



Interim Financial Statements

1st Quarter 2005

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1. BALANCE SHEET

	GROUP		COMPANY	
	31/03/2005	31/12/2004	31/03/2005	31/12/2004
ASSETS				
Non-current assets				
Property, plant, equipment and Intangible assets	272,776	272,869	136,388	136,780
Investments in associates	11,310	11,100	104,461	104,461
Deferred income tax assets	8,552	8,783	2,832	2,693
Derivative financial instruments	88	0	88	0
Trade and other receivables	4,357	4,557	1,197	1,307
	297,083	297,309	244,966	245,241
Current assets				
Inventories	76,015	71,459	23,878	26,533
Trade and other receivables	85,614	71,879	34,005	27,084
Other financial assets at fair value through profit or loss	385	381	371	371
Cash and cash equivalents	14,760	8,458	985	408
	176,774	152,177	59,239	54,396
Total assets	473,857	449,486	304,205	299,637
EQUITY				
Capital and reserves attributable the Company's equity holders				
Share capital	30,154	30,154	30,154	30,154
Share premium	30,426	30,426	30,426	30,426
Treasury shares	-4,768	-4,768	-4,768	-4,768
Other reserves	75,361	73,685	72,286	72,366
Retained earnings	28,892	24,004	22,098	20,804
	160,065	153,501	150,196	148,982
Minority interest	2,373	2,261	0	0
Total equity	162,438	155,762	150,196	148,982
Liabilities				
Non-current liabilities				
Borrowings	51,977	66,596	33,175	53,079
Derivative financial instruments	516	0	516	0
Other non-current liabilities	222	1,158	50	612
Deferred income tax liabilities	6,493	6,223	0	0
Retirement benefit obligations	14,420	14,187	5,506	5,356
Provisions for other liabilities and charges	13,396	14,125	11,199	11,070
Government grants	2,580	2,580	2,543	2,543
	89,604	104,869	52,989	72,660
Current liabilities				
Trade and other payables	58,978	48,206	11,752	13,849
Current income tax liabilities	2,621	5,149	559	315
Borrowings	160,216	135,500	88,709	63,831
	221,815	188,855	101,020	77,995
Total liabilities	311,419	293,724	154,009	150,655
Total equity and liabilities	473,857	449,486	304,205	299,637

2. INCOME STATEMENT

	GROUP		COMPANY	
	1/1 - 31/3/2005	1/1 - 31/3/2004	1/1 - 31/3/2005	1/1 - 31/3/2004
Sales	96,376	70,089	31,766	25,859
Cost of goods sold	-70,684	-50,219	-22,785	-17,903
Gross profit	25,692	19,870	8,981	7,956
Administrative expenses	-10,365	-9,156	-5,764	-5,636
Selling and marketing expenses	-6,678	-4,722	-911	-594
Other income/expenses-net	601	588	535	512
Operating profit	9,250	6,580	2,841	2,238
Financing expenses -net	-1,546	-1,323	-766	-1,031
Share of profit/loss of associated companies	299	249	0	400
Profit before income tax	8,003	5,506	2,075	1,607
Income tax expense and deferred tax	-2,806	-1,927	-560	-562
Profit for the period	5,197	3,579	1,515	1,045
<u>Attributable to:</u>				
Equity holders of the Company	5,101	3,474		
Minority interest	96	105		
Earnings per share for profit attributable to the equity holders of the Company during the year (expressed in eur)	0.176	0.121	0.051	0.035

Depreciation	5,933	4,610	3,710	2,945
Earnings Before Interest, Tax, Depreciation & Amortization (EBITDA)	15,183	11,190	6,551	5,183

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 (All amounts in 000 Euro)

3. STATEMENT OF CHANGES IN EQUITY

	GROUP		COMPANY	
	31/03/2005	31/03/2004	31/03/2005	31/03/2004
Opening balance (1/1/2005 and 1/1/2004 respectively)	155,762	145,875	148,982	149,936
Net income recognised directly in equity	-180	0	-301	0
Gains/(losses), net of tax	5,197	3,579	1,515	1,045
Currency translation adjustments	1,659	0	0	0
Closing balance (31/3/2005 and 31/3/2004 respectively)	162,438	149,454	150,196	150,981

4. CASH FLOW STATEMENT

	GROUP		COMPANY	
	1/1-31/3/2005	1/1-31/3/2004	1/1-31/3/2005	1/1-31/3/2004
Cash flows from operating activities				
Profit before income tax	8,002	5,506	2,075	1,607
Depreciation	5,933	4,610	3,710	2,945
Interest paid/received	1,773	1,579	1,156	1,079
Other non-cash income/expenses	-143	339	231	136
Cash operating income	15,565	12,034	7,172	5,767
Decrease/(increase) in inventories	-4,212	-3,887	2,656	1,562
Decrease/(increase) in receivables	-12,985	-13,841	-6,922	-5,775
Increase/(decrease) in current liabilities (excluding borrowings)	871	6,078	-3,513	-913
	-761	384	-607	641
Interest received	36	132	3	0
Net cash generated from operating activities	-725	516	-604	641
Cash flows from investing activities				
Acquisition of property, plant, equipment and intangible assets	-4,449	-6,909	-3,142	-3,078
Proceeds from sale of available-for-sale financial assets	110	0	110	0
Net cash used in investing activities	-4,339	-6,909	-3,032	-3,054
Cash flows from financing activities				
Interest paid	-506	-525	-466	-427
Dividends paid	-1	-3	-1	-3
Proceeds from borrowings	15,190	6,953	8,000	2,588
Repayments of borrowings	-3,317	0	-3,320	0
Net cash generated from financing activities	11,366	6,425	4,213	2,158
Net increase/(decrease) in cash and bank overdrafts				
	6,302	32	577	-255
Cash and bank overdrafts at beginning of period	8,458	12,560	408	1,199
Exchange gains/(losses) on cash and bank overdrafts	0	0	0	0
Cash and bank overdrafts at end of period	14,760	12,592	985	944

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5. SEGMENT REPORTING

TURNOVER	GROUP		COMPANY	
	1/1 - 31/3/2005	1/1 - 31/3/2004	1/1 - 31/3/2005	1/1 - 31/3/2004
Bentonite	31,936	28,053	13,771	11,392
Perlite	15,552	13,008	7,221	6,243
Bauxite	10,589	8,108	10,589	8,100
Fluxes	23,338	6,269	0	0
Corporate	169	124	185	124
Industrial Minerals Activities	81,584	55,562	31,766	25,859
Commercial Activities	14,792	14,527	0	0
TOTAL	96,376	70,089	31,766	25,859

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6. RECONCILIATION OF EQUITY BETWEEN GREEK GAAP AND IFRS

	GROUP		COMPANY	
	1/01/2005	1/01/2004	1/01/2005	1/01/2004
Total equity before minority interest according to Greek GAAP	162,548	138,950	150,088	136,078
Recognition of deferred tax assets and liabilities	2,560	6,041	2,692	3,338
De-recognition of non-approved dividends	1,809	6,776	1,809	6,776
Reclassification of treasury shares in shareholders equity	-4,768	-4,768	-4,768	-4,768
Reclassification of government grants from equity to non-current liabilities and the related amortisation effect	-2,543	-3,982	-2,543	-2,782
Revaluation of investment properties	0	12,258	0	12,258
Restatement of accumulated depreciation and amortisation to reflect PP&E and intangible assets useful lives.	14,188	3,873	14,600	9,331
Write-off of capitalized expenses	-3,900	-2,427	-2,972	-1,518
Provision for land restoration	-9,450	-9,679	-8,659	-8,847
Recalculation of various provisions	-2,212	-770	-1,387	-45
Impact from first-time consolidated companies	-3,842	-3,297	0	0
Other adjustments	-889	1,011	122	115
Total equity before minority interest according to IFRS	153,501	143,986	148,982	149,936

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7. NOTES TO THE INTERIM FINANCIAL STATEMENTS

1.- Basis of preparation

These 1st QTR 2005 unaudited interim financial statements of the Company and the Group, have been prepared in accordance with IAS 34, Interim Financial Reporting.

The Company and the Group are publishing for the first time financial statements in accordance with International Financial Reporting Standards (IFRS) by adopting IFRS 1, *First-time Adoption of International Financial and other relative standards*.

The company and the group have adopted IAS 32 and IAS 39 effective as of 01.01.05 and therefore the effect of the above-mentioned standards is not included in the comparatives of 2004.

The preparation of the financial statements in accordance with generally accepted accounting principles, requires the adoption of certain account estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent claims and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Despite the fact that these estimates are based on the best knowledge of the Company's and the Group's management as of the current events and actions, the actual results may eventually differ from these estimates.

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2. Consolidated companies and method of consolidation

Entities with the relevant country of their head offices and the percentage of participation that are included in the financial statements are:

Full consolidation method

S&B Industrial Minerals S.A. - Greece	Parent	S&B Holding GmbH - Germany	100%
Isocon S.A. - Greece	60%	S&B Industrial Minerals North America Inc.- USA	100%
ARISEIZE S.A. - France	99.99%	Saba Madencilik A.S.- Turkey	100%
Greek Helicon Bauxites - G.L.Barlos S.A.- Greece	100%	Pabalk Madencilik A.S. - Turkey	100%
Motodynamics S.A. - Greece	84.98%	Otavi Minen AG - Germany	100%
Sarda Perilite S.R.L. - Italy	61%	Otavi Iberica S.L.U. - Spain	100%
Askana LTD - Georgia	97.70%	Bentonite A.D. - Bulgaria	97.03%
Industrial Machinery & Equipment Trading Co S.A. - Greece	100%	S&B Industrial Minerals Kft - Hungary	100%
Ergotrak Bulgaria Ltd - Bulgaria	100%	S&B Industrial Minerals GmbH - Germany	100%
Ergotrak Yugoslavia Ltd - Yugoslavia	100%	S&B Industrial Minerals Sarl. - France	100%
Parnassos Insurance S.A. - Greece	59%	Stollberg do Brazil Ltda - Brazil	100%
Sibimin Overseas Ltd - Cyprus	99.99%	Stollberg India Pvt Ltd - India	100%
S&B Industrial Minerals (HENAN) CO. LTD - China	100%	Denain Anzin Métalurgie S.A.S. - France	100%
Stollberg Inc. - USA	100%		

Equity consolidation method:

Xinyang Athenian Mining Co. Ltd - China	25%	A.B.C. Kalyftaki S.A. - Greece	45%
Laviosa Chimica Mineraria Spa - Italy	35%	SLS Baustoffe GmbH - Germany	49.80%
Laviosa Promasa S.A. - Spain	30%	Stollberg & Samil Co. Ltd - Korea	50%
Bentec SpA - Italy	50%		

3. Accounting principles

The financial statements have been prepared consistently with the accounting principles of the opening Balance Sheet as of 1/1/2004 and the 2004 Financial Statements that have been prepared in accordance with IFRS.

4. Periods subject to tax audit

S&B Industrial Minerals S.A. - Greece (*)	2003 - 2004	S&B Holding GmbH - Germany	2002 - 2004
Isocon S.A. - Greece	2003 - 2004	S&B Industrial Minerals North America Inc.- USA	2001 - 2004
ARISEIZE S.A. - France	-	Saba Madencilik A.S.- Turkey	2004
Greek Helicon Bauxites - G.L. Barlos S.A. - Greece	2002 - 2004	Pabalk Madencilik A.S. - Turkey	2004
Motodynamics S.A. - Greece	2004	Otavi Minen AG - Germany	2001 - 2004
Sarda Perlite S.R.L. - Italy	2000 - 2004	Otavi Iberica S.L.U. - Spain	2000 - 2004
Askana LTD - Georgia	2003 - 2004	Bentonite A.D. - Bulgaria	2002 - 2004
Industrial Machinery & Equipment Trading Co S.A. - Greece	2001 - 2004	S&B Industrial Minerals Kft - Hungary	2002 - 2004
Ergotrak Bulgaria Ltd - Bulgaria	2003 - 2004	S&B Industrial Minerals GmbH - Germany	2001 - 2004
Ergotrak Yugoslavia Ltd - Yugoslavia	2003 - 2004	S&B Industrial Minerals Sarl. - France	2003 - 2004
Parnassos Insurance S.A. - Greece	2003 - 2004	Stollberg do Brazil Ltda - Brazil (**)	1999 - 2004
Sibimin Overseas Ltd - Cyprus	1999 - 2004	Stollberg India Pvt Ltd - India (**)	2001 - 2004
S&B Industrial Minerals (HENAN) CO. LTD - China	-	Denain Anzin Métalurgie S.A.S. - France (**)	1998 - 2004
Stollberg Inc. - USA (**)	1998 - 2004		

(*) = The company has been audited by the tax authority for the fiscal years 2001 and 2002 with an interim audit report.

(**) = The possible tax obligations which will arise from tax authority's audit concerning the fiscal years until 2003, will be covered by the Seller based to the purchase agreement.

5. Current liens and Encumbrances

No encumbrances exist on fixed assets.

6. Litigation claims

The shipping company Yellow Ship. Co filed for arbitration in London against the time-charterers Lauritzen Bulkers AS (L.B.) because on 16/12/2001 the vessel m/v SERVER, sub-chartered from our company, grounded in the port of Cacuana/Canada after the discharge of the perlite cargo and suffered damages. L.B. have invited our company to sub-arbitration. The amount of claim is not known because the statement of facts has not been notified yet to our company.

7. Number of employees

The number of personnel at the end of period:
 in the Group 2.180, in the Company 717.

8. Related party transactions

The amounts of sales and purchases of the Company to and from the subsidiaries accumulated from the beginning of the period are € 8,80 mil. and € 0,17 respectively. The outstanding balances of receivables and payables of the Company from and to the subsidiaries at the end of the period are € 9,05 mil. and € 1,47 mil. respectively.

9. Capital Expenditure

The capitalization of the 1st quarter 2005 is amounted to: Group € 4.449 mil. (1st qrt 2004 € 6.909 mil.), Company's € 3.142 mil. (1st qrt 2004 € 3.078 mil)

10. Period's significant events

During June 2004 the company has purchased 100% of Stollberg Group and therefore it was not included in the consolidation of 31/3/2004. The headquarters of Stollberg Group is in Germany while it owns production facilities in USA, Brazil, India, France, China and Korea. Stollberg's core business is the production of casting fluxes, a range of specialized and high value-adding products utilized for the facilitation of the continuous casting process in steel casting.

The recognition of the acquiree's Group assets and liabilities at their fair value, the allocation of the business combination cost (purchase price allocation) according to IFRS 3 "Business Combinations" and the subsequent recognition of goodwill is in progress and it will finalized in the Financial Statements of the 1st semester 2005. Note that S&B utilized the option of IFRS 3, according to which the purchase price allocation and the recognition of goodwill can be finalized within twelve months from the acquisition date.

11. Earnings per Share

The earnings per share have been estimated based on the weighted average number of shares.

12. Potential liabilities

There are no significant potential liabilities.

13. Foreign exchange rates

Balance sheet

	<u>31/03/2005</u>	<u>31/12/2004</u>	<u>Variance</u>
1 € = USD	1.30	1.36	- 4.8%
1 € = JPY	138.44	139.65	- 0.9%
1 € = GBP	0.69	0.71	- 2.4%
1 € = BGN	1.96	1.96	+ 0.0%
1 € = CYP	0.58	0.58	+ 0.8%
1 € = HUF	247.20	245.97	+ 0.5%
1 € = ROL	36,767.00	39,390.00	- 6.7%
1 € = TRY	1.76	1.84	- 4.3%
1 € = CNY	10.73	11.25	- 4.7%
1 € = GEL	2.38	2.88	- 17.4%
1 € = KRW	1,316.49	1,410.05	- 6.6%
1 € = BRL	3.43	3.61	- 4.9%
1 € = INR	56.57	59.09	- 4.3%

Income statement

	<u>average</u> <u>1/1-31/3/2005</u>	<u>average</u> <u>1/1-31/3/2004</u>	<u>Variance</u>
1 € = USD	1.32	1.24	+ 6.3%
1 € = JPY	137.57	132.10	+ 4.1%
1 € = GBP	0.69	0.68	+ 1.9%
1 € = BGN	1.96	1.95	+ 0.2%
1 € = CYP	0.58	0.59	- 0.5%
1 € = HUF	245.06	258.20	- 5.1%
1 € = ROL	37,487.30	40,663.00	- 7.8%
1 € = TRY	1.75	1.67	+ 5.0%
1 € = CNY	10.91	10.29	+ 6.0%
1 € = GEL	2.70	2.63	+ 2.7%
1 € = KRW	1,347.33	1,454.81	- 7.4%
1 € = BRL	3.47	3.62	- 4.1%
1 € = INR	57.45	55.73	+ 3.1%

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8. OTHER DISCLOSURES

1. Major subsequent events

- Sale of treasury shares

As of 31/3/2005 the company owned 690,820 treasury shares with an acquisition value of € 4,768 the. as shown in the equity of the company. During the 2nd qtr the company sold the total of the above number of shares at a loss of approximately € 822 the. which will be reported in the company's change of equity in the next period.

- Main resolutions in the Annual General Meeting

- Distribution of 0.24 euro per share, which consists of: a) 0.06 euro per share in the form of dividend, with ex-dividend date July 20th and payment date July 29th and b) 0.18 per share by decreasing the share capital through the reduction of the nominal value by 0.18 euro per share, following an equal share capital increase through the capitalisation of the respective amount from the Share premium reserve.
- Share capital increase through capitalization of undistributed profits and issuance of 70,700 new shares to be distributed to senior executives as per article 1 par.2 of P.D. 30/1988.

- Conclusion on €150 mil refinancing

- On June 16, 2005 S&B Industrial Minerals SA concluded a 75.000.000 Euro seven-year bond issue (law 3156/2003) for refinancing existing short-term bank borrowings
- On June 23, 2005 the 100% subsidiary of S&B Industrial Minerals S.A., S&B Holding GmbH, signed a seven-year syndicated loan agreement of 75.000.000 Euro for refinancing existing short-term bank borrowings. Loan drawdown is expected on June 30, 2005.