



S&B Industrial Minerals S.A.

**Annual Financial Report
for the year ended December 31, 2009**

This Annual Financial Report is prepared in accordance with article 4 of L.3556/2007 and was approved by the Board of Directors of S&B Industrial Minerals S.A. on March 10, 2010. This Financial Report for the year 1.1.2009-31.12.2009 is published on the website in the following address: www.sandb.com and it will be available to the investors for at least 5 (five) years commencing from the date of issue.

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S&B Industrial Minerals S.A.

FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2009

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**A. BOARD OF DIRECTORS'
STATEMENT**

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BOARD OF DIRECTORS' STATEMENT
(in accordance with the article 4, paragraph 2, of Law 3556/2007)

1. Ulysses P. Kyriacopoulos, The Chairman of the Board of Directors
2. Efthimios O. Vidalis, The Chief Executive Officer
3. Emmanuel J. Voulgaris, Director, specifically appointed by the Board of Directors at its meeting on March 10, 2010.

WE STATE THAT

To the best of our knowledge:

a. the Company's and the Group's Annual Financial Statements for the year ended December 31, 2009, which were prepared according to the prevailing Accounting Standards, present fairly the assets, the liabilities, the equity and the results of S&B Industrial Minerals S.A., as well as of the entities included in the consolidation, and that

b. the Board of the Directors Annual Report presents fairly the development, the performance and the position S&B Industrial Minerals S.A., as well as of the entities included in the consolidation, and it describes the main risks and uncertainties encountered.

**The Chairman of the Board of
Directors**

**The Chief Executive
Officer**

The Director

Ulysses P. Kyriacopoulos

Efthimios O. Vidalis

Emmanuel J. Voulgaris

ID No Ξ 164488

ID No Σ 237368

ID No AB 656787

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**B. BOARD OF DIRECTORS'
ANNUAL REPORT**

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ANNUAL REPORT OF THE BOARD OF DIRECTORS FOR FISCAL YEAR 2009

Consolidated Results - Business Developments - Significant Events

Group results

The S&B Industrial Minerals Group ("S&B" or the "Group"), full year 2009 consolidated sales were €335,8 million versus €468,4 million in 2008 (2008 includes Continuing and Discontinued Operations), representing a decrease of 28,3% (*). Operating profits stood at €14,4 million compared to €38,3 million in the previous year (-62,5%) and net profits amounted to €1,9 million, 87,8% lower than last year's €15,6 million.

It is noted, that in 2008, Discontinued Operations included Ergotrak for the months January to June, as its sale was finalized in the month of July.

Continuing operations

For Continuing Operations, consolidated sales of €335,8 million were lower by 26,4% versus sales of €456,4 million in 2008. Sharp volume declines influenced our sales performance, however, EBITDA (Earnings before Interest, Taxes, Depreciation and Amortization) decline was contained to 40,3%, amounting to €39,0 million from €65,3 million in 2008. Similarly, operating profit of €14,4 million was lower by 62,1% from €37,9 million in 2008 and net profit of €1,9 million declined by 86,7% from the corresponding €14,3 million of 2008.

Reconciliation of reported to comparable financial indicators - Continuing operations

In order to provide comparability of the Group's financial performance and increase the transparency of the underlying financial information, exceptional items that materialized in the fourth quarter are eliminated from reported financial indicators.

Numbers in €000s except EPS data	Full Year 2009					
	EBITDA	Net Operating Expenses	Operating Profit ¹	Profit before tax	Net Profit ²	EPS
Reported results	38,958	-59,445	14,365	7,325	2,085	0.0599
Asset impairment charges	3,169	3,169	3,169	3,169	3,169	0.0910
Special tax levy in Greece					2,062	0.0592
Comparable results	42,127	-56,276	17,534	10,494	7,316	0.2101

Note 1: Operating profit includes the recognition of selling, general and administrative expenses and other net income/(expenses)

Note 2: Net profit attributable to shareholders

Comparable results exclude the recognition of an impairment loss related to specific tangible and intangible assets for certain of our Chinese investments belonging to the Minerals Trading segment. The investment in these wollastonite mining assets is not expected to be recovered and therefore, we recognized an impairment loss in the income statement of 2009 of €3,2 million. As a result, the related assets are currently recorded at zero value. Despite the impairment of these assets, our related operations remain fully in effect, as our processing plants continue to be active and our product supply to customers is unaffected. More information may be referenced in the

**Note: All percentages have been calculated using the full figures and not the abbreviated ones appearing in this report.*

accompanying notes to the financial statements. In addition, comparable results exclude a €2,1 million one-time retroactive tax charge related to a special tax levy for “Social Responsibility for Large Companies” that was enacted by the Greek Government in December 2009. All references in the below section “Business developments and financial performance” are made with respect to comparable financial results, as relevant.

Business developments and financial performance

The economic environment deteriorated sharply during the course of 2009, following the financial crisis in October of 2008. Our operations worldwide were affected by the negative developments in the metallurgical (steel, foundry, iron ore, aluminum) and construction related industries, sectors that traditionally account for about 80% of our Group’s revenue. The developments in the steel industry were slightly positive during the course of 2009, with world steel production modestly improving relative to the sharp declines it had recorded in the previous year. However, for the first half of the year this relative positive development did not have an effect on the various end-use segments we serve. On the contrary, customers during this time were aggressively reducing their inventories and adjusting production capacity to the lower prevailing demand. In addition, their emphasis was placed on reducing their costs and on releasing working capital. Inevitably, these actions led to unsustainably low inventory levels in the various value chains we serve, and the consequence was a slow but progressive improvement during the second half of the year, as inventories were rebuilt. Our performance reflected these developments, resulting in sequentially improved performances quarter on quarter and an improved second half of the year versus 2008, for all divisions.

More specifically, in Bentonite, total sales decreased by 25,8% reaching €153,7 million affected mainly by lower demand for metallurgical applications, especially in the first half of the year. The foundry and iron ore pelletizing segments were influenced in particular as they are linked to the steel and automotive industries. Slight improvements were observed in the last quarter although this is attributed more to inventory rebuilding rather than end-user demand. Perlite had the smallest revenue decline from all divisions. Sales stood at €61,1 million, lower by 17,9% versus the previous year. It is important to note that the Perlite division was the first to face the economic crisis especially in the US as early as mid 2007. Therefore, the relatively better performance is partly attributed to a lower base of comparison, to the strengthening of the US Dollar versus the Euro and reduced freights, which affect our North American construction related business served primarily from the production facilities we operate in the Mediterranean. Nonetheless, the key construction related activity for Perlite remained on a downward trend both in the US and Europe, affecting mainly raw perlite sales. On the contrary, sales for horticulture applications remained stable. Sales for Bauxite were lower by 35,2% at €30,3 million. Worldwide raw bauxite demand was in a slump during 2009 and this was a determining factor of performance not only for aluminium and steel but also for cement and other construction related activity. The Continuous Casting Fluxes (CCF) division, which serves exclusively the metallurgical sector, recorded revenue of €65,0 million. Although lower by 25,7% versus the prior year, CCF showed progressive quarterly improvements, reflecting world steel production patterns. For Minerals Trading (processing, trading and selling of a variety of specialty minerals under the OTAVI brand), total sales decreased by 35,0% to €25,7 million. Once more, metallurgy related end-use segments adversely influenced the division’s performance.

Despite the very challenging economic environment and the sharp decline of our revenue, we remained profitable, maintained our market positions and pricing levels. This is the result of our ongoing commitment to fostering close customer relationships, but also, of the customized function that our products represent to our clients. With discipline and focus we were also able to maintain pricing, despite facing intermittent pressures for some of our segments. Furthermore, we benefited from the developments in significant external cost elements, such as oil prices and sea freight rates, which were lower on average compared to the previous year by 36% and 58%, respectively.

**Note: All percentages have been calculated using the full figures and not the abbreviated ones appearing in this report.*

In response to the economic downturn, we implemented quick and decisive initiatives, equally in the areas of production costs and expenses, which helped us to limit the impact of reduced volumes on profitability. In the area of costs, we aligned production to the prevailing demand and to the production requirement of our customers. Measures implemented include reductions in shifts and working hours, temporary suspension of operations in selected sites, headcount reduction and production network rationalization. In this context, we closed 3 operational facilities in Europe and the US and accordingly reduced headcount. In addition, we initiated a project to consolidate the European production facilities of the Continuous Casting Fluxes division, aiming to concentrate the manufacturing of granulated casting fluxes for Eastern and Western European steel-industry markets, in Germany. The project will materialize in the first quarter of the current year and result in additional headcount reduction by the end of March. Such actions have contributed significantly in mitigating the effect of the sharply decreasing volumes in 2009. As a result, costs of sales were reduced by €91,0 million or 25,8% and gross profit stood at €73,8 million or 28,6% behind last year, helping to sustain a gross margin of 22,0%, broadly in line with last year's 22,7%. In the area of operating expenses, we initially focused on discretionary spend areas, but our efforts were intensified during the course of the year and we adopted a broader implementation of measures. These included headcount realignment, headquarters space reduction and subleasing of the excess space, a wage freeze and overall variable compensation reduction for middle and senior management. The effect of our undertaken actions, has contributed to overall comparable net operating expenses being reduced by 14,1% or €9,2 million, from €65,5 million in 2008 to €56,3 million in 2009, in line with our plans. Comparable EBITDA reached €42,1 million, lower by 35,5% compared to €65,3 million in 2008. Comparable operating profit stood at €17,5 million, 53,7% lower than the previous year. Total headcount reduction across the Group reached 174 or 8%.

Net financial expenses were €8,0 million, reduced by 58,5% in comparison to €19,4 million in 2008. This is mainly the result of,

- (a) a significant reduction of the average borrowing rate as the average Euribor 6 month rate during the year was lower by approximately 3,3 percentage points
- (b) a decrease of the Group's average net debt of approximately €20 million from €195 million in 2008 to €175 million in 2009
- (c) an amount of approximately Euro 4 million in 2008 regarding the loss on derivative valuation and settlement. S&B has entered into contractual agreements with banks for the use of derivative financial instruments, in order to hedge its exposure to sea freights and oil prices.

Comparable profit before tax amounted to €10,5 million, reduced by 47,1% from 2008.

The Group's effective tax rate amounted to 74,1% and resulted in Net profit for the Group of €1,9 million compared to €14,3 million in 2008, a decline of 86,7%. Excluding the extra tax charge and the effect from the impairment charge, the effective tax rate for the Group was 32,0%, which is in line with our medium term expectations. Therefore, comparable net profit stood at €7,1 million, representing a decline of 50,0%, while comparable net profit attributable to shareholders was €7,3 million or 47,7% below the previous year.

A key focus area for our Group besides cost reduction was working capital, which was successfully reduced by 41,7% during the year. The results of our efforts in the areas of working capital and cash flow management are evident by the €89,8 million of free cash flow (before taxes paid of €2,7 million) generated from operations. Adjusting for net capital expenditure of €30,3 million, pre-tax operating free cash flow was €59,6 million constituting an improvement of €41,7 million versus €18,0 million in 2008.

During 2009 the Group realized net investments of €30,3 million, compared to €30,2 million in the prior year, for exploration and mining development, maintenance, and environment, and health & safety improvements. Excluding a land transaction on the island of Milos that fully materialized during the fourth quarter of 2009 for a final amount of €7,4 million, net capital expenditure stands significantly reduced by 24,3% versus 2008, in line with our intentions at the beginning of 2009.

We consider these to be collective and rapid results on the recent short-term priorities we had set out for ourselves at the end of 2008. The Group's net debt position was reduced by €81,2 million during the year, from €203,1 million at the end of 2008 to €121,9 million at the end of 2009. This

achievement reflects organic net debt reduction of €40,4 million and new capital of €40,8 million from the rights issue. In addition, part of the Group's debt was refinanced and switched to a longer term maturity as about €50 million of short term maturity debt was successfully refinanced with a 2-year term.

In light of the 2009 operating performance, as well as the cost and financial adjustments realized, our Board proposes a dividend of €0,12 per share, at the same comparable per share level of 2008 restated for the rights issue of 2009. Our Board's recommendation demonstrates its confidence in the Group's business model and long term strategy, both of which, position it to progress as the global economy recovers. The proposal reflects the Group's dividend practice of delivering stable and consistent dividends aligned with underlying earnings progression over time. Subject to shareholders' approval at the Annual General Meeting, the dividend will be paid on July 6, 2010.

Significant Events

Acquisitions

On February 2, 2009, we proceeded with a small but strategic foundry acquisition for Bentonite in the US. A bentonite activity plant and inventories of Bentonite Performance Minerals LLC, a subsidiary of Halliburton Energy Services, was acquired in Waterloo, Iowa for an approximate consideration of USD 0,7 million. While not material in terms of cost or contribution to overall Group operations, this acquisition provides S&B with strategic benefits and synergies with regard to its distribution network and geographic presence in the US, as the foundry supply market in North America, is further consolidated.

On July 2, 2009 the Group concluded an agreement for the acquisition of "Miller LLC" which is engaged in perlite expansion at North Carolina State of USA. The total purchase price amounted to approximately USD 1,1 million. Similar to the aforementioned acquisition of the Bentonite division, this acquisition of expander facilities for the Perlite division is the continuation of our strategy to capture additional value from expanded perlite in the Southeastern United States.

Share Capital Increase

The Board of Directors proposed to the Annual General Meeting of Shareholders (AGM) held on June 16th 2009, to raise funds up to the amount of €40 million through a Share Capital Increase to be paid in cash, with a rights issue in favor of existing shareholders of 1 new share for every 3 existing shares held. The rights issue was approved at the said AGM, the issue price of the new shares was decided at €4 per new share and the whole transaction was successfully completed on September 25, 2009 ahead of schedule. Funds raised amounted to €40,8 million (net of transactions costs) and strengthened the Group's balance sheet by further reducing its net debt. The de-leveraging of our balance sheet resulted in a healthy capital structure that provides for increased financial flexibility in the future. The founding Kyriacopoulos family as the controlling shareholder and SCR-SIBELCO N.V as a major shareholder exercised their full participation. As proven by the 1,05 times oversubscription and the resulting full coverage of this rights issue, our entire shareholder base embraced this transaction showing their support and commitment.

Business Risks

The S&B Group systematically monitors, assesses and takes specific measures, in order to address risks that may arise. Such risks are: Transportation risks, Energy Price risks, Raw Material Price risks, Environmental risks, Health, Safety and Quality risks, Legal and Licensing risks, Financial risks and Insurable risks.

- **Transportation Risks**

Given the geographic distribution of its mineral reserves, industrial facilities and markets, as well as the nature of its products, the Group makes extensive use of sea-going vessels for its transportation needs. Principal exposure is evaluated to stem from the shipments of bentonite and perlite from the east Mediterranean to the North American east coast, Northern Europe and to a lesser extent to the west Mediterranean. Part of this exposure is mitigated by medium-term

contracts with ship-owners and ship operators. Management is continuously monitoring this risk and exploring alternative contractual and hedging strategies for managing the exposure. As mentioned in note 35 of the financial statements, S&B has entered into contractual agreements with banks for the use of financial derivative instruments in sea freights, in order to offset part of its forecasted “relevant exposure” in sea freights for fiscal year 2009. Other means of transportation (trucks, river barges and rail) are also extensively used, where the main risks that arise, come in the form of fuel price fluctuations (see energy risks below).

Management does not anticipate that the above mentioned transportation risks will substantially affect the Group’s financial position in 2010.

- **Energy price Risks**

S&B is exposed to the risk of fluctuating prices for the various fuel and energy sources (mainly oil, natural gas and electricity) which form a significant part of its production and transportation activities. The Group's geographical locations and energy supply sources remain diversified, but a general and sharp increase in energy prices may have a significant impact on its operating profitability. Additionally, as energy supplies are sourced regionally, some local markets may temporarily be subject to significant but non-recurring price variations. Under these circumstances, management concentrates its efforts on reducing the effect on margins by focusing on energy savings and productivity improvements, while adjusting, where possible, its commercial policies. On a global level, the developments in energy markets have caused significant volatility in recent years. Management is continuously monitoring the exposure in the context of evaluating alternative sourcing and hedging strategies. As mentioned in note 35 of the financial statements, S&B has entered into contractual agreements with banks for the use of financial derivative instruments in oil prices, in order to offset part of its forecasted “relevant exposure” in oil prices for fiscal year 2009.

Management does not anticipate that the above mentioned energy price risks will substantially affect the Group’s financial position in 2010.

- **Raw Materials Risks**

S&B generally possesses and maintains its own mineral reserves in its most crucial business segments (bentonite, perlite, bauxite and wollastonite). However, a smaller part of the industrial minerals activities is based on trading and processing of specialty minerals that are purchased from third-party suppliers. Although effort is devoted to secure the needed supply of such minerals through medium-term contracts, this has not always been possible and may not be, in the future.

The Group also purchases a number of raw materials (soda ash, coal, resins) that are used as additives in the production of the final products and other material (explosives, parts, packaging materials) that are used during the various production phases. Significant price volatility has been observed in most of these products, in recent years.

Management does not anticipate that the above mentioned raw material risks will substantially affect the Group’s financial position in 2010.

- **Environmental, Health, Safety and Quality Risks**

In every country in which S&B operates, it is subject to regulations concerning air emissions, noise and visual disturbance, waste disposal and post-mining site restoration.

Most of the industrial activities that form S&B core business have an impact, even if only a limited one, on the environment. In the majority of cases, that impact is inherent in mining activities and in facilities associated with the downstream processing of extracted minerals.

S&B tries to minimize the environmental health and safety impact of its operations and proactively manage environmental risks through implementation of appropriate measures. S&B has rolled out a global EHSQ (Environmental, Health, Safety and Quality) policy, emphasizing its commitment in monitoring and effectively addressing EHSQ aspects that originate from its operations. The policy criteria are applied in a manner sensitive to local cultures, customs and circumstances.

S&B has certified the Quality and Environmental management systems of the majority of its

global operations as per ISO 9001 (quality) and ISO 14001 (environmental) standards. In December 2009, the Health & Safety management system of CCF operations in India was certified as per OHSAS 18001 and other operations in Germany and Greece are preparing to obtain such certification. Part of the remaining operations are in the process of pursuing both ISO 9001 and 14001 certification. EHS related performance is monitored via a reporting and measurement grid, which includes 54 indicators.

S&B strives to provide a safe working environment for its workers and sub-contractors in an effort to protect their health, maintain superior business reputation and minimize potential compensation liabilities. In this context, management makes every effort in properly training its employees and sub-contractors in the use of explosives and in the operation of heavy mobile equipment, such as underground mine equipment, trucks, loaders, forklifts and other. A corporate EHS committee was established in 2006, aiming at a gradual harmonization of policies and procedures across the Group.

Management does not anticipate that the above mentioned environmental, health, safety and quality risks will substantially affect the Group's financial position in 2010.

- **Legal and Licensing Risks**

As a global group with a diverse business portfolio, S&B is exposed to numerous legal risks in the normal course of its business. The Corporate Legal department monitors and assesses centrally, major legal risks. Under the present circumstances, the Group believes that there are no legal cases that could have any material effect on its long-term operation and financial position.

Management does not anticipate that the above mentioned risks will substantially affect the Group's financial position in 2010.

- **Financial Risks**

The Group's business activities and its funding structure generate exposure to foreign exchange, interest rate and liquidity risks. Additionally, there are risks related to sea freights and the volatility of energy prices since both items represent a material component of the Group's cost structure.

Foreign Currency, Freights and Energy Risks

According to market conditions the Group makes use of derivative instruments with a forward time horizon of one year, to hedge against its exposure to foreign currency rates, oil prices and freight rates.

Freights and energy are hedged by using the Supramax and the IPE Brent Indices respectively, as proxies for the Group's exposure.

Interest Rate risk

The Group may hedge part of its debt obligations in order to be protected against adverse interest rate movements. In doing so, management evaluates current market conditions and future leverage, in order to reach a decision. The time horizon for hedging may be more than a year.

Liquidity risk

Liquidity risk is managed by having available committed and uncommitted debt and credit facilities and by spreading the maturities of long-term debt in order to avoid concentration of refinancing risk. In addition, the group keeps a sufficient amount of cash in reserves.

Management does not anticipate that the above mentioned treasury risks will substantially affect the Group's financial position in 2010.

- **Insurable Risks**

S&B carries insurance policies to cover against insurable risks.

It operates two Global insurance programs, one for Property Damage and Business Interruption and one for Civil Liability, both of which are centrally managed. In this way, the group benefits, among others, from a uniform approach for risk and insurance.

Other local insurance programs are operated at subsidiary level, however Group Headquarters monitors all such procedures and decision making for material amounts, is centralized.

Prospects for 2010

Looking ahead to 2010, we draw confidence from the successful adaptation of our business to the new economic reality. In the face of very difficult circumstances, our employees worldwide contributed greatly to our endeavours and continued to deliver to their highest standards. Our collective efforts combined with support from our shareholders have resulted in our Group maintaining a solid and more efficient infrastructure, complemented by enhanced liquidity and an improved capital structure. We will remain focused on managing our balance sheet in the current year and we will be ready to capitalize on the benefits from the actions we have implemented, at the first signs of recovery. Fostering healthy and long-standing customer relationships will also remain a top priority.

The origins of our enterprise are Greek. However, our sales activities are not highly dependent on the domestic market where we generate less than 10% of our revenue. Our international exposure and geographic diversification provide us with insight to recent capacity mobilizations in the end-use markets we serve. Despite concerns for primary demand and growing unemployment in Europe and the US, barring any major economic or financial disruptions, we anticipate a continuing, slow recovery.

We remain a strong business, with solid positions in markets with attractive fundamentals and long-term growth prospects. Furthermore, we are monitoring the environment and evaluating opportunities that may strategically fit with our existing business and enhance our competitive standing. We believe that, as the global economy begins to recover, our portfolio of value-added industrial solutions, our highly capable and experienced employee base and our strengthened business model, will enable us to leverage our competitiveness and deliver value for the long term.

Treasury Shares Buy Back

During 2009, the Parent Company purchased 121.530 common treasury shares at an average price of €5,11 per share, for an aggregate amount of € 620.911,65. In aggregate with treasury shares bought back during the previous year, on December 31, 2009 the Parent Company held 308.762 treasury shares at an average price of €7,35 per share, for a total amount of € 2.268.181,28. This holding on December 31 2009, represented 0,75% of the Parent Company's total share capital.

Significant Related Party Transactions

During 2009, business transactions of the Group, as well as those of the Parent Company with related parties have been carried out with common market terms and conditions. The Group, or any of its related parties, has not been engaged in any material transactions that were not in an arm's length basis. None of these transactions includes any special terms or conditions.

Transactions with Group subsidiaries and associates are carried out in the normal course of the business operations of the Group. Outstanding balances at the year-end are unsecured, interest free and settlement occurs in cash within the agreed time period. The guarantees provided by S&B to its subsidiaries as of December 31, 2009 and 2008 are analyzed in note 40 of the financial statements. The Management of the Company 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 as analyzed in note 3 of the financial statements for the year ended 2008.

Intra-group balances and transactions among fully consolidated subsidiaries have been fully eliminated from the financial statements of the Group.

Balances and transactions (in thousand Euro) with related parties are the following (see note 23 of the financial statements):

Group balances due from and to related parties

Group balances due from related parties amounted to € 1.810 and € 3.316 as of December 31, 2009 and 2008 respectively. The most significant changes are the following:

- Increase in the amounts due from the associate entity “Laviosa Chimica Mineraria S.p.A.” (€ 662 and € 193 for 2009 and 2008, respectively) arising from industrial minerals sales to this entity and from the receivable derived from the disposal of S&B’s participation in the associate entity “Bentec S.p.A” to Laviosa Chimica Mineraria S.p.A.
- Decrease in the amounts due from the associate entity “Laviosa Promasa S.A.” (€ 366 and € 726 for 2009 and 2008, respectively) mainly due to the decrease of the turnover of industrial minerals sales.
- Decrease in the amounts due from the associate entity “Dolphin CI S&B Holdings Ltd” (€ 0 and € 1.651 for 2009 and 2008 respectively) due to the reason that this entity became a fully consolidated subsidiary in 2009.

Group balances due to related parties amounted to € 1.864 and € 1.096 as of December 31, 2009 and 2008 respectively. The most significant change arises from industrial minerals purchases from related company “Perlite Hellas S.A.” which are still unsettled.

Parent Company balances due from and to related parties

Parent Company balances due from related parties amount to € 10.901 and € 23.786 as of December 31, 2009 and 2008 respectively. The most significant changes are the following:

- Decrease in the amounts due from direct subsidiary “S&B Holding GmbH” (€ 0 and € 563 for 2009 and 2008, respectively), arising from full collection of amount receivable.
- Decrease in the amounts due from indirect subsidiaries “S&B Industrial Minerals GmbH” (€ 4.525 and € 13.017 for 2009 and 2008, respectively), “S&B Industrial Minerals North America Inc.” (€ 317 and € 3.747 for 2009 and 2008, respectively), “S&B Industrial Minerals S.A.R.L.” (€ 888 and € 1.462 for 2009 and 2008, respectively), mainly due to the decrease of the turnover of industrial minerals sales.
- Increase in the amounts due from the indirect subsidiary “S&B Endustriyel Mineraller A.S.” (€ 453 and € 83 for 2009 and 2008, respectively) and from the jointly controlled entity «Cebo International B.V.» (€ 478 and € 35 for 2009 and 2008, respectively) arising from industrial minerals sales to these entities.

Parent Company balances due to related parties amount to € 1.671 and € 921 as of December 31, 2009 and 2008 respectively and relate mainly to industrial minerals purchases.

Group revenue / expenses

Group revenue from related parties amounted to € 6.393 and € 10.792 for the years ended December 31, 2009 and 2008 respectively. The most significant changes are the following:

- Decrease in the revenue from associate entities “Laviosa Promasa S.A.”. (€ 1.113 and € 2.190 for 2009 and 2008, respectively) and “Laviosa Chimica Mineraria S.p.A.” (€ 629 and € 1.793 for 2009 and 2008, respectively), as well as from the jointly controlled entity “Cebo International B.V.” (€ 3.971 and € 5.516 for 2009 and 2008, respectively) due to the decrease of the turnover of industrial minerals sales.
- Decrease in the revenues from group Motodynamics S.A. (€ 319 and € 1.106 for 2009 and 2008, respectively), due to the fact that the services rendered mainly for rentals, IT and HR services ceased within 2009.

Group expenses to related parties amounted to € 4.676 and € 5.401 for the years ended December 31, 2009 and 2008 respectively. The most significant changes are the following:

- Increase in the expense to associate entity “Xinyang Athenian Co. Ltd” (€ 1.105 and € 680 for 2009 and 2008, respectively) arising from industrial minerals purchases.
- Decrease in the expenses to the jointly controlled entity “Cebo International B.V.” (€ 1.429 and € 2.830 for 2009 and 2008, respectively), due to the decrease of the turnover of industrial minerals purchases.

Parent Company revenue / expenses

Parent Company revenue from related parties amounted to € 46.920 and € 59.060 for the years ended December 31, 2009 and 2008 respectively. The most significant changes are the following:

- Decrease in the revenue from direct subsidiary “Isocon S.A.” (€ 2.948 and € 4.756 for 2009 and 2008, respectively), from the indirect subsidiaries “S&B Industrial Minerals GmbH” (€ 19.130 and € 23.401 for 2009 and 2008, respectively) and “S&B Industrial Minerals S.A.R.L.” (€ 3.592 and € 4.774 for 2009 and 2008, respectively), from the associate entities “Laviosa Chimica Mineraria S.p.A.” (€ 859 and € 1.793 for 2009 and 2008, respectively) and “Laviosa Promasa S.A.” (€ 1.145 and € 2.190 for 2009 and 2008, respectively) and from the jointly controlled entity “Cebo International B.V.” (€ 3.199 and € 5.097 for 2009 and 2008, respectively) due to decrease in the turnover of industrial minerals sales to these entities.
- Decrease in the revenues from group Motodynamics S.A. (€ 319 and € 1.106 for 2009 and 2008, respectively), due to the fact that the services rendered mainly for rentals, IT and HR services ceased within 2009.

Parent Company expenses to related parties amounted to € 2.163 and € 2.173 for the years ended December 31, 2009 and 2008 respectively, having no material difference.

Compensation of key management personnel

Compensation of key management personnel for the years ended December 31, 2009 and 2008 were as follows:

	The Group		The Company	
	1/1-31/12 2009	1/1-31/12 2008	1/1-31/12 2009	1/1-31/12 2008
Board of Directors fees (Note 38)	305	460	305	460
Executives salaries (including executive board members)	3.915	5.444	3.324	4.716
Share option plans	-	105	-	105
	4.220	6.009	3.629	5.281
Board of Directors fees and Executives salaries of discontinuing operations	-	134	-	-
	4.220	6.143	3.629	5.281

Board of Directors fees are approved by the Shareholders A.G.M. and as a result the related fees for the years ended December 31, 2009 and 2008 were accrued in the accompanying income statements. It is noted that the Shareholders A.G.M. on June 16, 2009 finally approved the amount of € 305 as 2008 Board of Directors fees and not € 460, as proposed by the Board of Directors. The difference of € 155 was reversed in 2009 income statement.

Balances due to key management personnel of the Group and Board members as of December 31, 2009 amounted to € 852 (€ 2.948 as of December 31, 2008). Balances due to key management personnel of the Parent Company and to its Board members as of December 31, 2009 amounted to € 755 (€ 1.786 as of December 31, 2008).

Social security contributions paid by the Parent Company to state contribution plans for key management personnel for the years ended December 31, 2009 and 2008 amounted to € 110 and € 111, respectively (the Group paid € 121 and € 122, respectively). Contributions paid for medical and pension plans by the Parent Company and the Group to insurance entities for key management personnel for the years ended December 31, 2009 and 2008 amounted to € 203 and € 190, respectively.

Specific information, in accordance with article 4 par. 7 of Law 3556/2007

Shareholders Capital Structure

On December 31st, 2009, the Company's share capital amounted to Euro 41.425.760,00 divided into 41.425.760 shares with nominal value of Euro 1,00 each. All Company shares are common registered shares with one voting right each and they are traded on the main market of the Athens Stock Exchange.

Limitations in the transfer of company stock

Stock transfers and trading in general is executed according to the law with no limitations arising from the Articles of Association.

Important direct or indirect participations according to the provisions of articles 9 to 11 of Law 3556/2007.

Based on the Company's Shareholders Book as of December 31st, 2009, Mrs Catherine-Kitty Kyriacopoulos held 51,51% of the voting rights, and the company SCR-Sibleco NV held 15,98% of the voting rights. Apart from the above-mentioned, no other person or corporate entity holds a percentage greater than 5% of the Company's voting rights.

Share owners with special controlling rights

N/A

Limitations in voting rights

N/A

Agreements between shareholders of the company

As of December 31st, 2009, the Company is not aware of the existence of agreements between its shareholders that entail limitations in stock transfers or in voting rights derived from their shares.

Rules of appointment and replacement for members of Board of Directors

The relevant provisions in the Articles of Association do not differentiate from the Codified Law 2190/1920.

Authority of the Board of Directors or of certain BoD members for the issue of new shares or buy-back of own stock

According to article 4, paragraph 2, of the Company's Articles of Association, the share capital of the Company can be increased in shares upon decision of the Board of Directors approved by a majority of 2/3 of its members within the first five years following the establishment of the Company or within five years from a relevant resolution of the General Assembly granting such authority to the Board. The capital increase cannot exceed the initial paid-in share capital or the share capital already paid-in at the date on which the General Assembly made the relevant decision. The above authority of the Board of Directors may be renewed by the General Assembly for a time period that cannot exceed five years for every renewal.

In the context of article 16 of Codified Law 2190/1920, the Annual General Meeting of shareholders convened on May 14th, 2008, approved a share "buy-back" program with a scope of either reducing the share capital of the Company by cancellation part of the treasury shares and/or distributing part of them to employees. The term of the "buy-back" program was set to 24 months, the maximum number that can be bought back is 3.000.000 shares at a maximum purchase price of twenty (20,00) Euro per share and a minimum purchase price of one (1,00) Euro per share.

Moreover, the resolution of the above mentioned General Assembly has authorized the Company's Board of Directors to take all necessary actions to materialize the "buy-back" program. The General Assembly convened on June 16th, 2009, has approved the option to distribute all treasury shares to the employees of the Company.

Significant agreement which the company has signed and which comes into operation, is amended, or expires due to a change in the company's ownership structure following a Public Offer and the results from such an agreement.

There is no such agreement.

Agreements between the company and members of the Board of Directors or employees that anticipate compensation in case of resignation or discharge without a well founded cause, or termination of service or employment due to the Public Offer.

There is no further relevant agreement besides what has been announced in previous periods.

Kifissia, March 10, 2010

For the Board of Directors
The Chief Executive Officer

Efthimios O. Vidalis

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**C. INDEPENDENT CERTIFIED
AUDITOR'S ACCOUNTANT'S
REPORT**

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Independent Certified Auditor’s Accountant’s Report

To the Shareholders of
S&B Industrial Minerals S.A.

Introduction

We have audited the accompanying financial statements of S&B Industrial Minerals S.A. (“the Company”), and the consolidated financial statements of the Company and its subsidiaries (“the Group”) which comprise the separate and consolidated statements of financial position as at December 31, 2009, and the related separate and consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on the separate and consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate and consolidated financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the separate and consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate and consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects the financial position of the Company and the Group as at December 31, 2009, and their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Report on Other Legal and Regulatory Requirements

We confirm that the information given in the Board of Directors' Report is consistent with the accompanying separate and consolidated financial statements and complete in the context of the requirements of articles 43a, 107 and 37 of Codified Law 2190/1920.

Athens, March 10, 2010

The Certified Auditor Accountant

VASSILIOS KAMINARIS
S.O.E.L. No 20411

ERNST & YOUNG (HELLAS)
CERTIFIED AUDITORS ACCOUNTANTS S.A.
11th KM NATIONAL ROAD ATHENS-LAMIA
14451 METAMORFOSI
S.O.E.L. R.N. 107

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D1. FINANCIAL STATEMENTS

The accompanying Financial Statements have been approved by the Board of Directors of S&B Industrial Minerals S.A. on March 10, 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 Ε164488

ID No Σ237368

ID No Π062025

**A' Class License No
0002714**

S&B Industrial Minerals S.A.
CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2009
(Amounts in thousand Euro, except for earnings per share)

		The Group			
<u>Note</u>	<u>1/1 - 31/12/2009</u>	<u>1/1 -31/12/2008</u>			
		<u>Continuing operations</u>	<u>Discontinued operations</u>	<u>Total</u>	
Sales	6	335.835	456.393	12.012	468.405
Cost of sales	7	(262.025)	(353.001)	(8.813)	(361.814)
Gross Profit		73.810	103.392	3.199	106.591
Administrative expenses	8	(39.834)	(45.763)	(1.012)	(46.775)
Selling expenses	9	(22.619)	(24.930)	(2.031)	(26.961)
Other income	10	6.496	5.744	275	6.019
Other expenses	11	(3.488)	(565)	(2)	(567)
Operating profit		14.365	37.878	429	38.307
Finance income	12	1.343	410	32	442
Finance costs	13	(9.372)	(19.775)	(249)	(20.024)
Gain / (loss) from the disposal of associates and subsidiaries	21	708	(253)	4.653	4.400
Share of profit of associates	21	281	1.586	-	1.586
Profit before tax		7.325	19.846	4.865	24.711
Income tax expense	14	(5.425)	(5.588)	(3.486)	(9.074)
Net profit		1.900	14.258	1.379	15.637
Attributable to:					
Owners of the Company		2.085	13.988	1.379	15.367
Minority interests	3	(185)	270	-	270
		1.900	14.258	1.379	15.637
Earnings per share					
Basic		0,0599	0,4313	0,0425	0,4738
Diluted		0,0593	0,4289	0,0423	0,4712
Weighted average number of shares					
Basic	28	34.834.541	32.432.895	32.432.895	32.432.895
Diluted	28	35.170.658	32.609.741	32.609.741	32.609.741

The accompanying notes are an integral part of these financial statements

S&B Industrial Minerals S.A.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2009

(Amounts in thousand Euro)

	The Group				
	<u>Note</u>	<u>1/1 - 31/12/2009</u>	<u>1/1 -31/12/2008</u>		
			<u>Continuing operations</u>	<u>Discontinued operations</u>	<u>Total</u>
Net profit		1.900	14.258	1.379	15.637
<u>Other comprehensive income</u>					
Translation of foreign operations:					
-Subsidiaries		405	295	(3)	292
-Associates		(12)	(38)	-	(38)
Valuation of available-for-sale financial assets		(14)	147	-	147
Valuation of derivatives	35	294	(521)	-	(521)
Income tax relating to the valuation of available-for-sale financial assets		3	(37)	-	(37)
Income tax relating to the valuation of derivatives		(73)	130	-	130
Other comprehensive income / (loss) for the year, net of tax		603	(24)	(3)	(27)
Total comprehensive income for the year, net of tax		2.503	14.234	1.376	15.610
Attributable to:					
Owners of the Company		2.671	13.964	1.376	15.340
Minority interests		(168)	270	-	270
		2.503	14.234	1.376	15.610

The accompanying notes are an integral part of these financial statements

S&B Industrial Minerals S.A.
SEPARATE INCOME STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2009
(Amounts in thousand Euro)

		<u>The Company</u>	
	<u>Note</u>	<u>1/1 - 31/12/2009</u>	<u>1/1 - 31/12/2008</u>
Sales	6	113.026	164.341
Cost of sales	7	(83.033)	(122.417)
Gross Profit		29.993	41.924
Administrative expenses	8	(21.793)	(28.158)
Selling expenses	9	(2.400)	(3.775)
Other income	10	6.448	6.477
Other expenses	11	(184)	(239)
Operating profit		12.064	16.229
Finance income	12	1.189	24
Finance costs	13	(6.625)	(13.999)
Investment income		615	6.053
Gain from the disposal of associates and subsidiaries	21	699	13.822
Impairment loss on investment in subsidiary	3	-	(1.367)
Profit before tax		7.942	20.762
Income tax expense	14	(4.604)	(5.294)
Net profit		3.338	15.468

The accompanying notes are an integral part of these financial statements

S&B Industrial Minerals S.A.
SEPARATE STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2009
(Amounts in thousand Euro)

	<u>The Company</u>		
	<u>Note</u>	<u>1/1 - 31/12/2009</u>	<u>1/1 - 31/12/2008</u>
Net profit		3.338	15.468
<u>Other comprehensive income</u>			
Valuation of available-for-sale financial assets		(14)	147
Valuation of derivatives	35	294	(521)
Income tax relating to the valuation of available-for-sale financial assets		3	(37)
Income tax relating to the valuation of derivatives		(73)	130
Other comprehensive income / (loss) for the year, net of tax		210	(281)
Total comprehensive income for the year, net of tax		3.548	15.187

The accompanying notes are an integral part of these financial statements

S&B Industrial Minerals S.A.
STATEMENT OF FINANCIAL POSITION DECEMBER 31, 2009
(Amounts in thousand Euro)

	Note	The Group		The Company	
		December 31 2009	December 31 2008	December 31 2009	December 31 2008
ASSETS					
Non-current assets					
Property, plant and equipment	17	195.345	185.979	101.004	96.027
Investment properties	18	20.368	20.607	20.368	20.607
Goodwill	19	82.712	82.508	25.129	25.129
Other intangible assets	20	21.993	25.099	225	59
Investments in subsidiaries	3	-	-	126.070	126.070
Investments in associates	21	9.159	9.616	4.198	4.399
Deferred tax assets	14	3.442	3.861	738	2.310
Available-for-sale financial assets		230	245	230	245
Other non-current assets		2.674	2.365	501	531
		335.923	330.280	278.463	275.377
Current assets					
Inventories	24	65.093	92.159	23.256	25.978
Trade receivables	25	47.500	53.489	6.764	11.083
Due from related parties	23	1.810	3.316	10.901	23.786
Income tax receivables		561	2.295	-	258
Other current assets	26	10.396	15.932	6.727	9.456
Cash and cash equivalents	27	49.573	13.434	24.619	879
		174.933	180.625	72.267	71.440
Total Assets		510.856	510.905	350.730	346.817
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	28	41.426	31.011	41.426	31.011
Share premium		42.329	11.596	42.329	11.596
Treasury shares	28	(2.268)	(1.647)	(2.268)	(1.647)
Share option plan reserve	29	1.760	1.272	1.760	1.272
Derivatives valuation reserve		(170)	(391)	(170)	(391)
Other reserves	30	102.268	100.483	104.136	102.997
Translation of foreign operations		(6.294)	(6.670)	-	-
Retained earnings		50.881	56.791	10.797	14.804
		229.932	192.445	198.010	159.642
Minority interests	3	1.095	1.334	-	-
Total equity		231.027	193.779	198.010	159.642
Non-current liabilities					
Provision for staff leaving indemnities	32	17.815	16.476	8.151	7.712
Provision for environmental rehabilitation	33	13.838	14.875	11.427	12.484
Other provisions		2.424	2.512	234	646
Interest-bearing loans and borrowings	34	154.788	119.735	102.373	59.809
Deferred tax liabilities	14	15.300	15.751	-	-
Government grants		1.921	2.021	1.770	1.917
Other non-current liabilities		1.061	678	116	57
		207.147	172.048	124.071	82.625
Current liabilities					
Trade payables	36	33.664	22.833	9.942	7.116
Due to related parties	23	1.864	1.096	1.671	921
Short-term borrowings	37	1.626	43.814	-	38.014
Current portion of long-term interest bearing loans and borrowings	34	15.079	53.034	7.500	45.500
Income tax liabilities		2.551	492	1.798	-
Dividends payable	31	29	75	29	75
Other current liabilities	38	17.869	23.734	7.709	12.924
		72.682	145.078	28.649	104.550
Total equity and liabilities		510.856	510.905	350.730	346.817

The accompanying notes are an integral part of these financial statements

S&B Industrial Minerals S.A.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2009
(Amounts in thousand Euro)

The Group											
Attributable to owners of the Company											
<u>Note</u>	Share Capital	Share Premium	Treasury Shares	Share option plan reserve	Derivatives valuation reserve	Other reserves	Translation of foreign operations	Retained earnings	Total	Minority interests	Total equity
January 1, 2008	30.877	30.057	-	915	-	87.040	(6.886)	59.532	201.535	8.695	210.230
- Profit for the year	-	-	-	-	-	-	-	15.367	15.367	270	15.637
- Other comprehensive income / (loss) for the year	-	-	-	-	(391)	110	254	-	(27)	-	(27)
- Total comprehensive income / (loss) for the year	-	-	-	-	(391)	110	254	15.367	15.340	270	15.610
- Dividends distribution	31	-	-	-	-	(2.933)	-	(6.639)	(9.572)	-	(9.572)
- Dividends paid to minority shareholders	-	-	-	-	-	-	-	-	-	(270)	(270)
- Share based payment	29	-	-	644	-	-	-	-	644	-	644
-Share capital increase	28	69	406	(287)	-	-	-	-	188	-	188
-Distribution of shares to personnel	28	65	585	-	-	-	-	-	650	-	650
- Share capital increase from share premium	-	19.452	(19.452)	-	-	-	-	-	-	-	-
- Share capital decrease	-	(19.452)	-	-	-	-	-	-	(19.452)	-	(19.452)
-Purchase of treasury shares	-	-	(1.647)	-	-	-	-	-	(1.647)	-	(1.647)
- Disposal of subsidiaries	-	-	-	-	-	(113)	80	27	(6)	(478)	(484)
- Carve-out of subsidiary's shares to the Company's shareholders	-	-	-	-	-	4.573	-	187	4.760	(7.073)	(2.313)
- Full incorporation of an ex-associate under the full consolidation method	-	-	-	-	-	166	-	-	166	208	374
-Increase of investment in subsidiaries	-	-	-	-	-	-	-	(135)	(135)	(44)	(179)
-Transfers	-	-	-	-	-	11.640	(118)	(11.548)	(26)	26	-
December 31, 2008	31.011	11.596	(1.647)	1.272	(391)	100.483	(6.670)	56.791	192.445	1.334	193.779
- Profit for the year	-	-	-	-	-	-	-	2.085	2.085	(185)	1.900
- Other comprehensive income / (loss) for the year	-	-	-	-	221	(11)	376	-	586	17	603
- Total comprehensive income / (loss) for the year	-	-	-	-	221	(11)	376	2.085	2.671	(168)	2.503
- Dividends distribution	31	-	-	-	-	-	-	(4.962)	(4.962)	-	(4.962)
- Dividends paid to minority shareholders	-	-	-	-	-	-	-	-	-	(24)	(24)
- Income tax relating to the future distribution of reserves from tax-exempted income	30	-	-	-	-	(1.233)	-	-	(1.233)	-	(1.233)
- Share based payment	29	-	-	534	-	-	-	-	534	-	534
- Distribution of shares to personnel	29	50	209	-	-	-	-	-	259	-	259
- Share capital increase	28	10.365	30.524	(46)	-	-	-	-	40.843	-	40.843
- Purchase of treasury shares	28	-	-	(621)	-	-	-	-	(621)	-	(621)
- Increase of investment in subsidiaries	-	-	-	-	-	-	-	-	-	(51)	(51)
- Transfers	-	-	-	-	-	3.029	-	(3.033)	(4)	4	-
December 31, 2009	41.426	42.329	(2.268)	1.760	(170)	102.268	(6.294)	50.881	229.932	1.095	231.027

S&B Industrial Minerals S.A.
SEPARATE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2009

(Amounts in thousand Euro)

		The Company						
<u>Note</u>	Share Capital	Share Premium	Treasury Shares	Share option plan reserve	Derivatives valuation reserve	Other reserves	Retained earnings	Total
January 1, 2008	30.877	30.057	-	915	-	90.228	16.587	168.664
- Profit for the year	-	-	-	-	-	-	15.468	15.468
- Other comprehensive income / (loss) for the year	-	-	-	-	(391)	110	-	(281)
- Total comprehensive income / (loss) for the year	-	-	-	-	(391)	110	15.468	15.187
- Dividends distribution	31	-	-	-	-	(2.933)	(6.639)	(9.572)
- Share based payment	29	-	-	644	-	-	-	644
-Share capital increase	28	69	406	-	(287)	-	-	188
-Distribution of shares to personnel	28	65	585	-	-	-	-	650
- Share capital increase from share premium		19.452	(19.452)	-	-	-	-	-
- Share capital decrease		(19.452)	-	-	-	-	-	(19.452)
-Purchase of treasury shares		-	-	(1.647)	-	-	-	(1.647)
- Carve-out of subsidiary's shares to the Company's shareholders		-	-	-	-	5.137	-	5.137
- Merger of subsidiary		-	-	-	-	18	(175)	(157)
- Transfers		-	-	-	-	10.437	(10.437)	-
December 31, 2008	31.011	11.596	(1.647)	1.272	(391)	102.997	14.804	159.642
- Profit for the year	-	-	-	-	-	-	3.338	3.338
- Other comprehensive income / (loss) for the year	-	-	-	-	221	(11)	-	210
- Total comprehensive income / (loss) for the year	-	-	-	-	221	(11)	3.338	3.548
- Dividends distribution	31	-	-	-	-	-	(4.962)	(4.962)
- Income tax relating to the future distribution of reserves from tax-exempted income	30	-	-	-	-	(1.233)	-	(1.233)
- Share based payment	29	-	-	534	-	-	-	534
- Distribution of shares to personnel	29	50	209	-	-	-	-	259
- Share capital increase	28	10.365	30.524	-	(46)	-	-	40.843
- Purchase of treasury shares	28	-	-	(621)	-	-	-	(621)
- Transfers		-	-	-	-	2.383	(2.383)	-
December 31, 2009	41.426	42.329	(2.268)	1.760	(170)	104.136	10.797	198.010

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

S&B Industrial Minerals S.A.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2009
(Amounts in thousand Euro)

	Note	The Group		The Company	
		1/1 - 31/12 2009	1/1 - 31/12 2008	1/1 - 31/12 2009	1/1 - 31/12 2008
Cash flows from operating activities					
Profit before tax from continuing operations		7.325	19.846	7.942	20.762
Profit before tax from discontinued operations		-	4.865	-	-
Profit before tax		7.325	24.711	7.942	20.762
Adjustments for:					
- Depreciation and amortization		24.476	26.173	12.378	14.348
- Grants amortization		(164)	(165)	(147)	(147)
- Provisions, net		3.308	4.832	(365)	2.852
- Finance income	12	(1.343)	(442)	(1.189)	(24)
- Finance costs	13	9.372	20.024	6.625	13.999
- Investment income (net of foreign taxes)		-	-	(599)	(5.252)
- Share of profit of associates		(281)	(1.586)	-	-
- Negative difference between purchase price and fair value of acquired assets		-	(328)	-	-
- Impairment loss	3	3.169	-	-	1.366
- Gain from the disposal of associates and subsidiaries	21	(708)	(4.400)	(699)	(13.822)
- Gain from the disposal of property, plant and equipment		(105)	(1.260)	(92)	(1.229)
		45.049	67.559	23.854	32.853
(Increase) / Decrease in:					
- Inventories		25.701	(18.057)	2.469	(2.103)
- Trade receivables		4.763	14.242	5.065	4.610
- Due from related parties		2.056	(2.285)	13.434	(10.736)
- Other assets		5.049	(3.302)	2.591	(728)
Increase / (Decrease) in:					
- Trade payables		10.822	(5.765)	2.914	(2.696)
- Due to related parties		767	362	751	(41)
- Other liabilities		(651)	(2.131)	(388)	(1.767)
Staff leaving indemnities paid	32	(2.753)	(2.400)	(2.070)	(1.720)
Payments for environmental rehabilitation	33	(1.025)	(1.271)	(919)	(1.122)
Income tax paid		(2.745)	(12.346)	(2.225)	(3.861)
Net cash flows from operating activities		87.033	34.606	45.476	12.689
Cash flows from investing activities					
- Capital expenditure		(31.198)	(34.149)	(17.984)	(23.354)
- Capitalized depreciation	15	550	502	550	502
- Business combinations and investments in consolidated entities		(1.150)	(1.637)	(200)	(10.793)
- Proceeds from the sale of associate and subsidiary		550	6.496	550	7.494
- Dividends received		401	411	450	9.308
- Interest and other finance income received		317	443	162	24
- Proceeds from the settlement of derivatives	35	175	1.733	175	1.733
- Cash flow from disposal of subsidiaries		-	(41)	-	-
- Government grants received		64	-	-	-
- Proceeds from the disposal of property, plant and equipment		404	4.240	97	4.121
Net cash flows used in investing activities		(29.887)	(22.002)	(16.200)	(10.965)
Cash flows used in financing activities:					
- Share capital increase, net of transaction costs		40.846	-	40.846	-
- Share option plans exercised		-	188	-	188
- Purchase of treasury shares		(621)	(1.647)	(621)	(1.647)
- Net (decrease)/ increase of short-term borrowings		(42.187)	27.800	(38.014)	25.012
- Proceeds from long-term borrowings		50.000	151	42.500	-
- Repayment of long-term borrowings		(53.000)	(15.923)	(38.000)	(7.500)
- Dividends paid to the owners of the Company, net of taxes		(4.511)	(9.557)	(4.511)	(9.557)
- Dividends paid to minority interests		(24)	(270)	-	-
- Payments for the settlement of derivatives	35	(1.500)	(1.883)	(1.500)	(1.883)
- Interest and other finance costs paid		(8.312)	(13.325)	(6.236)	(6.588)
Net cash flows used in financing activities		(19.309)	(14.466)	(5.536)	(1.975)
- Net foreign exchange difference on cash flows		(1.510)	(280)	-	-
Net increase / (decrease) in cash and cash equivalents		36.327	(2.142)	23.740	(251)
Cash and cash equivalents at the beginning of the year					
		13.434	15.310	879	1.130
- Net foreign exchange difference on cash and cash equivalents at the beginning of the year		(188)	266	-	-
Cash and cash equivalents at year end	27	49.573	13.434	24.619	879

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

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D2. NOTES TO THE FINANCIAL STATEMENTS

(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 41.

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 December 31, 2009 and 2008 the Group employed 2.027 and 2.201 employees, respectively, while the Company employed 652 and 724 employees, respectively.

2. GENERAL INFORMATION AND ACCOUNTING POLICIES

2.1 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

(a) Basis of Preparation of the Financial Statements and Statement of Compliance with IFRS:

The accompanying 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. The financial statements are in accordance with the valid provisions of Greek 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.

(b) Approval of Financial Statements: The Board of Directors of S&B approved the financial statements for the year ended December 31, 2009, on March 10, 2010. It is noted that the financial statements are subject to the approval of the Company’s Shareholders’ General Assembly Meeting.

(Amounts in thousand Euro, unless otherwise stated)

2.2 PRINCIPAL ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are as follows:

- (a) **Basis of consolidation:** The consolidated financial statements comprise the separate financial statements of "S&B Industrial Minerals S.A." and the financial statements of its subsidiaries. All subsidiaries (entities that S&B has direct or indirect ownership of the majority of voting interest and/or has the power to control the activities of the investee) are consolidated. Subsidiaries are consolidated from the date on which S&B obtains control and continue to be consolidated until the date such control ceases. All significant intra-group balances and transactions are eliminated in full. Where necessary, subsidiaries' accounting policies have been revised to ensure consistency with the policies adopted by S&B. Moreover, the financial statements of the subsidiaries are prepared for the same reporting period (December 31) as the Company. The complete list of the consolidated subsidiaries together with the related effective interests is presented in Note 3.
- (b) **Functional and Reporting Currency and Foreign Currency Translation:** The reporting currency of the Group, the functional and reporting currency of the Company, of the Greek subsidiaries, and of certain foreign subsidiaries is the €. Transactions in foreign currency are converted to € using the exchange rates prevailing at the date of the transactions. Monetary assets and liabilities denominated in foreign currency are retranslated using the spot exchange rates at the reporting date.

Gains and losses resulting from transactions in foreign currency as well as year end valuation of monetary assets and liabilities in foreign currency are taken to the income statement, except for transactions that comply with cash flow hedging requirements that are recognized in other comprehensive income.

The functional currency of the foreign subsidiaries is the official currency of the country in which each subsidiary operates. The assets and liabilities of foreign operations where their local currency is other than the € are translated into € at the exchange rate prevailing at the reporting date. Revenues and expenses are retranslated at the weighted average exchange rates prevailing during the reporting year. The accumulated difference resulting from such translation is recognized in other comprehensive income until the disposal, write off or derecognition of a subsidiary, at which time it is recognized in the income statement.

- (c) **Other Intangible Assets:** Other intangible assets include mining licenses - concessions - rights, software, trade names, trademarks and customer lists. Mining licenses - concessions - rights include their acquisition cost and any subsequent expenditure incurred relating to the extension of their duration, less any accumulated amortization and impairment losses. Software includes their acquisition cost and any expenditure realized in order for them to operate, reduced by the amount of accumulated amortization and any impairment losses. Significant subsequent expenditure is capitalized when the software's performance is further enhanced beyond its initial specifications. Customer lists, trade names and trademarks are identified, valued and recognized under the purchase price allocation process of business combinations.

Mining licenses - concessions - rights are amortized based on the straight line method within their period of expiry (mainly 10 to 16 years). Software is amortized based on the straight line method over their estimated useful life which is set to four (4) years. Customer lists and trade names are amortized based on the straight line method over a period of 5 to 20 years. Trademarks are not amortized as they are considered to have an indefinite useful life. However, trademarks are tested for impairment on an annual basis or when certain events and changes in circumstances may indicate that the carrying value may be impaired, following the provisions of IAS 36 "Impairment of assets". Amortization of intangible assets is included in the income statement.

(Amounts in thousand Euro, unless otherwise stated)

2.2 PRINCIPAL ACCOUNTING POLICIES (continued)

(d) *Ores -Mines:* Ores - Mines include the following:

- (i) *Mining Land:* It refers to acquisition cost of land acquired for the purpose of carrying out mining activities. Amortization of mining land is calculated on a straight-line basis over the shorter between a period of twenty years and the useful life of a mine (estimated period for the commercial exploitation of the mine). Amortization of mining land is included in the cost of extraction.
- (ii) *Mine Development Expenditure:* It refers to the expenditure incurred throughout the life of mines for their operation, mainly related to the stripping, tunneling and waste removal activities. Amortization of mine development expenditure is calculated based on the stripping ratio method. Amortization of capitalized mine development expenditure is included in the cost of extraction.
- (iii) *Environment Rehabilitation Expenditure:* The acquisition cost for environment rehabilitation is increased with the present value of the future realized expenditure required to rehabilitate the mining land disturbed as a result of the mining activity performed up to the reporting date, both as stipulated in the prevailing environmental legislation and voluntarily undertaken by the Group. The relevant amount increases the cost of mines, and, simultaneously, an equivalent provision for environment rehabilitation is established. Capitalization and amortization of environment rehabilitation expenditure is accounted for at the level of individual mines and is calculated based on the land disturbance of the broader area of interest. Amortization of the capitalized environment rehabilitation expenditure begins at the time that a mine has entered its stage of commercial production and is calculated based on the unit of production method. Amortization of capitalized environment rehabilitation expenditure is included in the cost of extraction.
- (iv) *Mineral Resources Exploration and Evaluation Expenditure:* Mineral resources exploration and evaluation expenditure comprises costs related to topographical, geological, geochemical and geophysical studies, exploratory drilling, trenching and sampling and activities in relation to evaluating the technical feasibility and commercial viability of extracting mineral resources as well as compiling pre-feasibility and feasibility studies. Exploration and evaluation assets are capitalized to the extent that future economic benefits are expected to flow to the entity and are measured at cost less accumulated amortization and accumulated impairment losses, if any; they are classified as tangible assets under mines category. Amortization of capitalized exploration and evaluation assets commences from the time that a reserve has entered its stage of commercial production and is calculated based on the unit of production method. The Group assesses exploration and evaluation assets for impairment when facts and circumstances suggest that the carrying amount of these assets may exceed their recoverable amounts. To this extent, any excess is charged to the income statement of the period the impairment occurred.

The Group's Management believes that the level of the proven and licensed commercially exploitable reserves is adequate for sustaining its current level of operations for a significant period of time.

(e) *Other property, plant and equipment:* Other property, plant and equipment (land, buildings, machinery and technical equipment, transportation means and furniture - fixtures) are stated at historic cost, less accumulated depreciation, if applicable, and any accumulated impairment losses. Repairs and maintenance are charged to expenses as incurred. Major subsequent improvements are capitalized to the cost of the asset to which they relate when they appreciably extend the life, increase the earning capacity or decrease their operating costs. An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on de-recognition of the asset (due to disposal, abandonment or destruction), is included in the income statement of the year the item is derecognized. Depreciation is calculated on a straight-line basis over the average

S&B Industrial Minerals S.A.
NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2009

(Amounts in thousand Euro, unless otherwise stated)

2.2 PRINCIPAL ACCOUNTING POLICIES (continued)

estimated useful economic life of the assets and is included in the income statement or in the value of ending inventories as it is included in the cost of extraction or it is capitalized during the self-construction of the other property, plant and equipment. The useful lives of other property, plant and equipment are as follows:

<u>Class</u>	<u>Years</u>
Buildings	10 - 55
Building improvements	3 - 40
Heavy machinery	10 - 40
Other machinery and equipment	5 - 20
Heavy transportation equipment	15 - 33
Other transportation means	2 - 15
Furniture and fixtures	3 - 20

(f) *Investment properties:* Investment properties are measured at historic cost less accumulated depreciation and any accumulated impairment losses. Repairs and maintenance are charged to the income statement as incurred. Subsequent expenditure is capitalized when it extends the life, increases the earning capacity or decreases the operating costs. An item of investment property is derecognized upon disposal. Any gain or loss arising on de-recognition of the asset, is included in the income statement of the year the item is derecognized. Depreciation is calculated on a straight-line basis over the average estimated useful economic life of the properties (30 to 50 years) and is included in the income statement.

(g) *Business Combinations, Goodwill and Changes in Minority Interests:* Business combinations are accounted for using the acquisition accounting method. Based on that method, identifiable assets (including previously unrecognized intangible assets) and liabilities (including contingent liabilities) of the acquired business are recognized at fair value at the acquisition date. Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Group's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. At the acquisition date (or at the date of completion of the relative purchase price allocation) any goodwill acquired is allocated to each of the cash-generating units, or group of cash generating units that are expected to benefit from the synergies of the combination. When the fair value of the net assets acquired exceeds the cost of the business combination, then the Group:

- reassesses the identification and measurement of the identifiable net assets and the cost of the combination, and
- recognizes immediately in the income statement any negative difference between the purchase price and the fair value of the net assets (negative goodwill).

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortized, but is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

Impairment is determined by assessing the recoverable amount of the cash-generating unit, to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognized.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

(Amounts in thousand Euro, unless otherwise stated)

2.2 PRINCIPAL ACCOUNTING POLICIES (continued)

Goodwill resulting from acquisitions or business combinations has been allocated to the main cash generating units at group level, which have been defined in accordance with the provisions of IAS 36 "Impairment of Assets".

When the Group increases its participation interest in existing subsidiaries (acquisition of minority interests) the total difference between the purchase price and the portion of the minority interests acquired is transferred directly to equity as it is considered as a transaction among the shareholders (entity concept method). Similarly, when minority interests are sold (without losing control of the subsidiary) the relative gains or losses are recognized directly to equity.

(h) Goodwill: Goodwill in the separate financial statements resulted through the Company's election not to apply IFRS 3 "Business combinations" (upon transition to IFRS at January 1, 2004) retrospectively, for business combinations which occurred prior to the transition date to IFRS. As a result, with respect to such business combinations, the Company, in accordance with the provisions of IFRS 1 "First time adoption of IFRS", maintained the carrying value of goodwill recognized under prior GAAP. Goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortized, but it is reviewed for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Impairment is determined by assessing the recoverable amount of the cash-generating unit, to which the goodwill relates. Where the recoverable amount of the cash-generating unit is less than the carrying amount, an impairment loss is recognized. Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

(i) Investments in associates: These are entities in which the Group has significant influence and which are neither a subsidiary nor a joint venture. The Group's investments in its associates are accounted for under the equity method of accounting. Under this method, the investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associates, less possible provisions for any impairment in value. Goodwill relating to the associates is included in the carrying amount of the net investment and is neither amortized nor individually tested for impairment.

The income statement reflects separately the Group's share of the results of operations of the associates. Where there has been a change recognized directly to equity of the associates, the Group recognizes its share of any changes in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associates are eliminated to the extent of the Group's interest in the associates. The financial statements of the associates are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

The Company's investments in associates in the separate financial statements are measured at cost less any accumulated impairment losses.

The complete list of the associates together with the related effective interests is presented in Note 21.

(j) Interests in joint ventures (jointly controlled entities): The Group has interests in joint ventures which are jointly controlled entities, whereby the ventures have a contractual arrangement that establishes joint control over the economic activities of the entities. The Group recognizes its interest in the joint ventures using the proportionate consolidation method. The Group combines its share of each of the assets, liabilities, income, expenses and cash flows of the joint ventures with the similar items, line by line, in its financial statements.

(Amounts in thousand Euro, unless otherwise stated)

2.2 PRINCIPAL ACCOUNTING POLICIES (continued)

The financial statements of the joint ventures are prepared for the same reporting period as the Company, using consistent accounting policies. Adjustments are made, where necessary, to bring the accounting policies in line with those of the Group.

When the Group sells assets to the joint ventures, any portion of gain or loss from the transaction is recognized based on the substance of the transaction. When the Group purchases assets from the joint ventures, it does not recognize its share of the profits of the joint ventures from the transaction until it resells the assets to an independent party. However, if the resulted loss of the transaction demonstrates decrease in the net realizable value or impairment loss, then this loss is recognized directly to the income statement. The joint ventures are proportionately consolidated until the date on which the Group ceases to have joint control over the joint ventures.

The complete list of the jointly controlled entities together with the related effective interests is presented in Note 22.

(k) Impairment of Assets:

(i) Non financial assets: At each reporting date the Group examines whether there are indications of impairment for the non financial assets. With the exception of goodwill and the intangibles assets with an indefinite useful life which are tested for impairment at least on an annual basis, the carrying values of other non-current assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Whenever the carrying value of an asset exceeds its recoverable amount an impairment loss is recognized in the income statement. The recoverable amount is measured as the higher of fair value less costs to sell and the value in use. Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, after deducting any direct incremental disposal costs, while value in use is the present value of estimated future cash flows expected to arise from continuing use of an asset and from its disposal at the end of its useful life. For the purpose of assessing impairment, assets are grouped at the lowest level for which there is separately identifiable cash flows.

(ii) Financial assets: At each reporting date the Group assesses any potential indicative factor regarding whether a financial asset or group of financial assets has been impaired. The financial assets that are reviewed for impairment (provided that the relative indications exist) are assets measured at amortized cost (non current assets) and at acquisition cost (investments in subsidiaries and associates in the Company's statement of financial position). The recoverable amount of investments in subsidiaries and associates is determined similarly with that of non-financial assets. The recoverable amount of the remaining financial assets is generally determined, for the purpose of performing the related impairment tests, based on the estimated future cash flows discounted either at the initial effective interest rate of the financial asset or the group of financial assets, or at the current market rate of return for a similar financial asset. The resulting impairment losses are recognized in the income statement.

(l) Inventories: Inventories include merchandise, finished and semi-finished products, raw and secondary materials, packaging materials and spare parts. Inventories are valued at the lower of cost and net realizable value. The cost of inventories reflects their purchase price plus any other costs necessary to bring them to their present location and condition and is determined using the annual weighted average method. Net realizable value for finished and semi-finished goods is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The net realizable value for raw materials is the estimated replacement cost in the ordinary course of business. Provision for impairment of inventories is made when necessary.

(Amounts in thousand Euro, unless otherwise stated)

2.2 PRINCIPAL ACCOUNTING POLICIES (continued)

(m) Accounts Receivable: Current receivables are presented in their nominal value, net of provisions for potential non collectible balances, while non-current receivables (balances over one year) are measured at amortized cost based on the effective interest rate method. The Group has established criteria for granting credit to customers which are generally based upon the size of the customer's operations and consideration of relevant financial data. In certain countries, where insurance market exists, the Group covers the receivables from its customers through insurance. In other geographical areas, and where necessary, the Group requires guarantees direct from its customers such as letters of credit and letters of guarantee. At each reporting date, all past due and doubtful receivables are assessed individually for the purpose of determining the adequacy of the provision for impairment of receivables. The balance of such impairment for doubtful accounts is appropriately adjusted at each reporting date in order to reflect the possible loss. Any amount written-off with respect to customer balances is charged against the existing provision for impairment for doubtful accounts. It is the Group's policy not to write-off any receivable until all possible legal action for collection has been exhausted.

(n) Investments and other financial assets: Financial assets in the scope of IAS 39 are classified based on their nature and their characteristics at the following four categories:

- financial assets at fair value through profit and loss,
- loans and receivables,
- held-to-maturity investments, and
- available-for-sale financial assets.

Financial assets are recognized initially at cost which represents their fair value (plus, in certain cases, directly attributable acquisition/transaction costs).

The Group determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end.

(i) Financial assets at fair value through profit and loss: It refers to financial assets as held for trading if they are acquired for the purpose of selling in the near future. Gains or losses on investments held for trading are recognized in the income statement.

(ii) Loans and receivables: Loans and receivables which are generated from the Group's operations (and are beyond the Group's normal credit terms) are carried at amortized cost using the effective interest method. Gains and losses are recognized in the income statement when the loans and receivables are derecognized or impaired, as well as through the amortization process.

(iii) Held-to-maturity investments: Financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the Group has the positive intention and ability to hold them to maturity. Investments intended to be held for an undefined period are not included in this classification. After initial measurement held-to-maturity investments are measured at amortized cost using the effective interest method. Gains and losses are recognized in the income statement when the investments are derecognized or impaired, as well as through the amortization process.

(iv) Available-for-sale financial assets: Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale or are not classified in any of the three preceding categories. After initial measurement available-for-sale financial assets are measured at fair value with unrealized gains or losses being recognized directly as a separate component of equity. Upon disposal, impairment or derecognition of the investment, the cumulative gain or loss is recognized in the income statement. The fair value of these financial assets that are actively traded in organized financial markets is determined by reference to quoted

(Amounts in thousand Euro, unless otherwise stated)

2.2 PRINCIPAL ACCOUNTING POLICIES (continued)

market bid prices at the close of business on the reporting date. For financial assets where there is no active market, fair value is determined using valuation techniques. Such techniques are based on recent arm's length market transactions by reference to the current market value of another instrument, which has substantially the same characteristics on discounted cash flow analyses and option pricing models.

(o) *Derecognition of Financial Assets and Liabilities:*

(i) **Financial assets:** A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized where:

- the rights to receive cash flows from the asset have expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a "pass-through" arrangement;
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the assets, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay. Where continuing involvement takes the form of a written and/or purchase option (including a cash-settled option or similar provision) on the transferred asset, the extent of the Group's continuing involvement is the amount of the transferred asset that the Group may repurchase, except that in the case of a written put option on an asset measured at fair value, the extent of the Group's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

(ii) **Financial liabilities:** A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and a new liability is recognized, while the difference in the respective carrying amounts is recognized in the income statement.

(p) **Derivative Financial Instruments and Hedge Accounting:** The Group uses derivative financial instruments such as forward currency contracts, interest rate swaps and cross currency swaps and other hedging instruments to hedge its risks associated with in freights, oil, interest rate and foreign currency fluctuations. Such derivative financial instruments are measured at fair value at the reporting date. The fair value of such derivatives is determined by reference to market values and it is confirmed with the respective financial institutions.

For the purpose of hedge accounting, hedges are classified as:

- fair value hedges when hedging the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment;
- cash flow hedges when hedging exposure to variability in cash flows that is either attributable to a particular risk associated with a recognized asset or liability or a highly possible commitment;
- hedges of a net investment in a foreign operation.

The effective part of hedges (gain/loss) that qualify for hedge accounting is recognized

(Amounts in thousand Euro, unless otherwise stated)

2.2 PRINCIPAL ACCOUNTING POLICIES (continued)

directly to other comprehensive income if it is related to cash flow hedges while the non effective part is charged to the income statement. If the hedge is related to effective fair value hedges the related gains or losses are recognized to the income statement, where the change in the fair value of the hedged item is recognized, as well.

When the hedged firm commitment results in the recognition of an asset or a liability, then, at the time the asset or liability is recognized, the associated gains or losses that had previously been recognized in other comprehensive income (cash flow hedges) are included in the initial measurement of the acquisition cost or other carrying amount of the asset or liability. For all other cash flow hedges, the gains or losses that are recognized in other comprehensive income are transferred to the income statement in the same year in which the hedged firm commitment affects the net profit and loss.

Certain derivatives, although characterized as effective hedges based on Group policies, do not meet the criteria for hedge accounting in accordance with the provisions of IAS 39 and, therefore, gains or losses from fair valuation are recognized directly in the income statement.

- (q) **Cash and cash equivalents:** Cash and cash equivalents comprise cash at banks and on hand, short-term time deposits and other highly liquid investments with original maturity of three months or less.
- (r) **Share capital:** Share capital represents the nominal value of the Company's shares in issue. Any excess of the fair value of the consideration received over the par value of the shares issued is recognized as "share premium" in the shareholders equity. Incremental external costs directly attributable to the issue of new shares are shown as a deduction in equity, net of tax, from the proceeds.
- (s) **Bank and Bond Loans:** Bank and bond loans are initially recognized at cost which reflects their fair value reduced by the direct loan arrangement expenses. After initial recognition, loans are valued at the unamortized cost based on the effective interest method. Gains and losses are recognized in the income statement when the liabilities are derecognized as well as through the amortization process.
- (t) **Borrowing costs:** Effective January 1, 2009, borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for intended use or sale are capitalized as part of the cost the respective qualifying assets. All other borrowing costs are recognized as an expense in the period in which they are incurred.
- (u) **Provisions and Contingent Assets-Liabilities:** Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, and when it is probable that an outflow of resources will be required to settle this obligation and a reliable estimate of the amount of the obligation can be made. Provisions are reviewed at each reporting date and adjusted to reflect the present value of the expenditure expected to be required to settle the obligation. Regarding the provisions that are expected to be settled in the long term (and therefore the effect of time value of money is material), provisions are determined by discounting the expected future cash flows at a pretax rate that reflects current market assessments of the time value of money and, where appropriate, the risks related to the liability. Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but are disclosed when an inflow of economic benefits is probable.
- (v) **Provision for Staff Leaving Indemnities:** Staff retirement obligations are calculated at the discounted value of the future retirement benefits deemed to have accrued at year-end, based on the employees earning retirement benefit rights steadily throughout the working period. Retirement obligations are calculated on the basis of financial and actuarial assumptions detailed and are determined using the projected unit credit actuarial valuation method. Net pension costs for the year are included in payroll cost in the income statement and consist of the present value of benefits earned in the year, interest cost on the benefit

(Amounts in thousand Euro, unless otherwise stated)

2.2 PRINCIPAL ACCOUNTING POLICIES (continued)

obligation, past service cost, actuarial gains or losses recognized in the fiscal year and any additional pension charges. Finance cost of retirement obligations is included in finance costs in the income statement.

Past service costs are recognized on a straight-line basis over the average period until the benefits under the plan become vested. In the event of a defined benefit plan is initiated or modified and the relative benefits have already been vested, the corresponding past service cost is recognized immediately in the income statement.

Actuarial gains or losses are recognized based on the corridor approach. Under this approach unrecognized actuarial gains or losses that exceed 10% of the projected benefit obligation at the beginning of each year are recognized over the average remaining service period of active employees and included as a component of net pension cost of the year. The retirement benefit obligations are not funded.

(w) Provision for Environment Rehabilitation: The Group recognizes a provision for environment rehabilitation and, more specifically, a provision for future restoration of land disturbed, as of the reporting date, as a result of past mining activity and in line with the prevailing environmental legislation of each country in which it operates or the binding group practices. The provision for environment rehabilitation reflects the present value of the expected restoration costs, using estimated cash flows as of the reporting date. The provision is calculated based on the area of the land disturbed, at the reporting date, and the cost of rehabilitation per metric unit of land at the level of the broader area of interest. The provision is measured at every reporting date and is appropriately adjusted to reflect the present value of the expenses required to fulfill the obligation. Finance cost of rehabilitation provision is included in finance costs in the income statement.

(x) Income Taxes (Current and Deferred):

(i) Current Income Taxes: Current income taxes are computed based on the separate financial statements of each of the entities included in the financial statements, in accordance with the tax rules in force in Greece or other tax jurisdictions in which foreign subsidiaries operate. Current income tax expense consists of income taxes for the current year based on each entity's profits as adjusted in its tax returns and, additional income taxes to cover potential tax assessments which are likely to occur from tax audits by the tax authorities, using the enacted or substantively enacted tax rates at the reporting date.

(ii) Deferred Income Taxes: Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts.

Deferred income tax liabilities are recognized for all taxable temporary differences except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized except:

- where the deferred income tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a

(Amounts in thousand Euro, unless otherwise stated)

2.2 PRINCIPAL ACCOUNTING POLICIES (continued)

business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, and

- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that is no longer probable that sufficient taxable profit will be available to allow all, or part of the deferred tax assets to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred income tax relating to items recognized directly in equity is recognized in equity and not in the income statement.

(y) Government Grants: Government grants are recognized where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, it is recognized as deferred income and released to the income statement, against the related depreciation expense, in equal amounts over the expected useful life of the related asset. When the grant relates to an expense item, it is recognized against these expenses over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

(z) Operating Leases: Leases where the lessor retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Operating lease payments are recognized as an expense in the income statement on a straight line basis over the lease term.

(aa) Treasury Shares: Treasury shares reflect shares of the Company which are acquired and held by itself or its subsidiaries. Treasury shares are stated at cost, as a negative item in shareholders' equity. Any result upon sale, disposal or cancellation is taken directly to shareholders' equity.

(ab) Earnings per share: Basic earnings per share are computed by dividing net income attributed to the Company's shareholders by the weighted average number of ordinary shares outstanding during the year, excluding any treasury shares outstanding during the year. Diluted earnings per share are computed by dividing net income attributed to the Company's shareholders (after deducting the impact on the convertible redeemable preference shares) by the weighted average number of ordinary shares outstanding during the year (after deducting the impact on the convertible redeemable preference shares).

(ac) Revenue Recognition: Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue from the sale of merchandise and finished products, net of trade discounts, rebates and sales commissions, is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer. Revenue from rendering of services is recognized based on the stage of completion of the service rendered, at the reporting date, and to the extent that the related collection of the receivable is fairly secured. Revenue from rental income arising, from operating leases, is accounted for on a straight-line basis over the lease terms. Revenue from interest is recognized within the period incurred and revenue from dividends is recognized when the Company's right on such dividends is approved by the respective bodies of the companies that declare them.

(ad) Share Based Payments to members of the Board of Directors and Executives: The Company has established stock option plans for certain members of the Board of Directors and executive officers of the Group whose part of their remuneration is settled through

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2.2 PRINCIPAL ACCOUNTING POLICIES (continued)

share based payments. In addition, certain executives of the Group are entitled to share appreciation rights which can only be settled in cash.

- i) Stock Option Plan and Long -Term Incentives Plan:* The cost of the respective transactions is measured at the fair value of the stock options as of the grant date of the plans. The fair value is measured through the application of the appropriate valuation models. The cost of the stock option plans is recognized as an expense in the income statement, by crediting a relevant reserve in equity, during the periods the requirements are gradually fulfilled. For options that are not vested, no expense is recognized except for the options whose vesting depends on the fulfilment of specific external market parameters. Options are considered to be vested when all the performance requirements have been fulfilled, independent of the fulfilment of the external market parameters. In case of cancellation of any stock option plans, these are accounted for as if they were vested at the date of cancellation and the non-recognized related expenses to date are immediately recognized in the income statement. In case a cancelled stock option plan is substituted by a new one, it is treated as an amendment of the cancelled plan, according to the provisions of IFRS 2.
- (ii) Share Appreciation Rights ("SARs"):* The fair value of the SARs is measured at the grant date using an appropriate pricing model. The related expense, for the services received, is recognized in the income statement over the expected vesting period and a respective liability to pay for those services is also recognized. Until the liability is settled, it is remeasured at each reporting date with changes in fair value recognized in the income statement.
- (ae) Offsetting of Financial Assets and Liabilities:* Financial assets and liabilities are offset and the net amount is presented in the statement of financial position only when the Group has a legally enforceable right to offset the recognized amounts and intends to either settle such asset and liability on a net basis or to realize the asset and settle the liability simultaneously.
- (af) Fair Value of Financial Instruments:* The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations, without any deduction for transaction costs (Level 1 hierarchy).
- For financial instruments not traded in an active market, the fair value is determined using: (i) appropriate valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly, (Level 2 hierarchy), (ii) techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data (Level 3 hierarchy) and may include recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis or other valuation models.
- (ag) Operating Segment information:* The Group presents operating segment information on the basis of industrial mineral applications being Bentonite, Perlite, Bauxite, Continuous Casting Fluxes (C.C.F.) and Minerals trading as well as the Corporate segment.
- (ah) Non-Current Assets Held for Sale and Discontinued Operations:* The Group classifies a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use.
- The basic preconditions to classify a non-current asset (or a disposal group) as held for sale are that it must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets / groups and its sale must be highly probable.
- For the sale to be highly probable, the following conditions should be met in aggregate:
- the appropriate level of Management must be committed to a plan to sell the asset (or disposal group),

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2.2 PRINCIPAL ACCOUNTING POLICIES (continued)

- an active program to locate a buyer and complete the plan must have been initiated,
- the asset (or disposal group) must be actively marketed for sale at a price that is reasonable in relation to its current fair value,
- the sale should be expected to qualify for recognition as a completed sale within one year from the date of classification, with some certain exceptions permitted, and
- actions required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Immediately before the initial classification of a non current asset (or a disposal group) as held for sale, the asset (or the assets and liabilities included in the disposal group) is measured in accordance with the applicable per case, IFRS.

Non current assets (or disposal groups) classified as held for sale are measured (after the above initial classification) at the lower of their carrying amount and fair value less costs to sell while any possible resulting impairment losses are recognized in the income statement. Any subsequent increase in fair value is recognized in the income statement, but not in excess of the cumulative impairment loss which was previously recognized.

While a non-current asset (or non-current assets that are included in a disposal group) is classified as held for sale it is not depreciated or amortized.

2.3 CHANGES IN ACCOUNTING PRINCIPLES AND DISCLOSURES

The accounting policies adopted are consistent with those of the previous financial year except as follows:

The Group has adopted the following new and amended IFRS and IFRIC interpretations as of January 1, 2009:

- IFRIC 13 Customer Loyalty Programs effective July 1, 2008
- IFRIC 15 Agreements for the Construction of Real Estate effective January 1, 2009
- IFRIC 16 Hedges of a Net Investment in a Foreign Operation effective October 1, 2008
- IFRIC 18 Transfers of Assets from Customers effective July 1, 2009
- IFRIC 9 Remeasurement of Embedded Derivatives (Amended) and IAS 39 Financial Instruments: Recognition and Measurement (Amended) effective for periods ending on or after June 30, 2009
- IFRS 1 First-time Adoption of International Financial Reporting Standards (Amended) and IAS 27 Consolidated and Separate Financial Statements (Amended) effective January 1, 2009
- IFRS 2 Share-based Payment: Vesting Conditions and Cancellations (Amended) effective January 1, 2009
- IFRS 7 Financial Instruments: Disclosures (Amended) effective January 1, 2009
- IFRS 8 Operating Segments effective January 1, 2009
- IAS 1 Presentation of Financial Statements (Revised) effective January 1, 2009
- IAS 32 Financial Instruments: Presentation (Amended) and IAS 1 Puttable Financial Instruments and Obligations Arising on Liquidation (Amended) effective January 1, 2009
- IAS 23 Borrowing Costs (Revised) effective January 1, 2009
- Improvements to IFRSs (May 2008)

When the adoption of the standard or interpretation is deemed to have an impact on the financial statements or performance of the Group, its impact is described below:

(Amounts in thousand Euro, unless otherwise stated)

2.3 CHANGES IN ACCOUNTING PRINCIPLES AND DISCLOSURES (continued)

- **IFRIC 13, “Customer Loyalty Programmes”:** This Interpretation requires customer loyalty award credits to be accounted for as a separate component of the sales transaction in which they are granted and therefore part of the fair value of the consideration received is allocated to the award credits and deferred over the period that the award credits are fulfilled. This interpretation has no impact on Group’s financial statements as no such schemes currently exist.
- **IFRIC 15, “Agreements for the Construction of Real Estate”:** This Interpretation provides guidance on how to determine whether an agreement for the construction of real estate is within the scope of IAS 11 'Construction Contracts' or IAS 18 'Revenue' and, accordingly, when revenue from such construction should be recognized. IFRIC 15 does not have any impact on the financial statements because the Group does not conduct construction real estate activity.
- **IFRIC 16, “Hedges of a Net Investment in a foreign operation”:** This Interpretation is to be applied prospectively. IFRIC 16 provides guidance on the accounting for a hedge of a net investment. As such it provides guidance on identifying the foreign currency risk that qualifies for hedge accounting in the hedge of a net investment, where within the Group the hedging instruments can be held in the hedge of a net investment and how the entity should determine the amount of foreign currency gain or loss, relating to both the net investment and the hedging instrument, to be recycled on disposal of the net investment. This Interpretation does not have any impact on the Group’s financial statements.
- **IFRIC 18, “Transfers of Assets from Customers”:** This interpretation provides guidance on how to account for items of property, plant and equipment received from customers or cash that is received and used to acquire or construct specific assets. It is only applicable to such assets that are used to connect the customer to a network or to provide ongoing access to a supply of goods or services or both. This Interpretation does not have any impact on the Group’s and the Company’s financial statements.
- **IAS 39 “Financial Instruments: Recognition and Measurement” and IFRIC 9 “Reassessment of embedded derivatives” (Amended):** The amendment to IFRIC 9 requires an entity to assess whether an embedded derivative must be separated from the host contract when the entity reclassifies a hybrid financial asset out of the 'fair value through profit or loss' category. This assessment is to be based on circumstances that existed on the later of the date the entity first came party to the contract and the date of any contract amendments that significantly change the cash flows of the contract. IAS 39 now states that if an embedded derivative cannot be reliably measured the entire hybrid instrument can remain classified at fair value through profit and loss. This amendment had no impact on the Group’s financial statements.
- **IFRS 1 “First-time Adoption of International Financial Reporting Standards” and IAS 27 “Consolidated and Separate Financial Statements” (Amended):** The amendments to IFRS 1 allow an entity to determine the ‘cost’ of investments in subsidiaries, jointly controlled entities or associates in its opening IFRS financial statements in accordance with IAS 27 or using a deemed cost. The amendment to IAS 27 requires all dividends from a subsidiary, jointly controlled entity or associate to be recognised in the income statement in the separate financial statement. The amendment to IAS 27 will have to be applied prospectively. The new requirements do not affect the separate financial statements as the Company is not a First-Time adopter and do not have any impact on the consolidated financial statements.
- **IFRS 2, “Share-based Payments” (Amended):** The amendment clarifies two issues. The definition of ‘vesting condition’, introducing the term ‘non-vesting condition’ for conditions other than service conditions and performance conditions. It also clarifies that the same accounting treatment applies to awards that are effectively cancelled by

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2.3 CHANGES IN ACCOUNTING PRINCIPLES AND DISCLOSURES (continued)

either the entity or the counterparty. This amendment did not have an impact on the consolidated financial statements.

- **IFRS 7 “Financial Instruments: Disclosures” (Amended):** The amended standard requires additional disclosures about fair value measurement and liquidity risk. Fair value measurements related to items recorded at fair value are to be disclosed by the source of inputs, using a three-level hierarchy, by class, for all financial instruments recognized at fair value. In addition, reconciliation between the beginning and ending balance for level 3 fair value measurements is now required, as well as significant transfers between the levels in the fair value hierarchy. The amendments also clarify the requirements for liquidity risk disclosures with respect to derivative transactions and assets used for liquidity management. The fair value and liquidity risk disclosures are not significantly impacted by the amendments and are presented in Note 39.
- **IFRS 8, “Operating Segments”:** The Standard replaces IAS 14 ‘Segment reporting’. IFRS 8 adopts a management approach to segment reporting. The information reported is that which management uses internally for evaluating the performance of operating segments and allocating resources to those segments. The Group assessed the new operating segments, as shown in Note 41, where additional disclosures are made and revised comparative information is also disclosed.
- **IAS 1, “Presentation of Financial Statements” (Revised):** The revised standard requires that the statement of changes in equity includes only transactions with shareholders; introduces a new statement of comprehensive income that combines all items of income and expense recognised in profit or loss together with “other comprehensive income” (either in one single statement or in two linked statements); and requires the inclusion of a third column on the statement of financial position to present the effect of restatements of financial statements or retrospective application of a new accounting policy as at the beginning of the earliest comparative period. The Group has made the necessary changes to the presentation of its current financial statements and elected to present comprehensive income in a separate statement.
- **IAS 32 “Financial Instruments: Presentation” and IAS 1 “Puttable Financial Instruments” (Amended):** The standards have been amended to allow a limited scope exception for puttable financial instruments to be classified as equity if certain criteria are met. This amendment did not have any impact on the financial statements.
- **IAS 23, “Borrowing Costs” (Revised):** The benchmark treatment in the existing standard of expensing all borrowing costs to the income statement is eliminated in the case of qualifying assets. All borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset must be capitalised. A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. In accordance with the transitional requirements of the Standard, the Group adopted this as a prospective change. However, there are no existing qualifying assets during the current year and therefore no such capitalisation took place. No changes have been made for borrowing costs incurred prior to January 1, 2009 that have been expensed.

In May 2008 the IASB issued its first omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. The effective dates of the improvements are various and the earliest is for the financial year beginning January 1, 2009.

- **IFRS 5, “Non-current Assets Held for Sale and Discontinued Operations”:** The amendment clarifies that all of a subsidiary’s assets and liabilities are classified as held for sale, under IFRS 5, even when the entity will retain a non-controlling interest in the subsidiary after the sale.
- **IFRS 7, “Financial Instruments: Disclosures”:** This amendment removes the reference to ‘total interest income’ as a component of finance costs.

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2.3 CHANGES IN ACCOUNTING PRINCIPLES AND DISCLOSURES (continued)

- **IAS 1, "Presentation of Financial Statements"**: This amendment clarifies that assets and liabilities classified as held for trading in accordance with IAS 39 Financial Instruments: Recognition and Measurement are not automatically classified as current in the statement of financial position.
- **IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors"**: This amendment clarifies that only implementation guidance that is an integral part of an IFRS is mandatory when selecting accounting policies.
- **IAS 10, "Events after the Reporting Period"**: This amendment clarifies that dividends declared after the end of the reporting period are not obligations.
- **IAS 16, "Property, Plant and Equipment"**: This amendment clarifies that items of property, plant & equipment held for rental that are routinely sold in the ordinary course of business after rental, are transferred to inventory when rental ceases and they are held for sale. Proceeds on sale are subsequently shown as revenue. IAS 7 Statement of cash flows is also revised, to require cash payments to manufacture or acquire such items to be classified as cash flows from operating activities. The cash receipts from rents and subsequent sales of such assets are also shown as cash flows from operating activities.
- **IAS 18, "Revenue"**: This amendment replaces the term 'direct costs' with 'transaction costs' as defined in IAS 39.
- **IAS 19, "Employee Benefits"**: This amendment revises the definitions of 'past service costs', 'return on plan assets' and 'short-term' and 'other long term' employee benefits to focus on the point in time at which the liability is due to be settled.
- **IAS 20, "Accounting for Government Grants and Disclosure of Government Assistance"**: Loans granted with no or low interest rates will not be exempt from the requirement to impute interest. Interest is to be imputed on loans granted with below-market interest rates, thereby being consistent with IAS 39. The difference between the amount received and the discounted amount is accounted for as a government grant. To be applied prospectively - to government loans received on or after January 1, 2009.
- **IAS 23, "Borrowing Costs"**: The amendment revises the definition of borrowing costs to consolidate the types of items that are considered components of 'borrowing costs' into one - the interest expense calculated using the effective interest rate method as described in IAS 39.
- **IAS 27 "Consolidated and Separate Financial Statements"**: When a parent entity accounts for a subsidiary at fair value in accordance with IAS 39 in its separate financial statements, this treatment continues when the subsidiary is subsequently classified as held for sale.
- **IAS 28, "Investment in Associates"**: The interpretation clarifies that:
 - If an associate is accounted for at fair value in accordance with IAS 39 only the requirement of IAS 28 to disclose the nature and extent of any significant restrictions on the ability of the associate to transfer funds to the entity in the form of cash or repayment of loans applies; and
 - An investment in an associate is a single asset for the purpose of conducting the impairment test - including any reversal of impairment. Therefore, any impairment is not separately allocated to the goodwill included in the investment balance and any impairment is reversed if the recoverable amount of the associate increases.
- **IAS 29, "Financial Reporting in Hyperinflationary Economies"**: This amendment revises the reference to the exception to measure assets and liabilities at historical cost, such that it notes property, plant and equipment as being an example, rather than implying that it is a definitive list.

2.3 CHANGES IN ACCOUNTING PRINCIPLES AND DISCLOSURES (continued)

- **IAS 31, "Interest in Joint ventures":** This amendment clarifies that if a joint venture is accounted for at fair value, in accordance with IAS 39 only the requirements of IAS 31 to disclose the commitments of the venturer and the joint venture, as well as summary financial information about the assets, liabilities, income and expenses will apply.
- **IAS 34, "Interim Financial Reporting":** This amendment clarifies that earnings per share is disclosed in interim financial reports if an entity is within the scope of IAS 33.
- **IAS 36, "Impairment of assets":** This amendment clarifies that when discounted cash flows are used to estimate 'fair value less costs to sell', the same disclosure is required as when discounted cash flows are used to estimate 'value in use'.
- **IAS 38, "Intangible Assets":**
 - Expenditure on advertising and promotional activities is recognised as an expense when the entity either has the right to access the goods or has received the services.
 - Deletes references to there being rarely, if ever, persuasive evidence to support an amortisation method for finite life intangible assets that results in a lower amount of accumulated amortisation than under the straight-line method, thereby effectively allowing the use of the unit of production method.
 - A prepayment may only be recognised in the event that payment has been made in advance to obtaining right of access to goods or receipt of services.
- **IAS 39, "Financial instruments recognition and measurement":**
 - Clarifies that changes in circumstances relating to derivatives - specifically derivatives designated or de-designated as hedging instruments after initial recognition - are not reclassifications. Thus, a derivative may be either removed from, or included in, the 'fair value through profit or loss' classification after initial recognition. Similarly, when financial assets are reclassified as a result of an insurance company changing its accounting policy in accordance with paragraph 45 of IFRS 4 Insurance Contracts, this is a change in circumstance, not a reclassification.
 - Requires use of the revised effective interest rate (rather than the original effective interest rate) when remeasuring a debt instrument on the cessation of fair value hedge accounting.
- **IAS 40, "Investment property":**
 - Revises the scope (and the scope of IAS 16) such that property that is being constructed or developed for future use as an investment property is classified as investment property. If an entity is unable to determine the fair value of an investment property under construction, but expects to be able to determine its fair value on completion, the investment under construction will be measured at cost until such time as fair value can be determined or construction is complete.
 - Clarifies that the carrying amount of investment property held under lease is the valuation obtained increased by any recognised liability.
- **IAS 41, "Agriculture":**
 - Replaces the term 'point-of-sale costs' with 'costs to sell'.
 - Removes the reference to the use of a pre-tax discount rate to determine fair value, thereby allowing use of either a pre-tax or post-tax discount rate depending on the valuation methodology used.
 - Removes the prohibition to take into account cash flows resulting from any additional transformations when estimating fair value. Rather, cash flows that are expected to be generated in the 'most relevant market' are taken into account.

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2.4 NEW STANDARDS AND INTERPRETATIONS

The following new standards, amendments to standards and interpretations have been issued but are not yet effective for the financial year beginning January 1, 2009:

- **IFRIC 17, “Distributions of Non-cash Assets to Owners”:** This interpretation is effective for annual periods beginning on or after July 1, 2009 with early application permitted. 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 Group does not expect IFRIC 17 to have an impact on the financial statements as the Group has not made any non-cash distributions to shareholders in the past.
- **IFRIC 19, “Extinguishing Financial Liabilities with Equity Instruments”:** The interpretation is effective for annual periods beginning on or after July 1, 2010. This interpretation addresses the accounting treatment when there is a renegotiation between the entity and the creditor regarding the terms of a financial liability and the creditor agrees to accept the entity’s equity instruments to settle the financial liability fully or partially. IFRIC 19 clarifies such equity instruments are “consideration paid” in accordance with paragraph 41 of IAS 39. As a result, the financial liability is derecognised and the equity instruments issued are treated as consideration paid to extinguish that financial liability. This interpretation has not yet been endorsed by the EU. The Group does not expect that the amendment will have impact on the financial position or performance of the Group.
- **IFRIC 14, “Prepayments of a Minimum Funding Requirement (Amended)”:** The amendment is effective for annual periods beginning on or after January 1, 2011. The purpose of this amendment was to permit entities to recognise as an asset some voluntary prepayments for minimum funding contributions. This earlier application permitted and must be applied retrospectively. This amendment has not yet been endorsed by the EU. The Group does not expect that the amendment will have 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 revision and amendment is effective for annual periods beginning on or after July 1, 2009. 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 be applied prospectively and will affect future acquisitions and transactions with minority interests.
- **IAS 39 “Financial Instruments: Recognition and Measurement” - Eligible Hedged Items:** The amendment is effective for annual periods beginning on or after July 1, 2009. 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 Group has concluded that the amendment will have no impact on the financial statements of the Group, as it has not entered into any such hedges.
- **IFRS 9 “Financial Instruments” - Phase 1 financial assets, classification and measurement:** The new standard is effective for annual periods beginning on or after January 1, 2013. Phase 1 of this new IFRS introduces new requirements for classifying and measuring financial assets. Early adoption is permitted. This standard has not yet

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2.4 NEW STANDARDS AND INTERPRETATIONS (continued)

been endorsed by the EU. The Group is in the process of assessing the impact of the new standard on the financial position or performance of the Group.

- **IFRS 2 “Group Cash-settled Share-based Payment Transactions” (Amended):** The amendment is effective for annual periods beginning on or after January 1, 2010. 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 interpretation has not yet been endorsed by the EU. The Group does not expect that this amendment will have an impact on the financial position or performance of the Group.
- **IAS 32 “Classification on Rights Issues” (Amended):** The amendment is effective for annual periods beginning on or after February 1, 2010. This amendment relates to the rights issues offered for a fixed amount of foreign currency which were treated as derivative liabilities by the existing standard. The amendment states that if certain criteria are met, these should be classified as equity regardless of the currency in which the exercise price is denominated. The amendment is to be applied retrospectively. The Group does not expect that this amendment will have an impact on the financial position or performance of the Group.
- **IAS 24 “Related Party Disclosures” (Revised):** The revision is effective for annual periods beginning on or after January 1, 2011. This revision relates to the judgment which is required so as to assess whether a government and entities known to the reporting entity to be under the control of that government are considered a single customer. In assessing this, the reporting entity shall consider the extent of economic integration between those entities. Early application is permitted and adoption shall be applied retrospectively. This interpretation has not yet been endorsed by the EU. The Group does not expect that this amendment will have an impact on the financial position or performance of the Group.
- **IFRS 1 “Limited Exemption from Comparative IFRS 7 Disclosures for first time adopters” (Amended):** The amendment is effective for annual periods beginning on or after 1 July 2010. This interpretation has not yet been endorsed by the EU and it will not have any impact on the financial position or performance of the Group as it is not a First-time adopter.
- **IFRS 1 “Additional Exemptions for First-time Adopters” (Amended):** The amendment is effective for annual periods beginning on or after January 1, 2010. This interpretation has not yet been endorsed by the EU. The Group does not expect that this amendment will have an impact on the financial position or performance of the Group.

In April 2009, the IASB issued its second omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. The effective dates of the improvements are various and the earliest is for the financial year beginning July 1, 2009. This annual improvements project has not yet been endorsed by the EU.

- **IFRS 2 “Share-based Payment”,** effective for annual periods beginning on or after July 1, 2009. Clarifies that the contribution of a business on formation of a joint venture and combinations under common control are not within the scope of IFRS 2 even though they are out of scope of IFRS 3 (revised). If an entity applies IFRS 3 (revised) for an earlier period, the amendment shall also be applied for that earlier period.
- **IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations”,** effective for annual periods beginning on or after January 1, 2010. Clarifies that the disclosures required in respect of non-current assets and disposal groups classified as held for sale or discontinued operations are only those set out in IFRS 5. The disclosure requirements of other IFRSs only apply if specifically required for such non-current assets or discontinued operations.

(Amounts in thousand Euro, unless otherwise stated)

2.4 NEW STANDARDS AND INTERPRETATIONS (continued)

- **IFRS 8 “Operating Segment Information”**, effective for annual periods beginning on or after January 1, 2010. 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.
- **IAS 1 “Presentation of Financial Statements”**, effective for annual periods beginning on or after January 1, 2010. The terms of a liability that could result, at any time, in its settlement by the issuance of equity instruments at the option of the counterparty do not affect its classification.
- **IAS 7 “Statement of Cash Flows”**, effective for annual periods beginning on or after January 1, 2010. Explicitly states that only expenditure that results in recognizing an asset can be classified as a cash flow from investing activities. This amendment will impact the presentation in the statement of cash flows of the contingent consideration on the business combination completed in 2009 upon cash settlement.
- **IAS 17 “Leases”**, effective for annual periods beginning on or after January 1, 2010. The amendment removes the specific guidance on classifying land as a lease so that only the general guidance remains.
- **IAS 18 “Revenue”**. The Board has added guidance (which accompanies the standard) to determine whether an entity is acting as a principal or as an agent. The features to consider are whether the entity:
 - Has primary responsibility for providing the goods or service
 - Has inventory risk
 - Has discretion in establishing prices
 - Bears the credit risk
- **IAS 36 “Impairment of Assets”**, effective for annual periods beginning on or after January 1, 2010. The amendment clarified that the largest unit permitted for allocating goodwill, acquired in a business combination, is the operating segment as defined in IFRS 8 before aggregation for reporting purposes.
- **IAS 38 “Intangible Assets”**, effective for annual periods beginning on or after July 1, 2009. Clarifies that if an intangible asset acquired in business combination is identifiable only with another intangible asset, the acquirer may recognize the group of intangible assets as a single asset provided the individual assets have similar useful lives. Also, clarifies that the valuation techniques presented for determining the fair value of intangible assets acquired in a business combination that are not traded in active markets are only examples and are not restrictive on the methods that can be used. If an entity applies IFRS 3 (revised) for an earlier period, the amendment shall also be applied for that earlier period.
- **IAS 39 “Financial Instruments: Recognition and Measurement”**, effective for annual periods beginning on or after January 1, 2010. The amendment clarifies that:
 - A prepayment option is considered closely related to the host contract when the exercise price of a prepayment option reimburses the lender up to the approximate present value of lost interest for the remaining term of the host contract.
 - The scope exemption for contracts between an acquirer and a vendor in a business combination to buy or sell an acquiree at a future date, applies only to binding forward contracts, and not derivative contracts where further actions by either party are still to be taken (Applicable to all unexpired contracts for annual periods beginning on or after January 1, 2010)
 - Gains and losses on cash flow hedges of a forecast transaction that subsequently results in the recognition of a financial instrument or on cash flow hedges of recognized financial instruments should be reclassified in the period that the hedged

(Amounts in thousand Euro, unless otherwise stated)

2.4 NEW STANDARDS AND INTERPRETATIONS (continued)

forecast cash flows affect profit or loss (Applicable to all unexpired contracts for annual periods beginning on or after January 1, 2010)

- **IFRIC 9 “Reassessment of Embedded Derivatives”**, effective for annual periods beginning on or after July 1, 2009. The Board amended the scope paragraph of IFRIC 9 to clarify that it does not apply to possible reassessment, at the date of acquisition, to embedded derivatives in contracts acquired in a combination between entities or businesses under common control or the formation of a joint venture. If an entity applies IFRS 3 (revised) for an earlier period, the amendment shall also be applied for that earlier period.
- **IFRIC 16 “Hedges of a Net Investment in a Foreign Operation”**, effective for annual periods beginning on or after July 1, 2009. The amendment states that, in a hedge of a net investment in a foreign operation, qualifying hedging instruments may be held by any entity or entities within the group, including the foreign operation itself, as long as the designation, documentation and effectiveness requirements of IAS 39 that relate to a net investment hedge are satisfied.

2.5 SIGNIFICANT MANAGEMENT ACCOUNTING JUDGMENTS, ASSUMPTIONS AND ESTIMATES

The preparation of the financial statements in conformity with IFRS requires management to make estimates, assumptions and judgments that affect the reported amounts of assets, liabilities and contingent liabilities, at the reporting date of financial statements and reported amounts of revenues and expenses during the reporting year. Estimates and assumptions are continuously evaluated and are based on management’s experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

In particular, information about significant areas of estimation uncertainty considered by management in preparing the financial statements is described below:

(a) *Estimates related to the Mining Activity of the Group:* The Group makes significant estimates related to its mining activity. More specifically:

(i) *Ore reserve and resource estimates:* The Group estimates its ore reserves and mineral resources that can be economically and legally extracted at the reporting date based on generally accepted scientific methods and techniques relating to the geological and other data. The estimation is performed by qualified personnel who use specialized resources, tools and means. The estimation process includes not only the quantity of minerals to be extracted but other factors as well such as the volume of waste removals, etc. Actual volumes may differ from the estimated amounts at the reporting date a fact that may impact the relative accounting values that are recognized on the financial statements such as the capitalization and the amortization of mine development expenditure, of exploration and evaluation assets, etc.

(ii) *Provision for Environmental Rehabilitation:* The Group recognizes a provision for environmental rehabilitation and, more specifically, a provision for future restoration of land disturbed, as of the reporting date, as a result of past mining activity and in line with the prevailing environmental legislation of each country in which it operates or the binding group practices. The provision for environmental rehabilitation is re-estimated on an annual basis and it reflects the present value of the expected restoration costs, using estimated cash flows as of the reporting date and is calculated based on the area of the land disturbed at the reporting date and the cost of rehabilitation per metric unit of land at the level of the

(Amounts in thousand Euro, unless otherwise stated)

2.5 SIGNIFICANT MANAGEMENT ACCOUNTING JUDGMENTS, ASSUMPTIONS AND ESTIMATES (continued)

broader area of interest. Changes in future estimated cash flows are recognized on the statement of financial position by adjusting the relative assets and liabilities while changes in future cash flows for depleted mines are recognized directly to the income statement. Given the complexity of the calculations and the significant assumptions therein, Management provides at the reporting date its best estimate in relation to the present value of the aforementioned liability.

- (b) Provisions for income taxes:** Current income tax liabilities for the current and prior periods are measured, in accordance with IAS 12, at the amounts expected to be paid to the tax authorities and includes the provision for current income taxes reported in the respective income tax returns and the provision for potential additional tax assessments that may be imposed by the tax authorities upon settlement of the open tax years. Accordingly, the final settlement of the income taxes might differ from the income taxes that have been accounted for in the financial statements.
- (c) Deferred tax assets recoverability:** Deferred tax assets recognition includes estimates as regards their recoverability. More specifically, the recognition of deferred tax assets on carried forward tax losses requires management estimates to the extent that it is probable that taxable profit will be available against which the losses can be utilized in each tax regime in which the Company and the subsidiaries of the Group operate.
- (d) Goodwill and indefinite intangible assets impairment tests:** The Group determines whether goodwill and indefinite intangible assets are impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate (the Group's weighted average cost of capital) in order to calculate the present value of those cash flows.
- (e) Provision for staff leaving indemnities:** The cost for the staff leaving indemnities is determined based on actuarial valuations. The actuarial valuation requires management making assumptions about future salary increases, discount rates, mortality rates, etc. Management, at each reporting date when the provision is re-examined, tries to give its best estimate regarding the above mentioned parameters.
- (f) Contingent liabilities:** The existence of contingent liabilities requires from Management making assumptions and estimates continuously related to the possibility that future events may or may not occur as well as the effects that those events may have on the activities of the Group.
- (g) Trademarks with indefinite useful life:** The Group has recognized in the financial statements trademarks acquired through business combinations. Management assigned an indefinite useful life on these trademarks based both on independent valuation reports, received during the purchase price allocation process, and the existing market circumstances.

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NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2009

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3. INVESTMENTS IN SUBSIDIARIES AND MINORITY INTERESTS

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

Entity	Country	Field of activity	% Participation		Year Established / Acquired
			31/12/2009	31/12/2008	
EUROPE					
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 ⁽²⁾	Cyprus	Real Estate	75,00%	-	2007
Cape Trahilas One Ltd. ⁽²⁾	Cyprus	Real Estate	75,00%	-	2007
Cape Trahilas Two Ltd. ⁽²⁾	Cyprus	Real Estate	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
Otavi Minen AG ⁽¹⁾	Germany	Holding	-	100,00%	2000
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. ⁽²⁾	Greece	Real Estate	75,00%	-	2007
Cape Trahilas Two S.A. ⁽²⁾	Greece	Real Estate	75,00%	-	2007
SPV 26 S.A. ⁽²⁾	Greece	Real Estate	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
AMERICA					
Stollberg do Brazil Ltda	Brazil	Industrial Minerals	100,00%	100,00%	2004
Milos Island Resort Ltd. ⁽²⁾	B.V.I.	Real Estate	75,00%	-	2009
S&B Industrial Minerals North America Inc. ⁽³⁾	U.S.A.	Industrial Minerals	100,00%	100,00%	1999
Stollberg Inc.	U.S.A.	Industrial Minerals	100,00%	100,00%	2004
ASIA					
S&B Industrial Minerals (Henan) Co. Ltd.	China	Industrial Minerals	100,00%	100,00%	1996
Guizhou S&B New-Typed Material Co. Ltd. ⁽⁴⁾	China	Industrial Minerals	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	99,72%	99,71%	1996
Pabalk Maden A.Ş.	Turkey	Industrial Minerals	98,73%	98,73%	1995
AFRICA					
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

Footnotes

1. Otavi Minen AG merged with S&B Industrial Minerals GmbH within 2009.
2. The Group has obtained control over these entities within fourth quarter 2009 and, as a result, since then it consolidates them under the full method of consolidation.
3. As further explained in Note 4, the Group acquired Miller LLC within July 2009. Within fourth quarter 2009 Miller LLC merged with S&B Industrial Minerals North America Inc..
4. Within 2009, S&B Industrial Minerals (Henan) Co. Ltd established a wholly owned subsidiary, Guizhou S&B New-Typed Material Co. Ltd, with a share capital of € 100.

(Amounts in thousand Euro, unless otherwise stated)

3. INVESTMENTS IN SUBSIDIARIES AND MINORITY INTERESTS (continued)

Due to the macroeconomic recessionary developments in the international markets, the Group decided that the book value of specific assets in the Chinese subsidiaries "Panshi Huanyu Wollastonite Co. Ltd." and "S&B Jilin Wollastonite Co. Ltd.", which both belong to Minerals Trading segment, are not expected to be recovered and therefore, it recognized an impairment loss in the income statement of 2009 totalling to € 3.169 which is analyzed as follows:

Impairment of property, plant & equipment (Note 17)	1.300
Impairment of other intangibles (Note 20)	1.588
Impairment of inventory	443
Impairment of other current assets (Note 26)	297
Deferred tax liability reversed (Note 14)	(459)
	<u><u>3.169</u></u>

As a result, all these assets are currently recorded at zero value.

Within 2009, the Group acquired an additional participation interest of 50% in the real estate development associate company Dolphin CI S&B Holdings Ltd., through its subsidiary Sibimin Overseas Ltd., and therefore it currently holds 75% interest. The total consideration, for the aggregate 50% acquired, amounted to approximately € 4,5 million. Furthermore, "Dolphin CI S&B Holdings Ltd." acquired the remaining minority interest of 33,33% in Milos Island Resort Ltd. at a consideration of approximately € 2 million (Group's portion approximately € 1,5 million). Finally the Group acquired 75% participation interest in SPV 26 S.A. for a consideration of approximately € 0,9 million. The Group exercises control over Dolphin CI S&B Holdings Ltd., and its subsidiaries, since fourth quarter 2009 and, therefore, since then it started to consolidate them under the full method of consolidation. The whole transaction is considered as an asset deal and, therefore, it is reflected as an addition of land in "Property, Plant and Equipment".

It is noted that the Shareholders Annual General Meeting ("AGM"), at its meeting held on June 16, 2009, approved the potential acquisition by the Group, through its subsidiary Sibimin Overseas Ltd., of the 25% participation that ORYMIL S.A. (a related party) currently holds in Dolphin CI S&B Holdings Ltd. at any time ORYMIL S.A. deems appropriate. The purchase price will be the nominal price of the shares held by ORYMIL S.A., i.e. € 1.250,00.

Investments in subsidiaries presented in the Company's financial statements are analyzed as follows:

	The Company	
	December 31 2009	December 31 2008
S&B Holding GmbH	119.890	119.890
Greek Helicon Bauxites S.A.	4.232	4.232
Sarda Perlite S.r.l.	972	972
Sibimin Overseas Ltd.	886	886
Isocon S.A.	90	90
Askana Ltd.	0	0
Asian Minerals Ltd.	0	0
	<u><u>126.070</u></u>	<u><u>126.070</u></u>

In December 2008, S&B Holding GmbH proceeded to the increase of its share capital by an amount of € 10.000 which was fully paid within the year.

(Amounts in thousand Euro, unless otherwise stated)

3. INVESTMENTS IN SUBSIDIARIES AND MINORITY INTERESTS (continued)

Within December 2008, the Company, taking into consideration the global and the local circumstances in Georgia and the accumulated losses of its subsidiary Askana Ltd., which belongs to the Bentonite activities, decided to fully impair its investment since it is not expected to be recovered in the following years. The impairment loss which includes the impairment of all receivables due from the subsidiary is analyzed as follows:

	December 31 2008
Investment	1.163
Advances for purchases of inventory	122
Other receivables	82
	1.367

The negative net assets included in the consolidated financial statements as of December 31, 2009 and 2008 were € 928 and € 877, respectively, and as a result there is no reason for any further impairment in the current fiscal year. The Group has not estimated yet the realizable value of the assets of its subsidiary, while their book value as of December 31, 2009 is € 73 which they are included in the Group's tangible assets as it is the intention of the Group to maintain its presence in that country.

Dividends from subsidiaries recognized in the separate financial statements were as follows:

	The Company	
	December 31 2009	December 31 2008
S&B Holding GmbH	-	4.949
Sarda Perlite S.r.l.	42	273
Isocon S.A.	-	228
	42	5.450

Minority interests presented in the financial statements, per subsidiary, are analyzed as follows:

	Statement of Financial Position		Income Statement	
	December 31 2009	December 31 2008	1/1-31/12 2009	1/1-31/12 2008
Isocon S.A.	271	588	(317)	152
Sarda Perlite S.r.l.	526	404	142	109
SLS Baustoffe GmbH	200	206	(5)	(2)
Stollberg & Samil Co. Ltd. (concerning minority interests of Qing Dao)	121	81	17	9
S&B Industrial Minerals AD	39	39	5	4
Askana Ltd.	9	11	(1)	19
S&B Endustriyel Mineraller A.Ş.	3	4	(1)	(1)
Sibimin Overseas Ltd.	1	1	0	0
Cape Trachilas One Ltd.	(1)	-	(1)	-
Cape Trachilas Two Ltd.	(1)	-	(1)	-
Cape Trachilas One S.A.	(1)	-	(2)	-
SPV 26 S.A.	(1)	-	(1)	-
Pabalk Maden A.Ş.	(1)	-	(1)	0
Cape Trachilas Two S.A.	(18)	-	(18)	-
Dolphin CI S&B Holding Ltd.	(52)	-	(1)	-
Milos Island Resort Ltd.	0	-	0	-
Orykton GmbH (concerning minority interests of Harmin)	-	-	-	(18)
Parnassos Insurance S.A.	-	-	-	(2)
Total minority interests of Group	1.095	1.334	(185)	270

(Amounts in thousand Euro, unless otherwise stated)

4. BUSINESS COMBINATIONS

4.1 Acquisitions in 2009

4.1.1 Acquisition of operations from "Halliburton Energy Services Inc." and "Bentonite Performance Minerals LLC"

On February 2, 2009, the Group concluded an agreement with the entities Halliburton Energy Services Inc. and Bentonite Performance Minerals LLC for the acquisition of a bentonite activity plant, including inventories, in Waterloo city of Iowa State in the USA, at a consideration of approximately USD 700 thousand. The purchase price of the assets, including inventories was paid in cash.

The fair value of the identifiable assets, liabilities and contingent liabilities, the related purchase price allocation according to the provisions of IFRS 3 «Business Combinations» and the precise determination of goodwill were concluded within 2009 and the residual goodwill of € 19 is considered final.

4.1.2 Acquisition of "Miller LLC"

On July 2, 2009 the Group concluded an agreement for the acquisition of "Miller LLC" which is engaged in the expansion of perlite in North Carolina State of USA. The total purchase price amounted to approximately USD 1,1 million. The purchase price of the assets, including inventories and receivables, paid as follows: approximately USD 700 thousand has been already paid in cash, while the remaining USD 400 thousand approximately will be paid in three equal annual installments commencing 2010.

The fair value of the identifiable assets, liabilities and contingent liabilities of Miller LLC, the purchase price allocation according to the provisions of IFRS 3 «Business Combinations» and the precise determination of goodwill was concluded within the fourth quarter of 2009 and the Group recognized a residual goodwill of € 377 which is considered final.

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4. BUSINESS COMBINATIONS (continued)

In summary, the fair values of identifiable assets acquired and liabilities assumed by the Group for the above business combinations, the total consideration (cost) of acquisitions and the residual goodwill recognized are summarized as follows:

	Halliburton Energy Services Inc. & Bentonite Performance Minerals LLC		Miller LLC	
	Final fair value on acquisition	Carrying value on acquisition	Final fair value on acquisition	Carrying value on acquisition
Land	-	-	26	14
Machinery	281	275	295	47
Buildings	5	14	164	-
Transportation & other equipment	15	12	12	-
Inventories	248	248	53	53
Trade receivables	-	-	73	73
Cash and cash equivalents	-	-	9	9
	549	549	632	196
Non-current liabilities	-	-	190	41
Current liabilities	-	-	98	97
	-	-	288	138
Fair value of net assets	549		344	
Total acquisition cost	568		721	
Residual goodwill	19		377	
<u>Analysis of total acquisition cost</u>				
Acquisition cost	549		699	
Direct acquisition costs and other expenses	19		22	
Less: cash and cash equivalents acquired	-		(9)	
Net cash outflow of acquisition	568		712	

The above acquisitions enhance the operations and the production capacity of the Group and they create new development opportunities and synergies to the distribution network in USA. These acquisitions did not have any material contribution to the Group's operations for the year ended December 31, 2009.

(Amounts in thousand Euro, unless otherwise stated)

4. BUSINESS COMBINATIONS (continued)**4.2 Acquisitions in 2008**

Business combinations realized in 2008 included the acquisition from “Airlite Processing Corporation of Florida” the processing of expanded perlite activities located in Vero Beach of Florida state in the United States of America (“USA”) and the acquisition of an additional 25,2% participation interest at, up to that moment, its associate “SLS Baustoffe GmbH” in Germany. Both business combinations were finalized in 2008 and are summarized as follows:

	Airlite Processing Corporation of Florida		SLS Baustoffe GmbH	
	Final fair value on acquisition	Carrying value on acquisition	Final fair value on acquisition	Carrying value on acquisition
Property, plant and equipment	258	230	473	198
Deferred tax assets	-	-	59	-
Inventories	140	140	109	109
Trade receivables	238	238	50	50
Cash and cash equivalents	-	-	193	193
	636	608	884	550
Non-current liabilities	9	-	-	-
Current liabilities	-	-	55	55
	9	-	55	55
Fair value of net assets	627		209 (*)	
Total acquisition cost	693		344	
Residual goodwill	66		135	
<u>Analysis of total acquisition cost</u>				
Acquisition cost	631		340	
Direct acquisition costs and other expenses	62		4	
Less: cash and cash equivalents acquired	-		(193)	
Net cash outflow of acquisition	693		151	
(*) : at 25,2% acquired				

S&B Industrial Minerals S.A.
NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2009

(Amounts in thousand Euro, unless otherwise stated)

5. DISCONTINUED OPERATIONS

In April 2008 the Company signed an agreement with “Sfakianakis S.A.” for the sale of its subsidiary “Ergotrak Industrial Machinery & Equipment Trading Co S.A.” and its subsidiaries (sub-group Ergotrak) which belonged to the commercial activities. The transaction was approved by the Antitrust Committee and the related authorities on June 26, 2008. The typical process of the sale agreement and the related sign-off of the closing sale and transfer agreement were concluded on July 23, 2008, a date which was considered binding in order to reflect the result of the transaction on the financial statements and on which date the consideration of € 7.494 was collected. The result from the disposal, which is amounted to a loss of € 704 on consolidated level (profit of € 1.434 on the Company’s level), is reflected in the prior year’s income statement.

Assets of € 23.841 and liabilities of € 14.623 of Ergotrak sub-group were derecognized from the consolidated statement of financial position as of July 1, 2008 as Management ceased to substantially control it at this date.

The results of Ergotrak subgroup for the period 1/1-30/6/2008 for which Ergotrak subgroup was consolidated for the last time, except for the resulting loss from its disposal which was recorded during the second semester of 2008, are analyzed as follows:

	1/1-31/12 2008
Sales	12.012
Cost of sales	(8.813)
Administration expenses	(1.012)
Selling expenses	(2.031)
Other income / (expense), net	273
Finance income / (costs), net	(217)
Loss from disposal of subsidiary	(704)
Loss before tax	(492)
Income tax	(389)
Net loss	(881)

It is noted that 2008 income statement includes in discontinued operations the gain from Motodynamics sub-group carve-out amounted to € 5.357 and the related income taxes of € 3.097.

Net cash flows incurred by Ergotrak sub-group are as follows:

	1/1-31/12 2008
Net cash flows from operating activities	(183)
Net cash flows from investing activities	(390)
Net cash flows from financing activities	1.312
Net foreign exchange difference on flows	14
Net increase in cash and cash equivalents	753

Net cash flow from Ergotrak sub-group disposal is analyzed as follows:

Consideration received	7.494
Cash disposed of with the subsidiary	(998)
Net cash outflow	6.496

(Amounts in thousand Euro, unless otherwise stated)

6. SALES

Sales presented in the financial statements are analyzed as follows:

	The Group		The Company	
	1/1-31/12	1/1-31/12	1/1-31/12	1/1-31/12
	2009	2008	2009	2008
Bentonite	153.526	206.900	50.963	76.182
Perlite	61.137	74.418	30.853	39.417
Bauxite	29.890	46.690	30.259	46.692
Continuous casting fluxes	64.951	87.404	-	-
Minerals trading	25.380	38.929	-	-
Other	951	2.052	951	2.050
	335.835	456.393	113.026	164.341
Sales of discontinued operations	-	12.012	-	-
Total sales	335.835	468.405	113.026	164.341

7. COST OF SALES

Cost of sales presented in the financial statements is analyzed as follows:

	The Group		The Company	
	1/1-31/12	1/1-31/12	1/1-31/12	1/1-31/12
	2009	2008	2009	2008
Consumptions	121.615	164.320	20.769	31.878
Payroll cost	39.534	44.132	16.118	17.323
Freights	35.198	61.310	15.914	32.172
Utilities	23.666	29.966	4.399	5.546
Depreciation & amortization	20.627	21.869	11.307	13.087
Third party fees	11.422	17.970	9.382	15.420
Taxes - duties	1.212	1.527	254	411
Other expenses	8.751	11.907	4.890	6.580
	262.025	353.001	83.033	122.417
Cost of sales of discontinued operations	-	8.813	-	-
Total cost of sales	262.025	361.814	83.033	122.417

(Amounts in thousand Euro, unless otherwise stated)

8. ADMINISTRATIVE EXPENSES

Administrative expenses presented in the financial statements are analyzed as follows:

	The Group		The Company	
	1/1-31/12	1/1-31/12	1/1-31/12	1/1-31/12
	2009	2008	2009	2008
Payroll cost	21.490	24.961	12.453	15.896
Utilities	6.905	5.482	4.111	3.868
Third party fees	5.730	6.892	2.489	3.053
Depreciation & amortization	1.722	2.252	730	1.139
Taxes - duties	976	1.183	675	1.368
Other expenses	3.011	4.993	1.335	2.834
	39.834	45.763	21.793	28.158
Administrative expenses of discontinued operations	-	1.012	-	-
Total administrative expenses	39.834	46.775	21.793	28.158

9. SELLING EXPENSES

Selling expenses presented in the financial statements are analyzed as follows:

	The Group		The Company	
	1/1-31/12	1/1-31/12	1/1-31/12	1/1-31/12
	2009	2008	2009	2008
Payroll cost	12.741	13.292	1.718	1.809
Utilities	3.309	3.546	63	109
Depreciation & amortization	1.874	1.821	88	84
Provision for bad debts	1.579	506	47	49
Third party fees	868	1.226	185	412
Taxes-duties	55	84	3	6
Other expenses	2.193	4.455	296	1.306
	22.619	24.930	2.400	3.775
Selling expenses of discontinued operations	-	2.031	-	-
Total selling expenses	22.619	26.961	2.400	3.775

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(Amounts in thousand Euro, unless otherwise stated)

10. OTHER INCOME

Other income presented in the financial statements is analyzed as follows:

	The Group		The Company	
	1/1-31/12 2009	1/1-31/12 2008	1/1-31/12 2009	1/1-31/12 2008
Income from rentals	1.307	1.380	1.375	1.595
Income from reversal of legally expired liabilities	1.348	-	380	-
Gains from disposal of property, plant and equipment	196	1.297	92	1.229
Income from services rendered	1.041	943	2.820	2.822
Reversal of environment rehabilitation and other provisions	789	-	920	-
Subsidies on expenditure	523	56	506	56
Reversal of penalties imposed by the Ministry of Environment (Note 40)	-	392	-	392
Negative difference between purchase price and fair value of acquired assets	-	328	-	-
Income from commissions	46	100	22	30
Other income	1.246	1.248	333	353
	6.496	5.744	6.448	6.477
Other income of discontinued operations	-	275	-	-
Total other income	6.496	6.019	6.448	6.477

11. OTHER EXPENSES

Other expenses presented in the financial statements are analyzed as follows:

	The Group		The Company	
	1/1-31/12 2009	1/1-31/12 2008	1/1-31/12 2009	1/1-31/12 2008
Impairment loss of PPE and Intangible assets (Note 3)	2.429	-	-	-
Provision for impairment of inventory	456	42	-	-
Fines and penalties	210	164	152	139
Losses from disposal of property, plant and equipment	91	39	-	-
Provision for environmental rehabilitation	-	29	-	2
Other expenses	302	291	32	98
	3.488	565	184	239
Other expenses of discontinued operations	-	2	-	-
Total other expenses	3.488	567	184	239

(Amounts in thousand Euro, unless otherwise stated)

12. FINANCE INCOME

Finance income presented in the financial statements is analyzed as follows:

	The Group		The Company	
	1/1-31/12	1/1-31/12	1/1-31/12	1/1-31/12
	2009	2008	2009	2008
Gains from valuation and settlement of derivatives on freights (Note 35)	960	-	960	-
Interest income (Note 27)	290	357	100	24
Foreign exchange gains, net	4	-	67	-
Other	89	53	62	-
	<u>1.343</u>	<u>410</u>	<u>1.189</u>	<u>24</u>
Finance income of discontinued operations	-	32	-	-
Total finance income	<u>1.343</u>	<u>442</u>	<u>1.189</u>	<u>24</u>

13. FINANCE COSTS

Finance costs presented in the financial statements are analyzed as follows:

	The Group		The Company	
	1/1-31/12	1/1-31/12	1/1-31/12	1/1-31/12
	2009	2008	2009	2008
Interest expense on long term loans and borrowings (Note 34)	5.089	9.480	3.486	5.051
Interest expense on short term borrowings (Note 37)	1.433	3.245	1.223	2.715
Losses from valuation and settlement of derivatives on oil (Note 35)	337	2.955	337	2.955
Losses from valuation of derivatives on freights (Note 35)	-	947	-	947
Finance cost of environmental rehabilitation provision (Note 33)	865	943	759	850
Finance cost of staff leaving indemnities provision (Note 32)	1.041	902	544	462
Foreign exchange losses, net	-	739	-	787
Bank charges	479	380	212	160
Amortization of loan expenses	128	144	64	72
Other	-	40	-	-
	<u>9.372</u>	<u>19.775</u>	<u>6.625</u>	<u>13.999</u>
Finance costs of discontinued operations	-	249	-	-
Total finance costs	<u>9.372</u>	<u>20.024</u>	<u>6.625</u>	<u>13.999</u>

(Amounts in thousand Euro, unless otherwise stated)

14. INCOME TAX (CURRENT AND DEFERRED)

Income tax expense (current and deferred) presented in the financial statements is analyzed as follows:

	The Group		The Company	
	1/1-31/12 2009	1/1-31/12 2008	1/1-31/12 2009	1/1-31/12 2008
Current income tax	5.201	8.210	3.102	5.025
Deferred income tax	224	864	1.502	269
Total income tax	5.425	9.074	4.604	5.294
Less: Income tax of discontinued operations	-	(3.486)	-	-
Income tax of continuing operations	5.425	5.588	4.604	5.294

The statutory income tax rate applicable to the Company, for its activities in Greece, for the fiscal year 2009 is 25%. Within 2007, the Company established an out-of-Greece branch which is subject to income tax at the rate of 31,4%.

The effective income tax rate differs from the nominal one due to various factors, the most significant being certain non-deductible expenses and the Group's and the Company's ability to form non taxable reserves.

Tax returns of Group companies are filed annually but the profits or losses declared for tax purposes remain provisional until such time, as the local tax authorities, in which the entities operate, examine the returns and the records of the taxpayer and a final assessment is issued or the statute of limitation has expired.

Tax losses, to the extent that they are accepted by the local tax authorities, can be utilized to offset taxable profits for a period of time that is dictated by the tax legislation of each country. Regarding the Company and all Greek subsidiaries, this period is five years from the year the losses incurred.

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14. INCOME TAX (CURRENT AND DEFERRED) (continued)

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

Entity	Footnote	Country	Unaudited tax years
EUROPE			
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 BV	(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
AMERICA			
S&B Industrial Minerals North America Inc.		USA	2006-2009
Stollberg Inc.		USA	2006-2009
Stollberg do Brazil Ltda	(2)	Brazil	2002-2009
Milos Island Resort Ltd.		B.V.I.	2009
ASIA			
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.	(2)	Turkey	2004-2009
Pabalk Maden A.Ş.		Turkey	2004-2009
Stollberg India Pvt. Ltd		India	2009
Stollberg & Samil Co. Ltd.		Korea	2005-2009
AFRICA			
Naimex S.A.R.L.		Morocco	2006-2009
S&B Ind. Min. Morocco S.A.R.L.		Morocco	2008-2009

Footnotes:

- (1) Within 2009, the tax authorities concluded the tax audits of the Company as well as the merged company Parnassos Insurance S.A. for the fiscal years 2006-2007. An amount of € 490 of additional taxes was assessed, out of which € 21 were charged to the current period's results. Furthermore, the Company is currently audited from the tax authorities for the year 2008.
- (2) Potential tax liabilities that may result from a future tax audit for the fiscal years 2000-2003 of the Stollberg Group companies and for the fiscal years 2002-2006 of the Cebo Group companies, based on the acquisition agreements, are to be born by their former owners (sellers).

(Amounts in thousand Euro, unless otherwise stated)

14. INCOME TAX (CURRENT AND DEFERRED) (continued)

A numerical reconciliation between tax expense and the product of accounting profit multiplied by the applicable tax rate for the Group and the Company for the years ended December 31, 2009 and 2008 is as follows:

	The Group	
	December 31 2009	December 31 2008
Profit before tax of continuing operations	7.325	19.846
Profit before tax of discontinued operations	-	4.865
Profit before tax for the Group	7.325	24.711
Company's tax rate	25%	25%
Income tax calculated at the nominal applicable tax rate	1.831	6.178
- Non taxable reserves L.2601/1998	(51)	(2.430)
- Tax effects of profits from subsidiaries taxed at different rates	(174)	1.095
- Additional taxes	2.278	1.243
- Impairment losses	793	-
- Deferred income tax asset on prior years subsidiaries' tax losses	-	54
- Tax effects of current year losses of subsidiaries on which no deferred tax was calculated	655	877
- Non tax deductible expenses	93	2.217
- Effect of changes in tax rates	-	(160)
Total Group income tax expense	5.425	9.074
Less: Income tax expense of discontinued operations	-	(3.486)
Income tax expense of continuing operations	5.425	5.588
	74,1%	36,7%
	The Company	
	December 31 2009	December 31 2008
Profit before tax	7.942	20.762
Income tax calculated at the nominal applicable tax rate		
- Greek operation*	1.986	5.145
- Foreign operation**	-	57
Tax free income		
-Dividends and gains from disposal of listed companies	(5)	(70)
-Non taxable reserves L.2601/1998	(51)	(2.430)
Non tax deductible expenses		
- Non deductible taxes	82	310
- Additional taxes	2.253	1.165
- Other provisions	(198)	541
- B.O.D. fees and distribution of profit to employees and other employee benefits	(49)	341
- Tax effect of current year losses from foreign branch operations on which no deferred tax was calculated	220	-
- Other	366	392
- Effect of changes in tax rates	-	(157)
Provision for income tax expense	4.604	5.294
	58,0%	25,5%

	1/1-31/12 2009	1/1-31/12 2008
* Income from operations in Greece	8.645	20.580
** (Loss)/Income from operations of foreign branch	(703)	182
	7.942	20.762

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14. INCOME TAX (CURRENT AND DEFERRED) (continued)

The nominal income tax expense has been calculated based on the profit before income tax in conjunction with the nominal tax rate applicable to the Company. The statutory income tax rate applicable to the Company for its Greek operations is 25% for 2008 and 2009 while since 2010 it will be reduced gradually by 1% per year until it reaches 20% in 2014. The statutory income tax rate for the Company's foreign operation, through its branch, is 31,4% for the years 2009 and 2008.

The Group has not recognized deferred tax assets for losses of specific subsidiaries, amounting to € 10,5 million approximately. The main reason for that is the uncertainty of when these companies will start to generate taxable profits, also taking into account the rolling expiration of the right to carry forward these tax losses.

Deferred income tax net movement for the Group and the Company is analyzed as follows:

	The Group		The Company	
	1/1-31/12 2009	1/1-31/12 2008	1/1-31/12 2009	1/1-31/12 2008
Beginning balance, net asset / (liability)	(11.890)	(9.914)	2.310	2.478
(Debit) / credit of the income statement	(224)	(864)	(1.502)	(269)
Deferred income tax credited directly in equity	(70)	101	(70)	94
Business combinations / mergers	(148)	(1.040)	-	7
Reversal due to impairment losses (Note 3)	459	-	-	-
Business disposals	-	(164)	-	-
Currency translation differences	15	(9)	-	-
Ending balance of deferred income tax, net asset / (liability)	(11.858)	(11.890)	738	2.310

The deferred income tax assets and liabilities presented in the statement of financial position of the Group are as follows:

	The Group	
	December 31 2009	December 31 2008
Net deferred income tax asset	3.442	3.861
Net deferred income tax liability	(15.300)	(15.751)
	(11.858)	(11.890)

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14. INCOME TAX (CURRENT AND DEFERRED) (continued)

Deferred tax assets and liabilities of the Group and the Company relate to the following:

	The Group			
	Statement of financial position		Income statement	
	December 31 2009	December 31 2008	Year 2009	Year 2008
Deferred tax assets				
Provision for environmental rehabilitation	2.602	2.830	229	287
Executive officers' bonus	465	763	298	307
Provision for staff leaving indemnities	2.139	2.099	(41)	162
Tax losses	1.390	296	(1.093)	293
Financial derivatives	38	367	247	(236)
Provision for inventories impairment	934	679	(255)	(318)
Other	2.327	2.596	293	25
Total	9.895	9.630		
Deferred tax liabilities				
Intangible assets	(6.104)	(7.113)	(550)	(314)
Tax deductible goodwill	(5.228)	(4.727)	501	545
Tangible assets	(3.987)	(3.967)	(127)	(123)
Adjustment of fixed assets' useful lives	(5.939)	(4.972)	967	(32)
Other	(495)	(741)	(245)	268
Total	(21.753)	(21.520)		
Net deferred tax liabilities	(11.858)	(11.890)		
Deferred income tax charge to the income statement			224	864
	The Company			
	Statement of financial position		Income statement	
	December 31 2009	December 31 2008	Year 2009	Year 2008
Deferred income tax assets				
Provision for inventories impairment	247	262	15	13
Provision for doubtful debts	262	264	2	20
Provision for staff leaving indemnities	1.727	1.678	(49)	102
Provision for environment rehabilitation	2.497	2.734	237	333
Executive officers' bonus	465	740	275	294
Transitory accounts	-	(11)	(11)	3
Adjustment of subsidiaries' useful lives	239	236	(3)	40
Financial derivatives	38	367	256	(236)
Total	5.475	6.270		
Deferred tax liabilities				
Adjustment of fixed assets' useful lives	(4.704)	(3.930)	773	(300)
Available-for-sale investments	(33)	(37)	-	-
Business mergers	-	7	7	-
Total	(4.737)	(3.960)		
Net deferred tax assets	738	2.310		
Deferred income tax charge to the income statement			1.502	269

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15. DEPRECIATION / AMORTIZATION

Depreciation/amortization expense for the years ended December 31, 2009 and 2008 is as follows:

	The Group		The Company	
	1/1-31/12 2009	1/1-31/12 2008	1/1-31/12 2009	1/1-31/12 2008
Depreciation and amortization of fixed assets:				
- Property, plant and equipment (Note 17)	22.387	23.902	12.371	14.307
- Other intangible assets (Note 20)	2.116	2.213	34	175
- Investment property (Note 18)	270	330	270	330
	24.773	26.445	12.675	14.812
Total depreciation and amortization of fixed assets of discontinuing operations	-	192	-	-
Total depreciation and amortization of fixed assets	24.773	26.637	12.675	14.812
Depreciation and amortization included in ending inventories and fixed assets	(550)	(502)	(550)	(502)
Depreciation and amortization expensed	24.223	26.135	12.125	14.310

In addition to the above, € 253 and € 38 for the year ended December 31, 2009 and 2008, respectively, are included in consumption in the cost of sales, which relates to depreciation included in prior years' ending inventories.

16. PAYROLL COST

Payroll cost for the years ended December 31, 2009 and 2008 is as follows:

	The Group		The Company	
	1/1-31/12 2009	1/1-31/12 2008	1/1-31/12 2009	1/1-31/12 2008
Wages and salaries	57.229	65.890	24.237	28.283
Social security costs	12.567	13.080	5.521	6.023
Other staff costs	4.233	4.721	1.851	2.234
Staff leaving indemnities	4.081	2.937	2.509	2.290
Share based payments	216	306	216	306
	78.326	86.934	34.334	39.136
Payroll cost of discontinuing operations	-	1.952	-	-
Total payroll cost of Group	78.326	88.886	34.334	39.136
Payroll cost included in ending inventories and fixed assets	(3.520)	(3.646)	(3.501)	(3.646)
Payroll cost expensed	74.806	85.240	30.833	35.490

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17. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment presented in the financial statements of the Group is analyzed as follows:

	<u>Ores - Mines</u>	<u>Land</u>	<u>Buildings</u>	<u>Machinery</u>	<u>Transportation Means</u>	<u>Furniture and Fixtures</u>	<u>Construction in Progress</u>	<u>Total</u>
Cost								
January 1, 2008	75.712	19.066	89.230	150.146	15.478	19.010	10.061	378.703
Additions	15.927	373	652	3.810	702	748	11.020	33.232
Business acquisitions	-	-	431	931	50	1	-	1.413
Business disposals	-	(1.172)	(1.727)	(1.793)	(599)	(652)	(5)	(5.948)
Disposals	-	(62)	(32)	(895)	(102)	(558)	(482)	(2.131)
Write offs	(2.020)	-	-	-	-	-	-	(2.020)
Exchange Difference	135	(46)	(990)	(978)	7	(205)	(22)	(2.099)
Transfers	2	1.763	2.375	5.829	325	119	(10.238)	175
December 31, 2008	89.756	19.922	89.939	157.050	15.861	18.463	10.334	401.325
Additions	14.035	8.827	442	3.331	287	178	5.254	32.354
Business acquisitions	-	26	291	776	30	13	-	1.136
Disposals	(601)	(55)	(89)	(513)	(516)	(133)	(5)	(1.912)
Write offs	(308)	-	-	(2)	(2)	(2)	-	(314)
Exchange Difference	(42)	(17)	1.002	673	4	162	(9)	1.773
Transfers	309	(156)	1.013	2.592	84	29	(3.766)	105
December 31, 2009	103.149	28.547	92.598	163.907	15.748	18.710	11.808	434.467
Accumulated depreciation								
January 1, 2008	48.028	14	33.912	89.661	10.163	16.123	173	198.074
Depreciation charge for the year	9.300	21	3.601	8.964	1.022	1.186	-	24.094
Business acquisitions	-	-	-	250	-	1	-	251
Business disposals	-	-	(426)	(620)	(320)	(469)	-	(1.835)
Disposals	-	(50)	(20)	(824)	(88)	(555)	-	(1.537)
Write offs	(2.020)	-	-	-	-	-	-	(2.020)
Exchange Difference	34	(4)	(317)	(1.073)	(15)	(116)	-	(1.491)
Transfers	(162)	119	40	(25)	19	(8)	(173)	(190)
December 31, 2008	55.180	100	36.790	96.333	10.781	16.162	-	215.346
Depreciation charge for the year	7.226	135	3.788	9.322	988	928	-	22.387
Business acquisitions	-	-	122	200	13	3	-	338
Disposals	(152)	-	(26)	(383)	(387)	(104)	-	(1.052)
Impairment losses (Note 3)	730	-	292	254	4	7	13	1.300
Write offs	-	-	-	(2)	-	(2)	-	(4)
Exchange Difference	(11)	-	386	344	8	82	-	809
Transfers	(59)	-	49	48	(34)	(6)	-	(2)
December 31, 2009	62.914	235	41.401	106.116	11.373	17.070	13	239.122
Net Book Value								
January 1, 2008	27.684	19.052	55.318	60.485	5.315	2.887	9.888	180.629
December 31, 2008	34.576	19.822	53.149	60.717	5.080	2.301	10.334	185.979
December 31, 2009	40.235	28.312	51.197	57.791	4.375	1.640	11.795	195.345

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17. PROPERTY, PLANT AND EQUIPMENT (continued)

Property, plant and equipment presented in the financial statements of the Company is analyzed as follows:

	<u>Ores - Mines</u>	<u>Land</u>	<u>Buildings</u>	<u>Machinery</u>	<u>Transportation Means</u>	<u>Furniture and Fixtures</u>	<u>Construction in Progress</u>	<u>Total</u>
Cost								
January 1, 2008	67.244	5.251	34.432	59.342	11.019	11.405	7.693	196.386
Additions	15.008	375	55	426	238	412	7.318	23.832
Disposals	-	-	-	(88)	(16)	(1)	(479)	(584)
Transfers	-	2.000	793	3.536	174	7	(6.510)	-
December 31, 2008	82.252	7.626	35.280	63.216	11.415	11.823	8.022	219.634
Additions	13.635	13	-	398	2	29	4.082	18.159
Disposals	(420)	-	-	(35)	(169)	(44)	(78)	(746)
Write offs	(308)	-	-	-	-	-	-	(308)
Transfers	308	-	147	1.006	30	2	(1.493)	-
December 31, 2009	95.467	7.639	35.427	64.585	11.278	11.810	10.533	236.739
Accumulated depreciation								
January 1, 2008	44.223	-	15.419	32.645	7.391	9.708	-	109.386
Depreciation charge for the year	8.878	-	1.257	3.099	458	615	-	14.307
Disposals	-	-	-	(79)	(6)	(1)	-	(86)
December 31, 2008	53.101	-	16.676	35.665	7.843	10.322	-	123.607
Depreciation charge for the year	6.803	-	1.285	3.394	484	405	-	12.371
Disposals	(1)	-	-	(31)	(169)	(42)	-	(243)
December 31, 2009	59.903	-	17.961	39.028	8.158	10.685	-	135.735
Net Book Value								
January 1, 2008	23.021	5.251	19.013	26.697	3.628	1.697	7.693	87.000
December 31, 2008	29.151	7.626	18.604	27.551	3.572	1.501	8.022	96.027
December 31, 2009	35.564	7.639	17.466	25.557	3.120	1.125	10.533	101.004

It is noted that in 2008 the disposals in account Construction in Progress of € 479 concern return of advance payment to supplier.

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(Amounts in thousand Euro, unless otherwise stated)

17. PROPERTY, PLANT AND EQUIPMENT (continued)

The movement of assets included in the category Ores-Mines (except Land) of the Group is analyzed as follows:

	Mining Land	Mine Development Expenditure	Environment Rehabilitation Expenditure	Exploration and Evaluation Expenditure	Total
Cost					
January 1, 2008	21.875	45.969	6.593	1.275	75.712
Additions	770	12.856	577	1.724	15.927
Write offs	(2.020)	-	-	-	(2.020)
Exchange Difference	-	134	-	1	135
Transfers	3	44	(45)	-	2
December 31, 2008	20.628	59.003	7.125	3.000	89.756
Additions	204	12.397	348	1.086	14.035
Disposals	(182)	-	(419)	-	(601)
Write offs	-	-	-	(308)	(308)
Exchange Difference	-	(42)	-	-	(42)
Transfers	-	-	-	309	309
December 31, 2009	20.650	71.358	7.054	4.087	103.149
Accumulated Depreciation					
January 1, 2008	12.096	32.261	3.578	93	48.028
Depreciation charge for the year	855	7.556	691	198	9.300
Write offs	(2.020)	-	-	-	(2.020)
Exchange Difference	-	33	-	1	34
Transfers	(162)	-	-	-	(162)
December 31, 2008	10.769	39.850	4.269	292	55.180
Depreciation charge for the year	868	5.690	394	274	7.226
Disposals	(152)	-	-	-	(152)
Impairment losses	-	730	-	-	730
Exchange Difference	-	(11)	-	-	(11)
Transfers	(75)	16	-	-	(59)
December 31, 2009	11.410	46.275	4.663	566	62.914
Net Book Value					
January 1, 2008	9.779	13.708	3.015	1.182	27.684
December 31, 2008	9.859	19.153	2.856	2.708	34.576
December 31, 2009	9.240	25.083	2.391	3.521	40.235

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(Amounts in thousand Euro, unless otherwise stated)

17. PROPERTY, PLANT AND EQUIPMENT (continued)

The movement of assets included in the category Ores-Mines (except Land) of the Company is analyzed as follows:

	<u>Mining Land</u>	<u>Mine Development Expenses</u>	<u>Environment Rehabilitation Expenses</u>	<u>Exploration and Evaluation Expenditure</u>	<u>Total</u>
<u>Cost</u>					
January 1, 2008	15.730	44.544	6.089	881	67.244
Additions	600	12.458	487	1.463	15.008
December 31, 2008	16.330	57.002	6.576	2.344	82.252
Additions	-	12.288	348	999	13.635
Disposals	(1)	-	(419)	-	(420)
Write offs	-	-	-	(308)	(308)
Transfers	(1)	-	1	308	308
December 31, 2009	16.328	69.290	6.506	3.343	95.467
<u>Accumulated depreciation</u>					
January 1, 2008	8.991	32.056	3.176	-	44.223
Depreciation charge for the year	698	7.378	645	157	8.878
December 31, 2008	9.689	39.434	3.821	157	53.101
Depreciation charge for the year	720	5.542	294	247	6.803
Disposals	(1)	-	-	-	(1)
December 31, 2009	10.408	44.976	4.115	404	59.903
<u>Net Book Value</u>					
January 1, 2008	6.739	12.488	2.913	881	23.021
December 31, 2008	6.641	17.568	2.755	2.187	29.151
December 31, 2009	5.920	24.314	2.391	2.939	35.564

(Amounts in thousand Euro, unless otherwise stated)

17. PROPERTY, PLANT AND EQUIPMENT (continued)

Property, plant and equipment includes the following fully depreciated assets in use:

Cost	The Group		The Company	
	December 31 2009	December 31 2008	December 31 2009	December 31 2008
Mines	1.112	731	-	-
Land	98	101	-	-
Buildings	8.710	9.614	5.522	5.274
Machinery	38.016	36.573	17.199	15.588
Transportation means	1.436	1.300	4.561	4.677
Furniture and fixtures	4.135	4.309	9.205	9.043
Total	53.507	52.628	36.487	34.582

No liens exist on the Group's and the Company's property, plant and equipment.

18. INVESTMENT PROPERTIES

Investment properties presented in the financial statements of the Group and the Company are analyzed as follows:

	Land	Buildings	Total
Cost			
January 1, 2008	14.922	15.598	30.520
Disposals	(223)	(4.697)	(4.920)
December 31, 2008	14.699	10.901	25.600
Additions		51	51
Disposals	(20)	-	(20)
December 31, 2009	14.679	10.952	25.631
Accumulated depreciation			
January 1, 2008	-	7.189	7.189
Depreciation charge for the year	-	330	330
Disposals	-	(2.526)	(2.526)
December 31, 2008	-	4.993	4.993
Depreciation charge for the year	-	270	270
December 31, 2009	-	5.263	5.263
Net Book Value			
January 1, 2008	14.922	8.409	23.331
December 31, 2008	14.699	5.908	20.607
December 31, 2009	14.679	5.689	20.368

On May 14, 2008, the Shareholders' AGM approved the sale of an investment asset of the Company located on Athens, 21-21^A Amerikis Str., of total net book value of approximately € 2.400, to the related entity "ORYMIL S.A." at the price of approximately € 3.600. The sale was realised on June 5, 2008 and the resulting profit of approximately € 1.200 was included in "Other Income" in the income statement of the Group and the Company for the year ended December 31, 2008.

(Amounts in thousand Euro, unless otherwise stated)

18. INVESTMENT PROPERTIES (continued)

Investment properties are leased to third parties for the purpose of housing and warehouse storage. Rental fees on investment properties amounted to € 1.340 and € 1.495 for the years ended December 31, 2009 and 2008, respectively. Repairs and maintenance costs incurred for such investment properties amounted to € 103 and € 105 for the years ended December 31, 2009 and 2008, respectively. At December 31, 2009 the Company was engaged in operating lease contracts of its investment property that expire in various dates through to 2021.

The minimum future rental fees to be received on investment properties, under non-cancelable lease contracts, as of December 31, 2009 and 2008 are the following:

	December 31 2009	December 31 2008
	(in million Euro)	
Within one year	1,3	1,1
2-5 years	6,8	6
After 5 years	8,2	0,6
	<u>16,3</u>	<u>7,7</u>

The fair value of investment property for the Group and the Company as of December 31, 2009 and 2008 amounted to approximately € 23,8 million, respectively.

19. GOODWILL

Goodwill in the financial statements of the Group is analyzed per cash generating unit as follows:

	Bentonite	Perlite	C.C.F.	Minerals Trading	Total
Balance January 1, 2008	<u>56.201</u>	<u>9.816</u>	<u>16.729</u>	<u>1.216</u>	<u>83.962</u>
Additions	-	66	-	135	201
Purchase price allocations to tangible and intangible assets	(429)	-	(336)	(1.216)	(1.981)
Exchange Difference	107	12	207	-	326
Balance December 31, 2008	<u>55.879</u>	<u>9.894</u>	<u>16.600</u>	<u>135</u>	<u>82.508</u>
Additions	19	377	-	-	396
Transfers	-	135	-	(135)	-
Exchange Difference	(59)	(3)	(130)	-	(192)
Balance December 31, 2009	<u>55.839</u>	<u>10.403</u>	<u>16.470</u>	<u>-</u>	<u>82.712</u>

Goodwill of € 25.129 in the Company's financial statements is related to business combinations effected prior to the transition date to IFRS. Goodwill is measured at historic cost minus any impairment losses and resulted from the combination of Mykobar S.A. of € 18.317 and Otavi Minerals Greece S.A of € 6.812.

Annual Impairment test of intangible assets with indefinite life: The annual impairment test of intangible assets with indefinite life (goodwill acquired through business combinations and trademarks recognized through these transactions) was performed after having allocated these assets to the following cash-generating units:

- Bentonite Activities
- Perlite Activities
- Continuous Casting Fluxes Activities ("CCF")

The recoverable amount of the three different cash generating units has been determined with the use of value in use method, using cash flow projections based on the approved by the Management five-year business plans.

(Amounts in thousand Euro, unless otherwise stated)

19. GOODWILL (continued)

The discount rate applied to cash flow projections for all business activities is, on a pre-tax basis, 9,90% for 2009 and 9,00% for 2008, respectively. For the Bentonite and Perlite activities, cash flows beyond the 5-year period are extrapolated using a 2% growth rate for both 2009 and 2008, whereas for CCF activities the respective growth rate is 1% for both 2009 and 2008. The minimum average long-term growth rate for the industrial minerals market is approximately 1%.

Key assumptions used for the calculation of the value in use of the cash generating units for December 31, 2009 and 2008:

The major assumptions made by the management for the calculation of the cash flow projections used for the impairment testing of fixed assets with indefinite useful life are the following (brief description):

- **Risk-free return:** The risk-free return used in the calculation of cost of capital is the yield on a ten-year Greek government bond.
- **Budgeted profit margins:** The budgeted margins of operating profit and EBITDA were determined based on the average actual margins achieved in the last five years, adjusted for expected operating efficiency differences.
- **Raw materials price inflation:** The basis used to determine the value assigned to the raw materials price inflation is the forecast price indices during the period of the plan for Greece, Europe and the United States where raw materials are mainly sourced from.

Key assumptions used are consistent with independent external source of information.

The impairment tests performed as of December 31, 2009 did not indicate any impairment losses with respect to the above goodwill amounts.

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20. OTHER INTANGIBLE ASSETS

Other intangible assets presented in the financial statements of the Group are analyzed as follows:

	<u>Software</u>	<u>Concessions- licenses - rights</u>	<u>Trademarks- Tradenames</u>	<u>Customer lists</u>	<u>Total</u>
<u>Cost</u>					
January 1, 2008	5.958	5.416	7.572	16.763	35.709
Additions	12	1.587	-	-	1.599
Business acquisitions	-	2.341	650	144	3.135
Business disposals	(161)	(427)	-	-	(588)
Disposals	(84)	(60)	-	-	(144)
Write offs	(2)	(999)	-	-	(1.001)
Exchange Difference	(41)	(191)	18	-	(214)
Transfers	74	(31)	-	-	43
December 31, 2008	5.756	7.636	8.240	16.907	38.539
Additions	70	826	-	-	896
Disposals	-	(239)	-	-	(239)
Write offs	-	(62)	-	-	(62)
Exchange Difference	26	(13)	(23)	(5)	(15)
Transfers	-	(144)	-	-	(144)
December 31, 2009	5.852	8.004	8.217	16.902	38.975
<u>Accumulated amortization</u>					
January 1, 2008	5.313	3.516	-	3.320	12.149
Amortization charge for the year	373	511	56	1.273	2.213
Business disposals	(160)	(427)	-	-	(587)
Disposals	(84)	(60)	-	-	(144)
Write offs	(2)	-	-	-	(2)
Exchange Difference	(15)	(174)	-	-	(189)
December 31, 2008	5.425	3.366	56	4.593	13.440
Amortization charge for the year	197	574	42	1.303	2.116
Disposals	-	(187)	-	-	(187)
Impairment Losses (Note 3)	-	1.588	-	-	1.588
Exchange Difference	-	21	(2)	-	19
Transfers	16	(10)	-	-	6
December 31, 2009	5.638	5.352	96	5.896	16.982
<u>Net Book Value</u>					
January 1, 2008	645	1.900	7.572	13.443	23.560
December 31, 2008	331	4.270	8.184	12.314	25.099
December 31, 2009	214	2.652	8.121	11.006	21.993

(Amounts in thousand Euro, unless otherwise stated)

20. OTHER INTANGIBLE ASSETS (continued)

Intangible assets presented in the financial statements of the Company are analyzed as follows:

	Software	Concessions - licenses - rights	Total
Cost			
January 1, 2008	3.123	618	3.741
Additions	-	10	10
December 31, 2008	3.123	628	3.751
Additions	-	200	200
December 31, 2009	3.123	828	3.951
Accumulated depreciation			
January 1, 2008	2.988	529	3.517
Amortization charge for the year	105	70	175
December 31, 2008	3.093	599	3.692
Amortization charge for the year	22	12	34
December 31, 2009	3.115	611	3.726
Net Book Value			
January 1, 2008	135	89	224
December 31, 2008	30	29	59
December 31, 2009	8	217	225

Other intangible assets include the following fully amortized assets in use:

	The Group		The Company	
	December 31 2009	December 31 2008	December 31 2009	December 31 2008
Cost				
Software	5.304	4.569	3.067	2.853
Concessions and licenses	1.836	1.135	573	-
Total	7.140	5.704	3.640	2.853

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21. INVESTMENTS IN ASSOCIATES

Investments in associates presented in the financial statements are analyzed as follows:

	The Group		The Company	
	December 31 2009	December 31 2008	December 31 2009	December 31 2008
Laviosa Chimica Mineraria S.p.a.	7.072	6.987	3.164	3.164
Laviosa Promasa S.A.	702	828	208	208
Bentec S.p.A.	-	657	-	401
Xinyang- Athenian Mining Co	574	513	-	-
Protovoulia Milos S.A.	811	621	826	626
Dolphin CI S&B Holdings Ltd	-	10	-	-
	9.159	9.616	4.198	4.399

The following table provides additional information for the above associates:

Associate	Country	Field of activity	% Participation		Year Established / Acquired
			31/12/2009	31/12/2008	
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%	-	2009
Bentec S.p.A. ⁽¹⁾	Italy	Industrial Minerals	35,00%	49,95%	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
Protovoulia Milos S.A.	Greece	Other activities	43,07%	43,07%	2007
Dolphin CI S&B Holdings Ltd. ⁽³⁾	Cyprus	Real Estate	-	25,00%	2007
Cape Trahilas One Ltd. ⁽³⁾	Cyprus	Real Estate	-	25,00%	2007
Cape Trahilas One S.A. ⁽³⁾	Greece	Real Estate	-	25,00%	2007
Milos Island Resort Ltd. ⁽³⁾	B.V.I.	Real Estate	-	25,00%	2009
Cape Trahilas Two Ltd. ⁽³⁾	Cyprus	Real Estate	-	25,00%	2007
Cape Trahilas Two S.A. ⁽³⁾	Greece	Real Estate	-	25,00%	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. The Group has gained a control over these entities within fourth quarter 2009 and, as a result, since then it consolidates them under the full method of consolidation.

Within 2009, the Company paid € 200 to the associate Protovoulia Milos S.A in lieu to future capital increase (€ 600 paid in 2008).

On June 1, 2009 the Company concluded an agreement with Laviosa Chimica Mineraria S.p.A. for the sale of its interest of 23% in Bentec S.p.A. for a consideration of € 1.100. On June 26, 2009 the transaction was concluded and, therefore, the Company does not hold any interest to Bentec S.p.A., whereas the Group holds indirectly, through Laviosa Chimica Mineraria S.p.A., an interest of 35%. As a result, the Group disposed effectively 14,95% of its participation to Bentec S.p.A. within 2009. The resulted gain from the above disposal amounted to € 708 on consolidated level (€ 699 on Company level) and was recognized in "Gain / (loss) from disposal of associates and subsidiaries" in the income statement for the year ended December 31, 2009.

(Amounts in thousand Euro, unless otherwise stated)

21. INVESTMENTS IN ASSOCIATES (continued)

Dividend income from associates, net of taxes, received for the years ended December 31, 2009 and 2008, respectively, are as follows:

	The Group	
	December 31 2009	December 31 2008
Laviosa Chimica Mineraria S.p.A.	229	197
Bentec S.p.A	-	22
Laviosa Promasa S.A.	171	160
Xinyang-Athenian Mining Co	65	32
	465	411

The above amounts were accounted for as a decrease in the investments in associates in the Group statement of financial position.

Dividend income from associates recognized in the Company's income statement for the years ended December 31, 2009 and 2008, respectively, are as follows:

	The Company	
	December 31 2009	December 31 2008
Laviosa Chimica Mineraria S.p.A.	316	294
Bentec S.p.A	-	33
Laviosa Promasa S.A.	238	222
	554	549

The following table provides condensed information of the associates' statements of financial position:

	December 31, 2009		
	Assets	Liabilities	Net assets
Laviosa Chimica Mineraria S.p.A. (consolidated)	45.473	25.870	19.603
Laviosa Promasa S.A.	6.737	3.253	3.484
Xinyang - Athenian Mining Co	2.538	214	2.324
Protovoulia Milos S.A.	837	12	825
	December 31, 2008		
	Assets	Liabilities	Net assets
Laviosa Chimica Mineraria S.p.A. (consolidated)	53.487	33.525	19.962
Laviosa Promasa S.A.	8.238	4.126	4.112
Bentec S.p.A.	5.915	3.058	2.857
Xinyang - Athenian Mining Co	2.238	160	2.078
Dolphin CI S&B Holdings Ltd	3.426	3.386	40
Protovoulia Milos S.A.	829	180	649

Sales revenue of the above associates in their financial statements amounted to € 59.283 and € 80.696 for the year ended December 31, 2009 and 2008, respectively. The share of profit from the associates, before taxes, accounted for using the equity method amounted to € 281 (€ 210 net of taxes) and € 1.586 (€ 970 net of taxes), for the years ended December 31, 2009 and 2008, respectively. It is noted that no guarantees have been provided to the associates.

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22. INTERESTS IN JOINTLY CONTROLLED ENTITIES

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
			31/12/2009	31/12/2008	
EUROPE					
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
ASIA					
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 its parent company's financial statements, namely Stollberg & Samil Co. Ltd, (96,64% participation interest).

The Group's share of consolidated assets, liabilities, income and expenses of the jointly controlled entities at December 31, 2009 and 2008 which are included in the financial statements of the Group, are analyzed as follows:

	December 31 2009	December 31 2008
Non-current assets	16.093	16.242
Current assets	16.971	15.918
	33.064	32.160
Non-current liabilities	3.203	3.377
Current liabilities	6.611	7.936
	9.814	11.313
	23.250	20.847
Sales	35.481	40.319
Cost of sales	(27.857)	(31.870)
Administrative expenses	(1.567)	(1.791)
Selling expenses	(2.804)	(3.017)
Other income /(expense), net	1	5
Financial income /(expense), net	(113)	(57)
Loss from subsidiary disposal	-	(253)
Profit before taxes	3.141	3.336
Income tax	(672)	(1.096)
Minority interests	(17)	9
Net profit	2.452	2.249

The jointly controlled entities have commitments from operating lease contracts of € 4,1 million approximately (Group share), which are included in the amounts disclosed in Note 40 which follows. There are no other commitments or contingent liabilities associated with these entities.

(Amounts in thousand Euro, unless otherwise stated)

23. 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 December 31, 2009 and 2008 are analyzed in Note 40. 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 (see Note 3). Intra-group balances and transactions among fully consolidated subsidiaries have been fully eliminated from the financial statements of the Group.

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	
	December 31 2009	December 31 2008	December 31 2009	December 31 2008
<u>Associates</u>				
Laviosa Chimica Mineraria S.p.A.	662	193	-	-
Laviosa Promasa S.A.	366	726	-	-
Xinyang Athenian Mining Co. Ltd	63	-	625	308
Dolphin CI S&B Holdings Ltd	-	1.651	-	-
	1.091	2.570	625	308
<u>Jointly controlled entities</u>				
Cebo International B.V.	558	430	103	170
Stollberg & Samil Co. Ltd	70	133	-	-
Orykton GmbH	-	-	-	-
	628	563	103	170
<u>Other related companies</u>				
Motodynamics S.A., Group of companies	39	135	-	-
Perlite Hellas S.A.	-	-	1.018	469
ORYMIL S.A.	33	33	-	-
Rescon India Private Ltd.	-	-	115	146
Other	19	15	3	3
	91	183	1.136	618
	1.810	3.316	1.864	1.096
The Group				
	Revenues		Expenses	
	1/1-31/12 2009	1/1-31/12 2008	1/1-31/12 2009	1/1-31/12 2008
<u>Associates</u>				
Laviosa Promasa S.A.	1.113	2.190	-	-
Laviosa Chimica Mineraria S.p.A.	629	1.793	-	-
Bentec S.p.A.	-	9	-	-
SLS Baustoffe GmbH	-	48	-	-
Xinyang Athenian Mining Co. Ltd	-	-	1.105	680
Dolphin CI S&B Holdings Ltd	263	-	-	-
	2.005	4.040	1.105	680
<u>Jointly controlled entities</u>				
Cebo International B.V.	3.971	5.516	1.429	2.830
Stollberg & Samil Co. Ltd	63	97	147	167
Orykton GmbH	23	33	71	-
	4.057	5.646	1.647	2.997
<u>Other related companies</u>				
Motodynamics S.A., Group of companies	319	1.106	-	-
Perlite Hellas S.A.	-	-	1.184	1.152
ORYMIL S.A.	-	-	31	-
Rescon India Private Ltd.	-	-	652	572
Other	12	-	57	-
	331	1.106	1.924	1.724
	6.393	10.792	4.676	5.401

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NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2009

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23. RELATED PARTY TRANSACTIONS (continued)

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

	The Company			
	Due from		Due to	
	December 31 2009	December 31 2008	December 31 2009	December 31 2008
<u>Direct subsidiaries</u>				
Isocon S.A.	2.380	2.659	-	2
S&B Holding GmbH	-	563	-	-
Sibimin Overseas Ltd	6	7	-	-
Greek Helicon Bauxite S.A.	13	-	705	355
Sarda Perlite S.r.l.	-	-	511	324
SLS Baustoffe GmbH	-	-	-	7
	2.399	3.229	1.216	688
<u>Indirect subsidiaries</u>				
S&B Industrial Minerals GmbH	4.525	13.017	-	1
S&B Industrial Minerals North America Inc.	317	3.747	4	-
S&B Industrial Minerals S.A.R.L.	888	1.462	-	-
S&B Industrial Minerals Spain S.L.u.	712	1.101	-	-
S&B Endustriyel Mineraller A.S.	453	83	-	-
S&B Industrial Minerals (Henan) Co. Ltd.	8	10	6	6
Special Purpose Vehicle 26 S.A.	2	-	-	-
S&B Industrial Minerals AD	-	-	442	223
	6.905	19.420	452	230
<u>Associates</u>				
Laviosa Promasa S.A.	366	726	-	-
Laviosa Chimica Mineraria S.p.A.	662	193	-	-
	1.028	919	-	-
<u>Other related companies</u>				
Motodynamics S.A., Group of companies	39	135	-	-
Cebo International B.V.	478	35	-	-
ORYMIL S.A.	33	33	-	-
Other	19	15	3	3
	569	218	3	3
	10.901	23.786	1.671	921

(Amounts in thousand Euro, unless otherwise stated)

23. RELATED PARTY TRANSACTIONS (continued)

	The Company			
	Revenues		Expenses	
	1/1-31/12 2009	1/1-31/12 2008	1/1-31/12 2009	1/1-31/12 2008
<u>Direct subsidiaries</u>				
Isocon S.A.	2.948	4.756	1	9
S&B Holding GmbH	638	563	-	-
Sibimin Overseas Ltd	22	30	-	-
Greek Helicon Bauxite S.A.	13	15	855	862
Sarda Perlite S.r.l.	31	1	368	420
Ergotrak Industrial Machinery & Equipment Trading Co S.A.	-	217	-	91
	3.652	5.582	1.224	1.382
<u>Indirect subsidiaries</u>				
S&B Industrial Minerals GmbH	19.130	23.401	-	43
S&B Industrial Minerals North America Inc.	13.328	13.612	-	-
S&B Industrial Minerals S.A.R.L.	3.592	4.774	6	8
S&B Industrial Minerals Spain S.L.u.	712	1.101	-	-
Stollberg Inc.	197	231	-	-
S&B Industrial Minerals (Henan) Co.Ltd.	-	4	-	-
S&B Endustriyel Mineraller A.S.	495	83	-	-
S&B Industrial Minerals AD	17	11	845	740
	37.471	43.217	851	791
<u>Associates</u>				
Laviosa Promasa S.A.	1.145	2.190	-	-
Laviosa Chimica Mineraria S.p.A.	859	1.793	-	-
Bentec S.p.A.	-	9	-	-
	2.004	3.992	-	-
<u>Other related companies</u>				
Cebo International B.V.	3.199	5.097	-	-
Orykton GmbH	-	66	-	-
Motodynamics S.A., Group of companies	319	1.106	-	-
Dolphin CI S&B Holdings Ltd	263	-	-	-
ORYMIL S.A.	-	-	31	-
Other	12	-	57	-
	3.793	6.269	88	-
	46.920	59.060	2.163	2.173

As analytically disclosed in Note 18, the Company sold the investment property located in 21-21^A Amerikis Street, in Athens, to ORYMIL S.A. (a related party) for approximately € 3,6 million.

(Amounts in thousand Euro, unless otherwise stated)

23. RELATED PARTY TRANSACTIONS (continued)

Compensation of key management personnel: Compensation of key management personnel for the years ended December 31, 2009 and 2008 were as follows:

	The Group		The Company	
	1/1-31/12 2009	1/1-31/12 2008	1/1-31/12 2009	1/1-31/12 2008
Board of Directors fees (Note 38)	305	460	305	460
Executives salaries (including executive board members)	3.915	5.444	3.324	4.716
Share option plans	-	105	-	105
	4.220	6.009	3.629	5.281
Board of Directors fees and Executives salaries of discontinuing operations	-	134	-	-
	4.220	6.143	3.629	5.281

Board of Directors fees are approved by the Shareholders A.G.M. and as a result the related fees for the years ended December 31, 2009 and 2008 were accrued in the accompanying income statements. It is noted that the Shareholders A.G.M. on June 16, 2009 finally approved the amount of € 305 as 2008 Board of Directors fees and not € 460, as proposed by the Board of Directors. The difference of € 155 was reversed in 2009 income statement.

Balances due to key management personnel of the Group and Board members as of December 31, 2009 amounted to € 852 (€ 2.948 as of December 31, 2008). Balances due to key management personnel of the Company and to its Board members as of December 31, 2009 amounted to € 755 (€ 1.786 as of December 31, 2008).

Social security contributions paid by the Company to state contribution plans for key management personnel for the years ended December 31, 2009 and 2008 amounted to € 110 and € 111, respectively (the Group paid € 121 and € 122, respectively). Contributions paid for medical and pension plans by the Company and the Group to insurance entities for key management personnel for the years ended December 31, 2009 and 2008 amounted to € 203 and € 190, respectively.

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24. INVENTORIES

Inventories presented in the financial statements are analyzed as follows:

	The Group		The Company	
	December 31 2009	December 31 2008	December 31 2009	December 31 2008
Bentonite	24.790	36.123	8.760	12.534
Perlite	9.775	11.195	2.662	2.003
Bauxite	6.690	6.371	6.489	6.099
Trading Minerals	10.615	20.780	-	-
Continuous casting fluxes	6.409	7.973	-	-
Consumables and spare parts	7.705	8.072	6.331	6.257
Advances to suppliers for inventories purchases	1.077	3.200	115	186
	67.061	93.714	24.357	27.079
Less: provision for impairment of inventories	(1.968)	(1.555)	(1.101)	(1.101)
	65.093	92.159	23.256	25.978

Provision for impairment of inventories is as follows:

	The Group		The Company	
	Year 2009	Year 2008	Year 2009	Year 2008
Beginning balance	1.555	1.641	1.101	1.101
Additions (income statement)	743	332	-	-
Provision used	(318)	(329)	-	-
Business acquisitions	-	-	-	-
Business disposals	-	(100)	-	-
Exchange difference	(12)	11	-	-
Ending balance	1.968	1.555	1.101	1.101

The above provision relates mainly to the Group's consumables and spare parts. There are no pledges on the Group's and the Company's inventories.

25. TRADE RECEIVABLES

Trade receivables presented in the financial statements are analyzed as follows:

	The Group		The Company	
	December 31 2009	December 31 2008	December 31 2009	December 31 2008
Trade receivables	47.705	52.196	7.300	11.604
Post-dated cheques and notes receivable	4.511	5.176	477	445
	52.216	57.372	7.777	12.049
Less: provision for bad debts	(4.716)	(3.883)	(1.013)	(966)
	47.500	53.489	6.764	11.083

Provision for bad debts is established on certain customer balances which the Group's Management considers as doubtful.

(Amounts in thousand Euro, unless otherwise stated)

25. TRADE RECEIVABLES (continued)

The movement of bad debts provision is as follows:

	The Group		The Company	
	Year 2009	Year 2008	Year 2009	Year 2008
Beginning balance	3.883	3.965	966	1.216
Additions (income statement)	1.282	506	47	49
Provision used	(441)	(365)	-	(299)
Business acquisitions	-	-	-	-
Business disposals	-	(434)	-	-
Exchange difference	(2)	2	-	-
Transfers	(6)	209	-	-
Ending balance	4.716	3.883	1.013	966

The following table presents the ageing analysis of trade receivables:

	The Group						
	Past due but not impaired					Non-past due but not impaired	Total
	0-30 days	31-90 days	91-180 days	> 180 days			
2009	7.682	2.605	1.610	1.534	34.069	47.500	
2008	10.742	3.394	1.175	810	37.368	53.489	
	The Company						
	Past due but not impaired					Non-past due but not impaired	Total
	0-30 days	31-90 days	91-180 days	> 180 days			
2009	997	122	-	668	4.977	6.764	
2008	2.196	894	325	-	7.668	11.083	

26. OTHER CURRENT ASSETS

Other current assets presented in the financial statements are analyzed as follows:

	The Group		The Company	
	December 31 2009	December 31 2008	December 31 2009	December 31 2008
VAT receivable	3.903	8.635	2.780	6.495
Unbilled revenue	1.806	2.079	1.505	1.595
Restricted cash	1.246	-	1.206	-
Prepaid expenses	803	1.849	300	389
Other taxes receivable	296	310	-	-
Advances and prepayments	496	801	177	331
Derivative financial assets (Note 35)	-	168	-	168
Other current assets	2.143	2.090	759	478
Less: provision for impairment of other receivables (Note 3)	(297)	-	-	-
	10.396	15.932	6.727	9.456

(Amounts in thousand Euro, unless otherwise stated)

27. CASH AND CASH EQUIVALENTS

Cash and cash equivalents presented in the financial statements are analyzed as follows:

	The Group		The Company	
	December 31 2009	December 31 2008	December 31 2009	December 31 2008
Sight Deposits	27.400	13.277	3.602	864
Time Deposits	22.071	49	21.000	-
Cash	102	108	17	15
	49.573	13.434	24.619	879

The composition of cash and cash equivalents per currency is as follows (all amounts are expressed in € currency):

	The Group		The Company	
	December 31 2009	December 31 2008	December 31 2009	December 31 2008
Euro	39.603	5.320	23.801	759
Other currencies	9.970	8.114	818	120
	49.573	13.434	24.619	879

Interest income from time and sight deposits accounted for in the fiscal year they relate and amounted to € 290 and € 357 for the Group (€ 100 and € 24 for the Company) for the years ended December 31, 2009 and 2008, respectively (Note 12). Bank deposits bear variable interest rates based on the current interbank market conditions.

28. SHARE CAPITAL

(in this note all amounts are expressed in Euro)

On April 8, 2008, the Board of Directors of the Company decided, and the Shareholders' General Assembly held on May 14, 2008 approved, a share capital increase by € 65.458,00 (65.458 common shares of par value of € 1,00 each), in order to grant these shares with no consideration to the executives of the Group as a part of their performance-related compensation scheme. As the executives had rendered the respective services before December 31, 2007, the equivalent € amount was accrued in the year ended December, 2007. Upon the receipt of the new shares from the executives, the relevant provision was capitalized through the transfer of the resulted par value difference of € 585.195,00 to the "Share premium". Moreover, at the same date, the Board of Directors of the Company decided, and the Shareholders' General Assembly held on May 14, 2008 approved, a share capital increase by € 33.839,00 (33.839 common shares of par value of € 1,00 each), in order to grant these shares to executives under a long-term incentive plan. The resulted par value difference of € 206.411,00 was transferred to "Share premium".

On December 8, 2008, the Board of Directors of the Company decided the issuance of 34.760 new common shares with a par value of € 1,00 each, that were acquired by the Company's executives under stock option plans granted and approved by the Shareholders' General Assembly. The share capital increase was realized on December 15, 2008. The resulted par value difference of € 200.005,00 was transferred to "Share premium".

As a result, at December 31, 2008, the Company's share capital amounted to € 31.010.717,00 comprised of 31.010.717 authorized common shares of € 1,00 par value each.

(Amounts in thousand Euro, unless otherwise stated)

28. SHARE CAPITAL (continued)

On June 10, 2009, the Board of Directors of the Company decided, and the Shareholders' AGM held on June 16, 2009 approved, a share capital increase by € 58.603,00 (58.603 common shares at par value of € 1,00 each), in order:

- to grant 50.483 shares at no consideration to the executives of the Group as a part of their performance-related compensation scheme. As the executives had rendered the respective services before December 31, 2008, the equivalent € amount was accrued in the year ended December, 2008. Upon the receipt of the new shares from the executives, the relevant provision was capitalized through the transfer of the resulted above par value difference of € 208.996,02 to the "Share premium";
- to grant 8.120 shares to executives under a long-term incentive plan. The resulted above par value difference of € 33.620,40 was transferred to "Share premium".

The Shareholders' AGM held on June 16, 2009 approved S&B's intention to increase the share capital, as proposed by the Board of Directors of the Company, by an amount up to € 40 million, in cash with a rights issue in favor of existing shareholders at a ratio of 1 new share per 3 existing shares. In this context, the Shareholders' AGM approved the share capital increase by € 10.356.440, in cash, and the issuance of 10.356.440 new common shares at par value of € 1,00 each.

According to the decision of the Board of Directors of the Company on August 5, 2009, within the relevant authorization granted by the AGM held on June 16, 2009, the new shares have been offered at the price of € 4,00. The Company submitted the Offering Circular (Prospectus) with respect to the share capital increase to Hellenic Capital Market Commission and the latter approved it on August 24, 2009.

By September 10, 2009 the Company completed the transfers of the pre-emption rights corresponding to 219.470 treasury shares, pursuant to the relevant decision of the AGM held on June 16, 2009. The transfers were performed on the market of the Athens Exchange resulting to an aggregate finance income of € 61.601,60. The exercise period for the pre-emption rights ended on September 21, 2009. As of September 25, 2009 the new shares are traded in the Athens Exchange.

The share capital increase was finally covered by 100% and the total amount of funds raised amounts to € 41.425.760,00. Following the above, the Company's share capital increased by € 10.356.440,00 through the issuance of 10.356.440 new common, registered, vote bearing shares of nominal value € 1,00 each. The aggregate resulted above par value difference of € 31.069.320,00 arisen between the subscription price and the nominal value of the new shares was transferred to "Share premium". The latter was decreased by the transaction expenses amounted to € 579.538,43.

As a result of all the above, at December 31, 2009 the share capital of the Company amounted to € 41.425.760,00 comprised of 41.425.760 common shares of € 1,00 par value each.

Within 2009, the Company purchased 121.530 common treasury shares at an average price of € 5,11 per share, for an aggregate amount of € 620.911,65. As a result, the Company holds 308.762 treasury shares at an average price of € 7,35 per share for a total amount of € 2.268.181,28 as of December 31, 2009.

As a result of the aforementioned share capital increase with a rights issue for the existing shareholders, the weighted average number of shares outstanding for all the periods before the rights issue was adjusted based on the following adjusting factor:

$$\frac{\text{Fair value per share immediately before the exercise of rights}}{\text{Theoretical ex - rights fair value per share}} = \frac{\text{€}4,91}{\text{€}4,68} = 1,049$$

(Amounts in thousand Euro, unless otherwise stated)

28. SHARE CAPITAL (continued)

The weighted average number of shares for the year ended December 31, 2009 and 2008 is as follows:

	December 31 2009	December 31 2008
Number of shares of the Company at year end	41.425.760	31.010.717
Effect to the weighted number of shares from:		
Share capital increase	(7.450.883)	-
Treasury shares purchase	(228.048)	(59.585)
Exercised stock options	-	(33.215)
Impact from adjusting factor	1.087.712	-
Basic weighted average number of shares in the year, as previously reported	34.834.541	30.917.917
Multiplied by the adjusting factor	-	1,049
Basic weighted average number of shares in the year, as adjusted	34.834.541	32.432.895
Stock options that may be exercised in the future	336.117	176.846
Diluted weighted average number of shares in the year	35.170.658	32.609.741

29. SHARE BASED PAYMENTS TO MEMBERS OF THE BOARD OF DIRECTORS AND EXECUTIVES***(a) Stock Option Plans to members of the Board of Directors and Executives***

Stock options (the "options") are awarded to executive members of the Company's Board of Directors and to certain Group executives in a ratio of one share per option. The number of options granted per individual is decided by the Board of Directors within the limits specified by the annual Stock Option Plans (the "plans"). Eligible individuals are those having completed at least one year of service in the Group. Options vest at 10% in November of the year they are granted and 30% in each of the following three years given that an employee remains with the Group. Options vested can be exercised within the first five (5) days of the respective month of the year they vest or in any of the five (5) years following the year they were granted. For 2009 plan, this period of exercise was extended to seven (7) years. Options are not tradable or transferable.

(Amounts in thousand Euro, unless otherwise stated)

29. SHARE BASED PAYMENTS TO MEMBERS OF THE BOARD OF DIRECTORS AND EXECUTIVES (continued)

As of December 31, 2009, four stock option plans were active (granted in years 2006 - 2009), with exercise prices ranging from € 5,08 to € 9,92. Further details of the plans are as follows:

	1/1-31/12/2009		1/1-31/12/2008	
	Number of Options	Weighted average exercise price	Number of Options	Weighted average exercise price
Outstanding at beginning of year	334.660	8,95	299.290	8,36
- Granted	115.900	5,08	110.300	9,41
- Forfeited	-	-	(34.570)	9,40
- Exercised	-	-	(34.760)	5,41
- Expired at end of year	(62.130)	6,71	(5.600)	5,48
Outstanding at end of year	388.430	8,15	334.660	8,95
Exercisable at end of year	188.150	9,13	136.186	8,15
Unvested at end of year	200.280	7,23	198.474	9,50
	Weighted average remaining contractual term	Aggregate intrinsic value	Weighted average remaining contractual term	Aggregate intrinsic value
Outstanding at end of year	3,3	-	2,8	110
Exercisable at end of year	2,1	-	2,2	110

The market price of each share on the exercise date for 2009 and 2008 was € 4,43 (December 5, 2009) and € 8,04 (December 5, 2008), respectively.

Fair Value Calculations

The weighted average fair value for the 2009 stock option plan is € 1,07. It was determined by using a Monte Carlo simulation option pricing model taking into account the effects of early exercise. The fair value of the 2008 plan was calculated using the Black-Scholes model assuming that all options will be exercised at the last period. Key inputs and calculation outputs for the plans of 2009 and 2008 are presented below:

Fair value calculations	2009	2008
Weighted average share price	5,20	12,00
Weighted average exercise price	5,08	9,41
Weighted average expected volatility	29,00%	33,00%
Weighted average risk free rate	2,40%	4,70%
Weighted average expected dividends	3,20%	2,60%
Weighted average exercise period	3,96	4,6
Weighted average option value	1,07	4,33

- Volatility was estimated based on the analysis of historical variability of the stock price in the last 48 months preceding 2008 in order to mitigate the impact of the credit crisis.
- The early exercise effect was calculated by assuming that employees will exercise their rights at the first period, after vesting, that the options reach a value of € 0,50.
- The weighted average exercise period and option value were calculated by the model.

(Amounts in thousand Euro, unless otherwise stated)

29. SHARE BASED PAYMENTS TO MEMBERS OF THE BOARD OF DIRECTORS AND EXECUTIVES (continued)**Expense recognised in P&L**

The cost of the stock option plans is recognized as an expense in the income statement, during the periods the requirements are gradually fulfilled. The income statement charge for the years ended December 31, 2009 and 2008 was € 310 and € 346, respectively. These amounts are transferred to a reserve in the equity, which is then reduced as the stock options are being exercised, cancelled or expired.

(b) Long-Term Incentive plan for Senior Executives

Certain Senior Group executives are granted Conditional Stock Rights (CSRs), each of which, if vested, gives right to one S&B share at no consideration (stock grant). CSRs vest subject to the conditions of operational performance, market performance and continuous employment. CSRs vested are considered to be exercised immediately and will be delivered in company shares, cash, etc., following the approval of the Shareholders General Assembly. CSRs are not tradable or transferable.

The value of each CSR equals the share price at grant date adjusted for the expected dividend payments throughout the vesting period. This value stays constant during the vesting period. The vesting probability is being re-examined at every reporting period based on the most current operating data. The total value is amortised over the vesting period through the income statement. The value of each CSR with market performance conditions is determined by modelling (Monte-Carlo simulation) that takes into account the vesting probability based on historical market data.

As of December 31, 2009, four LTI plans were active (granted in years 2006 - 2009). Further details of the plans are as follows:

	<u>1/1-31/12/2009</u>	<u>1/1-31/12/2008</u>
	<u>Number of Options</u>	<u>Number of Options</u>
Outstanding at beginning of year	281.204	204.616
- Granted	216.451	123.371
- Forfeited	(34.071)	(12.944)
- Exercised	(29.645)	(33.839)
- Expired	-	-
Outstanding at end of year	433.939	281.204
Exercisable at end of year	100.197	63.715
Unvested at end of year	333.742	217.489

	<u>1/1-31/12/2009</u>		<u>1/1-31/12/2008</u>	
	<u>Weighted average remaining contractual term</u>	<u>Aggregate intrinsic value</u>	<u>Weighted average remaining contractual term</u>	<u>Aggregate intrinsic value</u>
Outstanding at end of year	1,2	2.170	1,7	2.250
Exercisable at end of year	0,4	501	0,4	510

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29. SHARE BASED PAYMENTS TO MEMBERS OF THE BOARD OF DIRECTORS AND EXECUTIVES (continued)

Fair Value Calculations

The weighted average fair value for the 2009 plan is € 3,50. The fair value was determined using a Monte Carlo simulation option pricing model. Key inputs and calculation outputs for the plans of 2009 and 2008 are presented below:

Fair value calculations	2009	2008
Weighted average share price	5,04	9,96
Weighted average expected volatility	29,00%	32,00%
Weighted average risk free rate	2,00%	4,20%
Weighted average expected dividends	3,20%	3,30%
Weighted average exercise period	3,10	3,10
Weighted average option value	3,50	7,12

- Volatility was estimated based on the analysis of historical variability of the stock price in the last 48 months preceding 2008, in order to mitigate the impact of the credit crisis.
- Vesting of some of the granted CSRs is dependent on market performance. Therefore, the probability of vesting was incorporated in the fair value measurement. Volatility and correlation of the Company share to the market were determined using the same period as above.

Expense recognised in P&L

The cost of the CSR plans is recognized as an expense in the income statement, during the periods the requirements are gradually fulfilled. The income statement charge for CSR plans for the years ended December 31, 2009 and 2008 is € 324 and € 361, respectively, and is included in an equity reserve which is reduced as the CSRs are being exercised or cancelled.

(c) Share Appreciation Rights (SARs)

The Shareholders' General Assembly of the Company approved the establishment of a compensation plan, the amount of which is connected to Company's share price (Share Appreciation Rights - SAR) and is settled in cash. The amount of 216.000 SARs vested in portions of 72.000 each, in the end of 2007, 2008 and 2009 and, the final 72.000 will vest in September 2010. SARs vested can be exercised within three weeks after the quarterly financial statements publication and up to December 31, 2011 (for the 216.000 SARs) or up to December 31, 2014 (for the remaining 72.000). SARs are not tradable or transferable.

In 2007, an additional compensation plan was established under which 8.165 SARs were awarded at an exercise price of € 12,00. The amount of this compensation is connected to the Company's share price (Share Appreciation Rights - SAR), is settled in cash and was awarded to certain subsidiary executives.

(Amounts in thousand Euro, unless otherwise stated)

29.SHARE BASED PAYMENTS TO MEMBERS OF THE BOARD OF DIRECTORS AND EXECUTIVES (continued)

As of December 31, 2009 four SAR plans were active (granted in years 2006 - 2009), with exercise prices ranging from € 10,00 to € 12,00. Further details of the plans are as follows:

	The Group			
	1/1-31/12/2009		1/1-31/12/2008	
	Number of Options	Weighted average exercise price	Number of Options	Weighted average exercise price
Outstanding at beginning of year	296.165	10,47	296.165	10,47
- Granted	10.130	12,00	-	-
Outstanding at end of year	306.295	10,52	296.165	10,47
Exercisable at end of year	225.767	10,09	147.266	10,04
Unvested at end of year	80.528	11,73	148.899	10,89
	Weighted average remaining contractual term		Weighted average remaining contractual term	
Outstanding at end of year		2,7		3,7
Exercisable at end of year		2,0		3,0
	The Company			
	1/1-31/12/2009		1/1-31/12/2008	
	Number of Options	Weighted average exercise price	Number of Options	Weighted average exercise price
Outstanding at beginning of year	288.000	10,47	288.000	10,43
- Granted	-	-	-	-
Outstanding at end of year	288.000	10,47	288.000	10,43
Exercisable at end of year	216.000	10,00	144.000	10,00
Unvested at end of year	72.000	11,70	144.000	10,85

(Amounts in thousand Euro, unless otherwise stated)

29.SHARE BASED PAYMENTS TO MEMBERS OF THE BOARD OF DIRECTORS AND EXECUTIVES (continued)**Fair Value Calculations**

The weighted average fair value as of December 31, 2009 is € 0,06 and it was determined using a Monte Carlo simulation option pricing model. The fair value as of December 31, 2008 was calculated using the Black-Scholes model. Key inputs and calculation outputs for 2009 and 2008 are presented below:

Fair value calculations	2009	2008
Weighted average share price	4,88	8,00
Weighted average exercise price	10,52	10,47
Weighted average expected volatility	29,00%	39,00%
Weighted average risk free rate	1,80%	3,90%
Weighted average expected dividends	3,20%	3,90%
Weighted average exercise period	2,70	3,70
Weighted average option value	0,06	1,39

- Volatility was estimated based on the analysis of historical variability of the stock price in the last 48 months preceding 2008 in order to mitigate the impact of the credit crisis.
- The early exercise effect was calculated by assuming that employees will exercise their rights at the first period, after vesting, that the options reach a value of € 0,50.
- The weighted average exercise period and option value were calculated by the model.

Expense recognised in P&L

The cost of the SAR plans is recognized as an expense in the income statement, during the periods the requirements are gradually fulfilled. The income statement charge relating to the vesting of SARs for the years ended December 31, 2009 and 2008 is € 324 and € 402, respectively (€ 319 and € 401 for the Company, respectively), and is included in "Other provisions" in the statement of financial position. This provision is reduced as the SARs are being exercised, cancelled or expired. The table below illustrates the movement of the provision:

	The Group		The Company	
	December 31 2009	December 31 2008	December 31 2009	December 31 2008
Balance at the beginning of the year	341	743	335	736
Income statement charge	(324)	(402)	(319)	(401)
End of the year	17	341	16	335

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30. OTHER RESERVES

Other reserves in the financial statements are analyzed as follows:

	The Group		The Company	
	December 31 2009	December 31 2008	December 31 2009	December 31 2008
Tax-free reserves and special reserves	84.426	81.720	87.298	85.098
Legal reserve	10.344	10.161	10.010	9.827
Revaluation reserves from participations and securities	2.825	2.825	2.825	2.825
Extraordinary reserves	490	350	-	-
Reserves from tax-exempted income	3.904	5.137	3.904	5.137
Reserves for available for sale investments	99	110	99	110
Other reserves	180	180	-	-
	102.268	100.483	104.136	102.997

The majority of the above reserves relates to the Company and the Greek subsidiaries. Under Greek corporate law, corporations are required to transfer a minimum of 5% of their annual net profit as reflected in their statutory books to a legal reserve, until such reserve equals one-third of the outstanding share capital. The above reserve cannot be distributed throughout the life of the company. For the years ended December 31, 2009 and 2008, respectively, the Company transferred to legal reserve an amount of € 183 and € 718, respectively and the Group transferred to legal reserve, through the Company and its subsidiaries an amount of € 183 and € 865, respectively.

Tax free reserves and special reserves represent mainly non distributed profits that are exempt from income tax based on special provisions of development laws (under the condition that adequate profits exist for their allowance). These reserves mainly relate to investments and are not distributed. For these reserves no deferred tax liabilities were provided. For the years ended December 31, 2009 and 2008, respectively, the Company created tax free reserves and special reserves of an aggregate amount of € 2.200 and € 9.719, respectively.

Reserves from tax exempted income (inclusive of specially taxed reserves) represent interest income and income from disposal of listed in the Stock Exchange and non listed companies and are tax free or tax has been withheld at source. Except for any tax prepayments, these reserves are subject to taxes in case they are distributed. In 2008, reserves from tax exempted income of € 2.593 and special reserves of € 340, amounting to € 2.933 before taxes, were distributed by the Company. For the above amounts, income taxes of € 733 were recognized and paid (Note 31).

In 2009, reserves from tax exempted income were reduced by an amount of € 1.233, which represents the income tax relating to the future distribution of these reserves.

(Amounts in thousand Euro, unless otherwise stated)

31. DIVIDENDS

(in this note all amounts are expressed in Euro)

Under Greek corporate law, companies are required each year to declare from their statutory profits, dividends of at least 35% of after-tax statutory profit, after allowing for legal reserve. The non-distribution of dividends requires the unanimous consent of all Company's shareholders. Furthermore, Greek corporate law requires certain conditions to be met before dividends can be distributed, which are as follows:

- (a) No dividends can be distributed to shareholders as long as the company's net equity, as reflected in the statutory financial statements, is, or after such distribution will be, less than the outstanding capital plus non-distributable reserves, and
- (b) No dividends can be distributed to shareholders as long as the unamortized balance of "Pre-operating Expenses," as reflected in the statutory financial statements, exceeds the aggregate of distributable reserves plus retained earnings.

On May 14, 2008 the Company's Regular General Assembly approved a dividend distribution of € 9.571.764,60 (€ 0,31 per share), out of which € 7.371.764,60 and € 2.200.000,00 (net of related taxes of € 733.333,34) came from retained earnings and tax-free/specially taxed reserves, respectively (Note 30). The above income tax amount was recognized in the financial statements of the year and reduced the tax free reserves with an offsetting increase in the retained earnings. The above amount was fully paid to the Company's shareholders on May 26, 2008.

On March 9, 2009, the Company's Board of Directors decided to propose to the Shareholders' AGM a dividend distribution for the year 2008 which amounted to € 4.961.715,00 (€ 0,16 per share). The Shareholders' AGM, held on June 16, 2009, approved the distribution of the aforementioned dividend which was paid to the Company's shareholders on July 8, 2009, net of the related 10% withholding tax i.e. € 4.465.543,50.

The financial statements of the year 2009 were approved by the Board of Directors of the Company in a meeting held on March 10, 2010. The Board of Directors proposed a dividend for the year 2009 which amounts 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.

The dividend not collected by the shareholders by December 31, 2009 and 2008 amounted to € 28.650,59 and € 74.691,44, respectively.

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32. PROVISION FOR STAFF LEAVING INDEMNITIES

The Group has established certain entitlement programs in the various countries of doing business which may be summarized as follows:

Statutory Benefit Obligation: In accordance with local labor law, employees are entitled to indemnities for dismissal or retirement, the amount of which varies according to salary, years of service and the way of separation (dismissal or retirement). Employees who quit or are fairly dismissed are not entitled to an indemnity. The amount of the retirement indemnity in Greece is equal to 40% of indemnity entitled in the case of an unfair dismissal. In accordance with practices in Greece and in other countries the Group's subsidiaries operate, employees' indemnity plans are not usually funded. These plans are classified as defined benefit plans in accordance with IAS 19.

In accordance with Group practice, a selected group of employees are provided with certain entitlements which under IAS 19 are classified as defined benefit pension plans and are indexed to inflation. The level of benefits is covered with individual contracts and varies according to calculation which considers the years of service, age and level of salary for a defined period. The Group charges to the income statement the accrued indemnities in each period with a corresponding increase or entitlement liability. Any payments made to entitled employees during any period are offset against this liability.

The movement in the net liability in the statement of financial position has as follows:

	The Group		The Company	
	December 31 2009	December 31 2008	December 31 2009	December 31 2008
Net liability at beginning of the year	16.476	16.242	7.712	7.142
Benefits paid:				
-for continuing operations	(2.753)	(2.400)	(2.070)	(1.720)
Total benefits paid by the Group	(2.753)	(2.400)	(2.070)	(1.720)
Expense recognised:				
-for continuing operations	3.936	2.870	2.363	2.223
-for discontinuing operations	-	29	-	-
Total expense recognized in the income statement	3.936	2.899	2.363	2.223
Exchange difference	10	(38)	-	-
Capitalized expenses	146	67	146	67
Business disposals	-	(294)	-	-
Net liability at year-end	17.815	16.476	8.151	7.712

International firms of independent actuaries evaluated the Group's liabilities arising from the obligation to pay retirement indemnities.

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32. PROVISION FOR STAFF LEAVING INDEMNITIES (continued)

The details and principal assumptions of the actuarial study as at December 31, 2009 and 2008 have as follows:

	The Group		The Company	
	December 31 2009	December 31 2008	December 31 2009	December 31 2008
Reconciliation of net liability benefit obligation				
Present value of actuarial liability at the beginning of the year	18.406	19.067	9.746	9.604
Less: Present value of actuarial liability at the beginning of year from discontinuing operations	-	(292)	-	-
Service cost	1.473	602	397	395
Interest cost (note 13)	1.041	902	544	462
Past service cost arising over last period	401	-	401	-
Benefits paid	(2.753)	(2.400)	(2.070)	(1.720)
Additional cost of extra benefits	1.145	1.129	1.145	1.129
Actuarial loss / (gain)	509	(564)	(337)	(124)
Business combinations	-	-	-	-
Foreign exchange differences	10	(38)	-	-
Present value of actuarial liability at the end of the year	20.232	18.406	9.826	9.746
Unrecognized actuarial loss	(1.289)	(865)	(547)	(969)
Unrecognized service cost	(1.128)	(1.065)	(1.128)	(1.065)
Net liability in balance sheet	17.815	16.476	8.151	7.712
Components of income statement charge				
Service cost	1.473	602	397	395
Interest cost (note 13)	1.041	902	544	462
Amortization of unrecognized actuarial loss	-	14	-	14
Amortization of unrecognized service cost	337	237	337	237
Regular charge to income statement	2.851	1.755	1.278	1.108
Additional cost of extra benefits	1.231	1.182	1.231	1.182
Capitalized expenses	(146)	(67)	(146)	(67)
Total charge to income statement	3.936	2.870	2.363	2.223
Principal assumptions				
Discount rate	5,25%	5,6%-6,2%	5,25%	5,60%
Rate of personnel compensation increase	2%-5,50%	3%-5,5%	5,50%	5,50%
Average future working life (in years)	13,74-13,87	14,11-14,29	13,87	14,11

(Amounts in thousand Euro, unless otherwise stated)

32. PROVISION FOR STAFF LEAVING INDEMNITIES (continued)

The amount of additional cost of termination benefits relates to employees who became redundant. Most of these benefits were not expected within the terms of this plan and, accordingly, the excess of benefit payments over existing reserves have been treated as an additional pension charged to the income statement of the year.

Employers' contributions to Social Security defined contribution plans: The Group has paid to Social Security funds for the year ended December 31, 2009 and 2008 € 12.567 and € 13.080 (€ 5.521 and € 6.023 for the Company) respectively. These contributions are recognized in the income statement as incurred.

Defined Contribution Plans: The Group has also pension plans under which it pays fixed contributions into an insurance entity and for IAS 19 purposes are classified as defined contribution plans. The Group has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee years of service.

Contributions paid by the Company to the insurance company for the years ended December 31, 2009 and 2008 amount to € 1.182 and € 1.350, respectively. These contributions are charged to the income statement as incurred.

33. PROVISION FOR ENVIRONMENTAL REHABILITATION

The movement of provision for environmental rehabilitation for the year ended December 31, 2009 and 2008 is as follows:

	The Group		The Company	
	December 31 2009	December 31 2008	December 31 2009	December 31 2008
Balance at the beginning of the year	14.875	14.614	12.484	12.267
Finance cost (Note 13)	865	943	759	850
Change in future outflow for depleted mines (income statement)	(83)	45	(358)	(10)
Change in future outflow for active mines (tangible assets)	(71)	532	(71)	487
Re-estimation of provision	(713)	(16)	(468)	12
Business combinations	9	-	-	-
Foreign exchange differences	(19)	28	-	-
Utilization of provision (payments)	(1.025)	(1.271)	(919)	(1.122)
Balance at year end	13.838	14.875	11.427	12.484

(Amounts in thousand Euro, unless otherwise stated)

34. INTEREST BEARING LOANS AND BORROWINGS

Interest bearing loans and borrowings presented in the financial statements are analyzed as follows:

	The Group		The Company	
	December 31 2009	December 31 2008	December 31 2009	December 31 2008
Bond loan (Law 3156/2003)	110.000	105.500	110.000	105.500
Syndicated loan	60.000	67.500	-	-
Loan in Euro	-	-	-	-
Loan in INR	99	110	-	-
Loans in other currencies	22	40	-	-
	170.121	173.150	110.000	105.500
Loan expenses	(254)	(381)	(127)	(191)
Less: current portion of long term loans and borrowings	(15.079)	(53.034)	(7.500)	(45.500)
	154.788	119.735	102.373	59.809

- **Bond loans (L. 3156/2003):** Within June 2005 the Company concluded an agreement for a common bond issue of L. 3156/2003 of € 75 million, with a tenor of seven years, which accrues interest on a floating basis at Euro interbank borrowing rate (Euribor plus spread) and comprised of 150 common bonds of € 500.000,00 par value each. Interest expense is calculated on a six month basis. The bond is repayable in five annual installments (commencing 36 months after the issuance of the bond). Each of the first four installments will repay 10% of the bond (2008-2011) and the final installment will repay 60% of the loan (2012). The bond can be repaid earlier with no additional charges.

The terms contain financial covenants including requirements to maintain minimum ratios of net borrowings to EBITDA and EBITDA to net interest expense (these ratios refer to the consolidated financial statements of S&B). The terms of the bond loan contains events of default including: failure to make payments, incorrect or untrue representations and warranties, breach of any financial or other covenants, failure to fulfill significant obligations due to third parties, occurrence of materially adverse changes affecting the financial position of the Company, certain events of insolvency, encumbrances and attachments of fixed assets and change of control.

Within 2007, the Company concluded three agreements for common bond issues of L. 3156/2003. Specifically, during March 2007 the Company transacted two bond issues of € 10 million and € 15 million. During December 2007, the Company issued one more bond loan of € 13 million. All the above bond loans were of two years tenor with floating interest payments based on Euribor plus spread and were repaid on maturity.

Within March 2009, the Company concluded two agreements for common bond issues of L. 3156/2003 of € 30 million and € 20 million, respectively. All the above bond loans are of two years tenor with floating interest payments based on Euribor plus spread and are repayable on maturity. The Company can repay the bonds earlier with no additional charges.

- **Syndicated loan (€ 75 million):** On June 2005, the Group concluded a syndicated loan of a total amount of € 75 million (with the option to convert it in USD) with floating interest rate (Euribor plus spread), with a tenor of seven years. Drawdown was made in Euro. The loan is repayable in five annual installments. Each of the first four installments will repay 10% of the loan (2008-2011) and the final installment will repay 60% of the loan (2012). The loan can be repaid earlier with no additional charges. The financial covenants relate to minimum ratios of net borrowings to consolidated EBITDA and EBITDA to consolidated net interest payable.

Within June 2008, the Group repaid bond and syndicated loans amounted to € 15.000. Within 2009, the Company used the two bond loans obtained in March 2009, described above, to repay € 45,5 million of the bond loans. Moreover, within June 2009 the Group repaid € 7,5 million related to syndicated loans.

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34. INTEREST BEARING LOANS AND BORROWINGS (continued)

The above bank loan balances approximate their fair value since they have floating interest rates and are not traded in a secondary interbank market. For the above loans there are no pledges or other guarantees. The weighted average interest rate of long term loans for the year ended December 31, 2009 and 2008 is 3,04% and 5,82% (3,40% and 5,67% for the Company), respectively.

In addition, the Group has concluded a loan of INR 218,8 million which was repaid in nine semi-annual equal installments (commencing on November 2004 to November 2008). The weighted average interest rate of long term loan in INR for the year ended December 31, 2009 and 2008 was 11.1% and 10% respectively. On August 22, 2008 the Group concluded one agreement for long-term loan of INR 7,5 million (equivalent to € 110) with a tenor of 3 years and bearing floating interest rate.

Total interest expense of long-term borrowings for the year ended December 31, 2009 and 2008 amounts to € 5.089 and € 9.480 (€ 3.486 and € 5.051 for the Company), respectively (Note 13).

With respect to the above loans the table below presents the future payments as of December 31, 2009 and 2008:

	The Group		The Company	
	December 31 2009	December 31 2008	December 31 2009	December 31 2008
Within one year	15.079	53.034	7.500	45.500
2-5 years	155.042	120.116	102.500	60.000
	170.121	173.150	110.000	105.500

35. DERIVATIVE FINANCIAL INSTRUMENTS

The Group has contracted with banks derivative financial instruments in order to hedge part of its exposure to the risks arising due to the volatility of sea freights cost, oil prices, foreign currency and interest rates. Management believes that derivative financial instruments provide effective hedge against these risks.

Foreign currency derivatives: The Group uses forward contracts in order to hedge its foreign currency exposure arising from the issuance of an invoice until its repayment. All derivatives were made to the currency pair Euro/USD and had a maturity less than a year. Gains and losses are recognized in the income statement.

Oil derivatives: The Group uses average oil swaps on IPE Brent in order to hedge against the volatility of its oil purchases. All oil derivatives had a maximum duration of 12 months. Plain vanilla average commodity swaps meet the requirements of cash flow hedges according to IAS 39 "Financial Instruments: Recognition and Measurement" and it is assessed that they provide fully effective hedge against oil price risk. Therefore, all changes in their fair value were recognized directly to other comprehensive income.

Sea freights derivatives: The Group uses Sea Freight Derivatives (FFA) on Supramax Index of Baltic Exchange in order to hedge the volatility of its sea transportation costs. The Group believes that FFAs offer effective hedge against the risks arising out of the volatility of sea freight prices. However, FFAs do not meet the requirements of cash flow hedges according to IAS 39 "Financial Instruments: Recognition and Measurement" and therefore any change in their fair value is recognized directly to the income statement. All sea freight derivatives had a maximum duration of 12 months.

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35. DERIVATIVE FINANCIAL INSTRUMENTS (continued)

Interest Rate SWAP derivatives: The Group uses Interest Rate SWAP (“IRS”) in order to hedge its net income against adverse changes of interest rate levels. Plain vanilla IRS and Zero Cost Collar IRS meet the requirements of cash flow hedges according to IAS 39 “Financial Instruments: Recognition and Measurement” and thus any change in their fair value is recognized directly to other comprehensive income. Interest Rate Swap derivatives have duration of 5 years.

The following table presents the fair value and the movement of derivative financial instruments for the year ended December 31, 2009 and 2008 (for the Group and the Company):

	January 1 2009	Movement in 2009			December 31 2009
		Income statement	Equity	(Receipts) / Payments	
Financial instruments that qualify for hedge accounting					
Interest Rate Swaps (IRS)	-	-	(227)	-	(227)
Settlement on oil derivatives (a)	(521)	-	521	-	-
	<u>(521)</u>	<u>-</u>	<u>294</u>	<u>-</u>	<u>(227)</u> (a)
Financial instruments that do not qualify for hedge accounting					
Settlement & valuation on freight derivatives 2009 (Note 12)	(947)	960	-	67	80 (b)
Forward freight agreement (FFA) 2007	168	7	-	(175)	-
Settlement on oil derivatives	(1.072)	(361)	-	1.433	-
	<u>(1.851)</u>	<u>606</u>	<u>-</u>	<u>1.325</u>	<u>80</u>
Financial instruments liabilities (Note 38) - (a)+(b)					<u>(147)</u>
Movement in 2008					
	January 1 2008	Income statement	Equity	(Receipts) / Payments	December 31 2008
Financial instruments that qualify for hedge accounting					
Settlement on oil derivatives	-	-	(521)	-	(521)
	<u>-</u>	<u>-</u>	<u>(521)</u>	<u>-</u>	<u>(521)</u> (c)
Financial instruments that do not qualify for hedge accounting					
Settlement on freight derivatives 2008 (Note 13)	-	(947)	-	-	(947) (d)
Forward freight agreement (FFA) 2007	1.871	30	-	(1.733)	168 (e)
Settlement on oil derivatives (Note 13)	-	(2.955)	-	1.883	(1.072) (f)
	<u>1.871</u>	<u>(3.872)</u>	<u>-</u>	<u>150</u>	<u>(1.851)</u>
Financial instruments assets (Note 26) - (e)					<u>168</u>
Financial instruments liabilities (Note 38) - (c)+(d)+(f)					<u>(2.540)</u>

The above amounts are presented before deferred taxes impact.

All the above derivative financial instruments are measured on Level 2 of the fair value hierarchy.

(Amounts in thousand Euro, unless otherwise stated)

36. TRADE PAYABLES

Trade payables presented in the financial statements are analyzed as follows:

	The Group		The Company	
	December 31 2009	December 31 2008	December 31 2009	December 31 2008
Suppliers	30.019	21.541	8.664	6.511
Freights payable	1.469	1.056	982	590
Customers advances	2.176	236	296	15
	33.664	22.833	9.942	7.116

37. SHORT-TERM BORROWINGS

Short-term borrowings presented in the financial statements are analyzed as follows:

	The Group		The Company	
	December 31 2009	December 31 2008	December 31 2009	December 31 2008
Short-term loans	997	33.203	-	32.119
Overdrafts	629	10.611	-	5.895
Used amount	1.626	43.814	-	38.014

The above loans are analyzed as follows:

	The Group		The Company	
	December 31 2009	December 31 2008	December 31 2009	December 31 2008
- Euro (EUR)	-	41.303	-	38.014
- Indian Rupee (INR)	630	1.188	-	-
- Korean Won (KRW)	856	1.062	-	-
- Real Brazil (BRL)	140	261	-	-
Total	1.626	43.814	-	38.014

As of December 31, 2009 and 2008 the Group has entered into short-term loan agreements and overdrafts with floating interest rate (Euribor plus spread for loans in Euro). For the above loans, no guarantees have been provided. The weighted average interest rate of short-term loans in Euro, for the years ended December 31, 2009 and 2008 is 3,20% and 6,01% (2,81% and 5,73% for the Company) respectively. The weighted average interest rate of short term loans in INR, KRW and BRL for the year ended December 31, 2009 is 9,86%, 3,51% and 13,07% respectively. Total interest expense for the years ended December 31, 2009 and 2008 amounts to € 1.433 and € 3.245 (€ 1.223 and € 2.715 for the Company), respectively (Note 13). Within October 2009 Company repaid short term loans amounted to € 23 million.

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38. OTHER CURRENT LIABILITIES

Other current liabilities presented in the financial statements are analyzed as follows:

	The Group		The Company	
	December 31 2009	December 31 2008	December 31 2009	December 31 2008
Bonus to employees	2.185	3.773	1.937	3.562
Accrued payroll expenses	3.398	3.301	325	383
Taxes and duties	2.307	2.015	762	932
Social security	2.391	2.158	1.810	1.461
Interests accrued	151	1.460	135	1.452
Board of Directors fees (Note 23)	305	460	305	460
Freights accrued	129	733	-	427
Derivatives (Note 35)	147	2.540	147	2.540
Other accrued expenses	2.406	2.718	195	104
Other payables	4.450	4.576	2.093	1.603
	17.869	23.734	7.709	12.924

The settlement part of the amount “Bonuses to employees” is pending to the approval of the Company’s General Assembly Meeting. The amount of “Freights accrued” was paid within next month from year-end.

39. FINANCIAL RISK MANAGEMENT

The main activities of the Group are influenced by a variety of financial risks such as (indicatively and not exhaustively) the risks resulting from changes in foreign currency exchange rates and interest rates. The overall financial risk management program is focused on unpredictability of financial markets and seeks to minimize potential adverse effects in the Group’s financial position as a whole. Financial risk management is performed by a central Corporate Treasury Department.

The Corporate Treasury Department operates as a service department that provides access to financial markets to the Group subsidiaries. This includes identifying, evaluating and if necessary, hedging financial risks relating to the Group’s operating activities. The Corporate Treasury Department does not undertake any transactions of a speculative nature.

The Group’s main financial instruments consist, apart from derivatives, cash and cash equivalents, trade and other receivables, bank and bond loans and trade and other payables.

As further discussed in Notes 34 and 35, the Group may enter in derivative financial instruments, such as interest rate options, cross currency swaps, oil and freight derivatives in order to manage the related risks stemming from its activities and the way of financing. Management periodically controls and revises the relative policies and procedures in connection with financial risk management, which are summarized below:

- (i) **Credit Risk:** The Group has no significant concentrations of credit risk with any single counter party. The maximum exposure to credit risk is represented by the carrying amount of each asset, including derivative financial instruments, in the statement of financial position. With respect to derivative financial instruments, the Group monitors its positions, the credit ratings of counter parties and the level of contracts it enters into with any counter party. The counter parties to these contracts are major financial and other institutions. The Group has a policy of entering into contracts with parties that are well qualified and, given the high level of credit quality of its derivative counter parties, the Group does not believe it is necessary to enter into collateral arrangements.

(Amounts in thousand Euro, unless otherwise stated)

39. FINANCIAL RISK MANAGEMENT (continued)

(ii) **Fair Value:** The carrying amounts reflected in the statements of financial position for cash and cash equivalents, receivables, and current liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair values of marketable securities are based on their quoted market prices. For all derivatives, the fair values are confirmed to the Group by the financial institutions through which the Group has entered into these contracts.

(iii) **Liquidity Risk:** The Group manages its liquidity risk by on-going monitoring of its cash flows. The Group budgets and follows up its cash flows and appropriately acts for available cash deposits and credit lines with the banks. The unutilized approved credit lines available to the Group are sufficient to cover any financing need. The table below summarizes the maturity profile of the Group and the Company interest bearing borrowings and their estimated interest expense as of December 31, 2009 and 2008, respectively:

Interest-bearing loans	The Group			
	Up to 1 year	1-5 years	>5 years	Total
31.12.2009	20.508	159.359	-	179.867
31.12.2008	104.489	130.360	-	234.849
Interest-bearing loans	The Company			
	Up to 1 year	1-5 years	>5 years	Total
31.12.2009	10.053	105.518	-	115.571
31.12.2008	27.102	64.999	-	92.101

The table below summarizes the maturity profile of the Group and the Company financial liabilities based on contractual undiscounted payments:

2009	The Group				
	0-30 days	31-90 days	91-180 days	> 180 days	Total
Trade payables	22.042	11.227	281	114	33.664
Other current liabilities	1.519	814	2.340	644	5.317
	23.561	12.041	2.621	758	38.981
2008	0-30 days	31-90 days	91-180 days	> 180 days	Total
Trade payables	15.149	6.433	881	370	22.833
Other current liabilities	3.754	3.150	1.133	1.463	9.500
	18.903	9.583	2.014	1.833	32.333
2009	The Company				
2009	0-30 days	31-90 days	91-180 days	> 180 days	Total
Trade payables	5.301	4.641	-	-	9.942
Other current liabilities	444	-	2.237	228	2.909
	5.745	4.641	2.237	228	12.851
2008	0-30 days	31-90 days	91-180 days	> 180 days	Total
Trade payables	3.266	3.850	-	-	7.116
Other current liabilities	2.005	2.144	635	1.270	6.054
	5.271	5.994	635	1.270	13.170

(Amounts in thousand Euro, unless otherwise stated)

39. FINANCIAL RISK MANAGEMENT (continued)

Total credit limits of the Group and the Company (long term and short term loans) at December 31, 2009 and 2008 are as follows:

	The Group		The Company	
	December 31 2009	December 31 2008	December 31 2009	December 31 2008
Credit limit	250.268	293.924	171.315	206.000
Less: used amount				
-Long term loans	(170.121)	(173.150)	(110.000)	(105.500)
-Short term loans	(1.626)	(43.814)	-	(38.014)
-Guarantees (reducing credit lines' availability)	(6.949)	(4.924)	(3.597)	(4.241)
Unused credit limits	<u>71.572</u>	<u>72.036</u>	<u>57.718</u>	<u>58.245</u>

(iv) Interest Rate Risk: With respect to its long-term debt, the Management of the Group monitors closely the fluctuations in interest rates and evaluates on an ongoing basis the need to enter into any financial instruments to mitigate those risks, when necessary. In that respect and in relation to long-term business plans, the Group may enter into interest rate swap contracts and other interest-rate derivative instruments. Such financial instruments are measured at fair value and recognized as assets or liabilities in the financial statements.

Total Group debt is on a floating basis. As a result, Group interest rate risk arises mainly from changes in Euro interest rates, as Euro denominated debt represents the majority of Group's borrowings. Secondly, interest rate risk arises from changes in others currencies denominated debt (INR, KRW, BRL). The following table demonstrates the sensitivity to a reasonably possible change in interest rates in Euro and other currencies, with all other variables held constant, on the Group's and the Company's profit before tax for the year ended December 31, 2009 and 2008, respectively:

	The Group			
	Change in basis points	Effect from Euro interest rate changes	Effect from other interest rate changes	Total effect on profit before tax
2009	20	(345)	(4)	(349)
	(15)	258	3	261
2008	20	(436)	(5)	(441)
	(15)	327	4	331

	The Company	
	Change in basis points	Total effect in profit before tax
2009	20	(223)
	(15)	167
2008	20	(292)
	(15)	219

(Amounts in thousand Euro, unless otherwise stated)

39. FINANCIAL RISK MANAGEMENT (continued)

(v) *Foreign exchange risk*: The Group is exposed in foreign exchange risk as it undertakes operations in various foreign currencies. Foreign exchange risk is managed, where necessary, mainly through the use of forward exchange contracts. These derivatives are measured at fair values and recognized as asset or liability in the financial statements. The largest part of foreign exchange risk is attributed to business operations in USD and GBP. The following table demonstrates the sensitivity to a reasonably possible change in the USD and GBP exchange rate, with all other variables held constant, of the Group's and the Company's profit before tax for the year ended December 31, 2009 and 2008, respectively:

	Change in exchange rate	Effect from USD exchange rate changes	Effect from GBP exchange rate changes	Total effect on profit before tax
The Group				
2009	5%	(45)	42	(3)
	-5%	40	(38)	2
2008	5%	106	51	157
	-5%	(96)	(46)	(142)
The Company				
2009	5%	57	21	78
	-5%	(52)	(19)	(71)
2008	5%	223	25	248
	-5%	(202)	(23)	(225)

(vi) *Capital Management*: The primary objective of the Group's capital management is to ensure the continuous smooth operation of its business activities and the achievement of its growth plans combined with an acceptable credit rating. For the purpose of capital management, the Group monitors the ratio "Net Debt to EBITDA". As net debt, the Group defines interest bearing borrowings minus cash and cash equivalents. The ratio is managed in such a way in order to ensure the Group a credit rating compatible with its strategic growth.

The table below presents ratio results for the years December 31, 2009 and 2008 respectively:

	The Group	
	2009	2008
Long-term borrowings	154.788	119.735
Current portion of long term loans and borrowings	15.079	53.034
Short-term borrowings	1.626	43.814
Cash and cash equivalent	(49.573)	(13.434)
Net debt	121.920	203.149
EBITDA of continuing operations	38.958	65.290
EBITDA of discontinued operations	-	611
Group EBITDA	38.958	65.901
Net Debt / EBITDA of the Group	3,13	3,08

The Company does not manage its capital at standalone level but only on a consolidated level.

(Amounts in thousand Euro, unless otherwise stated)

40. COMMITMENTS AND CONTINGENCIES

(a) Litigations and claims: 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 € 509 as of December 31, 2009 and December 31, 2008, respectively, (€ 404 and € 404 as of December 31, 2009, and December 31, 2008, 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.

(b) Guarantees: At December 31, 2009 and 2008 the Group has issued letters of guarantee for a total amount of € 6,1 million and € 3,6 million, respectively, while the Company has issued letters of guarantee for a total amount of € 2,7 million and € 2,9 million, respectively, relating mainly to mining rights and licenses. It is noted that within third quarter 2009 the Group has issued a letter of guarantee of € 2,7 million relating to a customer advance received. Further to the above, the Company as of December 31, 2009 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 € 76,0 million (approximately € 112,0 million as of December 31, 2008).

(c) Operating lease commitments: As of December 31, 2009 the Group and the Company have entered into a number of operating lease agreements relating mainly to the rental of buildings that expire on various dated through 2016. Rental expenses included in the income statement for the year ended December 31, 2009 and 2008 amounted to approximately € 7,2 million and € 6,9 million respectively (approximately € 2,0 million and € 2,0 for the Company, respectively). Future minimum lease payments under non-cancelable operating leases as at December 31, 2009 and 2008 are as follows for the Group and the Company:

	The Group		The Company	
	December 31 2009	December 31 2008	December 31 2009	December 31 2008
(In million €)				
Within one year	7,0	5,7	2,0	2,0
2-5 years	13,4	13,7	8,4	8,1
After 5 years	7,2	9,4	4,5	6,5
	27,6	28,8	14,9	16,6

(Amounts in thousand Euro, unless otherwise stated)

41. OPERATING 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.
- **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.

S&B Industrial Minerals S.A.
NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2009

(Amounts in thousand Euro, unless otherwise stated)

41. OPERATING SEGMENT INFORMATION (continued)

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 years ended December 31, 2009 and 2008, respectively:

	1/1-31/12/2009				
	Sales			Results	
	Third party	Inter-segment	Total sales	Profit / (loss) before tax	EBITDA
Bentonite	153.526	197	153.723	23.744	32.810
Perlite	61.137	-	61.137	6.400	10.035
Bauxite	29.890	368	30.258	1.285	8.301
C.C.F.	64.951	-	64.951	6.032	9.704
Minerals trading	25.380	312	25.692	(2.633)	(1.882)
Corporate	951	-	951	(27.503)	(20.010)
Eliminations	-	(877)	(877)	-	-
Total	335.835	-	335.835	7.325	38.958
	1/1-31/12/2008				
	Sales			Results	
	Third party	Inter-segment	Total sales	Profit / (loss) before tax	EBITDA
Bentonite	206.900	234	207.134	36.534	46.732
Perlite	74.418	32	74.450	5.623	8.996
Bauxite	46.690	-	46.690	4.935	12.585
C.C.F.	87.404	-	87.404	12.349	16.091
Minerals trading	38.929	601	39.530	3.661	4.774
Corporate	2.052	-	2.052	(43.257)	(23.888)
Eliminations	-	(867)	(867)	-	-
Total	456.393	-	456.393	19.845	65.290

It is noted that segment information for the year ending December 31, 2008 excludes sales (€ 12.012), profit before tax (€ 4.865) and EBITDA (€ 611) from discontinued operations related to commercial activities only.

The following table present segment assets of the Group's operating segments as of December 31, 2009 and 2008:

	ASSETS	
	December 31, 2009	December 31, 2008
Bentonite	194.380	210.696
Perlite	76.261	78.265
Bauxite	55.332	51.686
C.C.F.	73.056	73.027
Minerals trading	17.418	35.729
Corporate	94.384	62.540
Eliminations	25	(1.038)
Total	510.856	510.905

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.

S&B Industrial Minerals S.A.
NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2009

(Amounts in thousand Euro, unless otherwise stated)

41. OPERATING SEGMENT INFORMATION (continued)

Geographic information

Revenues from external customers, based on their location, are analyzed as follows:

	Revenues from external customers	
	Year 2009	Year 2008
Germany	78.686	113.103
United States	50.087	56.809
Greece	32.039	41.853
France	26.270	37.022
Netherlands	19.888	22.583
Italy	11.320	18.050
Canada	10.914	15.427
United Kingdom	9.940	14.665
Other	96.691	136.881
	335.835	456.393

No single country exceeds 3% of total revenues from external customers in line "Other". Furthermore, there is no single customer whose sales revenue exceeds 10% of the Group's sales.

The Group's non-current assets per geographical segment have as follows:

	Non-current assets	
	December 31, 2009	December 31, 2008
Greece	165.331	152.227
Germany	94.091	96.281
United States	22.105	23.479
Netherlands	12.392	12.964
Other	35.658	38.858
	329.577	323.809

Non-current assets for this purpose consist of property, plant and equipment, investment properties, intangible assets including goodwill and investments in associates.

S&B Industrial Minerals S.A.
NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2009

(Amounts in thousand Euro, unless otherwise stated)

42. PRIOR YEARS RECLASSIFICATIONS

For better presentation and comparison purposes the following amounts have been reclassified: (i) an amount of € 615 related to payables to related parties has been transferred from "Trade payables" to "Due to related parties" in the consolidated statement of financial position as of December 31, 2008, (ii) a credit amount of € 970 related to other current liabilities has been transferred from "Income tax receivables" to "Other current liabilities" in the consolidated statement of financial position as of December 31, 2008, and (iii) an amount of € 433 related to income tax liabilities has been transferred from "Other provisions" to "Income tax receivables" in the consolidated statement of financial position as of December 31, 2008.

Moreover, due to the share capital increase described in Note 28 above, which included a "bonus element" that is the rights issue in favor of existing shareholders at a ratio of 1 new share per 3 existing shares, the weighted average number of shares (basic and diluted) outstanding for the comparative periods presented in the consolidated income statement was appropriately adjusted. As a result, the corresponding earnings per share were affected accordingly.

43. SIGNIFICANT EVENTS AFTER THE REPORTING DATE

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 will be USD 1,5 million. 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.

The Company acquired 63.984 common treasury shares within 2010, at an average price of € 4,48 per share. As of February 28, 2010 the Company holds 372.746 treasury shares at average price of € 6,85 per share, for a total amount of € 2.554.615,68.

S&B Industrial Minerals S.A.
NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2009

(Amounts in thousand Euro, unless otherwise stated)

44. FOREIGN EXCHANGE RATES

The foreign exchange rates used for the translation to € of the subsidiaries' financial statements prepared in foreign currency are as follows:

	FINANCIAL POSITION		
	December 31	December 31	Δ%
	2009	2008	
1 € = USD	1,4406	1,3917	4%
1 € = GBP	0,8881	0,9525	-7%
1 € = BGN	1,9558	1,9558	-
1 € = HUF	270,42	266,70	1%
1 € = TRY	2,155	2,149	0%
1 € = CNY	9,8350	9,4956	4%
1 € = GEL	2,4195	2,3728	2%
1 € = KRW	1.666,97	1.839,13	-9%
1 € = BRL	2,5073	3,2381	-23%
1 € = INR	66,422	67,905	-2%
1 € = MAD	11,2746	11,2357	0%
1 € = PLN	4,1045	4,1535	-1%
	COMPREHENSIVE INCOME		
	Average rate	Average rate	Δ%
	2009	2008	
1 € = USD	1,3948	1,4707	-5%
1 € = GBP	0,8909	0,7962	12%
1 € = BGN	1,9558	1,9558	-
1 € = HUF	280,33	251,51	11%
1 € = RON	4,2399	3,6831	15%
1 € = TRY	2,163	1,905	14%
1 € = CNY	9,5277	10,2236	-7%
1 € = GEL	2,3298	2,1894	6%
1 € = KRW	1.772,90	1.605,66	10%
1 € = BRL	2,7667	2,6759	3%
1 € = INR	67,237	63,518	6%
1 € = RSD	93,95	81,4472	15%
1 € = MAD	11,2272	11,3101	-1%
1 € = PLN	4,3276	3,5103	23%

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E. ADDITIONAL INFORMATION

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S&B Industrial Minerals S.A.

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

FINANCIAL DATA AND INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2009

(In terms of article 135 of Law 2190, for companies publishing annual financial statements in accordance with IAS/IFRS)

(Amounts in euro thousand)

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 reader not, before proceeding to any kind of investing activity or other transaction with the Company, to access the company's web site where the financial statements are published together with the auditor's review report, whenever it requires.

COMPANY'S DATA

Supervising Authority: Ministry of Development, Societies Anonymes and Credit Division
Date of approval of financial statements: March 10, 2010
Certified Auditor Accountant: Vasileios Kaminaris
Auditing firm: ERNST & YOUNG (HELLAS) CERTIFIED AUDITORS ACCOUNTANTS S.A.
Type of auditor's report: Unqualified opinion
Company's website: www.sandb.com

Board of Directors:
Chairman: Ulysses Kyriacopoulos
Members: Emmanouel Vougiaris, Efthymios Vidalis
Chief Executive Officer: Kitty Kyriacopoulos (Honary Chairman), Florica Kyriacopoulos,
Non-Executive Members: Robert de Grootpluy, Alain Speckaert, Maarten Schoenfeld, Clotilde Argente, Iakovos Georgiannos, Raphael Marozzi
Independent Non-Executive Members: Nikos Varnopoulos, Galypso-Maria Nomiou, Eleni Papakonstantinou, Alexandros Sarmigeorgiou

CONDENSED STATEMENT OF FINANCIAL POSITION

	GROUP		COMPANY	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
ASSETS				
Property, Plant & Equipment	195,345	185,979	101,004	96,027
Investment properties	20,368	20,607	20,368	20,607
Intangible assets	104,705	107,670	23,354	23,188
Other non-current assets	15,275	15,842	131,507	133,310
Inventories	69,093	90,199	23,256	23,978
Trade receivables	47,500	53,489	6,764	11,083
Other current assets	12,767	21,543	17,628	33,500
Cash and cash equivalents	48,973	13,434	24,619	879
Available for sale financial assets	230	243	230	243
TOTAL ASSETS	510,858	510,858	350,736	348,817
EQUITY AND LIABILITIES				
Share capital	41,426	31,011	41,426	31,011
Share premium	42,329	11,596	42,329	11,596
Other equity components	146,177	149,838	114,259	117,035
Total equity attributable to owners of the Company (a)	229,932	192,445	198,014	159,642
Minority interests (b)	-1,095	1,334	-	-
Total equity (c) = (a) + (b)	228,837	193,779	198,014	159,642
Long-term interest-bearing loans and borrowings	134,789	119,795	102,373	99,800
Provisions/Other non-current liabilities	33,239	32,911	21,488	22,816
Short-term borrowings	16,705	96,848	7,700	83,514
Other current liabilities	95,917	49,296	51,148	21,086
Total liabilities (d)	276,823	317,138	152,722	187,114
TOTAL EQUITY AND LIABILITIES (c) + (d)	510,858	510,858	350,736	348,817

CONDENSED STATEMENT OF CHANGES IN EQUITY

	GROUP		COMPANY	
	31.12.2009	31.12.2008	31.12.2009	31.12.2008
Equity at beginning of the year (31/12/2008 and 31/12/2007 respectively)	199,779	210,280	199,842	168,804
Total comprehensive income for the year (including and discontinued operations)	2,503	13,610	3,548	13,187
Dividend distribution	-4,986	-9,842	-4,962	-9,572
Share capital & share premium increase	40,843	188	40,843	188
Share capital decrease	-	-19,432	-	-19,432
Income tax relating to the future distribution of reserves from tax exempted income	-1,233	-	-1,233	-
Disposal of subsidiaries	-	-484	-	-
Carve-out of subsidiary share to the Company's shareholders	-	-2,913	-	3,137
Distribution of shares to personal	239	239	239	239
Purchase of treasury shares	-621	-1,647	-621	-1,647
Increase of Investment in subsidiaries	-91	-179	-	-
Share based payments	534	544	534	544
Rest incorporation of an ex-associate under the full consolidation method	-	374	-	-
Merge of subsidiary	-	-	-	-147
Equity at year end (31/12/2009 and 31/12/2008 respectively)	228,837	193,779	198,014	159,642

ADDITIONAL DATA AND INFORMATION

- Companies included in the consolidated financial statements together with country of establishment, participation interest and method of consolidation in fiscal year 2009 are presented in notes 9, 21 and 22 of the annual financial report.
- The fiscal years that are unaudited by the tax authorities for the Company and the Group's subsidiaries are presented in detail in note 14 of the annual financial report.
- Number of employees at the end of the reporting year: Group 2,027 (31.12.2008: 2,001) and 652 for the Company (31.12.2008: 734).
- Certain amounts of previous fiscal year have been reclassified for better presentation and comparability purposes (note 42 of the annual financial report).
- Related party transactions for the fiscal year 2009 and balances with related parties as at December 31, 2009 according to I.A.S. 24 are as follows:

	GROUP	COMPANY
a) Revenues	6,939	46,320
b) Expenses:		
(i) Receivables from related parties	4,676	2,163
(ii) Payable to related parties	1,864	1,671
c) Key management personnel compensations:	4,220	3,629
d) Receivables from key management personnel	0	0
e) Payable to key management personnel	852	750
- Other comprehensive income/(expense) for the fiscal year 2009 is as follows:

	GROUP	COMPANY
Translation of foreign operations:		
- Subsidiaries	405	0
- Associates	-12	-12
Valuation of available-for-sale investments	-14	-14
Valuation of derivatives	294	294
Income tax relating to the valuation of available-for-sale investments	9	9
Income tax relating to the valuation of derivatives	-73	-73
- Provisions of the Group and the Company as of 31.12.2009 are as follows:

	GROUP	COMPANY
a) Provision for litigation and arbitration	709	404
b) Provision for unaudited tax years	975	411
c) Other provisions	2,055	170
- 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 40 of the annual financial report).
- In this note all amounts are expressed in Euro:
 - On June 16, 2009 the Shareholders' Annual General Meeting (AGM) approved: a) The dividend distribution of € 0.16 per share and b) the share capital increase by € 28,603,000 (issuing 28,603 new common shares of € 1.00 par value each and c) the share capital increase by an amount up to € 40 million, in each with a rights issue in favor of existing shareholders at a ratio of 1 new share per 3 existing shares. In this context, the Shareholders' AGM approved the share capital increase by Euro 10,356,440, in cash, and the issuance of 10,356,440 new common shares at par value of Euro 1.00 each. According to the decision of the Board of Directors of the Company on August 5, 2009, within the relevant authorization granted by the AGM held on June 16, 2009, the new shares have been offered at the price of € 4.00 (note 28 of the annual financial report).
 - By September 10, 2009 the Company completed the transfers of the pre-emption rights corresponding to 219,470 treasury shares, pursuant to the relevant decision of the AGM held on June 16, 2009. The transfers were performed on the market of the Athens Exchange resulting to an aggregate finance income of € 61,601.86. The exercise period for the pre-emption rights ended on September 21, 2009. As of September 23, 2009 the new shares are traded in the Athens Exchange. The share capital increase was finally covered by 100% and the total amount of funds raised amounts to € 41,425,760.00. Following the above, the Company's share capital increased by €10,356,440.00 through the issuance of 10,356,440 new common, registered, vote bearing shares of nominal value € 1.00 each. The aggregate resulted above par value difference of € 31,069,320.00 arisen between the subscription price and the nominal value of the new shares was transferred to "Share premium". The latter was decreased by the transaction expenses amounted to € 579,538.43. As a result of all the above, at December 31, 2009 the share capital of the Company amounted to € 41,425,760.00 comprised of 41,425,760 common shares of € 1.00 par value each (note 28 of the annual financial report).
 - Within 2009, the Company purchased 121,530 common treasury shares at an average price of € 3.11 per share, for an aggregate amount of € 620,911.65. As a result, the Company holds 308,762 treasury shares at an average price of € 7.39 per share for a total amount of € 2,268,181.28 as of December 31, 2009 (note 28 of the annual financial report).
- The principal accounting policies of 2009 are presented in note 2 of the annual financial report and are consistent with those of the year ended December 31, 2008 except for those related to note 2 of the annual financial report.
- Within 2009, the Group acquired an additional participation interest of 50% in the real estate development associate company Dolphin CI S&B Holdings Ltd., through its subsidiary Giblin Overseas Ltd., and therefore it currently holds 75% interest. The total consideration for the aggregate 50% acquired, amounted to approximately € 4.5 million. Furthermore, "Dolphin CI S&B Holdings Ltd." acquired the remaining minority interest of 33.33% in Milco Island Resort Ltd. at a consideration of approximately € 2 million (Group's portion approximately € 1.5 million). Finally the Group acquired 75% participation interest in GFV SE S.A. for a consideration of approximately € 0.9 million. The Group exercises control over Dolphin CI S&B Holdings Ltd., and its subsidiaries; since fourth quarter 2009 and, therefore, since then it started to consolidate them under the full method of consolidation. The whole transaction is considered as an asset deal and, therefore, it is reflected as an addition of land in "Property, Plant and Equipment" (note 3 of the annual financial report).
- On February 2, 2009, the Group concluded an agreement with the entities Halliburton Energy Services Inc. and Bentonite Performance Minerals LLC for the acquisition of a bentonite activity plant, including inventories, in Waterloo city of Iowa State in the USA, at a consideration of approximately USD 700 thousand. The purchase price of the assets, including inventories was paid in cash and the residual goodwill was € 19 (note 4.1.1 of the annual financial report).
- On July 2, 2009 the Group concluded an agreement for the acquisition of "Miller LLC" which is engaged in the expansion of pellets in North Carolina State of USA. The total purchase price amounted to approximately USD 1.1 million. The purchase price of the assets, including inventories and receivables, paid as follows: approximately USD 700 thousand has been already paid in cash, while the remaining USD 400 thousand approximately will be paid in three equal annual installments commencing 2010 whilst the Group recognized a residual goodwill of € 377 (note 4.1.2 of the annual financial report).

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

	GROUP		COMPANY	
	1/1 - 31/12/2009	1/1 - 31/12/2008	1/1 - 31/12/2009	1/1 - 31/12/2008
Income Statement				
Sales	325,835	456,393	12,012	468,405
Gross profit	73,810	103,392	3,199	106,591
Profit before income tax, financial and investment results	14,265	37,878	429	38,307
Profit before tax	7,323	19,846	4,865	24,711
Net profit (A)	1,800	14,258	1,879	13,827
Attributable to:				
- Owners of the Company	2,085	13,968	1,379	15,367
- Minority interests	-185	-270	-	-270
Other comprehensive income/(loss) for the year (B)	603	-24	-9	-27
Total comprehensive income for the year (A) + (B)	2,503	14,234	1,870	13,810
Attributable to:				
- Owners of the Company	2,671	13,964	1,376	15,340
- Minority interests	-168	-270	-	-270
Proposed dividend per share + basis (in €)	0.0039	0.4311	0.0423	0.4738
Profit before income tax, financial and investment results, depreciation and amortization	38,958	63,290	611	65,901
Income Statement				
Sales	113,024	164,941		
Gross profit	29,993	41,524		
Profit before income tax, financial and investment results	12,064	16,229		
Profit before tax	7,942	20,762		
Net profit (A)	3,938	19,468		
Attributable to:				
- Owners of the Company	3,338	15,468		
Other comprehensive income/(loss) for the year (B)	239	-281		
Total comprehensive income for the year (A) + (B)	3,548	15,187		
Attributable to:				
- Owners of the Company	3,548	15,187		
Net Earnings per share + basis (in €)	0.0860	0.4769		
Proposed dividend per share (in €)	0.12	0.16		
Profit before income tax, financial and investment results, depreciation and amortization	24,295	30,430		

CASH FLOW STATEMENT

Indirect Method	GROUP		COMPANY	
	1/1-31/12/2009	1/1-31/12/2008	1/1-31/12/2009	1/1-31/12/2008
Cash flows from operating activities:				
Profit before tax from continuing operations	7,323	19,846	7,942	20,762
Profit before tax from discontinued operations	-	-	-	-
Profit before tax	7,323	19,846	7,942	20,762
Adjustments for:				
- Depreciation and amortization	24,476	25,979	12,378	14,948
- Orbits amortization	-164	-153	-147	-147
- Provisions, net	3,308	4,779	-365	2,852
- Finance income	-1,342	-	-	-
- Finance costs	9,372	19,775	6,623	13,999
- Investment income (net of foreign taxes)	-	-	-599	-5,252
- Share of profit of associates	-281	-1,586	-	-
- Negative difference between purchase price and fair value of acquired assets	-	-	-328	-
- Impairment loss	3,168	-	-	1,366
- Gain from the disposal of associates and subsidiaries	-708	253	-699	-11,822
- Gain from disposal of property, plant and equipment	-103	-1,258	-90	-1,223
(Increase) / Decrease in:	69,649	71,728	28,282	92,893
Inventories	23,701	-17,341	2,469	-2,109
Trade receivables	4,783	14,397	5,065	4,610
Due from related parties	2,056	-2,282	13,494	-10,736
Other assets	3,049	-9,541	2,391	-728
Increase / (Decrease) in:				
- Trade payables	10,822	-5,754	2,914	-2,696
- Due to related parties	767	362	751	-41
- Other liabilities	-621	-1,964	-688	-1,787
Start leaving indemnities paid	-2,721	-	-1,720	-
Payments for environment rehabilitation	-1,025	-2,400	-319	-1,122
Income tax paid	-2,745	-12,310	-2,225	-8,861
Net cash flows from operating activities, discontinued operations	-	-5,048	-	-
Net cash flows from operating activities (a)	67,903	54,000	45,470	12,660
Cash flows from financing activities:				
Capital expenditure	-31,198	-38,721	-17,984	-23,554
Capitalized depreciation	550	502	550	502
Proceeds from disposals and investments	-	-	-	-
In consolidated entities	-1,150	-1,637	-200	-10,739
Proceeds from sale of associate and subsidiary	350	6,496	550	7,494
Proceeds from long-term borrowings	401	-	401	401
Interest and other finance income received	317	411	162	24
Proceeds from the settlement of derivatives	175	1,733	175	1,733
Cash flow from disposal of subsidiaries	-	-	-	-
Government grants received	64	-	-	-
Proceeds from disposal of property, plant and equipment	404	4,234	97	4,121
Net cash flows from financing activities, discontinued operations	-	-320	-	-
Net cash flows used in financing activities (b)	-28,887	-2,060	-18,206	-16,965
Cash flows from investing activities:				
Share capital increase	40,843	-	40,846	-
Share option plans exercised	-	-	-	188
Purchase of treasury shares	-621	-1,647	-621	-1,647
Net (increase)/decrease of short-term borrowings	-42,187	26,181	-38,014	23,012
Proceeds from long-term borrowings	30,000	151	42,500	-
Repayment of long-term borrowings	-33,000	-15,858	-38,000	-7,500
Dividends paid to owners of the Company, net of basis	-4,511	-9,357	-4,511	-9,557
Dividends paid to minority interests	-24	-270	-	-
Payments for the settlement of derivatives	-1,500	-1,883	-1,500	-1,883
Interest and other finance costs paid	-9,912	-19,083	-6,236	-6,588
Discontinued operations	-	1,312	-	-
Net cash flows used in investing activities (c)	-19,808	-14,406	-9,236	-14,876
Net increase/(decrease) in cash and cash equivalents (d) = (a) + (b) + (c) + (d)	19,208	21,114	18,028	11,419
At the beginning of the year	13,434	13,310	879	1,291
Net foreign exchange difference on cash and cash equivalents at the beginning of the year	-188	266	-	-
Cash and cash equivalents at year end	49,573	14,484	24,619	879

10. Due to the macroeconomic recessionary developments in the international markets, the Group decided that the book value of specific assets in the Chinese subsidiaries "Panzhi Huzhou Wollastonite Co. Ltd." and "S&B Iron Wollastonite Co. Ltd." which both belong to Minerals Trading segment, are not expected to be recovered and therefore, it recognized an impairment loss in the income statement of 2009 totalling to € 3,169. As a result, all these assets are currently recorded at zero value (note 3 of the annual financial report).

14. On June 1, 2009 the Company concluded an agreement with Laviosa Chimica Mineraria S.p.A. for the sale of its interest of 23% in Bentes S.p.A. for a consideration of € 1,100. On June 26, 2009 the transaction was concluded and therefore, the Company does not hold any interest in Bentes S.p.A., whereas the Group disposed indirectly through Laviosa Chimica Mineraria S.p.A., an interest of 23%.

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**F. DISCLOSURES UNDER
ARTICLE 10 L.3401/2005**

The following reference table presents the announcements that the Company published or made available to the public during 2009, regarding Company's shares, the Company or the organized Stock exchange in which Company's shares are traded.

NO	DESCRIPTION	WEB ADDRESS LINK	WEB ADDRESS DESCRIPTION
1.	S&B Industrial Minerals SA & Group FY 2009 Financial Results	http://www.sandb.com/en/economy/etisies/cony2009.pdf	HOME->FINANCIAL STATEMENTS-> ANNUAL-> S&B & CONSOLIDATED->2009
2.	S&B Financial Report as of 31.12.2009 in accordance with IFRS	http://www.sandb.com/en/economy/etisies/SandB_y_2009.pdf	HOME->FINANCIAL STATEMENTS-> ANNUAL-> S&B & CONSOLIDATED->2009
3.	S&B Industrial Minerals SA & S&B Group 9M2009 Financial Results	http://www.sandb.com/en/economy/trim/FR_q3_09.pdf	HOME->FINANCIAL STATEMENTS-> QUARTERLY-> S&B & CONSOLIDATED->2009
4.	S&B Financial Report as of 30.09.09 in accordance with IFRS	http://www.sandb.com/en/economy/trim/IFRS_Notes_q3_09.pdf	HOME->FINANCIAL STATEMENTS-> QUARTERLY-> S&B & CONSOLIDATED->2009
5.	S&B Industrial Minerals SA & S&B Group 1H2009 Financial Results	http://www.sandb.com/en/economy/trim/FR_q2_09.pdf	HOME->FINANCIAL STATEMENTS-> QUARTERLY-> S&B & CONSOLIDATED->2009
6.	S&B Financial Report as of 30.06.09 in accordance with IFRS	http://www.sandb.com/en/economy/trim/IFRS_Notes_q2_09.pdf	HOME->FINANCIAL STATEMENTS-> QUARTERLY-> S&B & CONSOLIDATED->2009
7.	S&B Industrial Minerals SA & S&B Group 3M2009 Financial Results	http://www.sandb.com/en/economy/trim/FR_q1_09.pdf	HOME->FINANCIAL STATEMENTS-> QUARTERLY-> S&B & CONSOLIDATED->2009
8.	S&B Financial Results as of 31.03.09 in accordance with IFRS	http://www.sandb.com/en/economy/trim/IFRS_Notes_q1_09.pdf	HOME->FINANCIAL STATEMENTS-> QUARTERLY-> S&B & CONSOLIDATED->2009
9.	Announcement of S&B insiders transactions for the year 2009	http://www.sandb.com/en/main_in.html?title_anakino_sisXA.gif?enimepen_ypo09.html	HOME->INVESTOR RELATIONS-> ANNOUNCEMENTS-> INSIDERS TRANSACTION->2009
10.	S&B'S announcements at the Athens Exchange for the year 2009	http://www.sandb.com/en/main_in.html?title_anakino_sisXA.gif?enimepen_xaa09.html	HOME->INVESTOR RELATIONS-> ANNOUNCEMENTS-> ANNOUNCEMENTS TO ATHEX->2009
11.	S&B'S Press Releases during the year 2009	http://www.sandb.com/en/main_in.html?title_delta_tipou.gif?enim_delta_tipou_2009.html	HOME->PRESS & COMMUNICATION-> PRESS RELEASES-> 2009
12.	Share Capital Increase 2009 - All relevant announcements and information	http://www.sandb.com/en/main_in.html?title_si.gif?si.html	HOME->SHARE CAPITAL INCREASE (Banner)

**G. 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 31.12.2009 to be used in 2010
		Year 2009	
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
Total	41.425.760,00	26.425.760,00	15.000.000,00

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, March 10, 2010

The Chairman of the Board of
Directors

Ulysses P. Kyriacopoulos
ID No Ξ 164488

The Chief Executive Officer

Efthimios O. Vidalis
ID No Σ 237368

The Chief Financial Officer

Kriton St. Anavlavis
ID No Γ 062025

The Controller Greece

Nikolaos Ch. Ioakim
A' Class License No 0002714

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**Report of factual findings from agreed-upon procedures performed
on the report of use of funds raised from share capital increase**

To the Board of Directors of S&B Industrial Minerals S.A.

In accordance with the decision made by the Board of Directors of S&B Industrial Minerals S.A (the Company), we have performed the procedures agreed with you and enumerated below in compliance with the regulatory framework set by the Athens Exchange and the Hellenic Capital Markets Commission, related to the report on the use of funds raised from share capital increase in cash dated September 23, 2009 (“the Report”). The Company’s management has the responsibility for the preparation of the above mentioned Report. Our engagement was undertaken in accordance with the International Standard on Related Services ISRS 4400 - “Engagements to Perform Agreed-Upon Procedures Regarding Financial Information” applicable to agreed-upon procedures regarding financial information. Our responsibility is to perform the agreed-upon procedures enumerated below, and disclose our findings to you.

Procedures:

1. We compared the amounts presented as uses of funds in the Report, with the respective amounts that were recorded in the Company’s books and records during the relevant period.
2. We examined the completeness of the Report and the consistency of its content with the Offering Circular issued by the Company and with the relevant decisions and releases of Company’s Management.

Findings:

1. The amounts presented as uses of funds in the Report, derive from the Company’s books and records for the relevant period.
2. The content of the Report includes at a minimum the information provided by the Athens Exchange and the Hellenic Capital Markets Commission and is consistent with the content of the Offering Circular and the relevant decisions and releases of Company’s Management.

Because the above procedures do not constitute either an audit or a review made in accordance with International Standards on Auditing or International Standards on Review Engagements, we do not express any other assurance except for as mentioned above. Had we performed additional procedures or had we performed an audit or review of the financial statements in accordance with International Standards on Auditing or International Standards on Review Engagements, other matters might have come to our attention that would have been reported to you.

This report is exclusively addressed to the Company's Board of Directors in compliance with the rules set by the Athens Exchange and the Greek Capital Markets Commission. Consequently, this report is not to be used for any other purpose as it relates only to the issues specified above and does not extend to the financial statements of the Company as at and for the year ended December 31, 2009 for which we have issued an Audit Report dated March 10, 2010

Athens, March 10, 2010

The Certified Auditor Accountant

VASSILIOS KAMINARIS

SOEL No 20411

ERNST & YOUNG (HELLAS)

CERTIFIED AUDITORS ACCOUNTANTS S.A

11th KM NATIONAL ROAD ATHENS-LAMIA

144 51 METAMORFOSI

SOEL No 107