



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

**Financial Report**

**for the three-month period ended March 31, 2011**

This three 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 May 4, 2011. This is made publicly available on the company's website at [www.sandb.com](http://www.sandb.com) for at least 5 (five) years from the date of issue.

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# S&B Industrial Minerals S.A.

## FINANCIAL REPORT FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2011

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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 May 4, 2011.

**The Chairman of the Board of  
Directors**

**The Chief Executive  
Officer**

**The Controller Greece**

**Ulysses P. Kyriacopoulos**

**Kriton St. Anavlavis**

**Nikolaos Ch. Ioakim**

**ID No AH042868**

**ID No Π062025**

**A' Class License No  
0002714**

**S&B Industrial Minerals S.A.**  
**CONSOLIDATED INCOME STATEMENT**  
**FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2011**  
(Amounts in thousand Euro, except for earnings per share)

		<b>The Group</b>	
	<u>Note</u>	<u>1/1 - 31/03/2011</u>	<u>1/1 -31/03/2010</u>
Sales	5	111.832	95.232
Cost of sales		<u>(85.394)</u>	<u>(72.945)</u>
<b>Gross Profit</b>		<b>26.438</b>	<b>22.287</b>
Administrative expenses		(12.013)	(10.646)
Selling expenses		(5.871)	(5.450)
Other income		993	1.162
Other expenses		<u>(312)</u>	<u>(51)</u>
<b>Operating profit</b>		<b>9.235</b>	<b>7.302</b>
Finance income	6	99	303
Finance costs	7	(2.241)	(1.805)
Share of profit of associates		71	172
<b>Profit before tax</b>		<b>7.164</b>	<b>5.972</b>
Income tax expense	8	<u>(3.061)</u>	<u>(2.063)</u>
<b>Net profit</b>		<b>4.103</b>	<b>3.909</b>
<b>Attributable to:</b>			
Equity holders of the company		4.117	4.037
Non-controlling interests		<u>(14)</u>	<u>(128)</u>
		<b>4.103</b>	<b>3.909</b>
<b>Earnings per share</b>			
Basic		<u>0,0806</u>	<u>0,0786</u>
Diluted		<u>0,0794</u>	<u>0,0778</u>
<b>Weighted average number of shares</b>			
Basic		<u>51.110.944</u>	<u>51.339.709</u>
Diluted		<u>51.870.688</u>	<u>51.882.132</u>

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 THREE MONTH PERIOD ENDED MARCH 31, 2011**  
(Amounts in thousand Euro)

	<b>The Group</b>		
	<u>Note</u>	<u>1/1 - 31/03/2011</u>	<u>1/1 -31/03/2010</u>
<b>Net profit</b>		<b>4.103</b>	<b>3.909</b>
<b><u>Other comprehensive income</u></b>			
Translation of foreign operations:			
-Subsidiaries		(3.820)	3.801
-Associates		(42)	81
Valuation of available-for-sale financial assets		(3)	(25)
Valuation of derivatives		1.289	(460)
Income tax relating to the valuation of available-for-sale financial assets		1	6
Income tax relating to the valuation of derivatives		(276)	108
<b>Other comprehensive (loss) / income for the period, net of tax</b>		<b>(2.851)</b>	<b>3.511</b>
<b>Total comprehensive income for the period, net of tax</b>		<b>1.252</b>	<b>7.420</b>
<b>Attributable to:</b>			
Owners of the Company		1.275	7.549
Non-controlling interests		(23)	(129)
		<b>1.252</b>	<b>7.420</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 THREE MONTH PERIOD ENDED MARCH 31, 2011**  
(Amounts in thousand Euro)

		<u>The Company</u>	
	<u>Note</u>	<u>1/1 - 31/03/2011</u>	<u>1/1 - 31/03/2010</u>
Sales	5	32.118	28.729
Cost of sales		(25.589)	(22.523)
<b>Gross Profit</b>		<b>6.529</b>	<b>6.206</b>
Administrative expenses		(8.042)	(6.393)
Selling expenses		(616)	(754)
Other income		1.268	1.294
Other expenses		(53)	(1)
<b>Operating (loss) / profit</b>		<b>(914)</b>	<b>352</b>
Finance income	6	54	309
Finance costs	7	(1.507)	(1.256)
<b>(Loss) / profit before tax</b>		<b>(2.367)</b>	<b>(595)</b>
Income tax benefit / (expense)	8	(98)	113
<b>Net loss</b>		<b>(2.465)</b>	<b>(482)</b>

**S&B Industrial Minerals S.A.**  
**SEPARATE STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2011**  
(Amounts in thousand Euro)

	<u>The Company</u>		
	<u>Note</u>	<u>1/1 - 31/03/2011</u>	<u>1/1 - 31/03/2010</u>
<b>Net loss</b>		<b>(2.465)</b>	<b>(482)</b>
<b><u>Other comprehensive income</u></b>			
Valuation of available-for-sale financial assets		(3)	(25)
Valuation of derivatives		1.289	(460)
Income tax relating to the valuation of available-for-sale financial assets		1	6
Income tax relating to the valuation of derivatives		(276)	108
<b>Other comprehensive income/ (loss) for the period, net of tax</b>		<b>1.011</b>	<b>(371)</b>
<b>Total comprehensive loss for the period, net of tax</b>		<b>(1.454)</b>	<b>(853)</b>

**S&B Industrial Minerals S.A.**  
**STATEMENTS OF FINANCIAL POSITION**  
**MARCH 31, 2011**  
(Amounts in thousand Euro)

	Note	The Group		The Company	
		March 31 2011	December 31 2010	March 31 2011	December 31 2010
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment		189.243	190.114	99.567	97.828
Investment properties		20.146	20.214	20.146	20.214
Goodwill		83.063	83.437	25.129	25.129
Other intangible assets		21.150	21.748	189	196
Investments in subsidiaries		-	-	133.570	133.570
Investments in associates		10.739	10.724	4.198	4.198
Deferred tax assets		3.934	4.145	1.926	2.016
Available-for-sale financial assets		187	189	187	189
Other non-current assets		2.443	2.429	485	452
		<b>330.905</b>	<b>333.000</b>	<b>285.397</b>	<b>283.792</b>
<b>Current assets</b>					
Inventories		73.773	77.056	25.321	26.908
Trade receivables		57.133	51.743	5.406	7.808
Due from related parties	11	1.267	1.354	3.959	3.943
Income tax receivables		234	181	-	-
Other current assets		19.177	17.613	13.747	13.003
Cash and cash equivalents		47.781	42.724	2.926	1.208
		<b>199.365</b>	<b>190.671</b>	<b>51.359</b>	<b>52.870</b>
<b>Total Assets</b>		<b>530.270</b>	<b>523.671</b>	<b>336.756</b>	<b>336.662</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to owners of the Company</b>					
Share capital		51.782	51.782	51.782	51.782
Share premium		42.329	42.329	42.329	42.329
Treasury shares		(3.223)	(3.216)	(3.223)	(3.216)
Share option plan reserve		2.466	2.237	2.466	2.237
Derivatives valuation reserve		550	(463)	550	(463)
Other reserves		78.084	85.703	90.296	90.298
Translation of foreign operations		(5.035)	(1.182)	-	-
Retained earnings		76.940	65.207	328	2.793
		<b>243.893</b>	<b>242.397</b>	<b>184.528</b>	<b>185.760</b>
Non-controlling interests		538	561	-	-
<b>Total equity</b>		<b>244.431</b>	<b>242.958</b>	<b>184.528</b>	<b>185.760</b>
<b>Non-current liabilities</b>					
Provision for staff leaving indemnities		18.575	19.613	9.430	10.445
Provision for environmental rehabilitation		12.250	12.346	10.014	10.073
Other provisions		2.414	2.273	353	252
Interest-bearing loans and borrowings		139.882	119.858	94.941	74.929
Deferred tax liabilities		14.702	14.964	-	-
Government grants		1.925	1.982	1.587	1.623
Other non-current liabilities		1.563	1.605	89	89
		<b>191.311</b>	<b>172.641</b>	<b>116.414</b>	<b>97.411</b>
<b>Current liabilities</b>					
Trade payables		47.404	44.015	12.229	12.620
Due to related parties	11	1.379	2.017	2.240	2.219
Short-term borrowings		1.258	779	86	-
Current portion of long-term interest bearing loans and borrowings		15.000	35.000	7.500	27.500
Income tax liabilities		4.080	4.805	865	688
Dividends payable		23	25	23	25
Other current liabilities		25.384	21.431	12.871	10.439
		<b>94.528</b>	<b>108.072</b>	<b>35.814</b>	<b>53.491</b>
<b>Total equity and liabilities</b>		<b>530.270</b>	<b>523.671</b>	<b>336.756</b>	<b>336.662</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 THREE MONTH PERIOD ENDED MARCH 31, 2011**

(Amounts in thousand Euro)

	<b>The Group</b>										
	<b>Attributable to Equity holders of the Company</b>										
	Share Capital	Share Premium	Treasury Shares	Share option plan reserve	Derivatives valuation reserve	Other reserves	Translation of foreign operations	Retained earnings	Total	Non- controlling interests	Total equity
<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	-	-	-	-	-	-	-	4.037	4.037	(128)	3.909
- Other comprehensive income / (loss) for the period	-	-	-	-	(352)	(19)	3.883	-	3.512	(1)	3.511
- Total comprehensive income / (loss) for the period	-	-	-	-	(352)	(19)	3.883	4.037	7.549	(129)	7.420
- Share based payment	-	-	-	121	-	-	-	-	121	-	121
- Purchase of treasury shares	-	-	(404)	-	-	-	-	-	(404)	-	(404)
<b>March 31, 2010</b>	<b>41.426</b>	<b>42.329</b>	<b>(2.672)</b>	<b>1.881</b>	<b>(522)</b>	<b>102.249</b>	<b>(2.411)</b>	<b>54.918</b>	<b>237.198</b>	<b>966</b>	<b>238.164</b>
<b>January 1, 2011</b>	<b>51.782</b>	<b>42.329</b>	<b>(3.216)</b>	<b>2.237</b>	<b>(463)</b>	<b>85.703</b>	<b>(1.182)</b>	<b>65.207</b>	<b>242.397</b>	<b>561</b>	<b>242.958</b>
- Profit for the period	-	-	-	-	-	-	-	4.117	4.117	(14)	4.103
- Other comprehensive income / (loss) for the period	-	-	-	-	1.013	(2)	(3.853)	-	(2.842)	(9)	(2.851)
- Total comprehensive income / (loss) for the period	-	-	-	-	1.013	(2)	(3.853)	4.117	1.275	(23)	1.252
- Dividends distribution	-	-	-	-	-	-	-	-	-	-	-
- Share based payment	-	-	-	229	-	-	-	-	229	-	229
- Purchase of treasury shares	-	-	(7)	-	-	-	-	-	(7)	-	(7)
- Transfers	-	-	-	-	-	(7.617)	-	7.616	(1)	-	(1)
<b>March 31, 2011</b>	<b>51.782</b>	<b>42.329</b>	<b>(3.223)</b>	<b>2.466</b>	<b>550</b>	<b>78.084</b>	<b>(5.035)</b>	<b>76.940</b>	<b>243.893</b>	<b>538</b>	<b>244.431</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 THREE MONTH PERIOD ENDED MARCH 31, 2011**  
(Amounts in thousand Euro)

	<b>The Company</b>							
	Share Capital	Share Premium	Treasury Shares	Share option plan reserve	Derivatives valuation reserve	Other reserves	Retained earnings	Total
<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	-	-	-	-	-	-	(482)	<b>(482)</b>
- Other comprehensive loss for the period	-	-	-	-	(352)	(19)	-	<b>(371)</b>
- Total comprehensive loss for the period	-	-	-	-	<b>(352)</b>	<b>(19)</b>	<b>(482)</b>	<b>(853)</b>
- Share based payment	-	-	-	121	-	-	-	<b>121</b>
-Purchase of treasury shares	-	-	(404)	-	-	-	-	<b>(404)</b>
<b>March 31, 2010</b>	<b>41.426</b>	<b>42.329</b>	<b>(2.672)</b>	<b>1.881</b>	<b>(522)</b>	<b>104.117</b>	<b>10.315</b>	<b>196.874</b>
<b>January 1, 2011</b>	<b>51.782</b>	<b>42.329</b>	<b>(3.216)</b>	<b>2.237</b>	<b>(463)</b>	<b>90.298</b>	<b>2.793</b>	<b>185.760</b>
- Loss for the period	-	-	-	-	-	-	(2.465)	<b>(2.465)</b>
- Other comprehensive income/ (loss) for the period	-	-	-	-	1.013	(2)	-	<b>1.011</b>
- Total comprehensive income/ (loss) for the period	-	-	-	-	<b>1.013</b>	<b>(2)</b>	<b>(2.465)</b>	<b>(1.454)</b>
- Share based payment	-	-	-	229	-	-	-	<b>229</b>
- Purchase of treasury shares	-	-	(7)	-	-	-	-	<b>(7)</b>
<b>March 31, 2011</b>	<b>51.782</b>	<b>42.329</b>	<b>(3.223)</b>	<b>2.466</b>	<b>550</b>	<b>90.296</b>	<b>328</b>	<b>184.528</b>

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

**S&B Industrial Minerals S.A.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2011**  
(Amounts in thousand Euro)

	Note	The Group		The Company	
		1/1 - 31/03 2011	1/1 - 31/03 2010	1/1 - 31/03 2011	1/1 - 31/03 2010
<b>Cash flows from operating activities</b>					
<b>Profit / (loss) before tax</b>		<b>7.164</b>	<b>5.972</b>	<b>(2.367)</b>	<b>(595)</b>
Adjustments for:					
- Depreciation and amortization		7.088	5.661	4.179	2.768
- Grants amortization		(50)	(37)	(37)	(32)
- Provisions, net		1.449	356	(419)	255
- Finance income		(99)	(303)	(54)	(309)
- Finance costs		2.241	1.805	1.507	1.256
- Share of profit of associates		(71)	(172)	-	-
- Gain from the disposal of property, plant and equipment		21	(13)	19	-
		<b>17.743</b>	<b>13.269</b>	<b>2.828</b>	<b>3.343</b>
(Increase) / Decrease in:					
- Inventories		2.658	4.001	1.097	2.666
- Trade receivables		(5.581)	(6.282)	2.402	411
- Due from related parties		87	(910)	(16)	(6.227)
- Other assets		(1.450)	(2.905)	(777)	(1.819)
Increase / (Decrease) in:					
- Trade payables		3.389	815	(391)	(860)
- Due to related parties		(638)	(43)	20	326
- Other liabilities		4.784	4.327	3.254	2.414
Staff leaving indemnities paid		(510)	(854)	(340)	(358)
Payments for environmental rehabilitation		(151)	(192)	(141)	(185)
Income tax paid		(4.011)	(687)	(99)	(387)
<b>Net cash flows from/ (used in) operating activities</b>		<b>16.320</b>	<b>10.539</b>	<b>7.837</b>	<b>(676)</b>
<b>Cash flows from investing activities</b>					
- Capital expenditure	12	(6.986)	(5.141)	(5.382)	(3.708)
- Capitalized depreciation	12	91	125	91	125
- Business combinations and investments in consolidated entities		-	(371)	-	-
- Interest and other finance income received		58	72	14	25
- Proceeds from the settlement of derivatives		41	80	41	80
- Proceeds from the disposal of property, plant and equipment		1	10	1	-
<b>Net cash flows used in investing activities</b>		<b>(6.795)</b>	<b>(5.225)</b>	<b>(5.235)</b>	<b>(3.478)</b>
<b>Cash flows used in financing activities:</b>					
- Purchase of treasury shares		(7)	(403)	(7)	(403)
- Net increase of short-term borrowings		479	32	86	-
- Dividends paid to the Equity holders of the Company, net of taxes		(2)	(5)	(2)	(5)
- Interest and other finance costs paid		(1.133)	(1.356)	(782)	(949)
<b>Net cash flows used in financing activities</b>		<b>(663)</b>	<b>(1.732)</b>	<b>(705)</b>	<b>(1.357)</b>
- Net foreign exchange difference on cash flows		(2.825)	1.184	(179)	284
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>6.037</b>	<b>4.766</b>	<b>1.718</b>	<b>(5.227)</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>42.724</b>	<b>49.573</b>	<b>1.208</b>	<b>24.619</b>
- Net foreign exchange difference on cash and cash equivalents at the beginning of the period		(980)	742	-	-
<b>Cash and cash equivalents at period end</b>		<b>47.781</b>	<b>55.081</b>	<b>2.926</b>	<b>19.392</b>

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

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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 MARCH 31, 2011**

(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. 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 Exchange. 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 at March 31, 2011 and 2010 the Group employed 1.949 and 2.021 employees, respectively, while the Company employed 647 and 645 employees, respectively.

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

The accompanying interim 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 applicable provisions of Greek 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, 2010.

The financial statements for the three month period ended March 31, 2011 were approved by the Company’s Board of Directors on May 4, 2011.

**S&B Industrial Minerals S.A.**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2011**

(Amounts in thousand Euro, unless otherwise stated)

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

The principal accounting policies adopted in the preparation of the financial statements, are consistent with those followed in the preparation of the annual financial statements for the year ended December 31, 2010, except for the below mentioned adoption of new standards and interpretations applicable for fiscal periods beginning at January 1, 2011:

- **IAS 32 “Classification on Rights Issues” (Amended)**
- **IAS 24 “Related Party Disclosures” (Revised)**
- **IFRIC 19 “Extinguishing Financial Liabilities with Equity Instruments”**
- **IFRIC 14 “Prepayments of a Minimum Funding Requirement” (Amended)**
- **Improvements to IFRSs (May 2010):**In May 2010, the IASB issued its third omnibus of the following amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. The following amendments did not have any impact on the accounting policies, financial position or performance of the Group:
  - IAS 1 “Presentation of Financial Statements”**: This amendment clarifies that an entity will present an analysis of other comprehensive income for each component of equity, either in the statement of changes in equity or in the notes to the financial statements.
  - IAS 34 “Interim Financial Reporting”**: This improvement provides guidance to illustrate how to apply disclosure principles in IAS 34 and add disclosure requirements.
  - IFRS 3 “Business Combinations”**
  - IFRS 7 “Financial Instruments: Disclosures”**
  - IAS 27 “Consolidated and Separate Financial Statements”**
  - IFRIC 13 “Customer Loyalty Programmes”**

The following standards are issued but not yet effective:

- **IFRS 9 “Financial Instruments - Phase 1 financial assets, classification and measurement”**
- **IFRS 7 “Financial Instruments: Disclosures as part of its comprehensive review of off balance sheet activities” (Amended)**
- **IAS 12 “Deferred tax: Recovery of Underlying Assets” (Amended)**

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 CONSOLIDATED FINANCIAL STATEMENTS**

**4.1 Consolidation under the full method**

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

Entity	Country	Field of activity	% Participation		Year Established / Acquired
			31/3/2011	31/12/2010	
<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. <sup>(1)</sup>	France	Industrial Minerals	-	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	99,80%	99,80%	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	99,72%	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

**Footnotes**

1. As of 1<sup>st</sup> January, 2011 Denain Anzin Metallurgie S.A.S. was merged with S&B Industrial Minerals S.A.R.L.

**S&B Industrial Minerals S.A.**  
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**4. ENTITIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS**  
**(continued)**

**4.2 Consolidation under the proportionate method**

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

Entity	Country	Field of activity	% Participation		Year Established / Acquired
			31/3/2011	31/12/2010	
<b>EUROPE</b>					
Orykton GmbH	Germany	Industrial Minerals	50,00%	50,00%	2005
Cebo International BV	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. (1)	China	Industrial Minerals	48,32%	48,32%	2004
Pergem Mineral A.Ş.	Turkey	Industrial Minerals	50,00%	50,00%	2010

**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
			31/3/2011	31/12/2010	
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 MPC SAS (1)	France	Industrial Minerals	28,00%	28,00%	2010
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%	25,00%	2010
Protovoulia Milos S.A.	Greece	Other activities	43,07%	43,07%	2007
Adventus Europe GmbH	Germany	Other activities	42,00%	42,00%	2010

**Footnotes**

1. Laviosa Sanayi Ve Ticaret Ltd., Laviosa Trimex Industries Ltd, Bentec S.p.A. and Laviosa MPC SAS are fully consolidated in their parent's, Laviosa Chimica Mineraria S.p.A., financial statements (participation interest 100%, 55%, 100% and 80%, 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%).

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**5. SALES**

Sales in the financial statements are analyzed as follows:

	The Group		The Company	
	1/1-31/03	1/1-31/03	1/1-31/03	1/1-31/03
	2011	2010	2011	2010
Bentonite	49.193	42.568	14.543	13.021
Perlite	17.712	15.492	9.934	8.447
Continuous casting fluxes	26.561	21.891	-	-
Minerals trading	10.725	8.020	-	-
Bauxite	7.335	7.008	7.335	7.008
Other	306	253	306	253
	<b>111.832</b>	<b>95.232</b>	<b>32.118</b>	<b>28.729</b>

**6. FINANCE INCOME**

Finance income in the financial statements is analyzed as follows:

	The Group		The Company	
	1/1-31/03	1/1-31/03	1/1-31/03	1/1-31/03
	2011	2010	2011	2010
Interest income	58	73	13	25
Gains from valuation of derivatives on oil	41	-	41	-
Foreign exchange gains, net	-	230	-	284
	<b>99</b>	<b>303</b>	<b>54</b>	<b>309</b>

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**7. FINANCE COSTS**

Finance costs in the financial statements are analyzed as follows:

	The Group		The Company	
	1/1-31/03	1/1-31/03	1/1-31/03	1/1-31/03
	2011	2010	2011	2010
Interest expense on long term loans and borrowings	1.169	894	913	567
Foreign exchange loss, net	437	-	179	-
Finance cost of environmental rehabilitation provision	222	176	212	165
Finance cost of staff leaving indemnities provision	219	243	111	128
Bank charges	91	148	25	97
Interest expense on short term borrowings	78	316	55	285
Amortization of loan expenses	25	28	12	14
	<b>2.241</b>	<b>1.805</b>	<b>1.507</b>	<b>1.256</b>

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

Income tax in the financial statements is analyzed as follows:

	The Group		The Company	
	1/1-31/03	1/1-31/03	1/1-31/03	1/1-31/03
	2011	2010	2011	2010
Current income tax	3.296	1.404	283	-
Deferred income tax (income) / expense	(235)	659	(185)	(113)
	<b>3.061</b>	<b>2.063</b>	<b>98</b>	<b>(113)</b>

**S&B Industrial Minerals S.A.**  
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**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	2007-2010
S&B Industrial Minerals S.A.R.L.		France	2009-2010
Denain Anzin Metallurgie S.A.S.		France	2006-2010
S&B Industrial Minerals GmbH	(2)	Germany	2006-2010
S&B Holding GmbH	(2)	Germany	2006-2010
SLS Baustoffe GmbH	(2)	Germany	2006-2010
Orykton GmbH		Germany	2010
Askana Ltd.		Georgia	2003-2010
S&B Industrial Minerals S.A.		Greece	2010
Isocon S.A.		Greece	2007-2010
Greek Helicon Bauxites S.A.		Greece	2010
Cape Trahilas One S.A.		Greece	2010
Cape Trahilas Two S.A.		Greece	2010
Cape Trahilas Three S.A.		Greece	2010
S&B Industrial Minerals Spain S.L.u.		Spain	2004-2010
Sarda Perlite S.r.l.		Italy	2004-2010
Sibimin Overseas Ltd.		Cyprus	2006-2010
Asian Minerals Ltd.		Cyprus	2006-2010
Cape Trahilas Enterprises Ltd.		Cyprus	2007-2010
Cape Trahilas One Ltd.		Cyprus	2007-2010
Cape Trahilas Two Ltd.		Cyprus	2007-2010
Cebo International B.V.		Netherlands	2010
Cebo Holland B.V.		Netherlands	2010
Cebo Marine B.V.		Netherlands	2010
Cebo U.K. Ltd.		G. Britain	2010
S&B Industrial Minerals Kft.		Hungary	2004-2010
S&B Industrial Minerals SP Z.O.O.		Poland	2008-2010
<b>AMERICA</b>			
S&B Industrial Minerals North America Inc.	(1)	U.S.A.	2006-2010
Stollberg Inc.	(1)	U.S.A.	2006-2010
Stollberg do Brazil Ltda		Brazil	2004-2010
Milos Island Resort Ltd.		B.V.I.	2009-2010
<b>ASIA</b>			
S&B Industrial Minerals (Henan) Co. Ltd.		China	2008-2010
S&B Jilin Wollastonite Co Ltd.		China	2005-2010
S&B Industrial Minerals (Tianjin) Co. Ltd.		China	2006-2010
Panshi Huanyu Wollastonite Co. Ltd.		China	2007-2010
Qing Dao Stollberg & Samil Co.Ltd.		China	2009-2010
S&B Endustriyel Mineraller A.Ş.		Turkey	2004-2010
Pabalk Maden A.Ş.		Turkey	2004-2010
Stollberg India Pvt. Ltd.		India	2007-2010
Stollberg & Samil Co. Ltd.		Korea	2004-2010
<b>AFRICA</b>			
Naimex S.A.R.L.		Morocco	2006-2010
S&B Ind. Min. Morocco S.A.R.L.		Morocco	2008-2010

**Footnotes:**

(1) These entities are currently under audit from tax authorities for the year 2008.

(2) These entities are currently under audit from tax authorities for the years 2006-2009.

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## **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 € 450 and € 450 as of March 31, 2011 and December 31, 2010, respectively, (€ 425 and € 425 as of March 31, 2011, and December 31, 2010, 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 paid within 2010. However, following the aforementioned payment, the Company has appealed against the above decisions before the Administrative Court of Athens.

Except for these cases, 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.

By a letter dated September 29, 2010, the Secretariat of the International Commercial Chamber (I.C.C.) Arbitrary informed the Company that it has received a request for arbitration from Kerneos S.A. (claimant), a French third party customer. The claimant, on the basis of a 10-year supply of bauxite agreement with the Company, 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 € 4,0 million for late deliveries penalties and € 73 for quality penalties. Within the first quarter of 2011, additional claims were submitted by the claimant, "statement of claim", which have raised the total amount claimed to € 5,8 million, out of which € 4,6 million for late deliveries penalties and € 1,2 million for alleged damages. In addition, the claimant reserves its rights to seek further compensation. Based on current facts and circumstances, the Group's Management has reasons to believe that the amount of € 4,6 million will be concluded in favor of the Group. The remaining claim components amounting to € 1,2 million, lack appropriate supportive evidence enabling due consideration from the Group's Management. Thus, based on the absence of such supportive evidence at this point in time, no provision is made in the March 31, 2011 financial statements.

## **11. RELATED PARTY TRANSACTIONS**

Transactions with related parties are made at arms'-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 S&B to its subsidiaries as March 31, 2011 and December 31, 2010 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. Intra-group balances and transactions among fully consolidated subsidiaries have been fully eliminated from the financial statements of the Group.

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

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

	The Group			
	Due from		Due to	
	March 31 2011	December 31 2010	March 31 2011	December 31 2010
<b><u>Associates</u></b>				
Laviosa Promasa S.A.	120	450	-	-
Xinyang Athenian Mining Co. Ltd	-	-	340	925
Adventus Europe GmbH	39	39	-	-
Laviosa Chimica Mineraria S.p.A.	-	4	-	-
	<b>159</b>	<b>493</b>	<b>340</b>	<b>925</b>
<b><u>Jointly controlled entities</u></b>				
Cebo International B.V.	260	-	44	111
Stollberg & Samil Co. Ltd	18	18	21	-
Pergem Mineral A.S.	-	6	-	-
	<b>278</b>	<b>24</b>	<b>65</b>	<b>111</b>
<b><u>Other related companies</u></b>				
Haliburton Affiliates LLC.	748	759	88	75
Motodynamics S.A., Group of companies	39	38	-	-
Perlite Hellas S.A.	-	-	740	771
Rescon India Private Ltd.	-	-	146	130
Other	43	40	-	5
	<b>830</b>	<b>837</b>	<b>974</b>	<b>981</b>
	<b>1.267</b>	<b>1.354</b>	<b>1.379</b>	<b>2.017</b>
	The Group			
	Revenues		Expenses	
	1/1-31/03 2011	1/1-31/03 2010	1/1-31/03 2011	1/1-31/03 2010
<b><u>Associates</u></b>				
Laviosa Promasa S.A.	438	785	-	-
Laviosa Chimica Mineraria S.p.A.	26	19	-	-
Xinyang Athenian Mining Co. Ltd	-	-	-	207
	<b>464</b>	<b>804</b>	<b>-</b>	<b>207</b>
<b><u>Jointly controlled entities</u></b>				
Cebo International B.V.	329	1.442	133	392
Stollberg & Samil Co. Ltd	-	-	42	63
	<b>329</b>	<b>1.442</b>	<b>175</b>	<b>455</b>
<b><u>Other related companies</u></b>				
Haliburton Affiliates LLC.	1.483	-	150	-
Rescon India Private Ltd.	-	-	422	270
Perlite Hellas S.A.	-	-	415	405
Other	4	4	21	24
	<b>1.487</b>	<b>4</b>	<b>1.008</b>	<b>699</b>
	<b>2.280</b>	<b>2.250</b>	<b>1.183</b>	<b>1.361</b>

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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>March 31 2011</b>	<b>December 31 2010</b>	<b>March 31 2011</b>	<b>December 31 2010</b>
<b><u>Direct subsidiaries</u></b>				
Isocon S.A.	1.822	1.973	-	-
S&B Holding GmbH	112		-	-
Greek Helicon Bauxite S.A.	14	12	988	923
Sibimin Overseas Ltd	7	7	-	-
Sarda Perlite S.r.l.	-	-	524	373
	<b>1.955</b>	<b>1.992</b>	<b>1.512</b>	<b>1.296</b>
<b><u>Indirect subsidiaries</u></b>				
S&B Industrial Minerals S.A.R.L.	547	505	-	-
S&B Endustriyel Mineraller A.S.	412	497	-	-
S&B Industrial Minerals Spain S.L.u.	195	-	-	-
S&B Industrial Minerals GmbH	180	-	-	95
S&B Industrial Minerals (Henan) Co. Ltd.	12	12	6	6
S&B Industrial Minerals North America Inc.	-	465	-	7
S&B Industrial Minerals AD	4	10	722	671
Other	13	11	-	-
	<b>1.363</b>	<b>1.500</b>	<b>728</b>	<b>779</b>
<b><u>Associates</u></b>				
Adventus Europe GmbH	39	39	-	-
Laviosa Promasa S.A.	-	330	-	-
Laviosa Chimica Mineraria S.p.A.	-	4	-	-
	<b>39</b>	<b>373</b>	<b>-</b>	<b>-</b>
<b><u>Other related companies</u></b>				
Cebo International B.V.	520	-	-	139
Motodynamics S.A., Group of companies	39	38	-	2
Other	43	40	-	3
	<b>602</b>	<b>78</b>	<b>-</b>	<b>144</b>
	<b>3.959</b>	<b>3.943</b>	<b>2.240</b>	<b>2.219</b>

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

	The Company			
	Revenues		Expenses	
	1/1-31/03 2011	1/1-31/03 2010	1/1-31/03 2011	1/1-31/03 2010
<b><u>Direct subsidiaries</u></b>				
Isocon S.A.	356	479	-	-
S&B Holding GmbH	112	159	-	-
Sibimin Overseas Ltd	7	7	-	-
Greek Helicon Bauxite S.A.	2	2	78	168
Sarda Perlite S.r.l.	-	-	151	60
	<b>477</b>	<b>647</b>	<b>229</b>	<b>228</b>
<b><u>Indirect subsidiaries</u></b>				
S&B Industrial Minerals GmbH	5.340	4.382	-	-
S&B Industrial Minerals North America Inc.	4.987	3.925	-	3
S&B Industrial Minerals S.A.R.L.	1.781	1.067	-	-
S&B Industrial Minerals Spain S.L.u.	423	181	-	-
S&B Endustriyel Mineraller A.S.	330	165	-	-
Stollberg Inc.	58	50	-	-
S&B Industrial Minerals AD	4	4	51	67
Other	3	2	-	-
	<b>12.926</b>	<b>9.776</b>	<b>51</b>	<b>70</b>
<b><u>Associates</u></b>				
Laviosa Promasa S.A.	438	785	-	-
Laviosa Chimica Mineraria S.p.A.	26	19	-	-
	<b>464</b>	<b>804</b>	<b>-</b>	<b>-</b>
<b><u>Other related companies</u></b>				
Cebo International B.V.	659	1.040	-	-
Other	3	4	21	24
	<b>662</b>	<b>1.044</b>	<b>21</b>	<b>24</b>
	<b>14.529</b>	<b>12.271</b>	<b>301</b>	<b>322</b>

Transactions and compensation of key management personnel and Board members of the Group for the three month period ended March 31, 2011 amounted to € 1.292 (€ 1.344 for the three month period ended March 31, 2010). Balances due to key management and Board members as of March 31, 2011 amounted to € 945 (€ 2.037 as of December 31, 2010).

Finally, transactions and compensation of key management and Board members of the Company for the three month period ended March 31, 2011 amounted to € 1.240 (€ 1.254 for the three month period ended March 31, 2010). Balances due to key management and Board members as of March 31, 2011 amounted to € 928 (€ 1.937 as of December 31, 2010).

**S&B Industrial Minerals S.A.**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
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## **12. CAPITAL EXPENDITURE**

The Group realized capital expenditure for the three month periods ended March 31, 2011 and 2010 of € 6,9 million and € 5,0 million, respectively, excluding the acquisitions through business combinations (the Company realized € 5,3 million and € 3,6 million, respectively).

## **13. CONTINGENCIES - COMMITMENTS**

On March 31, 2011 and December 31, 2010 the Group has issued letters of guarantee for a total amount of € 9,0 million and € 4,9 million, respectively, while the Company has issued letters of guarantee for a total amount of € 3,2 million and € 2,9 million, respectively, relating mainly to mining rights and licenses. Further to the above, the Company as of March 31, 2011 had issued corporate guarantees to banks in favor of certain subsidiaries for the issuance of bank loans to them for a total amount of approximately € 64,2 million (approximately € 64,2 million as of December 31, 2010).

## **14. SEGMENT INFORMATION**

Commencing fiscal year 2009, the Group applies IFRS 8 "Operating Segments" which replaces IAS 14 "Segment Reporting". In accordance with IFRS 8, reportable operating segments are identified based on the "management approach". This approach stipulates external segment reporting 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, in the case of S&B Group, is considered to be the Chief Executive Officer who is responsible for measuring the business performance of the segments.

For management purposes the Group is organized into divisions based on the nature of the industrial mineral applications. In contrast with the previous segment reporting structure, S&B has five reportable profit generating segments which are independently managed as well as a corporate segment. Therefore, the Group 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.**  
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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, operating results and Earnings Before Interest Taxes Depreciation & 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 three month periods ended March 31, 2011 and 2010, respectively:

	1/1-31/03/2011				
	Sales			Results	
	Third party	Inter-segment	Total sales	Profit / (loss) before tax	EBITDA
Bentonite	49.193	36	49.229	8.694	11.257
Perlite	17.712	-	17.712	2.208	3.352
C.C.F.	26.561	-	26.561	4.879	5.894
Bauxite	7.335	-	7.335	(1.948)	452
Minerals trading	10.725	11	10.736	1.744	1.835
Corporate	306	-	306	(8.413)	(6.446)
Eliminations		(47)	(47)		-
<b>Total</b>	<b>111.832</b>	<b>-</b>	<b>111.832</b>	<b>7.164</b>	<b>16.344</b>
	1/1-31/03/2010				
	Sales			Results	
	Third party	Inter-segment	Total sales	Profit / (loss) before tax	EBITDA
Bentonite	42.568	41	42.609	8.110	10.485
Perlite	15.492	-	15.492	1.074	2.051
C.C.F.	21.891	-	21.891	4.182	5.154
Bauxite	7.008	-	7.008	(1.435)	(133)
Minerals trading	8.020	125	8.145	1.215	1.334
Corporate	253	-	253	(7.174)	(5.793)
Eliminations	-	(166)	(166)	-	-
<b>Total</b>	<b>95.232</b>	<b>-</b>	<b>95.232</b>	<b>5.972</b>	<b>13.098</b>

**S&B Industrial Minerals S.A.**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2011**

(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 March 31, 2010 and December 31, 2009:

	ASSETS	
	March 31, 2011	December 31, 2010
<b>Bentonite</b>	198.352	195.893
<b>Perlite</b>	77.996	76.210
<b>C.C.F.</b>	78.279	78.760
<b>Bauxite</b>	56.080	56.271
<b>Minerals trading</b>	21.181	23.068
<b>Corporate</b>	98.244	93.330
<b>Eliminations</b>	138	139
<b>Total</b>	<b>530.270</b>	<b>523.671</b>

It is noted that 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. CURRENT PERIOD SIGNIFICANT EVENTS**

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

**Reduction of Capital**

Due to the reported net loss for the Company, statutory minimum dividend declaration and payment for 2010 is not required. As a result, on its meeting held on March 22, 2011, the Board of Directors did not propose any dividend distribution to the Shareholders' AGM for 2010 but instead a recapitalization transaction that will result to a capital return of € 0,25 per share to the shareholders.

**Acquisition of treasury shares**

Within the period, the Company purchased 1.800 common treasury shares, at an average price of € 3,76 per share for an aggregate amount of € 6.761,03. As of March 31, 2011, the Company holds 671.513 treasury shares at average price of € 4,8 per share, for a total amount of € 3.222.616,14.

**16. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD**

There are no subsequent events after the end of the reporting period.

**17. PRIOR YEARS RECLASSIFICATIONS**

For better presentation and comparison purposes a cash inflow of € 284 has been transferred from "Trade receivables" to "Net foreign exchange difference on cash flows" in the separate statement of cash flows for the period ended March 31, 2010.

Moreover, due to the share capital increase on August 9, 2010, which included a "bonus element" in favor of existing shareholders at a ratio of 1 new share per 4 existing shares, the weighted average number of shares (basic and diluted) outstanding for the comparative period presented in the consolidated income statement was appropriately adjusted. As a result, the corresponding earnings per share were affected accordingly (for more details please refer to Note 27 of the 2010 annual financial statements).

**S&B Industrial Minerals S.A.**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2011**

(Amounts in thousand Euro, unless otherwise stated)

**18. 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>March 31</b>	<b>December 31</b>	<b>Δ%</b>
	<b>2011</b>	<b>2010</b>	
1 € = USD	1,4207	1,3362	6%
1 € = GBP	0,8837	0,8608	3%
1 € = BGN	1,9558	1,9558	0%
1 € = HUF	265,72	277,95	-4%
1 € = TRY	2,195	2,069	6%
1 € = CNY	9,3036	8,8220	5%
1 € = GEL	2,4231	2,3440	3%
1 € = KRW	1.563,48	1.513,60	3%
1 € = BRL	2,3129	2,2280	4%
1 € = INR	63,113	59,821	6%
1 € = MAD	11,2690	11,1675	1%
1 € = PLN	4,0106	3,9750	1%
	<b>COMPREHENSIVE INCOME</b>		
	<b>Average rate</b>	<b>Average rate</b>	<b>Δ%</b>
	<b>three month</b>	<b>three month</b>	
	<b>2011</b>	<b>2010</b>	
1 € = USD	1,3680	1,3829	-1%
1 € = GBP	0,8539	0,8876	-4%
1 € = BGN	1,9558	1,9558	0%
1 € = HUF	272,43	268,52	1%
1 € = TRY	2,159	2,087	3%
1 € = CNY	9,0029	9,4417	-5%
1 € = GEL	2,404	2,384	1%
1 € = KRW	1.531,97	1.581,41	-3%
1 € = BRL	2,2816	2,4918	-8%
1 € = INR	61,877	63,422	-2%
1 € = MAD	11,2031	11,2214	0%
1 € = PLN	3,9460	3,9869	-1%

## **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 - 31 MARCH 2011

(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 [www.sandb.com](http://www.sandb.com) where the financial statements are published together with the auditor's review report, whenever is required.

Board of Directors approval date of financial statements: 4 May 2011  
Company's website: [www.sandb.com](http://www.sandb.com)

	GROUP		COMPANY	
	31/3/2011	31/3/2010	31/3/2011	31/3/2010
<b>ASSETS</b>				
Property, Plant & Equipment	189,343	190,114	99,567	97,828
Investment properties	20,146	20,214	20,146	20,214
Intangible assets	104,213	105,185	29,318	25,325
Other non current assets	17,116	17,298	140,179	140,236
Inventories	73,773	77,056	23,321	26,508
Trade receivables	57,183	51,743	5,406	7,808
Other current assets	20,678	19,148	17,706	16,946
Cash and cash equivalents	47,781	42,724	2,926	1,208
Available for sale financial assets	187	189	187	189
<b>TOTAL ASSETS</b>	<b>590,270</b>	<b>528,671</b>	<b>386,756</b>	<b>386,862</b>
<b>EQUITY AND LIABILITIES</b>				
Share capital	51,782	51,782	51,782	51,782
Share premium	42,329	42,329	42,329	42,329
Other equity components	149,782	148,286	90,417	91,649
Total equity attributable to owners of the Company (a)	243,893	242,397	184,528	185,760
Minority interests (b)	538	561	-	-
Total equity (c) = (a) + (b)	244,431	242,958	184,528	185,760
Long-term interest-bearing loans and borrowings	139,882	119,858	94,941	74,929
Provisions/Other non current liabilities	51,429	52,783	21,473	22,482
Short-term borrowings	16,258	35,779	7,586	27,500
Other current liabilities	78,270	72,293	28,228	25,991
Total liabilities (d)	285,839	280,713	152,228	150,902
<b>TOTAL EQUITY AND LIABILITIES (c) + (d)</b>	<b>590,270</b>	<b>528,671</b>	<b>386,756</b>	<b>386,862</b>

	GROUP		COMPANY	
	31/3/2011	31/3/2010	31/3/2011	31/3/2010
Equity at beginning of the period (1/1/2011 and 1/1/2010 respectively)	242,898	281,027	185,760	198,610
Total comprehensive income/(loss) for the period	1,252	7,420	+1,454	-853
Purchase of treasury shares	-7	-404	-7	-404
Share based payment	229	121	229	121
Other movements	+1	-	-	-
<b>Equity at period end (31/3/2011 and 31/3/2010 respectively)</b>	<b>244,431</b>	<b>288,164</b>	<b>184,528</b>	<b>198,674</b>

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 three month period ended March 31, 2011 are presented in note 4 of the three month financial report.		
2. 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 three month financial report.		
3. Number of employees at the end of the reporting period: Group 1,949 (31.3.2010: 2,021) and 647 for the Company (31.3.2010: 645).		
4. Certain amounts of previous fiscal period have been reclassified for better presentation and comparability purposes (note 17 of the three month financial report).		
5. Related party transactions for the first three months of 2011 and balances with related parties as of March 31, 2011 according to I.A.S. 24 are as follows:		
	<b>Group</b>	<b>Company</b>
a) Revenues	2,280	14,529
b) Expenses	1,183	301
c) Receivables from related parties	1,267	3,959
d) Payables to related parties	1,379	2,240
e) Key management personnel compensations	1,292	1,240
f) Receivables from key management personnel	0	0
g) Payables to key management personnel	945	928
6. Provisions of the Group and the Company as of 31.3.2011 are as follows:		
	<b>Group</b>	<b>Company</b>
a) Provision for litigation and arbitration	450	425
b) Provision for unaudited tax years	939	230
c) Other provisions	2,303	268
7. No items exist on the Parent's and the Group's assets.		
8. 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 three month financial report).		
9. (In this note all amounts are expressed in Euro):		
• Due to the reported net loss for the Company, statutory minimum dividend declaration and payment for 2010 is not required. As a result, on its meeting held on March 22, 2011, the Board of Directors did not propose any dividend distribution to the Shareholders' ADM for 2010 but instead a recapitalization transaction that will result to a capital return of € 0.25 per share to the shareholders (note 15 of the three month financial report).		
• Within the period, the Company purchased 1,800 common treasury shares, at an average price of € 3.76 per share for an aggregate amount of € 6,761.03. As of March 31, 2011 the Company holds 671,313 treasury shares at average price of € 4.8 per share, for a total amount of € 3,222,616.14 (note 15 of the three month financial report).		
10. As of 1st January, 2011 Denah Ardn Metallurgies S.A.S. was merged into S&B Industrial Minerals S.A.R.L. (note 4 of the three month financial report).		

	GROUP		COMPANY	
	1/1-31/3/2011	1/1-31/3/2010	1/1-31/3/2011	1/1-31/3/2010
Sales	111,832	95,232	82,118	28,729
Gross profit	26,438	22,287	6,529	6,206
Profit/(loss) before income tax, financial and investment results	9,306	7,474	-914	352
Profit/(loss) before tax	7,164	5,972	+2,367	-595
<b>Net profit/(loss) (A)</b>	<b>4,108</b>	<b>8,609</b>	<b>-2,465</b>	<b>-482</b>
<b>Attributable to:</b>				
• Owners of the company	4,117	4,037	+2,465	-482
• Non-controlling interests	+14	+128	-	-
<b>Other comprehensive (loss)/income for the period (B)</b>	<b>-2,891</b>	<b>3,911</b>	<b>1,611</b>	<b>-871</b>
<b>Total other comprehensive income/(loss) for the period (A) + (B)</b>	<b>1,217</b>	<b>12,520</b>	<b>+852</b>	<b>-1,353</b>
<b>Attributable to:</b>				
• Owners of the company	1,275	7,549	+1,454	-853
• Non-controlling interests	+23	+129	-	-
Net Earnings/(losses) per share + basic (in €)	0.0826	0.0785	-0.0482	-0.0254
Profit before income tax, financial and investment results, depreciation and amortization	16,344	13,098	3,228	3,088

	GROUP		COMPANY	
	1/1-31/3/2011	1/1-31/3/2010	1/1-31/3/2011	1/1-31/3/2010
<b>Indirect Method</b>				
<b>Cash flows from operating activities</b>				
Profit / (loss) before tax	7,164	5,972	+2,367	-595
Adjustments for:				
• Depreciation and amortization	7,088	5,661	4,179	2,768
• Orants amortization	+30	+37	+37	+32
• Provisions, net	1,449	356	+419	255
• Finance income	+99	+303	+54	+309
• Finance costs	2,241	1,805	1,507	1,256
• Share of profit of associates	+71	+172	-	-
• Gain from disposal of property, plant and equipment	21	+13	19	-
	17,748	18,269	2,828	8,943
(Increase) / Decrease in:				
• Inventories	2,658	4,001	1,097	2,666
• Trade receivables	-5,581	-6,282	2,402	411
• Due from related parties	87	+910	+16	-6,227
• Other assets	+1,450	-2,905	+777	+1,819
(Increase) / (Decrease) in:				
• Trade payables	3,389	815	-391	-860
• Due to related parties	+638	+43	20	326
• Other liabilities	4,784	4,327	3,254	2,414
Staff leaving indemnities paid	-510	-854	-840	-358
Payments for environment rehabilitation	+121	+192	+141	+185
Income tax paid	-4,011	-687	-69	-387
<b>Net cash flows from/(used in) operating activities (a)</b>	<b>16,320</b>	<b>10,599</b>	<b>7,887</b>	<b>-678</b>
<b>Cash flows from investing activities</b>				
• Capital expenditure	-6,986	-5,141	-5,382	-3,708
• Capitalized depreciation and amortization	91	123	91	123
• Business combinations and investments in consolidated entities	-	+371	-	-
• Interest and other finance income received	58	72	14	25
• Derivative income received	41	80	41	80
• Proceeds from disposal of property, plant and equipment	1	10	1	-
<b>Net cash flows used in investing activities (b)</b>	<b>-6,795</b>	<b>-5,225</b>	<b>-5,285</b>	<b>-3,478</b>
<b>Cash flows from financing activities</b>				
• Purchase of treasury shares	-7	-403	-7	-403
• Net increase of short-term borrowing	479	32	86	-
• Dividends paid to equity holders of the Company, net of tax	-2	-5	-2	-5
• Interest and other finance costs paid	-1,133	-1,355	-782	-949
<b>Net cash flows used in financing activities (c)</b>	<b>-683</b>	<b>-1,781</b>	<b>-705</b>	<b>-1,857</b>
• Net foreign exchange difference on cash flows (d)	-2,823	1,184	+179	284
<b>Net increase/(decrease) in cash and cash equivalents (a) + (b) + (c) + (d)</b>	<b>8,887</b>	<b>4,785</b>	<b>1,718</b>	<b>-5,227</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>42,724</b>	<b>49,573</b>	<b>1,208</b>	<b>24,610</b>
• Net foreign exchange difference on cash and cash equivalents at the beginning of the period	+980	742	-	-
<b>Cash and cash equivalents at period end</b>	<b>47,781</b>	<b>55,061</b>	<b>2,926</b>	<b>19,383</b>

THE CHAIRMAN OF THE BOARD OF DIRECTORS

ULYSSES P. KYRIACOPoulos  
ID No. AH 642868

Kifissia, May 4, 2011  
THE CHIEF EXECUTIVE OFFICER

KRITON ST. ANAVLAVIS  
ID No. IT 082025

THE CONTROLLER GREECE

NIKOLAOS CH. IOAKIM  
A CLASS LICENSE No 0002714

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