



Financial Results for the Half Year 2011 (IFRS)

HALF YEAR 2011 HIGHLIGHTS

- Sales increased 13% in the first half of 2011 compared to the first half of 2010
- EBITDA and operating profit increased by 24% and 78% respectively during the first half of 2011 compared to the first half of 2010
- Significant 85% growth realized in net profit attributable to shareholders during the first half of 2011
- New organizational structure to drive future growth

€ 000s	Half Year 2011	Half Year 2010	% change	Q2 2011	Q2 2010	% change
Net Sales	229,813	203,692	12.8%	117,981	108,460	8.8%
EBITDA	34,619	27,898	24.1%	18,275	14,800	23.5%
Operating profit	20,999	11,830	77.5%	11,764	4,528	159.8%
Profit before tax	17,049	10,031	70.0%	9,885	4,059	143.5%
Net profit ¹	10,401	5,619	85.1%	6,284	1,582	297.2%
EPS ²	0.2035	0.1096	85.7%	0.1229	0.0309	297.7%

¹ Net profit attributable to shareholders

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

Kriton Anavlavis, CEO of S&B, commented:

"We have delivered a strong set of results for the first half of 2011, with significant sales and profit growth. Our sales revenue was supported by solid demand during the period while we gained market share in several of the market segments we serve. We have continued to benefit from high levels of operating leverage and as a result our profit margins improved substantially. Performance is on track to contribute positively to return on invested capital and to an improved year overall.

Despite a moderating pace of global economic growth in the second quarter, business conditions in our regions of operation and our market segments remained encouraging. As we enter the second half of the year, we remain focused on effectively managing input cost inflation and are conscious of the instability surfacing recently about global economic growth expectations. In parallel, we are preparing to migrate seamlessly to our new organizational structure, which we believe will enable us to realize the full value of our market focused global operations, capture significant opportunities and achieve sustainable value growth for our shareholders."

Operational highlights

Our Group's performance during the first half of 2011 delivered solid results and improved progressively during the second quarter. Market demand from our key segments was on positive momentum, though at a slight lower rate when compared to the previous year's restocking-driven dynamics. The metallurgical segments continued to benefit from increased global steel production and an enhanced automotive industry in our key geographies. Industrial production excluding construction has been growing both in Europe and the US, leading to a strengthened business overall for our Group. Construction activity has broadly stabilized at low levels, particularly in southern Europe, but we managed to realize slightly improved performances in the related sectors of North America and northern Europe.

Consolidated Group revenue amounted to €229.8 million for the first half of 2011, which represents a 12.8% increase compared to €203.7 million in the same prior year period. Besides higher sales volumes achieved, our revenue performance also reflects market share gains in several of the market segments we serve, as well as improved pricing compared to the previous year. All these factors combined, have contributed to enhanced profitability, facilitating high operating leverage and driving margin expansion. Costs have been on an inflationary trend, particularly with regard to certain raw materials and energy. Indicatively, crude oil prices were on average higher by approximately 44% for the first half of 2011 compared to the same period in 2010. Moreover, increased oil prices have offset most of the anticipated benefits from lower ocean freight rates, which on average were lower by 45% during the first half of 2011 compared to the same period in 2010. On the contrary, the normalization of bauxite production during the period had a significant favorable impact on costs. Overall, gross profit increased by 29.4% during the first half of the year to €56.2 million and gross margin expanded by a substantial 310 basis points over the same period in 2010. During the period, EBITDA and operating margins improved by 140 and 330 basis points, respectively, compared to the first half of 2010. As a result, EBITDA of €34.6 million and operating profit of €21 million continued to accelerate well ahead of revenue growth, with increases of 24.1% and 77.5% respectively, compared to the first half of 2010. Net interest expenses were €2.6 million compared to €1.9 million in the first half of 2010 with the increase attributed almost exclusively to higher interest rates, as average net debt during the period was almost at par with last year's comparable first half. Net profit attributed to shareholders of the Group amounted to €10.4 million or €0.20 per share for the first half of 2011 compared to €5.6 million or €0.11 per share in the respective period of 2010, representing substantial increases of 85.1% and 85.7% respectively.

Despite the enhanced business activity and corresponding revenue growth of our Group, working capital has been maintained at 15.8% of sales, at par with 16% at the end of the first half of 2010 and an improvement compared to 18% at the end of 2010. In line with our plans, we accelerated investments during the second quarter, leading to capital expenditure of €17.5 million for the first half of the year, higher by 87% compared to the corresponding 2010 period. Pre-tax operating free cash flow (net of capital expenditure) for the first half of 2011 was €4.3 million compared to €12.9 million in the first half of 2010. Cash generation was adversely impacted by much higher income taxes paid in the first half of 2011 compared to the respective prior year period, as well as adverse foreign exchange differences due to the strengthened EUR/USD exchange rate. During the period, €15 million of interest-bearing loans were repaid. Moreover, we refinanced a €20 million bond loan maturing in March 2011 with a two year term loan maturing in March 2013 and issued in June 2011 a new common bond loan of €20 million with a two year maturity. Our Group's net debt position increased in the first half of the year, by €7.7 million to €120.6 million from €112.9 million at the end of 2010.

Divisional performance (amounts in € 000s)

Bentonite	Half Year 2011	Half Year 2010	% change	Q2 2011	Q2 2010	% change
Net Sales	104,261	91,362	14.1%	55,032	48,753	12.9%
EBITDA	25,313	22,749	11.3%	14,056	12,264	14.6%
Profit before tax	20,252	17,776	13.9%	11,558	9,666	19.6%

Demand was high during the half year period from the foundry and specialties segments, while civil engineering improved significantly during the second quarter offsetting the decline in pet litter absorbents. Despite rising input costs profitability improved during the second quarter.

Perlite	Half Year 2011	Half Year 2010	% change	Q2 2011	Q2 2010	% change
Net Sales	35,794	34,238	4.5%	18,082	18,746	-3.5%
EBITDA	6,652	4,353	52.8%	3,300	2,302	43.4%
Profit before tax	4,597	2,417	90.2%	2,389	1,343	77.9%

The pace of improvement from construction related activity slowed significantly during the second quarter, with the exception of China which contributed significantly to healthy divisional results.

Bauxite	Half Year 2011	Half Year 2010	% change	Q2 2011	Q2 2010	% change
Net Sales	15,590	14,624	6.6%	8,255	7,616	8.4%
EBITDA	1,421	-585	342.9%	969	-452	314.4%
Profit before tax	-2,990	-7,328	59.2%	-1,042	-5,893	82.3%

Production increased helping to serve the alumina and cement segments, without the need for third party product. Despite not realizing sales to the iron/steel segment as expected in the second quarter, profitability was significantly improved.

Continuous Casting Fluxes	Half Year 2011	Half Year 2010	% change	Q2 2011	Q2 2010	% change
Net Sales	51,888	45,896	13.1%	25,327	24,005	5.5%
EBITDA	10,900	10,456	4.2%	5,006	5,302	-5.6%
Profit before tax	8,878	8,471	4.8%	3,999	4,289	-6.8%

Global steel production growth decelerated slightly during the second quarter. The division's performance follows developments closely due to its tight correlation to steel production. Profitability was impacted by increased sales from Brazil and India which contribute lower margins.



Minerals Trading	Half Year 2011	Half Year 2010	% change	Q2 2011	Q2 2010	% change
Net Sales	21,603	17,184	25.7%	10,867	9,039	20.2%
EBITDA	3,407	2,577	32.2%	1,572	1,243	26.5%
Profit before tax	3,226	2,335	38.2%	1,482	1,120	32.3%

Performance was driven largely by the Glass & Ceramics segments in which the division has been developing new business and experienced strong double digit revenue growth as a result of increased demand.

Outlook

After an encouraging first half performance in 2011 we believe that market conditions will remain positive for the rest of the year, likely with a lower rate of growth compared to the first half. Industrial production remains upbeat both in North America and Western Europe. On the contrary, construction markets in our regions of operation are likely to remain subdued, with the exception of China, but we expect to realize modest improvements. The developed economies are faced with sovereign debt challenges, end of subsidy programs, inflationary trends and high unemployment, raising some concern about the future pace of their economic growth. However, developing economies are recovering faster and these areas are our primary focus for increasing capacity and enhancing our Group's presence. We are monitoring the development of external costs and are taking measures to help control the related risks. In parallel we remain focused on controlling internal costs, maintaining pricing discipline and sound working capital levels. Improvement from the normalization of bauxite operations is expected to continue with positive contribution to our margins and profitability. Overall, provided that future economic expectations do not deteriorate drastically, we expect an improved performance for the year both in revenue and profitability.

Other items

New organizational structure

S&B proceeded with organizational changes with effect from September 1st 2011. The new structure will be a matrix system, based on four geographic regions and four market segments. It will enable the achievement of operational efficiencies, meeting and exceeding customer expectations globally for additional sustainable solutions and exploiting growth dynamics in emerging regions. More details are available in our announcement dated July 27 2011 and can be found on our website at www.sandb.com

Capital return

A capital return to shareholders of €0.25 per share was approved at the Annual General Meeting (AGM) of shareholders on June 1 2011 and was paid to shareholders on July 25 2011.

Cancellation of treasury shares

The cancellation of 671,513 treasury shares which represented 1.3% of our share capital was approved at the AGM on June 1 2011 and executed on July 11 2011. The Company's share capital now stands at €51,110,687.00 divided into an equal numbers of shares of a nominal value of €1.00 each.

New CEO appointment, new Board of Directors

Mr. Kriton Anavlavis was appointed Executive Board member and CEO of the S&B Group on April 4 2011. His election was ratified by the AGM on June 1 2011. In addition the AGM elected a new and more flexible 12 member Board of Directors with a 3 year term, comprising two executive, three non-executive and seven independent non-executive members.

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 2010 it had a Group turnover of €420 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 5, 2011, at 4:00 pm Athens Time, 2:00 pm London Time, 9:00 am 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 2011 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. Condensed consolidated income statement for the three month period ended June 30, 2011
2. Condensed consolidated income statement for the six month period ended June 30, 2011
3. Condensed consolidated balance sheet as at June 30, 2011
4. Condensed consolidated cash flow statement for the six month period ended June 30, 2011

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

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

	<u>1/4 - 30/06/2011</u>	<u>1/4 - 30/06/2010</u>
Sales	117,981	108,460
Cost of sales	<u>(88,263)</u>	<u>(87,335)</u>
Gross Profit	29,718	21,125
Net operating expenses	(17,954)	(16,597)
Operating profit	11,764	4,528
Net Finance costs	(2,021)	(712)
Share of (loss)/profit of associates	142	243
Profit before tax	9,885	4,059
Income tax expense	<u>(3,650)</u>	<u>(2,640)</u>
Net profit	<u>6,235</u>	<u>1,419</u>
Net profit attributable to:		
Equity holders of the Company	6,284	1,582
Non-Controlling interests	<u>(49)</u>	<u>(163)</u>
	<u>6,235</u>	<u>1,419</u>
Earnings per share		
Basic	<u>0.1229</u>	<u>0.0309</u>
Diluted	<u>0.1219</u>	<u>0.0306</u>
Weighted average number of shares		
Basic	<u>51,110,687</u>	<u>51,238,729</u>
Diluted	<u>51,560,685</u>	<u>51,743,713</u>

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

	<u>1/1 - 30/06/2011</u>	<u>1/1 - 30/06/2010</u>
Sales	229,813	203,692
Cost of sales	(173,657)	(160,280)
Gross Profit	56,156	43,412
Net operating expenses	(35,157)	(31,582)
Operating profit	20,999	11,830
Net Finance costs	(4,163)	(2,214)
Share of profit/(loss) of associates	213	415
Profit before tax	17,049	10,031
Income tax expense	(6,711)	(4,703)
Net profit	10,338	5,328
Net profit attributable to:		
Equity holders of the Company	10,401	5,619
Non-Controlling interests	(63)	(291)
	10,338	5,328
Earnings per share		
Basic	0.2035	0.1096
Diluted	0.2021	0.1085
Weighted average number of shares		
Basic	51,110,687	51,288,603
Diluted	51,457,526	51,769,907

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

	The Group	
	June 30 2011	December 31 2010
<u>ASSETS</u>		
Non-current assets		
Property, plant and equipment	194,554	190,114
Goodwill & other intangible assets	103,649	105,185
Other non-current assets	36,142	37,701
	334,345	333,000
Current assets		
Inventories	80,436	77,056
Trade and other receivables	84,429	70,891
Cash and cash equivalents	41,450	42,724
	206,315	190,671
Total Assets	540,660	523,671
<u>EQUITY AND LIABILITIES</u>		
Equity attributable to owners of the Company	234,886	242,397
Non-controlling interests	411	561
Total equity	235,297	242,958
Non-current liabilities		
Interest-bearing loans and borrowings	67,953	119,858
Other non-current liabilities	51,063	52,783
	119,016	172,641
Current liabilities		
Short-term borrowings & current portion of long-term debt	94,094	35,779
Other current liabilities	92,253	72,293
	186,347	108,072
Total equity and liabilities	540,660	523,671

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

	The Group	
	1/1 - 30/06 2011	1/1 - 30/06 2010
Cash flows from operating activities		
Profit before tax	17,049	10,031
Adjustments for:		
- Depreciation and amortization	13,407	15,653
- Net finance costs	4,163	2,214
- Provisions, net & other non cash adjustments	2,108	1,439
- Share of (profit)/loss of associates	(213)	(415)
- Gain on disposal of property, plant and equipment	(10)	(74)
	36,504	28,848
(Increase) / Decrease in:		
- Inventories	(4,195)	(137)
- Trade and other receivables	(14,073)	(17,238)
Increase / (Decrease) in:		
- Trade and other payables	7,823	12,709
Income tax paid	(6,891)	(1,815)
Payments for staff leaving indemnities and environmental rehabilitation	(4,450)	(2,003)
Net cash flows from operating activities	14,718	20,364
Cash flows from investing activities		
- Capital expenditure	(17,515)	(9,646)
- Business combinations and investments in consolidated entities	-	(615)
- Proceeds from disposal of property, plant and equipment	28	86
- Proceeds from the sale of associate	-	550
- Government grants received	-	264
- Other investing activities	666	412
Net cash flows used in investing activities	(16,821)	(8,949)
Cash flows used in financing activities:		
- Purchase of treasury shares	(6)	(691)
- Net (decrease)/increase in borrowing	6,363	(14,338)
- Dividends paid	(72)	(102)
- Interest and other finance costs paid	(2,775)	(2,534)
Net cash flows used in / (from) financing activities	3,510	(17,665)
- Net foreign exchange difference on cash flows	(1,648)	3,290
Net (decrease) / increase in cash and cash equivalents	(241)	(2,960)
Increase in restricted cash	190	-
Cash and cash equivalents at the beginning of the period	42,724	49,573
- Net foreign exchange difference on cash and cash equivalents at the beginning of the period	(1,223)	1,645
Cash and cash equivalents at period end	41,450	48,258