



**GROUP OF COMPANIES**

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

**Interim Condensed Consolidated  
Financial Statements**

**for the six month period  
ended June 30, 2006**

**in accordance with  
International Financial  
Reporting  
Standards,  
adopted by the  
European Union**

We confirm that the accompanying Interim Condensed Consolidated Financial Statements have been approved by the Board of Directors of S&B Industrial Minerals S.A. on August 30, 2006 and have been published on the website in the following address: [www.sandb.com](http://www.sandb.com). It is noted that the purpose of the published condensed financial data to the Press is to provide the users with certain general financial data, however, they do not provide a full view of the Company's and the Group's financial position and results of their operations, in accordance with International Financial Reporting Standards (IFRS). It is also noted that certain amounts have been condensed in the published financial data to the Press, for simplicity reasons.

Chief Executive Officer

Efthimios O. Vidalis

Group  
Chief Financial Officer

Sotiris D. Hatzikos

**ENGLISH TRANSLATION FROM THE GREEK ORIGINAL**

**INDEPENDENT AUDITORS' REVIEW REPORT**

**TO THE SHAREHOLDERS OF  
S&B Industrial Minerals S.A.:**

We have reviewed the accompanying interim condensed consolidated financial statements (“the financial statements”) of S&B Industrial Minerals S.A. for the six month period ended June 30, 2006. We did not separately review the income statement for the second quarter of 2006. Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards applicable to interim financial reporting, as adopted by the European Union (“IAS 34”). Our responsibility is to express a conclusion on these financial statements based on our review.

We conducted our review in accordance with the Greek Standard on Review Engagements which is based on the relevant International Standard on Review Engagements. A review of financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than the work performed in order to issue an audit report on financial statements. Accordingly, we do not express an audit opinion.

Based on our review, we are not aware of any material modification that should be made to the accompanying financial statements in order to comply with the International Financial Reporting Standards applicable to interim financial reporting, as adopted by the European Union (“IAS 34”).

Athens, August 30, 2006

John Mystakidis  
A.M. ICA(GR) 16511

Ernst & Young (Hellas)  
Certified Auditors Accountants S.A.  
(SOEL No. 107)  
11<sup>th</sup> Km Nt Rd Athens-Lamia  
144 51 Metamorphosis

 **ERNST & YOUNG**

## S&B Industrial Minerals S.A. Group of Companies

### INCOME STATEMENT FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2006

(Amounts in thousand Euro, except per share data)

	<u>1.1 - 30.06.2006</u>	<u>1.1. - 30.06.2005</u>	<u>1.4. - 30.06.2006</u>	<u>1.4. - 30.06.2005</u>
Sales	231.399	214.103	126.905	117.727
Cost of sales	<u>(173.773)</u>	<u>(158.688)</u>	<u>(95.867)</u>	<u>(88.005)</u>
<b>Gross profit</b>	<b>57.626</b>	<b>55.415</b>	<b>31.038</b>	<b>29.722</b>
Administrative expenses	(24.128)	(22.545)	(13.393)	(12.180)
Selling expenses	(16.519)	(14.033)	(8.753)	(7.354)
Other income / (expense), net	<u>3.748</u>	<u>2.500</u>	<u>1.949</u>	<u>1.900</u>
<b>Profit before income tax, financial and investing income / (expense)</b>	<b>20.727</b>	<b>21.337</b>	<b>10.841</b>	<b>12.088</b>
Financial income / (expense), net	(4.048)	(2.189)	(2.444)	(643)
Share of profit from associates	<u>947</u>	<u>966</u>	<u>469</u>	<u>667</u>
<b>Profit before tax</b>	<b>17.626</b>	<b>20.114</b>	<b>8.866</b>	<b>12.112</b>
Income tax	(5.543)	(7.461)	(2.873)	(4.656)
<b>Net profit</b>	<b><u>12.083</u></b>	<b><u>12.653</u></b>	<b><u>5.993</u></b>	<b><u>7.456</u></b>
<b>Attributable to:</b>				
Equity holders of the parent	11.139	11.782	5.027	6.681
Minority interests	<u>944</u>	<u>871</u>	<u>966</u>	<u>775</u>
	<b><u>12.083</u></b>	<b><u>12.653</u></b>	<b><u>5.993</u></b>	<b><u>7.456</u></b>
<b>Earnings per share</b>				
Basic	<u>0,37</u>	<u>0,40</u>	<u>0,17</u>	<u>0,22</u>
Diluted	<b><u>0,36</u></b>	<b><u>0,40</u></b>	<b><u>0,16</u></b>	<b><u>0,22</u></b>
<b>Weighted average number of shares</b>				
Basic	<u>30.412.668</u>	<u>29.661.546</u>	<u>30.443.567</u>	<u>29.859.781</u>
Diluted	<b><u>30.589.629</u></b>	<b><u>29.672.232</u></b>	<b><u>30.624.386</u></b>	<b><u>29.865.226</u></b>

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

**S&B Industrial Minerals S.A. Group of Companies**  
**BALANCE SHEET**  
**JUNE 30, 2006**  
(Amounts in thousand Euro)

	<b>June 30, 2006</b>	<b>December 31, 2005</b>
<b><u>ASSETS</u></b>		
<b>Non current assets</b>		
Tangible assets	156.784	160.609
Investment property	23.950	24.156
Goodwill	73.795	74.123
Intangible assets	16.304	17.037
Deferred tax assets	7.745	7.086
Investments in associates	12.332	12.641
Other non current assets	1.730	2.337
<b>Total non current assets</b>	<b>292.640</b>	<b>297.989</b>
<b>Current assets</b>		
Inventories	84.113	84.492
Trade accounts receivable	81.237	68.878
Other current receivables	17.682	18.761
Cash and cash equivalents	23.021	42.907
<b>Total current assets</b>	<b>206.053</b>	<b>215.038</b>
<b>Total Assets</b>	<b>498.693</b>	<b>513.027</b>
<b><u>EQUITY AND LIABILITIES</u></b>		
<b>Equity</b>		
Share capital	30.454	30.382
Share premium	30.462	29.898
Gains / (Losses) from derivative valuation	209	(268)
Foreign currency translation	(1.080)	2.956
Share option plan reserve	585	509
Reserves	82.431	83.895
Retained earnings	31.820	27.861
<b>Total</b>	<b>174.881</b>	<b>175.233</b>
<b>Minority interest</b>	<b>7.701</b>	<b>7.890</b>
<b>Total equity</b>	<b>182.582</b>	<b>183.123</b>
<b>Provisions</b>		
Provision for staff leaving indemnities	15.103	14.934
Provision for environment rehabilitation	12.367	12.747
Other provisions	832	825
<b>Total provisions</b>	<b>28.302</b>	<b>28.506</b>
<b>Non current liabilities</b>		
Interest-bearing loans and borrowings	150.489	185.000
Deferred income taxes	14.513	14.565
Grants	2.301	2.391
Other non current liabilities	1.025	946
<b>Total non current liabilities</b>	<b>168.328</b>	<b>202.902</b>
<b>Current liabilities</b>		
Trade accounts payable	49.002	38.373
Short-term borrowings	8.274	9.629
Current portion of long term loans and borrowings	34.001	19.905
Income tax payable	6.582	6.632
Dividends payable	54	48
Other current liabilities	21.568	23.909
<b>Total current liabilities</b>	<b>119.481</b>	<b>98.496</b>
<b>Total equity and liabilities</b>	<b>498.693</b>	<b>513.027</b>

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

**S&B Industrial Minerals S.A. Group of Companies**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2006**  
(Amounts in thousand Euro)

	Share Capital	Share premium	Treasury shares	Share Option Plan reserve	Gains / (Losses) from derivative valuation	Reserves	Foreign currency translation	Retained earnings	Total	Minority interest	Total equity
<b>January 1, 2005</b>	<b>30.154</b>	<b>30.432</b>	<b>(4.769)</b>	<b>592</b>	<b>-</b>	<b>76.224</b>	<b>(2.542)</b>	<b>13.759</b>	<b>143.850</b>	<b>2.577</b>	<b>146.427</b>
- Accumulated effect of adopting IAS 39 (net of deferred tax asset Euro 58)	-	-	-	-	99	-	-	(222)	(123)	-	(123)
- Profit for the period	-	-	-	-	-	-	-	11.782	11.782	871	12.653
- Sale of treasury shares	-	-	4.769	-	-	-	-	(900)	3.869	-	3.869
- Dividend distribution	-	-	-	-	-	-	-	(1.809)	(1.809)	111	(1.698)
- Approval of shares distribution to personnel	-	-	-	-	-	71	-	(71)	-	-	-
- Transfer to reserves for future share capital increase	-	(5.428)	-	-	-	5.428	-	-	-	-	-
- Share capital increase of subsidiary with no participation of the Group	-	3.944	-	-	-	(276)	-	(336)	3.332	2.874	6.206
- Partial sale of investment in subsidiary	-	(366)	-	-	-	(74)	-	1.263	823	680	1.503
- Currency translation differences	-	-	-	-	-	-	4.536	-	4.536	-	4.536
- Recognition of share option	-	-	-	95	-	-	-	-	95	-	95
- Transfers	-	-	-	-	-	(36)	-	36	-	-	-
- Derivative valuation (net of deferred tax asset Euro 86)	-	-	-	-	(282)	-	-	-	(282)	-	(282)
- Other movements	-	-	-	-	-	112	-	120	232	17	249
<b>June 30, 2005</b>	<b>30.154</b>	<b>28.582</b>	<b>-</b>	<b>687</b>	<b>(183)</b>	<b>81.449</b>	<b>1.994</b>	<b>23.622</b>	<b>166.305</b>	<b>7.130</b>	<b>173.435</b>
<b>January 1, 2006</b>	<b>30.382</b>	<b>29.898</b>	<b>-</b>	<b>509</b>	<b>(268)</b>	<b>83.895</b>	<b>2.956</b>	<b>27.861</b>	<b>175.233</b>	<b>7.890</b>	<b>183.123</b>
- Profit for the period	-	-	-	-	-	-	-	11.139	11.139	944	12.083
- Dividend distribution	-	-	-	-	-	(1.417)	-	(6.786)	(8.203)	-	(8.203)
- Dividend payment to minority	-	-	-	-	-	-	-	-	-	(970)	(970)
- Recognition of share option	-	-	-	76	-	-	-	-	76	-	76
- Share capital increase	72	564	-	-	-	-	-	-	636	-	636
- Increase of investment in subsidiary	-	-	-	-	-	-	-	(475)	(475)	(198)	(673)
- Minority participation in subsidiary's share capital increase	-	-	-	-	-	-	-	-	-	79	79
- Currency translation differences	-	-	-	-	-	-	(4.036)	-	(4.036)	-	(4.036)
- Transfers	-	-	-	-	-	(64)	-	64	-	-	-
- Derivative valuation (net of deferred tax liability Euro 211)	-	-	-	-	477	-	-	-	477	-	477
- Other movements	-	-	-	-	-	17	-	17	34	(44)	(10)
<b>June 30, 2006</b>	<b>30.454</b>	<b>30.462</b>	<b>-</b>	<b>585</b>	<b>209</b>	<b>82.431</b>	<b>(1.080)</b>	<b>31.820</b>	<b>174.881</b>	<b>7.701</b>	<b>182.582</b>

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

**S&B Industrial Minerals S.A. Group of Companies**  
**CASH FLOW STATEMENT**  
**FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2006**  
**(Amounts in thousand Euro)**

	<u>1.1 - 30.6.2006</u>	<u>1.1 - 30.6.2005</u>
<b>Cash flows from operating activities</b>		
Profit before tax	<u>17.626</u>	<u>20.114</u>
Adjustments for:		
- Depreciation and amortization	12.689	12.715
- Subsidies amortization	(90)	302
- Provisions for environment rehabilitation	155	172
- Provision for share option plan	76	95
- Other provisions	1.458	(645)
- Financial income	(373)	(1.914)
- Financial expense	4.421	4.103
- Share of profit from associates	(947)	(966)
- Gains / (losses) from disposal of property, plant and equipment	47	(92)
	<u>35.062</u>	<u>33.884</u>
(Increase) / Decrease of:		
- Non current assets	608	175
- Inventories	(721)	(15.630)
- Trade accounts receivable	(13.153)	(22.007)
- Other current assets	1.080	1.998
Increase / (Decrease) of:		
- Other non current liabilities	79	(552)
- Trade and other payable	10.630	13.364
- Other current liabilities	(2.360)	2.428
Payments for environment rehabilitation	(535)	(391)
Staff leaving indemnities paid	(275)	(762)
Income tax paid	(6.394)	(2.088)
<b>Net cash flows from operating activities</b>	<u>24.021</u>	<u>10.419</u>
<b>Cash flows from investing activities:</b>		
- Capital expenditure for property, plant and equipment	(9.054)	(11.032)
- Capitalized depreciation	262	341
- Investments in subsidiaries	(675)	(304)
- Dividends received from associates	331	219
- Income from decrease of investment in subsidiary	-	1.680
- Income from sale of treasury shares	-	3.869
- Income from disposal of property, plant and equipment	397	326
<b>Net cash flows from investing activities</b>	<u>(8.739)</u>	<u>(4.901)</u>
<b>Cash flows from financing activities:</b>		
- Net decrease of short-term borrowing	(1.355)	(118.028)
- Increase of long-term borrowing	-	150.000
- Decrease of long-term borrowing	(20.587)	(13.671)
- Dividends paid	(8.197)	(1)
- Dividends paid to minority shareholders	(970)	-
- Financial income received	373	113
- Financial expenses paid	(3.917)	(3.912)
- Share capital increase in subsidiaries	79	6.897
<b>Net cash flows from financing activities</b>	<u>(34.574)</u>	<u>21.398</u>
Effect of exchange rates changes on flows	(74)	1.982
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(19.366)</b>	<b>28.898</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>42.907</b>	<b>9.468</b>
Effect of exchange rates changes on cash	(520)	248
<b>Cash and cash equivalents at period end</b>	<u><b>23.021</b></u>	<u><b>38.614</b></u>

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

ACCOMPANYING NOTES

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**S&B Industrial Minerals S.A. Group of Companies**  
**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS**  
**JUNE 30, 2006**

(Amounts in thousand Euro, unless otherwise stated)

**1. THE GROUP AND ITS OPERATIONS**

The S&B Industrial Minerals S.A. Group of companies (“the Group” or “S&B”) is a Greek Group of companies mainly engaged in the extraction, processing, distribution and supply of industrial minerals, the production, distribution and supply of fluxes and the distribution and supply of motorcycles, marine products and heavy equipment.

The Parent company “S&B Industrial Minerals S.A.” is a Greek corporation, incorporated in 1934 and since 1994 its shares are listed on the Athens Exchange.

The S&B headquarters are located in Kifissia, Attica, 15 A.Metexa str., and after decision of the Shareholders Ordinary General Assembly in 1977, its duration was extended for a period of 50 years up to 2034. As at June 30, 2006 and as at December 31, 2005 the Group employed 2.198 and 2.211 employees, respectively.

**2. BASIS OF PRESENTATION**

The accompanying condensed consolidated financial statements for the six month period ended June 30, 2006 that constitute the Group’s consolidated financial statements (hereinafter referred to as “the financial statements”) have been prepared in accordance with International Financial Reporting Standards (“IFRS”), adopted by the European Union, and more specifically with the provisions of IAS 34 “Interim financial reporting”.

There are no standards applied in advance of their effective date. The financial statements have been prepared under the historical cost convention, except for investment properties, and specific tangible assets, which at the date of transition to IFRS, (January 1, 2004), were measured at fair value and those fair values were used as deemed cost as of the above date. Financial instruments are also measured at fair value.

The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s published annual financial statements as at 31 December 2005.

**3. PRINCIPAL ACCOUNTING POLICIES**

The principal accounting policies adopted in the preparation of the accompanying consolidated financial statements, are consistent with those followed in the preparation of the annual consolidated financial statements for the year ended December 31, 2005.

**S&B Industrial Minerals S.A. Group of Companies**  
**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS**  
**JUNE 30, 2006**

(Amounts in thousand Euro, unless otherwise stated)

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

The entities included in the consolidated financial statements under the full consolidation method are the following:

<b>Entity</b>	<b>Country</b>	<b>Field of activity</b>	<b>% Participation</b>	<b>Year Established / Acquired</b>
<b>EUROPE</b>				
Ergotrak Bulgaria Ltd	Bulgaria	Commercial	100,00%	2002
S&B Industrial Minerals AD	Bulgaria	Industrial Minerals	99,67%	2003
Motodynamics Ltd.	Bulgaria	Commercial	58,70%	1992
S&B Industrial Minerals S.A.R.L.	France	Industrial Minerals	100,00%	2001
Denain Anzin Metallurgie S.A.S.	France	Industrial Minerals	100,00%	2004
Ariseize S.A.	France	Holding	100,00%	1995
S&B Industrial Minerals GmbH	Germany	Industrial Minerals	100,00%	2001
S&B Holding GmbH	Germany	Holding	100,00%	1992
Otavi Minen AG	Germany	Holding	100,00%	2000
Orykton GmbH (**)	Germany	Industrial Minerals	50,00%	2005
Askana Ltd.	Georgia	Industrial Minerals	97,70%	1998
Isocon A.E.	Greece	Industrial Minerals	60,00%	1996
Greek Helicon Bauxites S.A.	Greece	Industrial Minerals	100,00%	1995
Motodynamics S.A.	Greece	Commercial	58,70%	1993
Motodyktio S.A. (*)	Greece	Commercial	29,94%	2002
Motodyctio N.Greece S.A. (*)	Greece	Commercial	29,94%	2004
Motodynamics Insurance Agency SA	Greece	Commercial	58,78%	2003
Ergotrak S.A. Industrial Machinery & Equipment Trading Co SA	Greece	Commercial	100,00%	2000
Parnassos Insurance S.A.	Greece	Other Activities	59,00%	1981
Otavi Iberica S.L.u.	Spain	Industrial Minerals	100,00%	2000
Sarda Perlite S.r.l.	Italy	Industrial Minerals	61,00%	2001
Sibimin Overseas Ltd.	Cyprus	Industrial Minerals	99,99%	1996
S&B Industrial Minerals Kft	Hungary	Industrial Minerals	100,00%	2001
Motodynamics S.r.l.	Romania	Commercial	58,70%	1994
Ergotrak-Rom S.r.l	Romania	Commercial	100,00%	2006
Ergotrak Yu Ltd	Serbia	Commercial	100,00%	2003
<b>AMERICA</b>				
S&B Industrial Minerals North America Inc.	USA	Industrial Minerals	100,00%	1999
Stollberg Inc	USA	Industrial Minerals	100,00%	2004
Stollberg do Brazil Ltda	Brazil	Industrial Minerals	100,00%	2004
<b>ASIA</b>				
S&B Industrial Minerals (Henan) Co. Ltd.	China	Industrial Minerals	100,00%	1996
S&B Jilin Wollastonite Co Ltd.	China	Industrial Minerals	67,03%	2005
S&B Endustriyel Mineraller A.Ş	Turkey	Industrial Minerals	98,63%	1996
Pabalk Maden A.Ş	Turkey	Industrial Minerals	98,73%	1995
Stollberg India Pvt. Ltd	India	Industrial Minerals	100,00%	2004
<b>AFRICA</b>				
Naimex S.A.R.L.	Morocco	Industrial Minerals	100,00%	2003

(\*) Consolidated financial statements include two companies that the Group owns less than 50% of voting rights but has the control because the Parent Company owns 58,70% of their parent company, that owns 51,00% of the above two companies.

(\*\*) Orykton GmbH is consolidated under the proportionate consolidation method.

**S&B Industrial Minerals S.A. Group of Companies**  
**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS**  
**JUNE 30, 2006**

(Amounts in thousand Euro, unless otherwise stated)

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

Associates included in the consolidated financial statements under the equity method are the following:

<u>Company</u>	<u>Country</u>	<u>Field of Activity</u>	<u>% Participation</u>	<u>Year Established / Acquired</u>
Laviosa Promasa S.A.	Spain	Industrial Minerals	29,52%	1997
Laviosa Chimica Mineraria S.p.A.	Italy	Industrial Minerals	35,00%	1997
Bentec S.p.A.	Italy	Industrial Minerals	49,95%	1999
Xinyang- Athenian Mining Co Ltd. (XAMCO)	China	Industrial Minerals	25,00%	1996
SLS Baustoffe GmbH	Germany	Industrial Minerals	49,80%	1995
Harmin (Liaoning) Mining Co Ltd.	China	Industrial Minerals	33,33%	2005
Stollberg & Samil Co. Ltd.	Korea	Industrial Minerals	50,00%	2004

**5. REVENUES**

Sales in the accompanying consolidated financial statements are analyzed as follows:

	<u>June 30, 2006</u>	<u>June 30, 2005</u>
Bentonite	67.378	67.769
Perlite	36.809	32.291
Bauxite	20.744	25.327
Continuous casting fluxes	50.038	45.777
Other	639	508
Total	<u>175.608</u>	<u>171.672</u>
Commercial Activities	<u>55.791</u>	<u>42.431</u>
<b>Grand total</b>	<b><u>231.399</u></b>	<b><u>214.103</u></b>

**S&B Industrial Minerals S.A. Group of Companies**  
**INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS**  
**JUNE 30, 2006**

(Amounts in thousand Euro, unless otherwise stated)

**6. UNAUDITED TAX YEARS**

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

<b>Company</b>	<b>Country</b>	<b>Unaudited tax years</b>
Ergotrak Bul Ltd	Bulgaria	2003-2005
S&B Industrial Minerals AD	Bulgaria	2005
Motodynamics Ltd.	Bulgaria	2002-2005
Stollberg do Brazil Ltda	Brazil	2001-2005
Ariseize S.A.	France	1999-2005
S&B Industrial Minerals S.A.R.L.	France	2003-2005
Denain Anzin Metallurgie S.A.S	France	2004-2005
S&B Holding GmbH	Germany	2002-2005
Otavi Minen AG	Germany	2002-2005
S&B Industrial Minerals GmbH	Germany	2002-2005
Orykton GmbH	Germany	2005
Askana Ltd.	Georgia	2003-2005
S&B Industrial Minerals S.A.	Greece	2005
Isocon A.E.	Greece	2003-2005
Greek Helicon Bauxites S.A.	Greece	2002-2005
Motodynamics S.A.	Greece	2004-2005
Motodyktio S.A	Greece	2002-2005
Motodyctio N.Greece S.A	Greece	2004-2005
Motodynamics Insurance Agency SA	Greece	2003-2005
Ergotrak S.A. Industrial Machinery & Equipment Trading Co SA	Greece	2001-2005
Parnassos Insurance S.A.	Greece	2003-2005
Stollberg Inc	USA	2005
S&B Industrial Minerals North America Inc.	USA	2005
Stollberg India Pvt. Ltd	India	2005
Otavi Iberica S.L.u.	Spain	2005
Sarda Perlite S.r.l.	Italy	2000-2005
S&B Industrial Minerals (Henan) Co. Ltd.	China	-
S&B Jilin Wollastonite Co Ltd.	China	2005
Sibimin Overseas Ltd.	Cyprus	1999-2005
Naimex S.A.R.L.	Morocco	2003-2005
S&B Industrial Minerals Kft	Hungary	2002-2005
Motodynamics S.r.l.	Romania	2003-2005
Ergotrak Yu Ltd	Serbia	2003-2005
S&B Endustriyel Mineraller A.Ş.	Turkey	2004-2005
Pabalk Maden A.S	Turkey	2004-2005

**7. EXISTING LIENS**

No liens exist on the Group's assets.

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**8. PENDING LITIGATION AND ARBITRATION**

The Group is a party to various lawsuits and arbitration proceedings in the normal course of business, for which S&B has provided the amount of approximately Euro 832 in the accompanying consolidated financial statements. Beyond these cases, for which the above provision was established, the Group's management considers that the outcome of the remaining pending litigation is not expected to have a material adverse effect on the Group's financial position.

Moreover, petitions of reversal have been submitted before the Council of State, against the Greek State and the administrative act which approves the Environmental Study issued by the Parent regarding the exploitation of bauxite deposits covering area of 9.244 thousand square meters in the mountain of Giona. The case after successive adjournments will be finally heard before the court on October 2006. S&B has intervened in support of the Greek State and the validity of the aforementioned act. The petitioners had also asked for the suspension of the disputed act. The Commission of Suspension of the Council of State by its decision nr. 405/2006 suspended the implementation of the disputed act as to the part regarding the operation in the new exploitations, until issuance of a definitive decision on the petitions of reversal. The decision of suspension is expected to influence the production program of the Parent for year 2007. The Parent has located alternative sources of supply/production of bauxite outside Greece in order to face the expected partial reduction on the production and to minimize, in combination with redefined production plans in Greece, a long-term material effect on its operation and financial position.

**9. RELATED PARTY TRANSACTIONS**

Intercompany balances and transactions among fully consolidated subsidiaries have been fully eliminated.

The Group's sales and purchases to and from related parties for the six month period ended June 30, 2006 and 2005 amounted to Euro 1,15 million and Euro 124, respectively.

Moreover, amounts due from and due to related parties of the Group as of June 30, 2006 amounted to Euro 1,04 million and Euro 81, respectively.

**10. CAPITAL EXPENDITURES**

The Group realized capital expenditures for the six month period ended June 30, 2006 of Euro 9,05 million (Euro 11,03 million for the six month period ended June 30, 2005).

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**11. CURRENT PERIOD SIGNIFICANT EVENTS**

**Share Capital**

At December 31, 2005 the Parent company's share capital amounted to Euro 30.381.770,00 comprised of 30.381.770 common shares of Euro 1,00 par value each.

At June 1, 2006 the Shareholders' General Assembly of the Parent company, decided share capital increase by Euro 72.230,00 by issuing 72.230 new common shares of Euro 1,00 par value each, through capitalization of undistributed profits that were distributed at no consideration to S&B executives after the approval of administrative authorities (Approval K2-8977/23.06.06 from the Ministry of Development).

As a result, at June 30, 2006 the share capital of the Parent company amounted to Euro 30.454.000,00 comprised of 30.454.000 common shares of Euro 1,00 par value each.

**Dividends**

On June 1, 2006 the Parent company's regular General Assembly has approved dividend distribution of Euro 8.203.078,00 (Euro 0,27 per share), amount which was fully paid to the shareholders on June 14, 2006.

**Share Options**

At June 1, 2006 the Shareholders' General Assembly of the Parent company approved the grant of 110.000 share options to certain executives of the Group, in the context of the new stock option plan. The award price has been set to Euro 8,91 per share.

**Treasury Shares**

At June 1, 2006 the Shareholders' General Assembly of the Parent company approved the purchase of treasury shares. The maximum number of shares that may be purchased is 3.038.177 and are related to the 10% of the total Parent company's shares as of December 31, 2005. The maximum possible purchase price is set to Euro 20,00 per share and the minimum is set to Euro 1,00 per share. The purchases can be made within 12 months, commencing on June 2, 2006.

**12. CONTINGENCIES - COMMITMENTS**

At June 30, 2006 and December 31, 2005 the Group has issued letters of guarantee for mining rights and licenses, out of which the most significant relate to the Parent company, for a total amount of Euro 3,92 million and Euro 4,80 million respectively, as well as for repayment of bank overdrafts of various subsidiaries for a total amount of approximately Euro 27,67 million and approximately Euro 27,30 million, respectively.

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**13. SEGMENT INFORMATION**

Sales per segment are analysed as follows :

	<b>June 30, 2006</b>	<b>June 30, 2005</b>
Industrial Minerals	175.608	171.672
Real Estate	-	-
Commercials	55.905	42.541
Eliminations	(114)	(110)
<b>Total</b>	<b>231.399</b>	<b>214.103</b>

Operating profits per segment are analysed as follows :

	<b>June 30, 2006</b>	<b>June 30, 2005</b>
Industrial Minerals	17.377	18.814
Real Estate	206	(184)
Commercials	3.144	2.707
<b>Total</b>	<b>20.727</b>	<b>21.337</b>

**14. PROCEEDS AND PAYMENTS OF BANK LOANS**

On February 6, 2006 the Group repaid Euro 19.905 as an installment of a medium term syndicated loan bearing an interest rate of Euribor plus spread.

On May 29, 2006 the Group repaid Indian Rupee (INR) 40.186.427,33 as an installment of a medium term loan of its Indian subsidiary bearing an interest rate based on Indian three months bonds plus spread.

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**15. MAIN FOREIGN EXCHANGE RATES (BALANCE SHEET AND INCOME STATEMENT)**

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

<b>BALANCE SHEET</b>	<b>June 30, 2006</b>	<b>December 31, 2005</b>	<b>Δ%</b>
1 € = USD	1,27130	1,17970	7,8%
1 € = JPY	145,750	138,900	4,9%
1 € = GBP	0,69210	0,68530	1,0%
1 € = BGN	1,95580	1,95630	0,0%
1 € = CYP	0,57500	0,57350	0,3%
1 € = HUF	283,350	252,870	12,1%
1 € = RON	3,57030	3,68020	-3,0%
1 € = TRY	2,00750	1,59240	26,1%
1 € = CNY	10,1648	9,52040	6,8%
1 € = GEL	2,266	2,10115	7,8%
1 € = KRW	1.206,08	1.184,42	1,8%
1 € = BRL	2,76730	2,75485	0,5%
1 € = INR	58,8691	53,0915	10,9%
1€ = CSB	85,2859	85,517	-0,3%
1 € = MAD	11,0928	10,7878	2,8%

  

<b>INCOME STATEMENT</b>	<b>Average 1<sup>st</sup>Semester 2006</b>	<b>Average 1<sup>st</sup>Semester 2005</b>	<b>Δ%</b>
1 € = USD	1,22916	1,28776	-4,6%
1 € = JPY	142,241	136,277	4,4%
1 € = GBP	0,68843	0,6865	0,3%
1 € = BGN	1,95580	1,95581	0,0%
1 € = CYP	0,57487	0,58041	-1,0%
1 € = HUF	261,984	247,653	5,8%
1 € = RON	3,55483	3,69106	-3,7%
1 € = TRY	1,72370	1,73034	-0,4%
1 € = CNY	9,8712	10,6543	-7,4%
1 € = GEL	2,22526	2,51113	-11,4%
1 € = KRW	1.185,91	1.309,14	-9,4%
1 € = BRL	2,71629	3,26485	-16,8%
1 € = INR	55,5834	55,9658	-0,7%
1 € = CSB	86,8943	81,2120	7,0%
1 € =MAD	10,9974	-	-