



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

**Financial Report**

**for the six-month period ended June 30, 2012**

This six month Financial Report is prepared in accordance with article 5 of L.3556/2007 and was approved by the Board of Directors of S&B Industrial Minerals S.A. on August 2, 2012. 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 SIX-MONTH PERIOD ENDED JUNE 30, 2012

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**A. BOARD OF DIRECTORS'  
STATEMENT**



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

1. Ulysses P. Kyriacopoulos, The Chairman of the Board of Directors
2. Kriton St. Anavlavis, The Chief Executive Officer
3. Alexandros P. Sarrigeorgiou, Director, specifically appointed by the Board of Directors at its meeting on August 2, 2012

**WE STATE THAT**

to the best of our knowledge:

- a. the Company's and the Group's Interim Condensed Financial Statements for the six-month period ended June 30, 2012, which were prepared according to the prevailing accounting standards, present fairly the assets, the liabilities, the equity and the results of S&B Industrial Minerals S.A., as well as of the entities included in the consolidation, in accordance with the provisions of the Law 3556/2007, article 5, paragraphs 3 to 5 and that
- b. the half-year Board of the Directors' Report presents fairly the information that is required based on the Law 3556/2007, article 5, paragraph 6, for the period January 1 to June 30, 2012.

**The Chairman of the Board of  
Directors**

**The Chief Executive  
Officer**

**The Director**

Ulysses P. Kyriacopoulos

Kriton St. Anavlavis

Alexandros P. Sarrigeorgiou

ID No AH042868

ID No AK061616

ID No AE 586794

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**B. BOARD OF DIRECTORS'  
REPORT**

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## HALF YEAR 2012 REPORT OF THE BOARD OF DIRECTORS

### *Group results summary*

For the six months of 2012, total consolidated sales for S&B Industrial Minerals (“S&B” or the “Group”) amounted to € 238 million, which represents an increase of 3,6% (\*) compared to € 229,8 million in the same period in 2011. Profitability improved, both through the reduction in operating expenses and the continued production improvement of our bauxite operations, and as a result, EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) during the first six months of 2012 increased by 19,3% to € 41,3 million from € 34,6 million in the first half of 2011. Operating profit of € 29,9 million in the first half of 2012 increased by 42,6% from € 21 million in the first half of 2011 and net profit attributable to shareholders of € 15,9 million increased by 52,5% compared to € 10,4 million in the comparable prior year period.

€ 000s	Half Year 2012 <sup>3</sup>	Half Year 2011	% Change
Net Sales	238.026	229.813	3,6%
EBITDA	41.295	34.619	19,3%
Operating profit	29.946	20.999	42,6%
Profit before tax	24.744	17.049	45,1%
Net profit <sup>1</sup>	15.860	10.401	52,5%
EPS <sup>2</sup>	0,3104	0,2035	52,5%

<sup>1</sup> Net profit attributable to shareholders

<sup>2</sup> Based on net profit attributable to shareholders and the basic weighted average numbers of shares

<sup>3</sup> The profitability measures in 2012 (with the exception of EBITDA) do not include € 4,2 million of depreciation, not charged following the provisions of IFRS 5

### *Business developments and financial performance*

During the first six months of 2012, demand progressively decelerated in many of our markets, however, with disparities across geographic regions. Overall, industrial production decreased during the period, reflecting the increasing concerns related to global economic development. Industrial production growth in the E.U. (excluding construction) has turned into marginal decline, whereas in the U.S. industrial production continues to trend upwards. Global steel production, a key driver for a large proportion of our Metallurgy market segment, sustained stable output levels during the first six months of 2012 compared to the same period in 2011. However, steel production output varied by region, declining considerably in Europe and Brazil, but increasing in North America and China. Concerning the Foundry market segment, the global automotive sector remained broadly favorable, however similarly, depicting regional disparities with many regions in Europe showing declines but with North American regions on the rise. In the Construction market, weakness persisted during the first half of 2012. However, weak demand for construction and building materials, both in Europe and the U.S. has been offset by higher demand from the cements, civil engineering and drilling industries. Construction activity in China decreased during the first half of 2012 due to both, a declining real estate market and to extreme weather conditions, during which, construction work is prohibited.

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

In terms of revenue by Region, for South Europe sales to third parties (including discontinuing operations) of € 60,7 million declined marginally compared to € 61,1 million for the same period in 2011. Third party sales incorporate higher sales to the Metallurgy and Specialties markets driven by demand for alumina, iron-ore pelletizing and pet litter absorbents applications stable sales to the Foundry market and a declining Construction market where solid growth in cement applications has been eroded by a steep decline in construction and building materials. Total sales decreased marginally by 2,4% in the first half of 2012 to € 82,6 million from € 84,7 million in the first half of 2011.

For North Europe, sales to third parties were € 111,6 million and increased marginally by 1,2% compared to the first half of 2011. Sales to the Metallurgy market declined by mid-single digit, reflecting the slowdown in steel production in Europe where major steel producers have been lowering their output levels to mitigate the impact from low steel prices and high inventory levels. Construction market performance was robust driven by our involvement in civil engineering projects and value-enhancing logistics improvements, while the Foundry market was stable with the resilient German market offsetting declines in France. Similarly, the Specialties market was stable with growth from cat litter absorbents, paper and glass applications offsetting a decline in ceramics. Total sales in the first half of 2012 increased marginally by 1,8% compared to the first half of 2011 and reached € 112,9 million.

The Americas region achieved a strong performance in the first half of 2012 with sales to third parties amounting to € 52,2 million and increasing by 13,2% compared to the first half of 2011. In the Metallurgy market, steel production related sales in the U.S. increased during the period, more than offsetting a sales decline in Brazil where steel makers have reduced output. In the Construction market, conditions remained weak at low levels and a sales decline realized for formed products has been counterbalanced by our successful involvement in civil engineering infrastructure projects. The Foundry market was a key driver of performance for the region. During the period, automotive production was robust supporting strong revenue growth for our business in this market. The performance in the aforementioned markets more than compensated for a marginal sales decline in the Specialties market related to horticultural applications. Total sales of € 52,3 million marked an increase of 13,3% over the first half of 2011.

In the Asia/Pacific region the key business drivers are the Metallurgy and Construction markets. In Metallurgy, steel production related sales revenues were stable in China and South Korea but declined in India where economic activity deteriorated during the first half of 2012. Construction related business in China was slow during the period but it was also impacted by extreme weather conditions (i.e. floods and heat waves), during which, construction work is prohibited. Despite the overall subdued activity in both markets in the first half of 2012, our revenue growth initiatives enabled third party sales to increase by 9,7% at € 13,5 million, compared to € 12,3 million in the first half of 2011. Total sales revenue in the first half of 2012 decreased by 8,2% at € 14,4 million compared to € 15,7 million in the first half of 2011, incorporating a lower level of intercompany sales of raw materials to North Europe mainly due to timing of sales.

Consolidated Group sales amounted to € 238 million for the first half of 2012, which represents a 3,6% increase compared to € 229,8 million in the first half of 2011. This revenue increase was mainly the result of revenue growth initiatives which helped to counterbalance stable sales volumes versus the first half of 2011 and a less favorable product mix. Overall, costs were broadly stable during the first half of 2012 as compared to the same period in 2011, with crude oil prices marginally higher by 2% and ocean freight indices 32% lower. However, ocean freight indices are not representative of the freight rates corresponding to the types of vessel and destination routes used for our business, which were stable compared to the prior year's first half. Production output in our bauxite operations improved further during the first half of 2012 and this has contributed significantly to overall cost improvements at a Group level. As a result of all aforementioned factors, gross profit increased of 12,3% during the first half of 2012 at € 63,1 million compared to € 56,2 million in the first half of 2011. In parallel, gross margin of 26,5% rose by 100 basis points sequentially from the first quarter of 2012 and improved by 210 basis points in comparison to the first half of 2011. It is important to highlight, that as a result of the

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

guidelines of IFRS 5 for assets designated as held for sale, our results for the first half of 2012 do not include the recognition of € 4,2 million depreciation related charges for our bauxite operations in Greece. This amount is additional to the € 1,9 million depreciation not recognized up to December 31, 2011. Potential recognition of the aforementioned not recognized depreciation would have a related impact on all profitability lines except EBITDA.

Selling, General & Administrative (SG&A) expenses in the first half of 2012 amounted to € 34,9 million, lower by 4,2% compared to € 36,4 million in the first half in 2011. Net operating expenses declined by 5,7% to € 33,1 million in the first half of 2012 from € 35,2 million in the first half of 2011. Tight management of expenses contributed to margin expansion, proving our ability to control our costs and to efficiently grow our business. During the first half of 2012, EBITDA and operating margins improved by 220 and 350 basis points, respectively, compared to the prior year comparable period. EBITDA amounted to € 41,3 million and operating profit to € 29,9 million, both growing at a faster pace than sales revenue, with increases of 19,3% and 42,6%, respectively, compared to the first half of 2011.

Net financial expenses were higher by 45,3% compared to the first half of 2011 at € 6 million from € 4,2 million. This significant variance is fully attributed to net interest expense which amounted to € 4 million in the first half of 2012 compared to € 2,6 million in the first half of 2011. More than two thirds of this increase is the result of higher spreads for debt refinanced during the first half of 2011, with the remaining amount related to an increase in average net debt during the period:

- a) the Group's average net debt increased to € 145,3 million during the first half of 2012 from € 124,8 million during the first half of 2011
- b) the average 3-month Euribor rate was lower by approximately 40 basis points at 0,87% during the first half of 2012 compared to 1,26% during the comparable prior year period.

Profit before tax of € 24,7 million increased by 45,1% in the first half of 2012 from € 17 million in the first half of 2011.

The Group's effective tax rate in the first half of 2012 decreased to 36,4% compared to 39,4% in the first half of 2011. The Group's effective tax rate is affected by the aggregation of the nominal tax rates of the various subsidiaries consolidated, the various permanent differences and one-off tax items.

Net profit attributed to shareholders of the Group for the first half of 2012 amounted to € 15,9 million compared to € 10,4 million in the first half of 2011, representing a significant 52,5% increase.

Working capital (current assets excluding cash minus current liabilities excluding short-term borrowings) increased by € 9,3 million to € 91,1 million at the end of the first half of 2012 from € 81,8 million at the end of 2011. This change represents an increase of 11,3% from the end of 2011, significantly higher than our revenue growth for the period. However, it should be noted that the increase is mainly the result of higher receivables due to the monthly sales of June being more than 30% higher than the monthly sales of December 2011. In addition, receivables include a significant amount of € 12 million of VAT receivable from the Greek state, the total of which amounts to more than € 20 million, with its settlement being beyond our control. The remaining € 8 million of this VAT receivable has been classified as a non-current asset. Capital expenditure in the first half of 2012 was approximately 9% lower than the same period in 2011, at € 15,9 million compared to € 17,5 million. Similarly with 2011, half of our capital expenditure related to the increase of bauxite production that continued throughout the first half of the current year, while the remaining amount relates mostly to maintenance type of investments. Pre-tax operating free cash flow for the first half of 2012 was € 8,9 million, significantly higher than the € 4,1 million in first half of 2011, while after accounting for financial expenses and other items, our net debt position decreased by € 2,4 million to € 129,7 million from € 132,1 million at the end of 2011. At the end of the first half of 2012, we completed the refinancing of nearly all our outstanding debt obligations, extending maturities between 3 to 4 years (see more in section "Significant Events").

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

## Continuing and Discontinuing Operations

The initial agreement for the gradual divestment of S&B's bauxite operations in Greece for an initially agreed price of € 61,1 million (announced on November 8<sup>th</sup> 2011), requires compliance with the provisions of IFRS 5 and consequent disclosure of Continuing and Discontinuing operations (more details are available in Note 5 of the Financial Statements).

€ 000s	Continuing Operations			Discontinuing Operations		
	Half Year 2012	Half Year 2011	% Change	Half Year 2012 <sup>3</sup>	Half Year 2011	% Change
Net Sales	221.038	215.778	2,4%	16.988	14.035	21,0%
EBITDA	36.499	33.209	9,9%	4.796	1.410	240,1%
Operating profit	26.265	23.602	11,3%	3.681	(2.603)	241,4%
Profit before tax	21.406	19.950	7,3%	3.338	(2.901)	215,1%
Net profit <sup>1</sup>	14.559	13.827	5,3%	1.301	(3.426)	138,0%
EPS <sup>2</sup>	0,2849	0,2705	5,3%	0,0255	(0,0670)	138,0%

<sup>1</sup> Net profit attributable to shareholders

<sup>2</sup> Based on net profit attributable to shareholders and the basic weighted average numbers of shares

<sup>3</sup> The profitability measures in 2012 (with the exception of EBITDA) do not include € 4,2 million of depreciation, not charged following the provisions of IFRS 5

### Continuing operations summary

Continuing operations exclude bauxite operations in Greece and the performance from related served markets, namely Metallurgy and Construction. In terms of regional performances only South Europe is affected. Market trends and revenue commentary for the other regions has been discussed above.

Therefore, in terms of regional revenue performance, sales of South Europe to third parties (continuing operations only) of € 43,7 million decreased by 7,2% in the first half of 2012 to € 43,7 million from € 47,1 million in the first half of 2011. Third party sales incorporate higher sales to the Metallurgy and Specialties markets driven by demand for iron-ore pelletizing and pet litter absorbents applications. This has offset a stable performance in the Foundry market, but was not able to counterbalance the steep decline of the Construction market which is influenced by the continued deterioration in construction related activity in Southern Europe. Total sales revenue of South Europe decreased by 7,1% in the first half of 2012 to € 65,6 million from € 70,6 million in the first half of 2011.

Consolidated Group sales for Continuing Operations amounted to € 221 million for the first half of 2012, which represents a 2,4% increase compared to € 215,8 million in the first half of 2011. This increase was mainly the result of revenue growth initiatives which helped to counterbalance a decline in sales volumes versus the first half of 2011. Overall, costs were broadly stable during the first half of 2012 as compared to the same period in 2011, with crude oil prices marginally higher by 2% on average and ocean freight indices 32% lower. However, ocean freight indices are not representative of the freight rates corresponding to the types of vessel and destination routes used for our business, which were stable compared to the prior year's first half. As a result of all aforementioned factors, gross profit increased of 4,3% during the first half of 2012 at € 59,7 million compared to € 57,3 million in the first half of 2011. In parallel, gross margin of 27% rose by 60 basis points sequentially from the first quarter of 2012 and improved by 50 basis points in comparison to the first half of 2011.

Selling, General & Administrative (SG&A) expenses in the first half of 2012 were kept in line to

the first half of 2011 at € 34,7 million. Similarly, net operating expenses were kept stable, marginally lower by approximately 1% to € 33,5 million in the first half of 2012 from € 33,7 million in the first half of 2011. Tight management of expenses contributed to margin expansion, proving our ability to control our costs and to efficiently grow our business. During the first half of 2012, EBITDA and operating margins improved by 110 and 100 basis points, respectively, compared to the prior year comparable period. EBITDA amounted to € 36,5 million and operating profit to € 26,3 million, both growing at a faster pace than sales revenue, with increases of 9,9% and 11,3%, respectively, compared to the first half of 2011.

Net financial expenses were higher by 47,6% compared to the first half of 2011 at € 5,7 million from € 3,9 million. This significant variance is fully attributed to net interest expense which amounted to € 4 million in the first half of 2012 from € 2,6 million in the first half of 2011. More than two thirds of this increase is the result of higher spreads for debt refinanced during the first half of 2011 and the rest is related to an increase in average net debt during the period:

- a) the Group's average net debt increased to € 145,3 million during the first half of 2012 from € 124,8 million during the first half of 2011
- b) the average 3-month Euribor rate was lower by approximately 40 basis points at 0,87% during the first half of 2012 compared to 1,26% during the comparable prior year period.

Profit before tax of € 21,4 million increased by 7,3% in the first half of 2012 from € 20 million in the first half of 2011.

The Group's effective tax rate in the first half of 2012 increased slightly to 32,6% compared to 31,0% in the first half of 2011. The Group's effective tax rate is affected by the aggregation of the nominal tax rates of the various subsidiaries consolidated, the various permanent differences and one-off tax items.

Net profit attributed to shareholders of the Group for the first half of 2012 amounted to € 14,6 million compared to € 13,8 million in the first half of 2011, representing a 5,3% increase.

Working capital (current assets excluding cash minus current liabilities excluding short-term borrowings) increased by € 3,9 million to € 78,3 million at the end of the first half of 2012 from € 74,5 million at the end of 2011, an increase of 5,2% from the end of 2011. However, it should be noted that the increase is mainly the result of higher receivables due to the monthly sales of June being 29% higher than the monthly sales of December 2011. In addition, receivables include a significant amount of € 12 million of VAT receivable from the Greek state, the total of which amounts to more than € 20 million, with its settlement being out of our control. The remaining € 8 million of this VAT receivable has been classified as a non-current asset. Capital expenditure in the first half of 2012 was approximately 5% lower than the same period in 2011, at € 7,9 million compared to € 8,4 million and relates mostly to maintenance type of investments. Pre-tax operating free cash flow for the first half of 2012 was € 19,3 million, more than double the € 8,8 million in first half of 2011. After accounting for financial expenses and other items, Continuing Operations contributed to the decrease of our net debt position by € 11,7 million.

#### Discontinuing operations summary

Discontinuing operations incorporate the activities of the bauxite segment in Greece related to S&B Industrial Minerals S.A. and "Greek Helicon Bauxite S.A." a fully owned subsidiary of the Group.

Sales of discontinuing operations in the first half of 2012 amounted to € 17 million compared to € 14 million in the first half of 2011, representing an increase of 21%. Production output of bauxite operations improved further during the first half of 2012, allowing us to efficiently serve the Metallurgy and Construction markets both for alumina and cement applications. Furthermore, in accordance with the provisions of IFRS 5, the depreciation related to discontinuing operations has ceased following the announcement on November 8<sup>th</sup>, 2011 for the gradual disposal of this activity in Greece. The results for the first half of 2012 do not include the recognition of € 4,2 million depreciation related charges for bauxite operations in Greece. This amount is additional to the € 1,9 million depreciation not recognized up to December 31, 2011. Potential recognition of the aforementioned not recognized depreciation would have a related impact on all profitability lines except EBITDA.

All factors combined contributed to a significant increase in gross profit, which amounted to € 3,4 million in the first half of 2012 from losses of € 1,1 million in the comparable period of 2011. EBITDA achieved in the first half of 2012 amounted to € 4,8 million compared to € 1,4 million in the first half of 2011 and profit before tax amounted to € 3,3 million from a loss of € 2,9 million in the respective periods. Net profit in the first half of 2012 was € 1,3 million compared to a loss of € 3,4 million in the first half of 2011.

## **Significant Events**

### **Capital return**

Our Board proposed to the AGM on June 27<sup>th</sup> 2012, a capital return to shareholders of € 0,25 per share. The proposal was approved and the capital return was paid to shareholders in cash on August 2, 2012.

### **Successful debt refinancing**

At the end of the month of June, through the parent company, S&B Industrial Minerals S.A., we successfully issued a € 110 million unsecured common bond loan, in the context of L.3156/2003 as it stands in effect. The bond issue was fully covered and arranged by Alpha Bank, EFG Eurobank and Emporiki Bank (Credit Agricole Group) and has a 4 year tenor. Similarly, through the parent company, we successfully executed an additional arrangement for a € 40 million unsecured bilateral loan through the wholly owned German subsidiary S&B Holding GmbH, with HSBC Bank Plc in the U.K. The loan has a 3 year tenor. Both loans were used for refinancing our debt obligations which were maturing in 2012 and 2013.

The execution of the above refinancing transactions ensures the extension of the debt maturity profile for almost all of our obligations, to between 3 and 4 years. In addition, it further diversifies the origin of our funding in line with our international business profile.

## **Business Risks**

The S&B Group systematically monitors, assesses and adopts specific measures, in order to address risks that may arise. Such risks are: Transportation risks, Energy Price risks, Raw Material Price risks, EHSQ (Environmental, Health, Safety and Quality) risks, Legal and Licensing risks, Financial risks and Insurable risks.

- **Transportation Risks**

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

Management does not anticipate that the above mentioned transportation risks will substantially affect the Group's financial position in 2012.

- **Energy Price Risks**

S&B is exposed to the risk of fluctuating prices for the various fuel and energy sources (mainly oil, natural gas and electricity) which form a significant part of its production and transportation activities. The Group's geographical locations and energy supply sources remain diversified, but a general and sharp increase in energy prices may have a significant impact on its operating profitability. Additionally, as energy supplies are sourced regionally, some local markets may temporarily be subject to significant but non-recurring price variations. Under these circumstances, management concentrates its efforts on reducing the impact on margins by focusing on energy savings and productivity improvements, while

adjusting, where possible, its commercial policies. On a global level, the developments in energy markets have caused significant volatility in recent years. Management is continuously monitoring the exposure in the context of evaluating alternative sourcing and hedging strategies.

Management does not anticipate that the above mentioned energy price risks will substantially affect the Group's financial position in 2012.

- **Raw Materials Price Risks**

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

The Group also purchases a number of raw materials (soda ash, coal, resins) that are used as additives in the production of the final products and other materials (explosives, parts, packaging materials) that are used during the various production phases. Significant price volatility has been observed in most of these products, in recent years. The risks associated with these purchased materials are managed through long-term relationships and associated contracts.

Management does not anticipate that the above mentioned raw material risks will substantially affect the Group's financial position in 2012.

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

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

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

S&B strives to minimize the environmental health and safety impact of its operations and proactively manages environmental risks through implementation of appropriate measures. EHS related performance is monitored via a reporting and measurement grid, as well as, via ad hoc EHS audits of the operations. S&B has rolled out a Corporate EHSQ policy since 2006, emphasizing its commitment in monitoring and effectively addressing EHSQ aspects that originate from its operations. The policy criteria are applied in a manner sensitive to local cultures, customs and circumstances. In September 2011, a new Sustainable Development function was established with responsibility for EHSQ activities. This new function will contribute and reinforce further diffusion of EHSQ best practices, supporting the coordination of consistent implementation of current Group policies and standards, as well as new ones to be developed. The Sustainable Development policy of S&B calls for every employee to contribute personally, every year, to sustainability targets set. A Sustainable Development Steering Committee established last February, following a successful Sustainable Development workshop monitors progress of the EHSQ targets agreed and which have been communicated both internally and externally; the first Quarterly reporting at Facility/Region/Group level is available since July 25th this year. Following this development the corporate EHS Council established in 2006 has been made redundant; nevertheless three Regional EHS Councils overlook performance in Southern Europe, Northern Europe and USA.

S&B has certified the Quality and Environmental management systems of the majority of its global operations as per ISO 9001 (quality) and ISO 14001 (environmental) standards). In December 2009 and May 2010 respectively, the Health & Safety (H&S) management system of CCF operations in India and the H&S management system of the French subsidiary S&B Industrial Minerals S.A.R.L., were certified as per the OHSAS 18001 standards. S&B's sustainability targets call for certification of all S&B sites per ISO 9001, ISO 14001 and OHSAS 18001, in the next three years.

S&B strives to provide a safe working environment for its employees and sub-contractors in an effort to protect their health and maintain superior business reputation. In this context, management makes every effort in properly training its employees and sub-contractors on safety practices, for example in the use of explosives and in the operation of heavy mobile equipment, such as underground mine equipment, trucks, loaders, forklifts and other. Pro-active safety practices initiated in 2006 in Greece, including Management Safety Visits, are currently rolled out to operations in Germany and Bulgaria and recently (May 2012) initiated in the USA and the Netherlands with a target to expand their application to all S&B sites in the next three years.

Taking into account the past performance and the recent Sustainable Development initiative, Management does not anticipate that the EHSQ risks associated with its activity will substantially affect the Group's financial position in 2012.

- **Legal and Licensing Risks**

As a global group with a diverse business portfolio, S&B faces various legal risks. In addition, S&B is exposed in the normal course of its business to risks associated with the statutory permitting procedures of its operation rights. The Corporate Legal department and the Mining Rights department together monitor and assess the relevant risks.

It is stressed that the action brought before the Council of State for cancelling the environmental conditions approved for the mining of the Company's bauxite reserve in the area of the Municipality of Lidoriki, is still pending. Furthermore, a pending litigation case with a French customer has entered in to a second round of argumentation for additional alleged claims from the part of the customer. The relevant arbitration court is expected to rule on the updated claim and the different views on the case of the involved parties, in due course.

- **Financial Risks**

The Group's international business activities and the developments in the financial markets present funding challenges in securing efficient financing, generating exposure to foreign exchange, interest rate and liquidity risks. Additionally, there are risks related to ocean freights and the volatility of energy prices since both items represent a material component of the Group's cost structure. The current economic developments in the Greek environment provide for various counter party risks, however, the Group constantly monitors such risks as part of its on-going risk management practices.

*Foreign Currency, Freights and Energy Risks*

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

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

*Interest Rate risk*

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

*Liquidity risk*

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

Management does not anticipate that the above mentioned financial risks will substantially affect the Group's financial position in 2012. However, due to the on-going turmoil in financial markets, financing risks, in particular, remain elevated.

- **Insurable Risks**

S&B carries insurance policies to be protected against insurable risks.

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

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

### **Prospects for the second half of 2012**

The continued economic and political turmoil in Europe, together with an ever-changing global economic outlook combine to provide a very volatile business environment. Expectations vary by geographic region, with the emerging economies continuing to drive broad expectations for global GDP growth. Against this backdrop, the key indicators for our business have begun to follow such patterns, exhibiting similar variances by geography. Industrial production growth turned negative in Europe during the second quarter of 2012 while in the U.S. it continues to rise strongly. Similarly, global steel production for the first half of 2012 points to output reduction in Europe and Brazil, strong growth in the U.S. and modest growth in China and India. The automotive sector in Europe weakens progressively, with the exception of Germany which remains resilient. Construction activity worldwide maintains its characteristics of, on-going weakness and deterioration in Southern Europe and modest improvements in the U.S., where, despite the recurring increases in building permits and housing starts activity is muted. In China, where construction activity has been robust in the previous years, the first half of 2012 showed signs of a slowdown. However, recent government stimulus actions may lead to improved +activity in the second half of the year. Raw material and energy costs are anticipated to stabilise at current levels but interest expenses will continue to increase during the second half of the year, as expected and accounted for in our plans.

Amidst a challenging economic environment and broadly weakening markets, we choose to focus on value drivers for our business and remain committed to maintaining our market positions, improving our cost base to retain our margins and profitability, and improving our returns on invested capital. At the same time, besides assessing the related risks we continue to seek potential opportunities and future prospects that our broad geographic reach can offer, and we believe that our organizational setup and our capital structure are key enablers in realizing future growth opportunities as and when they arise.

### **Significant Related Party Transactions**

*(Amounts in thousands Euro, unless otherwise stated)*

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 June 30, 2012 and December 31, 2011 are analyzed in Note 14. 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.

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

Group balances due from related parties amounted to € 1.991 and € 1.464 as of June 30, 2012 and December 31, 2011 respectively. The most significant changes are the following:

- Increase in the amounts due from the associate entity "Laviosa Chimica Mineraria S.p.A." (€

673 and € 3 for 2012 and 2011, respectively) due to uncollected receivables from industrial minerals sales.

- Decrease in the amounts due from other related company “Halliburton Affiliates LLC” (€ 630 and € 781 for 2012 and 2011 respectively) due to settlement of receivables from industrial minerals sales.

Group balances due to related parties amounted to € 3.936 and € 3.548 as of June 30, 2012 and December 31, 2011 respectively. The most significant changes are the following:

- Increase in the amounts due to the associate entity “Xinyang Athenian Mining Co. Ltd” (€ 3.036 and € 1.517 for 2012 and 2011, respectively) due to increased and unsettled industrial minerals purchases.
- Decrease in the amounts due to other related company “ORYMIL S.A.” (€ 467 and € 931 for 2012 and 2011, respectively) due to partial settlement of land acquisition.
- Decrease in the amounts due to other related company “Halliburton Affiliates LLC” (€ 22 and € 313 for 2012 and 2011, respectively) due to settlement of industrial minerals purchases.
- Decrease in the amount due to related company “Perlite Hellas S.A.” (€ 290 and € 430 for 2012 and 2011, respectively) due to reduced industrial minerals purchases.

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

Company balances due from related parties amounted to € 4.031 and € 3.243 as of June 30, 2012 and December 31, 2011 respectively. The most significant changes are the following:

- Increase in the amounts due from direct subsidiary “S&B Holding GmbH” (€ 257 and € 0 for 2012 and 2011, respectively), due to uncollected loan Guarantee expenses.
- Increase in the amount due from indirect subsidiaries “S&B Endustriyel Mineraller A.S.” (€ 827 and € 172 for 2012 and 2011, respectively) and “S&B Industrial Minerals S.L.u.” (€ 208 and € 0 for 2012 and 2011, respectively) due to uncollected receivables from industrial minerals sales.
- Increase in the amounts due from the associate entity “Laviosa Chimica Mineraria S.p.A.” (€ 673 and € 3 for 2012 and 2011, respectively) due to uncollected receivables from industrial minerals sales.

Company balances due to related parties amount to € 23.515 and € 11.455 as of June 30, 2012 and December 31, 2011 respectively and relate mainly to unsettled invoices for industrial minerals purchases. The most significant changes are the following:

- Increase in the amounts due to indirect subsidiaries “S&B Industrial Minerals GmbH” (€ 14.748 and € 9.222 for 2012 and 2011 respectively), “S&B Industrial Minerals North America Inc.” (€ 6.252 and € 0 for 2012 and 2011, respectively), and “S&B Industrial Minerals S.A.R.L.” (€ 1.005 and € 0 for 2012 and 2011, respectively) due to advances received for future sales of industrial minerals.
- Decrease in the amounts due to other related company “ORYMIL S.A.” (€ 467 and € 931 for 2012 and 2011, respectively) due to partial settlement of land acquisition.

The amounts due to S&B Industrial Minerals GmbH, to S&B Industrial Minerals North America Inc. and to S&B Industrial Minerals S.A.R.L. relate to advance payments for industrial minerals purchases.

Following the decision of the 2010 Shareholders’ General Assembly, within 2012 the Company proceeded to the acquisition of the remaining part of the defined land in Milos island for an amount of € 467 from ORYMIL S.A..

#### **Group revenue / expenses**

Group revenue from related parties amounted to € 7.264 and € 4.954 for June 30, 2012 and June 30, 2011 respectively. The most significant changes are the following:

- Increase in the revenue from related company “Halliburton Affiliates LLC” (€ 4.245 and € 2.778 for 2012 and 2011, respectively) as well as from associate “Laviosa Chimica Mineraria

S.p.A.” (€ 709 and € 37 for 2012 and 2011, respectively) and from jointly controlled entity “Cebo International B.V.” (€ 906 and € 774 for 2012 and 2011, respectively) due to the increased turnover of industrial minerals sales.

Group expenses to related parties amounted to € 3.545 and € 2.562 for June 30, 2012 and June 30, 2011 respectively. The most significant changes are the following:

- Increase in the expense to the associate entity “Xinyang Athenian Mining Co. Ltd” (€ 2.134 and € 354 for 2012 and 2011, respectively) arising from increased industrial minerals purchases.
- Decrease in the expense to the related company “Perlite Hellas S.A.” (€ 189 and € 871 for 2012 and 2011, respectively) due to reduced industrial minerals purchases.

#### **Company revenue / expenses**

Company revenue from related parties amounted to € 27.419 and € 28.717 for June 30, 2012 and June 30, 2011 respectively. The most significant changes are the following:

- Increase in the revenue from indirect subsidiaries “S&B Industrial Minerals GmbH” (€ 10.969 and € 10.656 for 2012 and 2011, respectively), as well as from associate “Laviosa Chimica Mineraria S.p.A.” (€ 709 and € 266 for 2012 and 2011, respectively) due to increased turnover of industrial minerals sales to these entities.
- Decrease in the revenue from direct subsidiary “Isocon S.A.” (€ 643 and € 766 for 2012 and 2011, respectively) and from indirect subsidiaries “S&B Industrial Minerals North America Inc.” (€ 8.488 and € 9.187 for 2012 and 2011, respectively) and “S&B Industrial Minerals S.A.R.L.” (€ 1.881 and € 3.049 for 2012 and 2011, respectively), as well as from associate “Laviosa Promasa S.A.” (€ 1.280 and € 1.510 for 2012 and 2011, respectively) due to decreased turnover of industrial minerals sales.

Company expenses to related parties amounted to € 1.217 and € 419 for June 30, 2012 and June 30, 2011 respectively, mainly due to:

- Increase in the expenses to indirect subsidiaries “S&B Industrial Minerals GmbH” (€ 883 and € 1 for 2012 and 2011, respectively) due to purchase of materials from this entity.

#### ***Compensation of key management personnel***

Transactions and compensation of key management personnel and Board members of the Group for the six month period ended June 30, 2012 amounted to € 2.234 (€ 2.467 for the six month period ended June 30, 2011). Balances due to key management and Board members as of June 30, 2012 amounted to € 1.031 (€ 1.272 as of December 31, 2011).

Finally, transactions and compensation of key management and Board members of the Company for the six month period ended June 30, 2012 amounted to € 2.013 (€ 2.345 for the six month period ended June 30, 2011). Balances due to key management and Board members as of June 30, 2012 amounted to € 980 (€ 1.228 as of December 31, 2011).

Kifissia, August 2, 2012

On behalf of the Company’s Board of Directors

The Chief Executive Officer

**Kriton St. Anavlavis**

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

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

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

*Introduction*

We have reviewed the accompanying interim condensed separate statement of financial position of S&B Industrial Minerals S.A. (the “Company”) and the accompanying interim condensed consolidated statement of financial position of the Company and its subsidiaries (the “Group”) as at 30 June 2012, and the related condensed separate and consolidated statements of income, comprehensive income, changes in equity and cash flows of the Company and the Group for the six-month period then ended, as well as the selected explanatory notes (the “interim condensed financial information”) which is an integral part of the six-month financial report in accordance with Law 3556/2007. Management is responsible for the preparation and presentation of this interim condensed financial information in accordance with International Financial Reporting Standards as endorsed by the European Union and applicable to interim financial reporting (International Accounting Standard “IAS 34”). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

*Scope of review*

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

*Conclusion*

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

*Report on other legal requirements*

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

Athens, 3 August 2012

THE CERTIFIED AUDITORS ACCOUNTANTS

PANOS PAPAZOGLOU  
S.O.E.L. No 16631

IOANNIS PSICHOUNTAKIS  
S.O.E.L. No 20161

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

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

The accompanying interim condensed Financial Statements for the six- month period ended June 30, 2012 have been approved by the Board of Directors of S&B Industrial Minerals S.A. on August 2, 2012.

**The Chairman of the Board  
of Directors**

**The Chief Executive  
Officer**

**The Chief Financial  
Officer**

**The Controller  
South Europe**

**Ulysses P. Kyriacopoulos**

**Kriton St. Anavlavis**

**Ioannis E. Christodoulakis**

**Nikolaos Ch. Ioakim**

**ID No AH042868**

**ID No AK061616**

**ID No AZ951354**

**A' Class License No  
0002714**

**S&B Industrial Minerals S.A.**  
**INTERIM CONSOLIDATED INCOME STATEMENT**  
**FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2012**  
(Amounts in thousand Euro, except for earnings per share)

The Group

Note	1/1 - 30/06/2012			1/1 -30/06/2011		
	Continuing operations	Discontinuing operations	Total	Continuing operations	Discontinuing operations	Total
Sales of goods	221.038	16.988	238.026	215.778	14.035	229.813
Cost of sales	(161.313)	(13.629)	(174.942)	(158.491)	(15.166)	(173.657)
<b>Gross Profit / (Loss)</b>	<b>59.725</b>	<b>3.359</b>	<b>63.084</b>	<b>57.287</b>	<b>(1.131)</b>	<b>56.156</b>
Administrative expenses	(20.719)	(119)	(20.838)	(22.724)	(1.496)	(24.220)
Selling expenses	(13.966)	(71)	(14.037)	(12.071)	(130)	(12.201)
Other income	1.875	518	2.393	1.745	154	1.899
Other expenses	(650)	(6)	(656)	(635)	-	(635)
<b>Operating profit / (loss)</b>	<b>26.265</b>	<b>3.681</b>	<b>29.946</b>	<b>23.602</b>	<b>(2.603)</b>	<b>20.999</b>
Finance income	255	-	255	313	-	313
Finance costs	(5.959)	(343)	(6.302)	(4.178)	(298)	(4.476)
Share of profit of associates	845	-	845	213	-	213
<b>Profit / (loss) before tax</b>	<b>21.406</b>	<b>3.338</b>	<b>24.744</b>	<b>19.950</b>	<b>(2.901)</b>	<b>17.049</b>
Income tax expense	(6.980)	(2.037)	(9.017)	(6.186)	(525)	(6.711)
<b>Net profit / (loss)</b>	<b>14.426</b>	<b>1.301</b>	<b>15.727</b>	<b>13.764</b>	<b>(3.426)</b>	<b>10.338</b>
<b>Attributable to:</b>						
Equity holders of the company	14.559	1.301	15.860	13.827	(3.426)	10.401
Non-controlling interests	(133)	-	(133)	(63)	-	(63)
	<b>14.426</b>	<b>1.301</b>	<b>15.727</b>	<b>13.764</b>	<b>(3.426)</b>	<b>10.338</b>
<b>Earnings per share attributable to equity holders of the Company</b>						
Basic	0,2849	0,0255	0,3104	0,2705	(0,0670)	0,2035
Diluted	0,2815	0,0252	0,3067	0,2687	(0,0666)	0,2021
<b>Weighted average number of shares</b>						
Basic	51.110.687	51.110.687	51.110.687	51.110.687	51.110.687	51.110.687
Diluted	51.717.039	51.717.039	51.717.039	51.457.526	51.457.526	51.457.526

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

**S&B Industrial Minerals S.A.**  
**INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2012**  
(Amounts in thousand Euro)

	The Group					
	1/1 - 30/06/2012			1/1 -30/06/2011		
	Continuing operations	Discontinuing operations	Total	Continuing operations	Discontinuing operations	Total
<b>Net profit / (loss)</b>	<b>14.426</b>	<b>1.301</b>	<b>15.727</b>	<b>13.764</b>	<b>(3.426)</b>	<b>10.338</b>
<b><u>Other comprehensive income</u></b>						
Translation of foreign operations:						
-Subsidiaries	2.402	-	2.402	(5.254)	-	(5.254)
-Associates	207	-	207	239	-	239
Valuation of available-for-sale financial assets	(11)	-	(11)	(40)	-	(40)
Income tax relating to the valuation of available-for-sale financial assets	2	-	2	8	-	8
Valuation of derivatives	(435)	-	(435)	461	-	461
Income tax relating to the valuation of derivatives	87	-	87	(110)	-	(110)
<b>Other comprehensive income / (loss) for the period, net of tax</b>	<b>2.252</b>	<b>-</b>	<b>2.252</b>	<b>(4.696)</b>	<b>-</b>	<b>(4.696)</b>
<b>Total comprehensive income / (loss) for the period, net of tax</b>	<b>16.678</b>	<b>1.301</b>	<b>17.979</b>	<b>9.068</b>	<b>(3.426)</b>	<b>5.642</b>
<b>Attributable to:</b>						
Equity holders of the company	16.807	1.301	18.108	9.144	(3.426)	5.718
Non-controlling interests	(129)	-	(129)	(76)	-	(76)
	<b>16.678</b>	<b>1.301</b>	<b>17.979</b>	<b>9.068</b>	<b>(3.426)</b>	<b>5.642</b>

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

**S&B Industrial Minerals S.A.**  
**INTERIM CONSOLIDATED INCOME STATEMENT**  
**FOR THE THREE MONTH PERIOD ENDED JUNE 30, 2012**  
(Amounts in thousand Euro, except for earnings per share)

		The Group					
Note	1/4 - 30/06/2012			1/4 -30/06/2011			
	Continuing operations	Discontinuing operations	Total	Continuing operations	Discontinuing operations	Total	
Sales of goods	6	113.466	7.987	121.453	110.627	7.354	117.981
Cost of sales		(82.114)	(6.004)	(88.118)	(80.748)	(7.515)	(88.263)
<b>Gross Profit / (Loss)</b>		<b>31.352</b>	<b>1.983</b>	<b>33.335</b>	<b>29.879</b>	<b>(161)</b>	<b>29.718</b>
Administrative expenses		(10.550)	(67)	(10.617)	(11.486)	(721)	(12.207)
Selling expenses		(6.813)	(35)	(6.848)	(6.265)	(65)	(6.330)
Other income		1.034	230	1.264	912	(6)	906
Other expenses		(589)	(3)	(592)	(323)	-	(323)
<b>Operating profit / (loss)</b>		<b>14.434</b>	<b>2.108</b>	<b>16.542</b>	<b>12.717</b>	<b>(953)</b>	<b>11.764</b>
Finance income	7	100	-	100	214	-	214
Finance costs	8	(3.255)	(172)	(3.427)	(2.086)	(149)	(2.235)
Share of profit of associates		699	-	699	142	-	142
<b>Profit / (loss) before tax</b>		<b>11.978</b>	<b>1.936</b>	<b>13.914</b>	<b>10.987</b>	<b>(1.102)</b>	<b>9.885</b>
Income tax expense	9	(3.135)	(2.037)	(5.172)	(3.125)	(525)	(3.650)
<b>Net profit / (loss)</b>		<b>8.843</b>	<b>(101)</b>	<b>8.742</b>	<b>7.862</b>	<b>(1.627)</b>	<b>6.235</b>
<b>Attributable to:</b>							
Equity holders of the company		8.916	(101)	8.815	7.911	(1.627)	6.284
Non-controlling interests		(73)	-	(73)	(49)	-	(49)
		<b>8.843</b>	<b>(101)</b>	<b>8.742</b>	<b>7.862</b>	<b>(1.627)</b>	<b>6.235</b>
<b>Earnings per share attributable to equity holders of the Company</b>							
Basic		0,1744	(0,0020)	0,1724	0,1548	(0,0318)	0,1230
Diluted		0,1719	(0,0019)	0,1700	0,1534	(0,0316)	0,1218
<b>Weighted average number of shares</b>							
Basic		51.110.687	51.110.687	51.110.687	51.110.687	51.110.687	51.110.687
Diluted		51.856.201	51.856.201	51.856.201	51.560.685	51.560.685	51.560.685

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

**S&B Industrial Minerals S.A.**  
**INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE THREE MONTH PERIOD ENDED JUNE 30, 2012**  
(Amounts in thousand Euro)

	The Group					
	1/4 - 30/06/2012			1/4 -30/06/2011		
	Continuing operations	Discontinuing operations	Total	Continuing operations	Discontinuing operations	Total
<b>Net profit / (loss)</b>	<b>8.843</b>	<b>(101)</b>	<b>8.742</b>	<b>7.862</b>	<b>(1.627)</b>	<b>6.235</b>
<b>Other comprehensive income</b>						
Translation of foreign operations:						
-Subsidiaries	4.136	-	4.136	(1.434)	-	(1.434)
-Associates	108	-	108	281	-	281
Valuation of available-for-sale financial assets	(7)	-	(7)	(37)	-	(37)
Income tax relating to the valuation of available-for-sale financial assets	1	-	1	7	-	7
Valuation of derivatives	(206)	-	(206)	(828)	-	(828)
Income tax relating to the valuation of derivatives	41	-	41	166	-	166
<b>Other comprehensive income / (loss) for the period, net of tax</b>	<b>4.073</b>	<b>-</b>	<b>4.073</b>	<b>(1.845)</b>	<b>-</b>	<b>(1.845)</b>
<b>Total comprehensive income / (loss) for the period, net of tax</b>	<b>12.916</b>	<b>(101)</b>	<b>12.815</b>	<b>6.017</b>	<b>(1.627)</b>	<b>4.390</b>
<b>Attributable to:</b>						
Equity holders of the company	12.980	(101)	12.879	6.066	(1.627)	4.439
Non-controlling interests	(64)	-	(64)	(49)	-	(49)
	<b>12.916</b>	<b>(101)</b>	<b>12.815</b>	<b>6.017</b>	<b>(1.627)</b>	<b>4.390</b>

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

**S&B Industrial Minerals S.A.**  
**INTERIM SEPARATE INCOME STATEMENT**  
**FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2012**  
(Amounts in thousand Euro)

<b>The Company</b>							
<b>Note</b>	<b>1/1 - 30/06/2012</b>			<b>1/1 - 30/06/2011</b>			
	<b>Continuing operations</b>	<b>Discontinuing operations</b>	<b>Total</b>	<b>Continuing operations</b>	<b>Discontinuing operations</b>	<b>Total</b>	
Sales of goods	6	53.940	16.988	70.928	56.079	14.035	70.114
Cost of sales		(37.889)	(13.634)	(51.523)	(38.056)	(15.217)	(53.273)
<b>Gross Profit / (Loss)</b>		<b>16.051</b>	<b>3.354</b>	<b>19.405</b>	<b>18.023</b>	<b>(1.182)</b>	<b>16.841</b>
Administrative expenses		(11.500)	(67)	(11.567)	(14.413)	(1.462)	(15.875)
Selling expenses		(2.637)	(71)	(2.708)	(1.290)	(130)	(1.420)
Other income		1.903	522	2.425	2.142	159	2.301
Other expenses		(237)	(6)	(243)	(55)	-	(55)
<b>Operating profit / (loss)</b>		<b>3.580</b>	<b>3.732</b>	<b>7.312</b>	<b>4.407</b>	<b>(2.615)</b>	<b>1.792</b>
Finance income	7	129	-	129	216	-	216
Finance costs	8	(4.676)	(343)	(5.019)	(2.892)	(298)	(3.190)
Investment income		542	-	542	688	-	688
<b>Profit / (loss) before tax</b>		<b>(425)</b>	<b>3.389</b>	<b>2.964</b>	<b>2.419</b>	<b>(2.913)</b>	<b>(494)</b>
Income tax expense	9	840	(2.037)	(1.197)	(262)	(525)	(787)
<b>Net profit / (loss)</b>		<b>415</b>	<b>1.352</b>	<b>1.767</b>	<b>2.157</b>	<b>(3.438)</b>	<b>(1.281)</b>

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

**S&B Industrial Minerals S.A.**  
**INTERIM SEPARATE STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2012**

(Amounts in thousand Euro)

	<b>The Company</b>					
	<b>1/1 - 30/06/2012</b>			<b>1/1 - 30/06/2011</b>		
	<b>Continuing operations</b>	<b>Discontinuing operations</b>	<b>Total</b>	<b>Continuing operations</b>	<b>Discontinuing operations</b>	<b>Total</b>
<b>Net profit /(loss)</b>	<b>415</b>	<b>1.352</b>	<b>1.767</b>	<b>2.157</b>	<b>(3.438)</b>	<b>(1.281)</b>
<b>Other comprehensive income</b>						
Valuation of available-for-sale financial assets	(11)	-	(11)	(40)	-	(40)
Income tax relating to the valuation of available-for-sale financial assets	2	-	2	8	-	8
Valuation of derivatives	(435)	-	(435)	461	-	461
Income tax relating to the valuation of derivatives	87	-	87	(110)	-	(110)
<b>Other comprehensive income / (loss) for the period, net of tax</b>	<b>(357)</b>	<b>-</b>	<b>(357)</b>	<b>319</b>	<b>-</b>	<b>319</b>
<b>Total comprehensive income / (loss) for the period, net of tax</b>	<b>58</b>	<b>1.352</b>	<b>1.410</b>	<b>2.476</b>	<b>(3.438)</b>	<b>(962)</b>

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

**S&B Industrial Minerals S.A.**  
**INTERIM SEPARATE INCOME STATEMENT**  
**FOR THE THREE MONTH PERIOD ENDED JUNE 30, 2012**

(Amounts in thousand Euro)

		<b>The Company</b>					
<b>Note</b>	<b>1/4 - 30/06/2012</b>			<b>1/4 - 30/06/2011</b>			
	<b>Continuing operations</b>	<b>Discontinuing operations</b>	<b>Total</b>	<b>Continuing operations</b>	<b>Discontinuing operations</b>	<b>Total</b>	
Sales of goods	29.960	7.987	37.947	30.642	7.354	37.996	
Cost of sales	(20.632)	(6.006)	(26.638)	(20.155)	(7.529)	(27.684)	
<b>Gross Profit / (Loss)</b>	<b>9.328</b>	<b>1.981</b>	<b>11.309</b>	<b>10.487</b>	<b>(175)</b>	<b>10.312</b>	
Administrative expenses	(6.149)	(32)	(6.181)	(7.134)	(699)	(7.833)	
Selling expenses	(943)	(35)	(978)	(739)	(65)	(804)	
Other income	949	232	1.181	1.037	(4)	1.033	
Other expenses	(214)	(3)	(217)	(2)	-	(2)	
<b>Operating profit / (loss)</b>	<b>2.971</b>	<b>2.143</b>	<b>5.114</b>	<b>3.649</b>	<b>(943)</b>	<b>2.706</b>	
Finance income	8	-	8	162	-	162	
Finance costs	(2.688)	(172)	(2.860)	(1.533)	(150)	(1.683)	
Investment income	542	-	542	688	-	688	
<b>Profit / (loss) before tax</b>	<b>833</b>	<b>1.971</b>	<b>2.804</b>	<b>2.966</b>	<b>(1.093)</b>	<b>1.873</b>	
Income tax expense	840	(2.037)	(1.197)	(164)	(525)	(689)	
<b>Net profit / (loss)</b>	<b>1.673</b>	<b>(66)</b>	<b>1.607</b>	<b>2.802</b>	<b>(1.618)</b>	<b>1.184</b>	

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

**S&B Industrial Minerals S.A.**  
**INTERIM SEPARATE STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE THREE MONTH PERIOD ENDED JUNE 30, 2012**

(Amounts in thousand Euro)

	<b>The Company</b>					
	<b>1/4 - 30/06/2012</b>			<b>1/4 - 30/06/2011</b>		
	<b>Continuing operations</b>	<b>Discontinuing operations</b>	<b>Total</b>	<b>Continuing operations</b>	<b>Discontinuing operations</b>	<b>Total</b>
<b>Net profit /(loss)</b>	<b>1.673</b>	<b>(66)</b>	<b>1.607</b>	<b>2.802</b>	<b>(1.618)</b>	<b>1.184</b>
<b>Other comprehensive income</b>						
Valuation of available-for-sale financial assets	(7)	-	(7)	(37)	-	(37)
Income tax relating to the valuation of available-for-sale financial assets	1	-	1	7	-	7
Valuation of derivatives	(206)	-	(206)	(828)	-	(828)
Income tax relating to the valuation of derivatives	41	-	41	166	-	166
<b>Other comprehensive loss for the period, net of tax</b>	<b>(171)</b>	<b>-</b>	<b>(171)</b>	<b>(692)</b>	<b>-</b>	<b>(692)</b>
<b>Total comprehensive income / (loss) for the period, net of tax</b>	<b>1.502</b>	<b>(66)</b>	<b>1.436</b>	<b>2.110</b>	<b>(1.618)</b>	<b>492</b>

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

**S&B Industrial Minerals S.A.**  
**JUNE 30, 2012**  
(Amounts in thousand Euro)

Note	The Group		The Company	
	June 30 2012	December 31 2011	June 30 2012	December 31 2011
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	154.932	154.439	62.643	62.262
Investment properties	18.723	18.860	18.723	18.860
Goodwill	83.823	83.643	25.129	25.129
Other intangible assets	18.373	18.950	3	3
Investments in subsidiaries	-	-	129.338	129.338
Investments in associates	10.832	10.293	4.198	4.198
Deferred tax assets	2.332	3.584	2.166	1.121
Available-for-sale financial assets	79	90	79	90
Other non-current assets	11.155	10.862	8.479	8.412
	<b>300.249</b>	<b>300.721</b>	<b>250.758</b>	<b>249.413</b>
<b>Current assets</b>				
Inventories	72.571	73.469	16.691	18.362
Trade receivables	58.067	49.557	6.623	4.655
Due from related parties	1.991	1.464	4.031	3.243
Income tax receivables	939	894	683	602
Other current assets	23.129	17.934	16.787	12.656
Cash and cash equivalents	50.043	46.158	6.443	2.323
	<b>206.740</b>	<b>189.476</b>	<b>51.258</b>	<b>41.841</b>
Assets held for sale	81.632	72.585	85.336	76.286
<b>Total Assets</b>	<b>588.621</b>	<b>562.782</b>	<b>387.352</b>	<b>367.540</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity attributable to owners of the Company</b>				
Share capital	51.111	51.111	51.111	51.111
Share premium	27.000	27.000	27.000	27.000
Share option plan reserve	2.226	2.121	2.226	2.121
Derivatives valuation reserve	(1.993)	(1.645)	(1.993)	(1.645)
Other reserves	78.159	78.139	90.210	90.219
Translation of foreign operations	1.994	(613)	-	-
Retained earnings	108.895	93.140	4.078	2.311
	<b>267.392</b>	<b>249.253</b>	<b>172.632</b>	<b>171.117</b>
Non-controlling interests	459	658	-	-
<b>Total equity</b>	<b>267.851</b>	<b>249.911</b>	<b>172.632</b>	<b>171.117</b>
<b>Non-current liabilities</b>				
Provision for staff leaving indemnities	15.463	15.034	6.572	6.061
Provision for environmental rehabilitation	6.283	6.305	3.447	3.450
Other provisions	2.918	2.274	707	376
Interest-bearing loans and borrowings	137.860	66.978	102.860	66.978
Deferred tax liabilities	13.842	15.517	-	-
Government grants	1.768	1.829	1.497	1.534
Other non-current liabilities	754	779	89	88
	<b>178.888</b>	<b>108.716</b>	<b>115.172</b>	<b>78.487</b>
<b>Current liabilities</b>				
Trade payables	44.796	41.403	8.123	7.220
Due to related parties	3.936	3.548	23.515	11.455
Short-term borrowings	30.898	19.302	28.996	18.698
Current portion of long-term interest bearing loans and borrowings	11.000	91.977	6.000	47.000
Income tax liabilities	7.815	3.883	-	-
Dividends payable	24	22	16	16
Other current liabilities	21.784	19.988	11.116	9.307
	<b>120.253</b>	<b>180.123</b>	<b>77.766</b>	<b>93.696</b>
Liabilities associated with the assets classified as held for sale	21.629	24.032	21.782	24.240
<b>Total equity and liabilities</b>	<b>588.621</b>	<b>562.782</b>	<b>387.352</b>	<b>367.540</b>

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

**S&B Industrial Minerals S.A.**  
**INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2012**

(Amounts in thousand Euro)

	The Group										
	Attributable to Equity holders of the Company										
	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, 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	-	-	-	-	-	-	-	10.401	<b>10.401</b>	(63)	<b>10.338</b>
- Other comprehensive income/ (loss) for the period	-	-	-	-	351	(32)	(4.990)	(12)	<b>(4.683)</b>	(13)	<b>(4.696)</b>
<b>- Total comprehensive income/ (loss) for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>351</b>	<b>(32)</b>	<b>(4.990)</b>	<b>10.389</b>	<b>5.718</b>	<b>(76)</b>	<b>5.642</b>
- Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(74)	<b>(74)</b>
- Share based payment	-	-	-	(445)	-	-	-	-	<b>(445)</b>	-	<b>(445)</b>
- Share capital increase from capitalisation of share premium	12.778	(12.778)	-	-	-	-	-	-	-	-	-
- Share capital return	(12.778)	-	-	-	-	-	-	-	<b>(12.778)</b>	-	<b>(12.778)</b>
-Share capital decrease	(671)	(2.551)	3.222	-	-	-	-	-	-	-	-
-Purchase of treasury shares	-	-	(6)	-	-	-	-	-	<b>(6)</b>	-	<b>(6)</b>
-Transfers	-	-	-	-	-	(7.721)	-	7.721	-	-	-
<b>June 30, 2011</b>	<b>51.111</b>	<b>27.000</b>	<b>-</b>	<b>1.792</b>	<b>(112)</b>	<b>77.950</b>	<b>(6.172)</b>	<b>83.317</b>	<b>234.886</b>	<b>411</b>	<b>235.297</b>
<b>January 1, 2012</b>	<b>51.111</b>	<b>27.000</b>	<b>-</b>	<b>2.121</b>	<b>(1.645)</b>	<b>78.139</b>	<b>(613)</b>	<b>93.140</b>	<b>249.253</b>	<b>658</b>	<b>249.911</b>
- Profit for the period	-	-	-	-	-	-	-	15.860	<b>15.860</b>	(133)	<b>15.727</b>
- Other comprehensive loss for the period	-	-	-	-	(348)	(9)	2.607	(2)	<b>2.248</b>	4	<b>2.252</b>
<b>- Total comprehensive income/ (loss) for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(348)</b>	<b>(9)</b>	<b>2.607</b>	<b>15.858</b>	<b>18.108</b>	<b>(129)</b>	<b>17.979</b>
- Dividends paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(70)	<b>(70)</b>
- Share based payment	-	-	-	105	-	-	-	-	<b>105</b>	-	<b>105</b>
-Transfers	-	-	-	-	-	29	-	(103)	<b>(74)</b>	-	<b>(74)</b>
<b>June 30, 2012</b>	<b>51.111</b>	<b>27.000</b>	<b>-</b>	<b>2.226</b>	<b>(1.993)</b>	<b>78.159</b>	<b>1.994</b>	<b>108.895</b>	<b>267.392</b>	<b>459</b>	<b>267.851</b>

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

**S&B Industrial Minerals S.A.**  
**INTERIM SEPARATE STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2012**  
(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, 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	-	-	-	-	-	-	(1.281)	(1.281)
- Other comprehensive income/ (loss) for the period	-	-	-	-	351	(32)	-	319
<b>- Total comprehensive income/ (loss) for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>351</b>	<b>(32)</b>	<b>(1.281)</b>	<b>(962)</b>
- Share based payment	-	-	-	(445)	-	-	-	(445)
- Share capital increase from capitalisation of share premium	12.778	(12.778)	-	-	-	-	-	-
-Share capital return	(12.778)	-	-	-	-	-	-	(12.778)
-Share capital decrease	(671)	(2.551)	3.222	-	-	-	-	-
-Purchase of treasury shares	-	-	(6)	-	-	-	-	(6)
<b>June 30, 2011</b>	<b>51.111</b>	<b>27.000</b>	<b>-</b>	<b>1.792</b>	<b>(112)</b>	<b>90.266</b>	<b>1.512</b>	<b>171.569</b>
<b>January 1, 2012</b>	<b>51.111</b>	<b>27.000</b>	<b>-</b>	<b>2.121</b>	<b>(1.645)</b>	<b>90.219</b>	<b>2.311</b>	<b>171.117</b>
- Profit for the period	-	-	-	-	-	-	1.767	1.767
- Other comprehensive loss for the period	-	-	-	-	(348)	(9)	-	(357)
<b>- Total comprehensive income/ (loss) for the period</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(348)</b>	<b>(9)</b>	<b>1.767</b>	<b>1.410</b>
- Share based payment	-	-	-	105	-	-	-	105
<b>June 30, 2012</b>	<b>51.111</b>	<b>27.000</b>	<b>-</b>	<b>2.226</b>	<b>(1.993)</b>	<b>90.210</b>	<b>4.078</b>	<b>172.632</b>

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

**S&B Industrial Minerals S.A.**  
**INTERIM STATEMENTS OF CASH FLOWS**  
**FOR THE SIX MONTH PERIOD ENDED JUNE 30, 2012**  
(Amounts in thousand Euro)

	Note	The Group		The Company	
		1/1 - 30/06	1/1 - 30/06	1/1 - 30/06	1/1 - 30/06
		2012	2011	2012	2011
<b>Cash flows from operating activities</b>					
Profit / (loss) before tax from continuing operations		21.406	19.950	(425)	2.419
Profit / (loss) before tax from discontinuing operations		3.338	(2.901)	3.389	(2.913)
<b>Profit / (loss) before tax</b>		<b>24.744</b>	<b>17.049</b>	<b>2.964</b>	<b>(494)</b>
Adjustments for:					
- Depreciation and amortization		10.565	13.514	4.859	7.775
- Grants amortization		(61)	(107)	(37)	(73)
- Provisions, net		352	2.108	598	1.208
- Finance income	7	(255)	(313)	(129)	(216)
- Finance costs	8	6.302	4.476	5.019	3.190
- Investment income (net of foreign taxes)		-	-	(500)	(635)
- Share of profit of associates		(845)	(213)	-	-
- (Gain)/ loss from the disposal of property, plant and equipment		(43)	(10)	(4)	19
		<b>40.759</b>	<b>36.504</b>	<b>12.770</b>	<b>10.774</b>
(Increase) / Decrease in:					
- Inventories		(1.617)	(4.195)	(831)	(54)
- Trade receivables		(8.083)	(9.268)	(1.975)	(635)
- Due from related parties		(527)	(61)	(786)	562
- Other assets		(5.410)	(4.744)	(4.115)	(3.585)
Increase / (Decrease) in:					
- Trade payables		1.455	7.058	(1.022)	2.431
- Due to related parties		388	(279)	12.007	2.787
- Other liabilities		(995)	1.044	(702)	947
Staff leaving indemnities paid		(466)	(4.091)	(305)	(3.685)
Payments for environmental rehabilitation		(714)	(359)	(398)	(327)
Income tax paid		(3.514)	(6.891)	(297)	(417)
<b>Net cash flows from operating activities</b>		<b>21.276</b>	<b>14.718</b>	<b>14.346</b>	<b>8.798</b>
<b>Cash flows from investing activities</b>					
- Capital expenditure		(15.987)	(17.515)	(11.451)	(13.089)
- Dividends received		216	388	236	388
- Interest and other finance income received		148	112	9	15
- Proceeds from the settlement of derivatives		107	166	107	166
- Proceeds from the disposal of property, plant and equipment		79	28	5	1
<b>Net cash flows used in investing activities</b>		<b>(15.437)</b>	<b>(16.821)</b>	<b>(11.094)</b>	<b>(12.519)</b>
<b>Cash flows used in financing activities:</b>					
- Capital return to shareholders		(1)	-	(1)	-
- Purchase of treasury shares		-	(6)	-	(6)
- Net increase of short-term borrowings		11.596	1.363	10.298	1.283
- Proceeds from long-term borrowings		150.000	20.000	110.000	20.000
- Repayment of long-term borrowings		(159.000)	(15.000)	(114.000)	(7.500)
- Dividends paid to the Equity holders of the Company, net of taxes		-	(2)	-	(2)
- Dividends paid to non-controlling interests		(73)	(70)	-	-
- Interest and other finance costs paid		(6.167)	(2.775)	(5.443)	(1.998)
<b>Net cash flows from / (used in) financing activities</b>		<b>(3.645)</b>	<b>3.510</b>	<b>854</b>	<b>11.777</b>
- Net foreign exchange difference on cash flows		994	(1.648)	13	(233)
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>3.188</b>	<b>(241)</b>	<b>4.119</b>	<b>7.823</b>
- Increase in restricted cash		-	190	-	190
<b>Cash and cash equivalents at the beginning of the period</b>		<b>46.158</b>	<b>42.724</b>	<b>2.323</b>	<b>1.208</b>
- Net foreign exchange difference on cash and cash equivalents at the beginning of the period		683	(1.223)	1	-
Less: Change in cash and cash equivalents of discontinuing operations	5	14	-	-	-
<b>Cash and cash equivalents at period end</b>		<b>50.043</b>	<b>41.450</b>	<b>6.443</b>	<b>9.221</b>

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

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

**S&B Industrial Minerals S.A.**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**AS OF JUNE 30, 2012**

(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 Group owns leases and has access to, a wide and geographically dispersed range of mineral and ore reserves, allowing it to carry a diversified product portfolio for its customers. Through mining and processing operations, the Group utilizes the multiple properties of industrial minerals to transform its mineral-based product portfolio into industrial customized solutions for a broad range of industry applications. Through these activities, the Group addresses and caters to the needs of its customers in construction, foundry, metallurgy and specialties markets across four geographic regions where it engages in mining, processing and distribution activities, defined as South Europe, North Europe, Americas and Asia & Pacific (Note 15).

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 of June 30, 2012 and 2011 the Group employed 1.942 and 1.969 employees, respectively, while the Company employed 639 and 660 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 prepared 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 derivatives 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, 2011.

The financial statements for the six month period ended June 30, 2012 were approved by the Company’s Board of Directors on August 2, 2012.

**S&B Industrial Minerals S.A.**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**AS OF JUNE 30, 2012**

(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, 2011, except for the below mentioned adoption of amended IFRS and IFRIC interpretations applicable for fiscal periods beginning at January 1, 2012:

- **IFRS 7 “Financial Instruments: Disclosures” (Amended) - Transfers of financial assets**
- **IAS 12 “Income Taxes” (Amended) - Deferred Tax: Recovery of Underlying Assets**

The above amendments to IFRS did not have any impact on the accounting policies, financial position or performance of the Group.

The following standards are issued but not yet effective:

- **IAS 1 Financial Statement Presentation (Amended) - Presentation of Items of Other Comprehensive Income**
- **IAS 19 “Employee Benefits” (Amended)**

The following standards are issued but not yet effective and not yet endorsed by E.U.:

- **IFRS 7 “Financial Instruments: Disclosures” (Amended) - Offsetting Financial Assets and Financial Liabilities**
- **IFRS 9 “Financial Instruments - Classification and Measurement”**
- **IFRS 10 “Consolidated Financial Statements”**
- **IFRS 11 “Joint Arrangements”**
- **IFRS 12 “Disclosures of Involvement with Other Entities”**
- **IFRS 13 “Fair Value Measurement”**
- **IAS 27 “Separate Financial Statements” (Revised)**
- **IAS 28 “Investments in Associates and Joint Ventures” (Revised)**
- **IAS 32 “Financial Instruments: Presentation” (Amended) - Offsetting Financial Assets and Financial Liabilities**
- **IFRIC “Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine”**
- **Improvements to IFRSs: IASB issued the Annual Improvements to IFRS 2009-2011 Cycle which contains amendments to its Standards and the related Basis for Conclusions:**
  - **IAS 1 “Financial Statement Presentation”**
  - **IAS 16 “Property, Plant and Equipment”**
  - **IAS 32 “Financial Instruments: Presentation”**
  - **IAS 34 “Interim Financial Reporting”**
  - **Transition Guidance (IFRS 10, IFRS 10 and IFRS 12)**

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
			30/ 6/ 2012	31/ 12/ 2011	
<b>EUROPE</b>					
S&B Industrial Minerals A.D.	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	100,00%	100,00%	2007
Cape Trahilas One Ltd. <sup>(1)</sup>	Cyprus	Real Estate	100,00%	100,00%	2007
Cape Trahilas Two Ltd. <sup>(1)</sup>	Cyprus	Real Estate	100,00%	100,00%	2007
S&B Industrial Minerals S.A.R.L.	France	Industrial Minerals	100,00%	100,00%	2001
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 Two S.A.	Greece	Real Estate	100,00%	100,00%	2007
Cape Trahilas Three S.A.	Greece	Real Estate	100,00%	100,00%	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>AMERICAS</b>					
Stollberg do Brazil Ltda	Brazil	Industrial Minerals	100,00%	100,00%	2004
Milos Island Resort Ltd. <sup>(2)</sup>	B.V.I.	Real Estate	-	100,00%	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
S&B Enterprise Management Consulting Co.Ltd <sup>(3)</sup>	China	Industrial Minerals	100,00%	-	2012
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. These entities are under liquidation process.
2. As of February 17, 2012, Milos Island Resort Ltd was dissolved.
3. In May 2012, S&B Enterprise Management Consulting Co. Ltd. was established in China.

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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
			30/6/2012	31/12/2011	
<b>EUROPE</b>					
Orykton GmbH	Germany	Industrial Minerals	50,00%	50,00%	2005
Cebo International B.V.	Netherlands	Holding	50,00%	50,00%	2007
Cebo Holland B.V. <sup>(1)</sup>	Netherlands	Industrial Minerals	50,00%	50,00%	2007
Cebo Marine B.V. <sup>(1)</sup>	Netherlands	Industrial Minerals	50,00%	50,00%	2007
Cebo U.K. Ltd. <sup>(1)</sup>	G.Britain	Industrial Minerals	50,00%	50,00%	2007
<b>ASIA</b>					
Stollberg & Samil Co. Ltd.	Korea	Industrial Minerals	50,00%	50,00%	2004
Qing Dao Stollberg & Samil Co.Ltd. <sup>(2)</sup>	China	Industrial Minerals	48,32%	48,32%	2004
Pergem Mineral A.Ş.	Turkey	Industrial Minerals	50,00%	50,00%	2010
Organik Madencilik Ltd.	Turkey	Industrial Minerals	50,00%	50,00%	2011

**Footnotes**

1. Cebo Holland B.V., Cebo Marine B.V. and Cebo U.K. Ltd. are fully consolidated in their parent company financial statements, namely Cebo International B.V. (participation interest 100%).
2. Qing Dao Stollberg & Samil Co.Ltd. is fully consolidated in the parent company's financial statements, namely Stollberg & Samil Co. Ltd, (96,64% participation interest accordingly).

**4.3 Equity method entities**

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

Associate	Country	Field of activity	% Participation		Year Established / Acquired
			30/6/2012	31/12/2011	
Laviosa Chimica Mineraria S.p.A.	Italy	Industrial Minerals	35,00%	35,00%	1997
Laviosa Sanayi Ve Ticaret Ltd. <sup>(1)</sup>	Turkey	Industrial Minerals	35,00%	35,00%	2008
Laviosa Trimex Industries Ltd. <sup>(1)</sup>	India	Industrial Minerals	19,00%	19,00%	2009
Laviosa MPC SAS <sup>(1)</sup>	France	Industrial Minerals	28,00%	28,00%	2010
Minersarda S.p.A. <sup>(1)</sup>	Italy	Industrial Minerals	35,00%	35,00%	1993
Laviosa Promasa S.A <sup>(2)</sup>	Spain	Industrial Minerals	29,52%	29,52%	1997
Xinyang- Athenian Mining Co Ltd. (XAMCO)	China	Industrial Minerals	25,00%	25,00%	1996
Angang Stollberg & Samil Co. Ltd. <sup>(3)</sup>	China	Industrial Minerals	25,00%	25,00%	2010
Protovoulia Milos S.A.	Greece	Other activities	43,07%	43,07%	2007

**Footnotes**

1. Laviosa Sanayi Ve Ticaret Ltd., Laviosa Trimex Industries Ltd, Laviosa MPC SAS and Minersarda S.p.A. are fully consolidated in their parent's, Laviosa Chimica Mineraria S.p.A., financial statements (participation interest 100%, 55%, 80% and 100%, respectively).
2. The Company holds a direct participation interest of 20,10% in the associate Laviosa Promasa S.A. whereas the aggregate interest stated at the above table, derives indirectly due to the fact that the above mentioned company is also consolidated in the financial statements of Laviosa Chimica Mineraria S.p.A.
3. Angang Stollberg & Samil Co. Ltd is consolidated under the equity method in its parent's, Stollberg & Samil Co. Ltd, financial statements (participation interest 50%).

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**5. DISCONTINUING OPERATIONS**

In November 2011, the Company announced the initial agreement for the gradual disposal of its Bauxite operations in Greece to Aluminium S.A., a fully-owned subsidiary of Mytilineos Holdings S.A. The initially agreed consideration of € 61.072 is to be confirmed upon completion of the financial, legal, tax and technical due diligence process and further adjusted for the economic results of the period from January 1, 2012 to the date of the conclusion of the transaction.

Upon the successful completion of the process, a detailed procedure, the terms and the relevant timeline for the gradual transfer of Bauxite operations to Aluminium S.A. will be set. The initial agreement foresees the contribution of the Group's Bauxite activity in Greece to Delphi Distomon S.A. (D.D.), a fully-owned subsidiary of Aluminium S.A. engaged in Bauxite production, in which the Company will become a shareholder. Thereafter, Aluminium S.A. will gradually acquire the Company's contributed share in D.D., so that its own share in D.D. initially reaches 51% and thereafter will proceed to the acquisition of the remaining 49% share gradually over the following 30-month period.

The net assets of the Company's Bauxite operations in Greece and "Greek Helicon Bauxite S.A.", a fully-owned subsidiary of the Company are classified as a held for sale in the Group and Company statements of financial position. Furthermore, their results for the six and the three month periods ended June 30, 2012 and 2011 are presented in accordance with the provisions of IFRS 5 "Non-current assets held for sale and Discontinued operations" separately on the face of the Group and Company income statements as "Discontinuing Operations". Moreover, in accordance with the provisions of IFRS 5, the depreciation of the non-current assets classified as held for sale has ceased for the two month period in 2011 and the six month period ended June 30, 2012.

The assets held for sale and the associated liabilities of the disposal group are presented separately in the June 30, 2012, statement of financial position of the Group and the Company. The major classes of assets and liabilities of the disposal group are presented below:

	<b>The Group</b>		<b>The Company</b>	
	<b>June 30 2012</b>	<b>December 31 2011</b>	<b>June 30 2012</b>	<b>December 31 2011</b>
<b>Non-current assets</b>				
Property, plant and equipment	60.359	52.281	59.865	51.788
Other intangible assets	176	176	176	176
Investments in subsidiaries	-	-	4.232	4.232
Deferred tax assets	-	141	-	141
Other non-current assets	69	68	64	64
	<b>60.604</b>	<b>52.666</b>	<b>64.337</b>	<b>56.401</b>
<b>Current assets</b>				
Inventories	16.073	15.029	16.073	15.029
Trade receivables	3.824	3.667	3.824	3.667
Due from related parties	-	-	-	2
Other current assets	1.116	1.194	1.102	1.186
Cash and cash equivalents	15	29	-	1
	<b>21.028</b>	<b>19.919</b>	<b>20.999</b>	<b>19.885</b>
<b>Total Assets</b>	<b>81.632</b>	<b>72.585</b>	<b>85.336</b>	<b>76.286</b>
<b>Non-current liabilities</b>				
Provision for staff leaving indemnities	1.881	1.966	1.881	1.966
Provision for environmental rehabilitation	7.636	7.583	7.388	7.336
Other provisions	1.526	1.526	1.377	1.377
Deferred tax liabilities	1.896	-	1.896	-
Other non-current liabilities	402	402	-	-
	<b>13.341</b>	<b>11.477</b>	<b>12.542</b>	<b>10.679</b>
<b>Current liabilities</b>				
Trade payables	5.358	7.295	5.358	7.282
Due to related parties	-	-	1.022	1.075
Other current liabilities	2.930	5.260	2.860	5.204
	<b>8.288</b>	<b>12.555</b>	<b>9.240</b>	<b>13.561</b>
<b>Total liabilities</b>	<b>21.629</b>	<b>24.032</b>	<b>21.782</b>	<b>24.240</b>

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**5. DISCONTINUING OPERATIONS (continued)**

The net cash flows attributable to the discontinuing operations for the six month periods ended June 30, 2012 and 2011, respectively, are presented below:

	The Group		The Company	
	1/1 - 30/06 2012	1/1 - 30/06 2011	1/1 - 30/06 2012	1/1 - 30/06 2011
Net cash flows (used in) / from operating activities	(2.383)	4.623	(2.318)	4.530
Net cash flows used in investing activities	(8.025)	(9.139)	(8.025)	(9.139)
<b>Net cash outflow</b>	<b>(10.408)</b>	<b>(4.516)</b>	<b>(10.343)</b>	<b>(4.609)</b>

**6. SALES**

Sales in the financial statements consist of products sold in the following markets:

	The Group			
	1/1-30/06 2012	1/1-30/06 2011	1/4-30/6 2012	1/4-30/6 2011
Metallurgy	71.429	71.558	37.560	36.815
Foundry	65.525	61.827	33.152	31.372
Construction	48.125	46.279	25.559	24.157
Specialties	35.019	35.368	16.551	17.809
Other	940	746	644	474
	<b>221.038</b>	<b>215.778</b>	<b>113.466</b>	<b>110.627</b>
Sales of discontinuing operations	16.988	14.035	7.987	7.354
<b>Total sales</b>	<b>238.026</b>	<b>229.813</b>	<b>121.453</b>	<b>117.981</b>
	The Company			
	1/1-30/06 2012	1/1-30/06 2011	1/4-30/6 2012	1/4-30/6 2011
Metallurgy	10.770	11.640	6.267	8.131
Foundry	15.995	17.930	8.581	9.292
Construction	17.313	18.324	10.469	8.551
Specialties	8.659	7.382	3.855	4.171
Other	1.203	803	788	497
	<b>53.940</b>	<b>56.079</b>	<b>29.960</b>	<b>30.642</b>
Sales of discontinuing operations	16.988	14.035	7.987	7.354
<b>Total sales</b>	<b>70.928</b>	<b>70.114</b>	<b>37.947</b>	<b>37.996</b>

**7. FINANCE INCOME**

Finance income in the financial statements is analyzed as follows:

	The Group			
	1/1-30/06 2012	1/1-30/06 2011	1/4-30/6 2012	1/4-30/6 2011
Interest income	129	112	100	54
Gains from settlement of derivatives on oil	107	201	-	160
Other	19	-	-	-
<b>Total finance income</b>	<b>255</b>	<b>313</b>	<b>100</b>	<b>214</b>
	The Company			
	1/1-30/06 2012	1/1-30/06 2011	1/4-30/6 2012	1/4-30/6 2011
Gains from settlement of derivatives on oil	107	201	-	160
Foreign exchange gains, net	13	-	-	-
Interest income	9	15	8	2
<b>Total finance income</b>	<b>129</b>	<b>216</b>	<b>8</b>	<b>162</b>

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**8. FINANCE COSTS**

Finance costs in the financial statements are analyzed as follows:

	<b>The Group</b>			
	<u>1/1-30/06 2012</u>	<u>1/1-30/06 2011</u>	<u>1/4-30/6 2012</u>	<u>1/4-30/6 2011</u>
Interest expense on long term loans and borrowings	2.430	2.518	919	1.349
Interest expense on short term borrowings	1.667	240	1.262	162
Bank charges	861	301	572	210
Finance cost of staff leaving indemnities provision	412	438	205	219
Foreign exchange losses, net	302	486	113	49
Finance cost of environmental rehabilitation provision	195	146	98	73
Amortization of loan expenses	92	49	86	24
	<b>5.959</b>	<b>4.178</b>	<b>3.255</b>	<b>2.086</b>
Finance costs of discontinuing operations	343	298	172	149
<b>Total finance costs</b>	<b>6.302</b>	<b>4.476</b>	<b>3.427</b>	<b>2.235</b>
	<b>The Company</b>			
	<u>1/1-30/06 2012</u>	<u>1/1-30/06 2011</u>	<u>1/4-30/6 2012</u>	<u>1/4-30/6 2011</u>
Interest expense on long term loans and borrowings	2.037	1.965	739	1.052
Interest expense on short term borrowings	1.588	190	1.227	135
Bank charges	602	132	375	105
Finance cost of staff leaving indemnities provision	184	176	93	88
Finance cost of environmental rehabilitation provision	172	171	86	86
Amortization of loan expenses	93	24	87	12
Foreign exchange losses, net	-	234	81	55
	<b>4.676</b>	<b>2.892</b>	<b>2.688</b>	<b>1.533</b>
Finance costs of discontinuing operations	343	298	172	150
<b>Total finance costs</b>	<b>5.019</b>	<b>3.190</b>	<b>2.860</b>	<b>1.683</b>

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

Income tax included in the income statements is analyzed as follows:

	<b>The Group</b>			
	<u>1/1-30/06 2012</u>	<u>1/1-30/06 2011</u>	<u>1/4-30/6 2012</u>	<u>1/4-30/6 2011</u>
Current income tax	7.373	5.819	3.519	2.523
Deferred income tax	1.644	892	1.653	1.127
<b>Total Income Tax</b>	<b>9.017</b>	<b>6.711</b>	<b>5.172</b>	<b>3.650</b>
	<b>The Company</b>			
	<u>1/1-30/06 2012</u>	<u>1/1-30/06 2011</u>	<u>1/4-30/6 2012</u>	<u>1/4-30/6 2011</u>
Current income tax	116	362	116	79
Deferred income tax	1.081	425	1.081	610
<b>Total Income Tax</b>	<b>1.197</b>	<b>787</b>	<b>1.197</b>	<b>689</b>

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**9. 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 A.D.		Bulgaria	2007-2011
S&B Industrial Minerals S.A.R.L.	(1)	France	2006-2011
S&B Industrial Minerals GmbH		Germany	2010-2011
S&B Holding GmbH		Germany	2010-2011
SLS Baustoffe GmbH		Germany	2010-2011
Orykton GmbH		Germany	2010-2011
Askana Ltd.		Georgia	2003-2011
S&B Industrial Minerals S.A.	(2)	Greece	2010-2011
Isocon S.A.		Greece	2007-2011
Greek Helicon Bauxites S.A.		Greece	2010-2011
Cape Trahilas One S.A.	(4)	Greece	2010-2011
Cape Trahilas Two S.A.		Greece	2010-2011
Cape Trahilas Three S.A.		Greece	2010-2011
S&B Industrial Minerals Spain S.L.u.		Spain	2006-2011
Sarda Perlite S.r.l.	(3)	Italy	2007-2011
Sibimin Overseas Ltd.		Cyprus	2006-2011
Cape Trahilas Enterprises Ltd.		Cyprus	2007-2011
Cape Trahilas One Ltd.	(5)	Cyprus	-
Cape Trahilas Two Ltd.	(5)	Cyprus	-
Cebo International B.V.		Netherlands	2010-2011
Cebo Holland B.V.		Netherlands	2010-2011
Cebo Marine B.V.		Netherlands	2010-2011
Cebo U.K. Ltd.		G. Britain	2010-2011
S&B Industrial Minerals Kft.		Hungary	2006-2011
S&B Industrial Minerals SP Z.O.O.		Poland	2008-2011
<b>AMERICA</b>			
S&B Industrial Minerals North America Inc.		U.S.A.	2009-2011
Stollberg Inc.		U.S.A.	2009-2011
Stollberg do Brazil Ltda		Brazil	2005-2011
<b>ASIA</b>			
S&B Industrial Minerals (Henan) Co. Ltd.		China	2010-2011
S&B Jilin Wollastonite Co Ltd.		China	2005-2011
S&B Industrial Minerals (Tianjin) Co. Ltd.		China	2006-2011
Panshi Huanyu Wollastonite Co. Ltd.		China	2007-2011
Qing Dao Stollberg & Samil Co.Ltd.		China	2008-2011
S&B Endustriyel Mineraller A.Ş.		Turkey	2005-2011
Pabalk Maden A.Ş.		Turkey	2005-2011
Pergem Mineral A.Ş.		Turkey	2010-2011
Organik Madencilik Ltd.		Turkey	2011
Stollberg India Pvt. Ltd.		India	2011
Stollberg & Samil Co. Ltd.		Korea	2004-2011
<b>AFRICA</b>			
Naimex S.A.R.L.		Morocco	2006-2011
S&B Ind. Min. Morocco S.A.R.L.		Morocco	2008-2011

**Footnotes:**

- (1) Unaudited tax years for S&B Industrial Minerals S.A.R.L. are 2009-2011. However, this period extends back to 2006 due to the merger with Denain Anzin Metallurgie S.A.S. These entities are currently under audit from tax authorities for the year 2008.
- (2) For the fiscal year ended December 31, 2011, the Company has been audited by its statutory auditors in accordance to the law 3842/2010, as implemented by law 1159/2011.
- (3) The entity is currently under audit from tax authorities.
- (4) The entity has been dissolved but according to Greek legislation has not settled its unaudited tax years.
- (5) These entities were audited from tax authorities for the years 2007-2011, with no tax liabilities arising.

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## **10. EXISTING LIENS**

No liens exist on the Group's and the Company's property, plant and equipment except for a mortgage of € 1,1 million on the property, plant and equipment of S&B Industrial Minerals A.D. (Note 11).

## **11. 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 € 1.726 and € 1.726 as of June 30, 2012 and December 31, 2011, respectively, (€ 1.701 and € 1.701 as of June 30, 2012, and December 31, 2011, 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 but will be committed for trial to the Administrative Court of Syros, following the recent reform on court jurisdiction.

By a letter dated September 29, 2010, the Secretariat of the International Commercial Chamber (I.C.C.) informed the Company that it 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, alleged that the Company breached its contractual obligations due to non-delivery of the quantities stipulated in the said agreement. On the basis of the revised statement of claim submitted on June 29, 2011, the claimant claimed the amount of € 4,8 million for late deliveries penalties, for the period September 2009 to May 15, 2011, and € 2,2 million for alleged damages for the same period. On March 9, 2012, the International Court of Arbitration of the I.C.C. issued its decision, which held that the Company is liable in damages of € 2,2 million to Kerneos S.A.. Regarding the late deliveries penalties, the decision held that the relevant clause of the contract is applicable without awarding any specific amount to the claimant. Furthermore, the Court rejected the claim for such penalties with respect to shipments of 2009 and invited the Company to provide additional clarifications for the period from January 1, 2010 to May 15, 2011 in relation to its supportive argument that was submitted in the arbitration process which argued that the claimed penalties for delivery delays are excessive and need to be adjusted to proportionate reasonable levels. Finally, Kerneos S.A. reserved its right to file additional claim for alleged damages and late deliveries penalties for the period May 15, 2011 to December 31, 2011. Based on the International Court of Arbitration of the I.C.C. decision, the amount of awarded damages of € 2,2 million was charged in December 31, 2011 income statement and paid in April 2012.

On June 29, 2012, Kerneos S.A. filed an additional claim for a total amount of € 6,3 million, for alleged damages, late deliveries penalties and interest surcharges for the period May 15, 2011 to December 31, 2011. The International Court of Arbitration is expected to rule on this claim and on the contradictory views of the counterparties in due course.

Based on the above facts and developments, Group's management estimates that the amount of € 1,3 million provided in the statement of financial position is sufficient to cover for any amounts awarded in the future and thus, no further amounts are charged in the June 30, 2012, income statement.

**S&B Industrial Minerals S.A.**  
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**11. PENDING LITIGATION AND ARBITRATION (continued)**

In December 2003, S&B Group acquired S&B Industrial Minerals A.D. (at the time named Bentonit A.D.) from its former owners who had acquired the entity in 1998 through a privatization process. On the basis of the privatization agreement, its former owners undertook, vis-a-vis the Bulgarian Privatization Agency (B.P.A.), certain obligations which were not met in full and thus certain liabilities were developed. However, from the time of its acquisition, the Group was never informed of these liabilities, because S&B Industrial Minerals A.D. could not, as a legal party, be held liable for the breach of the Privatization Agreements as these were limited to the previous owners. After the 2006 legislative changes in Bulgaria, B.P.A. has been entitled to hold liable the privatized entities themselves, in the case that the acquirers in the privatized process had not honored their obligations. As a result of these changes, B.P.A. set a mortgage in 2007 on the assets of S&B Industrial Minerals A.D. for an amount of € 1,1 million for which no notification was sent to the entity in the absence of such a legal requirement. In November 2011, S&B Industrial Minerals A.D. was notified for the initiation of a forceful execution of this mortgage to foreclose part of its assets in order to enforce payment of an amount equal to € 600 plus legal interest. The forceful execution of the mortgage has been temporarily suspended. Notwithstanding the above suspension S&B Industrial Minerals A.D. has taken appropriate legal measures and has formally requested the Economic Investment Bank to intervene in the legal proceedings with its capacity as a guarantor of the acquisition transaction in 2003. If for any reason, the Group is forced to pay any amount, legal recourse actions will be initiated for compensation against the sellers in the acquisition transaction in 2003, as well as the guarantor, Economic Investment Bank. Due to the complexity of the case and the arbitration recourse actions that may be initiated against the sellers and the guarantor, the Group's management has sustainable reasons to believe that there will not be any net financial damage for the Group.

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.

**12. RELATED PARTY TRANSACTIONS**

Transactions with related parties are made at arms'-length and mainly relate to operating and partly to investing activities. Outstanding balances are unsecured, interest free and are settled in cash within the timeframe agreed. The guarantees provided by S&B to its subsidiaries as June 30, 2012 and December 31, 2011 are analyzed in Note 14. 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.

**S&B Industrial Minerals S.A.**  
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**12. 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	
	June 30 2012	December 31 2011	June 30 2012	December 31 2011
<b><u>Associates</u></b>				
Laviosa Chimica Mineraria S.p.A.	673	3	-	-
Xinyang Athenian Mining Co. Ltd	135	131	3.036	1.517
	<b>808</b>	<b>134</b>	<b>3.036</b>	<b>1.517</b>
<b><u>Jointly controlled entities</u></b>				
Pergem Mineral A.Ş.	202	193	-	-
Cebo International B.V.	160	221	52	43
Stollberg & Samil Co. Ltd.	55	47	-	108
	<b>417</b>	<b>461</b>	<b>52</b>	<b>151</b>
<b><u>Other related companies</u></b>				
Halliburton Affiliates LLC.	630	781	22	313
Motodynamics S.A., Group of companies	38	38	-	-
ORYMIL S.A.	33	33	467	931
Perlite Hellas S.A.	-	-	290	430
Rescon India Private Ltd.	-	-	69	200
Other	65	17	-	6
	<b>766</b>	<b>869</b>	<b>848</b>	<b>1.880</b>
	<b>1.991</b>	<b>1.464</b>	<b>3.936</b>	<b>3.548</b>
	The Group			
	Revenues		Expenses	
	1/1-30/06 2012	1/1-30/06 2011	1/1-30/06 2012	1/1-30/06 2011
<b><u>Associates</u></b>				
Laviosa Promasa S.A.	1.280	1.352	-	-
Laviosa Chimica Mineraria S.p.A.	709	37	-	-
Xinyang Athenian Mining Co. Ltd.	-	-	2.134	354
	<b>1.989</b>	<b>1.389</b>	<b>2.134</b>	<b>354</b>
<b><u>Jointly controlled entities</u></b>				
Cebo International B.V.	906	774	189	292
Stollberg & Samil Co. Ltd	76	5	111	85
Other	7	-	-	-
	<b>989</b>	<b>779</b>	<b>300</b>	<b>377</b>
<b><u>Other related companies</u></b>				
Halliburton Affiliates LLC.	4.245	2.778	391	383
Rescon India Private Ltd.	-	-	477	530
Perlite Hellas S.A.	-	-	189	871
Other	41	8	54	47
	<b>4.286</b>	<b>2.786</b>	<b>1.111</b>	<b>1.831</b>
	<b>7.264</b>	<b>4.954</b>	<b>3.545</b>	<b>2.562</b>

**S&B Industrial Minerals S.A.**  
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(Amounts in thousand Euro, unless otherwise stated)

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

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

	The Company			
	Due from		Due to	
	June 30 2012	December 31 2011	June 30 2012	December 31 2011
<b><u>Direct subsidiaries</u></b>				
Isocon S.A.	1.549	1.682	-	6
S&B Holding GmbH	257	-	-	-
Sarda Perlite S.r.l.	90	-	533	830
Sibimin Overseas Ltd.	-	5	-	-
	<b>1.896</b>	<b>1.687</b>	<b>533</b>	<b>836</b>
<b><u>Indirect subsidiaries</u></b>				
S&B Endustriyel Mineraller A.S.	827	172	-	-
S&B Industrial Minerals Spain S.L.u.	208	-	-	-
S&B Industrial Minerals A.D.	13	-	504	455
S&B Industrial Minerals (Henan) Co. Ltd.	12	12	6	6
S&B Industrial Minerals GmbH	-	-	14.748	9.222
S&B Industrial Minerals North America Inc.	-	41	6.252	-
S&B Industrial Minerals S.A.R.L.	-	797	1.005	-
Other	2	-	-	-
	<b>1.062</b>	<b>1.022</b>	<b>22.515</b>	<b>9.683</b>
<b><u>Associates</u></b>				
Laviosa Chimica Mineraria S.p.A.	673	3	-	-
	<b>673</b>	<b>3</b>	-	-
<b><u>Other related companies</u></b>				
Cebo International B.V.	310	443	-	-
Motodynamics S.A., Group of companies	38	38	-	1
ORYMIL S.A.	33	33	467	931
Other	19	17	-	4
	<b>400</b>	<b>531</b>	<b>467</b>	<b>936</b>
	<b>4.031</b>	<b>3.243</b>	<b>23.515</b>	<b>11.455</b>

The amounts of € 14.748 due to S&B Industrial Minerals GmbH, € 6.252 due to S&B Industrial Minerals North America Inc. and € 1.005 due to S&B Industrial Minerals S.A.R.L. relate to advance payments for industrial minerals purchases.

Following the decision of the 2010 Shareholders' General Assembly, within 2012 the Company proceeded to the acquisition of the remaining part of the defined land in Milos island for an amount of € 467 from ORYMIL S.A..

**S&B Industrial Minerals S.A.**  
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**12. RELATED PARTY TRANSACTIONS (continued)**

	<b>The Company</b>			
	<b>Revenues</b>		<b>Expenses</b>	
	1/1-30/06 2012	1/1-30/06 2011	1/1-30/06 2012	1/1-30/06 2011
<b><u>Direct subsidiaries</u></b>				
Isocon S.A.	643	766	-	-
S&B Holding GmbH	191	207	-	-
Sarda Perlite S.r.l.	110	110	231	283
Sibimin Overseas Ltd.	-	12	-	-
	<b>944</b>	<b>1.095</b>	<b>231</b>	<b>283</b>
<b><u>Indirect subsidiaries</u></b>				
S&B Industrial Minerals GmbH	10.969	10.656	883	1
S&B Industrial Minerals North America Inc.	8.488	9.187	-	-
S&B Industrial Minerals S.A.R.L.	1.881	3.049	-	-
S&B Endustriyel Mineraller A.S.	928	849	-	-
S&B Industrial Minerals Spain S.L.u.	403	423	-	-
Stollberg Inc.	121	116	-	-
S&B Industrial Minerals A.D.	17	4	49	88
Other	4	6	-	-
	<b>22.811</b>	<b>24.290</b>	<b>932</b>	<b>89</b>
<b><u>Associates</u></b>				
Laviosa Promasa S.A.	1.280	1.510	-	-
Laviosa Chimica Mineraria S.p.A.	709	266	-	-
	<b>1.989</b>	<b>1.776</b>	<b>-</b>	<b>-</b>
<b><u>Other related companies</u></b>				
Cebo International B.V.	1.668	1.548	-	-
Other	7	8	54	47
	<b>1.675</b>	<b>1.556</b>	<b>54</b>	<b>47</b>
	<b>27.419</b>	<b>28.717</b>	<b>1.217</b>	<b>419</b>

***Compensation of key management personnel***

Transactions and compensation of key management personnel and Board members of the Group for the six month period ended June 30, 2012 amounted to € 2.234 (€ 2.467 for the six month period ended June 30, 2011). Balances due to key management and Board members as of June 30, 2012 amounted to € 1.031 (€ 1.272 as of December 31, 2011).

Finally, transactions and compensation of key management and Board members of the Company for the six month period ended June 30, 2012 amounted to € 2.013 (€ 2.345 for the six month period ended June 30, 2011). Balances due to key management and Board members as of June 30, 2012 amounted to € 980 (€ 1.228 as of December 31, 2011).

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### **13. CAPITAL EXPENDITURE**

The Group realized capital expenditure for the six month periods ended June 30, 2012 and 2011 of € 16 million and € 17,5 million, respectively, while the Company realized capital expenditure of € 11,5 million and € 13,1 million, respectively.

### **14. CONTINGENCIES - COMMITMENTS**

On June 30, 2012 and December 31, 2011 the Group has issued letters of guarantee for a total amount of € 10,1 million and € 6,8 million, respectively, while the Company has issued letters of guarantee for a total amount of € 3,7 million and € 4,0 million, respectively, relating mainly to mining rights and licenses. Further to the above, the Company as of June 30, 2012 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 € 40,7 million (€ 53,7 million as of December 31, 2011).

### **15. OPERATING SEGMENT INFORMATION**

Effective from 2012, the Group's organizational structure changed from divisions based on the nature of the industrial mineral applications to geographic regions where it engages in production, processing and distribution activities, in order to better manage complexity and diversity across its geographic spread and support further growth prospects. Under this new structure, the Group has four reportable profit generating segments (Regions), which are independently managed, plus the Corporate segment. This external segment reporting is based on the Group's internal organizational and management structure and on key figures of internal financial reporting to the chief operating decision maker who is considered to be the Chief Executive Officer. Therefore, the Group's reportable operating segments are summarized as follows:

- **South Europe Region** incorporates Group entities operating in Greece, Bulgaria, Cyprus, Georgia, Italy, Morocco, Spain and Turkey.
- **North Europe Region** incorporates Group entities operating in Germany, France, Holland, Hungary and Poland.
- **Americas Region** incorporates Group entities operating in USA and Brazil.
- **Asia & Pacific Region** incorporates Group entities operating in China, India, and Korea.
- **Corporate segment** incorporates all corporate functions.

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

Management monitors the operating results of each segment separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on sales, profit / (loss) before tax and Earnings Before Interest Taxes Depreciation and Amortization ("EBITDA"). It is noted that the Group applies the same accounting policies as those in the financial statements in order to measure the operating segments' 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.

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**15. OPERATING SEGMENT INFORMATION (continued)**

The following tables present sales and results regarding the Group's operating segments for the six month periods ended June 30, 2012 and 2011, respectively. Please note that comparative figures have been reclassified to reflect the new Group's organizational structure:

	1/1-30/06/2012				
	Sales			Results	
	Third party	Inter-segment	Total sales	Profit / (loss) before tax	EBITDA
South Europe	43.706	21.914	65.620	11.799	16.461
North Europe	111.559	1.360	112.919	16.105	19.314
Americas	52.246	36	52.282	7.018	8.517
Asia & Pacific	13.527	863	14.390	2.202	2.727
Corporate	-	-	-	(15.939)	(10.741)
Eliminations	-	(24.173)	(24.173)	221	221
<b>Continuing operations</b>	<b>221.038</b>	<b>-</b>	<b>221.038</b>	<b>21.406</b>	<b>36.499</b>
<i>Discontinuing operations</i>	<i>16.988</i>		<i>16.988</i>	<i>3.338</i>	<i>4.796</i>
<b>Total Group</b>	<b>238.026</b>		<b>238.026</b>	<b>24.744</b>	<b>41.295</b>
	1/1-30/06/2011				
	Sales			Results	
	Third party	Inter-segment	Total sales	Profit / (loss) before tax	EBITDA
South Europe	47.077	23.540	70.617	14.646	19.299
North Europe	110.228	689	110.917	13.877	17.224
Americas	46.145	9	46.154	3.706	5.069
Asia & Pacific	12.328	3.353	15.681	1.807	2.306
Corporate	-	-	-	(14.037)	(10.640)
Eliminations	-	(27.591)	(27.591)	(49)	(49)
<b>Continuing operations</b>	<b>215.778</b>	<b>-</b>	<b>215.778</b>	<b>19.950</b>	<b>33.209</b>
<i>Discontinuing operations</i>	<i>14.035</i>		<i>14.035</i>	<i>(2.901)</i>	<i>1.410</i>
<b>Total Group</b>	<b>229.813</b>		<b>229.813</b>	<b>17.049</b>	<b>34.619</b>

The following table present segment assets of the Group's operating segments as of June 30, 2012 and December 31, 2011. Please note that comparative figures have been reclassified to reflect the new Group's organizational structure:

	June 30 2012	December 31 2011
South Europe	205.620	200.441
North Europe	189.153	181.471
Americas	60.305	51.597
Asia & Pacific	25.228	21.562
Corporate	53.953	51.061
Eliminations	(27.270)	(15.935)
	<b>506.989</b>	<b>490.197</b>
<i>Assets held for sale</i>	<i>81.632</i>	<i>72.585</i>
<b>Total assets of the Group</b>	<b>588.621</b>	<b>562.782</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.

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

In June 2012, the Company concluded an agreement for common bond issue of L. 3156/2003 of € 110 million, drawn down in June 2012. The above bond loan is of four years tenor bearing floating interest rate based on Euribor plus spread, repayable in seven (7) variable installments. The Company used the aforementioned loan for refinancing maturing loans.

In June 2012, the Group concluded an agreement of Term Loan Facility of € 40 million, drawn down in June 2012. The above loan is of three years tenor bearing floating interest rate based on Euribor plus spread, repayable in six (6) variable installments. The Group used the aforementioned loan facility for refinancing maturing loans.

The terms of the above loans contain financial covenants including requirements to maintain minimum ratios of net borrowings to EBITDA, EBITDA to net interest expense and net borrowings to net worth (these ratios refer to the consolidated financial statements of S&B).

With respect to the above loans the table below presents the future payments as of June 30, 2012:

	<u>The Group</u>	<u>The Company</u>
Within one year	11.000	6.000
1-5 years	139.000	104.000
	<u>150.000</u>	<u>110.000</u>

Within June 2012, the Group repaid € 159 million of interest bearing loans, out of which € 114 million related to the Company's bond loans and € 45 million to the Group's syndicated loans.

**17. CURRENT PERIOD SIGNIFICANT EVENTS**

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

**Capital return**

On April 11, 2012 the Board of Directors of the Company proposed and the Shareholders' General Assembly (AGM) held on June 27, 2012, approved to increase the Company's share capital by the amount of € 12.777.671,75 through the capitalization of an equal amount of the "Share premium account" reserve by increasing the nominal value of each share from the current € 1,00 to € 1,25. The AGM also approved to subsequently decrease the share capital of the Company by an equal amount i.e. € 12.777.671,75 through the reduction of the nominal value of each share by € 0,25 and payment of the amount of the capital reduction to the shareholders in cash.

As of June 30, 2012, the aforementioned transactions were pending for approval from the pertinent authorities and thus, as of June 30, 2012, the Company's share capital amounted to € 51.110.687 divided into 51.110.687 common registered shares of nominal value € 1,00 each.

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

On July 11, 2012, the Ministry of Development, Competitiveness, Infrastructure, Transport and Networks approved the decrease in the share capital of the Company as described in Note 17. Following this approval, the amount of the capital reduction will be paid to the Company's shareholders on August 2, 2012.

**S&B Industrial Minerals S.A.**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
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(Amounts in thousand Euro, unless otherwise stated)

**19. FOREIGN EXCHANGE RATES**

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

	<b>FINANCIAL POSITION</b>		
	<b>June 30 2012</b>	<b>December 31 2011</b>	<b>Δ%</b>
1 € = USD	1,2590	1,2939	-3%
1 € = GBP	0,8068	0,8353	-3%
1 € = BGN	1,9558	1,9558	0%
1 € = HUF	287,77	314,58	-9%
1 € = TRY	2,283	2,443	-7%
1 € = CNY	7,8710	8,1588	-4%
1 € = GEL	2,0783	2,1740	-4%
1 € = KRW	1.435,04	1.494,10	-4%
1 € = BRL	2,5606	2,4342	5%
1 € = INR	70,120	68,713	2%
1 € = MAD	11,0781	11,1351	-1%
1 € = PLN	4,2488	4,4580	-5%
	<b>COMPREHENSIVE INCOME</b>		
	<b>Average rate six month 2012</b>	<b>Average rate six month 2011</b>	<b>Δ%</b>
1 € = USD	1,2965	1,4033	-8%
1 € = GBP	0,8225	0,8682	-5%
1 € = BGN	1,9558	1,9558	0%
1 € = HUF	295,45	269,45	10%
1 € = TRY	2,336	2,208	6%
1 € = CNY	8,1748	9,1755	-11%
1 € = GEL	2,135	2,400	-11%
1 € = KRW	1.481,19	1.545,62	-4%
1 € = BRL	2,4172	2,2923	5%
1 € = INR	67,596	63,112	7%
1 € = MAD	11,1223	11,2540	-1%
1 € = PLN	4,2459	3,9527	7%

## **E. ADDITIONAL INFORMATION**

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# S&B Industrial Minerals S.A.

Company's No 110/06/86/11 in the register of Societes Anonymes - Andrea Metaxa 15 - 145 64 Kifissia  
FINANCIAL DATA AND INFORMATION FOR THE PERIOD 1 JANUARY 2012 - 30 JUNE 2012  
(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 where the financial statements are published together with the auditor's review report, whenever it required.

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

Board of Directors approval date of financial statements: August 2, 2012

Certified Auditors Accountants:

PANOS PAPAIOZOLU, IOANNIS PSICHOUNTAKIS

Auditing firm:

ERNST & YOUNG (HELLAS) CERTIFIED AUDITORS

Type of auditors report:

Unqualified opinion

	GROUP		COMPANY	
	30/6/2012	31/12/2011	30/6/2012	31/12/2011
<b>ASSETS</b>				
Property, Plant & Equipment	154,932	154,439	62,643	62,262
Investment properties	18,723	18,860	18,723	18,860
Intangible assets	102,196	102,590	25,132	25,132
Other non-current assets	24,319	24,739	144,181	143,069
Inventories	72,571	73,469	16,681	16,362
Trade receivables	58,067	49,557	6,623	4,655
Other current assets	26,059	20,292	21,501	16,501
Cash and cash equivalents	50,043	46,156	6,443	2,323
Available for sale financial assets	79	90	79	90
Assets held for sale	81,632	72,585	85,336	76,286
<b>TOTAL ASSETS</b>	<b>588,621</b>	<b>562,782</b>	<b>387,352</b>	<b>367,540</b>
<b>EQUITY AND LIABILITIES</b>				
Share capital	51,111	51,111	51,111	51,111
Share premium	27,000	27,000	27,000	27,000
Other equity components	189,291	171,142	94,521	93,006
Total equity attributable to owners of the Company (a)	267,392	249,253	172,632	171,117
Minority interests (b)	459	658	-	-
Total equity (a)+(b)	267,851	249,911	172,632	171,117
Long-term interest-bearing loans and borrowings	137,860	66,976	102,860	66,976
Provisions/Other non-current liabilities	41,028	41,738	12,312	12,509
Short-term borrowings	41,898	111,279	34,966	65,668
Other current liabilities	78,355	68,844	42,770	27,998
Liabilities associated with the assets classified as held for sale	21,629	24,032	21,782	24,240
Liabilities (d)	320,770	312,871	214,720	196,423
<b>TOTAL EQUITY AND LIABILITIES (c)+(d)</b>	<b>588,621</b>	<b>562,782</b>	<b>387,352</b>	<b>367,540</b>

	GROUP		COMPANY	
	30/6/2012	30/6/2011	30/6/2012	30/6/2011
<b>Equity at beginning of the period</b>	<b>248,911</b>	<b>242,958</b>	<b>171,117</b>	<b>185,760</b>
Total comprehensive income/(loss) for the period	17,979	5,842	1,410	962
Dividend distribution	-70	-74	-	-
Share capital increase	-	-	-	-
Share capital decrease	-	-	-	-
Share premium decrease	-	-	-	-
Share premium increase	-	-	-	-
Purchase of treasury shares	-	-	-	-
Cancellation of treasury shares	-	-	-	-
Share based payment	105	445	105	445
Other movements	-74	-	-	-
<b>Equity at period end (30/6/2012 and 30/6/2011 respectively)</b>	<b>267,851</b>	<b>235,297</b>	<b>172,632</b>	<b>171,569</b>

	GROUP		COMPANY	
	1/1-30/6/2012	1/1-30/6/2011	1/1-30/6/2012	1/1-30/6/2011
<b>Indirect Method</b>				
<b>Cash flows from operating activities</b>				
Profit/(loss) before tax from continuing operations	21,406	19,860	-425	2,419
Profit/(loss) before tax from discontinued operations	3,338	-2,901	3,389	-2,913
Profit/(loss) before tax	24,744	17,049	2,964	-494
Adjustments for:				
- Depreciation and amortization	9,450	9,501	3,744	3,762
- Grants amortization	-61	-357	-37	-112
- Provisions, net	547	1,889	793	799
- Finance income	-255	-313	-129	-216
- Finance costs	5,959	4,178	4,676	2,882
- Share of profit of associates	-845	-213	-500	-635
- Loss/(Gain) from disposal of property, plant and equipment	453	40	4	19
<b>(Increase) / Decrease in:</b>	<b>39,498</b>	<b>31,784</b>	<b>11,507</b>	<b>6,854</b>
- Inventories	542	-2,367	1,328	1,784
- Trade receivables	-7,926	-11,448	-1,818	-2,815
- Due from related parties	-527	-61	-786	-560
- Other assets	-5,487	-4,791	-4,193	-3,607
<b>(Increase) / (Decrease) in:</b>	<b>3,392</b>	<b>5,866</b>	<b>886</b>	<b>2,416</b>
- Due to related parties	388	-279	11,954	2,873
- Other liabilities	1,335	-508	1,643	-1,736
- Staff leasing/Leases paid	-258	-3,578	-97	-3,472
- Payments for environment rehabilitation	-444	-343	-128	-211
- Income tax paid	-3,514	-6,861	-297	-417
Net cash flows from operating activities, discontinued operations	-5,721	7,304	-5,653	7,369
<b>Net cash flows from operating activities (a)</b>	<b>21,278</b>	<b>14,718</b>	<b>14,346</b>	<b>8,789</b>
<b>Cash flows from investing activities</b>				
- Capital expenditure	-7,982	-8,376	-3,426	-3,950
- Dividends received	216	388	236	388
- Interest and other finance income received	148	112	9	15
- Proceeds from the settlement of receivables	107	966	107	166
- Proceeds from disposal of property, plant and equipment	79	28	5	1
Net cash flows from investing activities, discontinued operations	-8,025	-9,139	-3,025	-3,139
<b>Net cash flows used in investing activities (b)</b>	<b>-15,497</b>	<b>-16,821</b>	<b>-11,094</b>	<b>-12,519</b>
<b>Cash flows from financing activities</b>				
- Capital return to shareholders	-1	-	-1	-
- Purchase of treasury shares	-	-6	-	-6
- Net increase of short-term borrowing	11,596	1,863	10,298	2,083
- Expenses from long-term borrowing	150,000	20,000	110,000	20,000
- Repayment of long-term borrowing	-159,000	-15,000	-114,000	-7,500
- Dividends paid to equity holders of the Company, net of taxes	-	-2	-	-2
- Dividends paid to non-controlling interests	-73	-70	-	-
- Interest and other finance costs paid	-6,167	-2,775	-5,444	-1,999
Net cash flows from financing activities, discontinued operations	-	-	-	-
<b>Net cash flows (used in) from financing activities (c)</b>	<b>-3,645</b>	<b>3,510</b>	<b>854</b>	<b>11,777</b>
- Net foreign exchange difference on cash flows (d)	994	-1,663	13	233
<b>Net increase (decrease) in cash and cash equivalents (a) + (b) + (c) + (d)</b>	<b>3,188</b>	<b>-61</b>	<b>4,119</b>	<b>7,823</b>
Increase in restricted cash	-	-	-	-
<b>Cash and cash equivalents at the beginning of the period</b>	<b>46,158</b>	<b>42,724</b>	<b>2,323</b>	<b>1,208</b>
- Net foreign exchange difference on cash and cash equivalents at the beginning of the period	683	-1,223	-	-
Less: Change in cash and cash equivalents of discontinued operations	14	-	1	-
<b>Cash and cash equivalents at period end</b>	<b>50,443</b>	<b>41,450</b>	<b>6,443</b>	<b>9,221</b>

Kifissia, August 2, 2012

THE CHAIRMAN OF THE BOARD OF DIRECTORS

THE CHIEF EXECUTIVE OFFICER

LYSSES P. KYRIACOPoulos  
ID No. AH 042658

KIRTON ST. ANANLIVIS  
ID No. AK 061616

THE CHIEF FINANCIAL OFFICER

THE CONTROLLER SOUTH EUROPE

IOANNIS EMM. CHRISTODOULAKIS  
ID No. AZ 951354

NIKOLAOS CH. IOAKIM  
A/C CLASS LICENSE No 0002714

	1/1 - 30/6/2012			1/1 - 30/6/2011		
	Continuing operations	Discontinuing operations	Total	Continuing operations	Discontinuing operations	Total
Sales	22,038	16,988	28,026	215,778	14,035	229,813
Gross profit	29,725	3,359	63,084	57,287	-1,131	56,156
Profit/(loss) before income tax, financial and investment results	27,110	3,681	30,791	23,815	-6,603	21,212
Profit/(loss) before tax	25,406	3,338	24,744	19,650	-3,901	17,049
<b>Net profit/(loss) (A)</b>	<b>14,428</b>	<b>1,391</b>	<b>15,727</b>	<b>13,764</b>	<b>-3,426</b>	<b>10,338</b>
<b>Attributable to:</b>						
- Owners of the company	14,559	1,301	15,860	13,827	-3,426	10,401
- Non-controlling interests	-	-	-	-130	-	-463
<b>Other comprehensive income/(loss) for the period (B)</b>	<b>2,292</b>	<b>-</b>	<b>2,292</b>	<b>-4,698</b>	<b>-</b>	<b>-4,698</b>
<b>Total other comprehensive income/(loss) for the period (A) + (B)</b>	<b>16,720</b>	<b>1,391</b>	<b>17,729</b>	<b>9,066</b>	<b>-3,426</b>	<b>5,640</b>
<b>Attributable to:</b>						
- Owners of the company	16,807	1,301	18,108	9,144	-3,426	5,718
- Non-controlling interests	-129	-	-130	-76	-	-463
<b>Net earnings/(losses) per share - basic (in €)</b>	<b>0,2849</b>	<b>0,0255</b>	<b>0,3104</b>	<b>0,2705</b>	<b>-0,0670</b>	<b>0,2035</b>
Profit before income tax, financial and investment results, depreciation and amortization	36,499	4,796	41,296	33,209	1,410	34,619
<b>1/4 - 30/6/2012</b>						
Sales	113,466	7,987	121,453	110,627	7,354	117,981
Gross profit	31,352	1,943	33,335	29,879	-161	29,718
Profit/(loss) before income tax, financial and investment results	15,133	2,108	17,241	12,859	-953	11,906
Profit/(loss) before tax	11,978	1,936	13,914	10,987	-1,102	9,885
<b>Net profit/(loss) (A)</b>	<b>8,843</b>	<b>-101</b>	<b>8,742</b>	<b>7,862</b>	<b>-1,827</b>	<b>6,235</b>
<b>Attributable to:</b>						
- Owners of the company	8,916	-101	8,815	7,911	-1,627	6,284
- Non-controlling interests	-73	-	-73	-49	-	-49
<b>Other comprehensive income/(loss) for the period (B)</b>	<b>4,073</b>	<b>-</b>	<b>4,073</b>	<b>-1,845</b>	<b>-</b>	<b>-1,845</b>
<b>Total other comprehensive income/(loss) for the period (A) + (B)</b>	<b>12,916</b>	<b>-101</b>	<b>12,815</b>	<b>6,017</b>	<b>-1,627</b>	<b>4,390</b>
<b>Attributable to:</b>						
- Owners of the company	12,980	-101	12,879	6,066	-1,627	4,439
- Non-controlling interests	-64	-	-64	-49	-	-49
<b>Net earnings/(losses) per share - basic (in €)</b>	<b>0,1744</b>	<b>-0,0020</b>	<b>0,1724</b>	<b>0,1548</b>	<b>-0,0318</b>	<b>0,1263</b>
Profit before income tax, financial and investment results, depreciation and amortization	20,017	2,665	22,682	17,427	848	18,275
<b>1/1 - 30/6/2012</b>						
Sales	53,940	16,986	70,928	56,079	14,035	70,114
Gross profit	16,051	3,354	19,405	18,023	-1,162	16,861
Profit/(loss) before income tax, financial and investment results	3,580	3,732	7,312	4,407	-2,615	1,792
(Loss)/profit before tax	-425	3,389	2,964	2,419	-2,913	-494
<b>Net profit/(loss) (A)</b>	<b>415</b>	<b>1,352</b>	<b>1,767</b>	<b>2,157</b>	<b>-3,438</b>	<b>-1,281</b>
<b>Attributable to:</b>						
- Owners of the company	415	1,352	1,767	2,157	-3,438	-1,281
- Non-controlling interests	-	-	-	-	-	-
<b>Other comprehensive income/(loss) for the period (B)</b>	<b>-357</b>	<b>-</b>	<b>-357</b>	<b>819</b>	<b>-</b>	<b>819</b>
<b>Total other comprehensive income/(loss) for the period (A) + (B)</b>	<b>58</b>	<b>1,352</b>	<b>1,410</b>	<b>2,476</b>	<b>-3,438</b>	<b>-962</b>
<b>Attributable to:</b>						
- Owners of the company	58	1,352	1,410	2,476	-3,438	-962
- Non-controlling interests	-	-	-	-	-	-
<b>Net earnings/(losses) per share - basic (in €)</b>	<b>0,0081</b>	<b>0,0265</b>	<b>0,0346</b>	<b>0,0422</b>	<b>-0,0673</b>	<b>-0,0251</b>
Profit before income tax, financial and investment results, depreciation and amortization	7,287	4,847	12,134	8,096	1,398	9,494
<b>1/4 - 30/6/2012</b>						
Sales	29,960	7,987	37,947	30,642	7,354	37,996
Gross profit	6,328	1,981	11,309	10,487	-175	10,312
Profit/(loss) before income tax, financial and investment results	2,971	2,143	5,114	3,549	-943	2,706
Profit/(loss) before tax	833	1,971	2,804	2,966	-1,080	1,878
<b>Net profit/(loss) (A)</b>	<b>1,673</b>	<b>-66</b>	<b>1,607</b>	<b>2,802</b>	<b>-1,618</b>	<b>1,184</b>
<b>Attributable to:</b>						
- Owners of the company	1,673	-66	1,607	2,802	-1,618	1,184
- Non-controlling interests	-	-	-	-	-	-
<b>Other comprehensive loss for the period (B)</b>	<b>-171</b>	<b>-</b>	<b>-171</b>	<b>-692</b>	<b>-</b>	<b>-692</b>
<b>Total other comprehensive income/(loss) for the period (A) + (B)</b>	<b>1,502</b>	<b>-66</b>	<b>1,436</b>	<b>2,110</b>	<b>-1,618</b>	<b>492</b>
<b>Attributable to:</b>						
- Owners of the company	1,502	-66	1,436	2,110	-1,618	492
- Non-controlling interests	-					