Financial Results for the Nine Months 2012 (IFRS)

NINE MONTHS 2012 HIGHLIGHTS

- **Sales increased 3% compared to the nine months of 2011**
- **EBITDA up by 8% compared to the nine months of 2011**
- **One-time €6.1 million depreciation effect on third quarter profitability from the annulled agreement of the bauxite divestment**
- **Completion of NYCO acquisition for $55.5 million with successful and efficient financing in the U.S.**

€ 000s	Nine Months 2012	Nine Months 2011	% change	Q3 2012	Q3 2011	% change
Sales	353,935	344,140	2.8%	115,909	114,327	1.4%
EBITDA	58,730	54,439	7.9%	17,435	19,820	-12.0%
Operating profit	35,779	33,438	7.0%	5,833	12,439	-53.1%
Profit before tax	26,126	28,025	-6.8%	1,382	10,976	-87.4%
Net profit [1]	15,965	18,173	-12.1%	105	7,772	-98.6%
EPS [2]	0.3124	0.3556	-12.1%	0.0021	0.1521	-98.6%
Comparable operating profit	37,679	33,438	12.7%	11,933	12,439	-4.1%
Comparable profit before tax	28,026	28,025	0.0%	7,482	10,976	-31.8%
Comparable net profit [1]	17,390	18,173	-4.3%	5,024	7,772	-35.4%
Comparable EPS [2]	0.3402	0.3556	-4.3%	0.0983	0.1521	-35.4%

[1] Net profit attributable to shareholders

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

Note in relation to comparable indicators: See explanations related to depreciation as a result of the annulled agreement of the bauxite divestment in section Other Items on page 4.

Kriton Anavlavis, CEO of S&B, commented:

"Our focus on growing the top line has enabled us to deliver increased sales in spite of deteriorating global economic conditions. In this challenging environment we have maintained our strong market positions and achieved robust operating profitability and related margin improvement.

We are vigilant with regards to the developing global economic trends, especially the effect on metallurgy end-markets, and look to quickly and decisively respond to the current environment through a set of initiatives. At the same time, we look forward to the seamless integration of NYCO minerals into our Group. This successfully financed acquisition will further diversify our geographic footprint, enable us to access new market to mine value chains and allow us to leverage a stronger platform from which to provide new industrial solutions to our current and to new customers. This transaction is consistent with, underscores and promotes, S&B's long term objective of delivering sustainable value growth and returns for its shareholders."

Operational highlights

Global economic conditions progressively deteriorated during the course of the nine month period of 2012, leading demand to consistently weaken in many of our markets. Trends continued to vary by geography through to the third quarter. Global steel production posted minimal growth during the nine month period with production declines in Europe being offset by an increase in North America and China. The automotive sector remained broadly favorable globally, slowing somewhat over the course of the third quarter and equally displaying regional variations with North America remaining particularly strong. The construction slowdown has endured throughout Europe prompted by lower industrial production but activity improved modestly in the US on the back of the construction market upturn. Owing to its broad geographic footprint, S&B achieved low to mid-single digit revenue growth for the nine months 2012 in all market segments (Metallurgy +1%, Construction +6%, Foundry +3%, Specialties +1%).

Consolidated Group sales amounted to €353.9 million for the nine months of 2012, compared to €344.1 million in the same period of 2011. This 2.8% revenue increase reflects successful price initiatives which have limited the impact of lower volumes compared to the nine months of 2011. Overall, costs were in line with the nine month period of the previous year, incorporating broadly unchanged, on average, crude oil prices and ocean freights. Despite ocean freight indices being 32% lower on average during the period, the freight rates corresponding to the types of vessel and destination routes used for our business were stable compared to the prior year's nine month period. Gross profit increased by 3.2% in the nine months of 2012 to €87.5 million compared to €84.8 million in the nine months of 2011. Concurrently, gross margin improved by 10 basis points compared to the nine months of 2011 and stood at 24.7%. It is important to highlight, that as a result of the annulled agreement of the bauxite divestment in combination with the guidelines of IFRS 5 for assets designated as held for sale, we realized, in the third quarter of 2012, a total depreciation charge of €7.8 million. This amount incorporates €1.9 million not recognized up to December 31, 2011 and €5.9 million for the nine months of 2012 (the recurring amount corresponding to the third quarter is €1.7 million). While impacting the gross profit level, this depreciation charge has also had an adverse impact, both for the nine months and the third quarter, on all reported profit measures except EBITDA.

During the nine months of 2012, EBITDA and operating profit increased by 7.9% and 7% to €58.7 million and €35.8 million, respectively, compared to the nine months of 2011. Net operating expenses in the same period were stable. EBITDA margin increased to 16.6% in the nine months of 2012 from 15.8% in the comparable prior year period, while operating margin surpassed 10% from 9.7%. Excluding the depreciation charge related to the annulled agreement of the bauxite divestment, operating profit in the nine months of 2012 increased by 12.7% to €37.7 million with a corresponding margin of 10.6%. Net interest expenses were higher by 71% compared to the nine months of 2011 at €7.6 million from €4.4 million, mainly attributable to the higher cost of debt refinanced in June 2012. Net profit attributed to shareholders of the Group in the nine months of 2012 amounted to €16 million (€0.31 per share) compared to €18.2 million (€0.36 per share) in the nine months of 2011, representing a decline of 12%. Excluding the depreciation charge related to the annulled agreement of the bauxite divestment, net profit attributed to shareholders of the Group in the nine months of 2012 amounted to €17.4 million (€0.34 per share).

Pre-tax operating free cash flow (net of capital expenditure) at €18.7 million in the nine months of 2012 more than doubled compared to €9.1 million in the comparable prior year period, with a combination of higher EBITDA and lower capital expenditure supporting the increase. Working capital increased by 13.9% (excluding the consolidation of NYCO), reflecting higher receivables due to a higher sales level at the end of the nine months of 2012 and a VAT related receivable from the Greek state of €13 million. Our net debt position increased by €50 million to €182 million at the end of the nine months of 2012 from €132.1 million at the end of 2011. This is primarily the result of approximately €42 million in additional financing facilities drawn in the US in the month of September, to fund the NYCO acquisition.

Regional performance (amounts in € 000s)

South Europe	Nine Months 2012	Nine Months 2011	% change	Q3 2012	Q3 2011	% change
Sales - 3rd party	94,574	93,924	0.7%	33,880	32,812	3.3%
Sales - Total	125,304	128,892	-2.8%	42,696	44,240	-3.5%
EBITDA	31,983	33,413	-4.3%	10,726	12,704	-15.6%
Profit before tax	16,705	19,598	-14.8%	1,568	7,853	-80.0%

Sales for the nine months 2012 have been broadly in line with the prior year. Higher Metallurgy market sales have offset the continued decline in Construction related sales. Profitability in the third quarter and the nine months of 2012 has been impacted by the recognition of depreciation related to the annulled agreement of the bauxite divestment.

North Europe	Nine Months 2012	Nine Months 2011	% change	Q3 2012	Q3 2011	% change
Sales - 3rd party	162,948	163,681	-0.4%	51,389	53,453	-3.9%
Sales - Total	165,658	164,638	0.6%	52,739	53,721	-1.8%
EBITDA	27,923	25,243	10.6%	8,609	8,019	7.4%
Profit before tax	23,135	20,300	14.0%	7,030	6,423	9.5%

Besides lower sales in the Metallurgy market related to the steel production decline, Foundry sales declined for the first time in the year due to declining German production. The Construction market realized growth due to drilling and civil engineering projects. Cost control continued to contribute significantly to the increase in profitability.

Americas	Nine Months 2012	Nine Months 2011	% change	Q3 2012	Q3 2011	% change
Sales - 3rd party	76,036	67,726	12.3%	23,790	21,581	10.2%
Sales - Total	76,108	67,743	12.3%	23,826	21,589	10.4%
EBITDA	11,839	7,015	68.8%	3,322	1,946	70.7%
Profit before tax	9,589	4,904	95.5%	2,571	1,198	114.6%

The Americas continued to deliver the best regional performance, with sales and profit growth remaining robust into the third quarter. All segments performed well except metallurgy in Brazil, however, market dynamics in general moderated slightly in the third quarter.

Asia/Pacific	Nine Months 2012	Nine Months 2011	% change	Q3 2012	Q3 2011	% change
Sales - 3rd party	20,377	18,809	8.3%	6,850	6,481	5.7%
Sales - Total	22,164	22,198	-0.2%	7,774	6,517	19.3%
EBITDA	3,661	3,572	2.5%	934	1,266	-26.2%
Profit before tax	2,792	2,823	-1.1%	590	1,016	-41.9%

The Asia/Pacific region performance is predominantly related to metallurgy and construction. Both markets experienced a slow down during the period reflecting the uncertainty in economic growth expectations, equally in China and India. Our top-line performance is the result of successful pricing initiatives.

Outlook

The pace of global economic growth moderated during the course of 2012 and growth rates have varied by geographic region. Developed economies, such as the U.S., are achieving only moderate rates of growth, with some economies, particularly in Europe, experiencing recession. Emerging economies however are posting relatively better economic performances. We expect these trends to continue throughout the rest of 2012 and into the start of 2013. Industrial production in Europe recorded a second consecutive quarter of negative growth, while during the third quarter in the U.S. the pace of growth of industrial production moderated. Similarly, global steel production for the nine months of 2012 depicted the same trends in performance and regional variances as it had in the first half of the year. That is, flat growth globally, output reduction in Europe and Brazil, strong growth in the U.S. and modest growth in China and India. The automotive sector in Europe weakened progressively, with Germany witnessing production declines in the third quarter. Construction activity worldwide maintained its characteristics of, on-going weakness and deterioration in Southern Europe, modest improvements in the U.S., signs of a slowdown in China. Raw material and energy costs have stabilised at current levels but interest expenses will continue to increase, as expected, due to the higher-cost refinancing of existing debt obligations and to additional debt assumed for the NYCO acquisition.

Within this challenging global economic climate we are focusing on the execution of a program to identify and adopt cost reduction targets across all our operations. Our aim is to increase operational efficiencies throughout all parts of our organisation and drive value from the implementation of various sustainability initiatives in all relevant areas. Disciplined working capital and investment management, as well as the continuous optimization of our processes form core constituents of our strategy to sustain value creation. In this context, the acquisition of NYCO represents a further strategic step towards delivering sustainable value growth for our shareholders. Furthermore, it will contribute towards S&B maintaining its strong link with its global customers by providing effective industrial solutions through new market to mine chains.

Other items

Explanatory note for comparable indicators: As a result of the annulment of the agreement of the bauxite divestment, the depreciation that had ceased since 8 November 2011 (announcement of initial agreement to divest the Greek bauxite operations) in accordance with IFRS 5, resumed in the nine months of 2012. Consequently, comparable indicators for the nine months 2012 exclude the recognition of €1.9 million depreciation which had not been recorded in the last 2 months of 2011. For the third quarter 2012, comparable indicators exclude (1) the recognition of €1.9 million depreciation which had not been recorded in the last 2 months of 2011 and (2) the recognition of €4.2 million depreciation which corresponds to the first half of 2012 and had not been recorded in its respective period.

Continuing / Discontinuing Operations

On October 12, 2012, the Company announced that following an extended due diligence process, as well as negotiations between the two parties, it was not possible to conclude on an agreement for the gradual acquisition of S&B's bauxite operations in Greece by MYTILINEOS' fully owned subsidiary ALUMINIUM S.A., as it had been announced on 8 November 2011. As a result, the net assets of the Company's bauxite operations cease to be classified as held for sale and their results for the nine months 2012 are reclassified as Continuing Operations. Furthermore, in accordance with the guidelines with IFRS 5 for assets classified as held for sale, the depreciation that had ceased to be recognized since November 2011 resumed and was recognized in the three month period ending September 30, 2012.

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 June 2012, 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 due to mature in 2012 and 2013.

The execution of the above refinancing transactions extends 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.

Acquisition of NYCO Minerals

On September 14, 2012, the Group acquired 100% of the shares and voting rights of US based Rolling Rock Minerals Inc. (RRM) and its subsidiaries. RRM is the parent company of world-class wollastonite provider NYCO Minerals Inc. (NYCO). NYCO is global market leader in high quality wollastonite grades and in tripoli, with production facilities in U.S.A. and Mexico. The cash consideration for the acquisition was $55.5 million on a debt-free basis, including closing customary cash and working capital adjustments. The acquisition was financed primarily through a $ 50 million credit facility with a 5-year tenor arranged with M&T Bank in the U.S.

The acquisition is consistent with our diversification strategy, supporting a shift towards high added-value applications (plastics, paints and coatings), augmenting geographical presence in the Americas and Asia regions and complementing our product palette with a highly valuable mineral of significant potential. Consistent with our market to mine philosophy, NYCO will enable the formation of new integrated chains for S&B that will accelerate growth in the higher-value specialty applications and expand its industrial solutions offering.

Due to the date of acquisition interim results for the nine months 2012 do not include the results of RRM. If the combination had taken place on January 1, 2012, sales of the Group would have been increased by approximately € 30.9 million, consolidated profit before taxes and net profit would have been increased by approximately € 3.6 million and € 2.2 million, respectively.

About S&B Industrial Minerals

S&B Industrial Minerals *is a global diversified minerals and materials group, providing industrial solutions based on natural resources. With annual sales of more than €450 million, it serves a wide range of industrial applications in the global markets of metallurgy, foundry, construction and in various specialty niche sectors. Committed to Sustainable Development, S&B utilizes the multiple properties of industrial minerals to transform its mineral portfolio into customized industrial solutions that enhance the production processes of its customers and increase end-product performance. Through a well-balanced international presence and with leading positions in its markets, S&B operates in 21 countries, effecting sales in over 70 countries. S&B's shares are listed on the Athens Exchange since 1994 (ATHEX: ARBA). For more information, please visit* ***www.sandb.com***

Conference Call and Live Audio Webcast

S&B's Management will host a conference call for the investment community today, Wednesday 14 November, 2012, at 16:00 Athens Time (14:00 London Time, 9:00 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 Nine Months 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. Condensed consolidated income statement for the nine month period ended September 30, 2012
2. Condensed consolidated income statement for the three month period ended September 30, 2012
3. Condensed consolidated statement of financial position as at September 30, 2012
4. Condensed consolidated cash flow statement for the nine month period ended September 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

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

	The Group	
	1/1 - 30/09/2012	1/1 - 30/09/2011
Sales	353,935	344,140
Cost of sales	(266,397)	(259,344)
Gross Profit	**87,538**	**84,796**
Net operating expenses	(51,759)	(51,358)
Operating profit	**35,779**	**33,438**
Net Finance costs	(10,693)	(5,944)
Share of profit of associates	1,040	531
Profit before tax	**26,126**	**28,025**
Income tax expense	(10,255)	(9,890)
Net profit	**15,871**	**18,135**
Net profit attributable to:		
Equity holders of the Company	15,965	18,173
Non-Controlling interests	(94)	(38)
	15,871	**18,135**
Earnings per share		
Basic	0.3124	0.3556
Diluted	0.3082	0.3528
Weighted average number of shares		
Basic	51,110,687	51,110,687
Diluted	51,797,950	51,513,239

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

	The Group	
	1/7 - 30/09/2012	1/7 -30/09/2011
Sales	115,909	114,327
Cost of sales	(91,455)	(85,687)
Gross Profit	**24,454**	**28,640**
Net operating expenses	(18,621)	(16,201)
Operating profit	**5,833**	**12,439**
Net Finance costs	(4,646)	(1,781)
Share of profit of associates	195	318
Profit before tax	**1,382**	**10,976**
Income tax expense	(1,238)	(3,179)
Net profit	**144**	**7,797**
Net profit attributable to:		
Equity holders of the Company	105	7,772
Non-Controlling interests	39	25
	144	7,797
		-
Earnings per share		
Basic	0.0021	0.1521
Diluted	0.0020	0.1506
Weighted average number of shares		
Basic	51,110,687	51,110,687
Diluted	51,951,614	51,623,835

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

	The Group	
	September 30 2012	December 31 2011
ASSETS		
Non-current assets		
Property, plant and equipment	221,337	154,439
Goodwill & other intangible assets	126,970	102,593
Other non-current assets	45,743	43,689
	394,050	**300,721**
Current assets		
Inventories	101,619	73,469
Trade and other receivables	91,128	69,849
Cash and cash equivalents	45,050	46,158
	237,797	**189,476**
Assets held for sale		72,585
Total Assets	**631,847**	**562,782**
EQUITY AND LIABILITIES		
Equity attributable to owners of the Company	252,784	249,253
Non-controlling interests	634	658
Total equity	**253,418**	**249,911**
Non-current liabilities		
Interest-bearing loans and borrowings	171,186	66,978
Other non-current liabilities	63,915	41,738
	235,101	**108,716**
Current liabilities		
Short-term borrowings & current portion of long-term debt	55,866	111,279
Other current liabilities	87,462	68,844
	143,328	**180,123**
Liabilities associated with the assets classified as held for sale		24,032
Total equity and liabilities	**631,847**	**562,782**

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

	The Group	
	1/1 - 30/09 2012	1/1 - 30/09 2011
Cash flows from operating activities		
Profit / (loss) before tax	**26,126**	**28,025**
Adjustments for:		
- Depreciation and amortization	21,911	20,470
- Net finance costs	10,693	5,944
- Provisions, net	1,233	3,974
- Share of (profit)/loss of associates	(1,040)	(531)
- (Gain)/Loss from the disposal of property, plant and equipment	(43)	4
	58,880	**57,886**
(Increase) / Decrease in:		
- Inventories	(4,419)	(10,264)
- Trade and other receivables	(8,632)	(12,057)
Increase / (Decrease) in:		
- Trade and other payables	(2,186)	7,422
Income tax paid	(7,360)	(9,276)
Payments for staff leaving indemnities and environmental rehabilitation	(2,103)	(4,959)
Net cash flows from operating activities	**34,180**	**28,752**
Cash flows from investing activities		
- Capital expenditure	(22,914)	(28,898)
- Business combinations and investments in consolidated entities	(42,348)	(100)
- Proceeds from disposal of property, plant and equipment	77	17
- Proceeds from the sale of associate	140	-
- Other investing activities	523	842
Net cash flows used in investing activities	**(64,522)**	**(28,139)**
Cash flows used in financing activities:		
- Capital return to shareholders	(12,769)	(12,767)
- Purchase of treasury shares	-	(6)
- Net (decrease)/increase in borrowing	50,205	18,209
- Dividends paid	(70)	(72)
- Interest and other finance costs paid	(8,249)	(4,546)
Net cash flows (used in) / from financing activities	**29,117**	**818**
- Net foreign exchange difference on cash flows	35	263
Net (decrease) / increase in cash and cash equivalents	**(1,190)**	**1,694**
Increase in restricted cash	-	190
Cash and cash equivalents at the beginning of the period	**46,187**	**42,724**
- Net foreign exchange difference on cash and cash equivalents at the beginning of the period	53	(330)
Cash and cash equivalents at period end	**45,050**	**44,278**