



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

**Interim Condensed  
Financial Statements**

**for the three month period  
ended March 31, 2007**

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

The accompanying Interim Condensed Financial Statements have been approved by the Board of Directors on May 16, 2007 and have been published on the website in the following address: [www.sandb.com](http://www.sandb.com). It is noted that the purpose of the published condensed financial data to the Press is to provide the users with certain general financial data, however, they do not provide a full view of the Company's financial position and results of their operations, in accordance with International Financial Reporting Standards (IFRS). It is also noted that certain amounts have been condensed in the published financial data to the Press, for simplicity reasons.

Chief Executive Officer

Chief Financial Officer

Efthimios O. Vidalis

Sotiris D. Hatzikos

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

**INTERIM CONDENSED FINANCIAL STATEMENTS  
IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS  
ADOPTED FROM THE EUROPEAN UNION**

**MARCH 31, 2007**

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

**INCOME STATEMENT  
FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2007  
(All amounts in thousands of Euro)**

	<u>1/1 - 31/3/2007</u>	<u>1/1 - 31/3/2006</u>
Sales	31.821	31.800
Cost of sales	(22.882)	(22.418)
<b>Gross profit</b>	<b>8.939</b>	<b>9.382</b>
Administrative expenses	(6.241)	(5.730)
Selling expenses	(640)	(739)
Other income / (expense)	619	1.489
<b>Profit before income tax, financial and investment results</b>	<b>2.677</b>	<b>4.402</b>
Financial income	34	125
Financial expense	(1.289)	(1.344)
<b>Profit before income tax</b>	<b>1.422</b>	<b>3.183</b>
Income tax	(348)	(716)
<b>Net profit</b>	<b>1.074</b>	<b>2.467</b>

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

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

**BALANCE SHEET**

**MARCH 31, 2007**

**(All amounts in thousands of Euro)**

	<b>March 31, 2007</b>	<b>December 31, 2006</b>
<b><u>ASSETS</u></b>		
<b>Non current assets</b>		
Tangible assets	81.963	81.046
Investment property	23.640	23.744
Goodwill	25.129	25.129
Intangible assets	501	653
Deferred tax assets	2.532	2.615
Investments in subsidiaries	99.121	99.121
Investments in associates	3.773	3.773
Other non current assets	928	958
<b>Total non current assets</b>	<b>237.587</b>	<b>237.039</b>
<b>Current assets</b>		
Inventories	23.201	26.743
Trade accounts receivable	13.122	11.892
Due from related parties	12.944	11.944
Income tax receivable	-	330
Other current assets	9.530	10.955
Cash and cash equivalents	4.647	8.279
<b>Total current assets</b>	<b>63.444</b>	<b>70.143</b>
<b>Total Assets</b>	<b>301.031</b>	<b>307.182</b>
<b><u>EQUITY AND LIABILITIES</u></b>		
<b>Equity</b>		
Share capital	30.651	30.651
Share premium	28.352	28.352
Share option plan reserve	492	396
Derivative financial instruments valuation reserve	361	80
Other reserves	85.072	85.072
Retained earnings	18.831	17.757
<b>Total equity</b>	<b>163.759</b>	<b>162.308</b>
<b>Non current liabilities</b>		
Provision for staff leaving indemnities	6.662	6.452
Provision for environment rehabilitation	10.928	10.948
Other provisions	680	609
Interest-bearing loans and borrowings	99.681	74.663
Grants	2.179	2.212
Other non current liabilities	58	56
<b>Total non current liabilities</b>	<b>120.188</b>	<b>94.940</b>
<b>Current liabilities</b>		
Trade accounts payable	5.611	7.944
Current portion of long term loans and borrowings	-	33.175
Income tax payable	93	-
Dividends payable	51	53
Other current liabilities	11.329	8.762
<b>Total current liabilities</b>	<b>17.084</b>	<b>49.934</b>
<b>Total equity and liabilities</b>	<b>301.031</b>	<b>307.182</b>

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

**S&B Industrial Minerals S.A.**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2007**  
**(All amounts in thousands of Euro)**

	Share Capital	Share Premium	Treasury shares	Share option plan reserve	Derivative financial instruments valuation reserve	Other reserves	Retained earnings	Total equity
<b>January 1, 2006</b>	<b>30.382</b>	<b>26.445</b>	-	<b>509</b>	<b>(268)</b>	<b>80.120</b>	<b>20.357</b>	<b>157.545</b>
- Accumulated effect of adapting IAS 39 (net of deferred tax liabilities of Euro 139)	-	-	-	-	171	-	-	<b>171</b>
- Recognition of share option	-	-	-	38	-	-	-	<b>38</b>
- Result (profit) for the period 1/1-31/3/2006	-	-	-	-	-	-	2.467	<b>2.467</b>
<b>March 31, 2006</b>	<b>30.382</b>	<b>26.445</b>	-	<b>547</b>	<b>(97)</b>	<b>80.120</b>	<b>22.824</b>	<b>160.221</b>
<b>January 1, 2007</b>	<b>30.651</b>	<b>28.352</b>	-	<b>396</b>	<b>80</b>	<b>85.072</b>	<b>17.757</b>	<b>162.308</b>
- Recognition of share option	-	-	-	96	-	-	-	<b>96</b>
- Derivative valuation (net of deferred tax liabilities of Euro 83)	-	-	-	-	281	-	-	<b>281</b>
- Result (profit) for the period 1/1-31/3/2007	-	-	-	-	-	-	1.074	<b>1.074</b>
<b>March 31, 2007</b>	<b>30.651</b>	<b>28.352</b>	-	<b>492</b>	<b>361</b>	<b>85.072</b>	<b>18.831</b>	<b>163.759</b>

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

**S&B Industrial Minerals S.A.**  
**CASH FLOW STATEMENT**  
**FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2007**  
**(All amounts in thousands of Euro)**

	<u>1/1-31/3/2007</u>	<u>1/1-31/3/2006</u>
<b>Cash flows from operating activities</b>		
Profit for the period before tax	<u>1.422</u>	<u>3.183</u>
Adjustments for:		
- Depreciation and amortization	2.940	3.593
- Depreciation and amortization included in prior period's ending inventories	621	174
- Subsidies amortization	(33)	(45)
- Provisions for environment rehabilitation	213	-
- Other provisions	507	258
- Financial income	(34)	(125)
- Financial expenses	1.289	1.344
- (Gains)/losses from disposal of property, plant and equipment	(1)	4
	<u>6.924</u>	<u>8.386</u>
(Increase) / Decrease of:		
- Other non current assets	29	53
- Inventories	2.922	3.508
- Trade accounts receivable	(1.230)	2.676
- Due from related parties	(1.001)	-
- Other current assets	1.426	(5.709)
Increase / (Decrease) of:		
- Other non current liabilities	1	190
- Trade payables	(2.334)	(4.554)
- Other current liabilities	2.235	2.269
Staff leaving indemnities paid	(58)	(67)
Payments for environment rehabilitation	(233)	(235)
Income tax paid	(41)	(125)
<b>Net cash inflows from operating activities</b>	<u>8.640</u>	<u>6.392</u>
<b>Cash flows from investing activities:</b>		
- Capital expenditure for property, plant and equipment	(3.839)	(2.184)
- Capitalized depreciation	101	120
- Investments in subsidiaries	-	(57)
- Income from disposal of property, plant and equipment	1	-
<b>Net cash outflows from investing activities</b>	<u>(3.737)</u>	<u>(2.121)</u>
<b>Cash flows from financing activities:</b>		
- Net increase of short-term borrowing	-	42
- Increase of long-term borrowing	25.019	13.270
- Decrease of long-term borrowing	(33.175)	(33.156)
- Dividends paid	(1)	-
- Financial income received	34	125
- Interest and financial expenses paid	(412)	(1.645)
<b>Net cash flows from financing activities</b>	<u>(8.535)</u>	<u>(21.364)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<u>(3.632)</u>	<u>(17.093)</u>
<b>Cash and cash equivalents at beginning of period</b>	<u>8.279</u>	<u>21.945</u>
<b>Cash and cash equivalents at period end</b>	<u>4.647</u>	<u>4.852</u>

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

**S&B Industrial Minerals S.A.**  
**INTERIM CONDENSED FINANCIAL STATEMENTS**  
**MARCH 31, 2007**

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

**1. THE COMPANY AND ITS OPERATIONS**

S&B Industrial Minerals S.A. (“the Company” or “S&B”) is a Greek corporation mainly engaged in the extraction, processing, distribution and supply of industrial minerals.

The Company was incorporated in 1934 and, as of 1994 its shares are listed on the Athens Exchange. The S&B headquarters are located in Kifissia, Attica, 15 A.Metaxa street. In 1978, and after decision of the Shareholders Ordinary General Assembly, its duration was extended for a period of 50 years up to 2034.

As at March 31, 2007 and as at March 31, 2006 the Company employed 700 and 703 employees, respectively.

**2. BASIS OF PRESENTATION**

The accompanying interim condensed financial statements for the period ended March 31, 2007 (hereinafter referred to as “the financial statements”) have been prepared in accordance with International Financial Reporting Standards (“IFRS”), adopted from the European Union, and more specifically with the provisions of IAS 34 “Interim financial reporting”.

There are no standards applied in advance of their effective date. The financial statements have been prepared under the historical cost convention, except for financial instruments which are measured at fair value.

The interim condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the last published annual financial statements as at 31 December, 2006.

**3. PRINCIPAL ACCOUNTING POLICIES**

The principal accounting policies adopted in the preparation of the accompanying financial statements, are consistent with those followed in the preparation of the annual financial statements for the year ended December 31, 2006.

**4. SALES**

Sales in the accompanying financial statements are analyzed as follows:

	<b>March 31, 2007</b>	<b>March 31, 2006</b>
Bentonite	13.718	14.001
Bauxite	9.960	9.591
Perlite	7.893	7.969
Other	250	239
<b>Total</b>	<b>31.821</b>	<b>31.800</b>

**S&B Industrial Minerals S.A.**  
**INTERIM CONDENSED FINANCIAL STATEMENTS**  
**MARCH 31, 2007**

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

**5. UNAUDITED TAX YEARS**

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

**6. EXISTING LIENS**

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

**7. PENDING LITIGATION AND ARBITRATION**

The Company is a party to various lawsuits and arbitration proceedings in the normal course of business, for which S&B has provided the amount of approximately Euro 64 thousand in the accompanying financial statements. Beyond these tax cases, for which the above provision was established, the Company's management considers subject to the outcome of the case described in the following paragraph that the outcome of the remaining pending litigation is not expected to have a material adverse effect on the Company's financial position.

Moreover, petitions of reversal have been submitted before the Council of State, against the Greek State and the administrative act which approves the Environmental Study issued by the Company regarding the exploitation of bauxite deposits covering area of 9.244 thousand square meters in the mountain of Giona. The petitions of reversal were finally heard before the Council of State on October 4, 2006 along with the interventions of S&B in support of the Greek State and the validity of the aforementioned act. The petitioners had also asked for the suspension of the disputed act. The Commission of Suspension of the Council of State by its decision nr. 504/2006 suspended the implementation of the disputed act as to the part regarding the operation in the new exploitations, until issuance of a definitive decision on the petitions of reversal. The decision of suspension is expected to influence the production program of the Company for year 2007. The Company has located alternative sources of supply/production of bauxite outside Greece in order to face the expected partial reduction on the production and to minimize, in combination with redefined production plans in Greece, a long-term material effect on its operation and financial position.

**8. RELATED PARTY TRANSACTIONS**

The Company's sales and purchases to and from related parties for the three month period ended March 31, 2007 amounted to Euro 11,23 million and Euro 0,35 million, respectively.

Amounts due from and due to related parties of the Company as of March 31, 2007 amounted to Euro 15,16 million and Euro 1,55 million, respectively.

Transactions with key management and Board members amounted to Euro 0,77 million. Key management and Board members amounts due amounted to Euro 0,21 million.

**9. CAPITAL EXPENDITURES**

The Company realized capital expenditures for the three month period ended March 31, 2007 of Euro 3,84 million (Euro 2,18 million for the three month period ended March 31, 2006).

**S&B Industrial Minerals S.A.**  
**INTERIM CONDENSED FINANCIAL STATEMENTS**  
**MARCH 31, 2007**

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

**10. CURRENT PERIOD SIGNIFICANT EVENTS**

**Dividends**

On March 15, 2007 the Company's Board of Directors decided to propose to the regular General Assembly a dividend distribution of Euro 9.195.401,15 (Euro 0,30 per share). It is noted that dividends are accounted for in the financial statements after the approval of the shareholders General Assembly.

**11. EARNINGS PER SHARE**

Earnings per share have been calculated based on the Consolidated Profit and they are presented in the Consolidated Financial Statements prepared by the Company, according to IAS 34 "Interim Financial Statements".

**12. CONTINGENCIES - COMMITMENTS**

At March 31, 2007 the Company had issued letters of guarantee for mining rights and licenses, for a total amount of Euro 2,78 million (at December 31, 2006 Euro 2,84 million), as well as for repayment of bank overdrafts of various subsidiaries for a total amount of Euro 117,51 million (at December 31, 2006 Euro 149,62 million).

**13. PROCEEDS AND PAYMENTS OF BANK LOANS**

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