial mineral applications. The Group has five reportable profit generating segments which are independently managed, plus the Corporate segment. This external segment reporting is based on the Group's internal organizational and management structure and on key figures of internal financial reporting to the chief operating decision maker who is considered to be the Chief Executive Officer. Therefore, the Group's reportable operating segments are summarized as follows:

- **Bentonite segment:** the Bentonite segment supplies bentonite, zeolite, coal and other additives to a wide range of applications, such as foundry sand castings, iron ore pelletising, civil engineering projects, cat litter, paper manufacturing and animal feed. Bentonite is clay with strong colloidal properties, which increases in volume several times when coming into contact with water, creating a gelatinous substance, useful for its binding and rheological properties.
- **Perlite segment:** perlite is a natural volcanic glassy material formed by rapidly cooled lava that trapped water within its mass, thereby giving perlite its most important physical property, the ability to expand and increase its volume. Perlite has thermal and acoustic insulation properties, as well as high porosity making it an excellent lightweight aggregate, hydroponics media and significant component of acoustical tiles.
- **Bauxite segment:** bauxite is the basic raw material in the production of alumina. The Group leases and owns bauxite mines in the Parnassos and Giona mountain regions in central Greece, and in Italy. The bauxite reserves are of diasporic and boehmitic type.
- **Continuous Casting Fluxes (C.C.F.) segment:** C.C.F. segment supplies continuous casting fluxes, associated products, and services for the steel industry. Fluxes have a complex composition and are engineered to satisfy the customer needs. They are essential for the operational reliability and high-grade steel production in continuous casting, bottom pouring, ladle and tundish processes.

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**14. SEGMENT INFORMATION (continued)**

- **Minerals trading segment:** the Minerals trading segment is a supplier of industrial minerals for the glass, ceramic, metallurgy and refractory industries. Minerals trading segment produces customized products under strict quality control by using its own crushing and milling facilities.
- The **Corporate segment** incorporates all corporate activities, including the exploration for renewable sources of energy and the management and development of real estate property.

No operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of each segment separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on sales, profit / (loss) before tax and Earnings Before Interest Taxes Depreciation and Amortization ("EBITDA"). It is noted that the Group applies the same accounting policies as those in the financial statements in order to measure the operating segment's results. Group financing, including finance costs (other than the finance costs of provisions for environmental rehabilitation and staff leaving indemnities) and finance income, as well as income taxes are measured on a group basis and are included in corporate segment without being allocated to the profit generating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties. Inter-segment sales are eliminated on consolidation.

The following tables present sales and results regarding the Group's operating segments for the six month periods ended June 30, 2010 and 2009, respectively:

	1/1-30/06/2010				
	Sales			Results	
	Third party	Inter-segment	Total sales	Profit / (loss) before tax	EBITDA
<b>Bentonite</b>	91.270	92	<b>91.362</b>	17.776	22.749
<b>Perlite</b>	34.205	33	<b>34.238</b>	2.417	4.353
<b>Bauxite</b>	14.624	-	<b>14.624</b>	(7.328)	(585)
<b>C.C.F.</b>	45.896	-	<b>45.896</b>	8.471	10.456
<b>Minerals trading</b>	17.021	163	<b>17.184</b>	2.335	2.577
<b>Corporate</b>	676	-	<b>676</b>	(13.640)	(11.652)
<b>Eliminations</b>	-	(288)	<b>(288)</b>	-	-
<b>Total</b>	<b>203.692</b>	<b>-</b>	<b>203.692</b>	<b>10.031</b>	<b>27.898</b>
	1/1-30/06/2009				
	Sales			Results	
	Third party	Inter-segment	Total sales	Profit / (loss) before tax	EBITDA
<b>Bentonite</b>	74.877	105	<b>74.982</b>	11.520	15.841
<b>Perlite</b>	31.470	-	<b>31.470</b>	3.262	4.947
<b>Bauxite</b>	12.883	-	<b>12.883</b>	(748)	2.514
<b>C.C.F.</b>	26.366	-	<b>26.366</b>	1.089	2.924
<b>Minerals trading</b>	11.550	60	<b>11.610</b>	107	503
<b>Corporate</b>	475	-	<b>475</b>	(12.743)	(8.581)
<b>Eliminations</b>	-	(165)	<b>(165)</b>	-	-
<b>Total</b>	<b>157.621</b>	<b>-</b>	<b>157.621</b>	<b>2.487</b>	<b>18.148</b>

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**14. SEGMENT INFORMATION (continued)**

The following table present segment assets of the Group's operating segments as of June 30, 2010 and December 31, 2009:

	<b>Segment Assets</b>	
	<b>June 30, 2010</b>	<b>December 31, 2009</b>
<b>Bentonite</b>	198.020	194.380
<b>Perlite</b>	78.550	76.261
<b>Bauxite</b>	54.348	55.332
<b>C.C.F.</b>	80.156	73.056
<b>Minerals trading</b>	19.475	17.418
<b>Corporate</b>	94.252	94.384
<b>Eliminations</b>	47	25
<b>Total</b>	<b>524.848</b>	<b>510.856</b>

Income tax assets (current and deferred), available-for-sale financial assets, derivative financial assets and cash and cash equivalents are included in the Corporate segment.

**15. PROCEEDS AND REPAYMENTS OF BANK LOANS**

Within June 2010, the Group repaid € 15.000 of interest-bearing loans, out of which € 7.500 related to the Company's bond loans and € 7.500 to the Group's syndicated loans.

**16. CURRENT PERIOD SIGNIFICANT EVENTS**

(in this note all amounts are expressed in Euro, unless otherwise stated)

**Share capital**

On May 17, 2010 the Board of Directors of the Company proposed and the Shareholders' General Assembly (AGM) held on June 17, 2010 approved to increase the Company's share capital by € 10.356.440,00 through the issuance of 10.356.440 common registered shares, of a nominal value of € 1,00 each, and the bonus distribution to the Company shareholders, in proportion of one (1) new common registered share for every four (4) existing shares. The share capital increase was effected, following the approval by the competent authorities on August 9, 2010, through the capitalisation of the following reserves:

- (a) amount of € 10.349.008,02 related to the tax-free reserve on article 22 of L.1828/89,
- (b) amount of € 7.431,98 related to the tax-free reserve on L.1892/90.

After the completion of this share capital increase, the Company's share capital will amount to € 51.782.200,00, divided into 51.782.200 common registered shares of a nominal value of € 1,00 each.

It is noted that Earnings Per Share (EPS) for all periods presented has been retrospectively adjusted for the bonus element of 10.356.440 common shares issued on August 9, 2010.

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**16. CURRENT PERIOD SIGNIFICANT EVENTS (continued)**  
(in this note all amounts are expressed in Euro, unless otherwise stated)

**Dividends**

On March 10, 2010, the Company's Board of Directors decided to propose to the Shareholders' AGM a dividend distribution for the year 2009 which amounted to € 4.971.092,00 (€ 0,12 per share). The Shareholders' AGM, held on June 17, 2010, approved the distribution of the aforementioned dividend which is presented as a liability on the statement of financial position as of June 30, 2010 and it was paid to the Company's shareholders on July 6, 2010.

**Share options**

On June 17, 2010 the Shareholders' AGM approved the grant of maximum 174.000 share options to certain executives of the Group, in the context of the share based payment plans. The strike price has been set to the closing share price at the date of the Shareholders' AGM i.e. € 3,90 per share.

The basic terms of the stock option plans granted to executives of the Group have not been changed in relation to those applied as of December 31, 2009.

**Investment in a new associate**

On June 24, 2010, the Group signed an agreement with Adventus Intellectual Property Inc. (Canada based parent company of Adventus Americas Inc. and EnviroMetal Technologies Inc.) to form Adventus Europe GmbH, based in Germany. The total investment amounts to € 300 and S&B Industrial Minerals GmbH (a Germany based affiliate of the S&B Group of companies) will participate in the new associate with a share of 42%.

**Acquisition of treasury shares**

Within the period, the Company purchased 151.339 treasury shares, at an average price of € 4,57 per share, for an aggregate amount of € 691.225,25. As of June 30, 2010 the Company held 460.101 treasury shares at an average price of € 6,43 per share, for a total amount of € 2.959.406,53.

**17. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD**  
(in this note all amounts are expressed in Euro, unless otherwise stated)

Subsequent to June 30, 2010 and until July 30, 2010 the Company purchased 24.675 treasury shares, at an average price of € 4,38 per share for a total amount of € 108.054,58. From August 2, 2010 (ex-rights date for the share capital increase referenced in Note 16) until August 18, 2010 the Company purchased 14.276 treasury shares, at an average price of € 4,09 per share for a total amount of € 58.432,86. Subsequent to the share capital increase effected on August 9, 2010 with the issuance of one (1) new bonus share for every four (4) existing shares (Note 16), as well as to the transfer on August 12, 2010 of 79.671 treasury shares to Company's executives, in the context of performance appraisal programs, on August 18, 2010 the Company holds 540.575 treasury shares at an average price of € 5,78 per share, for a total amount of € 3.125.861,33.

**S&B Industrial Minerals S.A.**  
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**18. PRIOR PERIOD RECLASSIFICATIONS**

For better presentation and comparison purposes, the following reclassification were performed: (i) a debit amount of € 68 related to inventory count deficits has been transferred from “Other expenses” to “Cost of sales” in the consolidated and separate income statements for the six month period ended June 30, 2009 and (ii) a cash inflow of € 228 has been transferred from “Trade receivables” to “Net foreign exchange difference on cash flows” in the separate statement of cash flows for the six month period ended June 30, 2009.

Moreover, due to the fact that the share capital increase took place within September 2009, the comparative weighted average number of shares outstanding for all the periods before the rights issue was adjusted based on an adjusted factor (for more details please refer to Note 28 of the 2009 annual financial statements).

**19. FOREIGN EXCHANGE RATES**

The foreign exchange rates used for the translation of the subsidiaries financial statements expressed in foreign currency are as follows:

	<b>FINANCIAL POSITION</b>		
	<b>June 30</b>	<b>December 31</b>	<b>Δ%</b>
	<b>2010</b>	<b>2009</b>	
1 € = USD	1,2271	1,4406	-15%
1 € = GBP	0,8175	0,8881	-8%
1 € = BGN	1,9558	1,9558	0%
1 € = HUF	286,00	270,42	6%
1 € = TRY	1,940	2,155	-10%
1 € = CNY	8,3215	9,8350	-15%
1 € = GEL	2,2484	2,4195	-7%
1 € = KRW	1.499,59	1.666,97	-10%
1 € = BRL	2,2043	2,5073	-12%
1 € = INR	56,819	66,422	-14%
1 € = MAD	11,0031	11,2746	-2%
1 € = PLN	4,1470	4,1045	1%
	<b>COMPREHENSIVE INCOME</b>		
	<b>Average rate</b>	<b>Average rate</b>	<b>Δ%</b>
	<b>six month</b>	<b>six month</b>	
	<b>2010</b>	<b>2009</b>	
1 € = USD	1,3268	1,3328	0%
1 € = GBP	0,8700	0,8939	-3%
1 € = BGN	1,9558	1,9558	0%
1 € = HUF	271,69	289,98	-6%
1 € = TRY	2,021	2,1523	-6%
1 € = CNY	9,0567	9,1070	-1%
1 € = GEL	2,336	2,220	5%
1 € = KRW	1.531,21	1.797,74	-15%
1 € = BRL	2,3836	2,9205	-18%
1 € = INR	60,673	65,5648	-7%
1 € = MAD	11,1381	11,1381	0%
1 € = PLN	4,0020	4,4758	-11%

## **E. ADDITIONAL INFORMATION**

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# S&B Industrial Minerals S.A.

Company's No 110/06/B/86/11 in the register of Societes Anonymes - Andrea Metaxa 15 - 145 64 Kifissia

## FINANCIAL DATA AND INFORMATION FOR THE PERIOD 1 JANUARY - 30 JUNE 2010

(In accordance with 4/507/28.04.2009 resolution of the Greek Capital Market Committee)

(Amounts in Euro thousand unless otherwise stated)

The purpose of the below data and information is to provide users with general financial information about the financial position and the results of operations of S&B Industrial Minerals S.A. and the Group of companies of S&B Industrial Minerals S.A. We advise the readers that, before proceeding to any kind of investing activity or other transaction with the Company, to access the company's web site where the financial statements are published together with the auditor's review report, whenever is required.

Company's website: [www.sandb.com](http://www.sandb.com)

Board of Directors approval date of financial statements: August 27, 2010

Certified Auditor Accountant: Vassilios Kaminaris

Auditing firm: ERNST & YOUNG (HELLAS) CERTIFIED AUDITORS

Type of auditors report: Unqualified opinion

### CONDENSED STATEMENT OF FINANCIAL POSITION

	GROUP		COMPANY	
	30/6/2010	31/12/2009	30/6/2010	31/12/2009
<b>ASSETS</b>				
Property, plant & equipment	194.413	195.345	98.431	101.004
Investment properties	20.233	20.368	20.233	20.368
Intangible assets	105.127	104.705	25.338	25.354
Other non current assets	15.512	15.275	139.430	131.507
Inventories	65.408	65.093	21.848	23.256
Trade receivables	59.567	47.500	9.756	6.764
Other current assets	16.195	12.767	25.359	17.628
Cash and cash equivalents	48.258	49.573	3.926	24.619
Available for sale financial assets	135	230	135	230
<b>TOTAL ASSETS</b>	<b>524.848</b>	<b>510.856</b>	<b>344.456</b>	<b>350.730</b>
<b>EQUITY AND LIABILITIES</b>				
Share capital	41.426	41.426	41.426	41.426
Share premium	42.329	42.329	42.329	42.329
Other equity components	155.047	146.177	104.464	114.255
Total equity attributable to owners of the Company (a)	238.802	229.932	188.219	198.010
Minority interests (b)	725	1.095	-	-
Total equity (c)=(a)+(b)	239.527	231.027	188.219	198.010
Long-term interest-bearing loans and borrowings	89.818	154.788	44.901	102.373
Provisions/Other non current liabilities	52.027	52.359	21.817	21.698
Short-term borrowings	67.354	16.705	57.500	7.500
Other current liabilities	76.122	55.977	32.019	21.149
Total liabilities (d)	285.321	279.829	156.237	152.720
<b>TOTAL EQUITY AND LIABILITIES (e)=(a)+(b)+(d)</b>	<b>524.848</b>	<b>510.856</b>	<b>344.456</b>	<b>350.730</b>

### CONDENSED STATEMENT OF CHANGES IN EQUITY

	GROUP		COMPANY	
	30/6/2010	30/6/2009	30/6/2010	30/6/2009
<b>Equity at beginning of the period (1/1/2010 and 1/1/2009 respectively)</b>	<b>231.027</b>	<b>193.779</b>	<b>198.010</b>	<b>159.642</b>
Total comprehensive income/(loss) for the period	14.043	2.730	-4.330	2.469
Dividend distribution	-5.053	-4.986	-4.971	-4.962
Share capital increase net of withheld taxes	-	58	-	58
Share premium increase	-	243	-	243
Purchase of treasury shares	-691	-167	-691	-167
Share based payment	252	266	252	266
Income tax relating to the future distribution of reserves from tax-exempted income	-51	-	-51	-
<b>Equity at period end (30/6/2010 and 30/6/2009 respectively)</b>	<b>239.527</b>	<b>191.923</b>	<b>188.219</b>	<b>157.549</b>

### ADDITIONAL DATA AND INFORMATION

- Companies included in the consolidated financial statements together with country of establishment, participation interest and method of consolidation for the six month period ended June 30, 2010 are presented in note 4 of the six month financial report.
- The fiscal years that are unaudited by the tax authorities for the Company and the Group's subsidiaries are presented in detail in note 8 of the six month financial report.
- Number of employees: at the end of the reporting period: Group 2.006 (30.6.2009: 2.086) and 636 for the Company (30.6.2009: 689).
- Certain amounts of previous fiscal period have been reclassified for better presentation and comparability purposes (note 13 of the six month financial report).
- Related party transactions for the first six months of 2010 and balances with related parties as of June 30, 2010 according to I.A.S. 24 are as follows:
 

	Group	Company
a) Revenues	4.742	27.289
b) Expenses	2.740	293
c) Receivables from related parties	1.789	16.839
d) Payables to related parties	2.234	1.797
e) Key management personnel compensations	2.698	2.516
f) Receivables from key management personnel	0	0
g) Payables to key management personnel	929	879
- Other comprehensive income/(expense) for the period 1.1-30.6.2010 is as follows:
 

	Group	Company
Translation of foreign operations:		
- Subsidiaries	9.295	0
- Associates	136	0
Valuation of available-for-sale investments	-96	-96
Valuation of derivatives	-843	-843
Income tax relating to the valuation of available-for-sale investments	23	23
Income tax relating to the valuation of derivatives	200	200
- Provisions of the Group and the Company as of 30.6.2010 are as follows:
 

	Group	Company
a) Provision for litigation and arbitration	509	404
b) Provision for unaudited tax years	831	267
c) Other provisions	2.045	160
- No liens exist on the Company's and the Group's assets.
- Within the normal course of business of the Company and the Group, court decisions on pending lawsuits, applications and appeals are not expected to have a substantial adverse effect on the Company's and the Group's financial position (note 10 of the six month financial report).
- (in this note all amounts are expressed in Euro unless otherwise stated):
  - On June 17, 2010 the Shareholder's General Assembly approved: a) The dividend distribution of € 0,12 per share and b) the share capital increase by € 10.356.440,00 through capitalization of the tax-free reserves L.1828/1989 and L.1892/1990, through the issuance of 10.356.440 common registered shares, of a nominal value of € 1,00 each, and the bonus distribution to the Company shareholders, in proportion of one (1) new common registered share for every four (4) existing shares. (note 16 of the six month financial report).
  - Within the period, the Company purchased 151.339 treasury shares, at an average price of € 4,57 per share, for an aggregate amount of € 691.225,25. As of June 30, 2010 the Company held 460.101 treasury shares at an average price of € 6,43 per share, for a total amount of € 2.999.406,53. Subsequent to June 30, 2010 and until July 30, 2010 the Company purchased 24.675 treasury shares, at an average price of € 4,38 per share for a total amount of € 108.054,58. From August 2, 2010, ex-rights date for the share capital increase, until August 18, 2010 the Company purchased 14.276 treasury shares, at an average price of € 4,09 per share for a total amount of € 58.432,86. Subsequent to the share capital increase effected on August 9, 2010 with the issuance of one (1) new bonus share for every four (4) existing shares, as well as to the transfer on August 12, 2010 of 79.671 treasury shares to Company's executives, in the context of performance appraisal programs, on August 18, 2010 the Company holds 540.575 treasury shares at an average price of € 5,78 per share, for a total amount of € 3.125.861,33 (notes 16,17 of the six month financial report).
  - On January 26, 2010 the Group signed an agreement for the establishment of a 30 year joint venture with the Angang Industry Group Co. Ltd., in the northern part of China (Liaoning Province). The agreement has been signed between Shollberg & Samil Co. Ltd., an existing jointly controlled entity of S&B in Korea, and the Angang Industry Group Co. Ltd., an affiliate of Angang Steel Co. Ltd. (Angang). The total investment amounts to USD 6 million. S&B's proportionate participation at Group level is USD 1,5 million out of which USD 0,8 million was paid as of June 30, 2010 (note 4 of the six month financial report).
  - On June 24, 2010, the Group signed an agreement with Adventus Intellectual Property Inc. (Canada based parent company of Adventus Americas Inc. and Envirometal Technologies Inc.) to form Adventus Europe GmbH, based in Germany. The total investment amounts to: € 300.000 and S&B Industrial Minerals GmbH (a Germany based affiliate of the S&B Group of companies) will participate in the new associate with a share of 42% (note 16 of the six month financial report).

### CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	GROUP			
	1/1 - 30/6/2010	1/1 - 30/6/2009	1/4 - 30/6/2010	1/4 - 30/6/2009
Sales	203.692	157.621	108.460	78.064
Gross profit	43.412	32.588	21.125	16.410
Profit before income tax, financial and investment results	12.245	6.098	4.771	2.943
Profit before tax	10.031	2.487	4.059	1.418
<b>Net profit (A)</b>	<b>5.328</b>	<b>1.817</b>	<b>1.419</b>	<b>1.224</b>
<b>Attributable to:</b>				
- Equity holders of the Company	5.619	1.852	1.582	1.122
- Minority interests	-291	-35	-163	102
<b>Other comprehensive income/(loss) for the period (B)</b>	<b>8.715</b>	<b>913</b>	<b>5.204</b>	<b>-1.561</b>
<b>Total other comprehensive income/(loss) for the period (A) + (B)</b>	<b>14.043</b>	<b>2.730</b>	<b>6.623</b>	<b>-337</b>
<b>Attributable to:</b>				
- Equity holders of the Company	14.331	2.754	6.782	-425
- Minority interests	-288	-24	-159	88
Net Earnings per share - basic (in €)	0,1096	0,0458	0,0309	0,0277
Profit before income tax, financial and investment results, depreciation and amortization	27.898	18.148	14.800	9.085
<b>COMPANY</b>				
Sales	64.864	52.537	36.135	25.699
Gross profit	10.118	13.314	3.912	5.988
Profit/(loss) before income tax, financial and investment results	-2.206	5.043	-2.558	1.322
Profit/(loss) before tax	-3.175	3.054	-2.580	1.046
<b>Net profit/(loss) (A)</b>	<b>-3.614</b>	<b>2.092</b>	<b>-3.132</b>	<b>589</b>
<b>Attributable to:</b>				
- Equity holders of the Company	-3.614	2.092	-3.132	589
<b>Other comprehensive income/(loss) for the period (B)</b>	<b>-716</b>	<b>377</b>	<b>-345</b>	<b>320</b>
<b>Total other comprehensive income/(loss) for the period (A) + (B)</b>	<b>-4.330</b>	<b>2.469</b>	<b>-3.477</b>	<b>909</b>
<b>Attributable to:</b>				
- Equity holders of the Company	-4.330	2.469	-3.477	909
Net Earnings per share - basic (in €)	-0,0705	0,0517	-0,0611	0,0146
Profit before income tax, financial and investment results, depreciation and amortization	7.275	10.835	4.187	4.326

### CASH FLOW STATEMENT

	GROUP			
	1/1 - 30/6/2010	1/1 - 30/6/2009	1/4 - 30/6/2010	1/4 - 30/6/2009
<b>Indirect Method</b>				
<b>Cash flows from operating activities</b>				
Profit / (Loss) before tax	10.031	2.487	-3.175	3.054
Adjustments for:				
- Depreciation and amortization	15.730	12.125	9.546	5.867
- Grants amortization	-77	-75	-65	-75
- Provisions, net	1.439	-512	644	-737
- Finance income	-1.194	-1.036	-1.165	-876
- Investment income	3.408	5.355	2.347	3.863
(net of foreign taxes)	-	-	-205	-291
- Share of (profit)/loss of associates	-415	141	-	-
- Gain from disposal of associates	-	-708	-	-699
- Gain from disposal of property, plant and equipment	-74	-142	-	-71
	<b>28.848</b>	<b>17.635</b>	<b>7.927</b>	<b>10.035</b>
(Increase) / Decrease in:				
- Inventories	-137	16.136	1.626	2.617
- Trade receivables	-12.649	6.296	-3.079	6.179
- Due from related parties	-528	1.007	-6.287	4.723
- Other assets	-4.061	2.420	-2.000	679
Increase / (Decrease) in:				
- Trade payables	8.400	1.500	3.632	1.649
- Due to related parties	370	668	126	48
- Other liabilities	3.939	4.284	1.720	2.914
Staff leaving indemnities paid	-1.598	-581	-574	-280
Payments for environment rehabilitation	-405	-406	-384	-367
Income tax paid	-1.815	-1.688	-1.094	-1.464
<b>Net cash flows from operating activities (a)</b>	<b>20.364</b>	<b>47.271</b>	<b>1.613</b>	<b>26.933</b>
<b>Cash flows from investing activities</b>				
- Capital expenditure	-9.890	-12.896	-7.031	-9.893
- Capitalized depreciation and amortization	244	297	244	297
- Business combinations and investments in consolidated entities	-615	-768	-7.500	-200
- Proceeds from the sale of associate	550	550	550	550
- Dividends received	32	174	124	221
- Interest and other finance income received	300	109	191	17
- Proceeds from the settlement of derivatives	80	176	80	176
- Government grants received	264	104	-	-
- Proceeds from disposal of property, plant and equipment	86	250	-	72
<b>Net cash flows used in investing activities (b)</b>	<b>-8.949</b>	<b>-12.007</b>	<b>-13.342</b>	<b>-8.760</b>
<b>Cash flows from financing activities</b>				
- Purchase of treasury shares	-691	-167	-691	-167
- Net increase/(decrease) of short-term borrowings	662	-8.388	-	-9.101
- Proceeds from long-term borrowings	-	50.000	-	42.500
- Repayment of long-term borrowings	-15.000	-53.000	-7.500	-38.000
- Dividends paid to the equity holders of the Company, net of taxes	-5	-13	-5	-13
- Dividends paid to minority interests	-97	-24	-	-
- Payments for the settlement of derivatives	-	-1.632	-	-1.632
- Interest and other finance costs paid	-2.534	-5.082	-1.742	-3.742
<b>Net cash flows (used in) financing activities (c)</b>	<b>-17.656</b>	<b>-18.306</b>	<b>-9.938</b>	<b>-10.159</b>
- Net foreign exchange difference on flows (d)	3.230	324	974	228
<b>Net (decrease)/increase in cash and cash equivalents (a) + (b) + (c) + (d)</b>	<b>-2.960</b>	<b>17.282</b>	<b>-20.693</b>	<b>8.246</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>49.573</b>	<b>13.434</b>	<b>24.619</b>	<b>879</b>
- Net foreign exchange difference on cash and cash equivalents: at the beginning of the period	1.645	-99	-	-
<b>Cash and cash equivalents at period end</b>	<b>48.258</b>	<b>30.617</b>	<b>3.926</b>	<b>9.125</b>

THE CHAIRMAN OF THE BOARD OF DIRECTORS

THE CHIEF EXECUTIVE OFFICER

Kifissia, August 27, 2010

THE CHIEF FINANCIAL OFFICER

THE CONTROLLER GREECE

ULYSSES P. KYRIACPOULOS  
ID No. AH 042868

EFTHIMIOS DR. VIDALIS  
ID No. Z 237368

KRITON ST. ANAVLAVIS  
ID No. PI 062025

NIKOLAOS CH. IOAKIM  
A'CLASS LICENSE No 0002714

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**F. STATEMENT OF APPROPRIATION  
OF RIGHTS ISSUE PROCEEDS**

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S&B Industrial Minerals S.A.  
Company's No 110/06/B/86/11 in the register of Societes Anonymes  
Andrea Metaxa 15 - 145 64 Kifissia

**USE OF FUNDS RAISED FROM SHARE CAPITAL INCREASE BY PAYMENT IN CASH WITH PREFERENCE RIGHT TO EXISTING SHAREHOLDERS, IN ACCORDANCE WITH THE DECISION OF THE GENERAL MEETING OF SHAREHOLDERS HELD ON 16.06.2009 AND WITH THE DECISION OF THE BOARD OF DIRECTORS HELD ON 05.08.2009.**

The Athens Exchange (ATHEX), by its decision dated 23.09.2009, approved the share capital increase of the Company through the rights offering of 10.356.440 new ordinary registered shares by payment in cash. The total funds raised amounted to € 41.425.760,00. The Company's Board of Directors certified the share capital increase at its meeting dated 22.09.2009 and the new shares commenced trading on the ATHEX on 25.09.2009.

**TABLE OF USE OF RIGHTS ISSUE PROCEEDS**

Use of raised funds (amounts in €)	Total funds raised	Total funds used	Balance as of 30.06.2010 to be used in 2010
		30.06.2010	
1. Repayment of outstanding loans	38.000.000,00	38.000.000,00	0
2. Working capital needs	2.846.221,57	2.846.221,57	0
3. Rights issue costs	579.538,43	579.538,43	0
<b>Total</b>	<b>41.425.760,00</b>	<b>41.425.760,00</b>	<b>0</b>

**Note:**

The funds raised from the above mentioned share capital increase of the Company were exclusively used for the purposes of the share capital increase as stated in the Offering Circular (par. 4.4) approved by the Hellenic Capital Market Commission on 24.08.2009.

Kifissia, August 27, 2010

The Chairman of the Board of  
Directors

Ulysses P. Kyriacopoulos  
ID No AH042868

The Chief Executive Officer

Efthimios O. Vidalis  
ID No Σ237368

The Chief Financial Officer

Kriton St. Anavlavis  
ID No Π062025

The Controller Greece

Nikolaos Ch. Ioakim  
A' Class License No 0002714

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**Report of factual findings from agreed-upon procedures performed  
on the report of use of funds raised from share capital increase**

To the Board of Directors of S&B Industrial Minerals S.A.

In accordance with the decision made by the Board of Directors of S&B Industrial Minerals S.A. (the Company), we have performed the procedures agreed with you and enumerated below in compliance with the regulatory framework set by the Athens Exchange and the Hellenic Capital Markets Commission, related to the report on the use of funds raised from share capital increase in cash dated September 23, 2009 ("the Report"). The Company's management has the responsibility for the preparation of the above mentioned Report. Our engagement was undertaken in accordance with the International Standard on Related Services ISRS 4400 - "Engagements to Perform Agreed-Upon Procedures Regarding Financial Information" applicable to agreed-upon procedures regarding financial information. Our responsibility is to perform the agreed-upon procedures enumerated below, and disclose our findings to you.

Procedures:

1. We compared the amounts presented as uses of funds in the Report, with the respective amounts that were recorded in the Company's books and records during the relevant period.
2. We examined the completeness of the Report and the consistency of its content with the Offering Circular issued by the Company and with the relevant decisions and releases of Company's Management.

Findings:

1. The amounts presented as uses of funds in the Report, derive from the Company's books and records for the relevant period.
2. The content of the Report includes at a minimum the information provided by the Athens Exchange and the Hellenic Capital Markets Commission and is consistent with the content of the Offering Circular and the relevant decisions and releases of Company's Management.

Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any other assurance except for as mentioned above. Had we performed additional procedures or had we performed an audit or review of the financial statements in accordance with International Standards on Auditing or International Standards on Review Engagements, other matters might have come to our attention that would have been reported to you.

This report is exclusively addressed to the Company's Board of Directors in compliance with the rules set by the Athens Exchange and the Hellenic Capital Markets Commission. Consequently, this report is not to be used for any other purpose as it relates only to the issues specified above and does not extend to the interim condensed financial statements of the Company as at, and for the six month period ended, June 30, 2010 for which we have issued a Review Report dated August 27, 2010.

Athens, August 27, 2010

The Certified Auditor Accountant

VASSILIOS KAMINARIS

SOEL No 20411

ERNST & YOUNG (HELLAS)

CERTIFIED AUDITORS ACCOUNTANTS S.A

11<sup>th</sup> KM NATIONAL ROAD ATHENS-LAMIA

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SOEL No 107