



S&B Industrial Minerals S.A.

Financial Report

for the nine-month period ended September 30, 2010

This nine month Financial Report is prepared in accordance with article 6 of L.3556/2007 and was approved by the Board of Directors of S&B Industrial Minerals S.A. on November 8, 2010. This Financial Report for the period 1.1.2010-30.09.2010 is made publicly available on the company's website at: 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 NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2010

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A1. 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 November 8, 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

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0002714**

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

The Group					
	<u>Note</u>	<u>1/1 - 30/09/2010</u>	<u>1/1 - 30/09/2009</u>	<u>1/7 - 30/09/2010</u>	<u>1/7 - 30/09/2009</u>
Sales	5	315.025	242.112	111.333	84.491
Cost of sales		(242.605)	(189.162)	(82.325)	(64.129)
Gross Profit		72.420	52.950	29.008	20.362
Administrative expenses		(33.069)	(29.381)	(11.810)	(10.696)
Selling expenses		(17.254)	(16.426)	(5.401)	(5.152)
Other income		2.975	4.411	910	634
Other expenses		(1.060)	(290)	(525)	(123)
Operating profit		24.012	11.264	12.182	5.025
Finance income	6	346	1.065	(848)	29
Finance costs	7	(5.264)	(7.460)	(1.856)	(2.105)
Gain from the disposal of associates		-	708	-	-
Share of profit / (loss) of associates		826	17	411	158
Profit before tax		19.920	5.594	9.889	3.107
Income tax expense	8	(7.007)	(1.436)	(2.304)	(766)
Net profit		12.913	4.158	7.585	2.341
Attributable to:					
Equity holders of the Company		13.199	3.711	7.580	1.859
Non-controlling interests		(286)	447	5	482
		12.913	4.158	7.585	2.341
Earnings per share attributable to Equity holders of the Company:					
Basic		0,2575	0,0908	0,1480	0,0446
Diluted		0,2548	0,0899	0,1459	0,0440
Weighted average number of shares					
Basic		51.260.401	40.878.176	51.198.955	41.704.629
Diluted		51.805.097	41.256.923	51.944.022	42.247.054

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 NINE AND THE THREE MONTH PERIOD ENDED SEPTEMBER 30, 2010
(Amounts in thousand Euro)

The Group

	<u>1/1 - 30/09/2010</u>	<u>1/1 - 30/09/2009</u>	<u>1/7 - 30/09/2010</u>	<u>1/7 - 30/09/2009</u>
Net profit	12.913	4.158	7.585	2.341
<u>Other comprehensive income</u>				
Translation of foreign operations:				
-Subsidiaries	3.248	(651)	(6.047)	(1.219)
-Associates	163	(18)	27	14
Valuation of available-for-sale financial assets	(98)	9	(2)	(16)
Valuation of derivatives	(981)	489	(138)	12
Income tax relating to the valuation of available-for-sale financial assets	24	(2)	1	4
Income tax relating to the valuation of derivatives	233	(122)	33	(3)
Other comprehensive income/ (loss) for the period, net of tax	2.589	(295)	(6.126)	(1.208)
Total comprehensive income for the period, net of tax	15.502	3.863	1.459	1.133
Attributable to:				
Equity holders of the Company	15.789	3.403	1.458	649
Non-controlling interests	(287)	460	1	484
	15.502	3.863	1.459	1.133

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

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

The Company					
	Note	1/1 - 30/09/2010	1/1 - 30/09/2009	1/7 - 30/09/2010	1/7 - 30/09/2009
Sales	5	104.232	78.834	39.368	26.297
Cost of sales		(82.724)	(58.073)	(27.978)	(18.850)
Gross Profit		21.508	20.761	11.390	7.447
Administrative expenses		(20.010)	(15.884)	(7.278)	(5.660)
Selling expenses		(2.288)	(1.741)	(627)	(603)
Other income		3.748	4.172	1.217	979
Other expenses		(489)	(144)	(27)	(42)
Operating profit		2.469	7.164	4.675	2.121
Finance income	6	578	957	(587)	81
Finance costs	7	(3.549)	(5.362)	(1.202)	(1.499)
Investment income		213	615	-	316
Gain from the disposal of associates		-	699	-	-
(Loss) / profit before tax		(289)	4.073	2.886	1.019
Income tax expense	8	(604)	(1.242)	(165)	(280)
Net (loss) / profit		(893)	2.831	2.721	739

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 NINE AND THE THREE MONTH PERIOD ENDED SEPTEMBER
(Amounts in thousand Euro)

	The Company			
	<u>1/1 - 30/09/2010</u>	<u>1/1 - 30/09/2009</u>	<u>1/7 - 30/09/2010</u>	<u>1/7 - 30/09/2009</u>
Net (loss) / profit	(893)	2.831	2.721	739
<u>Other comprehensive income</u>				
Valuation of available-for-sale financial assets	(98)	9	(2)	(16)
Valuation of derivatives	(981)	489	(138)	12
Income tax relating to the valuation of available-for-sale financial assets	24	(2)	1	4
Income tax relating to the valuation of derivatives	233	(122)	33	(3)
Other comprehensive (loss) / income for the period, net of tax	(822)	374	(106)	(3)
Total comprehensive (loss) / income for the period, net of tax	(1.715)	3.205	2.615	736

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

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

	Note	The Group		The Company	
		September 30 2010	December 31 2009	September 30 2010	December 31 2009
ASSETS					
Non-current assets					
Property, plant and equipment		192.306	195.345	100.204	101.004
Investment properties		20.165	20.368	20.165	20.368
Goodwill		83.305	82.712	25.129	25.129
Other intangible assets		22.010	21.993	202	225
Investments in subsidiaries		-	-	133.570	126.070
Investments in associates		10.591	9.159	4.198	4.198
Deferred tax assets		2.980	3.442	1.242	738
Available-for-sale financial assets		132	230	132	230
Other non-current assets		2.748	2.674	483	501
		334.237	335.923	285.325	278.463
Current assets					
Inventories		69.211	65.093	25.897	23.256
Trade receivables		59.120	47.500	10.045	6.764
Due from related parties	11	1.637	1.810	9.171	10.901
Income tax receivables		178	561	-	-
Other current assets		15.618	10.396	10.556	6.727
Cash and cash equivalents		39.926	49.573	3.912	24.619
		185.690	174.933	59.581	72.267
Total Assets		519.927	510.856	344.906	350.730
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital		51.782	41.426	51.782	41.426
Share premium		42.329	42.329	42.329	42.329
Treasury shares		(2.844)	(2.268)	(2.844)	(2.268)
Share option plan reserve		2.042	1.760	2.042	1.760
Derivatives valuation reserve		(918)	(170)	(918)	(170)
Other reserves		88.528	102.268	90.339	104.136
Translation of foreign operations		(2.892)	(6.294)	-	-
Retained earnings		62.500	50.881	8.371	10.797
		240.527	229.932	191.101	198.010
Non-controlling interests		726	1.095	-	-
Total equity		241.253	231.027	191.101	198.010
Non-current liabilities					
Provision for staff leaving indemnities		17.644	17.815	8.892	8.151
Provision for environmental rehabilitation		13.806	13.838	11.414	11.427
Other provisions		2.335	2.424	249	234
Interest-bearing loans and borrowings		119.829	154.788	74.915	102.373
Deferred tax liabilities		14.883	15.300	-	-
Government grants		2.044	1.921	1.672	1.770
Other non-current liabilities		1.641	1.061	85	116
		172.182	207.147	97.227	124.071
Current liabilities					
Trade payables		38.842	33.664	13.241	9.942
Due to related parties	11	2.031	1.864	2.179	1.671
Short-term borrowings		1.414	1.626	344	-
Current portion of long-term interest bearing loans and borrowings		35.062	15.079	27.500	7.500
Income tax liabilities		3.762	2.551	236	1.798
Dividends payable		26	29	25	29
Other current liabilities		25.355	17.869	13.053	7.709
		106.492	72.682	56.578	28.649
Total equity and liabilities		519.927	510.856	344.906	350.730

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 NINE MONTH PERIOD ENDED SEPTEMBER 30, 2010
(Amounts in thousand Euro)

	The Group										
	Attributable to Equity holders of the Company									Non-controlling interests	Total equity
	Share Capital	Share Premium	Treasury Shares	Share option plan reserve	Derivatives valuation reserve	Other reserves	Translation of foreign operations	Retained earnings	Total		
January 1, 2009	31.011	11.596	(1.647)	1.272	(391)	100.483	(6.670)	56.791	192.445	1.334	193.779
- Profit for the period	-	-	-	-	-	-	-	3.711	3.711	447	4.158
- Other comprehensive income for the period	-	-	-	-	367	7	(682)	-	(308)	13	(295)
- Total comprehensive income / (loss) for the period	-	-	-	-	367	7	(682)	3.711	3.403	460	3.863
- Dividends distribution	-	-	-	-	-	-	-	(4.962)	(4.962)	-	(4.962)
- Dividends paid to minority shareholders	-	-	-	-	-	-	-	-	-	(24)	(24)
- Share based payment	-	-	-	353	-	-	-	-	353	-	353
-Distribution of shares to personnel	50	209	-	-	-	-	-	-	259	-	259
-Share capital increase	10.365	30.524	-	(46)	-	-	-	-	40.843	-	40.843
- Purchase of treasury shares	-	-	(167)	-	-	-	-	-	(167)	-	(167)
- Other	-	-	-	-	-	645	-	(651)	(6)	6	-
September 30, 2009	41.426	42.329	(1.814)	1.579	(24)	101.135	(7.352)	54.889	232.168	1.776	233.944
January 1, 2010	41.426	42.329	(2.268)	1.760	(170)	102.268	(6.294)	50.881	229.932	1.095	231.027
- Profit for the period	-	-	-	-	-	-	-	13.199	13.199	(286)	12.913
- Other comprehensive income / (loss) for the period	-	-	-	-	(748)	(74)	3.402	10	2.590	(1)	2.589
- Total comprehensive income / (loss) for the period	-	-	-	-	(748)	(74)	3.402	13.209	15.789	(287)	15.502
- Share capital increase	10.356	-	-	-	-	(10.356)	-	-	-	-	-
- Dividends distribution	-	-	-	-	-	(3.314)	-	(1.657)	(4.971)	-	(4.971)
- Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(82)	(82)
- Income tax relating to the future distribution of reserves from tax-exempted income	-	-	-	-	-	(53)	-	-	(53)	-	(53)
- Share based payment	-	-	-	505	-	-	-	-	505	-	505
- Distribution of shares to personnel	-	-	402	(223)	-	-	-	124	303	-	303
- Purchase of treasury shares	-	-	(978)	-	-	-	-	-	(978)	-	(978)
- Other	-	-	-	-	-	57	-	(57)	-	-	-
September 30, 2010	51.782	42.329	(2.844)	2.042	(918)	88.528	(2.892)	62.500	240.527	726	241.253

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 NINE MONTH PERIOD ENDED SEPTEMBER 30, 2010

(Amounts in thousand Euro)

	The Company							
	Share Capital	Share Premium	Treasury Shares	Share option plan reserve	Derivatives valuation reserve	Other reserves	Retained earnings	Total
January 1, 2009	31.011	11.596	(1.647)	1.272	(391)	102.997	14.804	159.642
- Profit for the period	-	-	-	-	-	-	2.831	2.831
- Other comprehensive income for the period	-	-	-	-	367	7	-	374
- Total comprehensive income for the period	-	-	-	-	367	7	2.831	3.205
- Dividends distribution	-	-	-	-	-	-	(4.962)	(4.962)
- Share based payment	-	-	-	353	-	-	-	353
- Distribution of shares to personnel	50	209	-	-	-	-	-	259
- Share capital increase	10.365	30.524	-	(46)	-	-	-	40.843
- Purchase of treasury shares	-	-	(167)	-	-	-	-	(167)
September 30, 2009	41.426	42.329	(1.814)	1.579	(24)	103.004	12.673	199.173
January 1, 2010	41.426	42.329	(2.268)	1.760	(170)	104.136	10.797	198.010
- Loss for the period	-	-	-	-	-	-	(893)	(893)
- Other comprehensive loss for the period	-	-	-	-	(748)	(74)	-	(822)
- Total comprehensive loss for the period	-	-	-	-	(748)	(74)	(893)	(1.715)
- Share capital increase	10.356	-	-	-	-	(10.356)	-	-
- Dividends distribution	-	-	-	-	-	(3.314)	(1.657)	(4.971)
- Income tax relating to the future distribution of reserves from tax-exempted income	-	-	-	-	-	(53)	-	(53)
- Share based payment	-	-	-	505	-	-	-	505
- Distribution of shares to personnel	-	-	402	(223)	-	-	124	303
- Purchase of treasury shares	-	-	(978)	-	-	-	-	(978)
September 30, 2010	51.782	42.329	(2.844)	2.042	(918)	90.339	8.371	191.101

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 NINE MONTH PERIOD ENDED SEPTEMBER 30, 2010
(Amounts in thousand Euro)

	Note	The Group		The Company	
		1/1 - 30/09	1/1 - 30/09	1/1 - 30/09	1/1 - 30/09
		2010	2009	2010	2009
Cash flows from operating activities					
Profit / (loss) before tax		19.920	5.594	(289)	4.073
Adjustments for:					
- Depreciation and amortization		22.769	18.432	12.966	9.296
- Grants amortization		(122)	(117)	(98)	(112)
- Provisions, net		2.574	1.564	1.649	744
- Finance income		(346)	(1.065)	(578)	(957)
- Finance costs		5.264	7.460	3.549	5.362
- Investment income (net of foreign taxes)		-	-	(205)	(615)
- Share of profit of associates		(826)	(17)	-	-
- Impairment loss		400	-	-	-
- Gain from the disposal of associates		-	(708)	-	(699)
- Gain from the disposal of property, plant and equipment		(65)	(96)	-	(75)
		49.568	31.047	16.994	17.017
(Increase) / Decrease in:					
- Inventories		(3.659)	16.856	(2.020)	(2.567)
- Trade receivables		(12.474)	4.347	(3.625)	7.391
- Due from related parties		(377)	(413)	1.180	3.423
- Other assets		(4.995)	2.512	(3.812)	3.873
Increase / (Decrease) in:					
- Trade payables		5.178	10.110	3.300	3.453
- Due to related parties		167	1.097	508	727
- Other liabilities		5.650	3.410	4.171	272
Staff leaving indemnities paid		(2.338)	(2.204)	(967)	(1.739)
Payments for environmental rehabilitation		(484)	(734)	(438)	(673)
Income tax paid		(4.896)	(2.571)	(2.560)	(1.704)
Net cash flows from operating activities		31.340	63.457	12.731	29.473
Cash flows from investing activities					
- Capital expenditure	12	(17.486)	(17.334)	(12.467)	(13.254)
- Capitalized depreciation	12	286	421	286	421
- Business combinations and investments in consolidated entities		(924)	(2.694)	(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		346	257	193	101
- Proceeds from the settlement of derivatives		81	243	81	243
- Government grants received		244	104	-	-
- Proceeds from the disposal of property, plant and equipment		105	308	-	77
Net cash flows used in investing activities		(16.766)	(17.974)	(18.733)	(11.841)
Cash flows used in financing activities:					
- Share capital increase, net of transaction costs		-	40.846	-	40.846
- Purchase of treasury shares		(978)	(167)	(978)	(167)
- Net increase/ (decrease) of short-term borrowings		(213)	(13.150)	344	(9.771)
- 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		(4.477)	(4.511)	(4.477)	(4.511)
- Dividends paid to minority interests		(98)	(24)	-	-
- Payments for the settlement of derivatives		-	(1.668)	-	(1.668)
- Interest and other finance costs paid		(3.632)	(6.897)	(2.479)	(5.082)
Net cash flows used in/ (from) financing activities		(24.398)	11.429	(15.090)	24.147
- Net foreign exchange difference on cash flows		(428)	716	385	65
Net (decrease) / increase in cash and cash equivalents		(10.252)	57.628	(20.707)	41.844
Cash and cash equivalents at the beginning of the period		49.573	13.434	24.619	879
- Net foreign exchange difference on cash and cash equivalents at the beginning of the period		605	(318)	-	-
Cash and cash equivalents at period end		39.926	70.744	3.912	42.723

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**A2. NOTES TO THE INTERIM
CONDENSED FINANCIAL
STATEMENTS**

S&B Industrial Minerals S.A.
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
AS OF SEPTEMBER 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 September 30, 2010 and 2009 the Group employed 1.991 and 2.039 employees, respectively, while the Company employed 631 and 665 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 nine month period ended September 30, 2010 were approved by the Company’s Board of Directors on November 8, 2010.

S&B Industrial Minerals S.A.
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
AS OF SEPTEMBER 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.

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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”

In October 2010, the IASB issued the following amendment effective for annual periods beginning on or after 1 July 2011:

- IFRS 7 “Financial Instruments: Disclosures” as part of its comprehensive review of off balance sheet activities (amended).

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

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

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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
			30/9/2010	31/12/2009	
EUROPE					
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
AMERICA					
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
ASIA					
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
AFRICA					
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

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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/ 9/ 2010	31/ 12/ 2009	
EUROPE					
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
ASIA					
Stollberg & Samil Co. Ltd.	Korea	Industrial Minerals	50,00%	50,00%	2004
Qing Dao Stollberg & Samil Co.Ltd. ⁽¹⁾	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/ 9/ 2010	31/ 12/ 2009	
Laviosa Chimica Mineraria S.p.A.	Italy	Industrial Minerals	35,00%	35,00%	1997
Laviosa Sanayi Ve Ticaret Ltd. ⁽¹⁾	Turkey	Industrial Minerals	35,00%	35,00%	2008
Laviosa Trimex Industries Ltd. ⁽¹⁾	India	Industrial Minerals	19,00%	19,00%	2009
Bentec S.p.A. ⁽¹⁾	Italy	Industrial Minerals	35,00%	35,00%	1999
Laviosa Promasa S.A ⁽²⁾	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. ⁽³⁾	China	Industrial Minerals	25,00%	-	2010
Protovoulia Milos S.A.	Greece	Other activities	43,07%	43,07%	2007
Adventus Europe GmbH	Germany	Other activities	42,00%	-	2010

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.

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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 1,05 million (€ 0,8 million) was paid as of September 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.

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) participates in the new associate with an investment of € 150 and 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. Adventus Europe GmbH is expected to service all EU member states as well as Switzerland, Norway, the Russian Federation and other countries in Eastern Europe.

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.

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5. SALES

Sales in the interim financial statements are analyzed as follows:

	The Group			
	<u>1/1-30/09</u>	<u>1/1-30/09</u>	<u>1/7-30/9</u>	<u>1/7-30/9</u>
	2010	2009	2010	2009
Bentonite	143.756	110.091	52.486	35.214
Perlite	51.068	47.644	16.863	16.174
Continuous casting fluxes	69.309	44.403	23.413	18.037
Bauxite	22.157	21.449	7.533	8.566
Minerals trading	27.468	17.793	10.447	6.243
Other	1.267	732	591	257
	<u>315.025</u>	<u>242.112</u>	<u>111.333</u>	<u>84.491</u>
	The Company			
	<u>1/1-30/09</u>	<u>1/1-30/09</u>	<u>1/7-30/9</u>	<u>1/7-30/9</u>
	2010	2009	2010	2009
Bentonite	53.774	32.704	22.015	8.120
Perlite	27.034	23.590	9.229	8.995
Bauxite	22.157	21.808	7.533	8.925
Other	1.267	732	591	257
	<u>104.232</u>	<u>78.834</u>	<u>39.368</u>	<u>26.297</u>

6. FINANCE INCOME

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

	The Group			
	<u>1/1-30/09</u>	<u>1/1-30/09</u>	<u>1/7-30/9</u>	<u>1/7-30/9</u>
	2010	2009	2010	2009
Interest income	346	177	46	68
Gains from valuation and settlement of derivatives on freights	-	791	-	160
Foreign exchange gains, net	-	15	(894)	(260)
Other	-	82	-	61
	<u>346</u>	<u>1.065</u>	<u>(848)</u>	<u>29</u>
	The Company			
	<u>1/1-30/09</u>	<u>1/1-30/09</u>	<u>1/7-30/9</u>	<u>1/7-30/9</u>
	2010	2009	2010	2009
Foreign exchange gains, net	385	65	(589)	(163)
Interest income	193	39	2	22
Gains from valuation and settlement of derivatives on freights	-	791	-	160
Other	-	62	-	62
	<u>578</u>	<u>957</u>	<u>(587)</u>	<u>81</u>

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7. FINANCE COSTS

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

	The Group			
	1/1-30/09	1/1-30/09	1/7-30/9	1/7-30/9
	2010	2009	2010	2009
Interest expense on long term loans and borrowings	2.244	3.937	725	1.040
Interest expense on short term borrowings	1.139	1.394	427	443
Finance cost of staff leaving indemnities provision	729	777	243	258
Finance cost of environmental rehabilitation provision	530	550	177	227
Foreign exchange losses, net	170	-	170	-
Bank charges	368	342	86	69
Losses from valuation and settlement of derivatives on oil	-	365	-	37
Amortization of loan expenses	84	95	28	31
	5.264	7.460	1.856	2.105
	The Company			
	1/1-30/09	1/1-30/09	1/7-30/9	1/7-30/9
	2010	2009	2010	2009
Interest expense on long term loans and borrowings	1.453	2.687	495	683
Interest expense on short term borrowings	1.019	1.152	377	388
Finance cost of environmental rehabilitation provision	494	519	165	217
Finance cost of staff leaving indemnities provision	383	409	128	137
Bank charges	158	182	23	21
Losses from valuation and settlement of derivatives on oil	-	365	-	37
Amortization of loan expenses	42	48	14	16
	3.549	5.362	1.202	1.499

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8. INCOME TAX (CURRENT AND DEFERRED)

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

	The Group			
	1/1-30/09	1/1-30/09	1/7-30/9	1/7-30/9
	2010	2009	2010	2009
Current income tax	6.799	2.263	2.966	1.162
Deferred income tax expense / (income)	208	(827)	(662)	(396)
	7.007	1.436	2.304	766
	The Company			
	1/1-30/09	1/1-30/09	1/7-30/9	1/7-30/9
	2010	2009	2010	2009
Current income tax	851	835	217	240
Deferred income tax (income) / expense	(247)	407	(52)	40
	604	1.242	165	280

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

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

Entity	Footnote	Country	Unaudited tax years
EUROPE			
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	■ (2)	Germany	2006-2009
S&B Holding GmbH	■ (2)	Germany	2006-2009
SLS Baustoffe GmbH	■ (2)	Germany	2004-2009
Orykton GmbH		Germany	2005-2009
Askana Ltd.		Georgia	2003-2009
S&B Industrial Minerals S.A.	■ (4)	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.	■ (3)	Netherlands	2002-2009
Cebo Holland B.V.	■ (3)	Netherlands	2002-2009
Cebo Marine B.V.	■ (3)	Netherlands	2002-2009
Cebo U.K. Ltd.	■ (3)	G. Britain	2002-2009
S&B Industrial Minerals Kft.		Hungary	2002-2009
S&B Industrial Minerals SP Z.O.O.		Poland	2008-2009
AMERICA			
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	■ (3)	Brazil	2002-2009
Milos Island Resort Ltd.		B.V.I.	2009
ASIA			
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.	■ (3)	Korea	2005-2009
AFRICA			
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.

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- (2) These entities are currently being audited from the tax authorities for the years 2006-2009.
- (3) 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.
- (4) 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 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.
- The Company is currently being audited by the tax authorities for the year 2009.

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 € 530 and € 709 as of September 30, 2010 and December 31, 2009, respectively, (€ 425 and € 404 as of September 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 September 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.

By a letter dated September 29th, 2010, the Secretariat of the International Court of Arbitration (I.C.C.) informed the Company that it has received a request for arbitration from Kerneos S.A., a French company which is a customer of the Company on the basis of a 10-year supply of bauxite agreement. The claimant alleges that the Company has breached its contractual obligations due to non delivery of the quantities stipulated in the said agreement and it claims the amount of € 4.010 for damages for late deliveries of bauxite and € 73 for quality penalties. In addition, it reserves its rights to seek further compensation. The Group's Management has reasons to believe that on the basis of arguments already produced by Kerneos S.A. this arbitration will not have a negative outcome and therefore, no relevant amount is provided for in the September 30, 2010 financial statements.

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.

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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 September 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.

The following table presents balances due from and due to, as well as revenues and expenses, between related parties and the Group:

	The Group			
	Due from		Due to	
	September 30	December 31	September 30	December 31
	2010	2009	2010	2009
<u>Associates</u>				
Laviosa Promasa S.A.	351	366	-	-
Laviosa Chimica Mineraria S.p.A.	-	662	-	-
Xinyang Athenian Mining Co. Ltd	199	63	667	625
	550	1.091	667	625
<u>Jointly controlled entities</u>				
Cebo International B.V.	989	558	150	103
Stollberg & Samil Co. Ltd.	25	70	21	-
	1.014	628	171	103
<u>Other related companies</u>				
Motodynamics S.A., Group of companies	39	39	-	-
ORYMIL S.A.	33	33	-	-
Perlite Hellas S.A.	-	-	1.019	1.018
Rescon India Private Ltd.	-	-	174	115
Other	1	19	-	3
	73	91	1.193	1.136
	1.637	1.810	2.031	1.864
	The Group			
	Revenues		Expenses	
	1/1-30/09	1/1-30/09	1/1-30/09	1/1-30/09
	2010	2009	2010	2009
<u>Associates</u>				
Laviosa Promasa S.A.	1.565	501	-	-
Laviosa Chimica Mineraria S.p.A.	49	608	-	-
Xinyang Athenian Mining Co. Ltd	-	-	565	671
Cape Trahilas Enterprises Ltd.	-	263	-	-
	1.614	1.372	565	671
<u>Jointly controlled entities</u>				
Cebo International B.V.	5.368	3.065	417	1.140
Stollberg & Samil Co. Ltd	23	33	126	105
Orykton GmbH	-	52	-	71
	5.391	3.150	543	1.316
<u>Other related companies</u>				
Motodynamics S.A., Group of companies	-	315	-	-
Perlite Hellas S.A.	-	-	1.195	1.030
ORYMIL S.A.	-	-	25	24
Rescon India Private Ltd.	-	-	926	489
Other	11	9	43	40
	11	324	2.189	1.583
	7.016	4.846	3.297	3.570

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

(Amounts in thousand Euro, unless otherwise stated)

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:

	The Company			
	Due from		Due to	
	September 30 2010	December 31 2009	September 30 2010	December 31 2009
Direct subsidiaries				
Isocon S.A.	2.031	2.380	-	-
S&B Holding GmbH.	159	-	-	-
Sarda Perlite S.r.l.	31	-	498	511
Sibimin Overseas Ltd.	7	6	-	-
Greek Helicon Bauxite S.A.	-	13	1.046	705
	2.228	2.399	1.544	1.216
Indirect subsidiaries				
S&B Industrial Minerals North America Inc.	3.062	317	7	4
S&B Industrial Minerals GmbH	1.309	4.525	-	-
S&B Industrial Minerals S.A.R.L.	579	888	-	-
S&B Industrial Minerals Spain S.L.u.	480	712	-	-
S&B Endustriyel Mineraller A.S.	330	453	-	-
S&B Industrial Minerals (Henan) Co. Ltd.	12	8	6	6
S&B Industrial Minerals Tianjin Co. Ltd.	-	-	4	-
S&B Industrial Minerals A.D.	-	-	618	442
Cape Trahilas Three S.A.	10	2	-	-
	5.782	6.905	635	452
Associates				
Laviosa Promasa S.A.	351	366	-	-
Laviosa Chimica Mineraria S.p.A.	-	662	-	-
	351	1.028	-	-
Other related companies				
Cebo International B.V.	737	478	-	-
Motodynamics S.A., Group of companies	39	39	-	-
ORYMIL S.A.	33	33	-	-
Other	1	19	-	3
	810	569	-	3
	9.171	10.901	2.179	1.671

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

(Amounts in thousand Euro, unless otherwise stated)

11. RELATED PARTY TRANSACTIONS (continued)

	The Company			
	Revenues		Expenses	
	1/1-30/09 2010	1/1-30/09 2009	1/1-30/09 2010	1/1-30/09 2009
<u>Direct subsidiaries</u>				
Isocon S.A.	1.587	2.239	-	1
S&B Holding GmbH	478	478	-	-
Sarda Perlite S.r.l.	-	-	306	306
Sibimin Overseas Ltd.	21	17	-	-
Greek Helicon Bauxite S.A.	6	3	522	676
	2.092	2.737	828	983
<u>Indirect subsidiaries</u>				
S&B Industrial Minerals GmbH	16.010	13.216	-	-
S&B Industrial Minerals North America Inc.	13.731	9.222	4	-
S&B Industrial Minerals S.A.R.L.	3.560	3.055	-	6
S&B Industrial Minerals Spain S.L.u.	480	714	-	-
Stollberg Inc.	159	150	-	-
S&B Endustriyel Mineraller A.S.	660	412	-	-
S&B Industrial Minerals AD	7	17	176	707
Cape Trahilas Enterprises Ltd.	1	263	-	-
Other	8	-	-	-
	34.616	27.049	180	713
<u>Associates</u>				
Laviosa Promasa S.A.	1.566	608	-	-
Laviosa Chimica Mineraria S.p.A.	40	501	-	-
	1.606	1.109	-	-
<u>Other related companies</u>				
Cebo International B.V.	3.627	1.804	-	-
Motodynamics S.A., Group of companies	-	315	-	-
ORYMIL S.A.	-	-	25	24
Other	11	9	43	41
	3.638	2.128	68	65
	41.952	33.023	1.076	1.761

Transactions and compensation of key management personnel and Board members of the Group for the nine month period ended September 30, 2010 amounted to € 4.097 (€ 3.001 for the nine month period ended September 30, 2009). Balances due to key management and Board members as of September 30, 2010 amounted to € 1.439 (€ 852 as of December 31, 2009).

Finally, transactions and compensation of key management and Board members of the Company for the nine month period ended September 30, 2010 amounted to € 3.805 (€ 2.582 for the nine month period ended September 30, 2009). Balances due to key management and Board members as of September 30, 2010 amounted to € 1.364 (€ 755 as of December 31, 2009).

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

(Amounts in thousand Euro, unless otherwise stated)

12. CAPITAL EXPENDITURE

The Group realized capital expenditure for the nine month periods ended September 30, 2010 and 2009 of € 17.200 and € 16.913, respectively, excluding the acquisitions through business combinations (the Company realized € 12.181 and € 12.833, respectively).

13. CONTINGENCIES - COMMITMENTS

On September 30, 2010 and December 31, 2009 the Group has issued letters of guarantee for a total amount of € 6,5 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 September 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.

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

(Amounts in thousand Euro, unless otherwise stated)

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 nine month periods ended September 30, 2010 and 2009, respectively:

	1/1-30/09/2010				
	Sales			Results	
	Third party	Inter-segment	Total sales	Profit / (loss) before tax	EBITDA
Bentonite	143.756	215	143.971	31.077	39.129
Perlite	51.068	33	51.101	4.504	7.466
C.C.F.	69.309	-	69.309	12.601	15.568
Bauxite	22.157	-	22.157	(9.091)	(448)
Minerals trading	27.468	190	27.658	3.394	3.760
Corporate	1.267	-	1.267	(22.565)	(17.990)
Eliminations	-	(438)	(438)	-	-
Total	315.025	-	315.025	19.920	47.485
	1/1-30/09/2009				
	Sales			Results	
	Third party	Inter-segment	Total sales	Profit / (loss) before tax	EBITDA
Bentonite	110.091	149	110.240	16.797	23.136
Perlite	47.644	-	47.644	5.534	8.186
C.C.F.	44.403	-	44.403	3.613	6.365
Bauxite	21.449	360	21.809	(16)	5.592
Minerals trading	17.793	151	17.944	39	615
Corporate	732	-	732	(20.373)	(14.297)
Eliminations	-	(660)	(660)	-	-
Total	242.112	-	242.112	5.594	29.597

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

(Amounts in thousand Euro, unless otherwise stated)

14. SEGMENT INFORMATION (continued)

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

	Segment Assets	
	September 30, 2010	December 31, 2009
Bentonite	202.719	194.380
Perlite	77.979	76.261
C.C.F.	77.784	73.056
Bauxite	55.117	55.332
Minerals trading	18.805	17.418
Corporate	87.409	94.384
Eliminations	114	25
Total	519.927	510.856

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.

Within September 2010, the Company extended the maturity of a € 30.000 bond loan, from 3rd March 2011 to 30th June 2013.

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 amounts 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 comparative periods presented has been retrospectively adjusted for the bonus element of 10.356.440 common shares issued on August 9, 2010.

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

(Amounts in thousand Euro, unless otherwise stated)

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 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.

Acquisition of treasury shares

Within the period, the Company purchased 265.286 treasury shares, at an average price of € 3,69 per share, for an aggregate amount of € 978.165,30. It is noted that all purchased shares prior to the share capital increase effected on August 9, 2010 have been adjusted for the bonus element of one (1) new bonus share for every four (4) existing shares.

Subsequent to the share capital increase 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, as of September 30, 2010 the Company held 571.568 treasury shares at an average price of € 4,98 per share, for a total amount of € 2.844.008,03.

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

Subsequent to September 30, 2010 and until October 29, 2010 the Company purchased 20.369 treasury shares, at an average price of € 3,65 per share for a total amount of € 74.340,53. As a result, as of October 29, 2010 the Company holds 591.937 treasury shares at an average price of € 4,93 per share, for a total amount of € 2.918.348,56.

On October 6, 2010, the Group established Pergem Mineral Mining Industry and Trade S.A., a new joint venture based in Turkey, between S&B Holding GmbH (a Germany based affiliate of the S&B Group of companies) and Messrs. Bulent Iper and Orca Kirker, significant Perlite producers in Turkey. The total investment amounts to € 2,7 million and the Group will participate in the new joint venture with an investment of € 1,35 million and share of 50%. Pergem Mineral Mining Industry and Trade S.A. will be based in Izmir and will focus on the development and exploitation of perlite reserves in the area of Bergama through the construction of a processing plant for the production of graded perlite for use mainly in construction and building material applications.

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

(Amounts in thousand Euro, unless otherwise stated)

18. PRIOR PERIOD RECLASSIFICATIONS

For better presentation and comparison purposes, the following reclassifications were performed: (i) a debit amount of € 102 related to inventory count deficits has been transferred from “Other expenses” to “Cost of sales” in the consolidated and separate income statements for the nine month period ended September 30, 2009 and (ii) a cash inflow of € 65 has been transferred from “Trade receivables” to “Net foreign exchange difference on cash flows” in the separate statement of cash flows for the nine month period ended September 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:

	FINANCIAL POSITION		
	September 30	December 31	Δ%
	2010	2009	
1 € = USD	1,3648	1,4406	-5%
1 € = GBP	0,8599	0,8881	-3%
1 € = BGN	1,9558	1,9558	0%
1 € = HUF	275,75	270,42	2%
1 € = TRY	1,981	2,155	-8%
1 € = CNY	9,1321	9,8350	-7%
1 € = GEL	2,4585	2,4195	2%
1 € = KRW	1.555,98	1.666,97	-7%
1 € = BRL	2,3104	2,5073	-8%
1 € = INR	60,740	66,422	-9%
1 € = MAD	11,2093	11,2746	-1%
1 € = PLN	3,9847	4,1045	-3%
	COMPREHENSIVE INCOME		
	Average rate	Average rate	Δ%
	nine month	nine month	
	2010	2009	
1 € = USD	1,3145	1,3665	-4%
1 € = GBP	0,8573	0,8862	-3%
1 € = BGN	1,9558	1,9558	0%
1 € = HUF	275,38	283,54	-3%
1 € = TRY	1,999	2,150	-7%
1 € = CNY	8,9474	9,3362	-4%
1 € = GEL	2,3474	2,2785	3%
1 € = KRW	1.531,11	1.788,90	-14%
1 € = BRL	2,3419	2,8336	-17%
1 € = INR	60,442	66,737	-9%
1 € = MAD	11,1222	11,1874	-1%
1 € = PLN	4,0043	4,3797	-9%

B. 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 SEPTEMBER 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.

Board of Directors approval date of financial statements: November 8, 2010

Company's website: www.sandb.com

	CONDENSED STATEMENT OF FINANCIAL POSITION		COMPANY	
	GROUP	COMPANY	GROUP	COMPANY
	30/9/2010	31/12/2009	30/9/2010	31/12/2009
ASSETS				
Property, plant & equipment	192.806	195.845	100.204	101.004
Investment properties	20.165	20.368	20.165	20.368
Intangible assets	105.315	104.705	25.891	25.354
Other non current assets	16.219	15.275	130.493	124.507
Inventories	69.214	65.093	25.897	23.256
Trade receivables	59.120	47.500	10.045	6.764
Other current assets	17.433	12.767	19.727	17.628
Cash and cash equivalents	39.926	49.573	3.912	24.619
Available for sale financial assets	132	230	132	230
TOTAL ASSETS	519.927	510.858	344.906	350.730
EQUITY AND LIABILITIES				
Share capital	51.782	41.426	51.782	41.426
Share premium	42.329	42.329	42.329	42.329
Other equity components	146.416	146.177	96.990	114.255
Total equity attributable to owners of the Company (a)	240.527	229.932	191.101	198.010
Minority interests (b)	726	1.095	-	-
Total equity (c) = (a) + (b)	241.253	231.027	191.101	198.010
Long term interest bearing loans and borrowings	119.829	154.788	74.915	102.273
Provisions/Other non current liabilities	92.353	50.359	22.312	24.598
Short term borrowings	36.476	16.705	27.844	7.500
Other current liabilities	70.016	55.977	28.734	24.149
Total liabilities (d)	278.674	279.839	153.805	152.720
TOTAL EQUITY AND LIABILITIES (c) + (d)	519.927	510.858	344.906	350.730

	CONDENSED STATEMENT OF CHANGES IN EQUITY		COMPANY	
	GROUP	COMPANY	GROUP	COMPANY
	30/9/2010	30/9/2009	30/9/2010	30/9/2009
Equity at beginning of the period				
(1/1/2010 and 1/1/2009 respectively)	231.027	193.779	198.010	159.642
Total comprehensive income/(loss) for the period	15.502	3.868	-1.715	3.205
Dividend distribution	-5.053	-4.956	-4.971	-4.962
Share capital increase net of withheld taxes	119.829	40.843	40.843	40.843
Distribution of shares to personnel	300	359	300	359
Purchase of treasury shares	-978	-167	-978	-167
Share based payment	505	353	505	353
Income tax relating to the future distribution of reserves from tax-exempted income	-53	-	-53	-
Equity at period end				
(30/9/2010 and 30/9/2009 respectively)	241.253	232.944	191.101	199.123

ADDITIONAL DATA AND INFORMATION

1. Companies included in the consolidated financial statements together with country of establishment, participation interest and method of consolidation for the nine months period ended September 30, 2010 are presented in note 4 of the nine month financial report.

2. The fiscal years that are audited by the tax authorities for the Company and the Group's subsidiaries are presented in detail in note 8 of the nine month financial report.

3. Number of employees at the end of the reporting period: Group 1.991 (30.9.2009: 2.039) and 631 for the Company (30.9.2009: 665).

4. Certain amounts of previous fiscal period have been reclassified for better presentation and comparability purposes (note 10 of the nine month financial report).

5. Related party transactions for the first nine months of 2010 and balances with related parties as of September 30, 2010 according to I.A.S. 24 are as follows:

	Group	Company
a) Revenues	7.016	41.952
b) Expenses	3.297	1.076
c) Receivables from related parties	1.697	9.171
d) Payables to related parties	2.031	2.179
e) Key management personnel compensations	4.097	3.805
f) Receivables from key management personnel	0	0
g) Payables to key management personnel	1.439	1.364

6. Other comprehensive income/(expense) for the period 1.1-30.9.2010 is as follows:

	Group	Company
Translation of foreign operations:		
- Subsidiaries	3.248	0
- Associates	163	0
Valuation of available for sale investments	-98	-98
Valuation of derivatives	-981	-981
Income tax relating to the valuation of available for sale investments	24	24
Income tax relating to the valuation of derivatives	233	233

7. Provisions of the Group and the Company as of 30.9.2010 are as follows:

	Group	Company
a) Provision for litigation and arbitration	530	425
b) Provision for unaudited tax years	911	319
c) Other provisions	2.146	164

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

9. 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 nine month financial report).

10. (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, which was paid to the Company's shareholders on July 6, 2010 and b) the share capital increase by € 10,356,440 through capitalization of the tax-free reserves L.1808/1989 and L.1890/1990, 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. The share capital increase was effected, following the approval by the competent authorities on August 9, 2010 (note 16 of the nine month financial report).

- Within the period, the Company purchased 265,396 treasury shares, at an average price of € 3,69 per share, for an aggregate amount of € 978,165,30. It is noted that all purchased shares prior to the share capital increase effected on August 9, 2010 have been adjusted for the bonus element of one (1) new bonus share for every four (4) existing shares. Subsequent to the share capital increase as well as to the transfer on August 12, 2010 of 79,674 treasury shares to Company's executives, in the context of performance appraisal programs, as of September 30, 2010 the Company held 374,568 treasury shares at an average price of € 4,98 per share, for a total amount of € 2,844,008,00. Subsequent to September 30, 2010 and until October 29, 2010 the Company purchased 20,369 treasury shares, at an average price of € 9,65 per share for a total amount of € 74,340,53. As a result, as of October 29, 2010 the Company holds 394,937 treasury shares at an average price of € 4,93 per share, for a total amount of € 2,918,348,56 (note 15,17 of the nine 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 Stahlberg & Sami 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 1,05 million (€ 0,8 million) was paid as of September 30, 2010 (note 4 of the nine 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 € 900,000 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 4 of the nine month financial report).

- On October 6, 2010, the Group established Pergem Mineral Mining Industry and Trade S.A., a new joint venture based in Turkey, between S&B Holding GmbH (a Germany based affiliate of the S&B Group of companies) and Mezur, Bulent Iser and Oca Kirker, significant Perlite producers in Turkey. The total investment amounts to € 2,7 million and the Group will participate in the new joint venture with an investment of € 1,35 million and share of 50% (note 17 of the nine month financial report).

	CONDENSED STATEMENT OF COMPREHENSIVE INCOME			
	GROUP		COMPANY	
	1/1-30/9/10	1/1-30/9/09	1/1-30/9/10	1/1-30/9/09
Sales	815.025	242.112	111.333	84.491
Gross profit	72.420	52.950	29.008	20.362
Profit before income tax, financial and investment results	24.838	14.081	12.593	5.183
Profit before tax	19.920	5.594	9.889	3.107
Net profit (A)	12.913	4.158	7.585	2.341
Attributable to:				
- Equity holders of the Company	13.199	3.711	7.580	1.859
- Minority interests	-286	447	-	482
Other comprehensive income/(loss) for the period (B)	2.589	-295	6.126	-1.208
Total comprehensive income for the period (A) + (B)	15.502	3.863	1.459	1.133
Attributable to:				
- Equity holders of the Company	15.789	3.408	1.458	649
- Minority interests	-287	460	-	484
Net Earnings per share - basic (in €)	0,2575	0,0908	0,1480	0,0446
Profit before income tax, financial and investment results, depreciation and amortization	47.485	29.597	19.587	11.449

	CONDENSED STATEMENT OF COMPREHENSIVE INCOME			
	GROUP		COMPANY	
	1/1-30/9/10	1/1-30/9/09	1/1-30/9/10	1/1-30/9/09
Sales	104.232	78.834	39.368	26.297
Gross profit	21.508	20.761	11.390	7.447
Profit/(loss) before income tax, financial and investment results	2.469	7.164	4.875	2.121
(Loss)/profit before tax	-289	4.073	2.896	1.013
Net (loss)/profit (A)	-893	2.891	2.721	739
Attributable to:				
- Equity holders of the Company	-893	2.891	2.721	739
Other comprehensive (loss)/income for the period (B)	-822	374	-106	-3
Total comprehensive (loss)/income for the period (A) + (B)	-1.715	3.265	2.615	736
Attributable to:				
- Equity holders of the Company	-1.715	3.205	2.615	736
Net Earnings per share - basic (in €)	-0,0174	0,0592	0,0522	0,0177
Profit before income tax, financial and investment results, depreciation and amortization	15.337	16.348	8.062	5.513

	CASH FLOW STATEMENT			
	GROUP		COMPANY	
	1/1-30/9/2010	1/1-30/9/2009	1/1-30/9/2010	1/1-30/9/2009
Indirect Method				
Cash flows from operating activities:				
Profit / (Loss) before tax	19.920	5.594	-289	4.073
Adjustments for:				
- Depreciation and amortization	22.769	18.492	12.966	9.296
- Grants amortization	-423	-17	98	-112
- Provisions, net	2.574	1.554	1.649	744
- Finance income	-346	-1.065	-578	957
- Finance costs	5.264	7.460	3.549	5.362
- Investment income (net of foreign taxes)	-	-	-205	615
- Share of profit of associates	-826	-17	-	-
- Gain from disposal of associates	400	-708	-	-699
- Impairment loss	65	-96	-	-75
- Gain from disposal of property, plant and equipment	49.568	31.047	16.994	17.817
(Increase) / Decrease in:				
- Inventories	-3.659	16.356	-2.020	-2.567
- Trade receivables	-12.474	4.347	-3.625	7.391
- Due from related parties	-877	-418	1.180	3.423
- Other assets	-4.995	2.512	-3.812	3.873
Increase / (Decrease) in:				
- Trade payables	5.178	10.110	3.300	3.459
- Due to related parties	167	1.097	508	727
- Other liabilities	5.650	3.410	4.171	272
Staff leaving indemnities paid	-2.388	-2.204	-967	-1.739
Payments for environment rehabilitation	-484	-734	-438	-673
Income tax paid	-4.896	-2.571	-2.550	-1.704
Net cash flows from operating activities (a)	31.240	63.457	12.731	29.472
Cash flows from investing activities:				
Capital expenditure	-17.486	-17.394	-12.467	-13.254
- Capitalized depreciation and amortization	286	421	286	421
- Business combinations and investments in consolidated entities	-924	-6.694	-7.500	-200
- Proceeds from the sale of associate	550	550	550	550
- Dividends received	92	171	134	221
- Interest and other finance costs paid	346	257	193	101
- Proceeds from the settlement of derivatives	81	243	81	243
- Government grants received	244	104	-	-
- Proceeds from disposal of property, plant and equipment	105	308	-	77
Net cash flows used in investing activities (b)	-15.766	-17.974	-18.733	-11.841
Cash flows from financing activities:				
- Share capital increase, net of transaction costs	-	40.846	-	40.846
- Purchase of treasury shares	-978	-167	-978	-167
- Net increase/(decrease) of short-term borrowings	-219	-12.150	344	9.771
- Proceeds from long-term borrowings	-	50.000	-	45.500
- 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	-4.477	-4.511	-4.477	-4.511
- Dividends paid to minority interests	-98	-24	-	-
- Payments for the settlement of derivatives	-	-1.668	-	-1.668
- Interest and other finance costs paid	-3.622	-6.897	-2.479	-5.382
Net cash flows (used in)/from financing activities (c)	-24.388	11.429	-15.990	24.147
- Net foreign exchange difference on flows (d)	-423	716	385	65
Net (decrease)/increase in cash and cash equivalents: (a) + (b) + (c) + (d)	-10.252	57.628	-20.707	41.844
Cash and cash equivalents at the beginning of the period	45.573	12.434	24.619	879
- Net foreign exchange difference on cash and cash equivalents at the beginning of the period	605	316	-	-
Cash and cash equivalents at period end	29.926	70.744	3.912	42.722

Kifissia, November 8, 2010

THE CHAIRMAN OF THE BOARD OF DIRECTORS

THE CHIEF EXECUTIVE OFFICER

THE CHIEF FINANCIAL OFFICER

THE CONTROLLER GREECE

ULYSSES P. KYRIACPOULOS
ID No. AH 042868

EFTHIMIOS OR. VIDALIS
ID N. 237368

KRITON ST. ANAVLAVIS
ID. No. Π 062025

NIKOLAOS CH. IOAKIM
A' CLASS LICENCE No 0002714

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**C. 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 30.09.2010 to be used in 2010
		30.09.2010	
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
Total	41.425.760,00	41.425.760,00	0

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, November 8, 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