



S&B Industrial Minerals S.A.

**Interim Condensed Separate
Financial Statements**

**for the six month period
ended June 30, 2007**

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

The accompanying Interim Condensed Separate Financial Statements have been approved by the Board of Directors on August 30, 2007 and have been published on the website in the following address: 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 financial position and results of its operations, in accordance with International Financial Reporting Standards as adopted by the European Union (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

Chief Financial Officer

Efthimios O. Vidalis

Sotiris D. Hatzikos

S&B Industrial Minerals S.A.

**INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS
IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS
AS ADOPTED BY THE EUROPEAN UNION**

JUNE 30, 2007

CONTENTS

Page

AUDITORS' REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

INCOME STATEMENT

BALANCE SHEET

STATEMENT OF CHANGES IN EQUITY

CASH FLOW STATEMENT

NOTES TO THE INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS

1.	THE COMPANY AND ITS OPERATIONS.....	1
2.	BASIS OF PRESENTATION OF THE INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS.....	1
3.	PRINCIPAL ACCOUNTING POLICIES	1
4.	SALES	4
5.	INCOME TAX (CURRENT AND DEFERRED).....	4
6.	EXISTING LIENS.....	4
7.	PENDING LITIGATION AND ARBITRATION	4
8.	RELATED PARTY TRANSACTIONS	5
9.	CAPITAL EXPENDITURES	5
10.	CURRENT PERIOD SIGNIFICANT EVENTS.....	5
11.	EARNINGS PER SHARE	7
12.	SEGMENT INFORMATION.....	7
13.	CONTINGENCIES - COMMITMENTS.....	7
14.	PROCEEDS AND PAYMENTS OF BANK LOANS.....	7
15.	MAIN FOREIGN EXCHANGE RATES	8

FREE TRANSLATION FROM THE GREEK ORIGINAL

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

**To the shareholders of
S&B Industrial Minerals S.A.**

Introduction

We have reviewed the accompanying separate balance sheet of S&B Industrial Minerals S.A. (the “Company”) as at 30 June 2007, and the related separate income statements, statements of changes in equity, and cash flow statements of the Company for the six month period then ended, as well as the selected explanatory notes. Management is responsible for the preparation and presentation of this interim condensed financial information in accordance with International Financial Reporting Standards as adopted by the European Union and applies to interim financial reporting (“IAS 34”). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of Review

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

Conclusion

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

Athens, August 30, 2007

John Mystakidis
A.M. ICA(GR) 16511

Ernst & Young (Hellas)
Certified Auditors Accountants S.A.
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11th Km Nt Rd Athens-Lamia
144 51 Metamorphosis

 **ERNST & YOUNG**

S&B Industrial Minerals S.A.**INCOME STATEMENT
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2007
(All amounts in thousands of Euro)**

	Note	1/1-30/6 2007	1/1-30/6 2006	1/4-30/6 2007	1/4-30/6 2006
Sales	4	71.773	67.670	39.952	35.869
Cost of sales		(49.790)	(48.140)	(26.908)	(25.722)
Gross profit		21.983	19.530	13.044	10.147
Administrative expenses		(14.016)	(12.600)	(7.773)	(6.871)
Selling expenses		(1.419)	(1.456)	(778)	(716)
Other income / (expense), net		1.374	2.136	754	648
Operating profit		7.922	7.610	5.247	3.208
Financial income		1.846	102	1.812	41
Financial expense		(2.604)	(2.574)	(1.315)	(1.293)
Investment income		2.342	2.097	2.342	2.097
Profit before tax		9.506	7.235	8.086	4.053
Income tax		(1.883)	(1.347)	(1.535)	(632)
Net profit		7.623	5.888	6.551	3.421

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

S&B Industrial Minerals S.A.

BALANCE SHEET

JUNE 30, 2007

(All amounts in thousands of Euro)

	Note	June 30, 2007	December 31, 2006
<u>ASSETS</u>			
Non current assets			
Tangible assets	9	82.986	81.346
Investment property		23.537	23.744
Goodwill		25.129	25.129
Other Intangible assets		465	653
Deferred tax assets		2.207	2.615
Investments in subsidiaries	10	99.357	99.121
Investments in associates		3.773	3.773
Other non current assets		918	958
Total non current assets		238.372	237.339
Current assets			
Inventories		24.170	26.743
Trade accounts receivable		17.585	11.592
Due from related parties	8	6.102	11.944
Income tax receivable		-	330
Other current assets		9.735	10.955
Cash and cash equivalents		4.108	8.279
Total current assets		61.700	69.843
Total Assets		300.072	307.182
<u>EQUITY AND LIABILITIES</u>			
Equity			
Share capital	10	30.711	30.651
Share premium	10	28.918	28.352
Share option plan reserve		668	396
Derivative financial instruments valuation reserve		-	80
Other reserves		82.667	85.072
Retained earnings		18.590	17.757
Total equity		161.554	162.308
Non current liabilities			
Provision for staff leaving indemnities		6.792	6.452
Provision for environment rehabilitation		10.768	10.948
Other provisions		1.063	609
Interest-bearing loans and borrowings	14	99.700	74.663
Grants		2.147	2.212
Other non current liabilities		58	56
Total non current liabilities		120.528	94.940
Current liabilities			
Trade accounts payable		7.758	7.944
Current portion of long term loans and borrowings	14	-	33.175
Income tax liabilities		867	-
Dividends payable	10	107	53
Other current liabilities		9.258	8.762
Total current liabilities		17.990	49.934
Total equity and liabilities		300.072	307.182

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

S&B Industrial Minerals S.A.
STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2007
(All amounts in thousands of Euro)

	Note	Share Capital	Share Premium	Share option plan reserve	Derivative financial instruments valuation reserve	Other reserves	Retained earnings	Total equity
January 1, 2006		30.382	26.445	509	(268)	80.120	20.357	157.545
- Profit for the period		-	-	-	-	-	5.888	5.888
- Dividend distribution		-	-	-	-	(1.417)	(6.786)	(8.203)
- Share option plan		-	-	76	-	-	-	76
- Increase of share capital		72	564	-	-	-	-	636
- Derivative valuation (net of deferred tax liabilities of Euro 211)		-	-	-	477	-	-	477
June 30, 2006		30.454	27.009	585	209	78.703	19.459	156.419
January 1, 2007		30.651	28.352	396	80	85.072	17.757	162.308
- Profit for the period		-	-	-	-	-	7.623	7.623
- Dividend distribution	10	-	-	-	-	(2.321)	(6.874)	(9.195)
- Share option plan	10	-	-	272	-	-	-	272
- Increase of share capital	10	60	566	-	-	-	-	626
- Derivative valuation (net of deferred tax asset of Euro 27)		-	-	-	(80)	-	-	(80)
- Other movements		-	-	-	-	(84)	84	-
June 30, 2007		30.711	28.918	668	-	82.667	18.590	161.554

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

S&B Industrial Minerals S.A.
CASH FLOW STATEMENT
FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2007
(All amounts in thousands of Euro)

	Note	1/1-30/6/2007	1/1-30/6/2006
Cash flows from operating activities			
Profit for the period before tax		<u>9.506</u>	<u>7.235</u>
Adjustments for:			
- Depreciation and amortization		6.378	6.026
- Depreciation and amortization included in prior period's ending inventories		963	923
- Grants amortization		(65)	(90)
- Provision for environment rehabilitation		306	122
- Provision for share option plan		272	76
- Other provisions		1.025	398
- Financial income		(1.846)	(102)
- Financial expenses		2.604	2.574
- Income from dividends received		(2.342)	(2.097)
- (Gains)/losses from disposal of property, plant and equipment		(21)	3
		<u>16.780</u>	<u>15.068</u>
(Increase) / Decrease of:			
- Non current assets		39	121
- Inventories		1.610	3.066
- Trade accounts receivable		(5.993)	3.536
- Due from related parties		5.841	(2.035)
- Other current assets		3.242	862
Increase / (Decrease) of:			
- Other non current liabilities		2	(1)
- Trade payables		(186)	(3.444)
- Other current liabilities		1.705	(1.114)
Staff leaving indemnities paid		(231)	(251)
Payments for environment rehabilitation		(486)	(495)
Income tax paid		(423)	(427)
Net cash inflows from operating activities		<u>21.900</u>	<u>14.886</u>
Cash flows from investing activities:			
- Capital expenditure for property, plant and equipment	9	(7.864)	(5.360)
- Capitalized depreciation		214	262
- Investments in subsidiaries		(236)	(123)
- Dividends received		1.727	1.917
- Interest and financial income received		67	102
- Income from disposal of property, plant and equipment		24	7
Net cash outflows from investing activities		<u>(6.068)</u>	<u>(3.195)</u>
Cash flows from financing activities:			
- Increase of long-term borrowing	14	25.037	-
- Decrease of long-term borrowing	14	(33.175)	(19.905)
- Dividends paid	10	(9.141)	(8.197)
- Interest and financial expenses paid		(2.724)	(2.137)
Net cash outflows from financing activities		<u>(20.003)</u>	<u>(30.239)</u>
Net decrease in cash and cash equivalents		<u>(4.171)</u>	<u>(18.548)</u>
Cash and cash equivalents at beginning of period		<u>8.279</u>	<u>21.945</u>
Cash and cash equivalents at period end		<u>4.108</u>	<u>3.397</u>

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

S&B Industrial Minerals S.A.
INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS
IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS
AS ADOPTED BY THE EUROPEAN UNION
JUNE 30, 2007

(Amounts in thousand Euro, unless otherwise stated)

1. THE COMPANY AND ITS OPERATIONS

S&B Industrial Minerals S.A. (“the Company” or “S&B”) is a Greek corporation mainly engaged in the extraction, processing, distribution and supply of industrial minerals. The Company was incorporated in 1934 and, as of 1994 its shares are listed on the Athens Exchange. The S&B headquarters are located in Kifissia, Attica, 15 A.Metaxa street. In 1978, and after decision of the Shareholders Ordinary General Assembly, its duration was extended for a period of 50 years up to 2034. As at June 30, 2007 and 2006 the Company employed 710 and 708 employees, respectively.

2. BASIS OF PRESENTATION OF THE INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS

The accompanying interim condensed separate financial statements for the period ended June 30, 2007 (hereinafter referred to as “the financial statements”) have been prepared in accordance with International Financial Reporting Standards (“IFRS”), adopted from 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 financial instruments which are measured at fair value.

The accompanying financial statements include condensed information as compared to the annual financial statements. As a result should be read in conjunction with the last published annual financial statements as at December 31, 2006.

The accompanying financial statements were approved by the Company’s Board of Directors on August 30, 2007. The Company also prepares and publishes interim consolidated financial statements for the six-month period ended June 30, 2007 which were also approved by the Company’s Board of Directors on August 30, 2007.

3. PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the accompanying financial statements, are consistent with those followed in the preparation of the annual financial statements for the year ended December 31, 2006, except for the accounting policy followed for expenses incurred for the exploration and evaluation of mineral resources, as explained below and the below mentioned adoption of new standards and interpretations valid for the year ended December 31, 2007.

Exploration and evaluation expenditure comprises costs related to topographical, geological, geochemical and geophysical studies, exploratory drilling, trenching and sampling and activities in relation to evaluating the technical feasibility and commercial viability of extracting mineral resources as well as compiling pre-feasibility and feasibility studies.

Effective January 1, 2007, exploration and evaluation assets are capitalized to the extent that future economic benefits are expected to flow to the entity and are measured at cost less accumulated amortization and accumulated impairment, if any, and are classified as tangible assets under mines.

S&B Industrial Minerals S.A.
INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS
IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS
AS ADOPTED BY THE EUROPEAN UNION
JUNE 30, 2007

(Amounts in thousand Euro, unless otherwise stated)

3. PRINCIPAL ACCOUNTING POLICIES (continued)

Amortization of capitalized exploration and evaluation assets commences from the time that a reserve has entered its stage of commercial production and is calculated based on the unit of production method. The Company assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of these assets may exceed their recoverable amounts. To the extent that this occurs, any excess is provided against, in the financial period in which this is determined.

The above change in accounting policy had no effect on the Company's 2006 results.

New standards and pronouncements applied are the following:

- (i) IFRS 7, Financial Instruments: Disclosures, and a complementary amendment to IAS 1, Presentation of Financial Statements – Capital Disclosures:** (effective for financial years beginning on or after January 1, 2007). IFRS 7 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments including specified minimum disclosures about credit risk, liquidity risk and market risk, including sensitivity analysis to market risk. It replaces IAS 30 «Disclosures in the Financial Statements of Banks and Similar Financial Institutions», and disclosure requirements in IAS 32 «Financial Instruments: Disclosure and Presentation». It is applicable to all entities that report under IFRS. The amendment to IAS 1 introduces disclosures about the level of an entity's capital and how it manages capital. The Company has assessed the impact of IFRS 7 and the amendment to IAS 1 and concluded that the main additional disclosures will be the sensitivity analysis to market risk and the capital. As the Company has prepared interim condensed financial statements in accordance with IAS 34 «Interim Financial Reporting», the interim condensed financial statements do not include all the information and disclosures required by IFRS 7. Full disclosure will be made when the financial statements for the year ended December 31, 2007 are prepared.
- (ii) IFRIC 7, Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies:** (effective for financial years beginning on or after March 1, 2006). IFRIC 7 requires entities to apply IAS 29 «Financial Reporting in Hyper-inflationary Economies» in the reporting period in which an entity first identifies the existence of hyperinflation in the economy of its functional currency as if the economy had always been hyperinflationary. The adoption of IFRIC 7 did not impact Company's financial statements as it is not relevant.
- (iii) IFRIC 8, Scope of IFRS 2:** (effective for financial years beginning on or after May 1, 2006). IFRIC 8 clarifies that IFRS 2 «Share-based payment» will apply to any arrangement when equity instruments are granted or liabilities (based on the value of an entity's equity instrument) are incurred by an entity, when the identifiable consideration appears to be less than the fair value of the instruments given. The adoption of IFRIC 8 did not impact Company's financial statements as it is not relevant.
- (iv) IFRIC 9, Reassessment of Embedded Derivatives:** (effective for financial years beginning on or after June 1, 2006). IFRIC 9 requires an entity to assess whether a contract contains an embedded derivative at the date an entity first becomes a party to the contract and prohibits reassessment unless there is a change to the contract that significantly modifies the cash flows. The adoption of IFRIC 9 did not impact Company's financial statements as it is not relevant.

S&B Industrial Minerals S.A.
INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS
IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS
AS ADOPTED BY THE EUROPEAN UNION
JUNE 30, 2007

(Amounts in thousand Euro, unless otherwise stated)

3. PRINCIPAL ACCOUNTING POLICIES (continued)

(v) **IFRIC 10, Interim Financial Reporting and Impairment:** (effective for financial years beginning on or after November 1, 2006). IFRIC 10 prohibits an entity from reversing an impairment loss recognised in a previous interim period in respect of goodwill or an investment in either an equity instruments or a financial assets carried at cost. The adoption of this IFRIC did not impact Company's financial statements.

The implementation of the above had no effect in the financial position of the Company.

Standards, interpretations and amendments to published standards that are not yet effective

Certain new amendments and interpretations to existing standards have been published that are mandatory for accounting periods beginning on or after January 1, 2008 or later periods but which the Company, where applicable and appropriate, has not early adopted, as follows:

(i) **Amendment to IAS 23, Borrowing Costs:** (effective for financial years beginning on or after January 1, 2009). On March 29, 2007, the IASB issued a revised IAS 23, «Borrowing Costs». The main change from the previous version is the removal of the option of immediately recognizing as an expense borrowing costs that relate to assets that take a substantial period of time to get ready for use or sale. An entity is, therefore, required to capitalize borrowing costs as part of the cost of such assets. The Company is in the process of assessing the impact the amendment to the standard will have on its financial statements. This amendment to the Standard has not yet been endorsed by the EU.

(ii) **IFRIC 13, Customer Loyalty Programs:** (effective for financial years beginning on or after January 1, 2008). The Interpretation addresses accounting by the entity that grants award credits to its customers. An entity shall account for award credits as a separately identifiable component of the sales transaction in which they are granted (the 'initial sale'). The fair value of the consideration received or receivable in respect of the initial sale shall be allocated between the award credits and the other components of the sale. If at any time the unavoidable costs of meeting the obligations to supply the awards are expected to exceed the consideration received and receivable for them, the entity has onerous contracts. IFRIC 13 is not relevant to the Company's operations. This Interpretation has not yet been endorsed by the EU.

(iii) **IFRIC 14, The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction** (effective for financial years beginning on or after January 1, 2008). The interpretation addresses three issues, namely, (i) when refunds or reductions in future contributions should be regarded as "available" in the context of paragraph 58 of IAS 19 «Employee Benefits», (ii) how a minimum funding requirement might affect the availability of reductions in future contributions, and (iii) when a funding requirement might give rise to a liability. Furthermore, should a minimum funding requirement exist, the Interpretation distinguishes between contributions that are required to cover an existing shortfall for past service on the minimum funding basis and, the future accrual of benefits. IFRIC 14 is not relevant to the Company's operations. This Interpretation has not yet been endorsed by the EU.

S&B Industrial Minerals S.A.
INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS
IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS
AS ADOPTED BY THE EUROPEAN UNION
JUNE 30, 2007

(Amounts in thousand Euro, unless otherwise stated)

4. SALES

Sales in the accompanying financial statements are analyzed as follows:

	1/1-30/6 2007	1/1-30/6 2006	1/4-30/6 2007	1/4-30/6 2006
Bentonite	31.594	29.224	17.876	15.223
Bauxite	22.549	20.736	14.656	11.145
Perlite	16.979	17.072	7.019	9.103
Other	651	638	401	398
Total	71.773	67.670	39.952	35.869

5. INCOME TAX (CURRENT AND DEFERRED)

Income tax (current and deferred) is analyzed as follows:

	June 30 2007	June 30 2006
Current income tax	1.449	1.317
Deferred income tax	434	30
	1.883	1.347

The Company has been audited by the tax authorities and final tax assessments have been issued for the years up to 2004. For the year 2005 the Company is currently being audited by the tax authorities.

6. EXISTING LIENS

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

7. PENDING LITIGATION AND ARBITRATION

The Company 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 64 (at December 31, 2006 approximately Euro 64) in the accompanying financial statements. Beyond these tax cases, for which the above provision was established, the Company's management considers that the outcome of the remaining pending litigation is not expected to have a material adverse effect on the Company's financial position.

Moreover, petitions of reversal had been submitted before the Council of State, against the Greek State and the administrative act which approves the Environmental Study issued by the Company regarding the exploitation of bauxite deposits covering area of 9.244 thousand square meters in the mountain of Giona. The petitions of reversal were finally heard before the Council of State on October 4, 2006 along with the interventions of S&B in support of the Greek State and the validity of the aforementioned act. The petitioners of one among the above petitions had also asked for the suspension of the disputed act.

S&B Industrial Minerals S.A.
INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS
IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS
AS ADOPTED BY THE EUROPEAN UNION
JUNE 30, 2007

(Amounts in thousand Euro, unless otherwise stated)

7. PENDING LITIGATION AND ARBITRATION (continued)

The Commission of Suspension of the Council of State by its decision nr. 504/2006 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. Within July 2007 the Council of State issued its decision No 1990/2007 by which the suspension of works is lifted. This decision allows the continuation of the Company's bauxite deposits exploitation in accordance with the environmental conditions determined by the ministerial decision that had been impugned before the Council of State, with the exception of certain, specifically designated deposits. Issuance of the decision No 1990/2007 allows the Company to gradually bring the production and investment program of the bauxite operations back to appropriate levels.

8. RELATED PARTY TRANSACTIONS

The Company's sales and purchases to and from subsidiaries and associates for the six month period ended June 30, 2007 amounted to Euro 23,84 million and Euro 0,77 million, respectively (Euro 20,80 and Euro 0,89 for the six month period ended June 30, 2006, respectively).

Amounts due from and due to subsidiaries and associates of the Company as of June 30, 2007 amounted to Euro 12,87 million and Euro 5,85 million, respectively (Euro 13,38 and Euro 1,76 as of December 31, 2006, respectively).

Transactions with key management and Board members for the six month period ended June 30, 2007 amounted to Euro 2,21 million (Euro 2,00 million for the six month period ended June 30, 2006). Key management and Board members amounts due for the six month period ended June 30, 2007 amounted to Euro 0,99 million (at December 31, 2006 Euro 1,32 million).

9. CAPITAL EXPENDITURES

The Company realized capital expenditures for the six month period ended June 30, 2007 of Euro 7,86 million (Euro 5,36 million for the six month period ended June 30, 2006).

10. CURRENT PERIOD SIGNIFICANT EVENTS

Share Capital

At December 31, 2006 the Company's share capital amounted to Euro 30.651.335,00 comprised of 30.651.335 common shares of Euro 1,00 par value each. The Board of Directors on May 16, 2007 decided and the Shareholders' Annual General Meeting held on May 31, 2007, approved the increase of the Company's share capital by Euro 59.660.00 (59.660 shares with a par value of Euro 1.00 per share) through capitalization of retained earnings so as that such shares to be distributed to Senior Executives at no consideration, as part of their performance bonus (equivalent amount in Euro 625.833,40). As the related executive services were rendered in 2006, the bonus equivalent was accrued in 2006. When the executives received the shares on June 21, 2007 the related accrual was transferred to the accounts of "Share Capital" and "Share Premium".

As a result, at June 30, 2007 the share capital of the Company amounted to Euro 30.710.995,00 comprised of 30.710.995 common shares of Euro 1,00 par value each.

S&B Industrial Minerals S.A.
INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS
IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS
AS ADOPTED BY THE EUROPEAN UNION
JUNE 30, 2007

(Amounts in thousand Euro, unless otherwise stated)

10. CURRENT PERIOD SIGNIFICANT EVENTS (continued)

Dividends

On May 31, 2007 the Company's regular General Assembly has approved dividend distribution of Euro 9.195.401,15 (Euro 0,30 per share), from retained earnings of Euro 6.874.990,37 and tax-free / special reserves of Euro 2.320.410,78 (net of related taxes of Euro 797.696,14). The above amount was fully paid to the shareholders on June 12, 2007.

Share Options

At May 31, 2007 the Shareholders' General Assembly of the Company approved the grant of 140.000 share options to certain executives of the Company and its subsidiaries, in the context of the new stock option plan. The award price has been set to Euro 9,92 per share.

It is noted that the main terms of the stock options plans to executives of the Company have not been changed in relation to those applied as of December 31, 2006.

Financial derivatives in sea freights

The Company charters dry bulk sea vessels for transporting its products to customers. As a result, its cash flows are materially affected from sea freight prices which have exhibited very high volatility during the last four years. The Company deals partly with the volatility of its cash flows by establishing long term contracts with shipping companies and ship operators covering the transportation of part of its products at pre-agreed fixed freight prices (Cost of Afreightment, "COA"). For the part of the freight costs that are not covered by fixed freight contracts, the Company conducted a study which, after defining, grouping, and standardizing the main and recurring sea routes for the transportation of its products and also taking into account commercial policy factors, concluded that the volatility of part of the freight costs demonstrate satisfactory correlation on an annual average basis with Supramax index. This part of freight costs that refer to specific sea routes (North American east coast, west Mediterranean, North Sea) excluding sea freights under COAs, the Company defined as "Relevant exposure in sea freights" and included it in a risk management program with derivatives, taking into account the continuous growth and the increased liquidity of the freights derivative markets.

In the context of the above mentioned risk management program, on January 3, 2007 the Company bought a Forward Freight Agreement ("FFA") in the Supramax index by which the Company pays fixed prices of the Supramax index and receives floating. The FFA commences at January 1, 2008 and matures at December 31, 2008. The Company concluded the above FFA in order to offset part (around 40%) of the forecasted "Relevant exposure in sea freights" for the financial year 2008.

Management believes that the FFA offers a partial but effective offset of sea freights price risk arising from the volatility of sea freight prices, for the financial year of 2008 and, therefore, the final outcome of this transaction should be reflected in the income statement of 2008. According to IAS 39 interpretation, the FFA does not fulfill the requirements of cash flow hedge accounting and therefore, according to IAS 39 "Financial Instruments: Recognition and measurement", the profit from the valuation of the FFA were recognized in the income statement of the six month period ended June 30, 2007. The FFA valuation as of June 30, 2007 generated a net profit (after deducting deferred taxes) of Euro 1,3 million.

S&B Industrial Minerals S.A.
INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS
IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS
AS ADOPTED BY THE EUROPEAN UNION
JUNE 30, 2007

(Amounts in thousand Euro, unless otherwise stated)

10. CURRENT PERIOD SIGNIFICANT EVENTS (continued)

Other

On June 6, 2007, Ariseize S.A., a French 100% subsidiary of S&B ceased its operations, after having transferred its 63,81% participation in Greek Helicon Bauxites S.A. (the company's sole asset) to S&B. The net amount resulted from the cessation of the above subsidiary was not significant. Finally, S&B which currently owns 100% of the share capital of Greek Helicon Bauxites S.A. further increased its share capital by an amount of Euro 236.

11. EARNINGS PER SHARE

Earnings per share have been calculated based on the Consolidated Profit of S&B and they are presented in the Consolidated Financial Statements prepared by S&B Industrial Minerals S.A.

12. SEGMENT INFORMATION

The disclosures required by IAS 14 "Segment reporting" are included in the Consolidated Financial Statements prepared by S&B Industrial Minerals S.A.

13. CONTINGENCIES - COMMITMENTS

At June 30, 2007 the Company had issued letters of guarantee for mining rights and licenses, for a total amount of Euro 3,19 million (at December 31, 2006 Euro 2,84 million), as well as for repayment of bank overdrafts of various subsidiaries for a total amount of Euro 128,90 million (at December 31, 2006 Euro 149,62 million).

14. PROCEEDS AND PAYMENTS OF BANK LOANS

On January 18, 2007, the Company proceeded to the repayment of a syndicated loan of Euro 33.175. For such repayment, the Company proceeded to the issuance of two loans (a) on March 2, 2007 for an amount of Euro 10.000 and (b) on March 12, 2007 for an amount of Euro 15.000. Both loans have a duration of two years, bearing interest of Euribor plus margin.

S&B Industrial Minerals S.A.
INTERIM CONDENSED SEPARATE FINANCIAL STATEMENTS
IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS
AS ADOPTED BY THE EUROPEAN UNION
JUNE 30, 2007

(Amounts in thousand Euro, unless otherwise stated)

15. MAIN FOREIGN EXCHANGE RATES

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

Exchange rate	Average for the period 1/1-30/6/07	Average for the period 1/1-30/6/06	Δ%	June 30 2007	December 31 2006	Δ%
1 € = USD	1,3291	1,2292	8%	1,3505	1,3170	3%
1 € = JPY	159,61	142,24	12%	166,63	156,93	6%
1 € = GBP	0,6747	0,6884	-2%	0,6740	0,6715	0%
1 € = BGN	1,9558	1,9558	0%	1,9558	1,9558	0%
1 € = CYP	0,5809	0,5749	1%	0,5837	0,5782	1%
1 € = HUF	250,35	261,98	-4%	246,15	251,77	-2%
1 € = RON	3,3310	3,5548	-6%	3,1340	3,3835	-7%
1 € = TRY	1,8260	1,7237	6%	1,7740	1,8640	-5%
1 € = CNY	10,2568	9,8712	4%	10,2816	10,2793	0%
1 € = GEL	2,2562	2,2253	1%	2,2460	2,2562	0%
1 € = KRW	1.241,26	1.185,91	5%	1.247,73	1.224,81	2%
1 € = BRL	2,7182	2,7163	0%	2,6073	2,8202	-8%
1 € = INR	56,347	55,583	1%	54,841	58,299	-6%
1€ = CSB	80,56	86,89	-7%	79,02	79,00	0%
1 € = MAD	11,1451	10,9974	1%	11,1850	11,1457	0%
1 € = PLN	3,8441	-	-	3,7677	3,8310	-2%