



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

**Financial Report**

**for the three-month period ended March 31, 2010**

This three month Financial Report is prepared in accordance with article 6 of L.3556/2007 and was approved by the Board of Directors of S&B Industrial Minerals S.A. on May 17, 2010. This is made publicly available on the company's website at [www.sandb.com](http://www.sandb.com) for at least 5 (five) years from the date of issue.

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# S&B Industrial Minerals S.A.

## FINANCIAL REPORT FOR THE THREE-MONTH PERIOD ENDED MARCH 31, 2010

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## **A1. INTERIM CONDENSED FINANCIAL STATEMENTS**

The accompanying interim condensed Financial Statements have been approved by the Board of Directors of S&B Industrial Minerals S.A. on May 17, 2010.

**The Chairman of the Board of  
Directors**

**The Chief Executive  
Officer**

**The Chief Financial Officer**

**The Controller Greece**

**Ulysses P. Kyriacopoulos**

**Efthimios O. Vidalis**

**Kriton St. Anavlavis**

**Nikolaos Ch. Ioakim**

**ID No AH042868**

**ID No Σ237368**

**ID No Π062025**

**A' Class License No  
0002714**

**S&B Industrial Minerals S.A.**  
**CONSOLIDATED INCOME STATEMENT**  
**FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2010**  
(Amounts in thousand Euro, except for earnings per share)

	<u>Note</u>	<u>The Group</u>	
		<u>1/1 - 31/03/2010</u>	<u>1/1 -31/03/2009</u>
Sales	5	95.232	79.557
Cost of sales		(72.945)	(63.379)
<b>Gross Profit</b>		<b>22.287</b>	<b>16.178</b>
Administrative expenses		(10.646)	(8.902)
Selling expenses		(5.450)	(5.506)
Other income		1.162	1.711
Other expenses		(51)	(161)
<b>Operating profit</b>		<b>7.302</b>	<b>3.320</b>
Finance income	6	303	969
Finance costs	7	(1.805)	(3.055)
Share of profit / (loss) of associates		172	(165)
<b>Profit before tax</b>		<b>5.972</b>	<b>1.069</b>
Income tax expense	8	(2.063)	(476)
<b>Net profit</b>		<b>3.909</b>	<b>593</b>
<b>Attributable to:</b>			
Owners of the Company		4.037	730
Non-controlling interests		(128)	(137)
		<b>3.909</b>	<b>593</b>
<b>Earnings per share</b>			
Basic		0,0983	0,0226
Diluted		0,0973	0,0224
<b>Weighted average number of shares</b>			
Basic		41.071.767	32.322.112
Diluted		41.505.706	32.607.243

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

**S&B Industrial Minerals S.A.**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2010**  
(Amounts in thousand Euro)

	<b>The Group</b>		
	<u>Note</u>	<u>1/1 - 31/03/2010</u>	<u>1/1 -31/03/2009</u>
<b>Net profit</b>		<b>3.909</b>	<b>593</b>
<b><u>Other comprehensive income</u></b>			
Translation of foreign operations:			
-Subsidiaries		3.801	2.436
-Associates		81	(19)
Valuation of available-for-sale financial assets		(25)	(12)
Valuation of derivatives		(460)	88
Income tax relating to the valuation of available-for-sale financial assets		6	3
Income tax relating to the valuation of derivatives		108	(22)
<b>Other comprehensive income for the period, net of tax</b>		<b>3.511</b>	<b>2.474</b>
<b>Total comprehensive income for the period, net of tax</b>		<b>7.420</b>	<b>3.067</b>
<b>Attributable to:</b>			
Owners of the Company		7.549	3.179
Non-controlling interests		(129)	(112)
		<b>7.420</b>	<b>3.067</b>

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

**S&B Industrial Minerals S.A.**  
**SEPARATE INCOME STATEMENT**  
**FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2010**  
(Amounts in thousand Euro)

		<u>The Company</u>	
	<u>Note</u>	<u>1/1 - 31/03/2010</u>	<u>1/1 - 31/03/2009</u>
Sales	5	28.729	26.838
Cost of sales		<u>(22.523)</u>	<u>(19.512)</u>
<b>Gross Profit</b>		<b>6.206</b>	<b>7.326</b>
Administrative expenses		(6.393)	(4.838)
Selling expenses		(754)	(552)
Other income		1.294	1.887
Other expenses		<u>(1)</u>	<u>(102)</u>
<b>Operating profit</b>		<b>352</b>	<b>3.721</b>
Finance income	6	309	536
Finance costs	7	<u>(1.256)</u>	<u>(2.249)</u>
<b>(Loss) / profit before tax</b>		<b>(595)</b>	<b>2.008</b>
Income tax benefit / (expense)	8	113	(505)
<b>Net (loss) / profit</b>		<b><u>(482)</u></b>	<b><u>1.503</u></b>

**S&B Industrial Minerals S.A.**  
**SEPARATE STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2010**  
(Amounts in thousand Euro)

	<u>The Company</u>	
<u>Note</u>	<u>1/1 - 31/03/2010</u>	<u>1/1 - 31/03/2009</u>
<b>Net (loss) / profit</b>	<b>(482)</b>	<b>1.503</b>
<b><u>Other comprehensive income</u></b>		
Valuation of available-for-sale financial assets	(25)	(12)
Valuation of derivatives	(460)	88
Income tax relating to the valuation of available-for-sale financial assets	6	3
Income tax relating to the valuation of derivatives	108	(22)
<b>Other comprehensive (loss) / income for the period, net of tax</b>	<b>(371)</b>	<b>57</b>
<b>Total comprehensive (loss) / income for the period, net of tax</b>	<b>(853)</b>	<b>1.560</b>

**S&B Industrial Minerals S.A.**  
**STATEMENT OF FINANCIAL POSITION MARCH 31, 2010**  
(Amounts in thousand Euro)

	Note	The Group		The Company	
		March 31 2010	December 31 2009	March 31 2010	December 31 2009
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment		197.708	195.345	102.695	101.004
Investment properties		20.301	20.368	20.301	20.368
Goodwill		83.114	82.712	25.129	25.129
Other intangible assets		21.715	21.993	216	225
Investments in subsidiaries		-	-	126.070	126.070
Investments in associates		9.590	9.159	4.198	4.198
Deferred tax assets		2.629	3.442	965	738
Available-for-sale financial assets		205	230	205	230
Other non-current assets		2.787	2.674	507	501
		<b>338.049</b>	<b>335.923</b>	<b>280.286</b>	<b>278.463</b>
<b>Current assets</b>					
Inventories		60.415	65.093	19.917	23.256
Trade receivables		53.729	47.500	6.069	6.764
Due from related parties	11	2.721	1.810	17.128	10.901
Income tax receivables		235	561	-	-
Other current assets		13.187	10.396	8.539	6.727
Cash and cash equivalents		55.081	49.573	19.392	24.619
		<b>185.368</b>	<b>174.933</b>	<b>71.045</b>	<b>72.267</b>
<b>Total Assets</b>		<b>523.417</b>	<b>510.856</b>	<b>351.331</b>	<b>350.730</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to owners of the Company</b>					
Share capital		41.426	41.426	41.426	41.426
Share premium		42.329	42.329	42.329	42.329
Treasury shares		(2.672)	(2.268)	(2.672)	(2.268)
Share option plan reserve		1.881	1.760	1.881	1.760
Derivatives valuation reserve		(522)	(170)	(522)	(170)
Other reserves		102.249	102.268	104.117	104.136
Translation of foreign operations		(2.411)	(6.294)	-	-
Retained earnings		54.918	50.881	10.315	10.797
		<b>237.198</b>	<b>229.932</b>	<b>196.874</b>	<b>198.010</b>
Non-controlling interests		966	1.095	-	-
<b>Total equity</b>		<b>238.164</b>	<b>231.027</b>	<b>196.874</b>	<b>198.010</b>
<b>Non-current liabilities</b>					
Provision for staff leaving indemnities		17.574	17.815	8.283	8.151
Provision for environmental rehabilitation		13.773	13.838	11.320	11.427
Other provisions		2.445	2.424	229	234
Interest-bearing loans and borrowings		104.804	154.788	52.387	102.373
Deferred tax liabilities		15.137	15.300	-	-
Government grants		1.879	1.921	1.738	1.770
Other non-current liabilities		1.061	1.061	116	116
		<b>156.673</b>	<b>207.147</b>	<b>74.073</b>	<b>124.071</b>
<b>Current liabilities</b>					
Trade payables		34.479	33.664	9.082	9.942
Due to related parties	11	1.821	1.864	1.997	1.671
Short-term borrowings		1.659	1.626	-	-
Current portion of long-term interest bearing loans and borrowings		65.074	15.079	57.500	7.500
Income tax liabilities		2.787	2.551	1.412	1.798
Dividends payable		24	29	24	29
Other current liabilities		22.736	17.869	10.369	7.709
		<b>128.580</b>	<b>72.682</b>	<b>80.384</b>	<b>28.649</b>
<b>Total equity and liabilities</b>		<b>523.417</b>	<b>510.856</b>	<b>351.331</b>	<b>350.730</b>

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

**S&B Industrial Minerals S.A.**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2010**  
(Amounts in thousand Euro)

	<b>The Group</b>											
	<b>Attributable to owners of the Company</b>										<b>Non- controlling interests</b>	<b>Total equity</b>
	<b>Share Capital</b>	<b>Share Premium</b>	<b>Treasury Shares</b>	<b>Share option plan reserve</b>	<b>Derivatives valuation reserve</b>	<b>Other reserves</b>	<b>Translation of foreign operations</b>	<b>Retained earnings</b>	<b>Total</b>			
<b>January 1, 2009</b>	<b>31.011</b>	<b>11.596</b>	<b>(1.647)</b>	<b>1.272</b>	<b>(391)</b>	<b>100.483</b>	<b>(6.670)</b>	<b>56.791</b>	<b>192.445</b>	<b>1.334</b>	<b>193.779</b>	
- Profit for the period	-	-	-	-	-	-	-	730	<b>730</b>	(137)	<b>593</b>	
- Other comprehensive income / (loss) for the period	-	-	-	-	66	(9)	2.392	-	<b>2.449</b>	25	<b>2.474</b>	
- Total comprehensive income / (loss) for the period	-	-	-	-	<b>66</b>	<b>(9)</b>	<b>2.392</b>	<b>730</b>	<b>3.179</b>	<b>(112)</b>	<b>3.067</b>	
- Share based payment	-	-	-	107	-	-	-	-	<b>107</b>	-	<b>107</b>	
- Purchase of treasury shares	-	-	(167)	-	-	-	-	-	<b>(167)</b>	-	<b>(167)</b>	
<b>March 31, 2009</b>	<b>31.011</b>	<b>11.596</b>	<b>(1.814)</b>	<b>1.379</b>	<b>(325)</b>	<b>100.474</b>	<b>(4.278)</b>	<b>57.521</b>	<b>195.564</b>	<b>1.222</b>	<b>196.786</b>	
<b>January 1, 2010</b>	<b>41.426</b>	<b>42.329</b>	<b>(2.268)</b>	<b>1.760</b>	<b>(170)</b>	<b>102.268</b>	<b>(6.294)</b>	<b>50.881</b>	<b>229.932</b>	<b>1.095</b>	<b>231.027</b>	
- Profit for the period	-	-	-	-	-	-	-	4.037	<b>4.037</b>	(128)	<b>3.909</b>	
- Other comprehensive income / (loss) for the period	-	-	-	-	(352)	(19)	3.883	-	<b>3.512</b>	(1)	<b>3.511</b>	
- Total comprehensive income / (loss) for the period	-	-	-	-	<b>(352)</b>	<b>(19)</b>	<b>3.883</b>	<b>4.037</b>	<b>7.549</b>	<b>(129)</b>	<b>7.420</b>	
- Share based payment	-	-	-	121	-	-	-	-	<b>121</b>	-	<b>121</b>	
- Purchase of treasury shares	-	-	(404)	-	-	-	-	-	<b>(404)</b>	-	<b>(404)</b>	
<b>March 31, 2010</b>	<b>41.426</b>	<b>42.329</b>	<b>(2.672)</b>	<b>1.881</b>	<b>(522)</b>	<b>102.249</b>	<b>(2.411)</b>	<b>54.918</b>	<b>237.198</b>	<b>966</b>	<b>238.164</b>	

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

**S&B Industrial Minerals S.A.**  
**SEPARATE STATEMENT OF CHANGES IN EQUITY**  
**FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2010**

(Amounts in thousand Euro)

	<b>The Company</b>							
	Share Capital	Share Premium	Treasury Shares	Share option plan reserve	Derivatives valuation reserve	Other reserves	Retained earnings	Total
<b>January 1, 2009</b>	31.011	11.596	(1.647)	1.272	(391)	102.997	14.804	159.642
- Profit for the period	-	-	-	-	-	-	1.503	1.503
- Other comprehensive income / (loss) for the period	-	-	-	-	66	(9)	-	57
- Total comprehensive income / (loss) for the period	-	-	-	-	66	(9)	1.503	1.560
- Share based payment	-	-	-	107	-	-	-	107
-Purchase of treasury shares	-	-	(167)	-	-	-	-	(167)
<b>March 31, 2009</b>	31.011	11.596	(1.814)	1.379	(325)	102.988	16.307	161.142
<b>January 1, 2010</b>	41.426	42.329	(2.268)	1.760	(170)	104.136	10.797	198.010
- Loss for the period	-	-	-	-	-	-	(482)	(482)
- Other comprehensive loss for the period	-	-	-	-	(352)	(19)	-	(371)
- Total comprehensive loss for the period	-	-	-	-	(352)	(19)	(482)	(853)
- Share based payment	-	-	-	121	-	-	-	121
- Purchase of treasury shares	-	-	(404)	-	-	-	-	(404)
<b>March 31, 2010</b>	41.426	42.329	(2.672)	1.881	(522)	104.117	10.315	196.874

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

**S&B Industrial Minerals S.A.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2010**  
(Amounts in thousand Euro)

	Note	The Group		The Company	
		1/1 - 31/03 2010	1/1 - 31/03 2009	1/1 - 31/03 2010	1/1 - 31/03 2009
<b>Cash flows from operating activities</b>					
<b>Profit / (loss) before tax</b>		<b>5.972</b>	<b>1.069</b>	<b>(595)</b>	<b>2.008</b>
Adjustments for:					
- Depreciation and amortization		5.661	5.945	2.768	2.826
- Grants amortization		(37)	(37)	(32)	(37)
- Provisions, net		356	32	255	(226)
- Finance income		(303)	(969)	(309)	(536)
- Finance costs		1.805	3.055	1.256	2.249
- Share of (profit) / losses of associates		(172)	165	-	-
- Gain from the disposal of property, plant and equipment		(13)	(105)	-	(30)
		<b>13.269</b>	<b>9.155</b>	<b>3.343</b>	<b>6.254</b>
(Increase) / Decrease in:					
- Inventories		4.001	9.462	2.666	2.391
- Trade receivables		(6.282)	4.632	695	2.406
- Due from related parties		(910)	603	(6.227)	5.724
- Other assets		(2.905)	(143)	(1.819)	(608)
Increase / (Decrease) in:					
- Trade payables		815	(1.937)	(860)	132
- Due to related parties		(43)	6	326	131
- Other liabilities		4.327	2.362	2.414	1.404
Staff leaving indemnities paid		(854)	(267)	(358)	(123)
Payments for environmental rehabilitation		(192)	(223)	(185)	(201)
Income tax paid		(687)	(861)	(387)	(111)
<b>Net cash flows from/ (used in) operating activities</b>		<b>10.539</b>	<b>22.789</b>	<b>(392)</b>	<b>17.399</b>
<b>Cash flows from investing activities</b>					
- Capital expenditure	12	(5.141)	(6.944)	(3.708)	(5.228)
- Capitalized depreciation		125	154	125	154
- Business combinations and investments in consolidated entities		(371)	(768)	-	(200)
- Interest and other finance income received		72	49	25	1
- Proceeds from the settlement of derivatives		80	176	80	176
- Proceeds from the disposal of property, plant and equipment		10	172	-	30
<b>Net cash flows used in investing activities</b>		<b>(5.225)</b>	<b>(7.161)</b>	<b>(3.478)</b>	<b>(5.067)</b>
<b>Cash flows used in financing activities:</b>					
- Purchase of treasury shares		(403)	(167)	(403)	(167)
- Net (decrease)/ increase of short-term borrowings		32	(8.440)	-	(6.615)
- Proceeds from long-term borrowings		-	50.000	-	50.000
- Repayment of long-term borrowings		-	(38.000)	-	(38.000)
- Dividends paid to the owners of the Company, net of taxes		(5)	(13)	(5)	(13)
- Payments for the settlement of derivatives		-	(1.449)	-	(1.449)
- Interest and other finance costs paid		(1.356)	(3.654)	(949)	(2.997)
<b>Net cash flows (used in)/ from financing activities</b>		<b>(1.732)</b>	<b>(1.723)</b>	<b>(1.357)</b>	<b>759</b>
- Net foreign exchange difference on cash flows		1.184	1.255	-	-
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>4.766</b>	<b>15.160</b>	<b>(5.227)</b>	<b>13.091</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>49.573</b>	<b>13.434</b>	<b>24.619</b>	<b>879</b>
- Net foreign exchange difference on cash and cash equivalents at the beginning of the period		742	308	-	-
<b>Cash and cash equivalents at period end</b>		<b>55.081</b>	<b>28.902</b>	<b>19.392</b>	<b>13.970</b>

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

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**A2. NOTES TO THE INTERIM  
CONDENSED FINANCIAL  
STATEMENTS**

**S&B Industrial Minerals S.A.**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2010**

(Amounts in thousand Euro, unless otherwise stated)

**1. CORPORATE INFORMATION AND ACTIVITIES**

The S&B Industrial Minerals S.A. Group of companies (“the Group” or “S&B”) is a Group of companies mainly engaged, through the Greek company S&B Industrial Minerals S.A. (“the Company”) and its subsidiaries, in the extraction, processing, distribution and supply of industrial minerals, the production, distribution and supply of fluxes, the exploration for renewable sources of energy and the management and development of real estate property.

The activities of industrial minerals are related to bentonite, perlite, and bauxite products, to continuous casting fluxes (stollberg) and trading mineral applications such as wollastonite, spodumene, calcined chamotte etc. The principal activities are described in more detail in Note 14.

The Company was incorporated in Greece in 1934 and, since 1994, its shares are quoted on the Athens Exchange. The S&B headquarters are located in Kifissia, Attica, 15 A. Metaxa street, P.C. 145 64, Greece. In 1978, the Shareholders Ordinary General Assembly extended the duration of the Company by 50 years up to 2034.

As at March 31, 2010 and 2009 the Group employed 2.019 and 2.154 employees, respectively, while the Company employed 645 and 709 employees, respectively.

**2. BASIS OF PRESENTATION OF INTERIM CONDENSED FINANCIAL STATEMENTS**

The accompanying interim condensed consolidated and separate financial statements (hereinafter referred to as “the financial statements”) have been prepared in accordance with International Financial Reporting Standards (“IFRS”), as endorsed by the European Union, and explicitly with the provisions of IAS 34 “Interim Financial Reporting”.

The financial statements are in accordance with the valid provisions of Corporate Law 2190/1920. There are no standards applied earlier from their effective date. Moreover, the financial statements have been prepared under the historical cost convention, except for financial instruments and available for sale financial assets which are measured at fair value. All amounts in the financial statements are presented in thousand of Euro (“€”) and are rounded to the nearest thousand, unless otherwise stated.

The financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the latest issued annual financial statements as at December 31, 2009.

The financial statements for the three month period ended March 31, 2010 were approved by the Company’s Board of Directors on May 17, 2010.

**S&B Industrial Minerals S.A.**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2010**

(Amounts in thousand Euro, unless otherwise stated)

### **3. PRINCIPAL ACCOUNTING POLICIES**

The principal accounting policies adopted in the preparation of the financial statements, are consistent with those followed in the preparation of the annual financial statements for the year ended December 31, 2009, except for the below mentioned adoption of new standards and interpretations applicable for fiscal periods beginning at January 1, 2010:

- **IFRS 2 “Group Cash-settled Share-based Payment Transactions” (Amended):** This amendment clarifies the accounting for group cash-settled share-based payment transactions and how such transactions should be arranged in the individual financial statements of the subsidiary. This amendment also supersedes IFRIC 8 and IFRIC 11. The adoption of this amendment did not have any impact on the financial position or performance of the Group.
- **IFRS 3, “Business Combinations” (Revised) and IAS 27, “Consolidated and Separate Financial Statements” (Amended):** The Group applies the new standards as of January 1, 2010. The revised IFRS 3 introduces a number of changes in the accounting for business combinations which will impact the amount of goodwill recognised, the reported results in the period that an acquisition occurs, and future reported results. Such changes include the expensing of acquisition-related costs and recognising subsequent changes in fair value of contingent consideration in the profit or loss (rather than by adjusting goodwill). The amended IAS 27 requires that a change in ownership interest of a subsidiary is accounted for as an equity transaction. Therefore such a change will have no impact on goodwill, nor will it give rise to a gain or loss. Furthermore the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. All the changes introduced by IFRS 3 (Revised) and IAS 27 (Amendment) will affect future acquisitions and transactions with non-controlling interests.
- **IAS 39 “Financial Instruments: Recognition and Measurement” - Eligible Hedged Items:** The amendment clarifies that an entity is permitted to designate a portion of the fair value changes or cash flow variability of a financial instrument as hedged item. This also covers the designation of inflation as a hedged risk or portion in particular situations. The amendment had no impact on the financial statements of the Group, as it has not entered into any such hedges.
- **IFRIC 17, “Distributions of Non-cash Assets to Owners”:** The interpretation provides guidance on how to account for non-cash distributions to owners. The interpretation clarifies when to recognize a liability, how to measure it and the associated assets, and when to derecognize the asset and liability. The interpretation had no impact on the financial statements as the Group has not made any non-cash distributions to shareholders.

In April 2009, the IASB issued its second omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. These are separate transitional provisions for each standard.

- **IFRS 8 “Operating Segment Information”:** Clarifies that segment assets and liabilities need only be reported when those assets and liabilities are included in measures that are used by the chief operating decision maker. As the Group’s chief operating decision maker does review segment assets and liabilities, the Group has continued to disclose this information in Note 14.

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**3. PRINCIPAL ACCOUNTING POLICIES (continued)**

Other amendments resulting from improvements to IFRSs to the following standards did not have any impact on the accounting policies, financial position or performance of the Group:

- **IFRS 2 “Share-based Payment”**
- **IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations”**
- **IAS 1 “Presentation of Financial Statements”**
- **IAS 7 “Statement of Cash Flows”**
- **IAS 17 “Leases”**
- **IAS 36 “Impairment of Assets”**
- **IAS 38 “Intangible Assets”**
- **IAS 39 “Financial Instruments: Recognition and Measurement”**
- **IFRIC 9 “Reassessment of Embedded Derivatives”**
- **IFRIC 16 “Hedges of a Net Investment in a Foreign Operation”**

The Group has not early adopted any other standard, interpretation or amendment that was issued but is not yet effective.

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**4. ENTITIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS**

**4.1 Consolidation under the full method**

The subsidiaries of S&B included in the consolidated financial statements are the following:

Entity	Country	Field of activity	% Participation		Year Established / Acquired
			31/3/2010	31/12/2009	
<b>EUROPE</b>					
S&B Industrial Minerals AD	Bulgaria	Industrial Minerals	99,73%	99,73%	2003
Sibimin Overseas Ltd.	Cyprus	Industrial Minerals	99,99%	99,99%	1996
Dolphin CI S&B Holdings Ltd	Cyprus	Real Estate	75,00%	75,00%	2007
Cape Trahilas One Ltd.	Cyprus	Real Estate	75,00%	75,00%	2007
Cape Trahilas Two Ltd.	Cyprus	Real Estate	75,00%	75,00%	2007
Asian Minerals Ltd.	Cyprus	Holding	100,00%	100,00%	2006
S&B Industrial Minerals S.A.R.L.	France	Industrial Minerals	100,00%	100,00%	2001
Denain Anzin Metallurgie S.A.S.	France	Industrial Minerals	100,00%	100,00%	2004
S&B Industrial Minerals GmbH	Germany	Industrial Minerals	100,00%	100,00%	2001
S&B Holding GmbH	Germany	Holding	100,00%	100,00%	1992
SLS Baustoffe GmbH	Germany	Industrial Minerals	75,00%	75,00%	2001
Askana Ltd.	Georgia	Industrial Minerals	97,70%	97,70%	1998
Isocon S.A.	Greece	Industrial Minerals	60,00%	60,00%	1996
Greek Helicon Bauxites S.A.	Greece	Industrial Minerals	100,00%	100,00%	1995
Cape Trahilas One S.A.	Greece	Real Estate	75,00%	75,00%	2007
Cape Trahilas Two S.A.	Greece	Real Estate	75,00%	75,00%	2007
SPV 26 S.A.	Greece	Real Estate	75,00%	75,00%	2009
S&B Industrial Minerals Kft	Hungary	Industrial Minerals	100,00%	100,00%	2001
Sarda Perlite S.r.l.	Italy	Industrial Minerals	61,00%	61,00%	2001
S&B Industrial Minerals SP Z.O.O.	Poland	Industrial Minerals	100,00%	100,00%	2006
S&B Industrial Minerals Spain S.L.u.	Spain	Industrial Minerals	100,00%	100,00%	2000
<b>AMERICA</b>					
Stollberg do Brazil Ltda	Brazil	Industrial Minerals	100,00%	100,00%	2004
Milos Island Resort Ltd.	B.V.I.	Real Estate	75,00%	75,00%	2009
S&B Industrial Minerals North America Inc.	U.S.A.	Industrial Minerals	100,00%	100,00%	1999
Stollberg Inc.	U.S.A.	Industrial Minerals	100,00%	100,00%	2004
<b>ASIA</b>					
S&B Industrial Minerals (Henan) Co. Ltd.	China	Industrial Minerals	100,00%	100,00%	1996
Guizhou S&B New-Typed Material Co. Ltd.	China	Industrial Minerals	100,00%	100,00%	2009
S&B Jilin Wollastonite Co Ltd.	China	Industrial Minerals	100,00%	100,00%	2005
S&B Industrial Minerals (Tianjin) Co. Ltd.	China	Industrial Minerals	100,00%	100,00%	2006
Panshi Huanyu Wollastonite Co. Ltd.	China	Industrial Minerals	100,00%	100,00%	2007
Stollberg India Pvt. Ltd	India	Industrial Minerals	100,00%	100,00%	2004
S&B Endustriyel Mineraller A.Ş.	Turkey	Industrial Minerals	99,78%	99,72%	1996
Pabalk Maden A.Ş.	Turkey	Industrial Minerals	98,73%	98,73%	1995
<b>AFRICA</b>					
Naimex S.A.R.L.	Morocco	Industrial Minerals	100,00%	100,00%	2003
S&B Ind. Min. Morocco S.A.R.L.	Morocco	Industrial Minerals	100,00%	100,00%	2008

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**4. ENTITIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS**  
**(continued)**

**4.2 Consolidation under the proportionate method**

The jointly controlled entities of S&B included in the consolidated financial statements are the following:

Entity	Country	Field of activity	% Participation		Year Established / Acquired
			31/3/2010	31/12/2009	
<b>EUROPE</b>					
Orykton GmbH	Germany	Industrial Minerals	50,00%	50,00%	2005
Cebo International BV	Netherlands	Holding	50,00%	50,00%	2007
Cebo Holland B.V.	Netherlands	Industrial Minerals	50,00%	50,00%	2007
Cebo Marine B.V.	Netherlands	Industrial Minerals	50,00%	50,00%	2007
Cebo U.K. Ltd	G.Britain	Industrial Minerals	50,00%	50,00%	2007
<b>ASIA</b>					
Stollberg & Samil Co. Ltd.	Korea	Industrial Minerals	50,00%	50,00%	2004
Qing Dao Stollberg & Samil Co.Ltd. (1)	China	Industrial Minerals	48,32%	48,32%	2004

**Footnotes**

1. Qing Dao Stollberg & Samil Co.Ltd. is fully consolidated in the parent company's financial statements, namely Stollberg & Samil Co. Ltd, (96,64% interest).

**4.3 Equity method entities**

Entities consolidated under the equity method of accounting are the following:

Associate	Country	Field of activity	% Participation		Year Established / Acquired
			31/3/2010	31/12/2009	
Laviosa Chimica Mineraria S.p.A.	Italy	Industrial Minerals	35,00%	35,00%	1997
Laviosa Sanayi Ve Ticaret Ltd. (1)	Turkey	Industrial Minerals	35,00%	35,00%	2008
Laviosa Trimex Industries Ltd. (1)	India	Industrial Minerals	19,00%	19,00%	2009
Bentec S.p.A. (1)	Italy	Industrial Minerals	35,00%	35,00%	1999
Laviosa Promasa S.A (2)	Spain	Industrial Minerals	29,52%	29,52%	1997
Xinyang- Athenian Mining Co Ltd. (XAMCO)	China	Industrial Minerals	25,00%	25,00%	1996
Angang Stollberg & Samil Co.,Ltd (3)	China	Industrial Minerals	25,00%	-	2010
Protovoulia Milos S.A.	Greece	Other activities	43,07%	43,07%	2007

**Footnotes**

1. Laviosa Sanayi Ve Ticaret Ltd., Laviosa Trimex Industries Ltd. and Bentec S.p.A. are fully consolidated in their parent's, Laviosa Chimica Mineraria S.p.A., financial statements (participation interest 100%, 55% and 100%, respectively).
2. The Company holds a direct participation interest of 20,10% in the associate Laviosa Promasa S.A. whereas the aggregate interest stated at the above table, derives indirectly due to the fact that the above mentioned company is also consolidated in the financial statements of Laviosa Chimica Mineraria S.p.A.
3. Angang Stollberg & Samil Co. Ltd is consolidated under the equity method in its parent's, Stollberg & Samil Co. Ltd, financial statements (participation interest 50%). For more details see Note 15 below.

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**5. SALES**

Sales in the financial statements are analyzed as follows:

	The Group		The Company	
	1/1-31/03	1/1-31/03	1/1-31/03	1/1-31/03
	2010	2009	2010	2009
Bentonite	42.568	37.484	13.021	12.386
Perlite	15.492	15.382	8.447	7.551
Bauxite	7.008	6.649	7.008	6.649
Continuous casting fluxes	21.891	12.933	-	-
Minerals trading	8.020	6.857	-	-
Other	253	252	253	252
	<b>95.232</b>	<b>79.557</b>	<b>28.729</b>	<b>26.838</b>

**6. FINANCE INCOME**

Finance income in the financial statements is analyzed as follows:

	The Group		The Company	
	1/1-31/03	1/1-31/03	1/1-31/03	1/1-31/03
	2010	2009	2010	2009
Gains from valuation and settlement of derivatives on freights	-	56	-	56
Interest income	73	49	25	1
Foreign exchange gains, net	230	864	284	479
	<b>303</b>	<b>969</b>	<b>309</b>	<b>536</b>

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**7. FINANCE COSTS**

Finance costs in the financial statements are analyzed as follows:

	<b>The Group</b>		<b>The Company</b>	
	<b>1/1-31/03</b>	<b>1/1-31/03</b>	<b>1/1-31/03</b>	<b>1/1-31/03</b>
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
Interest expense on long term loans and borrowings	894	1.480	567	953
Interest expense on short term borrowings	316	816	285	715
Losses from valuation and settlement of derivatives on oil	-	228	-	228
Finance cost of environmental rehabilitation provision	176	86	165	86
Finance cost of staff leaving indemnities provision	243	258	128	136
Bank charges	148	155	97	115
Amortization of loan expenses	28	32	14	16
	<b>1.805</b>	<b>3.055</b>	<b>1.256</b>	<b>2.249</b>

**8. INCOME TAX (CURRENT AND DEFERRED)**

Income tax in the financial statements is analyzed as follows:

	<b>The Group</b>		<b>The Company</b>	
	<b>1/1-31/03</b>	<b>1/1-31/03</b>	<b>1/1-31/03</b>	<b>1/1-31/03</b>
	<b>2010</b>	<b>2009</b>	<b>2010</b>	<b>2009</b>
Current income tax	1.404	870	-	479
Deferred income tax (income) / expense	659	(394)	(113)	26
	<b>2.063</b>	<b>476</b>	<b>(113)</b>	<b>505</b>

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**8. INCOME TAX (CURRENT AND DEFERRED) (continued)**

The unaudited tax years of each company of the Group are as follows:

Entity	Footnote	Country	Unaudited tax years
<b>EUROPE</b>			
S&B Industrial Minerals AD		Bulgaria	2007-2009
S&B Industrial Minerals S.A.R.L.		France	2009
Denain Anzin Metallurgie S.A.S.		France	2006-2009
S&B Industrial Minerals GmbH		Germany	2006-2009
S&B Holding GmbH		Germany	2006-2009
SLS Baustoffe GmbH		Germany	2004-2009
Orykton GmbH		Germany	2005-2009
Askana Ltd.		Georgia	2003-2009
S&B Industrial Minerals S.A.	(1)	Greece	2008-2009
Isocon S.A.		Greece	2007-2009
Greek Helicon Bauxites S.A.		Greece	2007-2009
Cape Trahilas One S.A.		Greece	2007-2009
Cape Trahilas Two S.A.		Greece	2007-2009
SPV 26 S.A.		Greece	2008-2009
S&B Industrial Minerals Spain S.L.u.		Spain	2004-2009
Sarda Perlite S.r.l.		Italy	2000-2009
Sibimin Overseas Ltd.		Cyprus	2004-2009
Asian Minerals Ltd.		Cyprus	2006-2009
Dolphin CI S&B Holdings Ltd.		Cyprus	2007-2009
Cape Trahilas One Ltd.		Cyprus	2007-2009
Cape Trahilas Two Ltd.		Cyprus	2007-2009
Cebo International B.V.	(2)	Netherlands	2002-2009
Cebo Holland B.V.	(2)	Netherlands	2002-2009
Cebo Marine B.V.	(2)	Netherlands	2002-2009
Cebo U.K. Ltd.	(2)	G. Britain	2002-2009
S&B Industrial Minerals Kft.		Hungary	2002-2009
S&B Industrial Minerals SP Z.O.O.		Poland	2008-2009
<b>AMERICA</b>			
S&B Industrial Minerals North America Inc.	(1)	U.S.A.	2006-2009
Stollberg Inc.	(1)	U.S.A.	2006-2009
Stollberg do Brazil Ltda	(2)	Brazil	2002-2009
Milos Island Resort Ltd.		B.V.I.	2009
<b>ASIA</b>			
S&B Industrial Minerals (Henan) Co. Ltd.		China	2008-2009
S&B Jilin Wollastonite Co Ltd.		China	2005-2009
S&B Industrial Minerals (Tianjin) Co. Ltd.		China	2006-2009
Panshi Huanyu Wollastonite Co. Ltd.		China	2007-2009
Qing Dao Stollberg & Samil Co.Ltd.		China	2008-2009
S&B Endustriyel Mineraller A.Ş.		Turkey	2004-2009
Pabalk Maden A.Ş.		Turkey	2004-2009
Stollberg India Pvt. Ltd.		India	2009
Stollberg & Samil Co. Ltd.	(2)	Korea	2005-2009
<b>AFRICA</b>			
Naimex S.A.R.L.		Morocco	2006-2009
S&B Ind. Min. Morocco S.A.R.L.		Morocco	2008-2009

**Footnotes:**

(1) These entities are currently being audited from the tax authorities for the year 2008.

(2) The potential tax liabilities that may come up from a future tax audit until fiscal year 2003 for the companies of Stollberg Group and until fiscal year 2006 for the companies of Cebo Group, based on the acquisition agreement, are covered by the seller.

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## **9. EXISTING LIENS**

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

## **10. PENDING LITIGATION AND ARBITRATION**

The Group is a party to various lawsuits and arbitration proceedings in the normal course of business, against which the Group has provided for an amount of € 709 and € 709 as of March 31, 2010 and December 31, 2009, respectively, (€ 404 and € 404 as of March 31, 2010, and December 31, 2009, respectively, for the Company) in the financial statements.

Moreover, by its decisions nr.8778/07 and nr.8779/07 the Hellenic Ministry for the Environment, Physical Planning and Public Works imposed penalties of € 224 and € 168, respectively, to the Company. The related amounts were paid in 2008. Furthermore, the Company appealed the above decisions before the Administrative Court of Athens which by its decisions nr.1630/2008 and 1631/2008 accepted the appeals and rejected the initial decisions of the Hellenic Ministry for the Environment Physical Planning and Public Works. The above amounts were returned to the Company in 2009. The pertinent authorities have repeated the procedure in a lawful manner and have requested the Company to defend itself against the environmental infringements for which it was originally accused. The Company has served its arguments in reply but they were rejected in part. There is a proposal to impose again the penalties but the Company has not received up to now new penalties' assessments.

Except for these cases, for which the above provision was established, the Group's Management believes that the outcome of any remaining litigation is not expected to have a material adverse effect on the Group's and the Company's financial position and operations.

## **11. RELATED PARTY TRANSACTIONS**

Transactions with related parties are made at arms'-length and mainly relate to operating and partly to investing activities. Outstanding balances at the year-end are unsecured, interest free and are settled in cash within the timeframe agreed. The guarantees provided by S&B to its subsidiaries as March 31, 2010 and December 31, 2009 are analyzed in Note 13. Company's Management has not provided against the receivables due from its subsidiaries or associates as it does not anticipate any doubtfulness of such receivables, except for the case of Askana Ltd. against which a provision for doubtful debts has been established. Intra-group balances and transactions among fully consolidated subsidiaries have been fully eliminated from the financial statements of the Group.

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**11. RELATED PARTY TRANSACTIONS (continued)**

The following table present balances due from and due to, as well as revenues and expenses, between related parties and the Group:

	The Group			
	Due from		Due to	
	March 31 2010	December 31 2009	March 31 2010	December 31 2009
<b><u>Associates</u></b>				
Laviosa Chimica Mineraria S.p.A.	569	662	-	-
Laviosa Promasa S.A.	785	366	-	-
Xinyang Athenian Mining Co. Ltd	197	63	549	625
	<u>1.551</u>	<u>1.091</u>	<u>549</u>	<u>625</u>
<b><u>Jointly controlled entities</u></b>				
Cebo International B.V.	1.024	558	159	103
Stollberg & Samil Co. Ltd	52	70	21	-
	<u>1.076</u>	<u>628</u>	<u>180</u>	<u>103</u>
<b><u>Other related companies</u></b>				
Motodynamics S.A., Group of companies	41	39	-	-
Perlite Hellas S.A.	-	-	975	1.018
ORYMIL S.A.	33	33	-	-
Rescon India Private Ltd.	-	-	117	115
Other	20	19	-	3
	<u>94</u>	<u>91</u>	<u>1.092</u>	<u>1.136</u>
	<u>2.721</u>	<u>1.810</u>	<u>1.821</u>	<u>1.864</u>
	The Group			
	Revenues		Expenses	
	1/1-31/03 2010	1/1-31/03 2009	1/1-31/03 2010	1/1-31/03 2009
<b><u>Associates</u></b>				
Laviosa Promasa S.A.	785	-	-	-
Laviosa Chimica Mineraria S.p.A.	19	438	-	-
Xinyang Athenian Mining Co. Ltd	-	-	207	90
	<u>804</u>	<u>438</u>	<u>207</u>	<u>90</u>
<b><u>Jointly controlled entities</u></b>				
Cebo International B.V.	1.442	478	392	242
Stollberg & Samil Co. Ltd	-	7	63	21
Orykton GmbH	-	15	-	31
	<u>1.442</u>	<u>500</u>	<u>455</u>	<u>294</u>
<b><u>Other related companies</u></b>				
Motodynamics S.A., Group of companies	-	278	-	-
Perlite Hellas S.A.	-	-	405	266
ORYMIL S.A.	-	-	8	-
Rescon India Private Ltd.	-	-	270	94
Other	4	4	16	12
	<u>4</u>	<u>282</u>	<u>699</u>	<u>372</u>
	<u>2.250</u>	<u>1.220</u>	<u>1.361</u>	<u>756</u>

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**11. RELATED PARTY TRANSACTIONS (continued)**

The following tables present balances due to and from related parties as well as revenues and expenses with them for the Company:

	The Company			
	Due from		Due to	
	March 31 2010	December 31 2009	March 31 2010	December 31 2009
<b><u>Direct subsidiaries</u></b>				
Isocon S.A.	2.185	2.380	-	-
S&B Holding GmbH	159	-	-	-
Sibimin Overseas Ltd	7	6	-	-
Greek Helicon Bauxite S.A.	15	13	905	705
Sarda Perlite S.r.l.	-	-	570	511
	<b>2.366</b>	<b>2.399</b>	<b>1.475</b>	<b>1.216</b>
<b><u>Indirect subsidiaries</u></b>				
S&B Industrial Minerals GmbH	7.964	4.525	-	-
S&B Industrial Minerals North America Inc.	2.233	317	7	4
S&B Industrial Minerals S.A.R.L.	1.955	888	-	-
S&B Industrial Minerals Spain S.L.u.	575	712	-	-
S&B Endustriyel Mineraller A.S.	83	453	-	-
S&B Industrial Minerals (Henan) Co. Ltd.	10	8	6	6
Special Purpose Vehicle 26 S.A.	2	2	-	-
S&B Industrial Minerals AD	-	-	509	442
Cape Trahilas One S.A.	1	-	-	-
Cape Trahilas Two S.A.	1	-	-	-
	<b>12.824</b>	<b>6.905</b>	<b>522</b>	<b>452</b>
<b><u>Associates</u></b>				
Laviosa Promasa S.A.	785	366	-	-
Laviosa Chimica Mineraria S.p.A.	569	662	-	-
	<b>1.354</b>	<b>1.028</b>	-	-
<b><u>Other related companies</u></b>				
Motodynamics S.A., Group of companies	41	39	-	-
Cebo International B.V.	491	478	-	-
ORYMIL S.A.	33	33	-	-
Other	19	19	-	3
	<b>584</b>	<b>569</b>	-	<b>3</b>
	<b>17.128</b>	<b>10.901</b>	<b>1.997</b>	<b>1.671</b>

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**11. RELATED PARTY TRANSACTIONS (continued)**

	The Company			
	Revenues		Expenses	
	1/1-31/03 2010	1/1-31/03 2009	1/1-31/03 2010	1/1-31/03 2009
<b><u>Direct subsidiaries</u></b>				
Isocon S.A.	479	699	-	1
S&B Holding GmbH	159	159	-	-
Sibimin Overseas Ltd	7	6	-	-
Greek Helicon Bauxite S.A.	2	1	168	352
Sarda Perlite S.r.l.	-	-	60	111
	<b>647</b>	<b>865</b>	<b>228</b>	<b>464</b>
<b><u>Indirect subsidiaries</u></b>				
S&B Industrial Minerals GmbH	4.382	4.549	-	-
S&B Industrial Minerals North America Inc.	3.925	2.761	3	-
S&B Industrial Minerals S.A.R.L.	1.067	665	-	-
S&B Industrial Minerals Spain S.L.u.	181	176	-	-
Stollberg Inc.	50	53	-	-
S&B Endustriyel Mineraller A.S.	165	83	-	-
S&B Industrial Minerals AD	4	9	67	297
Cape Trahilas One S.A.	1	-	-	-
Cape Trahilas Two S.A.	1	-	-	-
	<b>9.776</b>	<b>8.296</b>	<b>70</b>	<b>297</b>
<b><u>Associates</u></b>				
Laviosa Promasa S.A.	785	-	-	-
Laviosa Chimica Mineraria S.p.A.	19	438	-	-
	<b>804</b>	<b>438</b>	<b>-</b>	<b>-</b>
<b><u>Other related companies</u></b>				
Cebo International B.V.	1.040	234	-	-
Motodynamics S.A., Group of companies	-	278	-	-
ORYMIL S.A.	-	-	8	-
Other	4	-	16	10
	<b>1.044</b>	<b>512</b>	<b>24</b>	<b>10</b>
	<b>12.271</b>	<b>10.111</b>	<b>322</b>	<b>771</b>

Transactions and compensation of key management personnel and Board members of the Group for the three month period ended March 31, 2010 amounted to € 1.344 (€ 1.077 for the three month period ended March 31, 2009). Balances due to key management and Board members as of March 31, 2010 amounted to € 459 (€ 852 as of December 31, 2009).

Finally, transactions and compensation of key management and Board members of the Company for the three month period ended March 31, 2010 amounted to € 1.254 (€ 943 for the three month period ended March 31, 2009). Balances due to key management and Board members as of March 31, 2010 amounted to € 434 (€ 755 as of December 31, 2009).

**S&B Industrial Minerals S.A.**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
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(Amounts in thousand Euro, unless otherwise stated)

## **12. CAPITAL EXPENDITURE**

The Group realized capital expenditure for the three month periods ended March 31, 2010 and 2009 of € 5,1 million and € 6,9 million, respectively, excluding the acquisitions through business combinations (the Company realized € 3,7 million and € 5,2 million, respectively).

## **13. CONTINGENCIES - COMMITMENTS**

On March 31, 2010 and December 31, 2009 the Group has issued letters of guarantee for a total amount of € 6,6 million and € 6,1 million, respectively, while the Company has issued letters of guarantee for a total amount of € 2,7 million and € 2,7 million, respectively, relating mainly to mining rights and licenses. Further to the above, the Company as of March 31, 2010 had issued corporate guarantees to banks in favor of certain subsidiaries for the issuance of bank loans to them for a total amount of approximately € 73,6 million (approximately € 76,0 million as of December 31, 2009).

## **14. SEGMENT INFORMATION**

Commencing fiscal year 2009, the Group applies IFRS 8 "Operating Segments" which replaces IAS 14 "Segment Reporting". In accordance with IFRS 8, reportable operating segments are identified based on the "management approach". This approach stipulates external segment reporting based on the Group's internal organizational and management structure and on key figures of internal financial reporting to the chief operating decision maker who, in the case of S&B Group, is considered to be the Chief Executive Officer who is responsible for measuring the business performance of the segments.

For management purposes the Group is organized into divisions based on the nature of the industrial mineral applications. In contrast with the previous segment reporting structure, S&B has five reportable profit generating segments which are independently managed as well as a corporate segment. Therefore, the Group reportable operating segments are summarized as follows:

- **Bentonite segment:** the Bentonite segment supplies bentonite, zeolite, coal and other additives to a wide range of applications, such as foundry sand castings, iron ore pelletising, civil engineering projects, cat litter, paper manufacturing and animal feed. Bentonite is clay with strong colloidal properties, which increases in volume several times when coming into contact with water, creating a gelatinous substance, useful for its binding and rheological properties.
- **Perlite segment:** perlite is a natural volcanic glassy material formed by rapidly cooled lava that trapped water within its mass, thereby giving perlite its most important physical property, the ability to expand and increase its volume. Perlite has thermal and acoustic insulation properties, as well as high porosity making it an excellent lightweight aggregate, hydroponics media and significant component of acoustical tiles.
- **Bauxite segment:** bauxite is the basic raw material in the production of alumina. The Group leases and owns bauxite mines in the Parnassos and Giona mountain regions, in central Greece and in Italy. The bauxite reserves are of diasporic and boehmitic type.
- **Continuous Casting Fluxes (C.C.F.) segment:** C.C.F. segment supplies continuous casting fluxes, associated products, and services for the steel industry. Fluxes have a complex composition and are engineered to satisfy the customer needs. They are essential for the operational reliability and high-grade steel production in continuous casting, bottom pouring, ladle and tundish processes.

**S&B Industrial Minerals S.A.**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2010**

(Amounts in thousand Euro, unless otherwise stated)

**14. SEGMENT INFORMATION (continued)**

- **Minerals trading segment:** the Minerals trading segment is a supplier of industrial minerals for the glass, ceramic, metallurgy and refractory industries. Minerals trading segment produces customized products under strict quality control by using its own crushing and milling facilities.
- The **Corporate segment** incorporates all corporate activities, including the exploration for renewable sources of energy and the management and development of real estate property.

No operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of each segment separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on sales, operating results and Earnings Before Interest Taxes Depreciation & Amortization ("EBITDA"). It is noted that the Group applies the same accounting policies as those in the financial statements in order to measure the operating segment's results. Group financing, including finance costs (other than the finance costs of provisions for environmental rehabilitation and staff leaving indemnities) and finance income, as well as income taxes are measured on a group basis and are included in corporate segment without being allocated to the profit generating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties. Inter-segment sales are eliminated on consolidation.

The following tables present sales and results regarding the Group's operating segments for the three month periods ended March 31, 2010 and 2009, respectively:

	1/1-31/03/2010				
	Sales			Results	
	Third party	Inter-segment	Total sales	Profit / (loss) before tax	EBITDA
Bentonite	42.568	41	42.609	8.110	10.485
Perlite	15.492	-	15.492	1.074	2.051
Bauxite	7.008	-	7.008	(1.435)	(133)
C.C.F.	21.891	-	21.891	4.182	5.154
Minerals trading	8.020	125	8.145	1.215	1.334
Corporate	253	-	253	(7.174)	(5.793)
Eliminations	-	(166)	(166)	-	-
<b>Total</b>	<b>95.232</b>	<b>-</b>	<b>95.232</b>	<b>5.972</b>	<b>13.098</b>
	1/1-31/03/2009				
	Sales			Results	
	Third party	Inter-segment	Total sales	Profit / (loss) before tax	EBITDA
Bentonite	37.484	53	37.537	4.718	7.308
Perlite	15.382	-	15.382	1.596	2.379
Bauxite	6.649	-	6.649	72	1.476
C.C.F.	12.933	-	12.933	269	1.204
Minerals trading	6.857	52	6.909	543	727
Corporate	252	-	252	(6.129)	(4.031)
Eliminations	-	(105)	(105)	-	-
<b>Total</b>	<b>79.557</b>	<b>-</b>	<b>79.557</b>	<b>1.069</b>	<b>9.063</b>

**S&B Industrial Minerals S.A.**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2010**

(Amounts in thousand Euro, unless otherwise stated)

**14. SEGMENT INFORMATION (continued)**

The following table present segment assets of the Group's operating segments as of March 31, 2010 and December 31, 2009:

	<b>ASSETS</b>	
	<b>March 31, 2010</b>	<b>December 31, 2009</b>
<b>Bentonite</b>	197.357	194.380
<b>Perlite</b>	78.535	76.261
<b>Bauxite</b>	55.055	55.332
<b>C.C.F.</b>	76.395	73.056
<b>Minerals trading</b>	15.969	17.418
<b>Corporate</b>	100.111	94.384
<b>Eliminations</b>	(5)	25
<b>Total</b>	<b>523.417</b>	<b>510.856</b>

It is noted that income tax assets (current and deferred), available-for-sale financial assets, derivative financial assets and cash and cash equivalents are included in the Corporate segment.

**15. CURRENT PERIOD SIGNIFICANT EVENTS**

(in this note all amounts are expressed in Euro, unless otherwise stated)

**Angang Industry Group**

On January 26, 2010 the Group signed an agreement for the establishment of a 30 year joint venture with the Angang Industry Group Co. Ltd., in the northern part of China (Liaoning Province). The agreement has been signed between Stollberg & Samil Co. Ltd, an existing jointly controlled entity of S&B in Korea, and the Angang Industry Group Co. Ltd., an affiliate of Angang Steel Co. Ltd. (Angang). The total investment amounts to USD 6 million. S&B's proportionate participation at Group level is USD 1,5 million out of which USD 0,5 million was paid as of March 31, 2010. The purpose of the newly formed company is to create an in-house supply of metallurgical fluxes for the steel production division of Angang, offering the advantages provided by S&B's world class production standards, quality control expertise and application know-how in continuous casting fluxes (CCF). Within this scope, a new plant will be established in proximity of Angang's steel plant in the area. The new plant is expected to be operational in the final quarter of 2010.

**Dividends**

On March 10, 2010, the Company's Board of Directors decided to propose to the Shareholders' AGM a dividend distribution for the year 2009 which amounted to € 4.971.092,00 (€ 0,12 per share), which is included in the equity of December 31, 2009 and is not reflected as a liability on the statement of financial position.

**Acquisition of treasury shares**

Within the period, the Company purchased 88.605 common treasury shares, at an average price of € 4,55 per share for an aggregate amount of € 403.386,75. As of March 31, 2010 the Company holds 397.367 treasury shares at average price of € 6,72 per share, for a total amount of € 2.671.544,29.

**S&B Industrial Minerals S.A.**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2010**

(Amounts in thousand Euro, unless otherwise stated)

**16. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD**

Subsequent to March 31, 2010 and until May 14, 2010 the Company purchased 48.884 common treasury shares, at an average price of € 4,71 per share for an aggregate amount of € 230.407,54. As a result, as of May 14, 2010 the Company holds 446.251 treasury shares at average price of € 6,50 per share, for a total amount of € 2.901.951,83.

On its meeting held on May 17, 2010 S&B's Board of Directors decided to propose to the shareholders AGM the issuance of 1 bonus share for every 4 shares owned, which will increase the total shares outstanding to 51.782.200. S&B's shareholders will be invited to attend the AGM on June 17, 2010 to approve, among other items, the proposed bonus share issuance through the capitalisation of special tax free reserves. The new bonus shares are expected to be admitted for trading in July of 2010.

**17. PRIOR PERIOD RECLASSIFICATIONS**

For better presentation and comparison purposes the following reclassifications were performed: (i) a credit amount of € 217 related to a reversal of the land rehabilitation provision has been transferred from "Other expenses" to "Other income" in the consolidated income statement for the three month period ended March 31, 2009 (€ 172 in the separate income statement) and (ii) a debit amount of € 166 related to inventory count deficits has been transferred from "Other expenses" to "Cost of sales" in the consolidated and separate income statements for the three month period ended March 31, 2009.

Moreover, due to the fact that the share capital increase took place within September 2009, the comparative weighted average number of shares outstanding for all the periods before the rights issue was adjusted based on an adjusted factor (for more details please refer to Note 28 of the 2009 annual financial statements).

**S&B Industrial Minerals S.A.**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2010**

(Amounts in thousand Euro, unless otherwise stated)

**18. FOREIGN EXCHANGE RATES**

The foreign exchange rates used for the translation of the subsidiaries financial statements expressed in foreign currency are as follows:

	<b>FINANCIAL POSITION</b>		
	<b>March 31</b>	<b>December 31</b>	<b>Δ%</b>
	<b>2010</b>	<b>2009</b>	
1 € = USD	1,3479	1,4406	-6%
1 € = GBP	0,8898	0,8881	0%
1 € = BGN	1,9558	1,9558	0%
1 € = HUF	265,75	270,42	-2%
1 € = TRY	2,051	2,155	-5%
1 € = CNY	9,2006	9,8350	-6%
1 € = GEL	2,3559	2,4195	-3%
1 € = KRW	1.525,11	1.666,97	-9%
1 € = BRL	2,4076	2,5073	-4%
1 € = INR	60,597	66,422	-9%
1 € = MAD	11,1979	11,2746	-1%
1 € = PLN	3,8673	4,1045	-6%
	<b>COMPREHENSIVE INCOME</b>		
	<b>Average rate</b>	<b>Average rate</b>	<b>Δ%</b>
	<b>three month</b>	<b>three month</b>	
	<b>2010</b>	<b>2009</b>	
1 € = USD	1,3829	1,3029	6%
1 € = GBP	0,8876	0,9088	-2%
1 € = BGN	1,9558	1,9558	0%
1 € = HUF	268,52	294,19	-9%
1 € = TRY	2,087	2,163	-4%
1 € = CNY	9,4417	8,9066	6%
1 € = GEL	2,384	2,185	9%
1 € = KRW	1.581,41	1.847,59	-14%
1 € = BRL	2,4918	3,0162	-17%
1 € = INR	63,422	64,838	-2%
1 € = MAD	11,2214	11,0830	1%
1 € = PLN	3,9869	4,4988	-11%

## **B. ADDITIONAL INFORMATION**

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# S&B Industrial Minerals S.A.

Company's No 110/06/B/86/11 in the register of Societas Anonymes - Andrea Metaxa 15 - 145 64 Kifissia

## FINANCIAL DATA AND INFORMATION FOR THE PERIOD 1 JANUARY - 31 MARCH 2010

(In accordance with 4/507/28.04.2009 resolution of the Greek Capital Market Committee)

(Amounts in Euro thousand unless otherwise stated)

The purpose of the below data and information is to provide users with general financial information about the financial position and the results of operations of S&B Industrial Minerals S.A. and the Group of companies of S&B Industrial Minerals S.A. We advise the readers that, before proceeding to any kind of investing activity or other transaction with the Company, to access the company's web site [www.sandb.com](http://www.sandb.com) where the financial statements are published together with the auditor's review report, whenever is required.

Board of Directors approval date of financial statements: May 17, 2010  
Company's website: [www.sandb.com](http://www.sandb.com)

### STATEMENT OF FINANCIAL POSITION

	GROUP		COMPANY	
	31.3.2010	31.12.2009	31.3.2010	31.12.2009
<b>ASSETS</b>				
Property, Plant & Equipment	197.708	195.345	102.695	101.004
Investment properties	20.301	20.368	20.301	20.368
Intangible assets	104.829	104.705	25.345	25.354
Other non current assets	15.006	15.275	131.740	131.507
Inventories	60.415	65.093	19.917	23.256
Trade receivables	53.729	47.500	6.069	6.764
Other current assets	16.143	12.767	25.667	17.628
Cash and cash equivalents	55.081	49.573	19.392	24.619
Available for sale financial assets	205	230	205	230
<b>TOTAL ASSETS</b>	<b>523.417</b>	<b>510.856</b>	<b>351.331</b>	<b>350.730</b>
<b>EQUITY AND LIABILITIES</b>				
Share capital	41.426	41.426	41.426	41.426
Share premium	42.329	42.329	42.329	42.329
Other equity components	153.443	146.177	113.119	114.255
Total equity attributable to owners of the Company (a)	237.198	229.932	196.874	198.010
Minority interests (b)	966	1.099	-	-
Total equity (c)=(a)+(b)	238.164	231.027	196.874	198.010
Long-term interest-bearing loans and borrowings	104.804	154.788	52.387	102.373
Provisions/Other non current liabilities	51.869	52.359	21.686	21.698
Short-term borrowings	66.733	16.705	57.500	7.500
Other current liabilities	61.847	55.977	22.884	21.149
Total liabilities (d)	285.253	279.829	154.457	152.720
<b>TOTAL EQUITY AND LIABILITIES (c)+(d)</b>	<b>523.417</b>	<b>510.856</b>	<b>351.331</b>	<b>350.730</b>

### CONDENSED STATEMENT OF CHANGES IN EQUITY

	GROUP		COMPANY	
	31.3.2010	31.3.2009	31.3.2010	31.3.2009
<b>Equity at beginning of the period</b>				
1/1/2010 and 1/1/2009 respectively)	231.027	193.779	198.010	159.642
Total comprehensive income/(loss) for the period	7.420	3.067	-853	1.560
Purchase of treasury shares	-404	-167	-404	-167
Share based payment	121	107	121	107
<b>Equity at period end</b>				
(31/3/2010 and 31/3/2009 respectively)	<b>238.164</b>	<b>196.786</b>	<b>196.874</b>	<b>161.142</b>

### ADDITIONAL DATA AND INFORMATION

- Companies included in the consolidated financial statements together with country of establishment, participation interest and method of consolidation for the three month period ended March 31, 2010 are presented in note 4 of the three month financial report.
- The fiscal years that are unaudited by the tax authorities for the Company and the Group's subsidiaries are presented in three month financial report.
- Number of employees at the end of the reporting period: Group 2.019 (31.3.2009: 2.154) and 645 for the Company (31.3.2009: 709).
- Certain amounts of previous fiscal year/period have been reclassified for better presentation and comparability purposes (note 17 of the three month financial report).
- Related party transactions for the first three months of 2010 and balances with related parties as of March 31, 2010 according to I.A.S. 24 are as follows:

	Group	Company
a) Revenues	2.250	12.271
b) Expenses	1.361	322
c) Receivables from related parties	2.721	17.128
d) Payables to related parties	1.821	1.997
e) Key management personnel compensations	1.344	1.254
f) Receivables from key management personnel	459	434
g) Payables to key management personnel	0	0
- Provisions of the Group and the Company as of 31.3.2010 are as follows:

	Group	Company
a) Provision for litigation and arbitration	709	404
b) Provision for unaudited tax years	975	411
c) Other provisions	2.075	164
- No liens exist on the Parent's and the Group's assets.
- Within the normal course of business of the Company and the Group, court decisions on pending lawsuits, applications and appeals are not expected to have a substantial adverse effect on the Company's and the Group's financial position (note 10 of the three month financial report).
- (in this note all amounts are expressed in Euro)
  - On March 10, 2010, the Company's Board of Directors decided to propose to the Shareholders' AGM a dividend distribution for the year 2009 which amounted to € 4.971.092,00 (€ 0,12 per share), which is included in the equity of December 31, 2009 and is not reflected as a liability on the statement of financial position (note 15 of the three month financial report).
  - Within the period, the Company purchased 88.605 common treasury shares, at an average price of € 4,55 per share for an aggregate amount of € 403.386,75. As of March 31, 2010 the Company holds 397.367 treasury shares at average price of € 6,72 per share, for a total amount of € 2.671.544,29. Subsequent to March 31, 2010 and until May 14, 2010 the Company purchased 48.884 common treasury shares, at an average price of € 4,71 per share for an aggregate amount of € 230.407,54. As a result, as of May 14, 2010 the Company holds 446.251 treasury shares at average price of € 6,50 per share, for a total amount of € 2.901.951,83 (notes 15,16 of the three month financial report).
  - On January 26, 2010 the Group signed an agreement for the establishment of a 30 year joint venture with the Angang Industry Group Co. Ltd., in the northern part of China (Liaoning Province). The agreement has been signed between Stolberg & Samli Co. Ltd, an existing jointly controlled entity of S&B in Korea, and the Angang Industry Group Co. Ltd., an affiliate of Angang Steel Co. Ltd. (Angang). The total investment amounts to USD 6 million. S&B's proportionate participation at Group level is USD 1,5 million out of which USD 0,5 million was paid as of March 31, 2010 (note 15 of the three month financial report).
- On its meeting held on May 17, 2010 S&B's Board of Directors decided to propose to the shareholders AGM the issuance of 1 bonus share for every 4 shares owned, which will increase the total shares outstanding to 51.782.200. S&B's shareholders will be invited to attend the AGM on June 17, 2010 to approve, among other items, the proposed bonus share issuance through the capitalisation of special tax free reserves. The new bonus shares are expected to be admitted for trading in July of 2010 (note 16 of the three month financial report).

Kifissia, May 17, 2010

THE CHAIRMAN OF THE BOARD OF DIRECTORS

THE CHIEF EXECUTIVE OFFICER

THE CHIEF FINANCIAL OFFICER

THE CONTROLLER GREECE

ULYSSES P. KYRIACOPOULOS  
ID No. AH 042868

EFTHIMIOS OR. VIDALIS  
ID No. Σ 237368

KRITON ST. ANAVLAVIS  
ID No. Π 062025

NIKOLAOS CH. IOAKIM  
A'CLASS LICENSE No 0002714

### STATEMENT OF COMPREHENSIVE INCOME

	GROUP		COMPANY	
	1.1-31.3.2010	1.1-31.3.2009	1.1-31.3.2010	1.1-31.3.2009
Sales	95.232	79.557	28.729	26.838
Gross profit	22.287	16.178	6.206	7.326
Profit before income tax, financial and investment results	7.302	3.320	352	3.721
Profit/(Loss) before tax	5.972	1.069	-595	2.008
<b>Net profit/(Loss) (A)</b>	<b>3.909</b>	<b>593</b>	<b>-482</b>	<b>1.503</b>
<b>Attributable to:</b>				
- Owners of the company	4.037	730	-482	1.503
- Minority interests	-128	-137	-	-
<b>Other comprehensive income/(loss) for the period (B)</b>	<b>3.511</b>	<b>2.474</b>	<b>-371</b>	<b>57</b>
<b>Total other comprehensive income/(loss) for the period (A) + (B)</b>	<b>7.420</b>	<b>3.067</b>	<b>-853</b>	<b>1.560</b>
<b>Attributable to:</b>				
- Owners of the company	7.549	3.179	-853	1.560
- Minority interests	-129	-112	-	-
<b>Net Earnings/(losses) per share - basic (in €)</b>	<b>0,0983</b>	<b>0,0226</b>	<b>-0,0117</b>	<b>0,0465</b>
Profit before income tax, financial and investment results, depreciation and amortization	13.098	9.063	3.088	6.510

### CASH FLOW STATEMENT

	GROUP		COMPANY	
	1.1-31.3.2010	1.1-31.3.2009	1.1-31.3.2010	1.1-31.3.2009
<b>Indirect Method</b>	<b>1.1-31.3.2010</b>	<b>1.1-31.3.2009</b>	<b>1.1-31.3.2010</b>	<b>1.1-31.3.2009</b>
<b>Cash flows from operating activities</b>				
Profit/(Loss) before tax	5.972	1.069	-595	2.008
Adjustments for:				
- Depreciation and amortization	5.661	5.945	2.768	2.826
- Grants amortization	-37	-37	-32	-37
- Provisions, net	356	32	255	-226
- Finance income	-303	-969	-309	-536
- Finance costs	1.805	3.055	1.256	2.249
- Share of (profit)/losses of associates	-172	165	-	-
- Gain from disposal of property, plant and equipment	-13	-105	-	-30
<b>(Increase) / Decrease in:</b>	<b>13.269</b>	<b>9.155</b>	<b>3.343</b>	<b>6.254</b>
- Inventories	4.001	9.462	2.666	2.391
- Trade receivables	-6.282	4.632	695	2.406
- Due from related parties	-910	603	-6.227	5.724
- Other assets	-2.905	-143	-1.819	-608
<b>Increase / (Decrease) in:</b>				
- Trade payables	815	-1.937	-860	132
- Due to related parties	-43	6	326	131
- Other liabilities	4.327	2.362	2.414	1.404
Staff leaving indemnities paid	-854	-267	-358	-123
Payments for environment rehabilitation	-192	-223	-185	-201
Income tax paid	-687	-861	-387	-111
<b>Net cash flows from/(used in) operating activities (a)</b>	<b>10.539</b>	<b>22.789</b>	<b>-392</b>	<b>17.399</b>
<b>Cash flows from investing activities</b>				
- Capital expenditure	-5.141	-6.944	-3.708	-5.228
- Capitalized depreciation and amortization	125	154	125	154
- Business combinations and investments in consolidated entities	-371	-768	-	-200
- Interest and other finance income received	72	49	25	1
- Derivative income received	80	176	80	176
- Proceeds from disposal of property, plant and equipment	10	172	-	30
<b>Net cash flows (used in)/from investing activities (b)</b>	<b>-5.226</b>	<b>-7.161</b>	<b>-3.478</b>	<b>-5.067</b>
<b>Cash flows from financing activities</b>				
- Purchase of treasury shares	-403	-167	-403	-167
- Net increase of short-term borrowing	32	-8.440	-	-6.615
- Proceeds from long-term borrowing	-	50.000	-	50.000
- Repayment of long-term borrowing	-	-38.000	-	-38.000
- Dividends paid to equity holders	-5	-13	-5	-13
- Derivatives paid	-	-1.449	-	-1.449
- Interest and other finance costs paid	-1.356	-3.654	-949	-2.997
<b>Net cash flows (used in)/from financing activities (c)</b>	<b>-1.732</b>	<b>-1.723</b>	<b>-1.357</b>	<b>759</b>
- Net foreign exchange difference on flows (d)	1.184	1.255	-	-
<b>Net increase/(decrease) in cash and cash equivalents (a) + (b) + (c) + (d)</b>	<b>4.766</b>	<b>15.160</b>	<b>-5.227</b>	<b>13.091</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>49.573</b>	<b>13.434</b>	<b>24.619</b>	<b>879</b>
- Net foreign exchange difference on cash and cash equivalents at the beginning of the period	742	308	-	-
<b>Cash and cash equivalents at period end</b>	<b>55.081</b>	<b>28.902</b>	<b>19.392</b>	<b>13.970</b>

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**C. STATEMENT OF APPROPRIATION  
OF RIGHTS ISSUE PROCEEDS**

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S&B Industrial Minerals S.A.  
Company's No 110/06/B/86/11 in the register of Societes Anonymes  
Andrea Metaxa 15 - 145 64 Kifissia

**USE OF FUNDS RAISED FROM SHARE CAPITAL INCREASE BY PAYMENT IN CASH WITH PREFERENCE RIGHT TO EXISTING SHAREHOLDERS, IN ACCORDANCE WITH THE DECISION OF THE GENERAL MEETING OF SHAREHOLDERS HELD ON 16.06.2009 AND WITH THE DECISION OF THE BOARD OF DIRECTORS HELD ON 05.08.2009.**

The Athens Exchange (ATHEX), by its decision dated 23.09.2009, approved the share capital increase of the Company through the rights offering of 10.356.440 new ordinary registered shares by payment in cash. The total funds raised amounted to € 41.425.760,00. The Company's Board of Directors certified the share capital increase at its meeting dated 22.09.2009 and the new shares commenced trading on the ATHEX on 25.09.2009.

**TABLE OF USE OF RIGHTS ISSUE PROCEEDS**

Use of raised funds (amounts in €)	Total funds raised	Total funds used	Balance as of 31.03.2010 to be used in 2010
		31.03.2010	
1. Repayment of outstanding loans	38.000.000,00	23.000.000,00	15.000.000,00
2. Working capital needs	2.846.221,57	2.846.221,57	0
3. Rights issue costs	579.538,43	579.538,43	0
<b>Total</b>	<b>41.425.760,00</b>	<b>26.425.760,00</b>	<b>15.000.000,00</b>

**Note:**

The funds raised from the above mentioned share capital increase of the Company were exclusively used for the purposes of the share capital increase as stated in the Offering Circular (par. 4.4) approved by the Hellenic Capital Market Commission on 24.08.2009.

Kifissia, May 17, 2010

**The Chairman of the Board of  
Directors**

**Ulysses P. Kyriacopoulos  
ID No AH042868**

**The Chief Executive Officer**

**Efthimios O. Vidalis  
ID No Σ237368**

**The Chief Financial Officer**

**Kriton St. Anavlavis  
ID No Π062025**

**The Controller Greece**

**Nikolaos Ch. Ioakim  
A' Class License No 0002714**