



Financial Results for the Half Year 2012 (IFRS)

HALF YEAR 2012 HIGHLIGHTS

- Sales increased 4% compared to the first half of 2011
- EBITDA up by 19% compared to the first half of 2011
- Net profit increased 53% compared to the first half of 2011 and 26% on a like for like basis
- Successful refinancing in a challenging environment with maturity profile extended to four years

Group results summary (continuing & discontinuing operations)

€ 000s	Half Year 2012	Half Year 2011	% change	Q2 2012	Q2 2011	% change
Net Sales	238,026	229,813	3.6%	121,453	117,981	2.9%
EBITDA	41,295	34,619	19.3%	22,682	18,275	24.1%
Operating profit	29,946	20,999	42.6%	16,542	11,764	40.6%
Profit before tax	24,744	17,049	45.1%	13,914	9,885	40.8%
Net profit	15,727	10,338	52.1%	8,742	6,235	40.2%
Net profit ¹	15,860	10,401	52.5%	8,815	6,284	40.3%
EPS ²	0.3104	0.2035	52.5%	0.1724	0.1230	40.2%
Comparable operating profit	25,793	20,999	22.8%	14,142	11,764	20.2%
Comparable profit before tax	20,591	17,049	20.8%	11,514	9,885	16.5%
Comparable net profit ¹	13,096	10,401	25.9%	7,231	6,284	15.1%
Comparable EPS ²	0.2562	0.2035	25.9%	0.1415	0.1230	15.0%

¹ Net profit attributable to shareholders

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

Note: Comparable indicators incorporate the recognition of €4.2 million depreciation which has not been recorded in the first half of 2012 in accordance with IFRS 5 guidelines for assets classified as held for sale

Kriton Anavlavis, CEO of S&B, commented:

"We delivered an increase in our top-line performance for the first half of the year, despite the slowdown in global industrial activity. Our market positions within our geographically diverse operations remain broadly stable and through our revenue growth initiatives we continue to maintain solid profit margins and higher levels of profitability."

Demand trends continue to vary by geography in line with latest industrial production indicators. We continue to monitor the volatile macroeconomic environment, especially in Europe and Asia and remain cautiously optimistic for the rest of the year. At the end of the first half we successfully completed our refinancing requirements amidst challenging conditions, diversifying in parallel the origin of our funding in line with our broad geographic footprint. With debt maturities now extending to four years in the future, we are able to focus exclusively on our strategy to expand our international presence and achieve sustainable value growth for the benefit of all our stakeholders."

Operational highlights

During the second quarter of 2012, S&B sustained the momentum realized at the start of the year and reported a stronger half year performance overall compared to the first half of 2011. During the first six months of 2012, demand progressively decelerated in many of our markets, though this varied by geography. Global steel production recorded marginal growth, declining considerably in Europe and Brazil but increasing in North America and China. The global automotive sector remained broadly favorable, though it was equally characterized by regional variations, with many regions in Europe showing declines but with North America on the rise. Weakness in construction related activity persisted during the first half of 2012, similarly with variances by region but also by type of related applications. Capitalizing on its broad geographic footprint, S&B was able to realize revenue growth of 2%, 7% and 6% in the Metallurgy, Construction and Foundry markets respectively, with a marginal 1% decline in the Specialties market.

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 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.

During the first half of 2012, EBITDA and operating profit increased by 19.3% and 42.6% to €41.3 million and €29.9 million, respectively, compared to the first half of 2011, incorporating a reduction of 5.7% in net operating expenses. As a result, profitability growth continues to be realized at higher rates than revenue growth, reflecting substantial margin increases. EBITDA margin increased to 17.3% in the first half of 2012 from 15.1% in the comparable prior year period, while operating margin increased by 350 basis points to 12.6% from 9.1%. Net interest expenses were higher by 57% compared to the first half of 2011 at €4 million from €2.6 million, with two thirds of the increase being the result of higher spreads for debt refinanced during the first half of 2011. Net profit attributed to shareholders of the Group in the first half of 2012 amounted to €15.9 million (€0.31 per share) compared to €10.4 million (€0.20 per share) in the first half of 2011, representing an increase of over 50%.

Pre-tax operating free cash flow (net of capital expenditure) in the first half of 2012 was significantly higher at €8.9 million compared to €4.1 million in the first half of 2011, with higher EBITDA and lower capital expenditure offsetting an increase in working capital. Working capital increased by 11.3%, reflecting higher receivables due to a higher sales level at the end of the first half of 2012 and a VAT related receivable from the Greek state of €12 million. Our net debt position was improved by approximately 2%, decreasing to €129.7 million at the end of the first half of 2012 from €132.1 million at the end of 2011.

Regional performance (amounts in € 000s)



South Europe	Half Year 2012	Half Year 2011	% change	Q2 2012	Q2 2011	% change
Sales - 3rd party	60,694	61,112	-0.7%	33,174	33,956	-2.3%
Sales - Total	82,608	84,652	-2.4%	43,448	45,178	-3.8%
EBITDA	21,257	20,709	2.6%	12,610	12,230	3.1%
Profit before tax	15,137	11,745	28.9%	9,414	8,042	17.1%

Note: discussion on region South Europe refers to the total of Continuing and Discontinuing operations

Sales were stable for the first half of 2012, incorporating an increase for the Metallurgy market from alumina and iron ore pelletizing demand that was offset by sustained deterioration in the Construction market. The significant increase in profitability is due, to a large extent, to the non-recognition of bauxite related depreciation.

North Europe	Half Year 2012	Half Year 2011	% change	Q2 2012	Q2 2011	% change
Sales - 3rd party	111,559	110,228	1.2%	55,825	55,130	1.3%
Sales - Total	112,919	110,917	1.8%	56,985	55,322	3.0%
EBITDA	19,314	17,224	12.1%	9,655	8,355	15.6%
Profit before tax	16,105	13,877	16.1%	8,049	6,697	20.2%

The slowdown in steel production in Europe had an adverse impact on the Metallurgy market which realized lower sales than the first half of 2012. The Foundry market was stable due to resistance in Germany and the Construction market realized growth due to civil engineering projects. Our focus on expense control contributed significantly to the increase in profitability.

Americas	Half Year 2012	Half Year 2011	% change	Q2 2012	Q2 2011	% change
Sales - 3rd party	52,246	46,145	13.2%	25,661	22,670	13.2%
Sales - Total	52,282	46,154	13.3%	25,662	22,679	13.2%
EBITDA	8,517	5,069	68.0%	4,102	2,247	82.6%
Profit before tax	7,018	3,706	89.4%	3,301	1,586	108.1%

The Americas realized the best regional performance, with robust sales and profit growth. Despite a slight softening at the end of the first half, market demand was dynamic for Metallurgy and Foundry in the US while Construction improved mainly due to infrastructure projects.



Asia/Pacific	Half Year 2012	Half Year 2011	% change	Q2 2012	Q2 2011	% change
Sales - 3rd party	13,527	12,328	9.7%	6,793	6,225	9.1%
Sales - Total	14,390	15,681	-8.2%	6,964	7,756	-10.2%
EBITDA	2,727	2,306	18.3%	1,481	1,105	34.0%
Profit before tax	2,202	1,807	21.9%	1,219	860	41.7%

The Asia/Pacific region performance is predominantly related to metallurgy and construction. Activity in both markets slowed down during the period tracking the broader economic growth moderation in the area. With our focus on managing our top-line we realized a profitable performance.

Outlook

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 when they arise.

Other items

Discontinuing Operations

In accordance with the provisions of IFRS 5, as of December 31, 2011 S&B's bauxite operations in Greece and "Greek Helicon Bauxite S.A.", a fully-owned subsidiary of the Parent Company, were classified as a Discontinuing Operation in the financial statements.

A detailed P&L on Continuing and Discontinuing operations is available in the attachments section of this press release. Full and detailed disclosure with regards to continuing and discontinuing operations is available in the Half Year Financial Report and Notes to the Financial Statements and can be found on the company website www.sandb.com

Capital return

Our Board proposed to the AGM on June 27th 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.

About S&B Industrial Minerals

S&B Industrial Minerals is an international Group of companies, its purpose being to provide innovative industrial solutions by developing and transforming natural resources into value creating products. Utilizing the multiple properties of industrial minerals, S&B offers a portfolio of customized solutions for a broad range of applications (including foundry, steel-making, construction & building materials, metallurgy and horticulture), operating responsibly and adhering to the sustainable development principles of the triangle: economy - society - environment. It holds leading positions in its main sectors (bentonite, perlite, bauxite and casting fluxes). S&B was established in Greece in 1934, is listed on the Athens Exchange (ticker:ARBA), is active in 20 countries across five continents, in 2011 it had a Group turnover of €456 million, and employs approximately 2,000 people worldwide. For more information, please visit S&B's website at www.sandb.com



Conference Call and Live Audio Webcast

S&B's Management will host a conference call for the investment community today, Friday August 3, 2012, at 11:00 a.m. Athens Time, 9:00 a.m. London Time, 4:00 a.m. New York Time.

In addition, there will be a live audio webcast of the conference call accessible through the S&B website at www.sandb.com. Participants should register on the website approximately 10 minutes prior to the start of the call. Following the conference call, the audio webcast will be archived on S&B's website.

Slide Presentation

A slide presentation on the Half Year 2012 Results will also be available on S&B's corporate website in the Investor Relations section.

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Note Regarding Forward-Looking Statements

This document may contain forward-looking statements about S&B, including statements reflecting management's current view relating to future market conditions, future events and expected operational and financial performance. Forward-looking statements may be found throughout this document. Although we believe that the expectations reflected in these forward-looking statements are reasonable, we cannot assure you that these expectations will materialize. Because forward-looking statements are based on assumptions and estimates, and are subject to risks and uncertainties, actual results could differ materially from those described or implied herein. S&B does not undertake any obligation to publicly update or revise any forward-looking statements included in this document, whether as a result of new information, future events or otherwise, except as required by applicable law or stock exchange regulation.



ATTACHMENTS

1. Consolidated income statement (Continuing and Discontinuing operations) for the six month period ended June 30, 2012
2. Consolidated income statement (Continuing and Discontinuing operations) for the three month period ended June 30, 2012
3. Condensed consolidated income statement for the three month period ended June 30, 2012 (Group summary)
4. Condensed consolidated income statement for the six month period ended June 30, 2012 (Group summary)
5. Condensed consolidated balance sheet as at June 30, 2012
6. Condensed consolidated cash flow statement for the six month period ended June 30, 2012

The attached basic and condensed financial statements should be read in conjunction with the relevant notes to the full financial statements for the period, which can be found on our company's website at www.sandb.com

CONSOLIDATED INCOME STATEMENT (in € '000s except for earnings per share)

	The Group					
	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)
Gross Profit / (Loss)	59,725	3,359	63,084	57,287	(1,131)	56,156
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)
Operating profit / (loss)	26,265	3,681	29,946	23,602	(2,603)	20,999
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
Profit / (loss) before tax	21,406	3,338	24,744	19,950	(2,901)	17,049
Income tax expense	(6,980)	(2,037)	(9,017)	(6,186)	(525)	(6,711)
Net profit / (loss)	14,426	1,301	15,727	13,764	(3,426)	10,338
Attributable to:						
Equity holders of the company	14,559	1,301	15,860	13,827	(3,426)	10,401
Non-controlling interests	(133)	-	(133)	(63)	-	(63)
	14,426	1,301	15,727	13,764	(3,426)	10,338
Earnings per share attributable to equity holders of the Company						
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
Weighted average number of shares						
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

Note: Full disclosure on Continuing and Discontinuing operations is available in S&B's published Half Year Financial Report and Notes to the Financial Statements and can be found on the company's website www.sandb.com

CONSOLIDATED INCOME STATEMENT (in € '000s except for earnings per share)

	The Group					
	1/4 - 30/06/2012			1/4 -30/06/2011		
	Continuing operations	Discontinuing operations	Total	Continuing operations	Discontinuing operations	Total
Sales of goods	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)
Gross Profit / (Loss)	31,352	1,983	33,335	29,879	(161)	29,718
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)
Operating profit / (loss)	14,434	2,108	16,542	12,717	(953)	11,764
Finance income	100	-	100	214	-	214
Finance costs	(3,255)	(172)	(3,427)	(2,086)	(149)	(2,235)
Share of profit of associates	699	-	699	142	-	142
Profit / (loss) before tax	11,978	1,936	13,914	10,987	(1,102)	9,885
Income tax expense	(3,135)	(2,037)	(5,172)	(3,125)	(525)	(3,650)
Net profit / (loss)	8,843	(101)	8,742	7,862	(1,627)	6,235
Attributable to:						
Equity holders of the company	8,916	(101)	8,815	7,911	(1,627)	6,284
Non-controlling interests	(73)	-	(73)	(49)	-	(49)
	8,843	(101)	8,742	7,862	(1,627)	6,235
Earnings per share attributable to equity holders of the Company						
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
Weighted average number of shares						
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

Note: Full disclosure on Continuing and Discontinuing operations is available in S&B's published Half Year Financial Report and Notes to the Financial Statements and can be found on the company's website www.sandb.com

CONDENSED CONSOLIDATED INCOME STATEMENT (in € '000s except for earnings per share)

	The Group	
	1/4 - 30/06/2012	1/4 -30/06/2011
Sales	121,453	117,981
Cost of sales	(88,118)	(88,263)
Gross Profit	33,335	29,718
Net operating expenses	(16,793)	(17,954)
Operating profit	16,542	11,764
Net Finance costs	(3,327)	(2,021)
Share of profit of associates	699	142
Profit before tax	13,914	9,885
Income tax expense	(5,172)	(3,650)
Net profit	8,742	6,235
Net profit attributable to:		
Equity holders of the Company	8,815	6,284
Non-Controlling interests	(73)	(49)
	8,742	6,235
Earnings per share		
Basic	0.1724	0.1230
Diluted	0.1700	0.1218
Weighted average number of shares		
Basic	51,110,687	51,110,687
Diluted	51,856,201	51,560,685

CONDENSED CONSOLIDATED INCOME STATEMENT (in € '000s except for earnings per share)

	The Group	
	<u>1/1 - 30/06/2012</u>	<u>1/1 - 30/06/2011</u>
Sales	238,026	229,813
Cost of sales	(174,942)	(173,657)
Gross Profit	63,084	56,156
Net operating expenses	(33,138)	(35,157)
Operating profit	29,946	20,999
Net Finance costs	(6,047)	(4,163)
Share of profit of associates	845	213
Profit before tax	24,744	17,049
Income tax expense	(9,017)	(6,711)
Net profit	15,727	10,338
Net profit attributable to:		
Equity holders of the Company	15,860	10,401
Non-Controlling interests	(133)	(63)
	15,727	10,338
		-
Earnings per share		
Basic	0.3104	0.2035
Diluted	0.3067	0.2021
Weighted average number of shares		
Basic	51,110,687	51,110,687
Diluted	51,717,039	51,457,526

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (in € '000s)

	The Group	
	June 30 2012	December 31 2011
ASSETS		
Non-current assets		
Property, plant and equipment	154,932	154,439
Goodwill & other intangible assets	102,196	102,593
Other non-current assets	43,121	43,689
	300,249	300,721
Current assets		
Inventories	72,571	73,469
Trade and other receivables	84,126	69,849
Cash and cash equivalents	50,043	46,158
	206,740	189,476
Assets held for sale	81,632	72,585
Total Assets	588,621	562,782
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company	267,392	249,253
Non-controlling interests	459	658
Total equity	267,851	249,911
Non-current liabilities		
Interest-bearing loans and borrowings	137,860	66,978
Other non-current liabilities	41,028	41,738
	178,888	108,716
Current liabilities		
Short-term borrowings & current portion of long-term debt	41,898	111,279
Other current liabilities	78,355	68,844
	120,253	180,123
Liabilities associated with the assets classified as held for sale	21,629	24,032
Total equity and liabilities	588,621	562,782

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (in € '000s)

	The Group	
	1/1 - 30/06 2012	1/1 - 30/06 2011
Cash flows from operating activities		
Profit before tax from continuing operations	21,406	19,950
Profit before tax from discontinued operations	3,338	(2,901)
Profit before tax	24,744	17,049
Adjustments for:		
- Depreciation and amortization	10,504	13,407
- Net finance costs	6,047	4,163
- Provisions, net	352	2,108
- Share of (profit)/loss of associates	(845)	(213)
- (Gain)/Loss from the disposal of property, plant and equipment	(43)	(10)
	40,759	36,504
(Increase) / Decrease in:		
- Inventories	(1,617)	(4,195)
- Trade and other receivables	(14,020)	(14,073)
Increase / (Decrease) in:		
- Trade and other payables	848	7,823
Income tax paid	(3,514)	(6,891)
Payments for staff leaving indemnities and environmental rehabilitation	(1,180)	(4,450)
Net cash flows from operating activities	21,276	14,718
Cash flows from investing activities		
- Capital expenditure	(15,987)	(17,515)
- Proceeds from disposal of property, plant and equipment	79	28
- Other investing activities	471	666
Net cash flows used in investing activities	(15,437)	(16,821)
Cash flows used in financing activities:		
- Capital return to shareholders	(1)	-
- Purchase of treasury shares	-	(6)
- Net (decrease)/increase in borrowing	2,596	6,363
- Dividends paid	(73)	(72)
- Interest and other finance costs paid	(6,167)	(2,775)
Net cash flows (used in) / from financing activities	(3,645)	3,510
- Net foreign exchange difference on cash flows	994	(1,648)
Net (decrease) / increase in cash and cash equivalents	3,188	(241)
Increase in restricted cash	-	190
Cash and cash equivalents at the beginning of the period	46,158	42,724
- 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 discontinuing operations	14	-
Cash and cash equivalents at period end	50,043	41,450