



S&B Industrial Minerals S.A.

**Annual Financial Report
for the year ended December 31, 2008**

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 9, 2009. This Financial Report for the year 1.1.2008-31.12.2008 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.

FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2008

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**A. BOARD OF DIRECTORS'
STATEMENT**

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. Emmanouel I. Voulgaris, Director, specifically appointed by the Board of Directors at its meeting on March 9, 2009.

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, 2008, 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

Emmanouel I. Voulgaris

ID No Ξ164488

ID No Σ237368

ID No AB 656787

B. BOARD OF DIRECTORS' ANNUAL REPORT

ANNUAL REPORT OF THE BOARD OF DIRECTORS FOR FISCAL YEAR 2008

Consolidated Results - Business Developments - Significant Events

The S&B Industrial Minerals Group, including Continuing and Discontinued Operations, reported full year 2008 consolidated sales of Euro 468,4 million versus Euro 535,4 million in 2007, a decrease of 12,5% (*). Operating profits stood at Euro 38,3 million compared to Euro 46,7 million in the previous year (-18,0%) and net profits (after taxes) amounted to Euro 15,6 million, 41,5% lower than last year's Euro 26,7 million.

For the Continuing Operations, which hereforth consist of industrial mineral activities only and which are the basis for the like-for-like comparison between 2008 and 2007, consolidated sales reached Euro 456,4 million, increased by 7.8% in comparison to the Euro 423,3 million of 2007. EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) from these activities decreased marginally, by 2,7%, to Euro 65,3 million from Euro 67,0 million in 2007, despite the sharp increases in several macro-economic cost elements. Operating profits were lower by 4.9% at Euro 37,9 million from Euro 39,8 million and net profits (after taxes) amounted to Euro 14,3 million, down by 36,5% from the corresponding Euro 22,4 million of 2007.

It is noted, that Discontinued Operations in 2007 are comprised of the carved-out commercial subsidiary Motodynamics S.A. (effective from 31/12/2007), as well as of the other commercial subsidiary Ergotrak. In 2008, Discontinued Operations include only Ergotrak for the months January to June, as its sale was finalized in the month of July.

Regarding Motodynamics and its subsidiaries, it is reminded that its assets and liabilities as of December 31, 2007 and its income statement for the twelve-month period ended on December 31 2007, were reclassified (as Discontinued Operations) effective 31/12/2007, even though the carve-out process was completed within the first two months of 2008. More specifically, the Extraordinary General Assembly of January 11, 2008 approved the proposal of the S&B Board of Directors meeting on December 20, 2007, for the carve-out of S&B's stakeholding in Motodynamics S.A. and distribute the shares directly to S&B's shareholders. The necessary approval of the pertinent authorities was obtained within January 2008 and the carve-out process was completed on February 21, 2008, with the distribution to S&B shareholders of 2.806.969 Motodynamics shares (out of a total of 2.936.540 number of shares held by the Group representing a 57,24 % participation) in the ratio of 1 Motodynamics share for every 11 S&B shares, while the remaining fractional balances were settled in cash. Thus, the share participation still held today by the S&B Group in Motodynamics is 2,55%.

Regarding Ergotrak, on April 10, 2008 the execution of the sales agreement was announced for the sale of S&B's 100% share holding in its subsidiary Ergotrak S.A. to Sfakianakis S.A. The process of approval of this transaction by the Greek Antitrust Commission and the pertinent regulatory authorities was completed on June 26, 2008, and the execution of the shares' transfer agreement was effected on July 23, 2008. The sale consideration amounted to approximately Euro 7,5 million and was received upon completion of the transaction.

The sale of Ergotrak completed S&B strategic choice to disengage from trading activities not related to natural resources (Motodynamics and Ergotrak) and to focus on its core Industrial

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

Minerals activities and its Purpose: *“to provide innovative industrial solutions by developing and transforming natural resources into value creating products”.*

Despite the regression of the economic environment during the course of 2008, the significant 7,8% sales increase of the Continuing Operations is the result of both, stable organic growth of industrial minerals (except for Perlite and Bauxite) and acquisition contribution from CEBO and Hill & Griffith, which were acquired in May and October of 2007, respectively. The integration of these 2007 acquisitions contributed two thirds of the Continuing Operations sales growth.

More specifically, Bentonite sales (after eliminations) increased by 19,8% reaching Euro 206,9 million, with organic and acquisition growth (from CEBO and Hill & Griffith), equally contributing. For Perlite, which is the activity most affected by the current unfavorable macro-economic factors, sales decreased marginally by 2,4% to Euro 74,4 million. The ailing real estate market in the U.S.A. prompted a subsequent decline in the building materials sector, which, by year end, had crossed over to Europe as well. Bauxite sales decreased by 3,9% to Euro 46,7 million, mainly due to a change in the balance of sales basis (from CFR to FOB), aiming at profitability improvements. Similar to the Perlite activities, Bauxite sales faced a slowdown in the US market as well. The Stollberg activity (Continuous Casting Fluxes) has also faced a difficult year. Favorable steel market conditions in the first half of the year (particularly in Russia and the Far East) completely reversed during the second half. Due to the geographic dispersion of its commercial and production infrastructure, Stollberg managed to maintain market leadership positions and reported stable sales at Euro 87,4 million. In the Otavi activity (processing, trading and selling of a variety of specialty minerals), sales increased by 5,5% to Euro 38,9 million with emphasis on the glass and ceramics applications.

Operating profit of the Continuing Operations was slightly behind versus last year. It is important to note, the phenomenal increase in oil prices (+33% during the year) and the acute volatility in sea freight charges. The latter were at minus 12% on a YTD basis versus last year, after being plus 26% YTD in September. In conjunction with broader inflationary pressures, energy prices and sea freights weighed in on profitability, by more than Euro 12 million. Additionally, effective from the beginning of the year, the Group's organizational realignment and relevant indemnity costs, have reduced operating profits by an approximate Euro 2 million.

Earnings before tax were influenced by a 91% increase in net financial expenses, which amounted to Euro 19,4 million. This significant increase is explained mainly by the following elements:

- (a) an amount of Euro 1,9 million regarding non-recurring finance income from sea freight derivatives in 2007
- (b) an amount of Euro 2,3 million regarding interest expense increase in 2008. It is important to note that average debt in 2008 is higher than 2007 and is related primarily to the CEBO and Hill & Griffith acquisitions, which were realised in May and October of 2007, respectively. In addition, the Euribor 6 months average rate during the year increased by approximately 40 basis points.
- (c) an amount of approximately Euro 4 million 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.

On the contrary, the 2008 results include non-recurring capital gains after taxes, of approximately Euro 2,3 million (Euro 5,4 million before tax) from the Motodynamics carve-out and of approximately Euro 0,9 million (Euro 1,2 million before tax) from the sale, in June, of an investment property located at 21-21a Amerikis street in Athens.

During 2008, investments realized for industrial mineral activities were related to production capacity increases, maintenance, modernization and environmental, health & safety improvements

and amounted to Euro 30,2 million, compared to Euro 26,0 million in 2007. Net cash flow of industrial minerals, as a result of increased capex investments and the lack of acquisitions versus 2007, shows an outflow of Euro 13,1 million versus an outflow of Euro 35,9 million in the previous year.

On the basis of the 2008 results, S&B Board of Directors will propose a dividend of Euro 0,16 per share at our Annual General Meeting. This compares to €0,31 dividend paid in 2007 and implies a payout ratio of 35% on the profits of the Continuing operations and a yield of 3,3% (based on Euro 4,86 per share closing price on March 6th 2009).

Parent Company Results

In the course of 2008, the parent company S&B Industrial Minerals S.A. ("the Company") realized sales of Euro 164,3 million, up by 7,4% from Euro 153,0 million in 2007. Benefiting from significant reductions in SG&A expenses operating profits increased by 112% to Euro 16,2 million from Euro 7,7 million last year. On the contrary, regarding net profit, the positive (a) capital gain contribution from the carve out of Motodynamics and (b) the profit from the Ergotrak sale, were offset from increased financial expenses and reduced investment income. Consequently, net profit increased by 17,1% and stood at Euro 15,5 million compared to Euro 13,2 million in 2007.

Entrepreneurial Risks

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

- **Transportation Risks**

Given the geographic dispersion 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. The Group evaluates its principal exposure 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 charterers. The management is continuously monitoring this risk and exploring alternative contractual and hedging strategies for managing the exposure. As mentioned in note 36 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 2008. The Group also uses extensively other means of transportation (trucks, river barges and rail), where the main risks there, 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 2009.

- **Energy price Risks**

S&B Group 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 36 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 2008.

Management does not anticipate that the above mentioned energy price risks will substantially affect the Group’s financial position in 2009.

- **Raw Materials Risks**

S&B Group generally 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 we try to secure our needed supply of such minerals through medium-term contracts, we have not always been, and may not in the future be, able to do so.

S&B Group also purchases a number of materials (soda ash, coal, resins) that are used as additives in the production of our final products and other material (explosives, parts, packaging materials) that are used during the various production phases. We have observed significant price volatility 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 2009.

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

In every country in which it operates, S&B is subject to regulations concerning air emissions, noise and visual disturbance, water quality, 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 for 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 by way of suitable quality assurance measures. S&B has rolled out a global QEHS (Quality, Environmental, Health and Safety) policy, stressing the identification and management of environmental risks in an appropriate and timely way. The policy criteria are applied in a manner sensitive to local cultures, customs and circumstances.

S&B has certified the majority of its global operations as per ISO:9001 (quality assurance standards) and ISO:14001 standards (environmental). 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 2009.

- **Legal and Licensing Risks**

As a global company 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 2009.

- **Treasury Risks**

The Group’s business activities and its capital structure create foreign exchange, interest rate,

liquidity risks and risks related to the movement in prices in oil and sea freights. These are analyzed in more detail in note 40 of the financial statements. Corporate Treasury is constantly monitoring and reporting on these risks and acts, when appropriate, through the financial markets within specific policy guidelines.

Management does not anticipate that the above mentioned treasury risks will substantially affect the Group's financial position in 2009.

- **Insurable Accident Risks**

Traditionally, the group has used a “good local practice” approach in insuring its fixed assets and other types of risks across local geographies. During 2008 and specifically in the first half of the year, the parent company absorbed its fully owned subsidiary “Insurance Brokerage Parnassos S.A”, which up to 2007 covered its insurance needs in Greece. In continuation of this evolution in Greece, the Group now implements a centralized approach for its insurance needs with the cooperation of an international insurance broker. All insurable risks for the Group are now addressed, monitored and administered centrally, in line with best practice for realizing efficiencies, expertise and financial benefits.

Prospects for 2009

The international economic environment is characterized by uncertainty and it is not easy to foresee the ending point of the current crisis. Estimates for economic indicators are constantly being revised, consumption is shrinking and foreign exchange markets are increasingly unstable. The downward trends observed during the fourth quarter of 2008 continue and we expect that our performance in the current year will be adversely impacted.

Since the beginning of 2008, we realigned and optimized our organizational structures, aiming at effectively achieving our strategy, focused hereforth, solely on natural resources.

We have intensified our efforts on the initiatives we embarked on since last October, targeted at confronting the challenges through cost containment, working capital reduction and restrained investments.

Through this set of initiatives, we place our focus on cash flow conservation, which will allow us to navigate through the current crisis. While cash flow is our priority for 2009, we will not rule out opportunities for expansion of our activities, as long as they fit our purpose and support our competitive position.

Treasury Shares Buy Back

During June to October of 2008, S&B has bought back 187.232 own shares with an average purchase price of Euro 8,80 per share for a total consideration of Euro 1.647.269,63. These shares represent 0,6% of the Company's total share capital.

Significant Related Party Transactions

Transactions of the Group and the Company with related parties, during 2008, were carried out with common market terms and conditions. The Group was not engaged in any transaction of irregular nature or content which may be material to the Group or its related entities and parties. 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, 2008 and 2007 are analyzed in note 41 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.

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 Euros) with related parties are the following (see note 24 of the financial statements):

Group balances due from and to related parties

Group balances due from related parties amount to Euro 3.316 and Euro 1.032 for the years ended December 31, 2008 and 2007 respectively. The most significant changes are the following:

- Increase in the amounts due from the associate entity «Laviosa Promasa S.A.» (Euro 726 and Euro 333 for 2008 and 2007, respectively) and the jointly controlled entity «Cebo International B.V.» (Euro 430 and Euro 233 for 2008 and 2007, respectively) arising from industrial minerals sales to these entities.
- Increase in the amounts due from the associate entity «Dolphin CI S&B Holdings Ltd» (Euro 1.651 and Euro 351 for 2008 and 2007, respectively) arising from investing activities.

Group balances due to related parties amount to Euro 481 and Euro 120 for the years ended December 31, 2008 and 2007 respectively. The most significant change arises from industrial minerals purchases from the associate entity «Xinyang Athenian Mining Co. Ltd» (Euro 308 and nul for 2008 and 2007, respectively).

Company balances due from and to related parties

Company balances due from related parties amount to Euro 23.786 and Euro 18.619 for the years ended December 31, 2008 and 2007 respectively. The most significant changes are the following:

- Decrease in the amounts due from the subsidiaries «S&B Holding GmbH» (Euro 563 and Euro 6.216 for 2008 and 2007, respectively), regarding dividends receivable, and «Isocon S.A.» (Euro 2.659 and Euro 4.290 for 2008 and 2007, respectively) arising from industrial minerals sales to this entity.
- Increase in the amounts due from the indirect subsidiaries «S&B Industrial Minerals GmbH» (Euro 13.017 and Euro 3.409 for 2008 and 2007, respectively) and «S&B Industrial Minerals North America Inc.» (Euro 3.747 and Euro 1.407 for 2008 and 2007, respectively) and from the associate entity «Laviosa Promasa S.A.» (Euro 726 and Euro 333 for 2008 and 2007, respectively) arising from industrial minerals sales to these entities.

Company balances due to related parties amount to Euro 921 and Euro 962 for the years ended December 31, 2008 and 2007 respectively and regard industrial minerals purchases.

Group income / expenses

Group income from related parties amounted to Euro 10.792 and Euro 5.129 for the years ended December 31, 2008 and 2007 respectively. The most significant changes are the following:

- Increase in the income from associate entity «Laviosa Chimica Mineraria S.p.A.». (Euro 1.793 and Euro 791 for 2008 and 2007, respectively) due to the increase of the turnover of industrial minerals sales.
- Increase in the revenue from industrial minerals sales to the jointly controlled entity «Cebo

International B.V.» (Euro 5.516 and Euro 2.056 for 2008 and 2007, respectively) due to the fact that for the period ended December 31, 2007 the above transactions were reported as “related” only for the period of May to December 2007, as the Group acquired its participation interest in this entity on May 1, 2007.

- Non-elimination of the revenues from group Motodynamics S.A. (Euro 1.106 and nul for 2008 and 2007, respectively), due to the carve out of the participation interest to the Company’s shareholders, during the first semester of 2008.

Group expenses to related parties amounted to Euro 3.677 and Euro 2.607 for the years ended December 31, 2008 and 2007 respectively. The most significant changes are the following:

- Increase in the expense to associate entity «Xinyang Athenian Co. Ltd» (Euro 680 and Euro 285 for 2008 and 2007, respectively) and to the jointly controlled entity «Cebo International B.V.» (Euro 2.830 and Euro 2.311 for 2008 and 2007, respectively), arising from industrial minerals purchase.

Company income / expenses

Company income from related parties amounted to Euro 59.060 and Euro 49.960 for the years ended December 31, 2008 and 2007 respectively. The most significant changes are the following:

- Decrease in the income from subsidiary entity «Isocon S.A.» (Euro 4.756 and Euro 5.821 for 2008 and 2007, respectively) due to the decrease in the turnover of industrial minerals sales.
- Increase in the revenues from the indirect subsidiaries «S&B Industrial Minerals GmbH» (Euro 23.401 and Euro 22.432 for 2008 and 2007, respectively) and «S&B Industrial Minerals North America Inc.» (Euro 13.612 and Euro 9.414 for 2008 and 2007, respectively), from the associate entity «Laviosa Chimica Mineraria S.p.A.» (Euro 1.793 and Euro 783 for 2008 and 2007, respectively) and from the jointly controlled entity «Cebo International B.V.» (Euro 5.097 and Euro 1.786 for 2008 and 2007, respectively) arising from industrial minerals sales to these entities.

Company expenses to related parties amounted to Euro 2.173 and Euro 1.733 for the years ended December 31, 2008 and 2007 respectively. The most significant changes are the following:

- Increase in the revenue from subsidiary entity «Greek Helicon Bauxite S.A.» (Euro 862 and Euro 10 for 2008 and 2007, respectively), arising from industrial minerals purchase.

As analytically disclosed in note 19 of the financial statements, on May 14, 2008, the Shareholders’ General Assembly held approved the sale of an investment asset of the Company located on Athens, Amerikis Str.21-21^A, of total net book value of approximately Euro 2,4 million to the related entity “ORYMIL S.A.” at the price of approximately Euro 3,6 million. The sale was realised on June 5, 2008 and the resulting profit of approximately Euro 1,2 million is included in «Other Income» in the Income statement of the Group and the Company for the year ended December 31, 2008.

Compensation of key management personnel

Compensation of key management personnel for the years ended December 31, 2008 and 2007 were as follows:

	The Group		The Company	
	1/1-31/12 2008	1/1-31/12 2007	1/1-31/12 2008	1/1-31/12 2007
Board of Directors fees	460	460	460	460
Executives salaries (including executive board members)	5.444	5.482	4.716	4.074
Share option plans	105	898	105	782
	6.009	6.840	5.281	5.316
Board of Directors fees and Executives salaries of discontinuing operations	134	1.373	-	-
	6.143	8.213	5.281	5.316

Board of Directors fees are approved by the Company's Shareholders' Regular General Assembly and as a result the related fees for the years ended December 31, 2008 and 2007 were provided for in the accompanying income statements.

Balances due to key management personnel of the Group and Board members as of December 31, 2008 amounted to Euro 2.948 (Euro 3.150 as of December 31, 2007). Balances due to key management personnel of the Company and to its Board members as of December 31, 2008 amounted to Euro 1.786 (Euro 1.988 as of December 31, 2007).

Social security contributions paid by the Company to state contribution plans for key management personnel for the years ended December 31, 2008 and 2007 amounted to Euro 111 and Euro 105, respectively (the Group paid Euro 122 and Euro 128, 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, 2008 and 2007 amounted to Euro 190 and Euro 178, respectively.

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

Shareholders Capital Structure

On December 31st 2008, the company's shareholder capital amounted to Euro 31.010.717 divided into 31.010.717 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, 2008, Mrs Catherine-Kitty Kyriacopoulos held 50,86% of the voting rights, and the company SCR-Sibleco NV held 15,32% of the voting rights (as per their last notification on September 26 2008). 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

Non-existent.

Limitations in voting rights

Non-existent

Agreements between shareholders of the company

As of December 31st 2008, 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

There is no differentiation from what is foreseen in the provisions of 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 3, paragraph 2, of the Company's Article of Association, during the first 5 years from the Company's foundation or within 5 years from the relevant decision of the General Assembly, the Board of Directors has the right, with a decision based on the majority of 2/3 of its total members, to increase the Shareholders Capital by issuing new stocks. The amount of the capital increase cannot exceed the initial paid-in Shareholders Capital or the Shareholders 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, has approved a share "buy-back" program for the reduction of the company's share capital, either by cancellation and/or allocation of part of the shares to employees. The duration 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) Euro per share and a minimum purchase price of one (1) 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 for the realization of the "buy-back" program.

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 9, 2009

For the Board of Directors

The Chief Executive Officer

Efthimios O. Vidalis

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

THE REPORT HAS BEEN TRANSLATED FROM THE GREEK ORIGINAL VERSION

Independent Certified Auditor's Accountant's Report

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

Report on the financial statements

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 balance sheet as at December 31, 2008, and the income statement, statement of changes in equity and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards as endorsed by the European Union. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Greek Auditing Standards, which are based on the 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 of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and information in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 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 financial statements present fairly, in all material respects the financial position of the Group and the Company as of December 31, 2008, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as endorsed by the European Union.

Report on Other Legal and Regulatory Requirements

We have verified the consistency of the Board of Directors' Report with the accompanying financial statements with respect to the information that is required by articles 43a, 107 and 37 of C.L. 2190/1920.

Athens, March 9, 2009

The Certified Auditor Accountant

VASSILIOS KAMINARIS
SOEL No 20411

ERNST & YOUNG (HELLAS)
CERTIFIED AUDITORS ACCOUNTANTS S.A.
11th KM NT RD ATHENS LAMIA
14451 METAMORFOSI
SOEL No 107

D1. FINANCIAL STATEMENTS

The accompanying Financial Statements are those approved by the Board of Directors of S&B Industrial Minerals S.A. on March 9, 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 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, 2008

(Amounts in thousand Euro, except for earnings per share)

		The Group					
	Note	1/1 - 31/12/2008			1/1 -31/12/2007		
		Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Sales	7	456.393	12.012	468.405	423.298	112.107	535.405
Cost of sales	8	(353.001)	(8.813)	(361.814)	(313.685)	(89.541)	(403.226)
Gross Profit		103.392	3.199	106.591	109.613	22.566	132.179
Administrative expenses	9	(45.763)	(1.012)	(46.775)	(46.760)	(5.640)	(52.400)
Selling expenses	10	(24.930)	(2.031)	(26.961)	(25.250)	(12.028)	(37.278)
Other income	11	5.744	275	6.019	5.264	2.124	7.388
Other expenses	12	(565)	(2)	(567)	(3.029)	(137)	(3.166)
Operating profit		37.878	429	38.307	39.838	6.885	46.723
Finance income	13	410	32	442	2.934	91	3.025
Finance costs	14	(19.775)	(249)	(20.024)	(13.058)	(925)	(13.983)
Gains / (losses) from the disposal / carve-out of subsidiaries	5, 6	(253)	4.653	4.400	-	-	-
Share of profit of associates	22	1.586	-	1.586	1.686	-	1.686
Profit before tax		19.846	4.865	24.711	31.400	6.051	37.451
Income tax expense	15	(5.588)	(3.486)	(9.074)	(9.026)	(1.749)	(10.775)
Net profit		14.258	1.379	15.637	22.374	4.302	26.676
Attributable to:							
Equity holders of the Company		13.988	1.379	15.367	22.505	3.163	25.668
Minority interests	3	270	-	270	(131)	1.139	1.008
		14.258	1.379	15.637	22.374	4.302	26.676
Earnings per share							
Basic		0,4524	0,0446	0,4970	0,7329	0,1030	0,8359
Diluted		0,4499	0,0443	0,4942	0,7278	0,1023	0,8301
Weighted average number of shares							
Basic	29	30.917.917	30.917.917	30.917.917	30.705.062	30.705.062	30.705.062
Diluted	29	31.094.763	31.094.763	31.094.763	30.921.613	30.921.613	30.921.613

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, 2008
(Amounts in thousand Euro)

		The Company	
		1/1 - 31/12	1/1 - 31/12
	Note	2008	2007
Sales	7	164.341	153.037
Cost of sales	8	(122.417)	(113.144)
Gross Profit		41.924	39.893
Administrative expenses	9	(28.158)	(31.792)
Selling expenses	10	(3.775)	(4.235)
Other income	11	6.477	5.310
Other expenses	12	(239)	(1.520)
Operating profit		16.229	7.656
Finance income	13	24	1.973
Finance costs	14	(13.999)	(6.924)
Investment income	3,22	6.053	15.455
Gains from the disposal / carve-out of subsidiaries	5	13.822	-
Impairment loss on investment in subsidiary	3	(1.367)	-
Profit before tax		20.762	18.160
Income tax expense	15	(5.294)	(4.954)
Net profit		15.468	13.206

The accompanying notes are an integral part of these financial statements

S&B Industrial Minerals S.A.
BALANCE SHEET DECEMBER 31, 2008
(Amounts in thousand Euro)

		The Group		The Company	
		December 31 2008	December 31 2007	December 31 2008	December 31 2007
Note					
ASSETS					
Non-current assets					
Property, plant and equipment	18	185.979	180.629	96.027	87.000
Investment properties	19	20.607	23.331	20.607	23.331
Goodwill	20	82.508	83.962	25.129	25.129
Other intangible assets	21	25.099	23.560	59	224
Investments in subsidiaries	3	-	-	126.070	123.341
Investments in associates	22	9.616	8.722	4.399	3.799
Deferred tax assets	15	3.861	4.188	2.310	2.478
Available-for-sale financial assets		245	-	245	-
Other non-current assets		2.365	2.633	531	626
		330.280	327.025	275.377	265.928
Current assets					
Inventories	25	92.159	84.252	25.978	24.034
Trade receivables	26	53.489	77.347	11.083	16.542
Due from related parties	24	3.316	1.032	23.786	18.619
Income tax receivables		1.758	300	258	300
Other current assets	27	15.932	15.033	9.456	9.318
Cash and cash equivalents	28	13.434	15.310	879	1.130
		180.088	193.274	71.440	69.943
Assets of discontinued operations	5	-	46.513	-	2.016
Total Assets		510.368	566.812	346.817	337.887
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the Company					
Share capital	29	31.011	30.877	31.011	30.877
Share premium		11.596	30.057	11.596	30.057
Treasury shares	29	(1.647)	-	(1.647)	-
Share option plan reserve	30	1.272	915	1.272	915
Derivatives valuation reserve		(391)	-	(391)	-
Other reserves	31	100.483	87.040	102.997	90.228
Translation of foreign operations		(6.670)	(6.886)	-	-
Retained earnings		56.791	59.532	14.804	16.587
		192.445	201.535	159.642	168.664
Minority interests	3	1.334	8.695	-	-
Total equity		193.779	210.230	159.642	168.664
Non-current liabilities					
Provision for staff leaving indemnities	33	16.476	16.242	7.712	7.142
Provision for environmental rehabilitation	34	14.875	14.614	12.484	12.267
Other provisions		2.945	3.508	646	1.178
Interest-bearing loans and borrowings	35	119.735	172.864	59.809	105.237
Deferred tax liabilities	15	15.751	14.102	-	-
Government grants		2.021	2.562	1.917	2.064
Other non-current liabilities		678	885	57	58
		172.481	224.777	82.625	127.946
Current liabilities					
Trade payables	37	23.448	34.150	7.116	9.811
Due to related parties	24	481	120	921	962
Short-term borrowings	38	43.814	24.753	38.014	13.003
Current portion of long-term interest bearing loans and borrowings	35	53.034	15.988	45.500	7.500
Income tax liabilities		492	3.913	-	-
Dividends payable	32	75	60	75	60
Other current liabilities	39	22.764	22.825	12.924	9.941
		144.108	101.809	104.550	41.277
Liabilities of discontinued operations	5	-	29.996	-	-
Total equity and liabilities		510.368	566.812	346.817	337.887

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, 2008
(Amounts in thousand Euro)

		The Group										
		Attributable to equity holders of the Company										
Note		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, 2007		30.651	28.352	-	396	80	89.980	(2.245)	40.130	187.344	9.082	196.426
- Profit for the year 2007		-	-	-	-	-	-	-	25.668	25.668	1.008	26.676
- Foreign currency translation		-	-	-	-	-	-	(4.363)	83	(4.280)	(168)	(4.448)
- Derivatives valuation (net of deferred tax asset of Euro 27)		-	-	-	-	(80)	-	-	-	(80)	-	(80)
Total profit / (loss) for the year		-	-	-	-	(80)	-	(4.363)	25.751	21.308	840	22.148
- Dividends distribution		-	-	-	-	-	(3.094)	-	(6.126)	(9.220)	-	(9.220)
- Dividends paid to minority shareholders		-	-	-	-	-	-	-	-	-	(1.286)	(1.286)
- Share based payment		-	-	-	794	-	-	-	-	794	-	794
- Share capital increase		166	1.139	-	(275)	-	-	-	-	1.030	-	1.030
- Distribution of shares to personnel		60	566	-	-	-	-	-	-	626	-	626
- Increase of investment in subsidiary		-	-	-	-	-	-	-	(181)	(181)	(27)	(208)
- First incorporation of joint venture under the proportionate consolidation method		-	-	-	-	-	-	(366)	243	(123)	98	(25)
- Transfers		-	-	-	-	-	193	88	(281)	-	-	-
- Other movements		-	-	-	-	-	(39)	-	(4)	(43)	(12)	(55)
December 31, 2007		30.877	30.057	-	915	-	87.040	(6.886)	59.532	201.535	8.695	210.230
- Profit for the year 2008		-	-	-	-	-	-	-	15.367	15.367	270	15.637
- Foreign currency translation		-	-	-	-	-	-	254	-	254	-	254
- Derivatives valuation (net of deferred tax asset of Euro 130)		-	-	-	-	(391)	-	-	-	(391)	-	(391)
- Valuation of available-for-sale investment (net of deferred tax asset of Euro 37)		-	-	-	-	-	110	-	-	110	-	110
Total profit / (loss) for the year		-	-	-	-	(391)	110	254	15.367	15.340	270	15.610
- Dividends distribution		-	-	-	-	-	(2.933)	-	(6.639)	(9.572)	-	(9.572)
- Dividends paid to minority shareholders		-	-	-	-	-	-	-	-	-	(270)	(270)
- Share based payment		-	-	-	644	-	-	-	-	644	-	644
- Share capital increase		69	406	-	(287)	-	-	-	-	188	-	188
- Distribution of shares to personnel		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 shares to the Company's shareholders		-	-	-	-	-	4.573	-	187	4.760	(7.073)	(2.313)
- First 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

The accompanying notes are an integral part of these financial statements

S&B Industrial Minerals S.A.
SEPARATE STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2008
(Amounts in thousand Euro)

		The Company							Total
Note		Share Capital	Share Premium	Treasury Shares	Share option plan reserve	Derivatives valuation reserve	Other reserves	Retained earnings	
	January 1, 2007	30.651	28.352	-	396	80	85.072	17.757	162.308
	- Profit for the year 2007	-	-	-	-	-	-	13.206	13.206
	- Derivative valuation (net of deferred tax asset of Euro 27)	-	-	-	-	(80)	-	-	(80)
36		-	-	-	-	(80)	-	-	(80)
	Total profit / (loss) for the year	-	-	-	-	(80)	-	13.206	13.126
30		-	-	-	-	-	(3.094)	(6.126)	(9.220)
	- Dividends distribution	-	-	-	-	-	-	-	-
	- Share based payment	-	-	-	794	-	-	-	794
	- Share capital increase	166	1.139	-	(275)	-	-	-	1.030
29		60	566	-	-	-	-	-	626
	- Distribution of shares to personnel	-	-	-	-	-	-	-	-
	- Transfers	-	-	-	-	-	8.250	(8.250)	-
	December 31, 2007	30.877	30.057	-	915	-	90.228	16.587	168.664
	- Profit for the year 2008	-	-	-	-	-	-	15.468	15.468
	- Valuation of derivatives (net of deferred tax asset of Euro 130)	-	-	-	-	(391)	-	-	(391)
36		-	-	-	-	(391)	-	-	(391)
	- Valuation of available-for-sale investment (net of deferred tax asset of Euro 37)	-	-	-	-	-	110	-	110
	Total profit / (loss) for the year	-	-	-	-	(391)	110	15.468	15.187
	- Dividends distribution	-	-	-	-	-	(2.933)	(6.639)	(9.572)
32		-	-	-	-	-	-	-	-
	- Share based payment	-	-	-	644	-	-	-	644
30		-	-	-	-	-	-	-	-
	- Share capital increase	69	406	-	(287)	-	-	-	188
29		65	585	-	-	-	-	-	650
	- Distribution of shares to personnel	-	-	-	-	-	-	-	-
	- Share capital increase from share premium	19.452	(19.452)	-	-	-	-	-	-
5		-	-	-	-	-	-	-	-
	- Share capital decrease	(19.452)	-	-	-	-	-	-	(19.452)
5		-	-	-	-	-	-	-	-
	- Purchase of treasury shares	-	-	(1.647)	-	-	-	-	(1.647)
29		-	-	-	-	-	-	-	-
	- Carve-out of subsidiary shares to the Company's shareholders	-	-	-	-	-	5.137	-	5.137
5		-	-	-	-	-	18	(175)	(157)
	- Merger of subsidiary	-	-	-	-	-	-	-	-
	- Transfers	-	-	-	-	-	10.437	(10.437)	-
	December 31, 2008	31.011	11.596	(1.647)	1.272	(391)	102.997	14.804	159.642

The accompanying notes are an integral part of these financial statements

S&B Industrial Minerals S.A.
CASH FLOW STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2008
(Amounts in thousand Euro)

	Note	The Group		The Company	
		1/1 - 31/12 2008	1/1 - 31/12 2007	1/1 - 31/12 2008	1/1 - 31/12 2007
Cash flows from operating activities					
Profit before tax from continuing operations		19.846	31.400	20.762	18.160
Profit before tax from discontinued operations		4.865	6.051	-	-
Profit before tax		24.711	37.451	20.762	18.160
Adjustments for:					
- Depreciation and amortization		26.173	26.652	14.348	15.361
- Grants amortization		(165)	(159)	(147)	(147)
- Provisions, net		4.832	3.988	2.852	4.534
- Finance income	13	(442)	(3.025)	(24)	(1.973)
- Finance costs	14	20.024	13.983	13.999	6.924
- Investment income (net of foreign taxes)		-	-	(5.252)	(13.418)
- Share of profit of associates		(1.586)	(1.686)	-	-
- Negative difference between purchase price and fair value of acquired assets	11	(328)	(1.473)	-	-
- Impairment loss		-	1.062	1.366	-
- Net gain from subsidiaries disposal / carve-out, net		(4.400)	-	(13.822)	-
- Gain on disposal of property, plant and equipment		(1.260)	(170)	(1.229)	(32)
		67.559	76.623	32.853	29.409
(Increase) / Decrease in:					
- Non-current assets		31	(2.259)	96	57
- Inventories		(18.057)	(14.227)	(2.103)	1.221
- Trade receivables		14.242	(13.322)	4.610	(5.097)
- Due from related parties		(2.285)	(230)	(10.736)	303
- Other current assets		(3.333)	1.452	(824)	2.708
Increase / (Decrease) in:					
- Other non-current liabilities		(206)	(8)	(1)	2
- Trade payables		(5.765)	(3.165)	(2.696)	1.867
- Due to related parties		362	119	(41)	(516)
- Other current liabilities		(1.925)	3.221	(1.766)	2.113
Staff leaving indemnities paid	33	(2.400)	(1.270)	(1.720)	(567)
Payments for environmental rehabilitation	34	(1.271)	(1.334)	(1.122)	(1.121)
Income tax paid		(12.346)	(10.119)	(3.861)	(1.675)
Net cash flows from operating activities		34.606	35.481	12.689	28.704
Cash flows from investing activities					
- Capital expenditure		(34.149)	(29.380)	(23.354)	(18.761)
- Capitalized depreciation		502	415	502	415
- Business combinations and investments in consolidated entities		(1.637)	(38.821)	(10.793)	(26.236)
- Proceeds from sale of a subsidiary, net of cash disposed	5	6.496	-	7.494	-
- Dividends received	22	411	311	9.308	4.456
- Interest and other finance income received		443	1.194	24	102
- Derivative income received	36	1.733	-	1.733	-
- Cash flow from (disposal)/first incorporation of subsidiaries		(41)	358	-	-
- Government grants received		-	458	-	-
- Proceeds from disposal of property, plant and equipment		4.240	1.195	4.121	234
Net cash flows used in financing activities		(22.002)	(64.270)	(10.965)	(39.790)
Cash flows used in financing activities:					
- Share options plans exercised	30	188	1.030	188	1.030
- Treasury shares purchase	29	(1.647)	-	(1.647)	-
- Net increase of short-term borrowing		27.800	30.073	25.012	13.003
- Proceeds from long-term borrowing		151	64.000	-	38.000
- Repayment of long-term borrowing		(15.923)	(59.997)	(7.500)	(33.175)
- Dividends paid to equity holders of the Company		(9.557)	(9.188)	(9.557)	(9.188)
- Dividends paid to minority interests		(270)	(1.286)	-	-
- Derivatives paid	36	(1.883)	-	(1.883)	-
- Interest and other finance costs paid		(13.325)	(11.588)	(6.588)	(5.733)
Net cash flows (used in) / from financing activities		(14.466)	13.044	(1.975)	3.937
- Net foreign exchange difference on flows		(280)	(164)	-	-
Net decrease in cash and cash equivalents		(2.142)	(15.909)	(251)	(7.149)
Cash and cash equivalents at the beginning of the year	28	15.310	33.783	1.130	8.279
- Net foreign exchange difference on cash and cash equivalents at the beginning of the year		266	(1.328)	-	-
Less: Cash and cash equivalents of discontinued operations at the beginning of the year		-	(1.236)	-	-
Cash and cash equivalents at year end	28	13.434	15.310	879	1.130

The accompanying notes are an integral part of these financial statements

D2. NOTES TO THE FINANCIAL STATEMENTS

S&B Industrial Minerals S.A.
NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2008

(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 products) and otavi products 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 December 31, 2008 and 2007 the Group employed 2.075 and 2.305 employees, respectively, while the Company employed 701 and 743 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 they have been endorsed by the European Union. 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.

(b) Approval of Financial Statements: The Board of Directors of S&B approved the financial statements for the year ended December 31, 2008, on March 9, 2009. 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 Euro. Transactions in foreign currency are converted to Euro using the exchange rates prevailing at the time of the transactions. Monetary assets and liabilities denominated in foreign currency are remeasured using the current exchange rates at the balance sheet 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 taken directly to equity.

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 Euro are translated into Euro at the exchange rate prevailing at the balance sheet date. Revenues and expenses are remeasured at the weighted average exchange rates prevailing during the reporting year. The accumulated difference resulting from such translation is taken directly to equity 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, tradenames, 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 possible impairment losses. Significant subsequent expenditure is capitalized when the software's performance is further enhanced beyond its initial specifications. Customer lists, tradenames 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 tradenames 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.

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 balance sheet 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 tangible assets:** Other tangible assets (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 estimated useful economic life of the assets and is

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NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2008

(Amounts in thousand Euro, unless otherwise stated)

2.2 PRINCIPAL ACCOUNTING POLICIES (continued)

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. The useful lives of other intangible assets 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 excess of the purchase price and the value of the net assets recognized 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).

Following 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.

2.2 PRINCIPAL ACCOUNTING POLICIES (continued)

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

When the Group increases its participation interest to existing subsidiaries (acquisition of minority interests) the total difference between the purchase price and the portion of the minority interests acquired (goodwill or negative goodwill) 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) then 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. Per this method, the investments in associates are carried on the balance sheet at cost plus post-acquisition changes in the Group's share of net assets of the associate, less possible provisions for any impairment in value. 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 associate, 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 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 are measured at cost less any accumulated impairment losses.

(j) Investments 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 proportionate consolidation. 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. The financial statements of the joint ventures are prepared for the same reporting year as the Company, using consistent accounting policies. Adjustments are made to bring into line any dissimilar accounting policies that may exist.

(Amounts in thousand Euro, unless otherwise stated)

2.2 PRINCIPAL ACCOUNTING POLICIES (continued)

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.

(k) Impairment of Assets:

- (i) Non financial assets:** At each balance sheet 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 are 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 balance sheet). The recoverable amount of investments in subsidiaries and associates is determined similarly with that of non-financial assets. The recoverable amount is determined similarly with the 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 to 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 or 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.
- (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

2.2 PRINCIPAL ACCOUNTING POLICIES (continued)

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 balance sheet 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 investments.

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 term. 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 investments: 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 investments that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments 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.

(Amounts in thousand Euro, unless otherwise stated)

2.2 PRINCIPAL ACCOUNTING POLICIES (continued)

(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 instruments for hedging 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 balance sheet 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 directly to equity 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

(Amounts in thousand Euro, unless otherwise stated)

2.2 PRINCIPAL ACCOUNTING POLICIES (continued)

the time the asset or liability is recognized, the associated gains or losses that had previously been recognized in equity (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 equity 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 rate 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:** 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 balance sheet 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 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.

2.2 PRINCIPAL ACCOUNTING POLICIES (continued)

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 balance sheet 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 (based on the Group's weighted average cost of capital) as of the balance sheet date. The provision is calculated based on the area of the land disturbed, at the balance sheet 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 balance sheet 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 balance sheet date.

(ii) Deferred Income Taxes: Deferred income tax is provided using the liability method on temporary differences at the balance sheet 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 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.

2.2 PRINCIPAL ACCOUNTING POLICIES (continued)

The carrying amount of deferred tax assets is reviewed at each balance sheet 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 balance sheet 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 balance sheet 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 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

2.2 PRINCIPAL ACCOUNTING POLICIES (continued)

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 balance sheet 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) Segment information: The Group presents segment information on the basis of industrial minerals and other activities.

(ag) 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),
- 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

- **IFRIC 11, "IFRS 2 - Group and Treasury Share Transactions"**. IFRIC 11 requires arrangements whereby an employee is granted options to buy equity shares, to be accounted for as equity-settled schemes by an entity even if the entity chooses or is required to buy those equity shares from another party, or the shareholders of the entity provide the equity instruments granted. The interpretation also extends to the way in which subsidiaries, in their separate financial statements, account for such schemes when their employees receive rights to equity instruments of the parent. This Interpretation applies to the way the Group's subsidiaries account, in their individual financial statements, for options granted to their employees to buy equity shares of the Company. The accounting treatment followed by the Group is in line with the relevant provisions of the Interpretation.
- **IFRIC 12, "Service Concession Arrangements"**. This Interpretation outlines an approach to account for contractual (service concession) arrangements arising from entities providing public services. It provides that the operator should not account for the infrastructure as property, plant and equipment, but recognise a financial asset and/or an intangible asset. This Interpretation has not yet been endorsed by the EU. IFRIC 12 is not relevant to the Group.
- **IFRIC 14, "IAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction"**. IFRIC 14 provides guidance on how to assess the limit on the amount of surplus in a defined benefit scheme that can be recognised as an asset under IAS 19 Employee Benefits. It also explains how this limit, also referred to as the "asset ceiling test", may be influenced by a minimum funding requirement and aims to standardize current practice. The Group expects that this Interpretation will have no impact on its financial position as all defined benefit schemes are not funded.

2.4 NEW STANDARDS AND INTERPRETATIONS

- (a) The following new standards, amendments to standards and interpretations have been issued but are not effective for the financial year beginning January 1, 2008 and have not been early adopted, except for IFRIC 17:
- **IFRIC 13, "Customer Loyalty Programmes"**, effective for financial years beginning on or after July 1, 2008. 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 will have no impact on Group's financial statements as no such schemes currently exist.
 - **IFRIC 15, "Agreements for the Construction of Real Estate"**, effective for financial years beginning on or after January 1, 2009 and is to be applied retrospectively. IFRIC 15 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 recognised. This Interpretation has not yet been endorsed by the EU. IFRIC 15 will 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"**, effective for financial years beginning on or after October 1, 2008 and is to be applied prospectively. IFRIC 16 clarifies three main issues, namely:
 - A presentation currency does not create an exposure to which an entity may apply hedge accounting. Consequently, a parent entity may designate as a hedged risk

2.4 NEW STANDARDS AND INTERPRETATIONS (continued)

only the foreign exchange differences arising from a difference between its own functional currency and that of its foreign operation.

- Hedging instrument(s) may be held by any entity or entities within the group.
- While IAS 39, 'Financial Instruments: Recognition and Measurement', must be applied to determine the amount that needs to be reclassified to profit or loss from the foreign currency translation reserve in respect of the hedging instrument, IAS 21 'The Effects of Changes in Foreign Exchange Rates' must be applied in respect of the hedged item.

The Group is in the process of assessing the impact of this interpretation and which accounting policy to adopt for the recycling on the disposal of the net investment.

- **IFRIC 17, "Distributions of Non-cash Assets to Owners"**, effective for annual periods beginning on or after July 1, 2009. IFRIC 17 clarifies the following issues, namely:
 - a dividend payable should be recognised when the dividend is appropriately authorised and is no longer at the discretion of the entity;
 - an entity should measure the dividend payable at the fair value of the net assets to be distributed;
 - an entity should recognise the difference between the dividend paid and the carrying amount of the net assets distributed in profit or loss; and
 - an entity to provide additional disclosures if the net assets being held for distribution to owners meet the definition of a discontinued operation.

IFRIC 17 applies to pro rata distributions of non-cash assets except for common control transactions. It is to be applied prospectively and earlier application is permitted. This Interpretation has not yet been endorsed by the EU.

- **IFRIC 18, "Transfers of Assets from Customers"**, effective for financial years beginning on or after July 1, 2009 and is to be applied prospectively. However, limited retrospective application is permitted. This Interpretation is of particular relevance for the utility sector as it clarifies the accounting for agreements where an entity receives an item of PP&E (or cash to construct such an item) from a customer and this equipment in turn is used to connect a customer to the network or to provide ongoing access to supply of goods/services. This Interpretation has not yet been endorsed by the EU. And it will not have any impact on the Group's and the Company's financial statements.
- **Amendments to IFRS 1 "First-time Adoption of International Financial Reporting Standards" and IAS 27 "Consolidated and Separate Financial Statements"**: Both revisions will be effective for financial years beginning on or after January 1, 2009. 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 revision to IAS 27 will have to be applied prospectively. The new requirements affect only the parent's separate financial statement and do not have an impact on the consolidated financial statements.
- **IFRS 2, "Share-based Payments" (Amended)**, effective for annual periods beginning on or after January 1, 2009. 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 either the entity or the counterparty. The Group expects that this Interpretation will have no impact on its financial statements.

2.4 NEW STANDARDS AND INTERPRETATIONS (continued)

- **IFRS 3, “Business Combinations” (Revised) and IAS 27, “Consolidated and Separate Financial Statements” (Amended)**, effective for annual periods beginning on or after July 1, 2009. A revised version of IFRS 3 Business Combinations and an amended version of IAS 27 Consolidated and Separate Financial Statements were issued by IASB on January 10, 2008. 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. The Group applies this policy, consistently, since the first time adoption of IFRS, as referred to note 2.2 (g). Furthermore the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. The revised IFRS 3 and amendments to IAS 27 have not yet been endorsed by the EU. Except for the aforementioned in note 2.2 (g), all the other changes introduced by IFRS 3 (Revised) and IAS 27 (Amendment) will be applied prospectively and will affect future acquisitions and transactions with minority interests.
- **IFRS 8, “Operating Segments”**, effective for annual periods beginning on or after January 1, 2009. IFRS 8 replaces IAS 14 ‘Segment reporting’. IFRS 8 adopts a management approach to segment reporting. The information reported would be that which management uses internally for evaluating the performance of operating segments and allocating resources to those segments. This information may be different from that reported in the balance sheet and income statement and entities will need to provide explanations and reconciliations of the differences. The Group is in the process of assessing the impact of this standard on its financial statements.
- **IAS 1, “Presentation of Financial Statements” (Revised)**, effective for annual periods beginning on or after January 1, 2009. 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 balance sheet. The Group will make the necessary changes to the presentation of its financial statements in 2009.
- **IAS 32 and IAS 1, “Puttable Financial Instruments” (Amended)**, effective for annual periods beginning on or after January 1, 2009. The amendment to IAS 32 requires certain puttable financial instruments and obligations arising on liquidation to be classified as equity if certain criteria are met. The amendment to IAS 1 requires disclosure of certain information relating to puttable instruments classified as equity. The Group does not expect these amendments to impact the financial statements.
- **IAS 39 “Financial Instruments: Recognition and Measurement” - Eligible Hedged Items:** These amendments to IAS 39 become effective for financial years beginning on or after January 1, 2009. The amendment addresses the designation of an one-sided risk in a hedged item and the designation of inflation as a hedged risk or portion in particular situations. It 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. 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.

2.4 NEW STANDARDS AND INTERPRETATIONS (continued)

- **IAS 23, "Borrowing Costs" (Revised)**, effective for annual periods beginning on or after January 1, 2009. 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 will adopt this as a prospective change. Accordingly, borrowing costs will be capitalised on qualifying assets with a commencement date after January 1, 2009. No changes will be made for borrowing costs incurred to this date that have been expensed.
 - **IAS 39, "Financial Instruments: Recognition and Measurement" and IFRS 7 "Financial Instruments: Disclosures; Reclassification of Financial Assets"**, effective from July 1, 2008 and cannot be applied retrospectively to reporting periods before the effective date. The amendment to IAS 39 permits an entity to reclassify non-derivative financial assets (other than those designated at fair value through profit or loss by the entity upon initial recognition) out of the fair value through profit or loss ("FVTPL") category in particular circumstances. The amendment also permits an entity to transfer from the available-for-sale category to the loans and receivables category a financial asset that would have met the definition of loans and receivables (if the financial asset had not been designated as available for sale), if the entity has the intention and ability to hold that financial asset for the foreseeable future. The amendments do not permit reclassification into FVTPL. The amendment to IFRS 7 relates to the disclosures required to financial assets that have been reclassified.
- (b) In May 2008 the IASB issued its first omnibus of amendments to its standards, primarily with a view to removing inconsistencies and clarifying wording. These amendments are effective for periods beginning on or after January 1, 2009 and have not yet been endorsed by the EU.
- **IFRS 5, "Non-current Assets Held for Sale and Discontinued Operations" (Amended)**, effective for annual periods beginning on or after July 1, 2009. 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. To be applied prospectively from the date at which the company first applied IFRS 5. Therefore, any investments in subsidiaries classified as held for sale since IFRS 5 was applied will need to be re-evaluated. Early application is permitted. If early adopted, IAS 27 (as amended in January 2008) must also be adopted from that date.
 - **IFRS 7, "Financial Instruments: Disclosures" (Amended)**, effective for annual periods beginning on or after January 1, 2009. This amendment removes the reference to 'total interest income' as a component of finance costs.
 - **IAS 1, "Presentation of Financial Statements" (Amended)**, effective for annual periods beginning on or after January 1, 2009. 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 balance sheet. To be applied retrospectively. Early application is permitted.
 - **IAS 8, "Accounting Policies, Changes in Accounting Estimates and Errors" (Amended)**, effective for annual periods beginning on or after January 1, 2009. 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" (Amended)**, effective for annual periods beginning on or after January 1, 2009. This amendment clarifies that dividends declared after the end of the reporting period are not obligations.

2.4 NEW STANDARDS AND INTERPRETATIONS (continued)

- **IAS 16, "Property, Plant and Equipment" (Amended)**, effective for annual periods beginning on or after January 1, 2009.
 - Replaces the term 'net selling price' with 'fair value less costs to sell', regarding the recoverable amount, to be consistent with IFRS 5 and IAS 36 Impairment of Assets.
 - 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" (Amended)**, effective for annual periods beginning on or after January 1, 2009. This amendment replaces the term 'direct costs' with 'transaction costs' as defined in IAS 39.
- **IAS 19, "Employee Benefits" (Amended)**, effective for annual periods beginning on or after January 1, 2009.
 - Revises the definition of 'past service costs' to include reductions in benefits related to past services ('negative past service costs') and to exclude reductions in benefits related to future services that arise from plan amendments. Amendments to plans that result in a reduction in benefits related to future services are accounted for as a curtailment. To be applied prospectively - to changes to benefits occurring on or after January 1, 2009. Early application is permitted.
 - Revises the definition of 'return on plan assets' to exclude plan administration costs if they have already been included in the actuarial assumptions used to measure the defined benefit obligation. To be applied retrospectively. Early application is permitted.
 - Revises the definition of 'short-term' and 'other long term' employee benefits to focus on the point in time at which the liability is due to be settled. To be applied retrospectively. Early application is permitted.
 - Deletes the reference to the recognition of contingent liabilities to ensure consistency with IAS 37 Provisions, Contingent Liabilities and Contingent Assets. IAS 37 does not allow for the recognition of contingent liabilities. To be applied retrospectively. Early application is permitted.
- **IAS 20, "Accounting for Government Grants and Disclosure of Government Assistance" (Amended)**, effective for annual periods beginning on or after January 1, 2009. 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. Early application is permitted. However, IFRS 1 First-time Adoption of IFRS has not been revised for first-time adopters; hence they will be required to impute interest on all such loans outstanding at the date of transition.
- **IAS 23, "Borrowing Costs" (Amended)**, effective for annual periods beginning on or after January 1, 2009. 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. To be applied retrospectively. Early application is permitted.
- **IAS 27 "Consolidated and Separate Financial Statements" (Amended)**, effective for annual periods beginning on or after January 1, 2009. 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

2.4 NEW STANDARDS AND INTERPRETATIONS (continued)

held for sale. To be applied prospectively from the date at which the company first applied IFRS 5. Therefore, any subsidiaries classified as held for sale since IFRS 5 was adopted will need to be re-evaluated. Early application is permitted.

- **IAS 28, "Investment in Associates" (Amended)**, effective for annual periods beginning on or after January 1, 2009.
 - If an associate is accounted for at fair value in accordance with IAS 39 (as it is exempt from the requirements of IAS 28), 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. To be applied retrospectively, although an entity is permitted to apply it prospectively. Early application is permitted. If early adopted, an entity must also adopt the amendment below, and the amendments to paragraph 3 of IFRS 7 Financial Instruments: Disclosures, paragraph 1 of IAS 31 Joint Ventures and paragraph 4 of IAS 32 Financial Instruments: Presentation at the same time.
 - 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. Any impairment is reversed if the recoverable amount of the associate increases. If early adopted, an entity must also adopt the amendment above, and the amendments to paragraph 3 of IFRS 7 Financial Instruments: Disclosures, paragraph 1 of IAS 31 Joint Ventures and paragraph 4 of IAS 32 Financial Instruments: Presentation at the same time.
- **IAS 29, "Financial Reporting in Hyperinflationary Economies" (Amended)**, effective for annual periods beginning on or after January 1, 2009. 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. No specific transition requirements have been stated as it is a clarification of the references rather than a change.
- **IAS 31, "Interest in Joint ventures" (Amended)**, effective for annual periods beginning on or after January 1, 2009. This amendment clarifies that if a joint venture is accounted for at fair value, in accordance with IAS 39 (as it is exempt from the requirements of IAS 31), 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. Early application is permitted. If early adopted, an entity must also adopt the amendments to paragraph 3 of IFRS 7 Financial Instruments: Disclosures, IAS 28 Investments in Associates and paragraph 4 of IAS 32 Financial Instruments: Presentation at the same time.
- **IAS 34, "Interim Financial Reporting" (Amended)**, effective for annual periods beginning on or after January 1, 2009. 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" (Amended)**, effective for annual periods beginning on or after January 1, 2009. 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'. To be applied retrospectively. Early application is permitted.
- **IAS 38, "Intangible Assets" (Amended)**, effective for annual periods beginning on or after January 1, 2009.
 - 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. To be applied retrospectively. Early application is permitted.
 - 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

2.4 NEW STANDARDS AND INTERPRETATIONS (continued)

accumulated amortisation than under the straight-line method, thereby effectively allowing the use of the unit of production method. To be applied retrospectively. Early application is permitted.

- 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" (Amended)**, effective for annual periods beginning on or after January 1, 2009.
 - 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. To be applied retrospectively. Early application is permitted.
 - Removes the reference in IAS 39 to a 'segment' when determining whether an instrument qualifies as a hedge. To be applied retrospectively. Early application is permitted.
 - 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. To be applied retrospectively. Early application is permitted.
- **IAS 40, "Investment property" (Amended)**, effective for annual periods beginning on or after January 1, 2009.
 - 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. To be applied prospectively. Early application is permitted. An entity is permitted to apply the amendments to investment properties under construction from any date before January 1, 2009 provided that the fair values of investment properties under construction were determined at those dates.
 - Revises the conditions for a voluntary change in accounting policy to be consistent with IAS 8.
 - Clarifies that the carrying amount of investment property held under lease is the valuation obtained increased by any recognised liability.
- **IAS 41, "Agriculture" (Amended)**, effective for annual periods beginning on or after January 1, 2009.
 - Replaces the term 'point-of-sale costs' with 'costs to sell'. Revises the example of produce from trees in a plantation forest from 'logs' to 'felled trees'.
 - 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. To be applied prospectively. Early application is permitted.

2.5 SIGNIFICANT MANAGEMENT ACCOUNTING JUDGMENTS, ASSUMPTIONS AND ESTIMATES

The preparation of the financial statements in conformity with IFRS requires management to make accounting 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. Actual outcomes can differ from these estimates. Such estimates, assumptions and judgments are periodically evaluated by management in order to reflect current condition, correspond to anticipation of current risks and are based on management's prior experience in conjunction to the volume/level of such transactions and events.

Significant accounting judgments and related uncertainty: The principle judgments and estimates referring to events the development of which could significantly affect the financial statements during the forthcoming twelve months period are as follows:

(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 balance sheet 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 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 balance sheet 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 balance sheet 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 (based on the Group's weighted average cost of capital) as of the balance sheet date and is calculated based on the area of the land disturbed at the balance sheet date and the cost of rehabilitation per metric unit of land at the level of the broader area of interest. Changes in future estimated cash flows are recognized on the balance sheet 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 balance sheet 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 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.

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

- (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 balance sheet 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 through business combinations realized. Management gave 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.

S&B Industrial Minerals S.A.
NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2008

(Amounts in thousand Euro, unless otherwise stated)

3. INVESTMENTS IN SUBSIDIARIES AND MINORITY INTERESTS

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

Continuing entities			% Participation		Year
Entity	Country	Field of activity	31/12/2008	31/12/2007	Established / Acquired
EUROPE					
S&B Industrial Minerals AD	Bulgaria	Industrial Minerals	99,73%	99,69%	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 .(Footnote 1)	Germany	Industrial Minerals	75,00%	49,80%	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
Parnassos Insurance S.A.(Footnote 2)	Greece	Other Activities	-	59,00%	1981
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
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
AMERICA					
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
S&B Industrial Minerals Inc. (Footnote 3)	USA	Industrial Minerals	-	100,00%	2007
Stollberg do Brazil Ltda	Brazil	Industrial Minerals	100,00%	100,00%	2004
ASIA					
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
S&B Endustriyel Mineraller A.Ş.	Turkey	Industrial Minerals	99,71%	99,16%	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
AFRICA					
Naimex S.A.R.L.	Morocco	Industrial Minerals	100,00%	100,00%	2003
S&B Ind. Min. Morocco S.A.R.L. (Footnote 4)	Morocco	Industrial Minerals	100,00%	-	2008

S&B Industrial Minerals S.A.
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(Amounts in thousand Euro, unless otherwise stated)

3. INVESTMENTS IN SUBSIDIARIES AND MINORITY INTERESTS (continued)

Discontinued entities			% Participation		Year
Entity	Country	Field of activity	31/12/2008	31/12/2007	Established / Acquired
<u>EUROPE</u>					
<u>Motodynamics sub-group (Footnote 5)</u>					
Motodynamics S.A.	Greece	Commercial	-	57,24%	1993
Motodiktyo S.A.	Greece	Commercial	-	29,19%	2002
Motodiktyo N.Greece S.A.	Greece	Commercial	-	29,19%	2004
Motodynamics Insurance Agency S.A.	Greece	Commercial	-	57,69%	2003
Motodynamics Ltd.	Bulgaria	Commercial	-	57,24%	1992
Motodynamics S.r.l.	Romania	Commercial	-	57,24%	1994
<u>Ergotrak sub-group (Footnote 6)</u>					
Ergotrak Industrial Machinery & Equipment Trading Co S.A.	Greece	Commercial	-	100,00%	2000
Ergotrak Bulgaria Ltd.	Bulgaria	Commercial	-	100,00%	2002
Ergotrak-Rom S.r.l.	Romania	Commercial	-	100,00%	2006
Ergotrak Yu Ltd.	Serbia	Commercial	-	100,00%	2003

Footnotes

1. During September 2008, the Group acquired an additional 25,2% of its, until at this point, associate entity SLS Baustoffe GmbH and as a consequence obtained the control of the above entity, as further described in Note 4 of these financial statements.
2. On February 6, 2008, the Group acquired from minorities the remaining 41% of its subsidiary "Parnassos Insurance S.A." at a consideration of Euro 193 and, as a result, it owns fully the subsidiary. The Company's board of directors decided on June 23, 2008 the merger of the above subsidiary in accordance with the provisions of C.L. 2190/20 and L.2166/93. The subsidiary is merged with an effective balance sheet date, June 30, 2008. This balance sheet was approved by the Company's Shareholders' General Assembly, on November 12, 2008. In addition, the Ministry of Development approved the merger by its decision K2 - 14795 / 11.12.2008.
3. During January 2008, the wholly owned subsidiary S&B Industrial Minerals Inc. was merged with its parent company S&B Industrial Minerals North America Inc.
4. Within the first quarter of 2008 the Group established a new company namely S&B Industrial Minerals Morocco S.A.R.L. located at Nador city of Morocco.
5. The subsidiaries of Motodynamics sub-group are not consolidated since January 1, 2008 as further described in Note 5 of these financial statements. Until December 31, 2007 S&B's consolidated financial statements included two subsidiaries of Motodynamics sub-group in which the Group held less than 50% of the voting rights but had control since the Company owned 57,24% of their parent company, which owned 51,00% of the above two companies.
6. Subsidiaries that belong to Ergotrak sub-group are not consolidated since July 1, 2008 and are included in the Group's discontinued operations for the period 1.1.2008-30.6.2008, as further described in Note 5 of these financial statements.

(Amounts in thousand Euro, unless otherwise stated)

3. INVESTMENTS IN SUBSIDIARIES AND MINORITY INTERESTS (continued)

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

	December 31 2008	December 31 2007
S&B Holding GmbH	119.890	109.890
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	1.163
Asian Minerals Ltd.	0	0
Parnassos Insurance S.A.	-	42
Ergotrak Industrial Machinery & Equipment Trading Co S.A.	-	6.060
Ergotrak Rom S.r.l.	-	5
Ergotrak Bulgaria	-	1
	126.070	123.341

In December 2007, the Company's subsidiary S&B Holding GmbH proceeded to the increase of its share capital by an amount of Euro 26.000 which was fully paid within the year. In December 2008, S&B Holding GmbH proceeded to the increase of its share capital by an amount of Euro 10.000 which was fully paid within the year.

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, 2008 and 2007 were Euro 877 and Euro 1.435 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 is Euro 101 which they are included in the Group's tangible assets as it is in the intention of the Group to maintain its presence in that country.

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

	December 31 2008	December 31 2007
S&B Holding GmbH	4.949	13.114
Sarda Perlite S.r.l.	273	273
Isocon S.A.	228	372
Motodynamics S.A. Group of companies	-	1.233
	5.450	14.992

At December 31, 2008, the Company fully collected the above dividends. Moreover, the Company received from Motodynamics S.A. dividends of Euro 54.

(Amounts in thousand Euro, unless otherwise stated)

3. INVESTMENTS IN SUBSIDIARIES AND MINORITY INTERESTS (continued)

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

	Balance sheet		Income Statement	
	December 31 2008	December 31 2007	1/1-31/12 2008	1/1-31/12 2007
Isocon S.A.	588	588	152	304
Sarda Perlite S.r.l.	404	412	109	111
SLS Baustoffe GmbH	206	-	(2)	-
Stollberg & Samil Co. Ltd. (concerning minority interests of Qing Dao)	81	88	9	10
S&B Industrial Minerals AD	39	41	4	4
Askana Ltd.	11	(6)	19	(4)
S&B Endustriyel Mineraller A.Ş.	4	5	(1)	0
Sibimin Overseas Ltd.	1	1	0	0
Pabalk Maden A.Ş.	0	0	0	0
Orykton GmbH (concerning minority interests of Harmin)	-	449	(18)	(542)
Parnassos Insurance S.A.	-	44	(2)	(14)
Minority interests of continuing operations	1.334	1.622	270	(131)
Minority interests of discontinued operations	-	7.073	-	1.139
Total minority interests of Group	1.334	8.695	270	1.008

(Amounts in thousand Euro, unless otherwise stated)

4. BUSINESS COMBINATIONS

New business combinations of 2008 and the finalization of purchase price allocation for business combinations of 2007 are analyzed as follows:

4.1 Acquisition of operations from "Airlite Processing Corporation of Florida"

On March 3, 2008, the Group acquired 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"). The purchase price of the assets, including inventories and receivables was paid in cash.

The fair value of the identifiable assets, liabilities and contingent liabilities of Airlite, the purchase price allocation according to the provisions of IFRS 3 «Business Combinations» and the precise determination of goodwill were concluded within 2008 and the resulting goodwill of Euro 66 is considered final.

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

	Final fair value on acquisition	Carrying value on acquisition
Machinery	212	180
Other fixed equipment	46	50
Trade receivables	238	238
Inventories	140	140
	636	608
Deferred tax liabilities	9	-
Fair value of net assets	627	
Total acquisition cost	693	
Residual goodwill	66	
<u>Analysis of total acquisition cost</u>		
Acquisition cost	631	
Direct acquisition costs and other expenses	62	
Net cash outflow of acquisition	693	

The above assets have been incorporated in the operations of perlite and therefore their separate contribution to the Group cannot be easily and reliably measured. The acquisition of Airlite 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. The residual goodwill of Euro 66 comprises the fair value of the synergies arising from the acquisition.

(Amounts in thousand Euro, unless otherwise stated)

4. BUSINESS COMBINATIONS (continued)**4.2 Increase in the investment share of "SLS Baustoffe GmbH"**

On September 25, 2008, the wholly owned subsidiary S&B Industrial Minerals GmbH signed a share purchase agreement with "Quarzwerte GmbH" for the acquisition of an additional 25,2% participation interest at, up to that moment, its associate "SLS Baustoffe GmbH", which belongs to the Otavi activities, at a consideration of Euro 344. The aggregate participation interest amounts, currently, at 75% and the Group acquired substantially the control of the above entity since October 2, 2008, date at which the above consideration was fully paid, in accordance with the agreement. As a result, SLS Baustoffe GmbH is incorporated for the first time under the full consolidation method in the 2008 fourth quarter financial statements.

If the combination had taken place on January 1, 2008, sales of the Group would have been increased by approximately Euro 82, while the relative contribution to profit before taxes and net profit would have been immaterial since the entity was consolidated under the equity method until September 30, 2008.

The contribution of SLS since the acquisition date was: (a) approximately Euro 133 in sales, (b) losses of Euro 11 in profit before taxes and (c) losses of Euro 8 in net profit.

The fair value of the identifiable assets, liabilities and contingent liabilities of SLS, the purchase price allocation according to the provisions of IFRS 3 «Business Combinations» and the precise determination of goodwill were concluded within 2008 and the resulting goodwill of Euro 135 is considered final.

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

	Final fair value on acquisition	Carrying value on acquisition
Property, Plant and Equipment	473	198
Deferred tax assets	59	-
Inventories	109	109
Trade receivables	50	50
Cash and cash equivalents	193	193
	884	550
Current liabilities	55	55
Fair value of net assets (100%)	829	
Fair value of net assets acquired (25,2%)	209	
Total acquisition cost of additional participation	344	
Residual goodwill	135	
<u>Analysis of total acquisition cost</u>		
Acquisition cost	340	
Direct acquisition expenses and other expenses	4	
Less: Cash and cash equivalents acquired	(193)	
Net cash outflow of acquisition	151	

(Amounts in thousand Euro, unless otherwise stated)

4. BUSINESS COMBINATIONS (continued)**4.3 Finalization of purchase price allocation Panshi HuanYu Wollastonite Ltd.**

At the end of August 2007, the Group had acquired 100% of the shares and voting rights of Panshi HuanYu Wollastonite Ltd which is located in China, at Panshi City, Jilin Province and is mainly engaged in the extraction and processing of wollastonite and related minerals belonging to the Otavi activity.

The fair value of the identifiable net assets and the resulting determination of goodwill as of December 31, 2007 were temporary. Within 2008 the purchase price allocation was concluded and the Group recognized as an intangible asset the mining rights acquired and as a result the total temporary goodwill of Euro 1.216 (net of deferred tax liability of Euro 599) recognized as of December 31, 2007, was transferred to these rights which have a useful life of ten (10) years.

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

	Final fair value on acquisition (restated)	Temporary fair value on acquisition 31/12/07	Carrying value on acquisition
Property, Plant and Equipment	323	323	206
Intangible assets	2.023	208	116
Inventories	39	39	39
Other receivables	267	267	267
Cash and cash equivalents	816	816	816
	3.468	1.653	1.444
Deferred tax liabilities	599	-	-
Short-term loans	291	291	291
Other current liabilities	155	155	155
	1.045	446	446
Fair value of net assets	2.423	1.207	
Total acquisition cost	2.423	2.423	
Residual goodwill	-	1.216	
<u>Analysis of total acquisition cost</u>			
Acquisition cost	2.423	2.423	
Less: Cash and cash equivalents acquired	(816)	(816)	
Net cash outflow of acquisition	1.607	1.607	

No material effect resulted out of the finalisation of the above purchase price allocation and, consequently, there is no reason for restatement of financial statements of fiscal year 2007.

(Amounts in thousand Euro, unless otherwise stated)

4. BUSINESS COMBINATIONS (continued)**4.4 Finalization of purchase price allocation Ya Tai Scoria Co Ltd.**

At the end of December 2007 the Group acquired 50% of the shares and voting rights of Ya Tai Scoria Co. Ltd through the jointly controlled Stollberg & Samil Co.Ltd which belongs to the Stollberg activity. Ya Tai Scoria Co. Ltd is incorporated in China, at Hong Kong, and has its premises in Qingdao. Its acquisition related to the strategic decision of the Group to expand the existing premises and operations in Qingdao. The acquisition was paid in cash.

The fair value of the identifiable net assets and the resulting determination of goodwill as of December 31, 2007 were temporary. Within 2008 the fair valuation of fixed assets was concluded and as a result the total number of the temporary goodwill of Euro 336 (net of deferred tax liability of Euro 95) recognized as of December 31, 2007 was allocated to the buildings acquired which have a useful life of five (5) years.

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

	Final fair value on acquisition (restated)	Temporary fair value on acquisition 31/12/07	Carrying value on acquisition
Property, Plant and Equipment	567	136	136
Intangible assets	16	16	16
Other receivables	9	9	9
Cash and cash equivalents	6	6	6
	598	167	167
Deferred tax liabilities	95	-	-
Other current liabilities	9	9	9
	104	9	9
Fair value of net assets	494	158	
Total acquisition cost	494	494	
Residual goodwill	-	336	
<u>Analysis of total acquisition cost</u>			
Acquisition cost	494	494	
Less: Cash and cash equivalents acquired	(6)	(6)	
Net cash outflow of acquisition	488	488	

No material effect resulted out of the finalization of the above purchase price allocation and, consequently, there is no reason for restatement of financial statements of fiscal year 2007.

(Amounts in thousand Euro, unless otherwise stated)

4. BUSINESS COMBINATIONS (continued)**4.5 Finalization of purchase price allocation The Hill & Griffith Company**

In October 2007, the Group acquired from "The Hill & Griffith Company" the processing bentonite activities located in the United States of America ("USA"). The purchase price of assets, including inventories, was paid in cash.

The fair value of the identifiable net assets and the resulting determination of goodwill as of December 31, 2007 were temporary. Within 2008 the purchase price allocation was concluded and the Group recognized tradenames of Euro 650 which have a useful life of 15 years. As a result the temporary goodwill recognized as of December 31, 2007 was decreased by Euro 429 (net of deferred tax liability of Euro 221 and foreign exchange differences of Euro 10) and, therefore, the resulting goodwill is amounted to Euro 1.590.

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

	Final fair value on acquisition (restated)	Temporary fair value on acquisition 31/12/07	Carrying value on acquisition
Land and buildings	1.914	1.914	1.858
Machinery	3.330	3.330	5.886
Other equipment	54	54	-
Tradenames	650	-	-
Deferred tax assets	611	832	-
Inventories	888	888	888
	7.447	7.018	8.632
Total acquisition cost	9.037	9.037	
Residual goodwill	1.590	2.019	
<u>Analysis of total acquisition cost</u>			
Acquisition cost	8.836	8.836	
Direct acquisition costs and other expenses	201	201	
Net cash outflow of acquisition	9.037	9.037	

No material effect resulted out of the finalization of the above purchase price allocation and, consequently, there is no reason for restatement of financial statements of fiscal year 2007.

(Amounts in thousand Euro, unless otherwise stated)

4. BUSINESS COMBINATIONS (continued)**4.6 Finalization of purchase price allocation «Unimin Corporation»**

At the end of December 2007, the Group concluded to a final agreement for the acquisition of the bentonite processing plant of Unimin Corporation, located in Aberdeen of the state of Mississippi in USA. The acquisition of assets, including liabilities, was realized through cash consideration of 1 (one) US Dollar.

The fair value of the identifiable net assets and the resulting determination of goodwill as of December 31, 2007 were temporary. Within 2008 the purchase price allocation was concluded and the Group recognized as an intangible asset the mining rights acquired and as a result the total temporary goodwill of Euro 526 and which have a useful life of sixteen (16) years. As a result, the temporary negative goodwill recognized as of December 31, 2007 increased by Euro 328, which is included in "Other income"-note 11- (net of deferred tax liabilities of Euro 179 and foreign exchange differences of Euro 19), and consequently the final negative difference between purchase price and fair value of acquired assets (negative goodwill) is amounted to Euro 1.801. No material effect resulted out of the finalization of the above purchase price allocation and, consequently, there is no reason for restatement of financial statements of fiscal year 2007.

The Group recognized a liability related to the legal obligation of Unimin Corporation to the local authorities regarding the environmental restoration of disturbed land occurred prior to the acquisition date, due to the extraction activities. The Group has provided guarantees against this liability by restriction of cash of Euro 895 which are included in "Other non-current assets".

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

	Final fair value on acquisition (restated)	Temporary fair value on acquisition 31/12/07	Carrying value on acquisition
Land and buildings	468	468	714
Machinery	2.174	2.174	710
Other equipment	4	4	-
Mining rights	526	0	-
	3.172	2.646	1.424
Environmental rehabilitation provision	511	511	-
Deferred tax liability	905	726	-
	1.416	1.237	-
Fair value of net assets	1.756	1.409	
Total acquisition cost	38	38	
Foreign exchange differences	(83)	(102)	
Residual goodwill	(1.801)	(1.473)	
Analysis of total acquisition cost			
Acquisition cost (1 USD)	0	0	
Direct acquisition costs and other expenses	38	38	
Net cash outflow of acquisition	38	38	

(Amounts in thousand Euro, unless otherwise stated)

5. DISCONTINUED OPERATIONS

5.1 Sub-group Motodynamics

On December 20, 2007, the Company's Board of Directors decided to propose to the Shareholders Extraordinary General Assembly the carve out of the participation interest in the subsidiary "Motodynamics S.A." and its subsidiaries (Motodynamics sub-group), which belonged to the commercial activity. The Shareholders Extraordinary General Assembly held on January 11, 2008 approved the carve-out.

The carve-out was carried out through the distribution to S&B shareholders of 2.806.969 Motodynamics shares (out of the total 2.936.540 number of shares held by the Group, amounting to 57,24% participation interest) at a quota of 1 Motodynamics share for every 11 S&B shares, while any resulting fractions of Motodynamics shares were settled through cash payments. As a result, the Group currently holds 2,55% participation interest in Motodynamics.

The carve-out process as approved by the shareholders realized through: (a) an S&B share capital increase of Euro 19.452 through capitalization of reserves from "Share Premium" without issuance of new shares but through increase of each share's nominal value by Euro 0,63 (63 cents) and (b) an equivalent Company's share capital decrease with distribution of Motodynamics shares to S&B shareholders, without any share annulment, but through decrease of each S&B share's nominal value by Euro 0,63 (63 cents) as well.

The approval from the relevant authorities was obtained in January 2008 and, therefore, no liability to S&B shareholders was recognized in the financial statements of December 31, 2007.

The fair value of the Group's share in Motodynamics, based on the last six-month weighted average market value in the Athens Stock Exchange ("ASE"), amounted to Euro 19.452 at January 11, 2008, while the relative fair value at the ex date of the right of the shareholders of S&B on the shares of Motodynamics S.A., on February 21, 2008, amounted to Euro 14.317. The resulting difference of Euro 5.137 was recorded directly in Equity.

On January 2008 IFRIC issued the exposure draft "*Draft Interpretation D23: Distribution of Non-cash Assets to Owners*" which is related to such transactions. At the time the transaction was realized, the Group adopted the accounting treatment of D23 which was available at that moment and, as a result, recognized in the current year income statement a gain from Motodynamics' subgroup disposal of Euro 5.357 (gain of Euro 12.388 for the Company), which reflected the difference between the fair value at the ex date of the right of the shareholders of S&B on the shares of Motodynamics S.A , on February 21, 2008 and the carrying amount of the net assets at the date the Group ceased to control substantially Motodynamics sub-group. The above gain is presented separately on the face of the income statement.

(Amounts in thousand Euro, unless otherwise stated)

5. DISCONTINUED OPERATIONS (continued)

Assets and liabilities of Motodynamics sub-group were derecognized from the consolidated balance sheet as of January 1, 2008 as Management ceased to substantially control it at this date.

The results of Motodynamics sub-group for years ended December 31, 2008 and 2007 were reclassified and are presented in accordance with the provisions of IFRS 5 separately on the face of the consolidated income statement as "DISCONTINUED OPERATIONS" and are analyzed as follows:

	1/1-31/12 2008	1/1-31/12 2007
Sales	-	86.667
Cost of sales	-	(70.610)
Administration expenses	-	(3.826)
Selling expenses	-	(8.100)
Other income / (expense), net	-	1.559
Finance income / (costs), net	-	(529)
Gain from subsidiaries carve-out	5.357	-
Profit before tax	5.357	5.161
Income tax expense	(3.097)	(1.439)
Net profit	2.260	3.722
Minority interests	-	(1.139)
Net profit attributable to the equity holders of the Company	2.260	2.583

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5. DISCONTINUED OPERATIONS (continued)

Motodynamics sub-group assets and liabilities are presented separately on the face of the balance sheet as elements of discontinued operations as of December 31, 2007. Main categories of assets and liabilities as of December 31, 2007 had as follows:

	December 31 2007
ASSETS	
Non-current assets	
Tangible and intangible assets	3.124
Deferred tax assets	511
Other non-current assets	1.627
	5.262
Current assets	
Inventories	29.142
Trade receivables	10.461
Other receivables	412
Cash and cash equivalents	1.236
	41.251
TOTAL ASSETS	46.513
LIABILITIES	
Non-current liabilities	
Staff leaving indemnities	927
Other non-current liabilities	40
	967
Current liabilities	
Trade payables	13.420
Short term borrowings	13.392
Income tax liabilities	548
Other current liabilities	1.669
	29.029
TOTAL LIABILITIES	29.996

The net cash flows incurred by Motodynamics sub-group for the year ended December 31, 2007 are as follows:

	1/1-31/12 2007
Net cash flows from operating activities	(9.272)
Net cash flows from investing activities	(475)
Net cash flows from financing activities	9.117
Net foreign exchange difference on flows	(15)
Net decrease in cash and cash equivalents	(645)

(Amounts in thousand Euro, unless otherwise stated)

5. DISCONTINUED OPERATIONS (continued)**5.2 Sub-group Ergotrak**

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 is considered binding in order to reflect the result of the transaction on the financial statements and on which date the consideration of Euro 7.494 was collected. The result from the disposal, which is amounted to a loss of Euro 704 on consolidated level (profit of Euro 1.434 on the Company’s level), is reflected on the current year income statement.

Assets and liabilities of Ergotrak sub-group were derecognized from the consolidated balance sheet as of July 1, 2008 as Management ceased to substantially control it at this date.

The results of Ergotrak subgroup for years ended December 31, 2008 and 2007 were classified and reclassified, respectively, and are presented in accordance with the provisions of IFRS 5 separately on the face of the consolidated income statement as “DISCONTINUED OPERATIONS” and are analyzed as follows:

	1/1-31/12 2008	1/1-31/12 2007
Sales	12.012	25.440
Cost of sales	(8.813)	(18.931)
Administration expenses	(1.012)	(1.830)
Selling expenses	(2.031)	(3.957)
Other income / (expense), net	273	428
Finance income / (costs), net	(217)	(260)
Loss from disposal of subsidiary	(704)	-
Profit before tax	(492)	890
Income tax	(389)	(310)
Net profit / (loss)	(881)	580

It is noted that 2008 figures relate to 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.

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5. DISCONTINUED OPERATIONS (continued)

Main categories of assets and liabilities of Ergotrak sub-group as of June 30, 2008, at which date they were included for the last time in the consolidated financial statements, had as follows:

ASSETS	June 30 2008
Non-current assets	
Tangible and intangible assets	3.851
Deferred tax assets	164
Other non-current assets	228
	4.243
Current assets	
Inventories	9.682
Trade receivables	8.531
Other receivables	387
Cash and cash equivalents	998
	19.598
TOTAL ASSETS	23.841
LIABILITIES	
Non-current liabilities	
Staff leaving indemnities	295
Long term borrowing	324
Other non-current liabilities	395
	1.014
Current liabilities	
Trade payables	4.880
Short term borrowings	8.740
Income tax liabilities	130
Other current liabilities	873
	14.623
TOTAL LIABILITIES	15.637

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

	1/1-31/12 2008	1/1-31/12 2007
Net cash flows from operating activities	(183)	(3.474)
Net cash flows from investing activities	(390)	(842)
Net cash flows from financing activities	1.312	4.329
Net foreign exchange difference on flows	14	(20)
Net increase in cash and cash equivalents	753	(7)

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. DISPOSAL GROUPS***6.1 Harmin (Liaoning) Mining Co. Ltd***

On May 28, 2008, the jointly controlled entity "Orykton GmbH", in which the Group participates with a 50% interest, signed a definite transfer of shares agreement of its subsidiary "Harmin (Liaoning) Mining Co. Ltd" (hereinafter "Harmin"), owned by 59,06%, which is located in China and its activities belong to Otavi operations. The buyers are the existing minority shareholders of Harmin, namely "Zhenzishan Wollastonite Mines" and "Haoxiang Wollastonite Mines". The selling price amounts to approximately Euro 300 (S&B's portion) which will be paid as follows: approximately Euro 250 in the form of discounts to be provided on the sale of wollastonite within the next five (5) years and approximately Euro 50 in cash during the period from the year when Harmin becomes profitable.

The Group recognized in the current year income statement a loss from the disposal of this investment of Euro 320 which is included separately on the face of the income statement.

The above disposal has no material effect on the consolidated results and consequently there is no reason to classify the results of Harmin disposal group under the discontinued operations in the income statements for the years ended December 31, 2008 and 2007, respectively. Assets and liabilities of Harmin were derecognized from the consolidated balance sheet at the time of the disposal.

The results of Harmin for the years ended on December 31, 2008 and 2007 are analyzed as follows:

	<u>1/1-31/12 2008</u>	<u>1/1-31/12 2007</u>
Sales	2	228
Cost of sales	(7)	(286)
Administration expenses	(39)	(210)
Other income / (expense), net	-	(1.059)
Finance income / (costs), net	-	2
Loss from the disposal of subsidiary	<u>(320)</u>	<u>-</u>
Net Loss	<u>(364)</u>	<u>(1.325)</u>

It is noted that 2008 figures relate to the period 1/1-28/5/2008 for which Harmin was proportionately consolidated for the last time.

(Amounts in thousand Euro, unless otherwise stated)

6. DISPOSAL GROUPS (continued)**6.2 Cebo Fluid Treatment B.V.**

On July 31, 2008 the jointly controlled entity "Cebo International B.V.", in which the Group participates with a 50% interest, decided and approved the disposal of its subsidiary "Cebo Fluid Treatment B.V." (hereinafter "CFT"), owned by 50,01%, which is located in Netherlands and its activities belong to Bentonite operations. The buyer is named "Arnoldy Investments & Consultancy Holding B.V.". The selling price amounts to Euro 1,00 (one) - S&B's portion Euro 0,50 (fifty cents).

The Group recognized in the current year income statement a gain from the disposal of this investment of Euro 67 which is included separately on the face of the income statement.

The above disposal has no material effect on the consolidated results and consequently there is no reason to classify the results of CFT disposal group under the discontinued operations in the income statements for the years ended December 31, 2008 and 2007, respectively. Assets and liabilities of CFT were derecognized from the consolidated balance sheet at the time of the disposal.

The results of CFT for the years ended on December 31, 2008 and 2007 are analyzed as follows:

	1/1-31/12 2008	1/1-31/12 2007
Sales	7	1
Cost of sales	(2)	0
Administration expenses	(31)	(1)
Selling expenses	(6)	(54)
Finance income / (costs), net	(13)	(1)
Gain from the disposal of subsidiary	67	-
Net Profit/ (Loss)	22	(55)

It is noted 2008 data relate to the period 1/1-31/7/2008 for which CFT was consolidated-proportionate consolidation- for the last time, while 2007 data relate to the period 1/5-31/12/2007 due to Cebo's first incorporation as of May 1, 2007.

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(Amounts in thousand Euro, unless otherwise stated)

7. SALES

Sales presented in the financial statements are analyzed as follows:

	The Group		The Company	
	1/1-31/12 2008	1/1-31/12 2007	1/1-31/12 2008	1/1-31/12 2007
Bentonite	206.900	172.712	76.182	67.887
Perlite	74.418	76.271	39.417	35.081
Bauxite	46.690	48.606	46.692	48.622
Continuous casting fluxes	87.404	87.409	-	-
Otavi	38.929	36.886	-	-
Other	2.052	1.414	2.050	1.447
	456.393	423.298	164.341	153.037
Sales of discontinued operations	12.012	112.107	-	-
Total sales	468.405	535.405	164.341	153.037

8. COST OF SALES

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

	The Group		The Company	
	1/1-31/12 2008	1/1-31/12 2007	1/1-31/12 2008	1/1-31/12 2007
Consumptions	164.320	149.542	31.878	32.047
Freights	61.310	49.892	32.172	26.126
Payroll cost	44.132	41.832	17.323	17.457
Utilities	29.966	25.951	5.546	5.482
Depreciation	21.869	20.523	13.087	13.017
Third party fees	17.970	14.180	15.420	12.223
Taxes - duties	1.527	1.158	411	416
Other expenses	11.907	10.607	6.580	6.376
	353.001	313.685	122.417	113.144
Cost of sales of discontinued operations	8.813	89.541	-	-
Total cost of sales	361.814	403.226	122.417	113.144

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9. ADMINISTRATIVE EXPENSES

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

	The Group		The Company	
	1/1-31/12 2008	1/1-31/12 2007	1/1-31/12 2008	1/1-31/12 2007
Payroll cost	24.961	23.590	15.896	15.946
Third party fees	6.892	7.215	3.053	3.774
Utilities	5.482	5.469	3.868	3.785
Depreciation	2.252	2.744	1.139	1.488
Taxes - duties	1.183	853	1.368	2.458
Other expenses	4.993	6.889	2.834	4.341
	45.763	46.760	28.158	31.792
Administrative expenses of discontinued operations	1.012	5.640	-	-
Total administrative expenses	46.775	52.400	28.158	31.792

10. SELLING EXPENSES

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

	The Group		The Company	
	1/1-31/12 2008	1/1-31/12 2007	1/1-31/12 2008	1/1-31/12 2007
Payroll cost	13.292	13.634	1.809	1.803
Third party fees	1.226	1.497	412	517
Utilities	3.546	3.092	109	100
Depreciation	1.821	1.604	84	68
Taxes-duties	84	66	6	6
Other expenses	4.961	5.357	1.355	1.741
	24.930	25.250	3.775	4.235
Selling expenses of discontinued operations	2.031	12.028	-	-
Total selling expenses	26.961	37.278	3.775	4.235

(Amounts in thousand Euro, unless otherwise stated)

11. OTHER INCOME

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

	The Group		The Company	
	1/1-31/12 2008	1/1-31/12 2007	1/1-31/12 2008	1/1-31/12 2007
Income from rentals	1.380	743	1.595	1.614
Gains from disposal of property, plant and equipment	1.297	103	1.229	32
Income from services rendered	943	1.833	2.822	3.155
Reversal of penalties imposed by the Ministry of Environment (note 41)	392	-	392	-
Negative difference between purchase price and fair value of acquired assets (note 4)	328	1.473	-	-
Income from commissions	100	218	30	32
Subsidies on expenditure	56	58	56	80
Other income	1.248	836	353	397
	5.744	5.264	6.477	5.310
Other income of discontinued operations	275	2.124	-	-
Total other income	6.019	7.388	6.477	5.310

12. OTHER EXPENSES

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

	The Group		The Company	
	1/1-31/12 2008	1/1-31/12 2007	1/1-31/12 2008	1/1-31/12 2007
Fines and penalties	164	414	139	414
Losses from disposal of property, plant and equipment	39	52	-	-
Provision for environmental rehabilitation (note 34)	29	784	2	658
Impairment loss (note 18)	-	1.062	-	-
Other expenses	333	717	98	448
	565	3.029	239	1.520
Other expenses of discontinued operations	2	137	-	-
Total other expenses	567	3.166	239	1.520

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13. FINANCE INCOME

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

	The Group		The Company	
	1/1-31/12 2008	1/1-31/12 2007	1/1-31/12 2008	1/1-31/12 2007
Gains from valuation of derivatives on freights (note 36)	-	1.871	-	1.871
Interest income (note 28)	357	906	24	102
Other	53	157	-	-
	410	2.934	24	1.973
Finance income of discontinued operations	32	91	-	-
Total finance income	442	3.025	24	1.973

14. FINANCE COSTS

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

	The Group		The Company	
	1/1-31/12 2008	1/1-31/12 2007	1/1-31/12 2008	1/1-31/12 2007
Interest expense on long term loans and borrowings	9.480	9.852	5.051	4.911
Interest expense on short term borrowings (note 38)	3.245	541	2.715	225
Losses from valuation and settlement of derivatives on oil (note 36)	2.955	-	2.955	-
Losses from valuation of derivatives on freights (note 36)	947	-	947	-
Finance cost of environmental rehabilitation provision (note 34)	943	439	850	790
Finance cost of staff leaving indemnities provision (note 33)	902	786	462	389
Foreign exchange losses, net	739	806	787	330
Bank charges	380	467	160	204
Amortization of loan expenses	144	150	72	75
Other	40	17	-	-
	19.775	13.058	13.999	6.924
Finance costs of discontinued operations	249	925	-	-
Total finance costs	20.024	13.983	13.999	6.924

(Amounts in thousand Euro, unless otherwise stated)

15. 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 2008	1/1-31/12 2007	1/1-31/12 2008	1/1-31/12 2007
Current income tax	8.210	11.637	5.025	4.791
Deferred income tax	864	(862)	269	163
Income tax of the Group	9.074	10.775	5.294	4.954
Less: Income tax of discontinued operations	(3.486)	(1.749)	-	-
Income tax of continuing operations	5.588	9.026	5.294	4.954

The statutory income tax rate applicable to the Company, for its activities in Greece, for the fiscal year 2008 is 25%. Within 2007, the Company started operations abroad through the establishment of a 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 subsidiaries 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, this period is five years from the year the losses incurred.

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(Amounts in thousand Euro, unless otherwise stated)

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

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

Company	Note	Country	Unaudited tax years
EUROPE			
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	(3)	Germany	2006-2008
S&B Holding GmbH	(3)	Germany	2006-2008
Otavi Minen AG	(3)	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	2006-2008
Isocon S.A.		Greece	2007-2008
Greek Helicon Bauxites S.A.		Greece	2007-2008
Parnassos Insurance S.A.		Greece	2003-2008
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
AMERICA			
S&B Industrial Minerals North America Inc.		USA	2000-2008
Stollberg Inc.	(2)	USA	2000-2008
Stollberg do Brazil Ltda	(2)	Brazil	2002-2008
ASIA			
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.		China	2006-2008
Ya Tai Scoria Co.Ltd.		China	2007-2008
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
AFRICA			
Naimex S.A.R.L.		Morocco	2004-2008
S&B Ind. Min. Morocco S.A.R.L.		Morocco	-

Footnotes:

- (1) Within April 2008, the tax authorities concluded the Company's tax audit for the year 2005. Income tax assessments of Euro 464 have been imposed, out of which Euro 190 were charged to the current year's results. Furthermore, the Company is currently audited from the tax authorities for fiscal years 2006-2007.
- (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.
- (3) Within 2008, the tax authorities concluded the tax audit for the years 2002-2005 of these entities. Income tax assessments of Euro 275 have been imposed which were charged to the prior years' results.

(Amounts in thousand Euro, unless otherwise stated)

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

The Group is not able to estimate accurately the additional taxes and penalties which may be assessed by the tax examination of the unaudited tax years for each subsidiary and the country it operates. Therefore, the Group has accounted for a provision per entity based on previous years' tax audit findings and the development of the related amounts.

The analysis and reconciliation of the nominal tax rate to the effective tax rate for the Group and the Company is summarized as follows:

	The Group	
	December 31 2008	December 31 2007
IFRS profit before tax of continuing operations	19.846	31.400
IFRS profit before tax of discontinued operations	4.865	6.051
IFRS profit before tax for the Group	24.711	37.451
Company's tax rate	25%	25%
Income tax calculated at the nominal applicable tax rate	6.178	9.363
- Non taxable reserves L.2601/1998	(2.430)	(1.924)
- Tax effects of profits from subsidiaries taxed at different rates	1.095	(1.631)
- Additional taxes	1.243	769
- Deferred income tax asset on prior years subsidiaries' tax losses	54	(5)
- Tax effects of current year losses of subsidiaries on which no deferred tax was calculated	877	787
- Non tax deductible expenses	2.217	3.416
- Effect of changes in tax rates	(160)	-
Total Group income tax expense	9.074	10.775
Less: Income tax expense of discontinued operations	(3.486)	(1.749)
Income tax expense of continuing operations	5.588	9.026
	36,7%	28,8%
	The Company	
	December 31 2008	December 31 2007
IFRS profit before tax	20.762	18.160
Income tax calculated at the nominal applicable tax rate		
- Greek operation*	5.145	4.484
- foreign operation**	57	85
Tax free income		
-Dividends and gains from disposal of listed companies	(70)	(401)
-Non taxable reserves L.2601/1998	(2.430)	(1.924)
Non tax deductible expenses		
- Non deductible taxes	310	555
- Additional taxes	1.165	769
- Other provisions	541	395
- B.O.D. fees and distribution of profit to employees and other employee benefits	341	684
- Other	392	307
- Effect of changes in tax rates	(157)	-
Provision for income tax expense	5.294	4.954
	25,5%	27,3%

* Income from operations in Greece

** Income from operations of foreign branch

1/1-31/12
20081/1-31/12
2007

20.580

17.937

182

223

20.762

18.160

(Amounts in thousand Euro, unless otherwise stated)

15. 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 in the Company. The statutory income tax rate applicable to the Company for its Greek operations is 25% from 2007 to 2009 while since 2010 it will be reduced gradually by 1% per year until 20% in 2014. The statutory income tax rate for the Company's foreign operation, through its branch, is 31,4% for 2008.

The Group has not recognized deferred tax assets for losses of specific subsidiaries, amounting to Euro 9,5 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 2008	1/1-31/12 2007	1/1-31/12 2008	1/1-31/12 2007
Beginning balance, net asset / (liability)	(9.914)	(7.343)	2.478	2.615
(Debit) / credit of the income statement	(864)	862	(269)	(163)
Deferred income tax credited directly in equity	101	27	94	26
Business combinations / mergers	(1.040)	(3.034)	7	-
Business disposals	(164)	-	-	-
Currency translation differences	(9)	85	-	-
<i>Less: Deferred income tax of discontinued operations</i>	<i>-</i>	<i>(511)</i>	<i>-</i>	<i>-</i>
Ending balance of deferred income tax of continuing operations, net asset / (liability)	(11.890)	(9.914)	2.310	2.478

The deferred income tax assets and liabilities presented in the balance sheet of the Group are as follows:

	The Group	
	December 31 2008	December 31 2007
Net deferred income tax asset	3.861	4.699
Less: Deferred income tax asset of discontinued operations	-	(511)
	3.861	4.188
Net deferred tax liability	(15.751)	(14.102)
	(11.890)	(9.914)

(Amounts in thousand Euro, unless otherwise stated)

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

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

	The Group			
	Balance sheet		Income statement	
	December 31 2008	December 31 2007	Year 2008	Year 2007
Deferred tax assets				
Provision for environmental rehabilitation	2.830	3.117	287	(336)
Executive officers' bonus	763	1.177	307	(132)
Provision for staff leaving indemnities	2.099	2.493	162	(91)
Tax losses	296	519	293	1.935
Financial derivatives	367	-	(236)	-
Provision for inventories impairment	679	371	(318)	-
Other	2.596	2.927	25	(190)
Total	9.630	10.604		
Deferred tax liabilities				
Intangible assets	(7.113)	(6.649)	(314)	(1.396)
Tax deductible goodwill	(4.727)	(4.182)	545	(382)
Tangible assets	(3.967)	(3.686)	(123)	(980)
Adjustment of fixed assets' useful lives	(4.972)	(5.056)	(32)	558
Other	(741)	(434)	268	152
Total	(21.520)	(20.007)		
Net deferred tax liabilities	(11.890)	(9.403)		
<i>Less: Net deferred tax assets of discontinued operations</i>	<i>-</i>	<i>(511)</i>		
Net deferred tax liabilities of continuing operations	(11.890)	(9.914)		
Deferred income tax charge to the income statement			864	(862)
The Company				
	Balance sheet		Income statement	
	December 31 2008	December 31 2007	Year 2008	Year 2007
Deferred income tax assets				
Provision for inventories impairment	262	275	13	-
Provision for doubtful debts	264	284	20	55
Provision for staff leaving indemnities	1.678	1.780	102	(167)
Provision for environment rehabilitation	2.734	3.067	333	(330)
Executive officers' bonus	740	1.034	294	(124)
Transitory accounts	(11)	(8)	3	8
Adjustment of subsidies' useful lives	236	276	40	(16)
Financial derivatives	367	-	(236)	-
Total	6.270	6.708		
Deferred tax liabilities				
Adjustment of fixed assets' useful lives	(3.930)	(4.230)	(300)	745
Available-for-sale investments	(37)	-	-	-
Business mergers	7	-	-	-
Financial derivatives	-	-	-	(7)
Total	(3.960)	(4.230)		
Net deferred tax assets	2.310	2.478		
Deferred income tax charge to the income statement			269	164

Deferred tax asset (on financial derivatives) of Euro 130 was credited and deferred tax liability (on available for sale investments) of Euro 37 was charged directly to shareholders' equity of the Group and the Company, due to the fact that it similarly affected shareholders' equity at their initial recognition. Deferred tax liability of Euro 1.040 increased the goodwill derived from business acquisitions in the consolidated balance sheet.

(Amounts in thousand Euro, unless otherwise stated)

16. DEPRECIATION / AMORTIZATION

Depreciation/amortization expense for the years ended December 31, 2008 and 2007 is as follows:

	The Group		The Company	
	1/1-31/12 2008	1/1-31/12 2007	1/1-31/12 2008	1/1-31/12 2007
Depreciation and amortization of fixed assets				
- Property, plant and equipment (note 18)	23.902	22.563	14.307	14.133
- Intangible assets (note 21)	2.212	2.310	175	442
- Investment property (note 19)	330	413	330	413
	26.444	25.286	14.812	14.988
Total depreciation and amortization of fixed assets of discontinuing operations	193	993	-	-
Total depreciation and amortization of fixed assets	26.637	26.279	14.812	14.988
Depreciation and amortization included in ending inventories and fixed assets	(502)	(415)	(502)	(415)
Depreciation and amortization expensed	26.135	25.864	14.310	14.573

In addition to the above, Euro 38 and Euro 788 for the year ended December 31, 2008 and 2007, respectively, are included in consumption in the cost of sales, which relates to depreciation included in prior years' ending inventories.

17. PAYROLL COST

Payroll cost for the years ended December 31, 2008 and 2007 is as follows:

	The Group		The Company	
	1/1-31/12 2008	1/1-31/12 2007	1/1-31/12 2008	1/1-31/12 2007
Wages and salaries	65.890	63.488	28.283	28.043
Social security costs	13.080	12.133	6.023	5.636
Other staff costs	4.721	3.390	2.234	1.927
Staff leaving indemnities	2.937	1.304	2.290	1.257
Share option plans	306	1.370	306	1.362
	86.934	81.685	39.136	38.225
Payroll cost of discontinuing operations	1.952	9.266	-	-
Total payroll cost of Group	88.886	90.951	39.136	38.225
Payroll cost included in ending inventories and fixed assets	(3.646)	(2.630)	(3.646)	(2.630)
Payroll cost expensed	85.240	88.321	35.490	35.595

18. PROPERTY, PLANT AND EQUIPMENT

During the impairment test process of its fixed assets in 2007, the Group concluded that due to the increased costs in the international markets, the net book value of specific tangible and intangible assets of Harmin (Liaoning) Mining Co. Ltd., which belongs to Industrial Minerals segment, is not expected to be fully recovered and therefore, it recognized an impairment loss in the income statement of 2007 totalling to Euro 1.062 (note 12), out of which Euro 653 refers to tangible assets and Euro 409 to intangible assets (note 21). As a result, these fixed assets are currently recorded in their recoverable amount through their value in use which has been calculated with the use of future cash flows based on the Group discount rates (note 20).

(Amounts in thousand Euro, unless otherwise stated)

18. PROPERTY, PLANT AND EQUIPMENT (continued)

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

	Ores - Mines	Land	Buildings	Machinery	Transportation Means	Furniture and Fixtures	Construction in Progress	Total
Cost								
January 1, 2007	63.784	15.403	83.365	128.980	15.052	20.176	6.068	332.828
Additions	11.699	677	869	3.624	1.568	1.183	10.584	30.204
Business acquisitions(note 4)	129	3.134	5.909	14.681	1.489	989	1	26.332
Disposals	-	-	(44)	(671)	(1.200)	(160)	-	(2.075)
Exchange Difference	(40)	(28)	(453)	(1.032)	(28)	(21)	(67)	(1.669)
Transfers	140	8	1.257	4.856	(3)	179	(6.525)	(88)
PPE of discount. operations	-	(128)	(1.673)	(292)	(1.400)	(3.336)	-	(6.829)
December 31, 2007	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(note 4)	-	-	431	931	50	1	-	1.413
Business disposals (note 5)	-	(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
Accumulated depreciation								
January 1, 2007	38.750	13	29.916	77.629	9.432	16.484	-	172.224
Depreciation charge for the year	9.228	-	3.468	8.123	1.076	1.626	-	23.521
Business acquisitions(note 5)	56	-	897	5.281	772	707	-	7.713
Impairment loss	-	-	328	-	120	12	193	653
Disposals	-	-	(10)	(361)	(648)	(137)	-	(1.156)
Exchange Difference	(6)	1	(85)	(808)	(152)	6	(20)	(1.064)
PPE of discount. operations	-	-	(602)	(203)	(437)	(2.575)	-	(3.817)
December 31, 2007	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(note 4)	-	-	-	250	-	1	-	251
Business disposals (note 5)	-	-	(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
Net Book Value								
January 1, 2007	25.034	15.390	53.449	51.351	5.620	3.692	6.068	160.604
December 31, 2007	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

(Amounts in thousand Euro, unless otherwise stated)

18. 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, 2007	56.285	5.251	34.180	56.237	10.982	10.992	3.205	177.132
Additions	10.959	-	10	893	139	415	7.324	19.740
Disposals	-	-	-	(277)	(202)	(7)	-	(486)
Transfers	-	-	242	2.489	100	5	(2.836)	-
December 31, 2007	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
Accumulated depreciation								
January 1, 2007	35.316	-	14.153	29.824	7.144	9.100	-	95.537
Depreciation charge for the year	8.907	-	1.266	2.899	446	615	-	14.133
Disposals	-	-	-	(78)	(199)	(7)	-	(284)
December 31, 2007	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
Net Book Value								
January 1, 2007	20.969	5.251	20.027	26.413	3.838	1.892	3.205	81.595
December 31, 2007	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

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

(Amounts in thousand Euro, unless otherwise stated)

18.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, 2007	21.268	36.821	5.600	95	63.784
Additions	606	8.919	992	1.182	11.699
Business acquisitions (note 4)	-	129	-	-	129
Exchange Difference	-	(38)	-	(2)	(40)
Transfers	1	138	1	-	140
December 31, 2007	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
Accumulated Depreciation					
January 1, 2007	11.188	24.486	2.981	95	38.750
Depreciation charge for the year	908	7.723	597	-	9.228
Business acquisitions (note 4)	-	56	-	-	56
Exchange Difference	-	(4)	-	(2)	(6)
December 31, 2007	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
Net Book Value					
January 1, 2007	10.080	12.335	2.619	-	25.034
December 31, 2007	9.779	13.708	3.015	1.182	27.684
December 31, 2008	9.859	19.153	2.856	2.708	34.576

(Amounts in thousand Euro, unless otherwise stated)

18. PROPERTY, PLANT AND EQUIPMENT (continued)

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

	Mining Land	Mine Development Expenses	Environment Rehabilitation Expenses	Exploration and Evaluation Expenditure	Total
Cost					
January 1, 2007	15.434	35.754	5.097	-	56.285
Additions	296	8.790	992	881	10.959
December 31, 2007	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
Accumulated depreciation					
January 1, 2007	8.300	24.387	2.629	-	35.316
Depreciation charge for the year	691	7.669	547	-	8.907
December 31, 2007	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
Net Book Value					
January 1, 2007	7.134	11.367	2.468	-	20.969
December 31, 2007	6.739	12.488	2.913	881	23.021
December 31, 2008	6.641	17.568	2.755	2.187	29.151

(Amounts in thousand Euro, unless otherwise stated)

18. PROPERTY, PLANT AND EQUIPMENT (continued)

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

Cost	The Group		The Company	
	December 31 2008	December 31 2007	December 31 2008	December 31 2007
Mines	731	83	-	-
Land	101	213	-	-
Buildings	9.614	8.592	5.274	4.981
Machinery	36.573	33.922	15.588	15.189
Transportation means	1.300	1.266	4.677	4.499
Furniture and fixtures	4.309	4.570	9.043	8.636
Total	52.628	48.646	34.582	33.305

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

19. 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, 2007	14.922	15.598	30.520
December 31, 2007	14.922	15.598	30.520
Disposals	(223)	(4.967)	(4.920)
December 31, 2008	14.699	10.901	25.600
Accumulated depreciation			
January 1, 2007	-	6.776	6.776
Depreciation charge for the year	-	413	413
December 31, 2007	-	7.189	7.189
Depreciation charge for the year	-	330	330
Disposals	-	(2.526)	(2.526)
December 31, 2008	-	4.993	4.993
Net Book Value			
January 1, 2007	14.922	8.822	23.744
December 31, 2007	14.922	8.409	23.331
December 31, 2008	14.699	5.908	20.607

On May 14, 2008, the Shareholders' General Assembly held 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 Euro 2.400, to the related entity "ORYMIL S.A." at the price of approximately Euro 3.600. The sale was realised on June 5, 2008 and the resulting profit of approximately Euro 1.200 is included in «Other Income» in the Income statement of the Group and the Company for the year ended December 31, 2008.

Investment property is leased to third parties for the purpose of housing and warehouse storage. Rental fees on investment properties amounted to Euro 1.495 and Euro 1.560 for the years ended December 31, 2008 and 2007, respectively. Repairs and maintenance costs incurred for such investment properties amounted to Euro 105 and Euro 106 for the years ended December 31, 2008 and 2007, respectively. At December 31, 2008 the Company was engaged in operating lease contracts of its investment property that expire in various dates through to 2014.

(Amounts in thousand Euro, unless otherwise stated)

19. INVESTMENT PROPERTY (continued)

The minimum future rental fees to be received on investment properties, under non-cancelable lease contracts, as of December 31, 2008 and 2007 are the following:

	December 31 2008	December 31 2007
	(in million Euro)	
Within one year	1,1	1,5
2-5 years	6,0	4,5
After 5 years	0,6	1,7
	<u>7,7</u>	<u>7,7</u>

The fair value of investment property for the Group and the Company as of December 31, 2008, and 2007 amounted to approximately Euro 23,8 million and Euro 26,7 million, respectively.

20. GOODWILL

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

	Bentonite	Perlite	Fluxes	Otavi	Total
Balance January 1, 2007	47.012	9.816	16.820	-	73.648
Additions	9.189	-	337	1.216	10.742
Exchange Difference	-	-	(428)	-	(428)
Balance December 31, 2007	56.201	9.816	16.729	1.216	83.962
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	55.879	9.894	16.600	135	82.508

Goodwill of Euro 25.129 in the Company's financial statements is related to business combinations realized 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 Euro 18.317 and Otavi Minerals Greece S.A of Euro 6.812.

Annual Impairment test of fixed assets with indefinite life: The annual impairment test of fixed 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 ("Fluxes")
- Otavi Activities

The balance of trademarks as of December 31, 2008 and 2007 amounted to Euro 8.240 and Euro 7.572, respectively, and it is related to Fluxes and Bentonite Activities, while in December 31, 2008, it was increased due to the allocation of Hill & Griffith goodwill, which belongs to the Bentonite activities (notes 4 & 21).

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.

20. GOODWILL (continued)

The discount rate applied to cash flow projections for all business activities is, on a pre-tax basis, 9,00% for 2008 and 9,47% for 2007, respectively. For the Bentonite activities, Perlite activities and Otavi activities, cash flows beyond the 5-year period are extrapolated using a 2% growth rate for both 2008 and 2007, whereas for Fluxes activities the respective growth rate is 1% for both 2008 and 2007. 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, 2008 and 2007:

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 at the end of 2008.
- ***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, 2008 did not indicate any impairment losses with respect to above goodwill amounts.

(Amounts in thousand Euro, unless otherwise stated)

21. OTHER INTANGIBLE ASSETS

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

	Software	Concessions - licenses - rights	Trademarks- Tradenames	Customer lists	Total
Cost					
January 1, 2007	6.314	4.675	5.826	8.717	25.532
Additions	80	523	-	-	603
Business acquisitions (note 4)	104	238	1.746	8.046	10.134
Disposals	(99)	(8)	-	-	(107)
Exchange Difference	(2)	1	-	-	(1)
Transfers	101	(13)	-	-	88
Intangible assets of discontinued operations	(540)	-	-	-	(540)
December 31, 2007	5.958	5.416	7.572	16.763	35.709
Additions	12	1.587	-	-	1.599
Business acquisitions (note 4)	-	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
Accumulated amortization					
January 1, 2007	4.797	2.831	-	2.180	9.808
Amortization charge for the year	936	269	-	1.140	2.345
Business acquisitions (note 4)	10	5	-	-	15
Impairment Losses	-	409	-	-	409
Disposals	(1)	-	-	-	(1)
Exchange Difference	(1)	2	-	-	1
Intangible assets of discontinued operations	(428)	-	-	-	(428)
December 31, 2007	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
Net Book Value					
January 1, 2007	1.517	1.844	5.826	6.537	15.724
December 31, 2007	645	1.900	7.572	13.443	23.560
December 31, 2008	331	4.270	8.184	12.314	25.099

(Amounts in thousand Euro, unless otherwise stated)

21. 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, 2007	3.110	618	3.728
Additions	13	-	13
December 31, 2007	3.123	618	3.741
Additions	-	10	10
December 31, 2008	3.123	628	3.751
Accumulated depreciation			
January 1, 2007	2.626	449	3.075
Amortization charge for the year	362	80	442
December 31, 2007	2.988	529	3.517
Amortization charge for the year	105	70	175
December 31, 2008	3.093	599	3.692
Net Book Value			
January 1, 2007	484	169	653
December 31, 2007	135	89	224
December 31, 2008	30	29	59

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

	The Group		The Company	
	December 31 2008	December 31 2007	December 31 2008	December 31 2007
Cost				
Software	1.716	1.613	2.853	1.837
Concessions and licenses	1.135	580	-	-
Total	2.851	2.193	2.853	1.837

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22. INVESTMENTS IN ASSOCIATES

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

	The Group		The Company	
	December 31 2008	December 31 2007	December 31 2008	December 31 2007
Laviosa Chimica Mineraria S.p.a.	6.987	6.646	3.164	3.164
Laviosa Promasa S.A.	828	756	208	208
Bentec S.p.A.	657	615	401	401
Xinyang- Athenian Mining Co	513	395	-	-
SLS Baustoffe GmbH	-	271	-	-
Envitec Filtration Technik GmbH	-	13	-	-
Protovoulia Milos S.A.	621	26	626	26
Dolphin CI S&B Holdings Ltd	10	0	-	-
	9.616	8.722	4.399	3.799

The following table provides additional information for the above associates:

Entity	Country	Field of activity	% Participation		Year Established / Acquired
			31/12 2008	31/12 2007	
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
SLS Baustoffe GmbH	Germany	Industrial Minerals	-	49,80%	1995
Envitec Filtration Technik GmbH	Germany	Industrial Minerals	-	25,00%	2007
Protovoulia Milos S.A.	Greece	Other activities	43,07%	-	2007
Dolphin CI S&B Holdings Ltd	Cyprus	Real estate	25,00%	25,00%	2007

As analysed in Note 4 above, on September 25, 2008, the Group acquired an additional 25,2% share of the entity SLS Baustoffe GmbH and effectively obtained its control on October 2, 2008, when the consideration was paid, according to the relevant agreement. As a result, SLS Baustoffe GmbH is fully consolidated in the Group financial statements of the fourth quarter of 2008.

The Company participates in the associate Protovoulia Milos S.A, located in Milos island, holding an interest of 43,07% for the purpose to realize various developing works on the island. Over and above the proportionate share to the entity's share capital of Euro 26, paid in 2007, the Company paid Euro 600 within 2008 and Euro 200 in 2009 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.

The associate company Envitec Filtration Technik GmbH is not consolidated since August 1, 2008 due to the sale of its parent company Cebo Fluid Treatment B.V. through which the Group participated in Envitec, in July 2008. Further details are provided in Note 6 of these financial statements.

(Amounts in thousand Euro, unless otherwise stated)

22. INVESTMENTS IN ASSOCIATES (continued)

Dividend income from associates, net of taxes, received for the years ended December 31, 2008 and 2007, respectively, are as follows:

	The Group	
	December 31 2008	December 31 2007
Laviosa Chimica Mineraria S.p.A.	197	197
Bentec S.p.A.	22	22
Laviosa Promasa S.A.	160	92
Xinyang-Athenian Mining Co	32	-
	411	311

The above amounts were accounted for as a decrease in the investments in associates in the Group balance sheet.

Dividend income from associates recognized in the Company's income statement for the years ended December 31, 2008 and 2007, respectively, are as follows:

	The Company	
	December 31 2008	December 31 2007
Laviosa Chimica Mineraria S.p.A.	294	294
Bentec S.p.A.	33	33
Laviosa Promasa S.A.	222	136
	549	463

The following table provides condensed information of the associates' balance sheets:

	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

	December 31 2007		
	Assets	Liabilities	Net assets
Laviosa Chimica Mineraria S.p.A. (consolidated)	47.928	28.940	18.988
Laviosa Promasa S.A.	7.569	3.807	3.762
Bentec S.p.A.	5.647	2.973	2.674
Xinyang - Athenian Mining Co	1.686	79	1.607
SLS Baustoffe GmbH	572	27	545
Envitec Filtration Technik GmbH	159	112	47
Dolphin CI S&B Holdings Ltd	1.160	1.276	(116)

Sales revenue of the above associates in their financial statements amounted to Euro 80.696 and Euro 75.272 for the year ended December 31, 2008 and 2007, respectively. The share of profit from the associates, before taxes, accounted for using the equity method amounted to Euro 1.586 (Euro 970 net of taxes) and Euro 1.686 (Euro 1.127 net of taxes), for the years ended December 31, 2008 and 2007, respectively. It is noted that no guarantees have been provided to the associates.

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23. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES

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

Continuing entities			% Participation		Year Established / Acquired
Entity	Country	Field of activity	31/12/2008	31/12/2007	
EUROPE					
Orykton GmbH (Footnote 1)	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. (Footnote 2)	China	Industrial Minerals	48,32%	47,77%	2004
Ya Tai Scoria Co. Ltd. (Footnote 2)	China	Industrial Minerals	-	50,00%	2007
Disposed entities			% Participation		Year Established / Acquired
Entity	Country	Field of activity	31/12/2008	31/12/2007	
EUROPE					
Cebo Fluid Treatment B.V.(Footnote 3)	Netherlands	Industrial Minerals	-	25,00%	2007
ASIA					
Harmin (Liaoning) Mining Co.Ltd. (Footnote 1)	China	Industrial Minerals	-	29,53%	2005

Footnotes

1. Harmin (Liaoning) Mining Co.Ltd, owned by 59,06% by Orykton GmbH is not consolidated since May 28, 2008. Further details are provided in Note 6 of these financial statements.
2. Qing Dao Stollberg & Samil Co.Ltd. is fully consolidated in the parent company's financial statements, namely Stollberg & Samil Co. Ltd, (96,64% interest). In April 2008, Ya Tai Scoria Co. Ltd. was merged with Qing Dao Stollberg & Samil Co.Ltd.
3. Cebo Fluid Treatment B.V. is not consolidated since August 1, 2008. Further details are provided in Note 6 of these financial statements. Until July 31, 2008 Cebo Fluid Treatment B.V. had been fully consolidated in its parent company's, namely Cebo International BV, financial statements (50,01% interest).

(Amounts in thousand Euro, unless otherwise stated)

23. INVESTMENTS IN JOINTLY CONTROLLED ENTITIES (continued)

The Group's share of consolidated assets, liabilities, income and expenses of the jointly controlled entities at December 31, 2008 and 2007 which are included in the financial statements of the Group, are analyzed as follows:

	December 31 2008	December 31 2007
Non-current assets	16.242	17.132
Current assets	15.918	15.450
	32.160	32.582
Non-current liabilities	3.377	3.544
Current liabilities	7.936	7.952
	11.313	11.496
	20.847	21.086
Sales	40.319	28.977
Cost of sales	(31.870)	(22.673)
Administrative expenses	(1.791)	(1.763)
Selling expenses	(3.017)	(2.214)
Other income /(expense), net	5	(374)
Financial income /(expense), net	(57)	148
Loss from subsidiary disposal	(253)	-
Profit before taxes	3.336	2.101
Income tax	(1.096)	(998)
Minority interests	9	532
Net profit	2.249	1.635

The jointly controlled entities have commitments from operating lease contracts of Euro 3,4 million approximately (Group share), which are included in the amounts disclosed in note 41 which follows. There are no other commitments or contingent liabilities associated with these entities.

24. RELATED PARTY TRANSACTIONS

Transactions with related parties are made at normal market prices. 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 December 31 2008 and 2007 are analyzed in note 41. 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 tables present balances due to and from related parties as well as revenues and expenses with them, both for the Group and the Company, respectively:

	The Group			
	Due from		Due to	
	December 31 2008	December 31 2007	December 31 2008	December 31 2007
<u>Associates</u>				
Laviosa Chimica Mineraria S.p.A.	193	-	-	-
Laviosa Promasa S.A.	726	333	-	-
Xinyang Athenian Mining Co. Ltd	-	-	308	-
Dolphin CI S&B Holdings Ltd	1.651	351	-	-
	2.570	684	308	-
<u>Jointly controlled entities</u>				
Cebo International B.V.	430	233	170	120
Stollberg & Samil Co. Ltd	133	66	-	-
Orykton GmbH	-	49	-	-
	563	348	170	120
<u>Other related companies</u>				
Motodynamics S.A., Group of companies	135	-	-	-
ORYMIL S.A.	33	-	-	-
Geological Research and Development S.A.	14	-	-	-
KOF S.A.	-	-	3	-
Thracean Gold Mines S.A.	1	-	-	-
	183	-	3	-
	3.316	1.032	481	120

S&B Industrial Minerals S.A.
NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2008

(Amounts in thousand Euro, unless otherwise stated)

24. RELATED PARTY TRANSACTIONS (continued)

	The Company			
	Due from		Due to	
	December 31 2008	December 31 2007	December 31 2008	December 31 2007
<u>Direct subsidiaries</u>				
Isocon S.A.	2.659	4.290	2	11
S&B Holding GmbH	563	6.216	-	-
Sibimin Overseas Ltd	7	15	-	-
Ergotrak Industrial Machinery & Equipment Trading Co S.A.	-	238	-	85
Askana Ltd.	-	77	-	-
Greek Helicon Bauxite S.A.	-	32	355	823
Parnassos Insurance S.A.	-	19	-	-
Sarda Perlite S.r.l.	-	2	324	-
SLS Baustoffe GmbH	-	-	7	-
	3.229	10.889	688	919
<u>Indirect subsidiaries</u>				
S&B Industrial Minerals GmbH	13.017	3.409	1	-
S&B Industrial Minerals North America Inc.	3.747	1.407	-	-
S&B Industrial Minerals S.A.R.L.	1.462	1.273	-	-
S&B Industrial Minerals Spain S.L.u.	1.101	852	-	-
S&B Endustriyel Mineraller A.S.	83	2	-	-
S&B Industrial Minerals (Henan) Co. Ltd.	10	63	6	5
Stollberg Inc.	-	52	-	-
S&B Industrial Minerals AD	-	-	223	5
	19.420	7.058	230	10
<u>Associates</u>				
Laviosa Promasa S.A.	726	333	-	-
Laviosa Chimica Mineraria S.p.A.	193	-	-	-
	919	333	-	-
<u>Other related companies</u>				
Motodynamics S.A., Group of companies	135	25	-	33
Cebo International B.V.	35	218	-	-
ORYMIL S.A.	33	-	-	-
Geological Research and Development S.A.	14	-	-	-
Thracean Gold Mines S.A.	1	-	-	-
KOF S.A.	-	-	3	-
Orykton GmbH	-	96	-	-
	218	339	3	33
	23.786	18.619	921	962

S&B Industrial Minerals S.A.
NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2008

(Amounts in thousand Euro, unless otherwise stated)

24. RELATED PARTY TRANSACTIONS (continued)

	The Group			
	Revenues		Expenses	
	1/1-31/12 2008	1/1-31/12 2007	1/1-31/12 2008	1/1-31/12 2007
<u>Associates</u>				
Laviosa Promasa S.A.	2.190	2.020	-	10
Laviosa Chimica Mineraria S.p.A.	1.793	791	-	1
SLS Baustoffe GmbH	48	119	-	-
Bentec S.p.A.	9	-	-	-
Xinyang Athenian Mining Co. Ltd	-	-	680	285
	4.040	2.930	680	296
<u>Jointly controlled entities</u>				
Cebo International B.V.	5.516	2.056	2.830	2.311
Stollberg & Samil Co. Ltd	97	92	167	-
Orykton GmbH	33	51	-	-
	5.646	2.199	2.997	2.311
<u>Other related companies</u>				
Motodynamics S.A., Group of companies	1.106	-	-	-
	1.106	-	-	-
	10.792	5.129	3.677	2.607

S&B Industrial Minerals S.A.
NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2008

(Amounts in thousand Euro, unless otherwise stated)

24.RELATED PARTY TRANSACTIONS (continued)

	The Company			
	Revenues		Expenses	
	1/1-31/12 2008	1/1-31/12 2007	1/1-31/12 2008	1/1-31/12 2007
<u>Direct subsidiaries</u>				
Isocon S.A.	4.756	5.821	9	9
S&B Holding GmbH	563	714	-	-
Sibimin Overseas Ltd	30	49	-	-
Greek Helicon Bauxite S.A.	15	27	862	10
Sarda Perlite S.r.l.	1	5	420	397
Ergotrak Industrial Machinery & Equipment Trading Co S.A.	217	446	91	316
Askana Ltd.	-	-	-	159
Parnassos Insurance S.A.	-	16	-	13
	5.582	7.078	1.382	904
<u>Indirect subsidiaries</u>				
S&B Industrial Minerals GmbH	23.401	22.432	43	56
S&B Industrial Minerals North America Inc.	13.612	9.414	-	-
S&B Industrial Minerals S.A.R.L.	4.774	4.184	8	-
S&B Industrial Minerals Spain S.L.u.	1.101	852	-	-
Stollberg Inc.	231	196	-	-
S&B Endustriyel Mineraller A.S.	83	-	-	-
S&B Industrial Minerals AD	11	43	740	762
S&B Industrial Minerals (Henan) Co. Ltd.	4	-	-	-
	43.217	37.121	791	818
<u>Associates</u>				
Laviosa Promasa S.A.	2.190	2.020	-	10
Laviosa Chimica Mineraria S.p.A.	1.793	783	-	-
Bentec S.p.A.	9	-	-	1
	3.992	2.803	-	11
<u>Other related companies</u>				
Cebo International B.V.	5.097	1.786	-	-
Motodynamics S.A., Group of companies	1.106	1.070	-	-
Orykton GmbH	66	102	-	-
	6.269	2.958	-	-
	59.060	49.960	2.173	1.733

As analytically disclosed in note 19, the Company sold the investment property located in 21-21^A Amerikis Street, in Athens, to ORYMIL S.A. (a related party) for approximately Euro 3,6 million.

(Amounts in thousand Euro, unless otherwise stated)

24. RELATED PARTY TRANSACTIONS (continued)

Compensation of key management personnel: Compensation of key management personnel for the years ended December 31, 2008 and 2007 were as follows:

	The Group		The Company	
	1/1-31/12 2008	1/1-31/12 2007	1/1-31/12 2008	1/1-31/12 2007
Board of Directors fees	460	460	460	460
Executives salaries (including executive board members)	5.444	5.482	4.716	4.074
Share option plans	105	898	105	782
	6.009	6.840	5.281	5.316
Board of Directors fees and Executives salaries of discontinuing operations	134	1.373	-	-
	6.143	8.213	5.281	5.316

Board of Directors fees are approved by the Company's Shareholders' Regular General Assembly and as a result the related fees for the years ended December 31, 2008 and 2007 were provided for in the accompanying income statements.

Balances due to key management personnel of the Group and Board members as of December 31, 2008 amounted to Euro 2.948 (Euro 3.150 as of December 31, 2007). Balances due to key management personnel of the Company and to its Board members as of December 31, 2008 amounted to Euro 1.786 (Euro 1.988 as of December 31, 2007).

Social security contributions paid by the Company to state contribution plans for key management personnel for the years ended December 31, 2008 and 2007 amounted to Euro 111 and Euro 105, respectively (the Group paid Euro 122 and Euro 128, 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, 2008 and 2007 amounted to Euro 190 and Euro 178, respectively.

(Amounts in thousand Euro, unless otherwise stated)

25. INVENTORIES

Inventories presented in the financial statements are analyzed as follows:

	The Group		The Company	
	December 31 2008	December 31 2007	December 31 2008	December 31 2007
Bentonite	36.123	31.265	12.534	11.352
Perlite	11.195	9.459	2.003	1.503
Bauxite	6.371	5.557	6.099	5.436
Other Minerals	20.780	13.362	-	-
Continuous casting fluxes	7.973	6.723	-	-
Merchandise	-	9.067	-	-
Consumables and spare parts	8.072	7.775	6.257	6.452
Advances to suppliers for inventories purchases	3.200	2.685	186	392
	93.714	85.893	27.079	25.135
Less: provision for impairment of inventories	(1.555)	(1.641)	(1.101)	(1.101)
	92.159	84.252	25.978	24.034

Provision for impairment of inventories is as follows:

	The Group		The Company	
	Year 2008	Year 2007	Year 2008	Year 2007
Beginning balance	1.641	1.657	1.101	1.101
Additions (income statement)	332	121	-	-
Provision used	(329)	(145)	-	-
Business acquisitions	-	78	-	-
Business disposals	(100)	-	-	-
Exchange difference	11	(40)	-	-
Less: provision of discontinued operations	-	(30)	-	-
Ending balance for continuing operations	1.555	1.641	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.

26. TRADE RECEIVABLES

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

	The Group		The Company	
	December 31 2008	December 31 2007	December 31 2008	December 31 2007
Trade receivables	52.196	71.095	11.604	17.180
Post-dated cheques and notes receivable	5.176	10.217	445	578
	57.372	81.312	12.049	17.758
Less: provision for bad debts	(3.883)	(3.965)	(966)	(1.216)
	53.489	77.347	11.083	16.542

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)

26. TRADE RECEIVABLES (continued)

The movement of bad debts provision is as follows:

	The Group		The Company	
	Year 2008	Year 2007	Year 2008	Year 2007
Beginning balance	3.965	4.657	1.216	1.357
Additions (income statement)	515	547	49	147
Provision used	(365)	(791)	(299)	(288)
Business acquisitions	-	329	-	-
Business disposals	(434)	-	-	-
Exchange difference	(7)	(27)	-	-
Transfers	209	-	-	-
Less: provision of discontinued operations	-	(750)	-	-
Ending balance	3.883	3.965	966	1.216

The following table presents the ageing analysis of trade receivables:

	The Group					Total
	Past due but not impaired				Non-past due but not impaired	
	0-30 days	31-90 days	91-180 days	> 180 days		
2008	10.742	3.394	1.175	810	37.368	53.489
2007	12.460	3.297	2.079	3.031	56.480	77.347

	The Company					Total
	Past due but not impaired				Non-past due but not impaired	
	0-30 days	31-90 days	91-180 days	> 180 days		
2008	2.196	894	325	-	7.668	11.083
2007	3.861	261	786	1.422	10.212	16.542

27. OTHER CURRENT ASSETS

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

	The Group		The Company	
	December 31 2008	December 31 2007	December 31 2008	December 31 2007
VAT receivable	8.635	6.156	6.495	5.017
Deferred revenues	2.079	1.269	1.595	1.243
Prepaid expenses	1.849	1.261	389	407
Other taxes receivable	310	995	-	-
Advances and prepayments	466	488	331	333
Derivative financial assets (note 36)	168	1.871	168	1.871
Other current assets	2.425	2.993	478	447
	15.932	15.033	9.456	9.318

(Amounts in thousand Euro, unless otherwise stated)

28. CASH AND CASH EQUIVALENTS

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

	The Group		The Company	
	December 31 2008	December 31 2007	December 31 2008	December 31 2007
Time Deposits	13.277	14.215	864	1.032
Sight Deposits	49	158	-	75
Cash	108	937	15	23
	13.434	15.310	879	1.130

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

	The Group		The Company	
	December 31 2008	December 31 2007	December 31 2008	December 31 2007
Euro	5.320	6.955	759	997
Other currencies	8.114	8.355	120	133
	13.434	15.310	879	1.130

Interest income from time and sight deposits accounted for in the fiscal year they relate and amounted to Euro 357 and Euro 906 for the Group (Euro 24 and Euro 102 for the Company) for the years ended December 31, 2008 and 2007, respectively (note 13). Bank deposits bear variable interest rates based on the current interbank market conditions.

29. SHARE CAPITAL

(in this note all amounts expressed in Euro)

On January 1, 2007, the Company's share capital amounted to Euro 30.651.335,00 comprised of 30.651.335 authorized common shares of par value Euro 1,00 each.

On May 16, 2007 the Board of Directors of the Company decided, and the Shareholders' General Assembly held on May 31, 2007 approved, share capital increase by Euro 59.660,00 (59.660 common shares of par value of Euro 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 rendered the respective services in 2006, the equivalent Euro amount was accrued in the year ended December, 2006. Upon the receipt of the new shares from the executives (after the approval by the proper Authorities) at June 21, 2007, the relevant provision was capitalized through the transfer of the resulted par value difference of Euro 566.173,00 to the "Share premium".

On December 6, 2007, the Board of Directors of the Company decided the issuance of 165.665 new common shares with a par value of Euro 1,00 each, that were acquired by executives of the Group in the context of the stock option granted to employees properly and approved by the Shareholders' General Assembly. The share capital increase was realized on December 10, 2007. The resulted par value difference of Euro 1.138.854,69 was transferred to "Share premium".

As a result, at December 31, 2007, the Company's share capital amounted to Euro 30.876.660,00 comprised of 30.876.660 authorized common shares of Euro 1,00 par value each.

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 Euro 65.458,00 (65.458 common shares of par value of Euro 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 Euro 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 Euro 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 Euro 33.839,00 (33.839 common shares of par value of Euro 1,00 each), in order to grant these shares to executives under a long-term incentive plan. The resulted par value difference of Euro 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 Euro 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 Euro 200.005,00 was transferred to "Share premium".

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

(Amounts in thousand Euro, unless otherwise stated)

29. SHARE CAPITAL (continued)

Within 2008, the Company acquired 187.232 common treasury shares at an average price of Euro 8,80 per share, of an aggregate amount of Euro 1.647.269,63.

The weighted average number of shares for the year ended December 31, 2008 and 2007 is as follows:

	December 31 2008	December 31 2007
Number of shares of the Company at year end	<u>31.010.717</u>	<u>30.876.660</u>
Effect to the weighted number of shares from:		
Treasury shares purchase	(59.585)	
Exercised stock options	(33.215)	(153.700)
Distribution of shares to executives	-	(17.898)
Basic weighted average number of shares in the year	<u>30.917.917</u>	<u>30.705.062</u>
Stock options that may be exercised in the future	176.846	216.551
Diluted weighted average number of shares in the year	<u>31.094.763</u>	<u>30.921.613</u>

30. 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 members of the Company's Board of Directors and to certain executives of S&B Group 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 Stock Option Plans (the "plans"). All plans have common provisions, the main being as follows:

- Eligible individuals must have completed at least one year of service in the S&B group.
- The strike price is equal to the average share price of twenty trading days preceding the relevant Shareholders' Annual General Assembly Meeting, minus 10%. The table below illustrates the strike prices:

Year awarded	Strike price in Euro
2004	5,48
2005	5,35
2006	8,91
2007	9,92
2008	9,41

- Options vest at 10% in November of the year they are awarded and 30% in each of the following three years given the employees remain in the Group. No other vesting conditions exist.
- Options vested can be exercised within the first five days of December of the year they vest or in any subsequent year and up to 5 years following the year they were awarded.
- Options are not tradable or transferable.

(Amounts in thousand Euro, unless otherwise stated)

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

The following table illustrates the movement of outstanding options in 2008 and 2007:

	December 31 2008	December 31 2007
Total options outstanding at the beginning of the year	299.290	344.655
Options that:		
- Awarded	110.300	140.000
- Exercised (at the prices mentioned above)	(34.760)	(165.665)
- Cancelled / forfeited	(34.570)	(13.300)
- Expired	(5.600)	(6.400)
Total options outstanding at the end of the year	334.660	299.290

The following table illustrates the movement of options vested in 2008 and 2007:

	December 31 2008	December 31 2007
Options vested - outstanding at the beginning of the year	59.324	110.655
Options that:		
- Vested	151.792	134.034
- Exercised (at the prices mentioned above)	(34.760)	(165.665)
- Cancelled / forfeited	(34.570)	(13.300)
- Expired	(5.600)	(6.400)
Stock options vested - outstanding at the end of the year	136.186	59.324
Stock options to be vested in forthcoming years	198.474	239.966
Options outstanding at the end of the year	334.660	299.290

The amount of options that will vest within the forthcoming three years, per year of vesting and per exercise price, has as follows:

Year of vesting	No. of share options
2009	99.192
2010	66.192
2011	33.090
	198.474

Exercise Price in Euro	No. of share options
8,91	33.000
9,92	66.204
9,41	99.270
	198.474

The fair value of the stock options is estimated at the award date using the Black-Scholes option pricing model.

The following table lists the inputs to the model used for the valuation of stock options awarded in 2008 and 2007:

	2008	2007
Share Price at award date (Euro)	12,00	12,20
Expected life of option (years)	4,6	4,6
5-year risk-free interest rate (%)	4,69	4,57
3-year volatility (%)	33,00	29,16
Dividend yield (%)	2,58	2,46

(Amounts in thousand Euro, unless otherwise stated)

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

Based on these inputs the model produced a value of Euro 4,33 and 4,00 per each stock option awarded in 2008 and 2007 respectively.

The expense for services received is recognized in the income statement at the time of vesting. The income statement charge relating to the vesting of stock options during 2008 and 2007 is Euro 346 and Euro 307, respectively. These amounts are transferred to a reserve in the equity. This reserve is then reduced as the stock options are being exercised, cancelled or expired.

The table below illustrates the movement of the stock option plan reserve:

	December 31 2008	December 31 2007
Balance at the beginning of the year	382	350
- Fair value of options vested	439	329
- Fair value of options cancelled / forfeited	(93)	(22)
- Fair value of options exercised	(47)	(275)
Balance at the end of the year	681	382

The amount of the reserve released by the exercise of stock options plus the amount received with the exercise is then booked against the share capital at the nominal value per issued share with the par value difference going to the share premium in the equity.

The trading price of the share on the exercise date for the years of 2008 and 2007 was Euro 8,04 (December 5, 2008) and Euro 12,88 (December 5, 2007), respectively.

The table below illustrates the amounts recorded in share capital and share premium during the options exercised in 2008 and 2007:

	December 31 2008	December 31 2007
Amount received by the exercise of options	188	1.030
Release of related reserve	47	275
	235	1.305
Increase in share capital	35	166
Increase in share premium	200	1.139
	235	1.305

(b) Long-Term Incentive plan for Senior Executives

A Long-term Incentive Plan (LTI) for a limited number of senior executives was introduced during 2006. Under this plan a number of Conditional Stock Rights (CSRs) are granted each of which, if vested, give right to purchasing one S&B share at no consideration (stock grant). The total number of CSRs will vest subject to various conditions, such as: operational performance conditions, market performance conditions and continuous employment conditions.

The valuation of CSRs on grant date and their subsequent revaluation on each reporting date is performed based on the following valuation principles:

- The value of each CSRs with operating performance conditions and with continuous employment conditions 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 (i.e. how many CSRs will actually vest) 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.

(Amounts in thousand Euro, unless otherwise stated)

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

- The value of each CSRs with market performance conditions is determined by modelling (Monte-Carlo simulation) that takes into account the vesting probability based on historical market data. This value stays constant during the vesting period and no revaluation on reporting dates is required. The total value is amortised over the vesting period through the income statement.

The following table illustrates the data used to value the fair value of CSRs that were awarded during 2008 and 2007:

Range of prices	2008	2007
Vesting period (years)	2 - 4	2 - 4
Share price on award date of 2008 (Euro)	9,96	10,92
Return on equity (%)	9,50	10,00
Expected annual increase rate of dividend (%)	10,00	10,00

The CSRs vested are considered to be exercised immediately and will be delivered in shares of the Company in proportion of one share per one CSR, following the approval of the Shareholders General Assembly. The CSRs are not tradable or transferable.

On April 8, 2008 CSR 123.371 were granted versus CSR 112.120 on April 23, 2007.

The following table illustrates the movement of CSRs in 2008 and 2007:

	December 31 2008	December 31 2007
Total CSRs outstanding at the beginning of the year	204.127	103.550
Adjustment	489	-
Total CSRs outstanding at the beginning of the year	204.616	103.550
CSRs that:		
- Awarded	123.371	112.120
- Expected to be cancelled	(12.944)	(11.543)
- Exercised	(33.839)	-
Total CSRs outstanding at the end of the year	281.204	204.127

The following table illustrates the movement of CSRs vested in 2008 and 2007:

	December 31 2008	December 31 2007
CSRs vested - outstanding at the beginning of the year	16.422	-
Adjustment	489	-
CSRs vested - outstanding at the beginning of the year	16.911	-
CSRs that:		
- Originally expected to vest / vested	93.587	27.965
- Exercised	(33.839)	-
- Expected to be cancelled / cancelled / forfeited	(12.944)	(11.543)
CSRs expected to vest at the end of the year	63.715	16.422
CSRs expected to vest in forthcoming years	138.578	167.151
Total CSR expected to vest	202.293	183.573
CSR expected not to vest in forthcoming years	78.911	20.554
Total CSRs outstanding at the end of the year	281.204	204.127

(Amounts in thousand Euro, unless otherwise stated)

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

The amount of stock rights expected to vest within the forthcoming years has as follows:

Year of vesting	No. of CSRs
2009	39.668
2010	69.599
2011	29.311
	138.578

The expense for services received is recognized in the income statement at the time of vesting. The income statement charge relating to the future vesting of stock rights during 2008 and 2007 is Euro 361 and Euro 486, respectively, and they are included in an equity reserve which is reduced as the CSRs are being exercised or cancelled.

The table below illustrates the movement of the stock option plan reserve:

	December 31 2008	December 31 2007
Stock rights reserve at the beginning of the year	533	46
CSR recognition through charge in income statement	361	487
CSR settled through cash	(63)	-
CSR exercised	(240)	-
Stock option plan reserve at the end of the year	591	533

(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.

Information about this program has as follows:

- The table below illustrates the strike price of the stock appreciation rights granted in 2006:

Exercise price in Euro	No. of SARs
10,00	216.000
11,70	72.000

- The 216.000 SARs vest by 72.000 SARs in the end of 2007, 2008 and 2009. The rest 72.000 SARs vest in the end of 2010. No other vesting conditions exist.
- 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 rest 72.000).
- SARs vested will be settled in cash.
- SARs are not tradable or transferable.

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

(Amounts in thousand Euro, unless otherwise stated)

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

The following table illustrates the movement of outstanding SARs in 2008 and 2007:

	The Group		The Company	
	December 31 2008	December 31 2007	December 31 2008	December 31 2007
Total SAR outstanding at the beginning of the year:	296.165	288.000	288.000	288.000
- SAR awarded in the year	-	8.165	-	-
Total SAR outstanding at the end of the year	296.165	296.165	288.000	288.000

The following table illustrates the movement of SARs vested in 2008 and 2007:

	The Group		The Company	
	December 31 2008	December 31 2007	December 31 2008	December 31 2007
SARs vested - outstanding at the beginning of the year	72.816	-	72.000	-
SARs vested in the year	74.450	72.816	72.000	72.000
SARs vested - outstanding at the end of the year	147.266	72.816	144.000	72.000
SARs to vest in forthcoming years	148.899	223.349	144.000	216.000
Total SARs outstanding at the end of the year	296.165	296.165	288.000	288.000

The amount of SARs that will vest within the forthcoming years has as follows:

Year of vesting	Number of SARs	
	The Group	The Company
2009	74.450	72.000
2010	74.449	72.000
	148.899	144.000

The fair value of the SARs is estimated at each reporting date using the Black-Scholes option pricing model.

The following table presents the inputs to the model used for the valuation of SARs awarded in 2008 and 2007 as of December 31, 2008:

	The Group	The Company
Expected life of option (years)	2,8 - 5,8	2,8 - 5,8
5-year risk-free interest rate (%)	3,89	3,89
3-year volatility (%)	39,52	39,52
Dividend yield (%)	3,88	2,88

The expense for services received is recognized in the income statement at the time of vesting. The income statement (credit) / charge relating to the future vesting of SARs for the year ended December 31, 2008 and 2007 is Euro (402) and Euro 576, respectively (Euro (401) and Euro 568 for the Company, respectively), and is included in "Other provisions". This provision is reduced as the SARs are being exercised, cancelled or expired.

(Amounts in thousand Euro, unless otherwise stated)

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

The table below illustrates the movement of the provision:

	The Group		The Company	
	December 31 2008	December 31 2007	December 31 2008	December 31 2007
Provision for SAR at the beginning of the year	743	167	735	167
Current year's charge to the income statement	(402)	576	(401)	568
Provision for SAR at the end of the year	<u>341</u>	<u>743</u>	<u>334</u>	<u>735</u>

31. OTHER RESERVES

Other reserves in the financial statements are analyzed as follows:

	The Group		The Company	
	December 31 2008	December 31 2007	December 31 2008	December 31 2007
Tax-free and specially taxed reserves	68.089	63.553	80.395	70.676
Legal reserve	10.161	9.867	9.827	9.098
Special reserves	13.630	7.833	4.703	5.036
Revaluation reserves from participations and securities	2.825	2.825	2.825	2.825
Extraordinary reserves	350	355	-	-
Reserves from tax-free income	5.137	2.593	5.137	2.593
Reserves for available for sale investments	110	-	110	-
Other reserves	181	14	-	-
	<u>100.483</u>	<u>87.040</u>	<u>102.997</u>	<u>90.228</u>

The majority of the above reserves relates to Company and 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 31 December 2008 and 2007, respectively, the Company transferred to legal reserve an amount of Euro 718 and Euro 638, respectively and the Group transferred to legal reserve, through its subsidiaries an amount of Euro 865 and Euro 718, respectively. It is noted that Group's legal reserve has been reduced, compared to 2007, by the amounts related to the discontinued operations.

Tax free reserves represent 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 31 December 2008 and 2007, respectively, the Company created tax free reserves of an amount of Euro 9.719 and Euro 7.612, respectively.

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, specially taxed reserves of Euro 2.593 and special reserves of Euro 340, amounting to Euro 2.933, were distributed by the Company. For the above amounts, an additional income tax amount of Euro 733 was recognized and paid (note 32).

32. 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 31, 2007 the Company's Regular General Assembly approved dividend distribution of Euro 9.195.401,15 (Euro 0,30 per share), out of which Euro 6.874.990,37 and Euro 2.320.410,78 (net of related taxes of Euro 797.696,14) came from retained earnings and tax-free/specially taxed reserves, respectively. The above amount was fully paid to the Company's shareholders on June 12, 2007.

On May 14, 2008 the Company's Regular General Assembly approved a dividend distribution of Euro 9.571.764,60 (Euro 0,31 per share), out of which Euro 7.371.764,60 and Euro 2.200.000,00 (net of related taxes of Euro 733.333,34) came from retained earnings and tax-free/specially taxed reserves, respectively (note 31). 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.

The financial statements of the year 2008 were approved by the Board of Directors of the Company in a meeting held on March 9, 2009. The Board of Directors 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 balance sheet.

The dividend not withdrawn by the Group shareholders by December 31, 2008 and 2007 amounted to Euro 74.691,44 and Euro 60.566,44, respectively.

(Amounts in thousand Euro, unless otherwise stated)

33. 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 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 balance sheet has as follows:

	The Group		The Company	
	December 31 2008	December 31 2007	December 31 2008	December 31 2007
Net liability at beginning of the year	16.242	15.929	7.142	6.452
Benefits paid:				
-for continuing operations	(2.400)	(1.234)	(1.720)	(567)
-for discontinuing operations	-	(36)	-	-
Total benefits paid by the Group	(2.400)	(1.270)	(1.720)	(567)
Expense recognised:				
-for continuing operations	2.870	2.162	2.223	1.159
-for discontinuing operations	29	122	-	-
Total expense recognized in the income statement	2.899	2.284	2.223	1.159
Exchange difference	(38)	(4)	-	-
Capitalized expenses	67	98	67	98
Business combinations	-	132	-	-
Business disposals	(294)	-	-	-
Less: Net liability at end of year from discontinuing operations	-	(927)	-	-
Net liability from continuing operations at year-end	16.476	16.242	7.712	7.142

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

(Amounts in thousand Euro, unless otherwise stated)

33. PROVISION FOR STAFF LEAVING INDEMNITIES (continued)

The details and principal assumptions of the actuarial study as at December 31, 2008 and 2007 have as follows:

	The Group		The Company	
	December 31 2008	December 31 2007	December 31 2008	December 31 2007
<u>Reconciliation of net liability benefit obligation</u>				
Present value of actuarial liability at the beginning of the year	19.067	20.444	9.604	9.233
Less: Present value of actuarial liability at the beginning of year from discontinuing operations	(292)	(1.084)	-	-
Service cost	602	822	395	450
Interest cost (note 14)	902	786	462	389
Past service cost arising over last period	-	29	-	-
Benefits paid	(2.400)	(1.234)	(1.720)	(567)
Additional cost of extra benefits	1.129	162	1.129	162
Actuarial loss / (gain)	(564)	(986)	(124)	(63)
Business combinations	-	132	-	-
Foreign exchange differences	(38)	(4)	-	-
Present value of actuarial liability at the end of the year	18.406	19.067	9.746	9.604
Unrecognized actuarial loss	(865)	(1.524)	(969)	(1.160)
Unrecognized service cost	(1.065)	(1.301)	(1.065)	(1.302)
Net liability in balance sheet	16.476	16.242	7.712	7.142
<u>Components of income statement charge</u>				
Service cost	602	822	395	450
Interest cost (note 14)	902	786	462	389
Amortization of unrecognized actuarial loss	14	227	14	22
Amortization of unrecognized service cost	237	266	237	237
Regular charge to income statement	1.755	2.101	1.108	1.098
Additional cost of extra benefits	1.182	159	1.182	159
Capitalized expenses	(67)	(98)	(67)	(98)
Total charge to income statement	2.870	2.162	2.223	1.159
<u>Principal assumptions</u>				
Discount rate	5,6%-6,2%	4,8%-5,2%	5,6%	4,9%
Rate of personnel compensation increase	3%-5,5%	3%-5,5%	5,5%	5,5%
Average future working life (in years)	14,11-14,29	14,22-18,49	14,11	14,22

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.

Employees' contributions to Social Security defined contribution plans: The Group has paid to Social Security funds for the year ended December 31, 2008 and 2007 Euro 13.081 and Euro 12.133 (Euro 6.023 and Euro 5.636 for the Company) respectively. These contributions are recognized in the income statement as incurred.

(Amounts in thousand Euro, unless otherwise stated)

33. PROVISION FOR STAFF LEAVING INDEMNITIES (continued)

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, 2008 and 2007 amount to Euro 1.350 and Euro 1.029, respectively. These contributions are charged to the income statement as incurred.

34. PROVISION FOR ENVIRONMENTAL REHABILITATION

The movement of provision for environmental rehabilitation for the year ended December 31, 2008 and 2007 is as follows:

	The Group		The Company	
	December 31 2008	December 31 2007	December 31 2008	December 31 2007
Balance at the beginning of the year	14.614	13.205	12.267	10.948
Finance cost (note 14)	943	439	850	790
Change in future outflow for depleted mines (income statement)	45	741	(10)	611
Change in future outflow for active mines (tangible assets)	532	992	487	992
Re-estimation of provision	(16)	43	12	47
Business combinations	-	511	-	-
Foreign exchange differences	28	17	-	-
Utilization of provision (payments)	(1.271)	(1.334)	(1.122)	(1.121)
Balance at year end	14.875	14.614	12.484	12.267

35. INTEREST BEARING LOANS AND BORROWINGS

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

	The Group		The Company	
	December 31 2008	December 31 2007	December 31 2008	December 31 2007
Bond loan (Law 3156/2003)	105.500	113.000	105.500	113.000
Syndicated loan	67.500	75.000	-	-
Loan in Euro	-	519	-	-
Loan in INR	110	846	-	-
Loans in other currencies	40	12	-	-
	173.150	189.377	105.500	113.000
Loan expenses (note 14)	(381)	(525)	(191)	(263)
Less: current portion of long term loans and borrowings	(53.034)	(15.988)	(45.500)	(7.500)
	119.735	172.864	59.809	105.237

- **Bond loans (L. 3156/2003):** Within June 2005 the Company concluded an agreement for a common bond issue of L. 3156/2003 of Euro 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 Euro 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

(Amounts in thousand Euro, unless otherwise stated)

35. INTEREST BEARING LOANS AND BORROWINGS (continued)

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 Euro 10 million and Euro 15 million. During December 2007, the Company issued one more bond loan of Euro 13 million. All the above bond loans are of two years tenor with floating interest payments based on Euribor plus spread and are repayable on maturity.

- **Syndicated loan (Euro 75 million):** On June 2005, the Group concluded a syndicated loan of a total amount of Euro 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 Euro 15.000.

The above bank loan balances approach 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, 2008 and 2007 is 5,82% and 5,03% (5,67% and 4,94% 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, 2008 and 2007 was 10% and 8% respectively. On August 22, 2008 the Group concluded one agreement for long-term loan of INR 7,5 million (equivalent to Euro 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, 2008 and 2007 amounts to Euro 9.480 and Euro 9.852 (Euro 5.051 and Euro 4.911 for the Company), respectively (note 14).

With respect to the above loans the table below presents the future payments as of December 31, 2008 and 2007:

	The Group		The Company	
	December 31 2008	December 31 2007	December 31 2008	December 31 2007
Within one year	53.034	15.988	45.500	7.500
2-5 years	120.116	173.389	60.000	105.500
	<u>173.150</u>	<u>189.377</u>	<u>105.500</u>	<u>113.000</u>

36. DERIVATIVE FINANCIAL INSTRUMENTS

The Group contracted with banks derivative instruments in oil, sea freights and foreign currency in order to hedge part of its exposure within 2008. Management believes that derivative instruments provide effective hedge from the risks arising due to volatility of prices in sea freights, oil, and foreign currency.

Foreign currency derivatives: The Group used forward contracts, to hedge 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 used oil derivatives on IPE Brent in order to hedge the volatility of its oil purchases. Plain vanilla average commodity swaps 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 equity. Derivatives embedding options do not 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 the income statement. All oil derivatives had a maximum duration of 12 months.

Sea freight derivatives: The Group used 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 economic hedging 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.

(Amounts in thousand Euro, unless otherwise stated)

36.DERIVATIVE FINANCIAL INSTRUMENTS (continued)

The following table presents the fair value and the movement of derivative financial instruments for the year ended December 31, 2008 and 2007 (for the Group and the Company):

	January 1 2008	Movement in 2008			December 31 2008
		Income statement	Equity	(Receipts) / Payments	
Financial instruments that qualify for hedge accounting					
Settlement on oil derivatives (a)	-	-	(521)	-	(521)
	<u>-</u>	<u>-</u>	<u>(521)</u>	<u>-</u>	<u>(521)</u>
Financial instruments that do not qualify for hedge accounting					
Settlement on freight derivatives 2008 (a)- (note 14)	-	(947)	-	-	(947)
Forward freight agreement (FFA) 2007 - (c)	1.871	30	-	(1.733)	168
Settlement on oil derivatives (d) (note 14)	-	(2.955)	-	1.883	(1.072)
	<u>1.871</u>	<u>(3.872)</u>	<u>-</u>	<u>150</u>	<u>(1.851)</u>
Financial instruments assets (note 27) - (c)					<u>168</u>
Financial instruments liabilities (note 39) - (a)+(b)+(d)					<u>(2.540)</u>

	January 1 2007	Movement in 2007			December 31 2007
		Income statement	Equity	(Receipts) / Payments	
Financial instruments that qualify for hedge accounting					
Forward contracts	110	-	(110)	-	-
Cross currency swap	(3)	-	3	-	-
	<u>107</u>	<u>-</u>	<u>(107)</u>	<u>-</u>	<u>-</u>
Financial instruments that do not qualify for hedge accounting					
Forward freight agreement (FFA) 2007 - (e) (note 13)	-	1.871	-	-	1.871
Interest rate option	43	(43)	-	-	-
Other	(1)	1	-	-	-
	<u>42</u>	<u>1.829</u>	<u>-</u>	<u>-</u>	<u>1.871</u>
Financial instruments assets (note 27) - (€)					<u>1.871</u>
Financial instruments liabilities (note 27)					<u>-</u>

The above amounts are presented net of deferred taxes.

(Amounts in thousand Euro, unless otherwise stated)

37. TRADE PAYABLES

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

	The Group		The Company	
	December 31 2008	December 31 2007	December 31 2008	December 31 2007
Suppliers	22.156	31.002	6.511	8.512
Freights payable	1.056	2.045	590	1.313
Customers advances	236	1.103	15	(14)
	23.448	34.150	7.116	9.811

38. SHORT-TERM BORROWINGS

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

	The Group		The Company	
	December 31 2008	December 31 2007	December 31 2008	December 31 2007
Short-term loans	33.203	1.180	32.119	-
Overdrafts	10.611	23.573	5.895	13.003
Used amount	43.814	24.753	38.014	13.003

The above loans are analyzed as follows:

	The Group		The Company	
	December 31 2008	December 31 2007	December 31 2008	December 31 2007
- Euro (EUR)	41.303	22.338	38.014	13.003
- Indian Rupee (INR)	1.188	1.210	-	-
- Korean Won (KRW)	1.062	829	-	-
- Real Brazil (BRL)	261	376	-	-
Total	43.814	24.753	38.014	13.003

As of December 31, 2008 and 2007 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, 2008 and 2007 is 6,01% and 5,31% (5,73% and 5,06% for the Company) respectively. The weighted average interest rate of short term loans in INR, KRW and BRL for the year ended December 31, 2008 is 8,78%, 2,06% and 16,50% respectively. Total interest expense for the years ended December 31, 2008 and 2007 amounts to Euro 3.245 and Euro 541 (Euro 2.715 and Euro 225 for the Company), respectively (note 14).

(Amounts in thousand Euro, unless otherwise stated)

39. OTHER CURRENT LIABILITIES

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

	The Group		The Company	
	December 31 2008	December 31 2007	December 31 2008	December 31 2007
Bonus to employees	3.773	4.649	3.562	4.422
Accrued payroll expenses	3.301	3.428	383	195
Taxes and duties	2.015	2.932	932	1.075
Social security	2.158	2.192	1.461	1.356
Interests accrued	1.460	1.430	1.452	273
Board of Directors fees	460	460	460	460
Freights accrued	733	372	427	178
Derivatives	2.540	-	2.540	-
Other accrued expenses	2.718	2.509	104	146
Other payables	3.606	4.853	1.603	1.836
	22.764	22.825	12.924	9.941

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 payable” was paid within next month from year-end.

40. 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 resulted 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 35 and 36, 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 balance sheet. 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)

40. FINANCIAL RISK MANAGEMENT (continued)

(ii) **Fair Value:** The carrying amounts reflected in the balance sheets 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 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, 2008 and 2007, respectively:

The Group				
Interest-bearing loans	Up to 1 year	1-5 years	>5 years	Total
31.12.2008	104.489	130.360	-	234.849
31.12.2007	52.834	196.876	-	249.710
The Company				
Interest-bearing loans	Up to 1 year	1-5 years	>5 years	Total
31.12.2008	27.102	64.999	-	92.101
31.12.2007	27.552	117.697	-	145.249

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

The Group					
2008	0-30 days	31-90 days	91-180 days	> 180 days	Total
Trade payables	15.497	6.740	881	370	23.488
Other current liabilities	3.754	3.150	1.133	1.463	9.500
	19.251	9.890	2.014	1.833	32.988
2007	0-30 days	31-90 days	91-180 days	> 180 days	Total
Trade payables	24.484	6.924	1.490	1.252	34.150
Other current liabilities	2.461	2.251	1.757	277	6.746
	26.945	9.175	3.247	1.529	40.896
The Company					
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
2007	0-30 days	31-90 days	91-180 days	> 180 days	Total
Trade payables	7.989	1.822	-	-	9.811
Other current liabilities	1.392	650	166	-	2.208
	9.381	2.472	166	-	12.019

(Amounts in thousand Euro, unless otherwise stated)

40. FINANCIAL RISK MANAGEMENT (continued)

Total credit limits of the Group and the Company (long term and short term loans) at December 31, 2008 and 2007 are as follows:

	The Group		The Company	
	December 31 2008	December 31 2007	December 31 2008	December 31 2007
Credit limit	293.924	305.065	206.000	198.500
Less: used amount				
-Long term loans	(173.150)	(189.377)	(105.500)	(113.000)
-Short term loans	(43.814)	(24.753)	(38.014)	(13.003)
-Guarantees (reducing credit lines' availability)	(4.924)	(6.560)	(4.241)	(5.394)
Unused credit limits	<u>72.036</u>	<u>84.375</u>	<u>58.245</u>	<u>67.103</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. To 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, 2008 and 2007, respectively:

The Group				
	Change in basis points	Effect from Euro interest rate changes	Effect from other interest rate changes	Total effect in profit before tax
2008	+20	(436)	(5)	(441)
	(15)	327	4	331
2007	+20	(428)	(7)	(435)
	(15)	321	5	326

The Company		
	Change in basis points	Total effect in profit before tax
2008	+20	-292
	-15	+219
2007	+20	-256
	-15	+192

(Amounts in thousand Euro, unless otherwise stated)

40. 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, 2008 and 2007, respectively:

	Change in exchange rate	Effect from USD exchange rate changes	Effect from GBP exchange rate changes	Total effect on profit before taxes
The Group				
2008	+5%	106	51	157
	-5%	(96)	(46)	(142)
2007	+5%	235	36	271
	-5%	(213)	(32)	(245)
The Company				
2008	+5%	223	25	248
	-5%	(202)	(23)	(225)
2007	+5%	198	16	214
	-5%	(179)	(14)	(193)

- (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

(Amounts in thousand Euro, unless otherwise stated)

40. FINANCIAL RISK MANAGEMENT (continued)

The table below presents ratio results for the years December 31, 2008 and 2007 respectively:

	The Group	
	2008	2007
Long-term borrowings	119.735	172.864
Current portion of long term loans and borrowings	53.034	15.988
Short-term borrowings	43.814	24.753
Cash and cash equivalent	(13.434)	(15.310)
Net debt of continuing operations	203.149	198.295
Net Debt of discontinued operations	-	12.156
Group Net Debt	203.149	210.451
EBITDA of continuing operations	65.290	68.029
EBITDA of discontinued operations	611	7.866
Group EBITDA	65.901	75.895
Net Debt / EBITDA of continuing operations	3,11	2,91
Net Debt / EBITDA of discontinued operations	-	1,55
Net Debt / EBITDA of the Group	3,08	2,77

It is noted that the above ratios have been adjusted for the year 2007 due to the change in the calculation of EBITDA as analytically referred to in note 43 below.

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

(Amounts in thousand Euro, unless otherwise stated)

41. COMMITMENTS AND CONTINGENCIES

- (a) Litigations and claims:** 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 Euro 509 and Euro 509 as of December 31, 2008 and 2007, respectively (the Company Euro 404 and Euro 404 as of December 31, 2008 and 2007, 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.
- (b) Guarantees:** At December 31, 2008 and 2007 the Group has issued letters of guarantee for a total amount of Euro 3,6 million and Euro 4,4 million, respectively out of which the most significant relate to the Company, for a total amount of Euro 2,9 million and Euro 2,8 million, respectively, which related mainly to mining rights and licenses. Further to the above, the Company as of December 31, 2008 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 Euro 112,0 million (approximately Euro 105,0 million as of December 31, 2007).
- (c) Environmental issues:** By its decisions nr.8778/07 and nr.8779/07 the Ministry for the Environment, Physical Planning and Public Works imposed penalties of Euro 224 and Euro 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.
- (d) Operating lease commitments:** As of December 31, 2008 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, 2008 and 2007 amounted to approximately Euro 6,9 million and Euro 6,6 million respectively (approximately Euro 2,0 million and Euro 1,9 for the Company, respectively). Future minimum lease payments under non-cancelable operating leases as at December 31, 2008 and 2007 are as follows for the Group and the Company:

	The Group		The Company	
	December 31 2008	December 31 2007	December 31 2008	December 31 2007
(In million Euro)				
Within one year	5,7	6,6	2,0	2,0
2-5 years	13,7	15,6	8,1	8,1
After 5 years	9,4	13,0	6,5	9,2
	28,8	35,2	16,6	19,3

42. SEGMENT INFORMATION

The Group presents segment information for the following business activities (primary information):

- **Industrial Minerals Activities:** include all mining, processing and trading of a variety of industrial minerals and ores. Through these activities value-adding industrial solutions for a broad range of applications are provided.
- **Other Activities:** include the management and development of real estate as well as the exploration for renewable sources of energy.

It is noted that all commercial activities, included the exclusive distributorship of YAMAHA two-wheelers and marine products in Greece, Romania and Bulgaria via MOTODYNAMICS S.A and the distributorship of Case, Linde and Cummins products through the industrial machinery and equipment trading company, ERGOTRAK S.A., are included in discontinued operations due to the disposal of those entities, as further discussed in note 5.

The secondary segment information is referred to geographical analyses of sales and total assets of the Group.

Transfer pricing between business segments are set on an arm's length basis. Segment revenue, segment expense and segment result include transfers between business segments which are eliminated at consolidation. All business segments apply the accounting principles of the Group.

All business combinations, as referred to in Note 4, relate to the Industrial Minerals Activities segment.

S&B Industrial Minerals S.A.
NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2008

(Amounts in thousand Euro, unless otherwise stated)

42.SEGMENT INFORMATION (continued)

2008	Industrial Minerals	Other activities	Eliminations (contin.oper.)	Continuing operations	Discontinued operations	Total Group
<u>Income statement</u>						
Sales	456.393	-	-	456.393	12.012	468.405
Operating profit before eliminations	36.265	1.830	-	38.095	212	38.307
Eliminations between continuing and discontinuing operations	(27)	(190)	-	(217)	217	-
Operating profit	36.238	1.640	-	37.878	429	38.307
Financial income/(costs), net	(19.365)	-	-	(19.365)	(217)	(19.582)
Gains / (losses) from the disposal / carve-out of subsidiaries	(253)	-	-	(253)	4.653	4.400
Share of associates profits	1.567	19	-	1.586	-	1.586
Profit before tax	18.187	1.659	-	19.846	4.865	24.711
Income tax	(5.193)	(395)	-	(5.588)	(3.486)	(9.074)
Profit after tax	12.994	1.264	-	14.258	1.379	15.637
Minority interests	(270)	-	-	(270)	-	(270)
Profit after minority interests	12.724	1.264	-	13.988	1.379	15.367
Basic earnings per share (in Euro)	0,4115	0,0409	-	0,4524	0,0446	0,4970
<u>Assets</u>						
Non current assets	306.526	23.754	-	330.280	-	330.280
Current assets	179.104	2.022	(1.038)	180.088	-	180.088
	485.630	25.776	(1.038)	510.368	-	510.368
<u>Liabilities</u>						
Non current liabilities	172.481	-	-	172.481	-	172.481
Current liabilities	144.971	175	(1.038)	144.108	-	144.108
	317.452	175	(1.038)	316.589	-	316.589
<u>Other information</u>						
Depreciation and amortization	25.510	470	-	25.980	193	26.173
Capital expenditure	33.707	14	-	33.721	428	34.149
Acquisitions	1.637	-	-	1.637	-	1.637

S&B Industrial Minerals S.A.
NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2008

(Amounts in thousand Euro, unless otherwise stated)

42.SEGMENT INFORMATION (continued)

<u>2007</u>	Industrial Minerals	Other activities	Eliminations (contin.oper.)	Continuing operations	Discontinued operations	Total Group
<u>Income statement</u>						
Sales	423.298	-	-	423.298	112.107	535.405
Operating Profit before eliminations	40.287	1.055	-	41.342	5.381	46.723
Eliminations between continuing and discontinuing operations	(182)	(1.322)	-	(1.504)	1.504	-
Operating Profit	40.105	(267)	-	39.838	6.885	46.723
Financial income/(costs), net	(10.124)	-	-	(10.124)	(834)	(10.958)
Share of associates profits	1.687	(1)	-	1.686	-	1.686
Profit before tax	31.668	(268)	-	31.400	6.051	37.451
Income tax	(8.861)	(165)	-	(9.026)	(1.749)	(10.775)
Profit after tax	22.807	(433)	-	22.374	4.302	26.676
Minority interests	131	-	-	131	(1.139)	(1.008)
Profit after minority interests	22.938	(433)	-	22.505	3.163	25.668
Basic earnings per share (in Euro)	0,7470	(0,0141)	-	0,7329	0,1030	0,8360
<u>Assets</u>						
Non current assets	296.340	26.595	-	322.935	9.352	332.287
Current assets	175.010	382	(286)	175.106	59.419	234.525
	471.350	26.977	(286)	498.041	68.771	566.812
<u>Liabilities</u>						
Non current liabilities	223.715	-	-	223.715	2.029	225.744
Current liabilities	88.848	112	(85)	88.875	41.963	130.838
	312.563	112	(85)	312.590	43.992	356.582
<u>Other information</u>						
Depreciation and amortization	25.105	554	-	25.659	993	26.652
Capital expenditure	26.871	-	-	26.871	2.509	29.380
Acquisitions	38.821	-	-	38.821	-	38.821

S&B Industrial Minerals S.A.
NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2008

(Amounts in thousand Euro, unless otherwise stated)

42. SEGMENT INFORMATION (continued)

The Group's sales per geographical segment have as follows:

	December 31 2008	December 31 2007
Europe	346.137	321.708
Americas	82.342	71.001
Other	27.914	30.589
	456.393	423.298
Discontinued Operations - Europe	12.012	112.107
	468.405	535.405

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

	December 31 2008	December 31 2007
Europe	443.144	447.538
Americas	46.711	50.706
Other	20.513	22.055
	510.368	520.299
Discontinued Operations - Europe	-	46.513
	510.368	566.812

The Group's capital expenditure per geographical segment has as follows:

	December 31 2008	December 31 2007
Europe	29.196	24.754
Americas	2.081	1.350
Other	2.444	967
	33.721	27.071
Discontinued Operations - Europe	428	2.309
	34.149	29.380

(Amounts in thousand Euro, unless otherwise stated)

43. PRIOR YEARS RECLASSIFICATIONS

Prior year amounts have been reclassified for better presentation and comparison purposes as follows (it is noted that reclassifications related to the income statement have not affect the income before tax): (i) an amount of Euro 566 related to receivables from related parties has been transferred from trade receivables to due from related parties in the consolidated balance sheet as of December 31, 2007, (ii) an amount of Euro 466 related to receivables from related parties has been transferred from other current assets to due from related parties in the consolidated balance sheet as of December 31, 2007, (iii) an amount of Euro 1.236 related to non-current restricted cash has been transferred from other current assets to non-current assets in the consolidated balance sheet as of December 31, 2007, (iv) an amount of Euro 655 related to provisions has been transferred from other current liabilities to other provisions in the consolidated balance sheet as of December 31, 2007, (v) an amount of Euro 300 related to income tax receivables of the Company has been transferred from income tax liabilities to income tax receivables in the consolidated balance sheet as of December 31, 2007, (vi) an amount of Euro 840 related to finance costs of the provision for staff leaving indemnities was transferred to finance costs with a relative credit to cost of sales by Euro 18, to administration expenses by Euro 730 and to selling expenses by Euro 92 in the consolidated income statement for the year ended December 31, 2007 (Euro 389 was transferred from administrative expenses to finance costs in the separate income statement for the year ended December 31, 2007), (vii) an amount of Euro 439 related to finance cost of the provision for land rehabilitation was transferred to finance costs with an equal credit of the account "Other expenses" in the consolidated income statement for the year ended December 31, 2007 (Euro 790 was transferred from administration expenses to finance costs in the separate income statement for the year ended December 31, 2007), (viii) an amount of Euro 353 related to the recoverable amount of fringe benefits to personnel was transferred from "Other income" to "Administrative expenses" in the consolidated income statement for the year ended December 31, 2007, (ix) an amount of Euro 26 related to investment in associates has been transferred from non-current assets to investment in associates in the consolidated balance sheet as of December 31, 2007, and (x) an amount of Euro 3.367 affected positively the Group's equity, from Motodynamics S.A. initial public offering in the A.S.E. at 2005, was transferred from share premium to retained earnings in the consolidated equity as of January 1, 2007 (reclassification within shareholders equity).

As a result of the reclassifications (vi) and (vii) as well as the Capital Markets Committee decision no. 24, dated January 24, 2008, par. I.D, the Group and the Company adjusted the calculation of "Earnings Before Interests Taxes Depreciation and Amortization" ("EBITDA") which is disclosed in "Data and Information Sheet" -in accordance with decision 6/448/11.10.2007 of the Capital Market Committee- published on the website and on the press. More specifically, EBITDA includes share of associates gains/ (losses) whose main activities are within the scope of the activities of the Group. Moreover, to the above mentioned reclassifications (vi) and (vii) EBITDA does not include the finance costs of the provisions for staff leaving indemnities and for land rehabilitation.

Finally, commencing March 31, 2008 the Group includes in its EBITDA the grants amortization.

S&B Industrial Minerals S.A.
NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2008

(Amounts in thousand Euro, unless otherwise stated)

43. PRIOR YEARS RECLASSIFICATIONS (continued)

The table below summarises the adjusted EBITDA for the year December 31, 2007:

	1/1-31/12 2007	
	<u>The Group</u>	<u>The Company</u>
Previously reported EBITDA of the Group	72.096	21.838
Adjustments for:		
- Share of associates profits	1.686	-
- Finance cost of staff leaving indemnity provision	840	389
- Finance cost of land rehabilitation provision	439	790
- Grants amortization	(159)	(147)
Adjusted EBITDA of the Group	74.902	22.870
Less: adjusted EBITDA of discontinued operations	7.866	-
Adjusted EBITDA of continuing operations	67.036	22.870

It should be noted that following the above adjustments, the EBITDA of the Group for the year ended December 31, 2008 amounts to Euro 65.901, the EBITDA of continuing operations amounts to Euro 65.290 while this of discontinued operations to Euro 611 (the EBITDA of the Company amounts to Euro 29.031).

44. SIGNIFICANT SUBSEQUENT EVENTS

The Company acquired 19.277 common treasury shares within 2009, at an average price of Euro 5,56 per share.

The Group, on February 2, 2009, 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.

Within March 2009, the Company concluded an agreement for a common bond issue of L.3156/2003 of Euro 30 million with a duration of 2 years, which accrues interest on a floating basis (Euribor plus spread) and comprised of 30 common bonds of Euro 1.000.000,00 par value each. The Company can repay the bond earlier with no additional charges. The Company used the aforementioned loan and repaid already the equivalent current portion of its interest bearing loans while for the remaining current portion is under advanced negotiations of concluding new bond issues or other loans.

(Amounts in thousand Euro, unless otherwise stated)

45. FOREIGN EXCHANGE RATES (BALANCE SHEET AND INCOME STATEMENT)

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

BALANCE SHEET	December 31 2008	December 31 2007	Δ%
1 € = USD	1,3917	1,4721	-5%
1 € = BGN	1,9558	1,9558	0%
1 € = CYP	-	0,5852	-
1 € = HUF	266,70	253,73	5%
1 € = RON	-	3,6077	-
1 € = TRY	2,149	1,717	25%
1 € = CNY	9,4956	10,7524	-12%
1 € = GEL	2,3728	2,3315	2%
1 € = KRW	1.839,13	1.377,96	33%
1 € = BRL	3,2381	2,6086	24%
1 € = INR	67,905	57,448	18%
1€ = RSD	-	79,24	-
1 € = MAD	11,2357	11,3394	-1%
1 € = PLN	4,1535	3,5935	16%

INCOME STATEMENT	Average rate 2008	Average rate 2007	Δ%
1 € = USD	1,4707	1,3705	7%
1 € = BGN	1,9558	1,9558	0%
1 € = CYP	-	0,5826	-
1 € = HUF	251,51	251,35	0%
1 € = RON	3,683	3,335	10%
1 € = TRY	1,905	1,786	7%
1 € = CNY	10,2236	10,4178	-2%
1 € = GEL	2,1894	2,2860	-4%
1 € = KRW	1.605,66	1.272,99	26%
1 € = BRL	2,6759	2,6647	0%
1 € = INR	63,518	56,356	13%
1 € = RSD	81,45	79,96	2%
1 € = MAD	11,3101	11,2043	1%
1 € = PLN	3,5103	3,7837	-7%

E. ADDITIONAL INFORMATION

S&B Industrial Minerals S.A.

Germany's No 11006/8/85/11 in the register of Societas Anonyma
Andreas Melzer, 10 - 145 66 Kitzingen

FINANCIAL DATA AND INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2008

(In terms of article 185 of Law 2190, for companies publishing annual financial statements in accordance with IAS/IFRS)
(Revenue in euro thousand)

The accuracy of the following data is to be verified against general financial information about the financial condition and the results of operations of DSE Industriale Minerale S.p.A. and the Group of companies. We understand that before circulation is completed, the following data is to be verified against the Company, in order to ensure the accuracy of the financial statements under the provisions of International Financial Reporting Standards and the verified audit certificate, which are published.

COMPANY DATA

Sponsoring Authority:	Ministry of Development, Social Justice and Credit Division	Board of Directors:	
Date of approval of financial statements:	March 9, 2008	Chairman:	Ulisses Brincacoulas
Certified Auditor Accountant:	Veronica Nivakata	Vice Chairman:	Emmanuel Voulgaris
Auditing firm:	BBDO & YOUNG (HILLAR) CERTIFIED ACCOUNTANTS	Chief Executive Officer:	Elmound Vialas
S.A.		Non Executive Member:	Mr Brincacoulas, Michael Karamidas, John Kadiakitis, Florina Brincacoulas, John Brincacoulas
Type of auditors report:	Unqualified opinion	Independent Non-Executive Member:	Stelios Agorou, Iakovos Georgiannas, Rachael Molintas, Ulisse Brincacoulas
Company's website:	www.south.com		

CONDENSED BALANCE SHEET

ASSETS	2017		2016	
	2017-2018	2017-2017	2016-2017	2016-2017
Property, Plant & Equipment	105,929	105,929	99,927	99,927
Intangible assets	20,867	20,867	20,867	20,867
Intangible assets	100,867	100,867	25,000	25,000
Other current assets	10,000	10,000	10,000	10,000
Intangible	90,159	90,159	25,000	25,000
Trade receivables	90,469	90,469	11,000	11,000
Other current assets	11,000	11,000	99,500	99,500
Cash and cash equivalents	20,404	20,404	979	979
Assets of discontinued operations	-	48,731	-	48,731
TOTAL ASSETS	516,100	598,937	246,917	378,937
LIABILITIES AND EQUITY				
Share capital	91,911	91,911	91,911	91,911
Share premium	11,199	10,992	11,199	10,992
Other equity components	149,000	149,000	117,000	117,000
Cash and cash equivalents (a)	192,445	201,195	199,842	199,842
Minority interests (a)	1,104	8,996	-	-
Total equity (a) = (a) + (b)	1,104	1,104	199,842	199,842
Long-term interest-bearing loans and borrowings	119,735	119,735	99,999	99,999
Provisions (Other non-current liabilities)	92,745	92,745	92,745	92,745
Short-term borrowings	99,999	99,999	99,999	99,999
Other current liabilities	41,280	41,280	21,919	21,919
Liabilities of discontinued operations	-	25,000	-	25,000
Total liabilities (a)	315,759	315,759	297,712	297,712
TOTAL EQUITY AND LIABILITIES (a) + (b)	516,100	598,937	246,917	378,937

CONDENSED INCOME STATEMENT

[illegible]

COMPAST

1.1 - 31.12.2002	1.1 - 31.12.2001
104.041	120.007
41.204	50.090
10.120	7.850
20.782	18.180
-0.124	-0.254

— 200 —

	CONDENSED STATEMENT OF CHANGES IN EQUITY			
	SILCO		COMPACT	
	11/1/2006	11/1/2007	11/1/2006	11/1/2007
Monthly at beginning of the year (1/1/2006 and 1/1/2007 respectively)	218,230	195,426	195,064	182,331
Profit for the year net of taxes	15,617	16,672	15,459	13,223
Minority of subsidiary share	110	-	-	-
Derivative valuation	-681	40	592	-
Dividend distributed	-6,042	-10,508	-9,512	-2,021
Share capital increase	19,840	1,010	19,840	1,010
Share capital decrease	-19,462	-	-19,462	-
Share treasury decrease	-19,462	-	-	-19,462
Dividend of subsidiary	-884	-	-	-
Write-out of subsidiary shares to the Company's shareholders	-3,103	-	5,192	-
Distribution of shares to treasury	850	828	863	850
Purchase of treasury share	-1,941	-	-	-1,941
Decrease/Increase of investment in subsidiary	-129	-200	-	-
Share based payment	844	734	844	734
Other movements	-	-22	-	-
Final recomposition of an associate under the full consolidation method	374	-25	-	-
Minority of subsidiary	-	-	-197	-
Foreign currency translation	254	-4,440	-	-
Monthly at year end (31/12/2006 and 31/12/2007 respectively)	163,756	210,730	190,643	189,737

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	2009	2008
a) Dividend	1,173	18,286
b) Dividend	877	1,170
c) Dividend to non-related parties	0.00	23,769
d) Dividend to related parties	401	921
e) Dividend to non-related parties	6,140	2,881
f) Dividend to non-related parties	0	0
g) Dividend to non-related parties	2,946	1,739

2. Provisions of the Census and the Company as of 31.12.2006 are as follows:

	2009	2008
a) Provisions for litigation and arbitration	100	424
b) Provisions for unclassified tax matters	1,090	711
c) Other provisions	2,042	582
B. Net benefit on the Parent's and the Group's assets		

9. Within the normal course of business of the Company and the Group, court decisions on pending lawsuits, applications and amounts are not expected to have a substantial adverse effect on the Company and the Group's financial position (note 4) of the annual financial report.

-On Mar 14, 2008 the Shareholder's General Assembly decided: a) The dividend distribution of € 1.00 per share and b) the share repurchase of 1,000,000 shares.

- On December 8, 2008, the Board of Directors of the Company decided the issuance of 34,750 new common shares with a nominal value of €1.00 each, to be distributed to S&B's executives.

value of Euro 1.00 each, that were accounted by executives of the Group under stock option plans granted to employees as approved by the Shareholders' General Assembly. The share capital increase was realized on December 15, 2009. The resulting difference of Euro 200,000.00 was transferred to "Share premium" (note 19 of the annual financial report).

12. During 2008, the Company merged its subsidiary "Perramos Insurance S.A.", in accordance with the provisions of O.L. 2280 and L.2789/99. Moreover, the wholly owned subsidiary S&B Industrial Minerals Inc. was merged with its parent company S Industrial Minerals North America Inc. during January 2009.

12. The Group acquired an additional 25.26 shares of the entity (SLG Securities GmbH) and effectively obtained its control on October 2, 2003, when the consolidation was paid, according to the relevant agreement. As a consequence, (SLG Securities GmbH) is consolidated in the Group financial statements of the fourth quarter of 2003 (note 25 of the annual financial report).

13. Within first three months of 2001 the Group established a new company named S&S Industrial Minerals (hereinafter S.I.M.) located at Indian city of Jaipur.

14. On March 3, 2003, the Group acquired from "Little Processing Corporation of Florida" the processing of expanded polystyrene located in Vero Beach of Florida state in the United States of America ("USA"). The purchase price of assets, including inventories and machinery was paid in cash (note 4 of the annual financial report).

19. The Company's Board of Directors at its meeting held on December 20, 2007 decided to propose to the Shareholders Extraordinary General Assembly the carve out of the participation interest in the subsidiary "Motodromy S.J." and subsidiaries (Motodromy subgroup) which belongs to the noncommercial activities. The Shareholders Extraordinary General

Assembled (Microelectronics sub-group), which belongs to non-commercial activities, the shareholders' extraordinary General Assembly held on January 11, 2006 approved the carry-over. Therefore, since January 1st, 2006 the sub-group Microelectronics is not included in the consolidated financial statements (note 5 of the annual financial report).

18. Within April 2008 the Company signed an agreement with "Mikrosistika S.A." for the sale of its subsidiary "Ergonika Industriji Mašinstvo & Posredstvo Trgovine Co. S.A." and its subsidiaries into a group ("Ergonika") which belonged to the commercial activities. The transaction was approved by the Antitrust Committee and the related authorities on June 18, 2008. The initial process of

sale agreement and the related sign-off of the definite sale and transfer agreement was concluded on July 21, 2009, a date that is considered binding in order to reflect the result of the transaction on the financial statements and on which date the considered amount of 7.6 million was collected (note 6 of the annual financial report).

12. The statistical accounting policies of 2008 are presented in note 2.2 of the annual financial report and are consistent with those of the year ended December 31, 2007.

and above the cumulative share to the entity's share capital of Euro 28, the Company paid (Euro 500 until 2020) and (Euro 200 2020 for share capital increase (note 22 of the annual financial report).

WFE:ma March 9, 2062

ULYSSES P. KYRIACOPoulos
ID No. H 16435

EFTINGDORF OR. VIDALIN
ID No. H 201348

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION

NIKOLAIOS CH. BOAKIS
 AGLASS LITHUANIA No 00021

**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 2008, 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 2008 Financial Results	http://www.sandb.com/en/economy/etisies/cony2008.pdf	HOME->FINANCIAL STATEMENTS-> ANNUAL-> S&B & CONSOLIDATED->2008
2.	S&B Financial Report as of 31.12.2008 in accordance with IFRS	http://www.sandb.com/en/economy/etisies/SandB_y_2008.pdf	HOME->FINANCIAL STATEMENTS-> ANNUAL-> S&B & CONSOLIDATED->2008
3.	S&B Industrial Minerals SA & S&B Group 9M2008 Financial Results	http://www.sandb.com/en/economy/trim/con9m2008.pdf	HOME->FINANCIAL STATEMENTS-> QUARTERLY-> S&B & CONSOLIDATED->2008
4.	S&B Financial Report as of 30.09.08 in accordance with IFRS	http://www.sandb.com/en/economy/trim/9m08_S&B_Financial_Results.pdf	HOME->FINANCIAL STATEMENTS-> QUARTERLY-> S&B & CONSOLIDATED->2008
5.	S&B Industrial Minerals SA & S&B Group 1H2008 Financial Results	http://www.sandb.com/en/economy/trim/con6M2008.pdf	HOME->FINANCIAL STATEMENTS-> QUARTERLY-> S&B & CONSOLIDATED->2008
6.	S&B Financial Report as of 30.06.08 in accordance with IFRS	http://www.sandb.com/en/economy/trim/SandB_q2_2008.pdf	HOME->FINANCIAL STATEMENTS-> QUARTERLY-> S&B & CONSOLIDATED->2008
7.	S&B Industrial Minerals SA & S&B Group 3M2008 Financial Results	http://www.sandb.com/en/economy/trim/con3M2008.pdf	HOME->FINANCIAL STATEMENTS-> QUARTERLY-> S&B & CONSOLIDATED->2008
8.	S&B Financial Results as of 31.03.08 in accordance with IFRS	http://www.sandb.com/en/economy/trim/SandB_q1_2008.pdf	HOME->FINANCIAL STATEMENTS-> QUARTERLY-> S&B & CONSOLIDATED->2008
9.	Announcement of S&B insiders transactions for the year 2008	http://www.sandb.com/en/main_in.html?title_anakino_sisXA.gif?enimepen_ypo08.html	HOME->INVESTOR RELATIONS-> ANNOUNCEMENTS-> INSIDERS TRANSACTION->2008
10.	S&B'S announcements at the Athens Exchange for the year 2008	http://www.sandb.com/en/main_in.html?title_anakino_sisXA.gif?enimepen_xaa08.html	HOME->INVESTOR RELATIONS-> ANNOUNCEMENTS-> ANNOUNCEMENTS TO ATHEX->2008
11.	S&B'S Press Releases during the year 2008	http://www.sandb.com/en/main_in.html?title_deltia_tipou.gif?enim_deltia_tipou_2008.html	HOME->PRESS & COMMUNICATION-> PRESS RELEASES-> 2008