



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

**Interim Condensed Financial Statements**

**for the three-month period ended March 31, 2009**

The present interim condensed Financial Statements are prepared in accordance with article 6 of L.3556/2007 and were approved by the Board of Directors of S&B Industrial Minerals S.A. on May 12, 2009. The present interim condensed Financial Statements for the period 1.1.2009-31.3.2009 are published on the website in the following address: [www.sandb.com](http://www.sandb.com) and it will be available to the investors for at least 5 (five) years commencing from the date of issue.

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

**INTERIM CONDENSED FINANCIAL STATEMENTS  
AS OF MARCH 31, 2009**

**CONTENTS**

**Page**

<b>A1. INTERIM CONDENSED FINANCIAL STATEMENTS.....</b>	<b>2</b>
<b>A2. NOTES TO THE FINANCIAL STATEMENTS.....</b>	<b>11</b>
1. CORPORATE INFORMATION AND ACTIVITIES .....	12
2. BASIS OF PRESENTATION OF INTERIM CONDENSED FINANCIAL STATEMENTS.....	12
3. PRINCIPAL ACCOUNTING POLICIES.....	12
4. ENTITIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS.....	14
5. BUSINESS COMBINATIONS.....	16
6. SALES .....	17
7. FINANCE INCOME.....	17
8. FINANCE COSTS.....	18
9. INCOME TAX (CURRENT AND DEFERRED).....	18
10. EXISTING LIENS.....	20
11. PENDING LITIGATION AND ARBITRATION .....	20
12. RELATED PARTY TRANSACTIONS.....	20
13. CAPITAL EXPENDITURE.....	24
14. CONTINGENCIES - COMMITMENTS.....	24
15. SEGMENT INFORMATION.....	24
16. PROCEEDS AND PAYMENTS OF BANK LOANS.....	26
17. CURRENT PERIOD SIGNIFICANT EVENTS.....	26
18. PRIOR YEAR RECLASSIFICATION.....	26
19. FOREIGN EXCHANGE RATES.....	27
<b>B. ADDITIONAL INFORMATION .....</b>	<b>28</b>

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

The accompanying interim condensed Financial Statements are those approved by the Board of Directors of S&B Industrial Minerals S.A. on May 12, 2009.

**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 Ξ164488**

**ID No Σ237368**

**ID No Π062025**

**A' Class License No  
0002714**

**S&B Industrial Minerals S.A.**  
**CONSOLIDATED INCOME STATEMENT**  
**FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2009**  
(Amounts in thousand Euro, except for earnings per share)

		The Group		
Note	1/1 - 31/3/2009	1/1 -31/3/2008		
		Continuing operations	Discontinued operations	Total
Sales	6 79.557	111.061	4.955	116.016
Cost of sales	(63.213)	(84.598)	(3.586)	(88.184)
<b>Gross Profit</b>	<b>16.344</b>	<b>26.463</b>	<b>1.369</b>	<b>27.832</b>
Administrative expenses	(8.902)	(11.044)	(430)	(11.474)
Selling expenses	(5.506)	(6.126)	(860)	(6.986)
Other income	1.494	1.003	126	1.129
Other expenses	(110)	(126)	-	(126)
<b>Operating profit</b>	<b>3.320</b>	<b>10.170</b>	<b>205</b>	<b>10.375</b>
Finance income	7 969	75	15	90
Finance costs	8 (3.055)	(4.002)	(130)	(4.132)
Gain from the carve-out of subsidiary	-	-	5.357	5.357
Share of (loss)/ profit of associates	(165)	402	-	402
<b>Profit before tax</b>	<b>1.069</b>	<b>6.645</b>	<b>5.447</b>	<b>12.092</b>
Income tax expense	9 (476)	(2.319)	(3.130)	(5.449)
<b>Net profit</b>	<b>593</b>	<b>4.326</b>	<b>2.317</b>	<b>6.643</b>
<b>Attributable to:</b>				
Owners of the Company	730	4.274	2.317	6.591
Minority interests	(137)	52	-	52
	<b>593</b>	<b>4.326</b>	<b>2.317</b>	<b>6.643</b>
<b>Earnings per share</b>				
Basic	0,0236	0,1385	0,0750	0,2135
Diluted	0,0234	0,1375	0,0746	0,2121
<b>Weighted average number of shares</b>				
Basic	30.962.308	30.876.660	30.876.660	30.876.660
Diluted	31.143.299	31.073.732	31.073.732	31.073.732

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

**S&B Industrial Minerals S.A.**  
**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2009**

(Amounts in thousand Euro)

	The Group			
	1/1 - 31/3/2009	1/1 -31/3/2008		
		Continuing operations	Discontinued operations	Total
Net profit	593	4.326	2.317	6.643
<u>Other comprehensive income</u>				
Translation of foreign operations:				
-Subsidiaries	2.436	(3.729)	(14)	(3.743)
-Associates	(19)	-	-	-
Valuation of available-for-sale investment	(12)	452	-	452
Valuation of derivatives	88	-	-	-
Income tax relating to valuation of available-for-sale investment	3	-	-	-
Income tax relating to valuation of derivatives	(22)	(113)	-	(113)
Other comprehensive income / (loss) for the period, net of tax	2.474	(3.390)	(14)	(3.404)
Total comprehensive income for the period, net of tax	3.067	936	2.303	3.239
Attributable to:				
Owners of the Company	3.179	884	2.303	3.187
Minority interests	(112)	52	-	52
	3.067	936	2.303	3.239

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

**S&B Industrial Minerals S.A.**  
**SEPARATE INCOME STATEMENT**  
**FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2009**  
(Amounts in thousand Euro)

		<b>The Company</b>	
	<u>Note</u>	<u>1/1 - 31/3/2009</u>	<u>1/1 - 31/3/2008</u>
Sales	6	26.838	34.610
Cost of sales		(19.346)	(26.351)
<b>Gross Profit</b>		<b>7.492</b>	<b>8.259</b>
Administrative expenses		(4.838)	(6.671)
Selling expenses		(552)	(822)
Other income		1.715	1.191
Other expenses		(96)	(64)
<b>Operating profit</b>		<b>3.721</b>	<b>1.893</b>
Finance income	7	536	3
Finance costs	8	(2.249)	(2.240)
Gain from the carve-out of subsidiary		-	12.388
<b>Profit before tax</b>		<b>2.008</b>	<b>12.044</b>
Income tax expense	9	(505)	(3.244)
<b>Net profit</b>		<b>1.503</b>	<b>8.800</b>

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

**S&B Industrial Minerals S.A.**  
**SEPARATE STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2009**  
(Amounts in thousand Euro)

	<b>The Company</b>	
	<b>1/1 - 31/3/2009</b>	<b>1/1 - 31/3/2008</b>
<b>Net profit</b>	<b>1.503</b>	<b>8.800</b>
<b><u>Other comprehensive income</u></b>		
Valuation of available-for-sale investment	(12)	452
Valuation of derivatives	88	-
Income tax relating to valuation of available-for-sale investment	3	-
Income tax relating to valuation of derivatives	(22)	(113)
<b>Other comprehensive income for the period, net of tax</b>	<b>57</b>	<b>339</b>
<b>Total comprehensive income for the period, net of tax</b>	<b>1.560</b>	<b>9.139</b>

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

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

		The Group		The Company	
	Note	March 31 2009	December 31 2008	March 31 2009	December 31 2008
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment		189.488	185.979	98.705	96.027
Investment properties		20.539	20.607	20.540	20.607
Goodwill		82.766	82.508	25.129	25.129
Other intangible assets		24.742	25.099	45	59
Investments in subsidiaries		-	-	126.070	126.070
Investments in associates		9.732	9.616	4.599	4.399
Deferred tax assets		4.175	3.861	2.265	2.310
Available-for-sale financial assets		233	245	233	245
Other non-current assets		2.380	2.365	521	531
		<b>334.055</b>	<b>330.280</b>	<b>278.107</b>	<b>275.377</b>
<b>Current assets</b>					
Inventories		82.582	92.159	23.265	25.978
Trade receivables		48.620	53.489	8.677	11.083
Due from related parties	12	2.713	3.316	18.061	23.786
Income tax receivables		1.641	1.758	-	258
Other current assets		15.911	15.932	9.897	9.456
Cash and cash equivalents		28.902	13.434	13.970	879
		<b>180.369</b>	<b>180.088</b>	<b>73.870</b>	<b>71.440</b>
<b>Total Assets</b>		<b>514.424</b>	<b>510.368</b>	<b>351.977</b>	<b>346.817</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Equity attributable to owners of the Company</b>					
Share capital		31.011	31.011	31.011	31.011
Share premium		11.596	11.596	11.596	11.596
Treasury shares		(1.814)	(1.647)	(1.814)	(1.647)
Share option plan reserve		1.379	1.272	1.379	1.272
Derivatives valuation reserve		(325)	(391)	(325)	(391)
Other reserves		100.474	100.483	102.988	102.997
Translation of foreign operations		(4.278)	(6.670)	-	-
Retained earnings		57.521	56.791	16.307	14.804
		<b>195.564</b>	<b>192.445</b>	<b>161.142</b>	<b>159.642</b>
Minority interests		1.222	1.334	-	-
<b>Total equity</b>		<b>196.786</b>	<b>193.779</b>	<b>161.142</b>	<b>159.642</b>
<b>Non-current liabilities</b>					
Provision for staff leaving indemnities		16.662	16.476	7.881	7.712
Provision for environmental rehabilitation		14.550	14.875	12.197	12.484
Other provisions		2.553	2.945	330	646
Interest-bearing loans and borrowings		169.754	119.735	109.825	59.809
Deferred tax liabilities		15.735	15.751	-	-
Government grants		1.978	2.021	1.880	1.917
Other non-current liabilities		865	678	42	57
		<b>222.097</b>	<b>172.481</b>	<b>132.155</b>	<b>82.625</b>
<b>Current liabilities</b>					
Trade payables		21.043	22.979	7.248	7.116
Due to related parties	12	957	950	1.051	921
Short-term borrowings		35.374	43.814	31.399	38.014
Current portion of long-term interest bearing loans and borrowings		15.048	53.034	7.500	45.500
Income tax liabilities		474	492	110	-
Dividends payable		62	75	62	75
Other current liabilities		22.583	22.764	11.310	12.924
		<b>95.541</b>	<b>144.108</b>	<b>58.680</b>	<b>104.550</b>
<b>Total equity and liabilities</b>		<b>514.424</b>	<b>510.368</b>	<b>351.977</b>	<b>346.817</b>

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



**S&B Industrial Minerals S.A.**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2009**

(Amounts in thousand Euro)

	The Group									
	Attributable to owners of the Company								Minority interests	Total equity
	Share Capital	Share Premium	Treasury Shares	Share option plan reserve	Derivatives valuation reserve	Other reserves	Translation of foreign operations	Retained earnings	Total	
<b>January 1, 2008</b>	<b>30.877</b>	<b>30.057</b>	<b>-</b>	<b>915</b>	<b>-</b>	<b>87.040</b>	<b>(6.886)</b>	<b>59.532</b>	<b>201.535</b>	<b>8.695</b>
- Profit for the period	-	-	-	-	-	-	-	6.591	6.591	52
- Other comprehensive income / (loss) for the period	-	-	-	-	-	339	(3.743)	-	(3.404)	-
- Total comprehensive income / (loss) for the period	-	-	-	-	-	339	(3.743)	6.591	3.187	52
- Share based payment	-	-	-	216	-	-	-	-	216	-
- Share capital increase from share premium	19.452	(19.452)	-	-	-	-	-	-	-	-
- Share capital decrease	(19.452)	-	-	-	-	-	-	-	(19.452)	-
- Increase of investment in subsidiaries	-	-	-	-	-	-	-	(151)	(151)	(46)
- Carve-out of subsidiary shares to the Company's shareholders	-	-	-	-	-	3.289	-	186	3.475	(7.073)
- Transfers	-	-	-	-	-	495	(73)	(403)	19	(19)
<b>March 31, 2008</b>	<b>30.877</b>	<b>10.605</b>	<b>-</b>	<b>1.131</b>	<b>-</b>	<b>91.163</b>	<b>(10.702)</b>	<b>65.755</b>	<b>188.829</b>	<b>1.609</b>
<b>January 1, 2009</b>	<b>31.011</b>	<b>11.596</b>	<b>(1.647)</b>	<b>1.272</b>	<b>(391)</b>	<b>100.483</b>	<b>(6.670)</b>	<b>56.791</b>	<b>192.445</b>	<b>1.334</b>
- Profit for the period	-	-	-	-	66	(9)	2.392	730	730	(137)
- Other comprehensive income / (loss) for the period	-	-	-	-	66	(9)	2.392	-	2.449	25
- Total comprehensive income / (loss) for the period	-	-	-	-	66	(9)	2.392	730	3.179	(112)
- Share based payment	-	-	-	107	-	-	-	-	107	-
- Purchase of treasury shares	-	-	(167)	-	-	-	-	-	(167)	-
<b>March 31, 2009</b>	<b>31.011</b>	<b>11.596</b>	<b>(1.814)</b>	<b>1.379</b>	<b>(325)</b>	<b>100.474</b>	<b>(4.278)</b>	<b>57.521</b>	<b>195.564</b>	<b>1.222</b>

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

**S&B Industrial Minerals S.A.**  
**SEPARATE STATEMENT OF CHANGES IN EQUITY**  
**FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2009**  
(Amounts in thousand Euro)

	<b>The Company</b>							
	<b>Share Capital</b>	<b>Share Premium</b>	<b>Treasury Shares</b>	<b>Share option plan reserve</b>	<b>Derivatives valuation reserve</b>	<b>Other reserves</b>	<b>Retained earnings</b>	<b>Total</b>
<b>January 1, 2008</b>	<b>30.877</b>	<b>30.057</b>	<b>-</b>	<b>915</b>	<b>-</b>	<b>90.228</b>	<b>16.587</b>	<b>168.664</b>
- Profit for the period	-	-	-	-	-	-	8.800	8.800
- Other comprehensive income for the period	-	-	-	-	-	339	-	339
- Total comprehensive income for the period	-	-	-	-	-	339	8.800	9.139
- Share based payment	-	-	-	216	-	-	-	216
- Share capital increase from share premium	19.452	(19.452)	-	-	-	-	-	-
- Share capital decrease	(19.452)	-	-	-	-	-	-	(19.452)
- Carve-out of subsidiary shares to the Company's shareholders	-	-	-	-	-	3.852	-	3.852
<b>March 31, 2008</b>	<b>30.877</b>	<b>10.605</b>	<b>-</b>	<b>1.131</b>	<b>-</b>	<b>94.419</b>	<b>25.387</b>	<b>162.419</b>
<b>January 1, 2009</b>	<b>31.011</b>	<b>11.596</b>	<b>(1.647)</b>	<b>1.272</b>	<b>(391)</b>	<b>102.997</b>	<b>14.804</b>	<b>159.642</b>
- Profit for the period	-	-	-	-	-	-	1.503	1.503
- Other comprehensive income / (loss) for the period	-	-	-	-	66	(9)	-	57
- Total comprehensive income / (loss) for the period	-	-	-	-	66	(9)	1.503	1.560
- Share based payment	-	-	-	107	-	-	-	107
- Purchase of treasury shares	-	-	(167)	-	-	-	-	(167)
<b>March 31, 2009</b>	<b>31.011</b>	<b>11.596</b>	<b>(1.814)</b>	<b>1.379</b>	<b>(325)</b>	<b>102.988</b>	<b>16.307</b>	<b>161.142</b>

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

**S&B Industrial Minerals S.A.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE THREE MONTH PERIOD ENDED MARCH 31, 2009**  
(Amounts in thousand Euro)

	<u>Note</u>	<u>The Group</u>		<u>The Company</u>	
		<u>1/1 - 31/3</u> <u>2009</u>	<u>1/1 - 31/3</u> <u>2008</u>	<u>1/1 - 31/3</u> <u>2009</u>	<u>1/1 - 31/3</u> <u>2008</u>
<b>Cash flows from operating activities</b>					
<b>Profit before tax from continuing operations</b>		1.069	6.645	2.008	12.044
Profit before tax from discontinued operations		-	5.447	-	-
<b>Profit before tax</b>		<b>1.069</b>	<b>12.092</b>	<b>2.008</b>	<b>12.044</b>
Adjustments for:					
- Depreciation and amortization		5.945	6.530	2.826	3.621
- Grants amortization		(37)	(45)	(37)	(33)
- Provisions, net		32	715	(226)	782
- Finance income		(969)	(90)	(536)	(3)
- Finance costs		3.055	4.132	2.249	1.900
- Share of profit of associates		165	(402)	-	-
- Gain from the carve-out of subsidiary		-	(5.357)	-	(12.388)
- Gain on disposal of property, plant and equipment		(105)	(8)	(30)	(5)
		<b>9.155</b>	<b>17.567</b>	<b>6.254</b>	<b>5.918</b>
(Increase) / Decrease in:					
- Inventories		9.462	3.969	2.391	2.261
- Trade receivables		4.632	2.652	2.406	5.886
- Due from related parties		603	(948)	5.724	(6.582)
- Other current assets		(143)	(157)	(608)	(611)
Increase / (Decrease) in:					
- Trade payables		(1.937)	(5.701)	132	(1.373)
- Due to related parties		6	(87)	131	(88)
- Other current liabilities		2.362	2.964	1.404	1.993
Staff leaving indemnities paid		(267)	(220)	(123)	(587)
Payments for environmental rehabilitation		(223)	(747)	(201)	(195)
Income tax paid		(861)	(1.047)	(111)	(124)
<b>Net cash flows from operating activities</b>		<b>22.789</b>	<b>18.245</b>	<b>17.399</b>	<b>6.498</b>
<b>Cash flows from investing activities</b>					
- Capital expenditure	13	(6.944)	(6.152)	(5.228)	(4.171)
- Capitalized depreciation		154	118	154	118
- Business combinations and investments in consolidated entities		(768)	(886)	(200)	(193)
- Dividends received		-	-	-	5.500
- Interest and other finance income received		49	90	1	3
- Derivative income received		176	-	176	-
- Proceeds from disposal of property, plant and equipment		172	26	30	14
<b>Net cash flows (used in)/ from investing activities</b>		<b>(7.161)</b>	<b>(6.804)</b>	<b>(5.067)</b>	<b>1.271</b>
<b>Cash flows used in financing activities:</b>					
- Purchase of treasury shares		(167)	-	(167)	-
- Net increase of short-term borrowing		(8.440)	(5.981)	(6.615)	(6.488)
- Proceeds from long-term borrowing		50.000	-	50.000	-
- Repayment of long-term borrowing		(38.000)	-	(38.000)	-
- Dividends paid to owners of the Company		(13)	(1)	(13)	(1)
- Derivatives paid		(1.449)	-	(1.449)	-
- Interest and other finance costs paid		(3.654)	(2.890)	(2.997)	(643)
<b>Net cash flows (used in)/ from financing activities</b>		<b>(1.723)</b>	<b>(8.872)</b>	<b>759</b>	<b>(7.132)</b>
- Net foreign exchange difference on flows		1.255	(1.533)	-	-
<b>Net increase in cash and cash equivalents</b>		<b>15.160</b>	<b>1.036</b>	<b>13.091</b>	<b>637</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>13.434</b>	<b>15.310</b>	<b>879</b>	<b>1.130</b>
- Net foreign exchange difference on cash and cash equivalents at the beginning of the period		308	(537)	-	-
Less: Cash and cash equivalents of discontinued operations at the beginning of the period		-	(260)	-	-
<b>Cash and cash equivalents at period end</b>		<b>28.902</b>	<b>15.549</b>	<b>13.970</b>	<b>1.767</b>

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

## **A2. NOTES TO THE FINANCIAL STATEMENTS**

**S&B Industrial Minerals S.A.**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2009**

(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 Greek 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 otavi industrial mineral applications such as wollastonite, spodumene, calcined chamotte etc.

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

As at March 31, 2009 and 2008 the Group employed 2.154 and 2.163 employees, respectively, while the Company employed 709 and 751 employees, respectively.

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

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

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

The financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the latest issued annual financial statements as at December 31, 2008.

The financial statements for the three month period ended March 31, 2009 were approved by the Company's Board of Directors on May 12, 2009.

## **3. PRINCIPAL ACCOUNTING POLICIES**

The principal accounting policies adopted in the preparation of the financial statements, are consistent with those followed in the preparation of the annual financial statements for the year ended December 31, 2008, except for the below mentioned adoption of new standards and interpretations applicable for fiscal periods beginning at January 1, 2009:

- **IFRIC 13, "Customer Loyalty Programmes"**: this interpretation is not applicable on the Group's operations.
- **IFRIC 15, "Agreements for the Construction of Real Estate"**: this interpretation is not applicable on the Group's operations.
- **IFRIC 16, "Hedges of a Net Investment in a foreign operation"**: this interpretation has no impact on the financial statements as the Group does not hedge the net investment in a foreign operation.

**S&B Industrial Minerals S.A.**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2009**

(Amounts in thousand Euro, unless otherwise stated)

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

- **Amendments to IFRS 1 “First-time Adoption of International Financial Reporting Standards” and IAS 27 “Consolidated and Separate Financial Statements”:** this interpretation is not applicable on the Group’s operations.
- **IFRS 2, “Share-based Payments” (Amended):** this Interpretation has no impact on the financial statements.
- **IFRS 8, “Operating Segments”:** IFRS 8 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 determined the new operating segments, as shown in Note 15, where additional disclosures and revised comparative information are also disclosed.
- **IAS 1, “Presentation of Financial Statements” (Revised):** IAS 1 has been revised to enhance the usefulness of information presented in the financial statements. Of the main revisions are: the requirement that the statement of changes in equity includes only transactions with shareholders; the introduction of a new statement of comprehensive income that combines all items of income and expense recognised in profit or loss together with “other comprehensive income”; and the requirement to present restatements of financial statements or retrospective application of a new accounting policy as at the beginning of the earliest comparative period, i.e. a third column on the statement of financial position. 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 and IAS 1, “Puttable Financial Instruments” (Amended):** These amendments are not applicable on the financial statements.
- **IAS 39 “Financial Instruments: Recognition and Measurement” - Eligible Hedged Items:** the amendment has no impact on the financial statements as the Group has not entered into any related hedges.
- **IAS 23, “Borrowing Costs” (Revised):** The benchmark treatment in the previous standard of expensing all borrowing costs to the income statement has been 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 period 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.
- **IAS 39, “Financial Instruments: Recognition and Measurement” and IFRS 7 “Financial Instruments: Disclosures; Reclassification of Financial Assets”:** the amendment has no impact on the financial statements as the Group has not entered into any reclassifications of financial assets.

**S&B Industrial Minerals S.A.**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2009**

(Amounts in thousand Euro, unless otherwise stated)

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

***4.1 Consolidation under the full and proportionate method***

The subsidiaries of S&B and the entities in which S&B has common control included in the consolidated financial statements are the following:

Entity	Country	Field of activity	% Participation		Year Established / Acquired
			31/3/2009	31/12/2008	
<b>EUROPE</b>					
S&B Industrial Minerals AD	Bulgaria	Industrial Minerals	99,73%	99,73%	2003
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	Germany	Holding	100,00%	100,00%	2000
SLS Baustoffe GmbH	Germany	Industrial Minerals	75,00%	75,00%	2001
Orykton GmbH	Germany	Industrial Minerals	50,00%	50,00%	2005
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
S&B Industrial Minerals Spain S.L.u.	Spain	Industrial Minerals	100,00%	100,00%	2000
Sarda Perlite S.r.l.	Italy	Industrial Minerals	61,00%	61,00%	2001
Sibimin Overseas Ltd.	Cyprus	Industrial Minerals	99,99%	99,99%	1996
Asian Minerals Ltd.	Cyprus	Holding	100,00%	100,00%	2006
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
S&B Industrial Minerals Kft	Hungary	Industrial Minerals	100,00%	100,00%	2001
S&B Industrial Minerals SP Z.O.O.	Poland	Industrial Minerals	100,00%	100,00%	2006
<b>AMERICA</b>					
S&B Industrial Minerals North America Inc.	USA	Industrial Minerals	100,00%	100,00%	1999
Stollberg Inc.	USA	Industrial Minerals	100,00%	100,00%	2004
Stollberg do Brazil Ltda	Brazil	Industrial Minerals	100,00%	100,00%	2004
<b>ASIA</b>					
S&B Industrial Minerals (Henan) Co. Ltd.	China	Industrial Minerals	100,00%	100,00%	1996
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
Qing Dao Stollberg & Samil Co.Ltd. (Footnote 1)	China	Industrial Minerals	48,32%	48,32%	2004
S&B Endustriyel Mineraller A.Ş.	Turkey	Industrial Minerals	99,71%	99,71%	1996
Pabalk Maden A.Ş.	Turkey	Industrial Minerals	98,73%	98,73%	1995
Stollberg India Pvt. Ltd	India	Industrial Minerals	100,00%	100,00%	2004
Stollberg & Samil Co. Ltd.	Korea	Industrial Minerals	50,00%	50,00%	2004
<b>AFRICA</b>					
Naimex S.A.R.L.	Morocco	Industrial Minerals	100,00%	100,00%	2003
S&B Ind. Min. Morocco S.A.R.L.	Morocco	Industrial Minerals	100,00%	100,00%	2008

**Footnotes**

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

**S&B Industrial Minerals S.A.**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2009**

(Amounts in thousand Euro, unless otherwise stated)

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

***4.2 Equity method entities***

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

Associate	Country	Field of activity	% Participation		Year Established / Acquired
			31/3/2009	31/12/2008	
Laviosa Chimica Mineraria S.p.A.	Italy	Industrial Minerals	35,00%	35,00%	1997
Laviosa Promasa S.A.	Spain	Industrial Minerals	29,52%	29,52%	1997
Bentec S.p.A.	Italy	Industrial Minerals	49,95%	49,95%	1999
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	Cyprus	Real Estate	25,00%	25,00%	2007

Within 2009, the Company paid € 200 to the associate Protovoulia Milos S.A for future capital increases.

It is noted that for associates Laviosa Promasa S.A. and Bentec S.A., the Company holds a direct participation interest of 20,10% and 23%, respectively, whereas the aggregate interest stated at the above table, is derived indirectly due to the fact that the above mentioned companies are also consolidated at the financial statements of Laviosa Chimica Mineraria S.p.A. Moreover, the latter owns wholly Laviosa Sanayi Ve Ticaret Ltd. located in Turkey.



**S&B Industrial Minerals S.A.**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2009**

(Amounts in thousand Euro, unless otherwise stated)

**5. BUSINESS COMBINATIONS**

The new business combination of 2009 is analyzed as follows:

***5.1 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 the 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.

This acquisition did not have any material contribution to the Group's operations for the three-month period ended March 31, 2009.

The fair value of the identifiable assets, liabilities and contingent liabilities, the purchase price allocation according to the provisions of IFRS 3 «Business Combinations» and the precise determination of goodwill is expected to be concluded within 2009 due to the fact that the identification of intangible assets, if any, which should decrease the residual resulted goodwill, has not yet been concluded.

The temporary fair values of identifiable assets acquired and liabilities assumed by the Group, the total consideration (cost) of acquisition and the residual temporary goodwill recognized are summarized as follows:

	Temporary fair value on acquisition	Carrying value on acquisition
Machinery	275	275
Buildings	14	14
Transportation equipment	12	12
Inventories	248	248
	<b>549</b>	<b>549</b>
Deferred tax liabilities	-	-
Fair value of net assets	<b>549</b>	
Total acquisition cost	<b>568</b>	
Residual temporary goodwill	<b>19</b>	
<u>Analysis of total acquisition cost</u>		
Acquisition cost	549	
Direct acquisition costs and other expenses	19	
<b>Net cash outflow of acquisition</b>	<b>568</b>	

The above acquisition enhances the operations and the production capacity of the Group and it creates new development opportunities and synergies to the distribution network and strategic presence in new states of USA.

**S&B Industrial Minerals S.A.**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2009**

(Amounts in thousand Euro, unless otherwise stated)

**6. SALES**

Sales in the financial statements are analyzed as follows:

	<b>The Group</b>		<b>The Company</b>	
	<b>1/1-31/3 2009</b>	<b>1/1-31/3 2008</b>	<b>1/1-31/3 2009</b>	<b>1/1-31/3 2008</b>
Bentonite	37.484	47.796	12.386	16.022
Perlite	15.382	17.771	7.551	7.314
Bauxite	6.649	10.974	6.649	10.943
Continuous casting fluxes	12.933	23.598	-	-
Otavi	6.857	10.591	-	-
Other	252	331	252	331
<b>Sales from continuing operations</b>	<b>79.557</b>	<b>111.061</b>	<b>26.838</b>	<b>34.610</b>
Sales from discontinued operations	-	4.955	-	-
<b>Total sales</b>	<b>79.557</b>	<b>116.016</b>	<b>26.838</b>	<b>34.610</b>

**7. FINANCE INCOME**

Finance income in the financial statements is analyzed as follows:

	<b>The Group</b>		<b>The Company</b>	
	<b>1/1-31/3 2009</b>	<b>1/1-31/3 2008</b>	<b>1/1-31/3 2009</b>	<b>1/1-31/3 2008</b>
Foreign exchange gain, net	864	-	479	-
Interest income	49	75	1	3
Gains from valuation of derivatives on freights	56	-	56	-
	<b>969</b>	<b>75</b>	<b>536</b>	<b>3</b>
Finance income of discontinued operations	-	15	-	-
<b>Total finance income</b>	<b>969</b>	<b>90</b>	<b>536</b>	<b>3</b>

**S&B Industrial Minerals S.A.**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2009**

(Amounts in thousand Euro, unless otherwise stated)

**8. FINANCE COSTS**

Finance costs in the financial statements are analyzed as follows:

	<b>The Group</b>		<b>The Company</b>	
	<b>1/1-31/3 2009</b>	<b>1/1-31/3 2008</b>	<b>1/1-31/3 2009</b>	<b>1/1-31/3 2008</b>
Interest expense on long term loans and borrowings	1.480	2.728	953	1.597
Interest expense on short term borrowings	816	228	715	110
Losses from valuation and settlement of derivatives on oil	228	-	228	-
Finance cost of environmental rehabilitation provision	86	225	86	225
Finance cost of staff leaving indemnities provision	258	224	136	116
Foreign exchange losses, net	-	477	-	142
Bank charges	155	84	115	32
Amortization of loan expenses	32	36	16	18
	<b>3.055</b>	<b>4.002</b>	<b>2.249</b>	<b>2.240</b>
Finance costs of discontinued operations	-	130	-	-
<b>Total finance costs</b>	<b>3.055</b>	<b>4.132</b>	<b>2.249</b>	<b>2.240</b>

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

Income tax in the financial statements is analyzed as follows:

	<b>The Group</b>		<b>The Company</b>	
	<b>1/1-31/3 2009</b>	<b>1/1-31/3 2008</b>	<b>1/1-31/3 2009</b>	<b>1/1-31/3 2008</b>
Current income tax	870	2.152	479	147
Deferred income tax (income) / expense	(394)	3.297	26	3.097
<b>Income tax of the Group</b>	<b>476</b>	<b>5.449</b>	<b>505</b>	<b>3.244</b>
Less: Income tax of discontinued operations	-	(3.130)	-	-
<b>Income tax of continuing operations</b>	<b>476</b>	<b>2.319</b>	<b>505</b>	<b>3.244</b>

**S&B Industrial Minerals S.A.**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2009**

(Amounts in thousand Euro, unless otherwise stated)

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

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

Company	Footnote	Country	Unaudited tax years
<b>EUROPE</b>			
S&B Industrial Minerals AD		Bulgaria	2008
S&B Industrial Minerals S.A.R.L.		France	2003-2008
Denain Anzin Metallurgie S.A.S.		France	2006-2008
S&B Industrial Minerals GmbH		Germany	2006-2008
S&B Holding GmbH		Germany	2006-2008
Otavi Minen AG		Germany	2006-2008
SLS Baustoffe GmbH		Germany	2004-2008
Orykton GmbH		Germany	2005-2008
Askana Ltd.		Georgia	2003-2008
S&B Industrial Minerals S.A	(1)	Greece	2008
Isocon S.A.		Greece	2007-2008
Greek Helicon Bauxites S.A.		Greece	2007-2008
S&B Industrial Minerals Spain S.L.u.		Spain	2002-2008
Sarda Perlite S.r.l.		Italy	2000-2008
Sibimin Overseas Ltd.		Cyprus	1999-2008
Asian Minerals Ltd.		Cyprus	2006-2008
Cebo International BV	(2)	Netherlands	2002-2008
Cebo Holland B.V.	(2)	Netherlands	2002-2008
Cebo Marine B.V.	(2)	Netherlands	2002-2008
Cebo U.K. Ltd	(2)	G. Britain	2002-2008
S&B Industrial Minerals Kft		Hungary	2002-2008
S&B Industrial Minerals SP Z.O.O.		Poland	2007-2008
<b>AMERICA</b>			
S&B Industrial Minerals North America Inc.		USA	2000-2008
Stollberg Inc.	(2)	USA	2000-2008
Stollberg do Brazil Ltda	(2)	Brazil	2002-2008
<b>ASIA</b>			
S&B Industrial Minerals (Henan) Co. Ltd.		China	2007-2008
S&B Jilin Wollastonite Co Ltd.		China	2005-2008
S&B Industrial Minerals (Tianjin) Co. Ltd.		China	2006-2008
Panshi Huanyu Wollastonite Co. Ltd.		China	2007-2008
Qing Dao Stollberg & Samil Co.Ltd.	(2)	China	2006-2008
S&B Endustriyel Mineraller A.Ş.		Turkey	2004-2008
Pabalk Maden A.Ş.		Turkey	2004-2008
Stollberg India Pvt. Ltd		India	2006-2008
Stollberg & Samil Co. Ltd.	(2)	Korea	2005-2008
<b>AFRICA</b>			
Naimex S.A.R.L.		Morocco	2004-2008
S&B Ind. Min. Morocco S.A.R.L.		Morocco	2008

**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. Income tax assessments of € 490 have been imposed, out of which € 21 were charged to the current period's results.
- (2) The potential tax liabilities that may come up from a future tax audit until fiscal year 2003 for the companies of Stollberg Group and until fiscal year 2006 for the companies of Cebo Group, based on the acquisition agreement, are covered by the seller.

**S&B Industrial Minerals S.A.**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2009**

(Amounts in thousand Euro, unless otherwise stated)

**10. EXISTING LIENS**

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

**11. PENDING LITIGATION AND ARBITRATION**

The Group is a party to various lawsuits and arbitration proceedings in the normal course of business, for which S&B has provided the amount of € 509 and € 509 as of March 31, 2009 and as of December 31, 2008, respectively (the Company € 404 and € 404 as of March 31, 2009 and as of December 31, 2008, respectively) in the financial statements. Beyond these cases, for which the above provision was established, the Group's Management considers that the outcome of the remaining litigation is not expected to have a material adverse effect on the Group's and the Company's financial position and operations.

Moreover, by its decisions nr.8778/07 and nr.8779/07 the Ministry for the Environment, Physical Planning and Public Works imposed penalties of € 224 and € 168, respectively, to the Company. The latter, after having fully paid the above penalties, appealed against 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 above decisions of the Ministry for the Environment Physical Planning and Public Works. It is noted that the above amounts collected within 2009, while they were reversed to the income statement for the year ended December 31, 2008. The pertinent authorities have repeated the procedure in a lawful manner and have requested the Company to defense itself against the environmental infringements for which it was accused in the first place.

**12. RELATED PARTY TRANSACTIONS**

Transactions with related parties are made at normal market prices and relate mainly to operating and partly to investing activities. Outstanding balances at the year-end are unsecured, interest free and settlement occurs in cash within the agreed time period. 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.

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

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

**S&B Industrial Minerals S.A.**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2009**

(Amounts in thousand Euro, unless otherwise stated)

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

	The Group			
	Due from		Due to	
	March 31 2009	December 31 2008	March 31 2009	December 31 2008
<b><u>Associates</u></b>				
Laviosa Chimica Mineraria S.p.A.	403	193	-	-
Laviosa Promasa S.A.	-	726	-	-
Xinyang Athenian Mining Co. Ltd	-	-	227	308
Dolphin CI S&B Holdings Ltd	1.649	1.651	-	-
	<b>2.052</b>	<b>2.570</b>	<b>227</b>	<b>308</b>
<b><u>Jointly controlled entities</u></b>				
Cebo International B.V.	240	430	110	170
Stollberg & Samil Co. Ltd	118	133	21	-
Orykton GmbH	-	-	26	-
	<b>358</b>	<b>563</b>	<b>157</b>	<b>170</b>
<b><u>Other related companies</u></b>				
Motodynamics S.A., Group of companies	254	135	-	-
Perlite Hellas S.A.	-	-	565	469
ORYMIL S.A.	33	33	-	-
Other	16	15	8	3
	<b>303</b>	<b>183</b>	<b>573</b>	<b>472</b>
	<b>2.713</b>	<b>3.316</b>	<b>957</b>	<b>950</b>

	The Group			
	Revenues		Expenses	
	1/1-31/3 2009	1/1-31/3 2008	1/1-31/3 2009	1/1-31/3 2008
<b><u>Associates</u></b>				
Laviosa Promasa S.A.	-	323	-	-
Laviosa Chimica Mineraria S.p.A.	438	321	-	-
SLS Baustoffe GmbH	-	25	-	-
Xinyang Athenian Mining Co. Ltd	-	-	90	-
	<b>438</b>	<b>669</b>	<b>90</b>	<b>-</b>
<b><u>Jointly controlled entities</u></b>				
Cebo International B.V.	478	1.459	242	60
Stollberg & Samil Co. Ltd	7	-	21	-
Orykton GmbH	15	17	31	-
	<b>500</b>	<b>1.476</b>	<b>294</b>	<b>60</b>
<b><u>Other related companies</u></b>				
Motodynamics S.A., Group of companies	278	268	-	-
Perlite Hellas S.A.	-	-	266	355
Other	4	-	12	-
	<b>282</b>	<b>268</b>	<b>278</b>	<b>355</b>
	<b>1.220</b>	<b>2.413</b>	<b>662</b>	<b>415</b>

**S&B Industrial Minerals S.A.**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2009**

(Amounts in thousand Euro, unless otherwise stated)

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

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

	The Company			
	Due from		Due to	
	March 31 2009	December 31 2008	March 31 2009	December 31 2008
<b><u>Direct subsidiaries</u></b>				
Isocon S.A.	2.854	2.659	3	2
S&B Holding GmbH	722	563	-	-
Sibimin Overseas Ltd	13	7	-	-
Greek Helicon Bauxite S.A.	1	-	475	355
Sarda Perlite S.r.l.	-	-	254	324
SLS Baustoffe GmbH	-	-	-	7
	<b>3.590</b>	<b>3.229</b>	<b>732</b>	<b>688</b>
<b><u>Indirect subsidiaries</u></b>				
S&B Industrial Minerals GmbH	10.097	13.017	2	1
S&B Industrial Minerals North America Inc.	1.700	3.747	-	-
S&B Industrial Minerals S.A.R.L.	465	1.462	-	-
S&B Industrial Minerals Spain S.L.u.	1.277	1.101	-	-
S&B Endustriyel Mineraller A.S.	-	83	-	-
S&B Industrial Minerals (Henan) Co. Ltd.	10	10	6	6
Stollberg Inc.	52	-	-	-
S&B Industrial Minerals AD	165	-	303	223
	<b>13.766</b>	<b>19.420</b>	<b>311</b>	<b>230</b>
<b><u>Associates</u></b>				
Laviosa Promasa S.A.	-	726	-	-
Laviosa Chimica Mineraria S.p.A.	403	193	-	-
	<b>403</b>	<b>919</b>	<b>-</b>	<b>-</b>
<b><u>Other related companies</u></b>				
Motodynamics S.A., Group of companies	254	135	-	-
Cebo International B.V.	-	35	-	-
ORYMIL S.A.	33	33	-	-
Other	15	15	8	3
	<b>302</b>	<b>218</b>	<b>8</b>	<b>3</b>
	<b>18.061</b>	<b>23.786</b>	<b>1.051</b>	<b>921</b>

**S&B Industrial Minerals S.A.**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2009**

(Amounts in thousand Euro, unless otherwise stated)

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

	The Company			
	Revenues		Expenses	
	1/1-31/3 2009	1/1-31/3 2008	1/1-31/3 2009	1/1-31/3 2008
<b><u>Direct subsidiaries</u></b>				
Isocon S.A.	699	1.272	1	8
S&B Holding GmbH	159	141	-	-
Sibimin Overseas Ltd	6	7	-	-
Greek Helicon Bauxite S.A.	1	3	352	-
Sarda Perlite S.r.l.	-	-	111	96
Co S.A.	-	161	-	45
Parnassos Insurance S.A.	-	6	-	3
	<b>865</b>	<b>1.590</b>	<b>464</b>	<b>152</b>
<b><u>Indirect subsidiaries</u></b>				
S&B Industrial Minerals GmbH	4.549	7.343	-	-
S&B Industrial Minerals North America Inc.	2.761	1.057	-	-
S&B Industrial Minerals S.A.R.L.	665	1.240	-	8
S&B Industrial Minerals Spain S.L.u.	176	393	-	-
Stollberg Inc.	53	51	-	-
S&B Endustriyel Mineraller A.S.	83	-	-	-
S&B Industrial Minerals AD	9	-	297	137
	<b>8.296</b>	<b>10.084</b>	<b>297</b>	<b>145</b>
<b><u>Associates</u></b>				
Laviosa Promasa S.A.	-	320	-	-
Laviosa Chimica Mineraria S.p.A.	438	322	-	-
	<b>438</b>	<b>642</b>	<b>-</b>	<b>-</b>
<b><u>Other related companies</u></b>				
Cebo International B.V.	234	1.130	-	-
Motodynamics S.A., Group of companies	278	412	-	-
Other	-	35	10	-
	<b>512</b>	<b>1.577</b>	<b>10</b>	<b>-</b>
	<b>10.111</b>	<b>13.893</b>	<b>771</b>	<b>297</b>

Transactions and compensation of key management personnel and Board members of the Group for the three month period ended March 31, 2009 amounted to € 1.077 (€ 1.118 for the three month period ended March 31, 2008). Balances due to key management and Board members as of March 31, 2009 amounted to € 361 (€ 2.948 as of December 31, 2008).

Finally, transactions and compensation of key management and Board members of the Company for the three month period ended March 31, 2009 amounted to € 943 (€ 965 for the three month period ended March 31, 2008). Balances due to key management and Board members as of March 31, 2009 amounted to € 341 (€ 1.786 as of December 31, 2008).



**S&B Industrial Minerals S.A.**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2009**

(Amounts in thousand Euro, unless otherwise stated)

### **13. CAPITAL EXPENDITURE**

The Group realized capital expenditure for the three month periods ended March 31, 2009 and 2008 of € 6,9 million and € 6,2 million, respectively, excluding the acquisitions through business combinations (the Company realized € 5,2 million and € 4,2 million, respectively).

### **14. CONTINGENCIES - COMMITMENTS**

On March 31, 2009 and December 31, 2008 the Group has issued letters of guarantee for a total amount of € 3,6 million and € 3,6 million, respectively out of which the most significant relate to the Company, for a total amount of € 2,9 million and € 2,9 million, respectively, which related mainly to mining rights and licenses. Further to the above, the Company as of March 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 € 111,8 million (approximately € 112,0 million as of December 31, 2008).

### **15. 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 that is responsible for measuring the business performance of the segments.

For management purposes the Group is organized into divisions and business units based on the nature of the industrial mineral applications. In contrast with the former segment reporting structure, S&B has five reportable profit generating segments which are independently managed plus the 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 principal 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. Its bauxite reserves are of diasporic and boehmitic type.
- **Stollberg segment:** stollberg is a global market-leader in the production of continuous casting fluxes, associated products, and services for the steel industry. Fluxes have a complex composition and are engineered to satisfy the customer needs. They are essential for the operational reliability and high-grade steel production in continuous casting, bottom pouring, ladle and tundish processes.

**S&B Industrial Minerals S.A.**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2009**

(Amounts in thousand Euro, unless otherwise stated)

**15. SEGMENT INFORMATION (continued)**

- **Otavi segment:** is a supplier of industrial minerals for the glass, ceramic, metallurgy and refractory industries. Otavi produces tailor made 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 the divisions separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on sales, operating results and EBITDA. It is noted that the Group applies the same accounting policies as those in the financial statements in order to measure the operating segment's results. Group financing, including finance costs (other than the finance costs of provisions for environmental rehabilitation and staff leaving indemnities) and finance income, as well as income taxes are measured on a group basis and are included in corporate segment without being allocated to the profit generating segments.

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

The following tables present sales and results regarding the Group's operating segments for the three month periods ended March 31, 2009 and 2008, respectively:

	1/1-31/3/2009							
	<u>Bentonite</u>	<u>Perlite</u>	<u>Bauxite</u>	<u>Stollberg</u>	<u>Otavi</u>	<u>Corporate</u>	<u>Eliminations</u>	<u>Total</u>
<b>Sales</b>								
Third party	37.484	15.382	6.649	12.933	6.857	252	-	79.557
Inter-segment	53	-	-	-	52	-	(105)	-
<b>Total sales</b>	<u>37.537</u>	<u>15.382</u>	<u>6.649</u>	<u>12.933</u>	<u>6.909</u>	<u>252</u>	<u>(105)</u>	<u>79.557</u>
<b>Results</b>								
<b>Profit/(loss) before tax</b>	4.718	1.596	72	269	543	(6.129)	-	<u>1.069</u>
<b>EBITDA</b>	7.308	2.379	1.476	1.204	727	(4.031)	-	<u>9.063</u>

	1/1-31/3/2008							
	<u>Bentonite</u>	<u>Perlite</u>	<u>Bauxite</u>	<u>Stollberg</u>	<u>Otavi</u>	<u>Corporate</u>	<u>Eliminations</u>	<u>Total</u>
<b>Sales</b>								
Third party	47.796	17.771	10.974	23.598	10.591	331	-	111.061
Inter-segment	53	-	-	-	103	-	(156)	-
<b>Total sales</b>	<u><b>47.849</b></u>	<u><b>17.771</b></u>	<u><b>10.974</b></u>	<u><b>23.598</b></u>	<u><b>10.694</b></u>	<u><b>331</b></u>	<u><b>(156)</b></u>	<u><b>111.061</b></u>
<b>Results</b>								
<b>Profit/ (loss) before tax</b>	9.407	1.731	742	4.254	706	(10.195)	-	<u><b>6.645</b></u>
<b>EBITDA</b>	11.694	2.432	2.882	5.204	915	(6.152)	-	<u><b>16.975</b></u>

It is noted that segment information for the three month period ending March 31, 2008 exclude sales (€ 4.955), profit before tax (€ 5.447) and EBITDA (€ 287) from discontinued operations related wholly to commercial activities.

**S&B Industrial Minerals S.A.**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2009**

(Amounts in thousand Euro, unless otherwise stated)

**15. SEGMENT INFORMATION (continued)**

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

	<u>Bentonite</u>	<u>Perlite</u>	<u>Bauxite</u>	<u>Stollberg</u>	<u>Otavi</u>	<u>Corporate</u>	<u>Eliminations</u>	<u>Total</u>
<b>Assets</b>								
<b>March 31, 2009</b>	206.745	77.996	50.868	72.246	29.475	77.112	(18)	<b>514.424</b>
<b>December 31, 2008</b>	207.913	81.048	51.686	73.027	35.729	62.003	(1.038)	<b>510.368</b>

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

**16. PROCEEDS AND PAYMENTS OF BANK LOANS**

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. The Company used the aforementioned loans and repaid € 38 million of the bond loans.

**17. CURRENT PERIOD SIGNIFICANT EVENTS**

(in this note all amounts are expressed in Euro)

**Dividends**

The Board of Directors of the Company in a meeting held on March 9, 2009 proposed a dividend for the year 2008 which amounts to Euro 4.961.715,00 (Euro 0,16 per share) which is included in the equity of December 31, 2008 and is not reflected as a liability on the statement of financial position.

**Acquisition of treasury shares**

Within the period, the Company acquired 32.238 common treasury shares at an average price of € 5,18 per share, of an aggregate amount of € 166.952,76.

**18. PRIOR YEAR RECLASSIFICATION**

For better presentation and comparison purposes an amount of € 469 related to payables to related parties has been transferred from "Trade payables" to "Due to related parties" in the consolidated balance sheet as of December 31, 2008.

**S&B Industrial Minerals S.A.**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**AS OF MARCH 31, 2009**

(Amounts in thousand Euro, unless otherwise stated)

**19. FOREIGN EXCHANGE RATES**

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

	<b>FINANCIAL POSITION</b>		<b>Δ%</b>
	<b>March 31 2009</b>	<b>December 31 2008</b>	
1 € = USD	1,3308	1,3917	-4%
1 € = BGN	1,9558	1,9558	0%
1 € = HUF	308,18	266,70	16%
1 € = TRY	2,221	2,149	3%
1 € = CNY	9,0942	9,4956	-4%
1 € = GEL	2,2034	2,3728	-7%
1 € = KRW	1.840,63	1.839,13	0%
1 € = BRL	3,0783	3,2381	-5%
1 € = INR	66,972	67,905	-1%
1 € = MAD	11,1041	11,2357	-1%
1 € = PLN	4,6885	4,1535	13%

	<b>COMPREHENSIVE INCOME</b>		<b>Δ%</b>
	<b>Average rate three month 2009</b>	<b>Average rate three month 2008</b>	
1 € = USD	1,3029	1,4976	-13%
1 € = BGN	1,9558	1,9558	0%
1 € = HUF	294,19	259,30	13%
1 € = RON	-	3,689	-100%
1 € = TRY	2,163	1,804	20%
1 € = CNY	8,9066	10,7269	-17%
1 € = GEL	2,185	2,329	-6%
1 € = KRW	1.847,59	1.430,84	29%
1 € = BRL	3,0162	2,6056	16%
1 € = INR	64,838	59,712	9%
1 € = RSD	-	82,70	-100%
1 € = MAD	11,0830	11,3502	-2%
1 € = PLN	4,4988	3,5759	26%

## **B. ADDITIONAL INFORMATION**



# S&B Industrial Minerals S.A.

Company's No 110/06/B/06/11 in the register of Societies Anonymes - Andrea Melara 10 - 145 64 Kifissia  
**FINANCIAL DATA AND INFORMATION FOR THE PERIOD 1 JANUARY - 31 MARCH 2009**  
 (In accordance with 4/507/20.04.2009 resolution of the Greek Capital Market Committee)  
 (Amounts in Euro thousand unless otherwise stated)

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

Board of Directors approval date of financial statements: May 12, 2009  
 Company's website: [www.sandb.com](http://www.sandb.com)

STATEMENT OF FINANCIAL POSITION					STATEMENT OF COMPREHENSIVE INCOME						
ACCOUNT	GROUP		COMPANY			GROUP		Total	COMPANY		
	31.3.2009	31.12.2008	31.3.2009	31.12.2008		31.3.2009	31.12.2008				
<b>ASSETS</b>											
Property, Plant & Equipment	159,458	159,459	98,105	98,002	Sales	19,357	111,061	4,693	118,018	28,838	34,810
Investment properties	20,539	20,607	20,540	20,600	Gross profit	18,244	26,453	1,269	27,830	7,462	8,229
Intangible assets	107,508	107,607	25,174	25,158	Profit before income tax, financial and investment results	3,320	10,170	205	10,375	3,221	1,893
Other non-current assets	18,087	15,842	155,428	155,310	Profit before tax	1,059	8,542	3,447	12,282	2,028	12,244
Investments	82,382	82,159	23,585	23,628	Net profit (A)	<u>569</u>	<u>4,325</u>	<u>2,317</u>	<u>6,543</u>	<u>1,320</u>	<u>5,320</u>
Trade receivables	48,820	33,459	8,672	11,003	<b>Assets:</b>						
Other current assets	20,088	21,008	23,528	33,500	- Other of the company	120	4,274	2,312	6,591	1,508	8,800
Cash and cash equivalents	28,602	13,434	19,670	879	- Minority interests	-102	32	-	32	-	-
Available for sale financial assets	233	245	233	245	<b>Other comprehensive income/loss for the period (B)</b>	<u>2,474</u>	<u>-3,280</u>	<u>-14</u>	<u>-2,404</u>	<u>57</u>	<u>369</u>
<b>TOTAL ASSETS</b>	<b>514,424</b>	<b>510,369</b>	<b>351,922</b>	<b>346,517</b>	<b>Total other comprehensive income for the period (A) + (B)</b>	<u>3,082</u>	<u>638</u>	<u>2,303</u>	<u>3,200</u>	<u>1,380</u>	<u>6,189</u>
<b>EQUITY AND LIABILITIES</b>					<b>Assets:</b>						
Share capital	31,011	31,011	31,011	31,011	- Other of the company	3,179	854	2,303	3,187	1,580	9,126
Share premium	11,598	11,598	11,598	11,598	- Minority interests	-112	32	-	32	-	-
Other equity components	150,947	149,838	118,538	117,033	Net (loss)/income per share - basic (in €)	<u>0,0269</u>	<u>0,1389</u>	<u>0,0259</u>	<u>0,2129</u>	<u>0,0487</u>	<u>0,2880</u>
Share capital and reserves (a)	193,556	192,447	161,147	159,642	Profit before income tax, financial and investment results	<u>3,082</u>	<u>18,673</u>	<u>287</u>	<u>17,285</u>	<u>2,610</u>	<u>2,561</u>
Minority interests (b)	1,222	1,324	-	-	Depreciation and amortization						
Total equity (c) = (a) + (b)	194,778	193,771	161,147	159,642							
Long-term interest-bearing loans and borrowings	169,154	119,339	108,825	59,509							
Provisions/Other non-current liabilities	32,343	32,343	22,330	22,319							
Short-term borrowings	50,402	95,400	38,599	83,514							
Other current liabilities	45,119	42,250	18,781	21,038							
Total liabilities (d)	317,828	289,631	190,225	166,370							
<b>TOTAL EQUITY AND LIABILITIES (c) + (d)</b>	<b>514,424</b>	<b>510,369</b>	<b>351,922</b>	<b>346,517</b>							
<b>CONDENSED STATEMENT OF CHANGES IN EQUITY</b>					<b>CASH FLOW STATEMENT</b>						
Equity at beginning of the period (1/1/2008 and 1/1/2009 respectively)	GROUP		COMPANY		Indirect Method	GROUP		Total	COMPANY		
	31.3.2009	31.3.2008	31.3.2009	31.3.2008		31.3.2009	31.3.2008				
Total comprehensive income for the period (continuing and discontinued operations)	3,062	3,259	1,560	9,159	<b>Cash flow from operating activities</b>						
Share capital increase	-	18,452	-	18,452	Profit before tax from continuing operations	1,059	8,543	2,028	-	12,044	
Share capital decrease	-	-18,452	-	-18,452	Profit before tax from discontinued operations	-	3,447	-	-	-	
Share premium decrease	-	-18,452	-	-18,452	Profit before tax	1,059	12,990	2,028	-	12,044	
Come-out of subsidiary shares to the Company's shareholders	-	3,593	-	3,593	Adjustments for:						
Purchase of treasury shares	-187	-	-187	-	- Depreciation and amortization	2,474	6,426	2,628	-	2,821	
(Increase)/decrease of investment in subsidiaries	-	-187	-	-	- (Gains) amortization	-32	-32	-32	-	-	
Share based payment	107	218	107	218	- Provisions net	32	324	-128	-	782	
<b>Equity at period end (31/3/2009 and 31/3/2008 respectively)</b>	<b>196,289</b>	<b>193,430</b>	<b>161,147</b>	<b>159,642</b>	- Finance income	-469	-75	-538	-	-	
					- Finance costs	5,025	4,002	2,049	-	1,900	
					- Share of loss/(profit) of associates	165	-402	-	-	-12,338	
					- Gain from subsidiary come-out	-	-	-	-	-	
					- Gain from disposal of property, plant and equipment	-108	-7	-30	-	-	
						<u>9,159</u>	<u>22,117</u>	<u>6,254</u>	-	<u>9,818</u>	
					<b>(Increase) / Decrease in:</b>						
					- Investments	6,462	4,220	2,261	-	2,261	
					- Trade receivables	4,693	2,094	2,408	-	2,898	
					- Due from related parties	603	-645	5,124	-	-2,552	
					- Other current assets	-143	-318	-504	-	-611	
					<b>Increase / Decrease in:</b>						
					- Trade payables	-1,927	-4,461	132	-	-3,723	
					- Due to related parties	8	-42	131	-	-68	
					- Other current liabilities	3,262	3,122	1,404	-	1,265	
					- Outstanding indemnities paid	-287	-220	-123	-	-887	
					- Payments for environment rehabilitation	-233	-747	-201	-	-1,165	
					- Income tax paid	-581	-1,043	-111	-	-1,024	
					<b>Net cash flow from operating activities, discontinued operations</b>	<u>5,679</u>	<u>18,244</u>	<u>5,679</u>	-	<u>5,679</u>	
					<b>Net cash flow from operating activities (a)</b>	<u>5,679</u>	<u>18,244</u>	<u>5,679</u>	-	<u>5,679</u>	
					<b>Cash flow from financing activities</b>						
					- Capital expenditure	-6,944	-5,947	-5,228	-	-4,173	
					- Capitalized depreciation and amortization	124	118	124	-	118	
					- Business contributions and investments	-	-	-	-	-	
					- In consolidated entities	-388	-886	-200	-	-1,62	
					- Dividends received	-	-	-	-	5,000	
					- Interest and other finance income received	48	75	1	-	3	
					- Divestiture income received	176	-	176	-	-	
					- Proceeds from disposal of property, plant and equipment	172	19	30	-	14	
					<b>Net cash flow from financing activities, discontinued operations</b>	<u>-6,130</u>	<u>-5,758</u>	<u>-5,062</u>	-	<u>-1,62</u>	
					<b>Net cash flow (used in)/from financing activities (b)</b>	<u>-4,451</u>	<u>-3,514</u>	<u>-4,383</u>	-	<u>-1,62</u>	
					<b>Cash flow from investing activities</b>						
					- Purchase of treasury shares	-187	-	-187	-	-	
					- Net increase of short-term borrowing	-3,440	-6,878	-6,815	-	-4,408	
					- Proceeds from long-term borrowing	30,000	-	30,000	-	-	
					- Repayment of long-term borrowing	-38,000	-	-38,000	-	-	
					- Dividends paid to equity holders	13	-1	-10	-	-	
					- Divestiture paid	-1,468	-	-1,468	-	-	
					- Interest and other finance costs paid	-3,624	-2	-2,662	-	-843	
					<b>Net cash flow from investing activities, discontinued operations</b>	<u>-1,966</u>	<u>-7,879</u>	<u>-2,932</u>	-	<u>-2,932</u>	
					<b>Net cash flow (used in)/from financing activities (c)</b>	<u>-1,737</u>	<u>-5,153</u>	<u>-229</u>	-	<u>-1,162</u>	
					<b>Net foreign exchange difference on flows (d)</b>	<u>1,225</u>	<u>-1,533</u>	<u>-</u>	-	<u>-</u>	
					<b>Net increase in cash and cash equivalents (e) = (a) + (b) + (c) + (d)</b>	<u>15,149</u>	<u>1,038</u>	<u>13,391</u>	-	<u>687</u>	
					<b>Cash and cash equivalents at the beginning of the period</b>	<u>13,434</u>	<u>13,410</u>	<u>829</u>	-	<u>1,390</u>	
					- Net foreign exchange difference on cash	308	-557	-	-	-	
					- Less: Cash and cash equivalents of discontinued operations	-	-280	-	-	-	
					<b>Cash and cash equivalents at period end</b>	<u>26,991</u>	<u>13,243</u>	<u>13,391</u>	-	<u>1,777</u>	