



REASONED OPINION OF THE BOARD OF DIRECTORS OF S&B INDUSTRIAL MINERALS S.A. ON THE MANDATORY TENDER OFFER OF DELPHI LUXEMBOURG HOLDINGS S.À.R.L. – Correct repetition

**REASONED OPINION OF THE BOARD OF DIRECTORS OF
"S & B Industrial Minerals S.A."**

On Friday, 19 April 2013, the Board of Directors ("Board") of S & B Industrial Minerals S.A. ("Company") held a meeting to consider:

(a) the terms and conditions of the mandatory tender offer ("**Tender Offer**") initiated by DELPHI LUXEMBOURG HOLDINGS S.A.R.L. ("**Offeror**") on the 30th of January 2013 for the acquisition of all the common registered shares of the Company ("**Shares**") other than the Shares of the parties acting in concert with the Offeror ("**Concerted Parties**"), in accordance with law 3461/2006 ("**Law**"), as such terms and conditions are set out in more detail in the offering document ("**Offering Document**") submitted by the Offeror and approved by the Hellenic Capital Market Commission ("**HCMC**") on 8.4.2013 and published on 11.4.2013 in accordance with the Law; and

(b) the detailed report drawn-up in accordance with article 15, paragraph 2 of the Law, which was prepared by the Company's financial advisor BNP Paribas ("**Report**");

for the purpose of forming its opinion with respect to the Tender Offer, as required under article 15, paragraph 1 of the Law.

The following members of the Board abstained from the deliberations regarding this item of the agenda: Mr. Odysseus Kyriakopoulos; Ms. Flora Maria Kyriakopoulou; Mr. Kriton Anavlavlis and Mr. Alain Speeckaert. Thus the Board of Directors, as it was formed as a result of the above, discussed in detail and unanimously adopted the following opinion:

1. Number of Shares of the Company held or controlled, directly or indirectly, by the Members of the Board and the management of the Company.

As of the date hereof, the Members of the Board and the management of the Company hold or control, directly or indirectly the following Shares:

A. Members of the Board of Directors

Name	Capacity	Number of Shares	Number of voting rights	% of voting rights
Odysseus Kyriakopoulos	Chairman, Executive Member	9,477,222 *	5,666,078 *	11.07
Calypso-Maria Nomicos	Vice-Chairman, Independent Non-Executive Member	108,884	108,884	0.21
Kriton Anavlavlis	Chief Executive Officer, Executive Member	151,332	151,332	0.30



Robert J. Champion de Crespigny AC	Independent Non-Executive Member	3,332**	3,332**	0.006
Gabriel Hawawini	Independent Non-Executive Member	1,000	1,000	0.002
Flora Maria Kyriakopoulou	Non-Executive Member	9,991,618 *	5,950,474 *	11.62
Raphael Moisis	Independent Non-Executive Member	19,000	19,000	0.04
Helen Papaconstantinou	Independent Non-Executive Member	Ø	Ø	Ø
Alexandros Sarrigeorgiou	Independent Non-Executive Member	Ø***	Ø***	Ø
JC Maarten Schonfeld	Independent Non-Executive Member	Ø	Ø	Ø
Alain Speeckaert	Non-Executive Member	Ø	Ø	Ø
Efthimios Vidalis	Non-Executive Member	330,812	330,812	0.65
Total:		20,083,200	12,230,912	23.90

* Mr. Odysseus Kyriakopoulos and Ms. Flora Maria Kyriakopoulou, hold, through bare ownership, 3,811,144 shares and 4,041,144 shares (included in the number of shares stated above under their name) respectively, the voting rights of which, are exercised due to usufruct by Aikaterini (Kitty) Kyriakopoulou.

** Held indirectly through Bayeux Investment Pty. Ltd.

*** Mr. Alexandros Sarrigeorgiou on 18.4.2013 sold the total of 9,375 Shares and voting rights that held in the Company.

B. Management

Name	Capacity	Number of shares	Number of voting rights	% of voting rights
Androulakis Thomas	Group Sustainable Development Manager	37,745	37,745	0.07
Chatziparaskevas Aristidis	General Manager Asia/Pacific	54,188	54,188	0.11
Christodoulakis Ioannis	CFO	4,850	4,850	0.01
Kefalas Athanasios	General Manager South Europe	14,182	14,182	0.03
Paniaras Yanni	General Manager Global Marketing Organization	25,663	25,663	0.05



Valavani Evaggelia	Group HR Manager	47,224	47,224	0.09
Voulgari Danai	Legal Counsel	4,918	4,918	0.01
Total:		188,770	188,770	0.37

2. Actions taken or expected to be taken by the Board of Directors of the Company in connection with the Tender Offer.

On 30.1.2013, the Company's Board of Directors was informed in writing of the submission of the Tender Offer and was given a copy of the draft of the Offering Document, in accordance with article 10, paragraph 1 of the Law.

On the same day, the Company issued a respective announcement. On 31.1.2013 the Company's employees were informed of the submission of the Tender Offer in accordance with article 10, paragraph 3 of the Law. Furthermore, a copy of the published Offering Document was distributed to the employees of the Company, in accordance with article 11, paragraph 9 of the Law.

The Company's employees have not expressed any comments or views regarding the Tender Offer until the date hereof.

The Company's Board of Directors appointed BNP Paribas as the Company's financial advisor in connection with the Tender Offer in order to prepare the Report, in accordance with article 15, paragraph 2 of the Law ("Financial Advisor") and made available to the Financial Advisor all data and information requested.

Apart from the above, the Board of Directors did not take any other action in relation with the Tender Offer and did not seek any alternative bids. The Board of Directors did not, and has no intention to, approve anything that does not form part of the normal course of the Company's business or that would result in the frustration of the Tender Offer.

3. Agreements between the Company's Board of Directors and/or its Members with the Offeror in connection with the Tender Offer.

According to a letter received from the board Members Mr. Odysseas Kyriakopoulos and Ms. Flora Maria Kyriakopoulou, respectively, the information stated in section 2.15.1 of the Offering Document of the Tender Offer of DELPHI LUXEMBOURG HOLDINGS S.A.R.L. to the shareholders of S & B Industrial Minerals S.A. is accurate and fully reflect their agreements with the Offeror.

Said section is as follows:

"(a) Before the date of entering into the Framework Deed, neither the Offeror nor any affiliated company of the Offeror (according to article 2(e) of the Law) held directly or indirectly shares or voting rights in the Company. As at 30th January 2013 the following Major Shareholders each held the below number of Shares and voting rights in the Company (the "Family Shareholdings").

Name	Number of shares	Number of voting rights	% of voting rights	% of entire voting rights
<i>Aikaterini (Kitty) Kyriakopoulou</i>	<i>0.00</i>	<i>7,852,288*</i>	<i>15.34%</i>	<i>38.57%</i>
<i>Blue Crest Holding S.A. (Company controlled by Mrs. Aikaterini (Kitty) Kyriakopoulou)</i>	<i>11,109,753</i>	<i>11,109,753</i>	<i>21.70%</i>	
<i>Orymil S.A. (Company controlled by Mrs. Aikaterini (Kitty) Kyriakopoulou)</i>	<i>226,069</i>	<i>226,069</i>	<i>0.44%</i>	
<i>Avgi Real Estate S.A. (Company controlled by Mrs. Aikaterini (Kitty))</i>	<i>557,700</i>	<i>557,700</i>	<i>1.09%</i>	



Kyriakopoulou)				
Odysseus Kyriakopoulos	3,811,144	0.00	0.00%	
High Gate Holding S.A. (Company controlled by Mr. Odysseus Kyriakopoulos, in which Mrs. Aikaterini Kyriakopoulou, Mr. Paris Kyriakopoulos and Mrs. Alexia Kyriakopoulou participate following the contribution in kind of Company's shares on 08.02.2013.)	5,112,067	5,112,067	9.98%	9.98%
Flora Maria Kyriakopoulou	4,041,144	0.00	0.00%	11.62%
Blue Water Holding S.A. (Company controlled by Mrs. Flora Maria Kyriakopoulou.)	5,950,474	5,950,474	11.62%	
Aikaterini Kyriakopoulou	114,700	114,700	0.22%	0.22%
Paris Kyriakopoulos	324,311	324,311	0.63%	0.63%
Alexia Kyriakopoulou	115,000	115,000	0.22%	0.22%
Total:	31,362,362	31,362,362	61.26%	61.26%

* Such voting rights deriving from the shares, which are held through bare ownership by Mr. Odysseus Kyriakopoulos and Mrs. Flora Maria Kyriakopoulou are exercised due to usufruct by Aikaterini (Kitty) Kyriakopoulou.

(b) On the basis of the Framework Deed entered into on 30th January 2013 the Offeror is acting in concert with the aforementioned members of the Family and the aforementioned entities controlled by them, all of which hold in aggregate 31,362,362 shares and voting rights of the Company, representing 61.26% of the voting share capital of the Company.

The Family Shareholdings shall be contributed into the Offeror following the end of the Acceptance Period in exchange of newly issued voting shares of the Offeror representing 61.26% of the voting share capital of the Offeror (the "Contribution"). After the Contribution, the Family Members will hold, directly and indirectly, 61.26% of the Offeror while the remaining 38.74% of the Offeror shall be indirectly held by investment funds controlled by Rhône. The Offeror shall be jointly controlled by the above.

(c) In all cases, the Company will be jointly controlled by the Concerted Parties."

4. The opinion of the Company's Board of Directors on the Tender Offer.

In forming its opinion, the Company's Board of Directors considered the following:

A. The Consideration: The consideration offered equals to **€5.80** ("Consideration") for each Share validly tendered. According to the Offering Document:

- The Consideration satisfies the requirements of article 9 paragraph 4 of the Law, since it is higher than:

(a) the volume weighted average price of the Shares in the six (6) months preceding the date on which the Offeror was obliged to launch the Tender Offer, i.e. on 30th January 2013;

(b) the higher price at which the Offeror or any of the Concerted Parties or parties acting on their behalf acquired shares of the Company over the six (6) months preceding the date on which the Offeror was obliged to launch the Tender Offer i.e. on 30th January 2013.

- In this Tender Offer:

(a) as shown from the ATHEX official data, the volume weighted average price of the Shares in the six (6) months preceding the date on which the Offeror was obliged to launch the Tender Offer is €5.58;



(b) the Offeror or any of the Concerted Parties or parties acting on their behalf did not acquire any Shares over the six (6) months preceding the date on which the Offeror was obliged to launch the Tender Offer;

consequently, the Consideration satisfies the requirements of article 9(4) of the Law.

B. The closing price of the Shares on the ATHEX on 18.4.2013 was € 5.80.

C. According to the Offering Document: *“the Offeror will assume on behalf of the Accepting Shareholders the payment of the registration duty provided by the Clearing Regulation payable to HELEX levied on the over-the-counter transfer of the Shares tendered, currently amounting to 0.08% of the value of the transfer, which is calculated as follows: the number of the Tendered Shares multiplied by the higher of the following prices: the Offer Price and the closing price of the Shares in ATHEX on the previous working day before the submission of the documentation in HELEX, with a minimum charge the lower of €20 or 20% of the value of the transfer per Accepting Shareholders. Shares validly tendered and transferred through the Tender Offer are subject to a transfer tax levied, currently at a rate of 0.20% of the value of the transaction. Accepting Shareholders will be liable to pay this tax. Therefore, the Accepting Shareholders shall receive the full amount of the Offer Price, without reduction due to the registration duty but reduced by the amount of the aforementioned tax.”*

D. **The Report:** The Financial Advisor concludes in its Report that:

“On the basis of the information provided, the work performed and the current market conditions, and having concluded this analysis, it appears that, from a strict financial point of view, on 15.4.2013, the price of 5.80€ per share proposed under the Tender Offer for the acquisition of the Tender Offer Shares is in our opinion fair and reasonable to the Company’s shareholders.”

E. **The business strategy of the Offeror and the Concerted Parties with respect to the Company:** According to paragraph 2.4. of the Offering Document:

“The acquisition of the Tender Offer Shares by the Offeror is in furtherance of Rhône’s strategy to invest in market leading businesses with an established global presence, and significant expansion opportunities.

As of the date hereof the Offeror does not exercise any other activities apart from those related to the launch of the Tender Offer and intends to continue its operation by having as sole activity the participation in the Company.

The Offeror and the Concerted Parties intend to support and facilitate the management of the Company in its efforts for further development, as well as in its plans for international expansion in order to broaden the revenue sources of the Company. The Offeror and the Concerted Parties also intend to ensure that the Company has access to adequate financing for the growth of its business. The Offeror and the Concerted Parties believe the main pillars of the business plan of the Company are:

- Value creation from its existing industrial solutions;*
- Increase its exposure to non-metallurgical segments including non-mining minerals;*
- Geographical expansion of its business to developing countries and more specifically in Asia, South and Eastern Europe, South America and Middle East;*
- Continuation of the strategic pursuit of the Company for sustainable development, with main pillars:*
 - Human resources;*
 - Health and safety;*
 - Environment;*



- Social responsibility.

The Offeror and the Concerted Parties also expect the delisting of the Shares from the Athens Stock Exchange to allow for greater flexibility for the Company to materialize its business plan and to find alternative sources of financing. The Company will take advantage of Rhône's knowledge and experience with the international capital markets.

The seat of S&B Industrial Minerals S.A. will remain in Greece. As of the date hereof no material change is expected to the locations where the production activities of the Company and the Company's subsidiaries are conducted.

The Offeror and the Concerted Parties do not intend to change human resources management practices of the Company and do not intend to harm labour relations and terms of employment of the Company and its subsidiaries. The fact that the Major Shareholders will remain as key shareholders of the company post-transaction completion, ensures continuity of the policies of the Company, for the development of human resources and continuous efforts to improve productivity and general working conditions. Rhône respects existing labour rules, regulations and agreements in all countries where it invests, and is confident that its presence in the Company's share capital will enhance opportunities for employees of the Company and its subsidiaries.

The Offeror and the Concerted Parties intend to retain the Managing Director and all current management executives of the Company, expressing thus their confidence towards them."

F. The Offeror's plan with respect to the trading of the Company's Shares: According to the Offering Document:

"If the Offeror together with the Concerted Parties (i.e. including the Major Shareholders) acquire the necessary percentage for the exercise of the squeeze-out right, namely at least 90% of the total voting rights in the Company (i.e. a percentage of at least 28.74% of the total voting rights in the Company through the Tender Offer aggregated to the 61.26% of the total voting rights in the Company, already held by the Concerted Parties), the Offeror shall exercise the squeeze-out right pursuant to the provisions of article 27 of the Law within the stipulated three (3) month deadline from the end of the Acceptance Period (the "Squeeze-out Right") for the Shares of the Minority Shareholders. [...] The price for the acquisition of the Shares of the Minority Shareholders shall take the same form as and be equal to the Offer Price. [...]"

Provided that after the completion of the Tender Offer, the Offeror, together with the Concerted Parties, holds Shares representing at least 90% of the total voting rights in the Company, the Offeror shall be obliged to acquire, in cash, all the Shares that may be offered to him by the Minority Shareholders at a price equal to the Offer Price and within a three (3) month period following the disclosure of the results of the Tender Offer, as provided by article 28 of the Law. The Offeror shall announce publicly the Minority Shareholders' Sell-out Right, along with the disclosure of the results of the Tender Offer according to article 16(1) of the Law."

In addition, according to paragraph 2.16.3. of the Offering Document: "Upon completion of the Squeeze-out Right, the Concerted Parties will convene a general meeting of the shareholders of the Company at that time to approve the Delisting of the Company's shares from the ATHEX and subsequently delist the Company from the ATHEX".

G. According to paragraph 2.15 of the Offering Document, SCR Sibelco N.V. has undertaken to tender in the Tender Offer, its total shareholding in the Company, i.e. 10,216,963 Shares amounting to 19.96% of the paid up share capital of the Company and that the Kyriakopoulos family will also contribute the Family Shareholdings into the Offeror after the Tender Offer.

Therefore, after taking into account the aforementioned Shares that SCR Sibelco N.V. shall tender and the Shares that the Kyriakopoulos family shall contribute into the Offeror after the Tender Offer, the minimum aggregate number of Shares that the Offeror shall subsequently hold amounts to 41,579,325, representing at least 81.22% of the total share capital and voting rights in the Company.



Conclusion

Having considered all of the above, and assuming the accuracy and veracity of all factual claims and commitments as to future outcomes set out in the Offering Document, the Company's Board of Directors' reasoned opinion on the Tender Offer is as follows:

1. The Consideration offered:
 - (a) satisfies the requirements of the Law;
 - (b) appears to be, according to the Financial Advisor's Report and subject to the qualifications and assumptions stated in its Report, from a strict financial point of view, as of 15.4.2013, fair and reasonable to the Company's shareholders.
2. The successful outcome of the Tender Offer will reduce the Company's free float and may trigger the exercise of the Offeror's Squeeze out Right and the delisting of the Company's Shares.
3. According to the Offering Document, the successful outcome of the Tender Offer is not expected to have an adverse impact on human resources management practices of the Company or labor relations and terms of employment of the group, including current management executives, since the Offeror has expressly stated that it has no such intention. The fact that no material changes to the locations of production activities of the group are expected, as of the date of the Offering Document, and that the seat of the Company will remain in Greece, contributes to the aforementioned conclusion.
4. The business strategy described in the Offering Document seems to intend to further develop the Company's business, including international expansion, while ensuring access to adequate financing for such growth.

Finally, each of Ms. Calypso-Maria Nomicos; Mr. Robert J. Champion de Crespigny AC; Mr. Gabriel Hawawini; Mr. Raphael Moisis; and Mr. Efthimios Vidalis that hold Shares in the Company, declared that on an individual basis they intend to dispose of the Shares they hold in the Company during the Acceptance Period (as defined in the Offering Document) either through the Tender Offer process or through sales on the Athens Exchange. Mr. Kriton Anavlavis had also sent a letter to the Board stating the same regarding the Shares he holds in the Company.

It is stressed that the view of the Company's Board of Directors set out above does not in any event constitute and may not be regarded as being a recommendation, advice or inducement made to the shareholders to accept or reject the Tender Offer given that the Board of Directors is not in a position to predict the outcome of the Tender Offer, the evolution of the Share price and the Share volume on the Athens Exchange.

This reasoned opinion of the Company's Board of Directors is being made according to article 15, paragraphs 1 and 2 of the Law, submitted to the HCMC and the Offeror according to article 15, paragraph 3 of the Law, communicated to the Company's employees according to article 15, paragraph 4 of the Law and published according to article 16, paragraph 1 of the Law together with the Report.

Copies of the present opinion of the Company's Board of Directors along with the Report of the Financial Advisor will be made available for the whole duration of the acceptance period of the Tender Offer through the Company's website (www.sandb.com) and the website of the Athens Exchange (www.ase.gr).

Athens, Friday, 19 April 2013

The Board of Directors of

"S & B Industrial Minerals S.A."

in accordance with article 15 of law 3461/2006

"Transposition of Directive 2004/25/EC on takeover bids to the National Legislation."