

SGB INDUSTRIAL MINERALS S.A.

CONSOLIDATED BALANCE SHEET (Amounts in EUR '000s)

ASSETS	Dec 31, 2004			Dec 31, 2003			EQUITY & LIABILITIES		
	Acquisition Value	Depreciation	Net Book Value	Acquisition Value	Depreciation	Net Book Value		Dec 31, 2004	Dec 31, 2003
FORMATION EXPENSES							EQUITY CAPITAL		
Set-up expenses	302,859.60	302,859.60	0.00	410,488.33	408,487.94	2,000.49	Capital		
Other establishment expenses	9,578,382.70	7,305,227.23	2,273,155.47	8,819,788.14	6,180,532.55	2,639,255.59	Paid-up capital	30,154,130.00	30,151,190.00
	<u>9,970,912.30</u>	<u>7,697,786.83</u>	<u>2,273,125.47</u>	<u>9,230,277.47</u>	<u>6,589,020.39</u>	<u>2,641,257.08</u>	Difference from issue of shares above par	<u>30,426,352.38</u>	<u>30,412,377.18</u>
							Minority rights		
FIXED ASSETS							Revaluation Reserves - Investment subsidies		
Intangible Assets							Reserves from value adjustments of participating interests and securities	2,824,705.15	2,824,705.15
Research and development costs	4,555,100.57	3,424,175.15	1,130,925.42	13,346,124.73	12,257,489.17	1,088,635.56	Differences from revaluation of other fixed assets	10,726,124.08	0.00
Concessions, patents, licenses, trade marks and similar rights and assets	7,692,675.88	3,278,398.16	4,414,277.72	3,605,750.83	1,283,477.59	2,322,273.24	Subsides for investments in fixed assets	<u>1,685,599.73</u>	<u>2,017,432.20</u>
Goodwill	102,368,397.62	18,169,911.00	84,198,486.62	67,258,651.58	13,000,663.59	54,257,987.99	Reserves for treasury stock acquisition	<u>15,236,428.96</u>	<u>4,842,137.36</u>
Advance payments for the acquisition of intangible assets	12,672.39	0.00	12,672.39	0.00	0.00	0.00	Regular reserves	8,138,646.44	7,891,844.87
Other intangible assets	16,255,779.24	14,314,875.50	1,940,903.74	19,202,254.38	16,765,615.42	2,436,638.96	-Loss from devaluation of participations & securities	0.00	8,138,646.44
Stripping expenses	56,866,341.10	41,165,903.76	15,700,437.34	47,289,528.08	33,319,618.30	13,969,909.78	Special reserves	1,117,624.86	6,774,220.01
	<u>188,020,966.80</u>	<u>80,353,263.57</u>	<u>107,667,703.23</u>	<u>150,702,309.60</u>	<u>76,626,864.07</u>	<u>74,075,445.53</u>	Extraordinary reserves	1,803,569.07	1,905,276.20
Tangible Assets							Tax-free reserves under special laws	55,386,129.83	52,752,361.89
Land	31,687,061.47	586,567.07	31,100,494.40	18,523,843.26	170,300.00	18,353,543.26	Reserves	76,087,277.41	74,087,684.07
Quarries - Mines	13,537,049.84	7,293,002.32	6,244,047.52	12,812,540.25	6,677,191.94	6,135,348.31	Retained earnings	12,190,607.03	1,097,066.30
Buildings	90,895,850.92	36,168,555.56	54,727,295.36	68,316,370.45	30,887,189.62	37,428,180.83	Foreign exchange translation difference	-2,487,937.61	-1,207,599.70
Plant and Equipment	117,669,549.93	75,289,910.31	42,379,639.62	90,054,195.16	57,356,757.40	32,697,437.76	International subsidiaries	-1,059,688.53	-432,324.19
Transportation Equipment	13,725,941.08	10,147,302.18	3,578,638.90	12,464,637.76	3,940,853.48	8,523,784.28	Consolidation differences		
Furniture and other office equipment	18,691,148.45	14,036,456.41	4,654,692.04	16,923,536.84	13,109,019.94	3,814,516.90	Minority rights	2,399,858.02	1,699,613.91
Payments on account and tangible assets in course of construction	4,613,541.02	0.00	4,613,541.02	7,446,200.58	0.00	7,446,200.58	Minority rights	164,947,027.46	140,650,124.92
	<u>290,820,142.71</u>	<u>143,521,793.85</u>	<u>147,298,348.86</u>	<u>226,560,314.32</u>	<u>117,143,312.38</u>	<u>109,417,001.94</u>	TOTAL SHAREHOLDERS' EQUITY	12,551,900.09	11,301,476.16
Total Tangible and Intangible assets	<u>478,841,109.51</u>	<u>223,875,057.42</u>	<u>254,966,052.09</u>	<u>377,262,623.92</u>	<u>193,770,176.45</u>	<u>183,492,447.47</u>	Provision for staff retirement	12,511,900.09	6,512,812.72
							Other provisions	<u>25,264,781.81</u>	<u>17,814,288.88</u>
Participations and other long term financial claims									
Investments in affiliated companies		14,933,742.13			25,672,818.68				
Investments in other companies		3,117,468.46			511,414.50				
- Installments due	612,961.13	612,961.13	17,438,249.46	0.00	26,184,233.18	26,184,233.18			
Long term claims against affiliated companies			320,000.22			1,100,000.00			
Long term claims against companies with participating interests			100,000.23			82,100.60			
Long term bills receivable			216,479.84			500,755.94			
Other titles on long term investments			391,234.77			383,343.12			
Other long term claims			1,085,324.32			934,590.84			
			<u>19,551,288.94</u>			<u>29,185,223.56</u>			
TOTAL FIXED ASSETS			<u>274,517,340.93</u>			<u>212,677,471.05</u>			
CURRENT ASSETS							LIABILITIES		
Inventories							Long-term Liabilities		
Merchandise			11,978,559.48			12,947,272.61	Bank loans	66,370,939.09	64,464,438.73
Finished and semi-finished products			31,577,320.88			29,595,676.01	Other long term debt	755,754.08	380,549.48
Raw and auxiliary materials-consumables	23,896,249.29			12,311,730.16			Total Long-term liabilities	<u>67,126,693.17</u>	<u>64,844,988.21</u>
-Provision for write-off of spare parts	939,757.84		22,946,491.45	573,159.62		11,738,570.54			
Advance payments for stock purchases			5,695,496.40			2,914,185.45			
			<u>72,197,868.21</u>			<u>57,195,704.61</u>			
Receivables							Short term Liabilities		
Trade receivables		48,912,807.22		34,139,398.51		32,681,782.56	Suppliers	19,877,845.62	15,605,726.95
-Provisions		1,687,098.63	47,225,708.59	1,457,615.95			Notes payable	7,289,947.29	2,862,332.42
Bills of exchange							Cheques payable	46,998.58	119,000.00
Portfolio		1,025,400.58		1,011,011.73			Short-term bank loans	131,899,423.84	50,824,018.88
To banks for collection		730,382.49		584,181.78			Advance payments from clients	1,237,631.95	754,186.17
		1,755,783.07		1,595,193.51			Taxes and duties payable	8,971,912.77	8,760,679.42
-Non accrued interest		19,249.00	1,736,534.07	14,085.10	1,581,108.41		Social security contributions payable	2,151,825.01	1,835,266.30
Over-due bills of exchange			453,337.60		191,093.41		Long term liabilities payable next year	3,329,090.90	33,883,442.51
Cheques receivable							Obligations to subsidiaries	1,472,145.67	0.00
Portfolio		8,384,846.35		7,595,102.14			Dividends payable	1,854,800.47	6,828,976.88
Over-due cheques		1,151,584.64	9,536,430.99	928,449.72	8,523,551.86		Other creditors	5,170,178.13	7,423,147.81
Short-term claims against affiliated companies			1,227,987.63		826,966.29		Total Short-term liabilities	<u>181,732,654.56</u>	<u>126,906,777.34</u>
Short-term claims on affiliated companies			59,906.79		38,055.94				
Blocked deposit accounts			1,847.94		1,298.00				
Doubtful debtors and clients		670,328.22		529,589.06					
-Provisions		607,279.65	63,048.57	415,782.52		113,806.54			
Other debtors			13,482,158.08		19,123,167.95				
Other advance payments and credits			161,329.64		319,864.54				
			<u>73,958,089.90</u>		<u>63,399,695.60</u>				
Marketable securities							TOTAL LIABILITIES	<u>248,859,347.73</u>	<u>193,751,765.55</u>
Shares		601.01		2,945,704.35					
Other securities		370,694.68		1,059.31					
Treasury stock		4,768,558.40		4,768,558.40					
		5,139,854.09		7,715,322.06					
-Provisions for securities devaluation	830,884.40	830,884.40	4,308,969.69	1,744,982.14	1,744,982.14	5,970,339.92			
Cash and banks									
Cash			504,230.30			1,427,882.34			
Sight and time deposits			7,714,426.40			10,530,052.70			
			<u>8,218,656.70</u>			<u>11,957,935.04</u>			
TOTAL CURRENT ASSETS			<u>158,683,584.50</u>			<u>138,523,675.17</u>			
TRANSITORY ACCOUNTS							TRANSITORY ACCOUNTS		
Deferred expenses			802,770.44			653,217.62	Deferred income	76,578.51	68,818.70
Period income receivables			964,857.68			268,980.34	Accrued expenses for the year	1,542,561.21	1,907,223.34
Other transitory accounts			3,954,871.06			39,943.32	Other transitory accounts	536,253.56	671,203.19
			<u>5,752,499.38</u>			<u>1,022,021.28</u>		<u>2,155,393.28</u>	<u>2,648,245.23</u>
TOTAL ASSETS			<u>441,226,550.28</u>			<u>354,864,424.58</u>	TOTAL EQUITY AND LIABILITIES	<u>441,226,550.28</u>	<u>354,864,424.58</u>
MEMO ACCOUNTS							MEMO ACCOUNTS		
Third party assets			685,949.11			2,288,150.32	Third party assets	685,949.11	2,288,150.32
Guarantees, debit accounts			10,099,437.88			12,725,275.76	Guarantees, credit accounts	10,099,437.88	12,725,275.76
Bilateral agreements			29,347.03			0.00	Bilateral agreements	29,347.03	0.00
Other memo accounts			261,280.80			0.00	Other memo accounts	261,280.80	0.00
			<u>11,075,994.82</u>			<u>15,042,773.11</u>		<u>11,075,994.82</u>	<u>15,042,773.11</u>

CONSOLIDATED PROFIT & LOSS ACCOUNT (amounts in EUR '000s)

	Jan - Dec 2004	Jan - Dec 2003
Sales	404,256,744.35	289,550,327.80
- Cost of goods sold	-302,490,831.49	-208,770,887.04
Gross profit	101,775,912.86	82,779,340.76
+ Other operating income	5,751,825.16	5,908,248.28
	107,527,738.02	88,687,589.04
- General & Administration expenses	-40,403,356.79	-35,194,005.69
- Selling expenses	-27,540,400.53	-20,342,361.50
Operating profit	39,583,980.70	33,151,221.85
+ Profit from participations	1,297,678.40	1,193,145.07
+ Profit from securities	518,070.99	0.00
+ Profit from sale of participations & securities	28,296.41	0.00
+ Interest & other similar income	462,759.88	309,031.67
	2,306,796.68	1,502,176.74
- Differences from valuation of participations & securities	601,703.13	20,371.00
- Loss from participations & securities	790.77	44,650.00
- Interest and other similar expenses	7,257,257.25	5,141,587.93
Total profit from ordinary operations	34,031,026.23	29,446,789.66
+ Extraordinary & non-operating income	2,640,333.75	4,238,080.25
+ Extraordinary gains	529,248.49	60,518.38
+ Prior years' income	236,120.36	118,150.41
+ Income from prior years' provisions	2,549,727.93	0.00
	5,955,430.40	4,416,749.04
- Extraordinary & non-operating expenses	3,634,047.61	3,421,226.42
- Extraordinary losses	954,882.78	164,680.00
- Prior years' expenses	355,368.58	179,480.21
- Provisions for extraordinary expenses	714,118.56	5,658,417.47
	5,658,417.47	34,328,039.16
- Total depreciation & amortisation	-30,992,813.12	-25,503,615.64
+ Depreciation & Amortisation included in operating costs	26,132,358.75	4,860,454.37
	29,467,584.79	26,709,432.00
Profit before Taxes	29,467,584.79	26,709,432.00
-Income & other taxes	-8,859,981.07	-8,730,854.57
Profit after Taxes	20,607,603.72	17,978,577.43
- Minority Rights	-850,802.50	-534,340.90
Net Consolidated Group Profit	19,756,801.22	17,444,236.53

Notes to the Consolidated Financial Statements:

1. The following companies have been consolidated in the financial statements:

- A. Full consolidation**
- 1) S&B Industrial Minerals S.A.
 - 2) SARDA PERLITE SRL
 - 3) SIBIMIN OVERSEAS LTD
 - 4) HELLENIC BAUXITES OF HELIKON G.L. BARLOS S.A.
 - 5) INDUSTRIAL MACHINERY & EQUIPMENT TRADING Co S.A.
 - 6) MOTODYNAMICS S.A.
 - 7) ISOCOON S.A.
 - 8) S&B HOLDING GMBH and its subsidiaries:
 - a) S&B Industrial Minerals GmbH
 - b) OTAVI MINEN A.G
 - c) S&B NORTH AMERICA INC.
 - d) S&B Industrial Minerals Kft
 - e) OTAVI IBERICA S.L.u.
 - f) BENTONITE A.D.
- B. Equity consolidation**
- 1) LAVIOSA CHIMICA MINERARIA S.p.a.
 - 2) LAVIOSA PROMASA S.A.
 - 3) BENTEC S.p.A.
 - 4) A.B.C. Kalyitaki S.A.

2. During the current fiscal year the subsidiary company S&B HOLDING GMBH consolidated for the first time the Stolberg Group and BENTONITE A.D. (full consolidation). Hence the figures of the period are not comparable to those of the previous period.

3. The financial statements of the group's foreign subsidiaries are converted into EUR at the exchange rates of 31/12/2004 for the B/S items and at the average exchange rates of the period for the P&L items.

4. The assets account "Goodwill" was amortised similarly to the previous year: a) by 5% annually according to the IAS, and b) according to the amortisation rates valid in the countries where the foreign subsidiaries are located. If goodwill amortisation were calculated by 20% according to Law 2190 (art.43 par.4), it would be increased by EUR 37,51mil for the previous period and by EUR 14,55mil for the current period.

5. On 31/12/2004 there was a revaluation on a) the acquisition value of fixed assets (Land-buildings) of the parent company according to the provisions of Law 3229/04 in force according to valuation by an independent valuator, b) the acquisition value of fixed assets (Land-buildings) of the subsidiary company HELLENIC BAUXITES OF HELIKON according to the provisions of Law 2065/92. There is a revaluation difference arising total amounting to EUR 12,41mil (Fields-Lots of EUR 9,91mil and Buildings of EUR 2,50mil) counter-balancing losses from valuation of participations & securities (of the parent company EUR 1,52mil) and part of previous years' losses of subsidiary (EUR 0,16mil). The balance of EUR 10,76mil is included in the Shareholders equity account under Differences from revaluation of other fixed assets.