S&B Industrial Minerals S.A.

Annual Financial Report
for the year ended December 31, 2012

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 5, 2013. This Financial Report for the year 1.1.2012-31.12.2012 is published on the website in the following address: www.sandb.com and it will be available to the investors for at least 5 (five) years commencing from the date of issue.

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S&B Industrial Minerals S.A.

FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2012

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A. BOARD OF DIRECTORS' STATEMENT

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

1. Ulysses P. Kyriacopoulos, The Chairman of the Board of Directors

2. Kriton St. Anavlavis, The Chief Executive Officer

3. Alexandros P. Sarrigeorgiou, Director, specifically appointed by the Board of Directors at its meeting on March 5, 2013

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, 2012, 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	Kriton St. Anavlavis	Alexandros P. Sarrigeorgiou
ID No AH042868	ID No AK061616	ID No AE 586794

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B. BOARD OF DIRECTORS' ANNUAL REPORT

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ANNUAL REPORT OF THE BOARD OF DIRECTORS FOR FISCAL YEAR 2012

First full year report under the new organizational structure

Effective from 2012, the Group's organizational structure changed from product divisions and business units that were based on the nature of the product's industrial applications to a new matrix structure. S&B is organized in four geographic regions and four market segments. The geographic regions are North Europe, South Europe, Asia/Pacific and Americas and have responsibility for operations, sales, supply chain and support functions. The four Global market segments - Metallurgy, Foundry, Construction and Specialties- complement the new organization and are responsible for marketing, global accounts management, business development and R&D which aims to enhance S&B's innovation and expand its product and solutions portfolio. Under its new structure the Group's reporting segments are the four geographic regions and results commentary follows this new setup with selective information on the market segments as business drivers for each region.

Group results summary

In 2012, consolidated sales for S&B Industrial Minerals ("S&B" or the "Group") amounted to € 470,2 million, an increase of 3,2% (*) compared to € 455,7 million in 2011. Profitability at the EBITDA level (Earnings Before Interest, Taxes, Depreciation and Amortization) was marginally ahead of sales growth increasing by 4,5% to € 70,6 million from € 67,6 million in 2011. Operating profit of € 38,7 million decreased slightly by 2,3% from € 39,6 million in 2011 and net profit attributable to shareholders of € 12,3 million decreased by 40,4% compared to € 20,6 million in the prior year, incorporating higher financial and income tax expenses.

€ 000s	Full Year 2012	Full Year 2011	% Change
Net Sales	470.216	455.720	3,2%
EBITDA	70.575	67.566	4,5%
Operating profit	38.702	39.601	-2,3%
Profit before tax	24.308	31.960	-23,9%
Net profit [1]	12.291	20.617	-40,4%
EPS [2]	0,2405	0,4034	-40,4%

[1] Net profit attributable to shareholders

[2] Based on net profit attributable to shareholders and the basic weighted average numbers of shares

Business developments and financial performance

2012 was a challenging year, with demand patterns varying between geographic regions and within market segments. A marked slowdown was observed during the second half of the year across most of our business. Industrial production in Europe decreased, with much of the region in recession, while at the end of the year even in the typically more resilient Germany industrial production turned negative. Industrial production in the U.S. increased during the year but moderated during the second half. Global steel production, a key driver for a significant part of our Metallurgy segment, managed to record another year of increased output with growth of 1,5%, however output varied by region, with a near 5% decline in Europe being offset by a modest increase in North America and other geographies of the world. With regard to the Foundry segment, automotive production faced significant challenges in France and Italy, whereas in Germany production was more stable, due to resilient international demand particularly for luxury

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

vehicles. In North America, automotive production was robust with consequent benefits for the automotive foundries. In the Construction segment, while the global construction industry has been improving since 2010 driven by the growth of developing economies, our key geographies continued to witness persistent weakness throughout the year. In Southwest Europe, construction activity continued to contract, while in Northern Europe and the former CIS area activity remained stable. In the U.S., despite government action to revive the economy, uncertainty remains, affecting the construction sector with only infrastructure projects demonstrating some degree of stability over the past years. Construction activity in China decreased during 2012 as a result of a declining real estate market and extreme weather conditions. Despite initial signs of a market recovery during the last part of the year, the sustainability of this trend remains to be proven. For the Specialties segment, activity is influenced by the overall construction sector trends and the automotive industry, which predominantly affect industrial mineral based applications for plastics, paints & coatings, glass & ceramics and others. Within these challenging developments globally, we managed to achieve revenue growth of 1%, 8% and 9% in the Metallurgy, Construction and Specialties segments, respectively, while we realized a marginal 1% decline in the Foundry segment.

In terms of revenue per Region, South Europe sales to third parties of € 124,4 million declined marginally compared to € 125,5 million in 2011. Third party sales incorporate higher sales to the Metallurgy segment driven by stable demand for alumina and an increase in iron-ore pelletizing applications. In contrast, sales to the Foundry segment declined substantially mainly in the last quarter of the year, impacted by low demand in South European countries with the exception of Turkey. In the Construction segment, solid growth was realized in the cement, drilling and proppants applications; however this was offset by declines in the more traditional construction and building materials related products. The Specialties segment remained stable supported by high demand from the horticulture sector. Total sales decreased by 4,3% in 2012, to € 164,8 million from € 172,2 million in 2011, reflecting a lower amount of intercompany sales.

In North Europe, sales to third parties were € 210,5 million and decreased by 2,4% compared to 2011. Sales to the Metallurgy segment declined mid-single digit, driven by a drop in European steel production. Construction segment performance was robust, although this was not driven by traditional housing construction but rather by our involvement in civil engineering projects and the implementation of value-enhancing logistics improvements. In the Foundry segment, sales were lower than the previous year, primarily due to a weak last quarter where a slump in vehicle sales led to lower output in foundries. In the Specialties segment, performance was marginally above the prior year level with growth from paper and glass applications being above the average. Total sales in 2012 decreased slightly by 1,6% compared to 2011 and reached € 213,4 million.

The Americas reported the strongest regional performance in 2012 achieving sales to third parties of € 108 million, representing an increase of 20,9% compared to 2011. While this sales includes a € 10,5 million contribution from NYCO (world-leading wollastonite supplier for high-end applications acquired in September of 2012), sales on an organic basis were also strong with a 9% increase. In the Metallurgy segment, sales relating to steel production in the U.S. increased during 2012, offsetting a sales decline in Brazil where steel makers reduced output. In the Construction segment, demand remained weak at low levels for residential and commercial construction. However, our successful involvement in civil engineering infrastructure projects and the NYCO contribution to this segment significantly enhanced its performance. Foundry segment was a key driver of the regional performance. During the year, automotive production was robust supporting strong revenue growth for our business in this market. Last but not least, an organic sales decline in the Specialties segment driven by weak horticulture activity was offset by NYCO which has added a solid product base to this segment for serving the plastics, coatings and ceramics markets

In the Asia/Pacific region the key business drivers are the Metallurgy and Construction markets. In Metallurgy, sales related to steel production in 2012 were higher in China and South Korea and were able to offset a decline in India where economic and industrial activity deteriorated during 2012. Construction related business in China was impacted by the general economic slowdown and by extreme weather conditions (i.e. floods and heat waves), during which, construction work is prohibited. However, despite the overall subdued activity in both markets during 2012, revenue growth initiatives enabled third party sales to increase by 8,3% at € 27,3 million, compared to € 25,2 million in 2011. Total sales in 2012 increased by 2,6% at € 31,1 million compared to € 30,4 million in 2011, incorporating a lower level of intercompany sales of raw materials to North Europe.

Consolidated Group sales for 2012 amounted to € 470,2 million, which represent a 3,2% increase compared to € 455,7 million in 2011. This revenue increase incorporates € 10,5 million from NYCO as well as focused revenue growth initiatives which helped to offset lower sales volumes and a less favorable product mix compared to 2011. Excluding the NYCO contribution, Group sales increased by approximately 1% over 2011. Overall, costs in 2012 were in line with the previous year, as crude oil prices on average remained unchanged and ocean freight indices were 34% lower. However, ocean freight indices are not fully representative of the freight rates corresponding to the types of vessel and destination routes used for our business. Moreover, the improvement in freight rates in US dollar terms was offset by their translation to Euro currency as a result of a stronger US dollar. Inclusive of NYCO's contribution, gross profit increased 2,3% during 2012 at € 113,7 million compared to € 111,1 million in 2011 while it was at par to 2011 on an organic basis. Gross margin of 24,2% was broadly stable compared to 2011 irrespective of the NYCO contribution. It is important to highlight, that as a result of the guidelines of IFRS 5 for assets designated as held for sale, our 2012 results include a depreciation amount of € 1,9 million (here forth the "**depreciation effect**") for our bauxite operations in Greece which relates to fiscal year 2011 (see Note 6 of section D.2). Although the adjustment for this item does not carry any impact for EBITDA, it does influence all other profitability measures. If this charge had been incurred in the period that it relates to (2011), the resulting gross profit would be € 115,6 million in 2012, a 5,8% increase versus prior year.

Selling, General & Administrative (SG&A) expenses in 2012 amounted to € 73,6 million, an increase of 5,7% compared to € 69,6 million in 2011. Despite NYCO acquisition expenses of € 3,2 million, SG&A expenses as a percent of sales increased by only 40 basis points compared to 2011, whereas on an organic basis they were reduced by 40 basis points. Net operating expenses were higher by 4,8% at € 75 million from € 71,5 million in 2011. EBITDA amounted to € 70,6 million and operating profit to € 38,7 million, reflecting an increase and a decrease of 4,5% and 2,3%, respectively, compared to 2011. However, adjusting for the depreciation effect, operating profit would have been higher by 7,7% at € 40,6 million. If, in addition to the depreciation effect, the NYCO acquisition is excluded, it would have led to EBITDA of € 71,5 million and operating profit € 42,8 million, reflecting increases of 5,8% and 13,4%, while the respective margins would have increased by 80 and 100 basis points, respectively. This continues to support strict expense management and the ability to control costs in order to sustainably grow our business.

Net financial expenses were higher by 77,3% compared to 2011 at € 15,6 million from € 8,8 million. This significant variance is attributed primarily to net interest expense which rose sharply to € 11,7 million in 2012 compared to € 6,4 million in 2011. The majority of this increase is related to higher spreads for debt refinanced during 2012, as well as the interest charges related to the additional debt facilities drawn for the NYCO acquisition.

As a result of the above mentioned financial expenses, profit before tax of € 24,3 million was lower by 23,9% in 2012 from € 31,9 million in 2011. Adjusting for the depreciation effect, profit before tax was lower by 12,8% at € 26,2 million. If, in addition, we exclude the impact of the NYCO acquisition profit before tax would be € 28,4 million, reflecting a decrease of 5,6%.

The Group's effective tax rate in 2012 increased significantly to 49,5% compared to 35,7% in 2011. When adjusting for the depreciation effect and the NYCO acquisition, the Group's effective tax rate drops to 44,8% in 2012 compared to 36,5% in 2011. It is important to be reminded that the Group's effective tax rate is affected by the aggregation of the nominal tax rates of the various subsidiaries consolidated, the various permanent differences and one-off tax items.

Net profit attributed to shareholders of the Group for 2012 amounted to € 12,3 million compared to € 20,6 million in 2011, representing a 40,4% decrease. Adjusting for the depreciation effect, net profit attributed to shareholders would have been lower by 27,7% at € 13,8 million. If, in addition to the depreciation effect, the impact of the NYCO acquisition is excluded, net profit attributed to shareholders would be € 15,7 million, reflecting a decrease of 18%.

Working capital (current assets excluding cash minus current liabilities excluding short-term borrowings) increased by € 22,8 million to € 104,6 million at the end of 2012 from € 81,8 million at the end of 2011. This change includes the effect from the NYCO acquisition (working capital versus sales of only 3 months) and represents an increase of 27,8% from the end of 2011, whereas excluding NYCO, working capital increased by 16% to € 94,8 million. In addition, receivables include a significant € 14 million VAT receivable from the Greek state, whereas the comparable € 10 million amount in 2011 excluded approximately € 8 million which was classified as a non-current asset. Furthermore, the Greek state has proceeded to the refund of all such outstanding receivable, paying € 7 million to the Company in 2012 and an additional € 8 million in early 2013. Currently, there are no V.A.T. receivable amounts classified as “Non-current assets”. All above factors distort the comparison of working capital between 2012 and 2011. Capital expenditure in 2012 was approximately 23% lower than in 2011, at € 30,9 million compared to € 40,3 million. Contrary to 2011 when half of our capital expenditure was related to remedial actions for bauxite operations, in 2012 this reduced to approximately 40% as production returned to largely normalized levels. The remaining amount relates mostly to maintenance capital expenditure for our other operations. Pre-tax operating free cash flow for 2012 was € 33,8 million, significantly higher than the € 9,8 million in 2011. The Group’s net debt position increased by € 46 million to € 178,1 million at the end of 2012 from € 132,1 million at the end of 2011. This is primarily the result of the approximate € 42 million agreement for additional financing facilities in the US in the month of September for the NYCO acquisition. The additional funds raised have not significantly influenced our Net Debt to EBITDA ratio (2,5 in 2012 versus 1,95 in 2011), especially when taking into account an immaterial contribution to EBITDA from NYCO which was impacted by its related acquisition expenses during the fourth quarter.

The profitability of the parent company in 2012 is the result of dividend income from subsidiaries. However, due to accumulated losses from previous periods, a dividend distribution will not be realized.

Significant Events

Capital return

Our Board proposed to the AGM on June 27, 2012 a capital return to shareholders of € 0,25 per share. The proposal was approved and the capital return was paid to shareholders in cash on August 2, 2012.

Successful debt refinancing

At the end of June, through the parent company, S&B Industrial Minerals S.A., we successfully issued a € 110 million unsecured common bond loan, in the context of L.3156/2003 as it stands in effect. The bond issue was fully covered and arranged by Alpha Bank, EFG Eurobank and Emporiki Bank and has a 4 year tenure. Similarly, an additional arrangement was successfully executed for a € 40 million unsecured bilateral loan through the wholly owned German subsidiary S&B Holding GmbH, with HSBC Bank Plc. in the U.K. The loan has a 3 year tenure. Both loans were used for refinancing our debt obligations which were maturing in 2012 and 2013.

The above refinancing transactions ensure the extension of the debt maturity profile for all of our obligations, to between 3 and 4 years. In addition, it further diversifies the origin of our funding in line with our international business profile.

Acquisition of NYCO Minerals Inc.

On September 14, 2012, the Group acquired 100% of the shares and voting rights of US based Rolling Rock Minerals Inc. (RRM) and its subsidiaries. RRM is the parent company of world-class wollastonite provider NYCO Minerals Inc. (NYCO). NYCO is the global market leader in high quality wollastonite grades and tripoli, with production facilities in the U.S. and Mexico. The cash consideration for the acquisition was $ 55,5 million on a debt-free basis, including closing customary cash and working capital adjustments. The acquisition was financed primarily through a $ 50 million credit facility with a 5-year tenor arranged with M&T Bank in the U.S. agreement arranged with M&T Bank in the U.S., comprised of a $ 30 million term loan of a 5 year tenure and $ 20 million revolving credit facility of a 3 year tenure.

The acquisition is consistent with our diversification strategy, supporting a shift towards high added-value applications (plastics, paints and coatings), augmenting geographical presence in the Americas and Asia regions and complementing our product palette with a highly valuable mineral of significant potential. Consistent with our market to mine philosophy, NYCO will enable the formation of new integrated chains for S&B that will accelerate growth in the higher-value specialty applications and expand its industrial solutions offering.

If the acquisitions had taken place on January 1, 2012 sales of the Group would have been increased by approximately € 30,9 million, consolidated profit before taxes and net profit would have been increased by approximately € 3,6 million and € 2,2 million, respectively.

Bauxite spin-off

The Boards of Directors of S&B Industrial Minerals S.A. and Greek Helicon Bauxite S.A. (HB), 100% subsidiary of S&B, approved in their meetings held on 18/12/2012 and 28/12/2012, respectively, the spin-off of S&B's bauxite sector and its contribution to HB. The spin-off is an internal rearrangement to serve the rationalization of S&B's Group structure and will not have any impact on financial figures.

The date of transformation (of S&B's financial position) was set at 31/12/2012 while the spin-off and contribution of S&B's bauxite sector will be realized in accordance with the provisions of L.2166/1993 and C.L.2190/1920.

Joint venture with GoldCommon in China

In January 2013 an agreement was reached to acquire a 50% stake in Chaoyang GoldCommon Mining Co. Ltd. (GC), through our 100% subsidiary Sibimin Ltd. The seller of the stake is Beijing Dongxinlian GoldCommon Investment Management Co., Ltd. that will retain the other 50% stake. The purchase price for the 50% of GC's share capital amounts to CNY 37.1 million (approx. €4,4 million) and will be financed through existing facilities. Finalization of the deal is subject to regulatory approvals and confirmatory due diligence. GC is a subsidiary of the Goldcommon Group which has various investment interests in real estate, construction and mining. GC has access to high quality bentonite reserves for supplying the metallurgy and foundry segments and is based in Liaoning province where it operates production facilities with annual capacity in excess of 150.000 tons.

Business Risks

The S&B Group systematically monitors, assesses and adopts specific measures, in order to address risks that may arise. Such risks are: Transportation risks, Energy Price risks, Raw Material Price risks, EHSQ (Environmental, Health, Safety and Quality) risks, Legal and Licensing risks, Financial risks and Insurable risks. The supply chain mapping of raw materials and products in the Group and the operational 5-year planning undertaken in 2012 aimed at identification of relevant operational-business risks and scheduling of appropriate actions for their minimization or elimination.

- **Market Risks**

  S&B's minerals-based products and solutions, mainly serve industrial end-user market segments, which are inherently cyclical. Such is the case for the steel and construction related industries, which, in terms of revenue generation, account for more than two thirds of the Group's total sales. Exposure to market segment cyclicality is partially mitigated by S&B's highly diverse geographic footprint, as well as a significant number of subsectors within the broader steel and construction related industries. The high degree of diversity provides in addition, a strong, resilient and attractive platform for future growth. Through established internal processes, management continuously monitors and analyses the trends and market dynamics that govern each of its chosen market segments, ensuring in parallel an appropriate capital structure for exploring opportunities that may contribute towards increased diversification and lower levels of cyclicality.

  Management does not anticipate that the above mentioned market risks will substantially affect the Group's financial position in 2013.

- **Transportation Risks**

  Given the geographic distribution of its mineral reserves, industrial facilities and markets, as well as the nature of its products, the Group makes extensive use of sea-going vessels for its transportation needs. Principal exposure is evaluated to stem from the shipments of bentonite and perlite from the east Mediterranean to the North American east coast, North Europe and to a lesser extent to the west Mediterranean. Part of this exposure is mitigated by medium-term contracts with ship-owners and ship operators. Management is continuously monitoring this risk and exploring alternative contractual and hedging strategies for managing the exposure. Other means of transportation (trucks, river barges and rail) are also extensively used, where the main risks that arise, come in the form of fuel price fluctuations (see energy price risks below).

  Management does not anticipate that the above mentioned transportation risks will substantially affect the Group's financial position in 2013.

- **Energy Price Risks**

  S&B is exposed to the risk of fluctuating prices for the various fuel and energy sources (mainly oil, natural gas and electricity) which comprise 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 impact on margins by focusing on energy savings and productivity improvements, while adjusting, where possible, its commercial policies. The global 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.

  Management does not anticipate that the above mentioned energy price risks will substantially affect the Group's financial position in 2013.

- **Raw Materials Price Risks**

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

  The Group also purchases a number of raw materials (soda ash, coal, resins) that are used as additives in the production of the final products and other materials (explosives, parts, packaging materials) that are used during the various production phases. Significant price volatility has been observed in most of these products, in recent years. The risks associated with these purchased materials are managed through long-term relationships and associated contracts.

  Management does not anticipate that the above mentioned raw material risks will substantially affect the Group's financial position in 2013.

- **Environmental, Health & Safety and Quality Risks (EHSQ)**

  In all countries in which S&B operates, it is subject to regulations concerning air emissions, noise, waste disposal and post-mining site rehabilitation.

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

  S&B strives to minimize the environmental health and safety impact of its operations and proactively manages environmental risks through implementation of appropriate measures. EHS related performance is monitored via a reporting and measurement grid, as well as, via ad hoc EHS audits of the operations. S&B has rolled out a Corporate EHSQ policy since 2006, emphasizing its commitment in monitoring and effectively addressing EHSQ aspects that originate from its operations. The policy criteria are applied in a manner sensitive to local cultures, customs and circumstances. In September 2011, a new Sustainable Development function was established with responsibility for EHSQ activities. This new function will contribute and reinforce further diffusion of EHSQ best practices, supporting the coordination of consistent implementation of current Group policies and standards, as well as new ones to be developed. The Sustainable Development policy of S&B calls for every employee to contribute personally, every year, to sustainability targets set. Targets on energy, water consumption reduction per tonne, dust emissions and dust and noise exposure beyond legal obligations are in place. A Sustainable Development Steering Committee, established in February 2012, monitors progress of the EHSQ targets which have been agreed and communicated both internally and externally. Quarterly reporting at Facility/Region/Group level is available since July 2012. Following this development the corporate EHS Council established in 2006 has been made redundant while three Regional EHS Councils overlook performance in Southern Europe, Northern Europe and USA.

  S&B has certified the Quality and Environmental management systems of the majority of its global operations as per ISO 9001 (quality) and ISO 14001 (environmental) standards). In

December 2009 and May 2010 respectively, the Health & Safety (H&S) management system of CCF operations in India and the H&S management system of the French subsidiary S&B Industrial Minerals S.A.R.L., were certified as per the OHSAS 18001 standards. S&B's sustainability targets call for certification of all S&B sites per ISO 9001, ISO 14001 and OHSAS 18001, by the end of 2014.

S&B strives to provide a safe working environment for its employees and sub-contractors in an effort to protect their health and maintain a superior business reputation. In this context, management makes every effort in properly training its employees and sub-contractors on safety practices, for example in the use of explosives and in the operation of heavy mobile equipment, such as underground mine equipment, trucks, loaders, forklifts and other. The safety and non-safety targets set for shop floor employees are 4 and 10 hours per employee per year respectively. Pro-active safety practices initiated in 2006 in Greece, including Management Safety Visits, are currently rolled out to operations in Germany and Bulgaria and recently (May 2012) initiated in the USA and the Netherlands with a target to expand their application to all S&B sites by 2014. An initiative on occupational ergonomics is scheduled for the next years complementing the portfolio of proactive safety practices in place.

Taking into account the past performance and the recent Sustainable Development initiative, Management does not anticipate that the EHSQ risks associated with its activity will substantially affect the Group's financial position in 2013.

- **Legal and Licensing Risks**

  As a global group with a diverse business portfolio, S&B faces various legal risks. In addition, through the normal course of its business S&B is exposed to risks associated with the statutory permitting procedures of its operation rights. To minimize risks associated with obligations arising from formally or voluntarily undertaken commitments, a Group policy on "Permits and Licences" was issued in December 2012. The establishment of this new policy will improve administration of permitting obligations, evaluation and monitoring of risks, reporting and investigation of deviations and monitoring of compliance.

  It is stressed that the action brought before the Council of State for cancelling the environmental conditions approved for the mining of the Company's bauxite reserve in the area of the Municipality of Lidoriki, is still pending.

  On December 27, 2012, the Company entered into an agreement with French customer Kerneos S.A. for the settlement of their dispute in arbitration with an indemnity amount of € 5 million, covering any and all damages and losses (including all kinds of costs and interests), direct or indirect, provable or improvable, which Kerneos S.A. may have suffered driven by the short quantities and/or late deliveries of bauxite. The aforementioned amount was paid on December 28, 2012.

- **Financial Risks**

  The Group's international business activities and the developments in the financial markets present funding challenges in securing efficient financing, generating exposure to foreign exchange, interest rate and liquidity risks. Additionally, there are risks related to ocean freights and the volatility of energy prices since both items represent a material component of the Group's cost structure. The current economic developments in the Greek environment provide for various counter party risks, however, the Group constantly monitors such risks as part of its on-going risk management practices.

  Foreign Currency, Freights and Energy Risks

  Depending on market conditions the Group may use derivative instruments, to hedge against its exposure to foreign currency rates, oil prices and freight rates. Freights and energy are hedged by using the Supramax and the IPE Brent Indices respectively, as proxies for the Group's exposure.

  Interest Rate risk

  The Group hedges part of its interest exposure in order to be protected against adverse interest rate fluctuations. In doing so, management evaluates current market conditions and future leverage, in order to reach a decision.

  Liquidity risk

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

Management does not anticipate that the above mentioned financial risks will substantially affect the Group's financial position in 2013.

- **Insurable Risks**
  S&B carries insurance policies to be protected against insurable risks. It operates two Global insurance programs, one for Property Damage and Business Interruption and one for Civil Liability, both of which are centrally managed. In this way, the group benefits, among others, from a uniform approach towards risk and insurance.
  Local insurance programs are operated at subsidiary level, however Group Treasury monitors all such procedures and decision making for material amounts and risks, is centralized.

Prospects for 2013

Economic conditions were weaker during 2012 than had originally been anticipated and world economic growth moderated notably in the middle of the year. In late 2012, economic indicators began to show some improvement, a trend that has continued into the start of 2013. While this development is encouraging, it is too early to say that a broad-based recovery is underway and therefore we remain cautious. The greatest concerns revolve around the recessionary environment in most parts of Europe, where government-led austerity measures continue to lead to uncertainty and low demand, suppressing investment levels and leading to high unemployment rates. Construction in general is still contracting, with markets in the South recording successive double digit declines. In the automotive sector which drives foundry output, a difficult 2012 is being followed by a challenging 2013 with low demand that will likely affect even the German luxury producers. Steel production is expected, at best, to remain flat versus 2012 as key steel producers have significantly curtailed their capacity. In the U.S., the economy is expected to continue improving, even if at a slow pace. U.S. manufacturing is growing, supported by a continued positive momentum in the automotive sector, while construction indicators for residential and non-residential output suggest a picking up of activity during 2013. Indicators in China are confirming a strengthening of activity although growth is not expected at the rates of 2010 and 2011. Government stimulus supports infrastructure investments, property transactions are rising and inventories are being reduced and steel demand is expected to rise supported by lower steel inventories.

During 2012, we dealt successfully with two key milestones. First, we refinanced our debt obligations in their entirety and secured the extension of maturities to between 3 and 4 years. Second, we completed the NYCO acquisition in the U.S. with financing successfully raised locally, helping to further align our funding structure with our international business profile and reduce in parallel, our dependence on the domestic banking market. We are excited about our future prospects with NYCO and the opportunities provided to diversify into new high value markets and to augment our presence in our geographic regions of interest, such as the Asia/Pacific region. In this context, we expect that our recent joint venture transaction for bentonite in China will enable us to extend our market to mine business model in this fast growing and significant region, where for foundry and other metallurgical applications we previously lacked an established presence. Through further extension of our geographic footprint we remain focused on our long term objective of producing sustainable value growth for our business.

Treasury Shares

As at 31 December 2012, there were no treasury shares held by the Company.

Significant Related Party Transactions

(Amounts in thousand Euro, unless otherwise stated)

During 2012, business transactions of the Group, as well as those of the Company with related parties have been carried out with regular market terms and conditions. The Group, or any of its related parties, has not been engaged in any material transactions that were not in an arm's length basis. None of these transactions includes any special terms or conditions.

Transactions with Group subsidiaries and associates are carried out in the normal course of the business operations of the Group. Outstanding balances at the year-end are unsecured, interest free and settlement occurs in cash within the agreed time period. The guarantees provided by S&B to its subsidiaries as of December 31, 2012 and 2011 are analyzed in Note 40 of the financial statements. The Management of the Company has not provided against the receivables due from its subsidiaries or associates as it does not anticipate any doubtfulness of such receivables, except for the case of Askana Ltd. against which a provision for doubtful debts was established in 2008.

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

Balances and transactions (in thousand Euro) with related parties are the following (Note 23):

Group balances due from and to related parties

Group balances due from related parties amounted to € 1.485 and € 1.464 as of December 31, 2012 and 2011 respectively. The most significant changes are the following:

- Decrease in the amounts due from the jointly controlled entity "Cebo International B.V." (€ 0 and € 221 for 2012 and 2011 respectively) due to settlement of industrial minerals sales.
- Increase in the amounts due from the jointly controlled entity "Pergem Mineral A.Ş." (€ 629 and € 193 for 2012 and 2011, respectively) due to a loan granted to the entity.
- Decrease in the amounts due from another related company "Halliburton Affiliates LLC" (€ 640 and € 781 for 2012 and 2011, respectively) due to partial settlement of industrial minerals sales.

Group balances due to related parties amounted to € 4.194 and € 3.548 as of December 31, 2012 and 2011 respectively. The most significant changes are the following:

- Increase in the amounts due to the associate entity "Xinyang Athenian Mining Co. Ltd" (€ 1.911 and € 1.517 for 2012 and 2011, respectively) due to increased and unsettled industrial minerals purchases.
- Increase in the amounts due to the jointly controlled entity "Cebo International B.V." (€ 1.099 and € 43 for 2012 and 2011 respectively) due to loan granted by this entity.
- Increase in the amounts due to other related company "Bulent Iper & Orca Kirker" (€ 629 and € 0 for 2012 and 2011, respectively) due to a loan granted to the jointly controlled entity "Pergem Mineral A.Ş."
- Decrease in the amounts due to other related company "ORYMIL S.A." (€ 0 and € 931 for 2012 and 2011, respectively) due to full settlement of land acquisition.
- Decrease in the amounts due to another related company "Halliburton Affiliates LLC" (€ 61 and € 313 for 2012 and 2011, respectively) due to settlement of industrial minerals purchases.
- Decrease in the amount due to related company "Perlite Hellas S.A." (€ 207 and € 430 for 2012 and 2011, respectively) due to reduced industrial minerals purchases.
- Decrease in the amount due to related company "Rescon India Private Ltd." (€ 94 and € 200 for 2012 and 2011, respectively) due to reduced industrial minerals purchases.

Company balances due from and to related parties

Company balances due from related parties amount to € 2.202 and € 3.243 as of December 31, 2012 and 2011 respectively. The most significant changes are the following:

- Increase in the amounts due from indirect subsidiaries "S&B Endustriyel Mineraller.A.S." (€ 1.008 and € 172 for 2012 and 2011, respectively) and "S&B Industrial Minerals Spain S.L.u." (€ 208 and € 0 for 2012 and 2011, respectively) due to uncollected receivables from industrial minerals sales.

- Decrease in the amounts due from indirect subsidiary “S&B Industrial Minerals S.A.R.L.” (€ 0 and € 797 for 2012 and 2011, respectively) and from the jointly controlled entity “Cebo International B.V.” (€ 0 and € 443 for 2012 and 2011, respectively) due to settlement of receivables from industrial minerals sales.
- Decrease in the amounts due from direct subsidiary “Isocon S.A.” (€ 884 and € 1.682 for 2012 and 2011, respectively) due mainly to reduced sales and partial settlement of receivables from industrial minerals sales.

Company balances due to related parties amount to € 15.946 and € 11.455 as of December 31, 2012 and 2011 respectively and relate mainly to unsettled invoices for industrial minerals purchases. The most significant changes are the following:

- Increase in the amounts due to indirect subsidiaries “S&B Industrial Minerals GmbH” (€ 11.816 and € 9.222 for 2012 and 2011, respectively), “S&B Industrial Minerals North America Inc” (€ 1.046 and € 0 for 2012 and 2011, respectively) and “S&B Industrial Minerals S.A.R.L.” (€ 936 and € 0 for 2012 and 2011, respectively) mainly due to advance payments for industrial minerals purchases.
- Decrease in the amounts due to direct subsidiary “Sarda Perlite S.r.L.” (€ 563 and € 830 for 2012 and 2011, respectively) due to partial settlement of industrial minerals purchases.
- Decrease in the amounts due to indirect subsidiaries “S&B Industrial Minerals AD” (€ 332 and € 455 for 2012 and 2011, respectively) due to partial settlement of industrial minerals purchases.
- Decrease in the amounts due to other related company “ORYMIL S.A.” (€ 0 and € 931 for 2012 and 2011, respectively) due to full settlement of land acquisition transaction.

Group revenue / expenses

Group revenue from related parties amounted to € 11.719 and € 9.536 for the years ended December 31, 2012 and 2011 respectively. The most significant changes are the following:

- Increase in the revenue from related company “Halliburton Affiliates LLC” (€ 7.441 and € 5.841 for 2012 and 2011, respectively) due to the increased turnover of industrial minerals sales.
- Increase in the revenue from associate entities “Laviosa Promasa S.A.” (€ 1.954 and € 1.825 for 2012 and 2011, respectively) and “Laviosa Chimica Mineraria S.p.A.” (€ 691 and € 75 for 2012 and 2011, respectively) due to the increased turnover of industrial minerals sales.

Group expenses to related parties amounted to € 4.649 and € 6.243 for the years ended December 31, 2012 and 2011 respectively. The most significant changes are the following:

- Increase in the expense to the associate entity “Xinyang Athenian Mining Co. Ltd” (€ 2.150 and € 1.754 for 2012 and 2011, respectively) arising from increased industrial minerals purchases.
- Decrease in the expense to related companies “Rescon India Private Ltd.” (€ 854 and € 1.422 for 2012 and 2011, respectively) “Halliburton Affiliates LLC” (€ 606 and € 854 for 2012 and 2011, respectively) and “Perlite Hellas S.A.” (€ 342 and € 1.302 for 2012 and 2011, respectively) due to reduced industrial minerals purchases.
- Decrease in the expense to the jointly controlled entity “Cebo International B.V.” (€ 336 and € 571 for 2012 and 2011, respectively) due to reduced industrial minerals purchases.

Company revenue / expenses

Company revenue from related parties amounted to € 64.104 and € 55.449 for the years ended December 31, 2012 and 2011 respectively. The most significant changes are the following:

- Increase in the revenue from associate entities “Laviosa Promasa S.A.” (€ 2.171 and € 1.983 for 2012 and 2011, respectively) and “Laviosa Chimica Mineraria S.p.A.” (€ 756 and € 304 for 2012 and 2011, respectively) due to the increased turnover of industrial minerals sales.
- Increase in the revenue from direct subsidiary “S&B Holding GmbH” (€ 15.191 and € 399 for 2012 and 2011, respectively) due to dividend distribution.
- Decrease in the revenue from indirect subsidiaries “S&B Industrial Minerals GmbH” (€ 19.545 and € 21.939 for 2012 and 2011, respectively), “S&B Industrial Minerals North America Inc” (€ 16.666 and € 17.218 for 2012 and 2011, respectively), “S&B Industrial Minerals S.A.R.L.” (€ 3.427 and € 6.272 for 2012 and 2011, respectively), “S&B Endustriyel Mineraller A.Ş.” (€ 1.568 and € 1.671 for 2012 and 2011, respectively) and “S&B Industrial Minerals Spain S.L.u.” (€ 403

and € 618 for 2012 and 2011, respectively) due to decreased turnover of industrial minerals sales to these entities.

- Decrease in the revenue from direct subsidiary “Isocon S.A.” (€ 1.253 and € 1.517 for 2012 and 2011, respectively), and from the jointly controlled entity “Cebo International B.V.” (€ 2.661 and € 3.083 for 2012 and 2011, respectively) due to decreased turnover of industrial minerals sales.

Company expenses to related parties amounted to € 2.820 and € 843 for the years ended December 31, 2012 and 2011 respectively, mainly due to:

- Increase in the expenses to indirect subsidiaries “S&B Industrial Minerals GmbH” (€ 2.033 and € 2 for 2012 and 2011, respectively) due to purchase of soda ash from this entity.

Compensation of key management personnel

Compensation of key management personnel for the years ended December 31, 2012 and 2011 were as follows:

	The Group		The Company	
	1/1-31/12 2012	1/1-31/12 2011	1/1-31/12 2012	1/1-31/12 2011
Board of Directors fees	650	650	650	650
Executives compensation (including executive board members)	4.666	5.973	4.196	5.458
	5.316	**6.623**	**4.846**	**6.108**

Board of Directors fees are approved by the Shareholders A.G.M. and as a result the related fees for the years ended December 31, 2012 and 2011 are either paid or accrued in the accompanying financial statements.

Balances due to key management personnel of the Group and Board members as of December 31, 2012 amounted to € 1.009 (€ 1.272 as of December 31, 2011). Balances due to key management personnel of the Company and to its Board members as of December 31, 2012 amounted to € 936 (€ 1.228 as of December 31, 2011).

Social security contributions paid by the Company to state contribution plans for key management personnel for the years ended December 31, 2012 and 2011 amounted to € 103 and € 86, respectively (the Group paid € 120 and € 97, 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, 2012 and 2011 amounted to € 250 and € 317, respectively.

Statement on Corporate Governance, in accordance with article 43α§3(d) of Codified Law 2190/1920

In compliance with article 43^{α}§3 of C.L. 2190/1920, as it stands in effect, the Company states the following:

I. The Corporate Governance Principles

1. The Company has put into practice the Corporate Governance Principles since 2001, which are regularly revised and updated in order to comply with the applicable Greek and E.U. legal framework.
2. The full text of the 4th revision of the Corporate Governance Principles, as it stands in effect, is available as an electronic copy on the website of the Company at www.sandb.com.
3. The Corporate Governance Principles of the Company aim at achieving long-term development for the business, while take into account the equal and unbiased treatment of the interests of all shareholders and social responsibility as well.
4. The Company does not apply other corporate governance practices apart from the Corporate Governance Principles, which constitute the grounds of the Internal Regulation and the Company's Policies as well.

II. The key features of the Internal Control and Risk Management Mechanisms

1. The Company operates in a very demanding and versatile business environment that requires constant and systematic monitoring of all risks related to its business. Therefore, the Company has introduced control mechanisms in order to mitigate such risks and ensure compliance with required financial and operational procedures across the Group. The overseeing body of the control and risk management mechanisms is the Audit Committee.
2. The Internal Audit Services department consists of one Internal Audit Manager and five internal auditors which are under exclusive and full-time employment with the Company. The Internal Audit department performs its duties according to a written charter approved by the Audit Committee and the C.E.O. Internal audits are carried out following international professional standards and practices, which are codified in the "Manual of Internal Audit Process" and extend to all organizational and operational divisions of the Company and the Group in general. These audits aim to monitor the implementation of, and continuous compliance with, the Company's Statute, Regulations, Procedures and Directives, as well as with legislation related with the business of the Company.
3. The financial statements of the Company and the Group are audited and certified by a prominent audit firm appointed by the General Assembly of the Shareholders.
4. In addition, the Company has adopted and implemented procedures for controlling and managing risk in respect of financial reporting and preparation of financial statements both stand-alone and consolidated. These include:
   - The introduction of uniform reporting standards (Reporting Manual) for financial reporting and management reporting purposes. These standards are implemented by all legal entities of the Group.
   - The Group Management Policies which is a set of documents regulating the Chart of Authorities that reflects the different levels of binding authorizations to officers of the Company for conducting monetary and non-monetary transactions as well as all critical financial internal controls which have been implemented by the majority of the Group's companies.
   - A dedicated department monitoring the financial reporting process using a common Group Chart of Accounts and common consolidation processes across the Group companies, based on multiple validations and written guidelines which are periodically reviewed and amended as necessary.
   - A common and uniform IT platform for financial consolidation and reporting.
   - IT safety and security procedures, such as, the backup of all critical electronic

information, disaster recovery plans, antivirus protection systems, e-mail security, etc.
- The ongoing review and amendment of Group's accounting and reporting policies to ensure that Group financial information always reflects the prevailing accounting and reporting standards.
- The preparation of a detailed annual budget that is reviewed and approved by the Board.
- Monthly rolling forecasts and management meetings for discussion, review and analysis of actual and forecasted financial performance, as well as accuracy and completeness.
- Closing procedures, including due dates, meetings with the management team of the Company, coordination with the financial services of the other legal entities of the Group, meetings with external auditors and other specialists (if necessary).

III. Information of Directive 2004/25/EC

On 30 January, 2013, "Delphi Luxembourg Holdings S.A.R.L.", acting in concert with members of the Kyriacopoulos family and entities controlled by them (the **Family**), launched a mandatory tender offer of L. 3461/2006, as it stands in effect, and the Directive 2004/25/EC, for the acquisition of the Company's shares not own or controlled by the Family (i.e. 38.74% of the Company's share capital).

IV. The General Assembly

The convocation, composition, authority, and function of the General Assembly as well as the rights of the shareholders to be informed in a timely manner of the items on the agenda, to attend a meeting and to vote, are regulated and ensured by the relevant provisions of the Articles of Association and the C.L. 2190/1920, as it stands in effect.

V. The Board of Directors

The Board of Directors is responsible for the administration and the management of the Company's affairs. It consists of twelve (12) members, two (2) of which are executive, three (3) non-executive and seven (7) independent non-executive. The C.V. of each member of the Board is available on the website of the Company at www.sandb.com. The Board is authorized to resolve any issue related to the Company with the exception of those that, according to the Law and the Articles of Association, belong to the exclusive authority of the General Assembly. The Board monitors the performance and the risks of the Company by:

- Setting general mid and long term goals and approving the annual budgets and their revision, if any;
- Ensuring the adequacy and integrity of the accounting and financial reporting systems of the Company;
- Monitoring the internal control and risk management processes;
- Ensuring the efficient implementation of the Corporate Governance Principles;
- Ensuring the effective implementation of the Company's environmental policy;
- Ensuring the appropriate transparency of the overall activities of the Company as well as the timely, precise and equal access of all shareholders to information;
- Ensuring compliance with the current legislation

The members of the Board are the following

Ulysses P. Kyriacopoulos	Chairman	Executive
Kalypso-Maria Nomicos	Vice-Chairman	Independent Non-Executive
Kriton Leonidas Anavlavis	Chief Executive Officer	Executive
Robert J. Champion de Crespigny AC	Member	Independent Non-Executive
Gabriel Hawawini	Member	Independent Non-Executive
Florica P. Kyriacopoulos	Member	Non-Executive
Raphael Moissis	Member	Independent Non-Executive
Helen Papaconstantinou	Member	Independent Non-Executive
Alexandros Sarrigeorgiou	Member	Independent Non-Executive
Jan Carel Maarten Schönfeld	Member	Independent Non-Executive
Alain Walter Marie Wivine Speeckaert	Member	Non - Executive
Efthimios Vidalis	Member	Non - Executive

VI. The Committees

The Board of Directors is supported in its duties by the following Committees: (a) the Audit Committee, (b) the Human Resources & Nomination Committee and (c) the Strategic Planning Committee.

Apart from the Audit Committee, the committees of the Board do not constitute supervisory, administrative or statutory bodies of the Company.

More details of the Committees are set forth below:

Audit Committee

The Audit Committee consists of four (4) Board members, one (1) non-executive and three (3) independent non-executives. The General Assembly appoints the members of the Audit Committee as per the provisions of article 37 of L. 3693/2008, as it stands in effect. The Audit Committee convenes at least four times per year and exercises its duties by virtue of a written charter called the "Regulation of the Audit Committee", which is approved and amended by the Board of Directors. The task of the Committee is to support the Board in fulfilling its overseeing responsibilities in order to ensure:

- the adequacy and integrity of the Company's accounting and financial reporting systems and the efficient operation of audit control, risk assessment and management systems;
- the credibility and integrity of the published financial statements;
- the compliance of the Company and the Group with the current legal framework and the effective implementation of the Corporate Governance Principles;
- the financial reporting process;
- the efficiency of internal controls and risk management procedures, as well as the internal auditors' professional adequacy;
- the integrity and independence of external auditors and the audit firm by monitoring the relevant matters;
- the communication and monitoring of the audit process performed by the external auditors in order to solve potential issues related to the course and the results of such audit.

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The members of the Audit Committee are:

Alexandros Sarrigeorgiou	Chairman
Flora Maria P. Kyriacopoulos	Member
Helen Papaconstantinou	Member
Jan Carel Maarten Schönfeld	Member

Human Resources & Nomination Committee

The Human Resources & Nominations Committee consists of four (4) Board members, one (1) non-executive and three (3) independent non-executives. The committee is called at least once a year and whenever a matter of interest is placed before it. The duties of the committee are:

- To supervise the application of the compensation system for the Company' personnel, which is based on the achievement of annual and medium-term objectives subject to the market conditions;
- To evaluate the performance of the C.E.O. and the top-ranking executives reporting to the C.E.O. and propose their compensation to the Board. In addition, the Committee submits proposals to the Board regarding the annual remuneration policy of the Company's and Group's personnel;
- To propose to the Board sufficient schemes for the professional development of executives as well as efficient reward and benefit systems for the personnel;
- To decide on the placement of the available funds of the employees' pension mutual fund and monitor the training of personnel;
- To organize the succession of the Board members and the development of executives.

The members of the Human Resources & Nominations Committee are appointed by the Board and are the following:

Kalypso Maria Nomicos	Chairman
Flora Maria P. Kyriacopoulos	Member
Raphael Moissis	Member
Helen Papakonstantinou	Member

Strategic Planning Committee

The Strategic Planning Committee consists of six (6) Board members, two (2) executive, one (1) non-executive and three (3) independent non-executives. The Committee meets at least twice a year. Its duties are summarized to the following:

- Opine on the business activities that the Company should focus on or is advisable to focus on;
- Evaluate the adequacy of the Company's infrastructure, capital structure, and human resources for the unimpeded realization of its business plans;
- Examine the need for and expediency of revising its vision and purpose statements;
- Support the management's proposals to the Board.

The members of the Strategic Planning Committee are appointed by the Board and are the following:

Raphael Moissis	Chairman
Kriton Leonidas Anavlavis	Member
Florica P. Kyriacopoulos	Member
Ulysses P. Kyriacopoulos	Member
Kalypso-Maria Nomicos	Member
Alexandros Sarrigeorgiou	Member

It should be noted that, apart from the Audit Committee and the Strategic Planning Committee, the other committees meet at least once a year and whenever a matter of their responsibility arises.

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

Shareholders Capital Structure

On December 31st, 2012, the Company's share capital amounted to Euro 51,197,862.00 divided into 51,197,862 shares with nominal value of Euro 1.00 each. All of the Company's shares are common registered shares with one voting right each and they are traded on the regulated market of the Athens Stock Exchange.

Limitations in the transfer of company stock

Based on the announcement of the mandatory tender offer of L. 3461/2006, as it stands in effect, launched on 30 January 2013 by "Delphi Luxembourg Holdings S.A.R.L." (the "Offeror"), acting in concert with members of Kyriacopoulos family and entities controlled by them (the "Family"), for the acquisition of the Company's shares not own or controlled by the Family (i.e. 38.74% of the Company's share capital), the Offeror entered into separate agreements with the Family and "SCR-Sibelco NV" on 30 January 2013 and 17 December 2012, respectively, undertaking specific selling and voting restrictions.

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

The major direct/indirect participations in the voting rights of the Company's shares on 31 December 2012 were as follows:

1. By Mrs Aikaterini P. Kyriacopoulos, 18.962.041 voting rights (i.e. 37,04% of the total share capital and voting rights of the Company) are controlled indirectly as follows: (a) 11,109,753 voting rights (i.e. 21,70% of the total share capital and voting rights of the Company) are directly held by the company Blue Crest Holding S.A., which is exclusively controlled by Mrs Aikaterini P. Kyriacopoulos, and (b) 7.852.288 voting rights (i.e. 15,34% of the total share capital and voting rights of the Company) derive from the shares, which are held through bare ownership by Mr Ulysses P. Kyriacopoulos and Ms Flora Maria P. Kyriacopoulos and are exercised due to usufruct by Mrs Aikaterini P. Kyriacopoulos.
2. By Mr Ulysses P. Kyriacopoulos, 5.112.067 voting rights (i.e. 9,98% of the total share capital and voting rights of the Company) are indirectly controlled through High Gate Holding S.A., which holds directly the aforementioned rights and is exclusively controlled by Mr Ulysses P. Kyriacopoulos, since the total amount of its share capital is entirely owned by Mr Ulysses P. Kyriacopoulos.
3. By Ms Flora-Maria P. Kyriacopoulos, 5.950.474 voting rights (i.e. 11,62% of the total share capital and voting rights of the Company) are indirectly controlled through Blue Water Holding S.A., which holds directly the aforementioned rights and is exclusively controlled by Ms Flora-Maria P. Kyriacopoulos, since the total amount of its share capital is entirely owned by Ms Flora-Maria P. Kyriacopoulos.
4. By "SCR-Sibelco NV" 10.217.688 voting rights (i.e. 19,96% of the total share capital and voting rights of the Company).

There is not any other individual or legal entity holding more than 5% of the Company's total voting rights.

Share owners with special controlling rights

N/A

Limitations in voting rights

Based on the announcement of the mandatory tender offer of L. 3461/2006, as it stands in effect, launched on 30 January, 2013 by "Delphi Luxembourg Holdings S.A.R.L." (the "Offeror"), acting in concert with members of Kyriacopoulos family and entities controlled by them (the "Family"), for the acquisition of the Company's shares not own or controlled by the Family (i.e. 38.74% of the Company's share capital), the Offeror entered into separate agreements with the Family and "SCR-Sibelco NV" on 30 January 2013 and 17 December 2012, respectively, undertaking specific selling and voting restrictions.

Agreements among shareholders of the Company

Based on the knowledge of the Company on 31 December 2012, there were not any Shareholders' agreements that put restrictions in transferring of stocks or exercising of voting rights.

Rules of appointment and replacement for members of the Board of Directors

The relevant provisions in the Articles of Association do not differentiate from the provisions of C.L. 2190/1920, as it stands in effect.

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

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

As per the provisions of article 16 of C.L. 2190/1920, as it stands in effect, the Annual General Meeting of Shareholders of 27 June 2012, approved a 24-month share "buy- back" programme setting the purchase price of each share between Euro1.00 and Euro 10.00. The total number of shares that the Company may purchase under the programme cannot exceed the 10% of its paid-in share capital. Furthermore, the above resolution of the General Assembly authorized the Board of Directors to proceed to any action that is considered necessary for implementing the said programme.

Significant agreement, which the company has entered into, and which becomes effective, 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.

N/A

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.

The employment agreement the Company signed on June 1, 2011 with Chief Executive Officer, Mr. Kriton Leonidas Anavlavis, which was previously approved by the Annual General Meeting of the same day, provides his indemnification in case of change of control or termination of the employment relationship without cause.

Kifissia, March 5, 2013

For the Board of Directors

The Chief Executive Officer

Kriton Anavlavis

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C. INDEPENDENT AUDITOR'S REPORT

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ERNST & YOUNG (HELLAS)
Certified Auditors – Accountants S.A.
11th Km National Road Athens-Lamia
144 51 Athens, Greece

Tel: +30 210.2886.000
Fax: +30 210.2886.905
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Independent Auditor's Report

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

Introduction

We have audited the accompanying financial statements of S&B Industrial Minerals S.A. (the "Company"), and the consolidated financial statements of the Company and its subsidiaries (the "Group") which comprise the separate and consolidated statements of financial position as at December 31, 2012, and the related separate and consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects the financial position of the Company and the Group as at December 31, 2012, and their financial performance and their cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union.

Report on Other Legal and Regulatory Requirements

a) The Directors' Report includes a statement of corporate governance which contains the information required by paragraph 3d article 43a of Codified Law 2190/1920.

b) We confirm that the information given in the Board of Directors' Report is consistent with the accompanying separate and consolidated financial statements and complete in the context of the requirements of articles 43a, 108 and 37 of Codified Law 2190/1920.

Athens, March 5, 2013

THE CERTIFIED AUDITORS ACCOUNTANTS

PANOS PAPAZOGLOU S.O.E.L. No 16631	IOANNIS PSICHOUNTAKIS S.O.E.L. No 20161

ERNST & YOUNG (HELLAS)
CERTIFIED AUDITORS ACCOUNTANTS S.A.
11TH KLM. NATIONAL ROAD ATHENS – LAMIA
144 51 METAMORFOSI
S.O.E.L. No. 107

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D1. FINANCIAL STATEMENTS

The accompanying Financial Statements have been approved by the Board of Directors of S&B Industrial Minerals S.A. on March 5, 2013.

The Chairman of the Board of Directors	The Chief Executive Officer	The Chief Financial Officer	The Controller South Europe
Ulysses P. Kyriacopoulos	Kriton St. Anavlavis	Ioannis E. Christodoulakis	Nikolaos Ch. Ioakim
ID No AH042868	ID No AK061616	ID No AZ951354	A' Class License No 0002714

S&B Industrial Minerals S.A.
CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2012
(Amounts in thousand Euro, except for earnings per share)

		The Group	
			Re-presented*
	Note	1/1 - 31/12/2012	1/1 - 31/12/2011
Sale of goods	7	470.216	455.720
Cost of sales	8	(356.549)	(344.620)
Gross Profit		**113.667**	**111.100**
Administrative expenses	9	(44.770)	(44.868)
Selling expenses	10	(28.799)	(24.715)
Other income	11	4.249	3.933
Other expenses	12	(5.645)	(5.849)
Operating profit		**38.702**	**39.601**
Finance income	13	373	594
Finance costs	14	(15.927)	(9.367)
Gain from the disposal of asssociates	22	-	243
Share of profit from associates	22	1.160	889
Profit before tax		**24.308**	**31.960**
Income tax expense	15	(12.036)	(11.405)
Net profit		**12.272**	**20.555**
Attributable to:			
Equity holders of the Company		12.291	20.617
Non-controlling interests	3	(19)	(62)
		12.272	**20.555**
Earnings per share attributable to equity holders of the Company			
Basic		0,2405	0,4034
Diluted		0,2371	0,4000
Weighted average number of shares			
Basic	28	51.111.413	51.110.687
Diluted	28	51.834.409	51.540.163

*The amounts have beed re-presented (Note 6).

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

S&B Industrial Minerals S.A.
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2012
(Amounts in thousand Euro)

		The Group	
			Re-presented*
	Note	1/1 - 31/12/2012	1/1 - 31/12/2011
Net profit / (loss)		**12.272**	**20.555**
Other comprehensive income			
Translation of foreign operations:			
-Subsidiaries		(757)	1.132
-Associates		116	(567)
Valuation of available-for-sale financial assets		91	(99)
Income tax relating to the valuation of available-for-sale financial assets		(18)	20
Valuation of derivatives in a cash-flow hedge	35	(594)	(1.455)
Income tax relating to the valuation of derivatives		119	273
Other comprehensive income loss for the year, net of tax		**(1.043)**	**(696)**
Total comprehensive income for the year, net of tax		**11.229**	**19.859**
Attributable to:			
Equity holders of the Company		11.239	19.912
Non-controlling interests		(10)	(53)
		11.229	**19.859**

*The amounts have beed re-presented (Note 6).

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, 2012
(Amounts in thousand Euro)

		The Company	
			Re-presented*
	Note	1/1 - 31/12/2012	1/1 - 31/12/2011
Sales of goods	7	140.960	144.032
Cost of sales	8	(111.789)	(107.145)
Gross Profit		**29.171**	**36.887**
Administrative expenses	9	(21.585)	(26.697)
Selling expenses	10	(5.583)	(3.427)
Other income	11	4.437	4.588
Other expenses	12	(5.051)	(4.628)
Operating profit		**1.389**	**6.723**
Finance income	13	127	366
Finance costs	14	(11.825)	(7.101)
Investment income	3,22	15.392	688
Profit before tax		**5.083**	**676**
Income tax expense	15	821	(1.158)
Net profit / (loss)		**5.904**	**(482)**

*The amounts have beed re-presented (Note 6).

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

S&B Industrial Minerals S.A.
SEPARATE STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2012
(Amounts in thousand Euro)

		The Company	
			Re-presented*
	Note	1/1 - 31/12/2012	1/1 - 31/12/2011
Net profit /(loss)		**5.904**	**(482)**
Other comprehensive income			
Valuation of available-for-sale financial assets		91	(99)
Income tax relating to the valuation of available-for-sale financial assets		(18)	20
Valuation of derivatives in a cash-flow hedge	35	(594)	(1.455)
Income tax relating to the valuation of derivatives		119	273
Other comprehensive loss for the year, net of tax		**(402)**	**(1.261)**
Total comprehensive income / (loss) for the year, net of tax		**5.502**	**(1.743)**

*The amounts have beed re-presented (Note 6).

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

S&B Industrial Minerals S.A.

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2012

(Amounts in thousand Euro)

	Note	The Group December 31 2012	The Group December 31 2011	The Company December 31 2012	The Company December 31 2011
ASSETS					
Non-current assets					
Property, plant and equipment	18	220.009	154.439	113.182	62.262
Investment properties	19	17.796	18.860	17.796	18.860
Goodwill	20	108.911	83.643	25.129	25.129
Other intangible assets	21	19.426	18.950	193	3
Investments in subsidiaries	3	-	-	133.780	129.338
Investments in associates	22	11.186	10.293	4.198	4.198
Deferred tax assets	15	6.336	3.584	2.310	1.121
Available-for-sale financial assets		182	90	182	90
Other non-current assets		3.245	10.862	656	8.412
		387.091	300.721	297.426	249.413
Current assets					
Inventories	24	99.866	73.469	36.738	18.362
Trade receivables	25	54.840	49.557	11.245	4.655
Due from related parties	23	1.485	1.464	2.202	3.243
Income tax receivables		1.293	894	545	602
Other current assets	26	26.037	17.934	19.429	12.656
Cash and cash equivalents	27	42.086	46.158	4.565	2.323
		225.607	189.476	74.724	41.841
Assets held for sale	6	-	72.585	-	76.286
Total Assets		612.698	562.782	372.150	367.540
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital	28	51.198	51.111	51.198	51.111
Share premium		14.565	27.000	14.565	27.000
Share option plan reserve	29	2.408	2.121	2.408	2.121
Derivatives valuation reserve		(2.120)	(1.645)	(2.120)	(1.645)
Other reserves	30	76.772	78.139	88.676	90.219
Translation of foreign operations		(1.263)	(613)	-	-
Retained earnings		106.793	93.140	9.831	2.311
		248.353	249.253	164.558	171.117
Non-controlling interests	3	718	658	-	-
Total equity		249.071	249.911	164.558	171.117
Non-current liabilities					
Provision for staff leaving indemnities	32	26.835	15.034	8.865	6.061
Provision for environmental rehabilitation	33	15.013	6.305	10.626	3.450
Other provisions		3.602	2.274	1.216	376
Interest-bearing loans and borrowings	34	160.044	66.978	96.969	66.978
Deferred tax liabilities	15	16.492	15.517	-	-
Government grants		1.655	1.829	1.410	1.534
Other non-current liabilities		880	779	106	88
		224.521	108.716	119.192	78.487
Current liabilities					
Trade payables	36	43.771	41.403	10.291	7.220
Due to related parties	23	4.194	3.548	15.946	11.455
Short-term borrowings	37	38.644	19.302	36.253	18.698
Current portion of long-term interest bearing loans and borrowings	34	21.516	91.977	12.000	47.000
Income tax liabilities		4.794	3.883	-	-
Dividends payable		23	22	16	16
Other current liabilities	38	26.164	19.988	13.894	9.307
		139.106	180.123	88.400	93.696
Liabilities associated with the assets classified as held for sale	6	-	24.032	-	24.240
Total equity and liabilities		612.698	562.782	372.150	367.540

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

S&B Industrial Minerals S.A.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED DECEMBER 31, 2012

(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	Non-controlling interests	Total equity
January 1, 2011		**51.782**	**42.329**	**(3.216)**	**2.237**	**(463)**	**85.703**	**(1.182)**	**65.207**	**242.397**	**561**	**242.958**
- Profit for the year		-	-	-	-	-	-	-	20.617	**20.617**	(62)	**20.555**
- Other comprehensive income/ (loss) for the year		-	-	-	-	(1.182)	(79)	569	(13)	**(705)**	9	**(696)**
- Total comprehensive income/ (loss) for the year		**-**	**-**	**-**	**-**	**(1.182)**	**(79)**	**569**	**20.604**	**19.912**	**(53)**	**19.859**
- Dividends paid to non-controlling interests		-	-	-	-	-				**-**	(74)	**(74)**
- Share based payment	29	-	-	-	(116)	-	-	-	-	**(116)**	-	**(116)**
- Share capital increase from capitalization of share premium	28	12.778	(12.778)	-	-	-	-	-	-	**-**	-	**-**
- Share capital return	28	(12.778)	-	-	-	-	-	-	-	**(12.778)**	-	**(12.778)**
- Share capital decrease	28	(671)	(2.551)	3.222	-	-	-	-	-	**-**	-	**-**
-Purchase of treasury shares	28	-	-	(6)	-	-	-	-	-	**(6)**	-	**(6)**
-Increase of investment in subsidiaries		-	-	-	-	-	-	-	(156)	**(156)**	224	**68**
-Transfers*		-	-	-	-	-	(7.485)	-	7.485	**-**	-	**-**
December 31, 2011		**51.111**	**27.000**	**-**	**2.121**	**(1.645)**	**78.139**	**(613)**	**93.140**	**249.253**	**658**	**249.911**
- Profit for the year		**-**	-	-	-	-	-	-	12.291	**12.291**	(19)	**12.272**
- Other comprehensive income/ (loss) for the year		-	-	-	-	(475)	73	(650)	-	**(1.052)**	9	**(1.043)**
- Total comprehensive income/ (loss) for the year		**-**	**-**	**-**	**-**	**(475)**	**73**	**(650)**	**12.291**	**11.239**	**(10)**	**11.229**
- Dividends paid to non-controlling interests		-	-	-	-	-	-	-	-	**-**	(70)	**(70)**
- Share capital increase from excercise of stock option plan	28	87	343	-	(77)	-	-	-	-	**353**	-	**353**
- Share based payment	29	-	-	-	364	-	-	-	-	**364**	-	**364**
- Share capital increase from capitalization of share premium	28	12.778	(12.778)	-	-	-	-	-	-	**-**	-	**-**
- Share capital return	28	(12.778)	-	-	-	-	-	-	-	**(12.778)**	-	**(12.778)**
- Increase of investment in subsidiaries	3	-	-	-	-	-	-	-	-	**-**	140	**140**
- Transfers and other movements**		-	-	-	-	-	(1.440)	-	1.362	**(78)**	-	**(78)**
December 31, 2012		**51.198**	**14.565**	**-**	**2.408**	**(2.120)**	**76.772**	**(1.263)**	**106.793**	**248.353**	**718**	**249.071**

* Settlement between Retained earnings and Other reserves related to statutory requirements for German subsidiaries.

** An amount of € 1.616 was transferred from Other reserves to Retained earnings of the Company.

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, 2012
(Amounts in thousand Euro)

The Company

	Note	Share Capital	Share Premium	Treasury Shares	Share option plan reserve	Derivatives valuation reserve	Other reserves	Retained earnings	Total
January 1, 2011		**51.782**	**42.329**	**(3.216)**	**2.237**	**(463)**	**90.298**	**2.793**	**185.760**
- Profit for the year		-	-	-	-	-	-	(482)	**(482)**
- Other comprehensive loss for the year		-	-	-	-	(1.182)	(79)	-	**(1.261)**
- Total comprehensive loss for the year		-	-	-	-	**(1.182)**	**(79)**	**(482)**	**(1.743)**
- Share based payment	29	-	-	-	(116)	-	-	-	**(116)**
- Share capital increase from capitalization of share premium		12.778	(12.778)	-	-	-	-	-	**-**
- Share capital return		(12.778)	-	-	-	-	-	-	**(12.778)**
- Share capital decrease	28	(671)	(2.551)	3.222	-	-	-	-	**-**
-Purchase of treasury shares	28	-	-	(6)	-	-	-	-	**(6)**
December 31, 2011		**51.111**	**27.000**	**-**	**2.121**	**(1.645)**	**90.219**	**2.311**	**171.117**
- Profit for the year		-	-	-	-	-	-	5.904	**5.904**
- Other comprehensive income / (loss) for the year		-	-	-	-	(475)	73	-	**(402)**
- Total comprehensive income/ (loss) for the year		-	-	-	-	**(475)**	**73**	**5.904**	**5.502**
- Share capital increase from excercise of stock option plan	28	87	343	-	(77)	-	-	-	**353**
- Share based payment	29	-	-	-	364	-	-	-	**364**
- Share capital increase from capitalization of share premium	28	12.778	(12.778)	-	-	-	-	-	**-**
- Share capital return	28	(12.778)	-	-	-	-	-	-	**(12.778)**
- Transfers and other movements**		-	-	-	-	-	(1.616)	1.616	**-**
December 31, 2012		**51.198**	**14.565**	**-**	**2.408**	**(2.120)**	**88.676**	**9.831**	**164.558**

* An amount of € 1.616 was transferred from Other reserves to Retained earnings of the Company.

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

S&B Industrial Minerals S.A.
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2012
(Amounts in thousand Euro)

	Note	The Group 1/1 - 31/12 2012	The Group 1/1 - 31/12 2011	The Company 1/1 - 31/12 2012	The Company 1/1 - 31/12 2011
Cash flows from operating activities					
Profit / (loss) before tax		**24.308**	**31.960**	**5.083**	**676**
Adjustments for:					
- Depreciation and amortization		30.888	27.228	18.300	15.728
- Grants amortization		(175)	(152)	(125)	(90)
- Provisions, net		1.124	5.658	779	1.426
- Finance income	13	(373)	(594)	(127)	(366)
- Finance costs	14	15.927	9.367	11.825	7.101
- Investment income (net of foreign taxes)		-	-	(15.392)	(635)
- Share of profit from associates		(1.160)	(889)	-	-
- Impairment loss	18, 19	825	2.880	825	1.080
- Gain from the disposal of associates	22	-	(243)	-	-
- (Gain)/ loss from the disposal of property, plant and equipment		(87)	228	(7)	20
		71.277	**75.443**	**21.161**	**24.940**
(Increase) / Decrease in:					
- Inventories		(3.741)	(11.712)	(2.634)	(6.528)
- Trade receivables		4.885	(2.647)	(2.839)	(664)
- Due from related parties		(21)	(109)	833	698
- Other assets		1.607	(10.076)	2.233	(9.182)
Increase / (Decrease) in:					
- Trade payables		(5.549)	4.423	(4.211)	1.882
- Due to related parties		646	1.531	3.415	10.311
- Other liabilities		(1.592)	(881)	(1.539)	2.376
Staff leaving indemnities paid	32	(1.496)	(4.843)	(635)	(3.993)
Payments for environmental rehabilitation	33	(1.260)	(990)	(1.176)	(887)
Income tax paid		(11.505)	(12.360)	(170)	(1.504)
Net cash flows from operating activities		**53.251**	**37.779**	**14.438**	**17.449**
Cash flows from investing activities					
- Capital expenditure		(31.020)	(41.065)	(18.042)	(29.757)
- Business combinations and investments in consolidated entities	5	(42.367)	(101)	-	-
- Proceeds from the sale of associate		-	243	-	-
- Dividends received		282	388	15.392	498
- Interest and other finance income received		266	261	20	36
- Proceeds from the settlement of derivatives	35	107	333	107	333
- Proceeds from the disposal of property, plant and equipment		161	561	7	1
Net cash flows used in investing activities		**(72.571)**	**(39.380)**	**(2.516)**	**(28.889)**
Cash flows used in financing activities:					
- Capital return to shareholders	28	(12.769)	(12.767)	(12.769)	(12.767)
- Purchase of treasury shares	28	-	(7)	-	(7)
- Net (decrease)/ increase of short-term borrowings		19.342	18.523	17.555	18.698
- Proceeds from long-term borrowings	34	184.029	20.000	110.000	20.000
- Repayment of long-term borrowings	34	(160.000)	(16.000)	(114.000)	(8.500)
- Dividends paid to the Equity holders of the Company, net of taxes		-	(9)	-	(9)
- Dividends paid to non-controlling interests		(70)	(70)	-	-
- Share option plans exercised	28	353	-	353	-
- Interest and other finance costs paid		(13.903)	(6.604)	(10.767)	(5.055)
Net cash flows from / (used in) financing activities		**16.982**	**3.066**	**(9.628)**	**12.360**
- Net foreign exchange difference on cash flows		(1.417)	1.362	(53)	6
Net increase / (decrease) in cash and cash equivalents		**(3.755)**	**2.827**	**2.241**	**926**
- Increase in restricted cash		**-**	**190**	**-**	**190**
Cash and cash equivalents at the beginning of the year		**46.187**	**42.724**	**2.324**	**1.208**
- Net foreign exchange difference on cash and cash equivalents at the beginning of the year		(346)	446	-	-
Less: Cash and cash equivalents of discontinuing operations at the end of period	6	-	(29)	-	(1)
Cash and cash equivalents at year end	27	**42.086**	**46.158**	**4.565**	**2.323**

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

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D2. NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION AND ACTIVITIES

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

The Group owns leases and has access to a wide and geographically dispersed range of mineral and ore reserves, allowing it to carry a diversified product portfolio for its customers. Through mining and processing operations, the Group utilizes the multiple properties of industrial minerals to transform its mineral-based product portfolio into industrial customized solutions for a broad range of industry applications. Through these activities, the Group addresses and caters to the needs of its customers in construction, foundry, metallurgy and specialties markets across four geographic regions where it engages in mining, processing and distribution activities, defined as South Europe, North Europe, Americas and Asia & Pacific (Note 41).

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

As at December 31, 2012 and 2011, the Group employed 2.062 and 1.963 employees, respectively, while the Company employed 620 and 656 employees, respectively.

2. GENERAL INFORMATION AND ACCOUNTING POLICIES

2.1 BASIS OF PRESENTATION OF FINANCIAL STATEMENTS

(a) ***Basis of Preparation of the Financial Statements and Statement of Compliance with IFRS:*** The accompanying consolidated and separate financial statements (hereinafter referred to as "the financial statements") have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as endorsed by the European Union. The financial statements are in accordance with the applicable provisions of Greek Corporate Law 2190/1920. There are no standards applied earlier from their effective date. Moreover, the financial statements have been prepared under the historical cost convention, except for derivatives 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, 2012, on March 5, 2013. It is noted that the financial statements are subject to the approval of the Company's Shareholders' General Assembly Meeting.

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 financial statements of the Group and its subsidiaries as at December 31, 2012.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. All intra-group balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interest
- Derecognises the cumulative translation differences, recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

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 € using the exchange rates prevailing at the date of the transactions. Monetary assets and liabilities denominated in foreign currency are retranslated using the spot exchange rates at the reporting date.

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

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

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

2.2 PRINCIPAL ACCOUNTING POLICIES (continued)

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

(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). Depreciation 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.

During the development phase of the mine (before production begins), stripping costs are usually capitalised as part of the depreciable cost of developing and constructing the mine. Those capitalised costs are amortised on a systematic basis, by using the units of production method, once production begins. Amortization of capitalized mine development expenditure is included in the cost of extraction

Stripping costs incurred during the production phase are capitalized as a stripping activity asset if and only if, all of the following are met:

(a) it is probable that the future economic benefit (improved access to the ore body) associated with the stripping activity will flow to the Group

(b) the Group can identify the component of the ore body for which access has been improved

(c) the costs relating to the stripping activity associated with that component can be measured reliably.

The stripping activity asset is added to the cost of the mine and is subsequently carried at cost, less accumulated amortization and any impairment in value. Amortization is calculated using the units of production method.

(iii) Environment Rehabilitation Expenditure: The acquisition cost for environment rehabilitation is increased with the present value of the future realized expenditure required to rehabilitate the mining land disturbed as a result of the mining activity performed up to the reporting date, both as stipulated in the prevailing environmental legislation and voluntarily undertaken by the Group. The relevant amount increases the cost of mines, and, simultaneously, an equivalent provision for environment rehabilitation is established. Capitalization and amortization of environment rehabilitation expenditure is accounted for at the level of individual mines and is calculated based on the land disturbance of the broader area of interest. Amortization of the capitalized environment rehabilitation expenditure begins at the time that a mine has entered its stage of commercial production and is calculated based on the unit of production method. Amortization of capitalized environment rehabilitation expenditure is included in the cost of extraction.

(iv) Mineral Resources Exploration and Evaluation Expenditure: Mineral resources exploration and evaluation expenditure comprises costs related to topographical, geological, geochemical and geophysical studies, exploratory drilling, trenching and sampling and activities in relation to evaluating the technical feasibility and commercial viability of extracting mineral resources as well as compiling pre-feasibility and feasibility studies. Exploration and evaluation assets are capitalized to the extent that future economic benefits are expected to flow to the entity and are measured at cost less accumulated amortization and accumulated impairment losses, if any; they are classified as tangible assets under mines category. Amortization of

(Amounts in thousand Euro, unless otherwise stated)

2.2 PRINCIPAL ACCOUNTING POLICIES (continued)

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 continuing operations for a significant period of time.

*(e) **Other property, plant and equipment:*** Other property, plant and equipment (land, buildings, machinery and technical equipment, transportation means and furniture - fixtures) are stated at historical 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 included in the income statement or in the value of ending inventories as it is included in the cost of extraction or it is capitalized during the self-construction of the other property, plant and equipment. The useful lives of other property, plant and equipment are as follows:

Class	Years
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 and Goodwill:*** Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the recognizes amounts of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability will be recognised in accordance with IAS 39 either in profit

2.2 PRINCIPAL ACCOUNTING POLICIES (continued)

or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Goodwill is initially measured at cost being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

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.

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

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

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

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

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

(j) Interests in joint ventures (jointly controlled entities): The Group has interests in joint ventures which are jointly controlled entities, whereby the ventures have a contractual arrangement that establishes joint control over the economic activities of the entities. The Group recognizes its interest in the joint ventures using the proportionate consolidation method. The Group

2.2 PRINCIPAL ACCOUNTING POLICIES (continued)

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 period as the Company, using consistent accounting policies. Adjustments are made, where necessary, to bring the accounting policies in line with those of the Group.

When the Group sells assets to the joint ventures, any portion of gain or loss from the transaction is recognized based on the substance of the transaction. When the Group purchases assets from the joint ventures, it does not recognize its share of the profits of the joint ventures from the transaction until it resells the assets to an independent party.

However, if the resulted loss of the transaction demonstrates decrease in the net realizable value or impairment loss, then this loss is recognized directly to the income statement. The joint ventures are proportionately consolidated until the date on which the Group ceases to have joint control over the joint ventures.

The complete list of the jointly controlled entities together with the related effective interests is presented in Note 4.

(k) Impairment of Assets:

(i) Non-financial assets: At each reporting date the Group examines whether there are indications of impairment for the non-financial assets, including investments in subsidiaries, jointly controlled entities and associates in the Company's statement of financial position. 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. The recoverable amount of the financial assets is generally determined, for the purpose of performing the related impairment tests, based on the estimated future cash flows discounted either at the initial effective interest rate of the financial asset or the group of financial assets, or at the current market rate of return for a similar financial asset. The resulting impairment losses are recognized in the income statement.

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

(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

2.2 PRINCIPAL ACCOUNTING POLICIES (continued)

the customer's operations and consideration of relevant financial data. In certain countries, where insurance market exists, the Group covers the receivables from its customers through nsurance. In other geographical areas, and where necessary, the Group requires guarantees direct from its customers such as letters of credit and letters of guarantee. At each reporting date, all past due and doubtful receivables are assessed individually for the purpose of determining the adequacy of the provision for impairment of receivables. The balance of such impairment for doubtful accounts is appropriately adjusted at each reporting date in order to reflect any incurred loss. Any amount written-off with respect to customer balances is charged against the existing provision for impairment for doubtful accounts. It is the Group's policy not to write-off any receivable until all possible legal action for collection has been exhausted.

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

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

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

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

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

(iii) 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.

(iv) 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.

(v) Available-for-sale financial assets: Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale or are not classified in any of the three preceding categories. After initial measurement available-for-sale financial assets are measured at fair value with unrealized gains or losses being recognized directly as a separate component of equity. Upon disposal, impairment or derecognition of the investment, the cumulative gain or loss is recognized in the income statement. The fair value of these financial assets that are actively traded in organized financial markets is determined by reference to quoted market bid prices at the close of business on the reporting date. For financial assets where there is no active market, fair value is determine using valuation techniques. Such techniques are based on recent arm's length market transactions by reference to the current market value of another instrument, which has substantially the same characteristics on discounted cash flow analyses and option pricing models.

(o) Derecognition of Financial Assets and Liabilities:

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

- the rights to receive cash flows from the asset have expired;

2.2 PRINCIPAL ACCOUNTING POLICIES (continued)

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

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

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

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

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

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

The effective part of hedges (gain/loss) that qualify for hedge accounting is recognized directly to other comprehensive income if it is related to cash flow hedges while the non-effective part is charged to the income statement. If the hedge is related to effective fair value hedges the related gains or losses are recognized to the income statement, where the change in the fair value of the hedged item is recognized, as well.

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

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

2.2 PRINCIPAL ACCOUNTING POLICIES (continued)

(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 financial liabilities within the scope of IAS 39 and are initially recognized at cost which reflects their fair value reduced by the direct loan arrangement expenses. After initial recognition, loans are valued at the unamortized cost based on the effective interest method. Gains and losses are recognized in the income statement when the liabilities are derecognized as well as through the amortization process.

(t) Borrowing costs: Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for intended use or sale are capitalized as part of the cost the respective qualifying assets. All other borrowing costs are recognized as an expense in the period in which they are incurred.

(u) Provisions and Contingent Assets-Liabilities: Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, and when it is probable that an outflow of resources will be required to settle this obligation and a reliable estimate of the amount of the obligation can be made. Provisions are reviewed at each reporting date and adjusted to reflect the present value of the expenditure expected to be required to settle the obligation. Regarding the provisions that are expected to be settled in the long term (and therefore the effect of time value of money is material), provisions are determined by discounting the expected future cash flows at a pretax rate that reflects current market assessments of the time value of money and, where appropriate, the risks related to the liability. Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but are disclosed when an inflow of economic benefits is probable.

(v) Provision for Staff Leaving Indemnities: The staff benefit obligations of the Group are both funded and non-funded. The Group's funded defined benefit pension plan requires contributions to a separately administrated fund. 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.

Plan assets are held by a separately administrated fund. Plan assets are not available to the creditors of the Group nor can be paid directly to the Group. 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 of the Group are both funded and non-funded.

(w) Provision for Environment Rehabilitation: The Group recognizes a provision for environment rehabilitation and, more specifically, a provision for future restoration of land disturbed, as of the reporting date, as a result of past mining activity and in line with the prevailing environmental

2.2 PRINCIPAL ACCOUNTING POLICIES (continued)

legislation of each country in which it operates or the binding group practices. The provision for environment rehabilitation reflects the present value of the expected restoration costs, using estimated cash flows as of the reporting date. The provision is calculated based on the area of the land disturbed, at the reporting date, and the cost of rehabilitation per metric unit of land at the level of the broader area of interest. The provision is measured at every reporting date and is appropriately adjusted to reflect the present value of the expenses required to fulfill the obligation. Finance cost of rehabilitation provision is included in finance costs in the income statement.

(x) Income Taxes (Current and Deferred):

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

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

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

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

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

- where the deferred income tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss, and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

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

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

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

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

2.2 PRINCIPAL ACCOUNTING POLICIES (continued)

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

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

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

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

(ad)Share Based Payments to members of the Board of Directors and Executives: The Company has established stock option plans for certain members of the Board of Directors and executive officers of the Group whose part of their remuneration is settled through share based payments. In addition, certain executives of the Group are entitled to share appreciation rights which can only be settled in cash.

i) Stock Option Plan and Long -Term Incentives Plan: The cost of the respective transactions is measured at the fair value of the stock options as of the grant date of the plans. The fair value is measured through the application of the appropriate valuation models. The cost of the stock option plans is recognized as an expense in the income statement, by crediting a relevant reserve in equity, during the periods the requirements are gradually fulfilled. For options that are not vested, no expense is recognized except for the options whose vesting depends on the fulfilment of specific external market parameters or non-vesting conditions. Options are considered to be vested when all the performance requirements have been fulfilled, independent of the fulfilment of the external market parameters or non-vesting conditions. In case of cancellation of any stock option plans, these are accounted for as if they were vested at the date of cancellation and the non-recognized related expenses to date are immediately recognized in the income statement. In case a cancelled stock option plan is substituted by a new one, it is treated as an amendment of the cancelled plan, according to the provisions of IFRS 2.

(ii) Share Appreciation Rights ("SARs"): The fair value of the SARs is measured at the grant date using an appropriate pricing model. The related expense, for the services received, is recognized in the income statement over the expected vesting period and a respective liability to pay for those services is also recognized. Until the liability is settled, it is remeasured at each reporting date with changes in fair value recognized in the income statement.

(ae) Offsetting of Financial Assets and Liabilities: Financial assets and liabilities are offset and the net amount is presented in the statement of financial position only when the Group has a legally enforceable right to offset the recognized amounts and intends to either settle such asset and liability on a net basis or to realize the asset and settle the liability simultaneously.

2.2 PRINCIPAL ACCOUNTING POLICIES (continued)

(af) Fair Value of Financial Instruments: The fair value of financial instruments that are traded in active markets at each reporting date is determined by reference to quoted market prices or dealer price quotations, without any deduction for transaction costs (Level 1 hierarchy).

For financial instruments not traded in an active market, the fair value is determined using: (i) appropriate valuation techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly, (Level 2 hierarchy), (ii) techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data (Level 3 hierarchy) and may include recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis or other valuation models.

(ag) Operating Segment information: Effective from 2012, the Group's organizational structure changed from divisions based on the nature of the industrial mineral applications to geographic regions and therefore the Group's operating segments are South Europe, North Europe, Americas, Asia as well as the Corporate segment.

(ah) Non-Current Assets Held for Sale and Discontinued Operations: The Group classifies a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use.

The basic preconditions to classify a non-current asset (or a disposal group) as held for sale are that it must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets / groups and its sale must be highly probable.

For the sale to be highly probable, the following conditions should be met in aggregate:

- the appropriate level of Management must be committed to a plan to sell the asset (or disposal group),
- 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.

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

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

2.3 CHANGES IN ACCOUNTING PRINCIPLES AND DISCLOSURES

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

The Group has adopted the following new and amended IFRS and IFRIC interpretations as of January 1, 2012:

- IFRS 7 Financial Instruments: Disclosures (Amended) - Enhanced Derecognition Disclosure Requirements
- IAS 12 Income Taxes (Amended) – Recovery of Underlying Assets

The impact of the above changes on the financial statements or performance of the Group is described below:

- **IFRS 7 Financial Instruments: Disclosures (Amended) - Enhanced Derecognition Disclosure Requirements:** This amendment requires additional disclosure about financial assets that have been transferred but not derecognised to enable the user of the financial statements to understand the relationship with their associated liabilities. In addition, the amendment requires disclosures about continuing involvement in derecognised assets to enable the user to evaluate the nature of, and risks associated with such involvement. This amendment has not any impact on the financial position and performance of the Group.
- **IAS 12 Income Taxes (Amended) – Recovery of Underlying Assets:** This amendment clarifies the determination of deferred tax on investment property measured at fair value. The amendment introduces a rebuttable presumption that deferred tax on investment property measured using the fair value model in IAS 40 should be determined on the basis that its carrying amount will be recovered through sale. Furthermore, it introduces the requirement that deferred tax on non-depreciable assets that are measured using the revaluation model in IAS 16 always be measured on a sale basis of the asset. This amendment has not any impact on the financial position and performance of the Group.

2.4 NEW STANDARDS AND INTERPRETATIONS

The following new standards, amendments to standards and interpretations have been issued but are not yet effective for the financial year beginning January 1, 2012:

- **IAS 1 Financial Statement Presentation (Amended) – Presentation of Items of Other Comprehensive Income:** This amendment is effective for annual periods beginning on or after July 1, 2012. The amendments to IAS 1 change the grouping of items presented in OCI. Items that could be reclassified (or 'recycled') to profit or loss at a future point in time (for example, net gain on hedge of net investment, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) would be presented separately from items that will never be reclassified (for example, actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendment affects presentation only and has no impact on the Group's financial position or performance.
- **IAS 19 Employee Benefits (Revised):** This amendment is effective for annual periods beginning on or after 1 January 2013. The IASB has issued numerous amendments to IAS 19. These range from fundamental changes such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and re-wording. Management has assessed that the impact of the full recognition of accumulated actuarial losses and past service costs will have a negative impact of € 3,2 mil. in the Group retained earnings as of January 1, 2013.
- **IAS 28 Investments in Associates and Joint Ventures (Revised):** The Standard is effective for annual periods beginning on or after 1 January 2013. For companies which apply IFRS as adopted by the EU, the effective date is 1 January 2014. As a consequence of the new IFRS 11 Joint arrangements and IFRS 12 Disclosure of Interests in Other Entities, IAS 28 Investments in Associates, has been renamed IAS 28 Investments in Associates and Joint Ventures, and describes the application of the equity method to investments in joint ventures in addition to

2.4 NEW STANDARDS AND INTERPRETATIONS (continued)

associates. Effective from January 1, 2013, the Group will apply the new IAS 28 for the consolidation of the jointly controlled entities of the Group with the equity method.

- **IAS 32 Financial Instruments: Presentation (Amended) - Offsetting Financial Assets and Financial Liabilities:** This amendment is effective for annual periods beginning on or after 1 January 2014.These amendments clarify the meaning of "currently has a legally enforceable right to set-off". The amendments also clarify the application of the IAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous. This amendment has no impact on the financial position or performance of the Group.
- **IFRS 7 Financial Instruments: Disclosures (Amended) - Offsetting Financial Assets and Financial Liabilities:** This amendment is effective for annual periods beginning on or after 1 January 2013. These amendments require an entity to disclose information about rights to set-off and related arrangements (e.g. collateral agreements). The disclosures would provide users with information that is useful in evaluating the effect of netting arrangements on an entity's financial position. The new disclosures are required for all recognized financial instruments that are set off in accordance with IAS 32 Financial Instruments: Presentation. The disclosures also apply to recognized financial instruments that are subject to an enforceable master netting arrangement or similar agreement, irrespective of whether they are set off in accordance with IAS 32. This amendment affects presentation and has no impact on Group's financial position or performance.
- **IFRS 9 Financial Instruments: Classification and Measurement:** This new standard is effective for annual periods beginning on or after 1 January 2015. IFRS 9, as issued, reflects the first phase of the IASBs work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard was initially effective for annual periods beginning on or after 1 January 2013, but amendments to IFRS 9 Mandatory Effective Date of IFRS 9 and Transition Disclosures, issued in December 2011, moved the mandatory effective date to 1 January 2015. In subsequent phases, the IASB will address hedge accounting and impairment of financial assets. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of financial assets, but will not have an impact on classification and measurements of financial liabilities. The Group will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued. This standard has not yet been endorsed by the EU.
- **IFRS 10 Consolidated Financial Statements, IAS 27 Separate Financial Statements:** This new standard is effective for annual periods beginning on or after 1 January 2013. For companies which apply IFRS as adopted by the EU, the effective date is 1 January 2014. IFRS 10 replaces the portion of IAS 27 Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. It also addresses the issues raised in SIC-12 Consolidation — Special Purpose Entities. IFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by IFRS 10 will require management to exercise significant judgment to determine which entities are controlled and therefore are required to be consolidated by a parent, compared with the requirements that were in IAS 27. The Group is in the process of assessing the impact of the new Standard on its financial position and performance.
- **IFRS 11 Joint Arrangements:** This new standard is effective for annual periods beginning on or after 1 January 2013. For companies which apply IFRS as adopted by the EU, the effective date is 1 January 2014. IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly-controlled Entities — Non-monetary Contributions by Venturers. IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method. Under the new IFRS, the jointly controlled entities of the Group meet the definition of joint ventures and therefore they will be consolidated using the equity method effective from January 1, 2013. The management estimates that the impact from this change on the annual consolidated sales and Cost of Goods Sold will be € 47 mil. and € 36 mil. respectively. The consolidated EBITDA and Net profit will not be affected.

2.4 NEW STANDARDS AND INTERPRETATIONS (continued)

- **IFRS 12 Disclosures of Interests in Other Entities:** This new standard is effective for annual periods beginning on or after 1 January 2013. For companies which apply IFRS as adopted by the EU, the effective date is 1 January 2014. IFRS 12 includes all of the disclosures that were previously in IAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in IAS 31 and IAS 28. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required. The Group is in the process of assessing the impact of the new Standard on the financial position and performance.
- **IFRS 13 Fair Value Measurement:** The new standard is effective for annual periods beginning on or after 1 January 2013. IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The Group is in the process of assessing the impact of the new Standard on its financial position and performance.
- **IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine:** This interpretation is effective for annual periods beginning on or after 1 January 2013. This interpretation applies to waste removal (stripping costs) incurred in surface mining activity, during the production phase of the mine. The interpretation addresses the accounting for the benefit from the stripping activity. The Group has applied the accounting treatment proposed by the new interpretation in current and previous financial years. (also see Note 2.2.d.ii).

The IASB has issued the Annual Improvements to IFRSs – 2009 – 2011 Cycle, which contains amendments to its standards and the related Basis for Conclusions. The annual improvements project provides a mechanism for making necessary, but non-urgent, amendments to IFRS. The effective date for the amendments is for annual periods beginning on or after 1 January 2013. This project has not yet been endorsed by the EU

- **IAS 1 Presentation of Financial Statements:** This improvement clarifies the difference between voluntary additional comparative information and the minimum required comparative information. Generally, the minimum required comparative period is the previous period.
- **IAS 16 Property, Plant and Equipment:** This improvement clarifies that major spare parts and servicing equipment that meet the definition of property, plant and equipment are not inventory.
- **IAS 32 Financial Instruments, Presentation:** This improvement clarifies that income taxes arising from distributions to equity holders are accounted for in accordance with IAS 12 Income Taxes.
- **IAS 34 Interim Financial Reporting:** This amendment aligns the disclosure requirements for total segment assets with total segment liabilities in interim financial statements. This clarification also ensures that interim disclosures are aligned with annual disclosures.

The Group is in the process of assessing the impact of the new Standards on its financial position and performance.

2.5 SIGNIFICANT MANAGEMENT ACCOUNTING JUDGMENTS, ASSUMPTIONS AND ESTIMATES

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

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

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

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

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

(ii) ***Provision for Environmental Rehabilitation:*** The Group recognizes a provision for environmental rehabilitation and, more specifically, a provision for future restoration of land disturbed, as of the reporting date, as a result of past mining activity and in line with the prevailing environmental legislation of each country in which it operates or the binding group practices. The provision for environmental rehabilitation is re-estimated on an annual basis and it reflects the present value of the expected restoration costs, using estimated cash flows as of the reporting date and is calculated based on the area of the land disturbed at the reporting date and the cost of rehabilitation per metric unit of land at the level of the broader area of interest. Changes in future estimated cash flows are recognized on the statement of financial position by adjusting the relative assets and liabilities while changes in future cash flows for depleted mines are recognized directly to the income statement. Given the complexity of the calculations and the significant assumptions therein, Management provides at the reporting date its best estimate in relation to the present value of the aforementioned liability.

(b) ***Provisions for income taxes:*** Current income tax liabilities for the current and prior periods are measured, in accordance with IAS 12, at the amounts expected to be paid to the tax authorities and includes the provision for current income taxes reported in the respective income tax returns and the provision for potential additional tax assessments that may be imposed by the tax authorities upon settlement of the open tax years. Accordingly, the final settlement of the income taxes might differ from the income taxes that have been accounted for in the financial statements.

(c) ***Deferred tax assets recoverability:*** Deferred tax assets recognition includes estimates as regards their recoverability. More specifically, the recognition of deferred tax assets on carried forward tax losses requires management estimates to the extent that it is probable that taxable profit will be available against which the losses can be utilized in each tax regime in which the Company and the subsidiaries of the Group operate.

(d) ***Goodwill and indefinite intangible assets impairment tests:*** The Group determines whether goodwill and indefinite intangible assets are impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate (the Group's weighted average cost of capital) in order to calculate the present value of those cash flows.

(e) ***Assets held for sale:*** 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 asset (or disposal group) must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal groups) and its sale must be highly probable. For the sale to be highly probable, the appropriate level of management must be committed to a plan to sell the asset (or disposal group), and an active programme to locate a buyer and complete the plan must have been initiated. Further, the asset (or disposal group) must be actively marketed for sale at a price that is reasonable in relation to its current fair value. In addition, the sale should be expected to qualify for recognition as a completed sale within one year from the date of classification, and actions required to complete the plan should indicate that it is unlikely that significant changes

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

to the plan will be made or that the plan will be withdrawn. The probability of shareholders' approval (if required in the jurisdiction) is considered as part of the assessment of whether the sale is highly probable. Sale transactions include exchanges of non-current assets for other non-current assets when the exchange has commercial substance in accordance with IAS 16 Property, Plant and Equipment. This is assessed by estimating whether the pattern i.e. risk, timing and amount of the cash flows of the asset received differs from the pattern of the cash flows of the asset transferred and whether this difference is material, relative to the fair value of the assets exchanged. The Group measures a non-current asset (or disposal group) classified as held for sale at the lower of its carrying amount and fair value less costs to sell.

(f) Provision for staff leaving indemnities: The cost for the staff leaving indemnities is determined based on actuarial valuations. The actuarial valuation requires management making assumptions about future salary increases, discount rates, mortality rates, etc. Management, at each reporting date when the provision is re-examined, tries to give its best estimate regarding the above mentioned parameters.

(g) Provision for impairment of trade receivables: The credit risk of the Group is managed by each business unit subject to the Group’s established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on credit rating criteria and individual credit limits are defined in accordance with this assessment. At each reporting date, all past due and doubtful receivables are assessed individually for the purpose of determining the adequacy of the provision for impairment of receivables. The balance of such impairment for doubtful accounts is appropriately adjusted at each reporting date in order to reflect any incurred 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.

(h) 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.

(Amounts in thousand Euro, unless otherwise stated)

3. INVESTMENTS IN SUBSIDIARIES AND NON-CONTROLLING INTERESTS

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

Entity	Country	Field of activity	% Participation 31/12/2012	% Participation 31/12/2011	Year Established / Acquired
EUROPE					
S&B Industrial Minerals A.D.	Bulgaria	Industrial Minerals	99,73%	99,73%	2003
Sibimin Overseas Ltd.	Cyprus	Industrial Minerals	99,99%	99,99%	1996
Cape Trahilas Enterprises Ltd.	Cyprus	Real Estate	100,00%	100,00%	2007
Cape Trahilas One Ltd. (1)	Cyprus	Real Estate	100,00%	100,00%	2007
Cape Trahilas Two Ltd. (1)	Cyprus	Real Estate	100,00%	100,00%	2007
S&B Industrial Minerals S.A.R.L.	France	Industrial Minerals	100,00%	100,00%	2001
S&B Industrial Minerals GmbH	Germany	Industrial Minerals	100,00%	100,00%	2001
S&B Holding GmbH	Germany	Holding	100,00%	100,00%	1992
SLS Baustoffe GmbH	Germany	Industrial Minerals	99,80%	99,80%	2001
Askana Ltd.	Georgia	Industrial Minerals	97,70%	97,70%	1998
Isocon S.A.(4)	Greece	Industrial Minerals	60,00%	60,00%	1996
Greek Helicon Bauxites S.A.	Greece	Industrial Minerals	100,00%	100,00%	1995
Cape Trahilas Two S.A.	Greece	Real Estate	100,00%	100,00%	2007
Cape Trahilas Three S.A.	Greece	Real Estate	100,00%	100,00%	2009
S&B Industrial Minerals Kft	Hungary	Industrial Minerals	100,00%	100,00%	2001
Sarda Perlite S.r.l.	Italy	Industrial Minerals	61,00%	61,00%	2001
S&B Industrial Minerals SP Z.O.O.	Poland	Industrial Minerals	100,00%	100,00%	2006
S&B Industrial Minerals Spain S.L.u.	Spain	Industrial Minerals	100,00%	100,00%	2000
AMERICAS					
Stollberg do Brazil Ltda.	Brazil	Industrial Minerals	100,00%	100,00%	2004
Milos Island Resort Ltd. (2)	B.V.I.	Real Estate	-	100,00%	2009
S&B Industrial Minerals North America Inc.	U.S.A.	Industrial Minerals	100,00%	100,00%	1999
Stollberg Inc.	U.S.A.	Industrial Minerals	100,00%	100,00%	2004
Rolling Rock Minerals Inc.(5)	U.S.A.	Industrial Minerals	100,00%	-	2012
NYCO Minerals Inc.(5)	U.S.A.	Industrial Minerals	100,00%	-	2012
American Tripoli Inc.(5)	U.S.A.	Industrial Minerals	100,00%	-	2012
NYCO Minerals Canada Inc.(5)	Canada	Industrial Minerals	100,00%	-	2012
Minera Roca Rodando S.de R.L. de C.V.(5)	Mexico	Industrial Minerals	100,00%	-	2012
Servicios Piedra Tumbante S.de R.L. de C.V. (5)	Mexico	Industrial Minerals	100,00%	-	2012
ASIA					
S&B Industrial Minerals (Henan) Co. Ltd.	China	Industrial Minerals	100,00%	100,00%	1996
Guizhou S&B New-Typed Material Co. Ltd.	China	Industrial Minerals	100,00%	100,00%	2009
S&B Jilin Wollastonite Co. Ltd.	China	Industrial Minerals	100,00%	100,00%	2005
S&B Industrial Minerals (Tianjin) Co. Ltd.	China	Industrial Minerals	100,00%	100,00%	2006
Panshi Huanyu Wollastonite Co. Ltd.	China	Industrial Minerals	100,00%	100,00%	2007
S&B Enterprise Management Consulting Co.Ltd (3)	China	Industrial Minerals	100,00%	-	2012
Stollberg India Pvt. Ltd.	India	Industrial Minerals	100,00%	100,00%	2004
S&B Endustriyel Mineraller A.Ş.	Turkey	Industrial Minerals	99,72%	99,72%	1996
Pabalk Maden A.Ş.	Turkey	Industrial Minerals	98,73%	98,73%	1995
AFRICA					
Naimex S.A.R.L.	Morocco	Industrial Minerals	100,00%	100,00%	2003
S&B Ind. Min. Morocco S.A.R.L.	Morocco	Industrial Minerals	100,00%	100,00%	2008

Footnotes

1. These entities are in the process of being liquidated.
2. As of February 17, 2012, Milos Island Resort Ltd was dissolved.
3. In May 2012, S&B Enterprise Management Consulting Co. Ltd. was established in China.
4. In September, 2012, the Company's subsidiary Isocon S.A. proceeded to the increase of its share capital by an amount of € 350, which was contributed within the reporting period (Company's share € 210).
5. For more details please see Note 5 "Business Combinations".

(Amounts in thousand Euro, unless otherwise stated)

3. INVESTMENTS IN SUBSIDIARIES AND NON-CONTROLLING INTERESTS (continued)

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

	The Company	
	December 31 2012	December 31 2011
S&B Holding GmbH	127.390	127.390
Greek Helicon Bauxites S.A.	4.232	-
Sarda Perlite S.r.l.	972	972
Sibimin Overseas Ltd.	886	886
Isocon S.A.	300	90
Askana Ltd.	-	-
	133.780	129.338

It is noted that the investment in the fully-owned subsidiary of the Company Greek Helicon Bauxites S.A. was classified as held for sale in the Company's statement of financial position for the year ended December 31, 2011. (Note 6).

Dividend income from subsidiaries recognized in the Company's income statement for the years ended December 31, 2012 and 2011, respectively, are as follows:

	The Company	
	December 31 2012	December 31 2011
S&B Holding GmbH	15.000	-
Sarda Perlite S.r.l.	110	151
	15.110	151

Non-controlling interests presented in the financial statements, per subsidiary, are analyzed as follows:

	Statement of Financial Position		Income Statement	
	December 31 2012	December 31 2011	1/1-31/12 2012	1/1-31/12 2011
Sarda Perlite S.r.l.	552	527	95	123
Stollberg & Samil Co. Ltd. (concerning non-controlling interests of Qing Dao)	181	167	3	11
S&B Industrial Minerals A.D.	32	34	1	2
S&B Endustriyel Mineraller A.Ş.	11	7	-	2
Askana Ltd.	9	10	-	(1)
SLS Baustoffe GmbH	1	2	-	-
Sibimin Overseas Ltd.	-	1	-	(1)
Isocon S.A.	(67)	(89)	(118)	(123)
Pabalk Maden A.Ş.	(1)	(1)	-	(1)
Cape Trachilas One S.A.	-	-	-	(2)
Cape Trahilas Three S.A.	-	-	-	(3)
Cape Trachilas Two S.A.	-	-	-	(5)
Cape Trahilas Enterprises Ltd.	-	-	-	(64)
Total non-controlling interests of Group	718	658	(19)	(62)

(Amounts in thousand Euro, unless otherwise stated)

4. INTERESTS IN JOINTLY CONTROLLED ENTITIES

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

Entity	Country	Field of activity	% Participation 31/12/2012	% Participation 31/12/2011	Year Established / Acquired
EUROPE					
Orykton GmbH	Germany	Industrial Minerals	50,00%	50,00%	2005
Cebo International B.V.	Netherlands	Holding	50,00%	50,00%	2007
Cebo Holland B.V. (1)	Netherlands	Industrial Minerals	50,00%	50,00%	2007
Cebo Marine B.V. (1)	Netherlands	Industrial Minerals	50,00%	50,00%	2007
Cebo U.K. Ltd. (1)	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. (2)	China	Industrial Minerals	48,32%	48,32%	2004
Stollberg & Samil Indonesia P.T. (2)	Indonesia	Industrial Minerals	50,00%	-	2011
Pergem Mineral A.Ş.	Turkey	Industrial Minerals	50,00%	50,00%	2010
Organik Madencilik Ltd.	Turkey	Industrial Minerals	50,00%	50,00%	2011

Footnotes
1. Cebo Holland B.V., Cebo Marine B.V. and Cebo U.K. Ltd. are fully consolidated in their parent company financial statements, namely Cebo International B.V. (participation interest 100%).
2. Qing Dao Stollberg & Samil Co.Ltd. and Stollberg & Samil Indonesia P.T. are fully consolidated in their parent company financial statements, namely Stollberg & Samil Co. Ltd., (96,64% and 98% participation interest, accordingly).

On July 19, 2011, the Group acquired a 50% share in Organik Madencilik Ltd. at a consideration of € 200. The new joint venture is based in Eastern Turkey and focuses in vermiculite operations.

The Group's share of consolidated assets, liabilities, income and expenses of the jointly controlled entities at December 31, 2012 and 2011, which are included in the financial statements of the Group, are analyzed as follows:

	December 31 2012	December 31 2011
Non-current assets	17.511	16.036
Current assets	23.772	18.804
	41.283	**34.840**
Non-current liabilities	3.118	2.850
Current liabilities	8.832	7.518
	11.950	**10.368**
	29.333	**24.472**
Sales	47.064	39.705
Cost of sales	(35.535)	(30.373)
Administrative expenses	(2.301)	(2.099)
Selling expenses	(3.475)	(3.197)
Other income, net	17	149
Financial expense, net	(71)	(6)
Share of loss from associates	50	(52)
Profit before taxes	**5.749**	**4.127**
Income tax	(1.215)	(1.045)
Non-controlling interests	(3)	(11)
Net profit	**4.531**	**3.071**

Jointly controlled entities have commitments from operating lease contracts of € 7,2 million approximately (Group share), which are included in the amounts disclosed in Note 40. There are no other commitments or contingent liabilities associated with these entities.

(Amounts in thousand Euro, unless otherwise stated)

5. BUSINESS COMBINATIONS

On September 14, 2012, the Group acquired 100% of the shares and voting rights of US-based Rolling Rock Minerals Inc. group and its subsidiaries in the U.S.A., Canada and Mexico ("Rolling Rock"). Rolling Rock is engaged in the mining and processing of high quality wollastonite grades and tripoli for a diverse range of end-use markets. The cash consideration for the acquisition was € 42,9 mil. (USD 55,49 mil.) on a debt-free basis. An additional closing customary cash and working capital adjustment of € 0,2 mil. (USD 0,2 mil.) was settled in January 2013. The acquisition was financed primarily through a € 33,6 mil. Credit facility with a 5-year tenure arranged with a US bank (Note 34).

The acquisition costs amount to approximately € 3,2 million and are included in the administrative expenses in the accompanying consolidated income statement and in the operating cash flows in the consolidated statement of cash flows.

The accompanying consolidated financial statements include the post-acquisition sales of € 10,6 mil. and net profit of € 0,8 mil. of Rolling Rock. If the combination had taken place on January 1, 2012, sales of the Group would have been increased by approximately € 30,8 million, consolidated profit before taxes and net profit would have been increased by approximately € 3,7 million and € 2,2 million, respectively.

The carrying value of assets and liabilities of Rolling Rock at the date of acquisition, as adjusted for IFRS purposes and the resulting provisional goodwill are summarized as follows:

Assets	Carrying value on acquisition
Property,plant and equipment	13.716
Other intangible assets	1.460
Deferred tax assets	779
Inventories	7.005
Trade receivables	5.589
Income Tax Receivable	332
Other current assets	832
Cash and cash equivalents	549
Total Assets	**30.262**
Liabilities	
Provision for staff leaving indemnities	9.252
Provision for environmental rehabilitation	1.331
Trade Payables	622
Other Current Liabilities	1.534
Total Liabilities	**12.739**
Net assets	**17.523**
Acquisition cost	**42.916**
Resulting Goodwill	**25.393**
Analysis of cash flows on acquisition	
Acquisition cost	42.916
Less: Net cash acquired	(549)
Net cash outflow of acquisition	42.367

The fair value of the identifiable assets and liabilities of Rolling Rock, the purchase price allocation according to the provisions of IFRS 3 "Business Combinations" and the precise determination of goodwill is expected to be concluded within 12 months from the acquisition date.

(Amounts in thousand Euro, unless otherwise stated)

6. DISCONTINUING OPERATIONS

In November 2011, the Company had announced an initial agreement for the gradual disposal of its Bauxite operations in Greece to Aluminium S.A., a subsidiary of Mytilineos Holdings S.A. The initially agreed consideration of € 61.072 was to be confirmed upon completion of the financial, legal, tax and technical due diligence process.

On October 12, 2012, the Company announced that following an extended due diligence process, as well as negotiations between the two parties, it was not possible to conclude on an agreement for the above disposal.

Following the above announcement, the net assets of the Company's Bauxite operations in Greece and of "Greek Helicon Bauxite S.A.", a subsidiary of the Company, cease to be classified as held for sale in the Company and Group statements of financial position of December 31, 2012 and their results are reclassified as "Continuing operations" in the accompanying Company and Group's income statements for the year ended December 31, 2012 (with representation of comparatives). Furthermore, in accordance with the provisions of IFRS 5 "Non-current assets held for sale and Discontinued operations", the carrying amount of the non-current assets which had previously been classified as held for sale includes, as of December 31, 2012, the depreciation amount had these assets never been classified as held for sale. The depreciation charge included in the accompanying income statements amounts to € 10,4 million, out of which an amount of € 8,5 million corresponds to the year ended December 31, 2012, and an amount of € 1,9 million to the two month period from November, 1 to December 31, 2011.

The results of the Company's Bauxite operations in Greece and "Greek Helicon Bauxite S.A." for the years ended December 31, 2012 (on a continuing basis) and 2011, on a discontinuing basis as originally issued, are analyzed as follows:

	The Group		The Company	
	1/1 - 31/12 2012	1/1 - 31/12 2011	1/1 - 31/12 2012	1/1 - 31/12 2011
Sales of goods	35.060	32.933	35.060	32.935
Cost of sales	(35.477)	(30.899)	(35.488)	(31.052)
Gross Profit / (Loss)	**(417)**	**2.034**	**(428)**	**1.883**
Administrative expenses	(155)	(2.129)	(96)	(2.096)
Selling expenses	(231)	(352)	(231)	(352)
Other income	548	178	556	187
Other expenses	(3.817)	(3.516)	(3.809)	(3.506)
Operating loss	**(4.072)**	**(3.785)**	**(4.008)**	**(3.884)**
Finance costs	(720)	(693)	(720)	(692)
Loss before tax	**(4.792)**	**(4.478)**	**(4.728)**	**(4.576)**
Income Tax Expense	-	(126)	-	(126)
Net loss	**(4.792)**	**(4.604)**	**(4.728)**	**(4.702)**

(Amounts in thousand Euro, unless otherwise stated)

6. DISCONTINUING OPERATIONS (continued)

The major classes of assets and liabilities of the Company's Bauxite operations in Greece and of "Greek Helicon Bauxite S.A." as of December 31, 2012 and 2011 are presented below. Please note that although as of 31 December these assets and liabilities are not classified as assets and liabilities held for sale, no representation of the comparatives was made, in accordance with IFRS 5:

	The Group		The Company	
	December 31 2012	December 31 2011	December 31 2012	December 31 2011
Non-current assets				
Property, plant and equipment	53.592	52.281	53.078	51.788
Other intangible assets	190	176	190	176
Investments in subsidiaries	-	-	4.232	4.232
Deferred tax assets	-	141	-	141
Other non-current assets	76	68	72	64
	53.858	52.666	57.572	56.401
Current assets				
Inventories	17.232	15.029	17.232	15.029
Trade receivables	4.798	3.667	4.798	3.667
Due from related parties	-	-	-	2
Other current assets	1.485	1.194	1.470	1.186
Cash and cash equivalents	27	29	-	1
	23.542	19.919	23.500	19.885
Total Assets	77.400	72.585	81.072	76.286
Non-current liabilities				
Provision for staff leaving indemnities	1.645	1.966	1.645	1.966
Provision for environmental rehabilitation	7.260	7.583	7.012	7.336
Other provisions	210	1.526	60	1.377
Other non-current liabilities	402	402	-	-
	9.517	11.477	8.717	10.679
Current liabilities				
Trade payables	3.955	7.295	3.955	7.282
Due to related parties	-	-	5.970	1.075
Other current liabilities	1.233	5.260	1.183	5.204
	5.188	12.555	11.108	13.561
Total liabilities	14.705	24.032	19.825	24.240

In their meetings held on December 18, 2012, and December 28, 2012, respectively, the Boards of Directors of the Company and Greek Helicon Bauxites S.A. ("subsidiary"), a 100% subsidiary of the Company, approved the spin-off of the Company's bauxite operations in Greece and its contribution to Greek Helicon Bauxites S.A.. The conclusion of this transaction is pending on the authorization of the pertinent authorities. This transaction is an internal rearrangement to serve the rationalization of the Group structure and will not have any impact on financial figures.

More specifically, according to the Group management, there will be no change in the Company's cash flows as the financial and treasury management of the subsidiary will be monitored by the Group's management. Furthermore, cash required for the operations of the subsidiary and cash provided by the operations of the subsidiary are to be monitored/held by the Company and will be transferred through intercompany accounts. The subsidiary will have minimum independent financial activities, mainly to facilitate day to day transactions and no loan agreements are to be novated to the subsidiary. Finally, capital expenditure of the subsidiary will be monitored and authorized by the management at Group level. Based on the above, the aforementioned transaction does not meet the criteria of IFRS 5 "Non-current assets held for sale and Discontinued operations" for the Company financial statements.

(Amounts in thousand Euro, unless otherwise stated)

7. SALES

Effective from 2012, Sales amounts are analyzed per the market segments served from the Group:

	The Group		The Company	
		Re-presented		Re-presented
	1/1-31/12 2012	1/1-31/12 2011	1/1-31/12 2012	1/1-31/12 2011
Metallurgy	165.422	164.363	51.021	49.818
Construction	108.454	100.322	44.631	43.467
Foundry	118.228	119.339	27.279	35.234
Specialties	76.074	70.038	15.450	13.788
Other	2.038	1.658	2.579	1.725
Total sales	**470.216**	**455.720**	**140.960**	**144.032**

8. COST OF SALES

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

	The Group		The Company	
		Re-presented		Re-presented
	1/1-31/12 2012	1/1-31/12 2011	1/1-31/12 2012	1/1-31/12 2011
Consumptions	167.961	163.729	24.497	20.449
Freights	47.677	48.239	21.100	23.209
Payroll cost	47.067	44.844	18.552	18.036
Depreciation & amortization	27.178	23.324	17.368	14.816
Third party fees	19.047	19.623	15.565	16.227
Gas & Electricity	16.600	15.277	3.524	2.856
Repair& Maintenance	9.156	8.833	1.251	1.236
Transportation costs	7.717	7.235	5.384	6.333
Rentals & Utilities	6.703	6.132	1.561	1.606
Taxes - duties	1.460	1.502	433	447
Impairment loss of PPE (Note 18)	-	294	-	-
Other expenses	5.983	5.588	2.554	1.930
Total cost of sales	**356.549**	**344.620**	**111.789**	**107.145**

9. ADMINISTRATIVE EXPENSES

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

	The Group		The Company	
		Re-presented		Re-presented
	1/1-31/12 2012	1/1-31/12 2011	1/1-31/12 2012	1/1-31/12 2011
Payroll cost	21.486	22.695	10.751	13.562
Utilities	6.301	6.422	3.513	4.025
Third party fees	9.907	7.168	3.877	4.826
Depreciation & amortization	1.599	1.743	638	742
Taxes - duties	1.110	1.257	630	763
Impairment loss of intangibles (Note 21)	-	1.083	-	-
Other expenses	4.367	4.500	2.176	2.779
Total administrative expenses	**44.770**	**44.868**	**21.585**	**26.697**

(Amounts in thousand Euro, unless otherwise stated)

10. SELLING EXPENSES

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

	The Group		The Company	
		Re-presented		Re-presented
	1/1-31/12 2012	1/1-31/12 2011	1/1-31/12 2012	1/1-31/12 2011
Payroll cost	16.403	13.248	3.434	1.901
Utilities	3.674	3.182	356	273
Promotion & Travel costs	3.426	2.947	662	338
Depreciation & amortization	1.935	2.009	168	80
Third party fees	1.465	1.493	323	361
Taxes-duties	92	62	5	1
Provision for impairment of receivables	23	711	66	142
Other expenses	1.781	1.063	569	331
Total selling expenses	**28.799**	**24.715**	**5.583**	**3.427**

11. OTHER INCOME

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

	The Group		The Company	
		Re-presented		Re-presented
	1/1-31/12 2012	1/1-31/12 2011	1/1-31/12 2012	1/1-31/12 2011
Income from rentals	1.420	1.627	1.326	1.639
Income from services rendered	901	684	2.344	2.256
Subsidies on expenditure	356	190	354	188
Reversal of provision for impairment of receivables	336	(156)	-	-
Income from commissions	17	101	-	23
Gains from disposal of property, plant and equipment	98	37	7	-
Other income	1.121	1.450	406	482
Total other income	**4.249**	**3.933**	**4.437**	**4.588**

12. OTHER EXPENSES

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

	The Group		The Company	
		Re-presented		Re-presented
	1/1-31/12 2012	1/1-31/12 2011	1/1-31/12 2012	1/1-31/12 2011
Settlement/ provision for legal cases (Note 40)	3.723	1.277	3.723	1.277
Impairment loss of Investment property (Note 19)	825	1.080	825	1.080
Provision for land rehabilitation	82	(367)	169	(148)
Fines and penalties	75	51	35	44
Losses from disposal of property, plant and equipment	11	343	-	20
Impairment loss of PPE (Note 18)	-	423	-	-
Other expenses	929	3.042	299	2.355
Total other expenses	**5.645**	**5.849**	**5.051**	**4.628**

(Amounts in thousand Euro, unless otherwise stated)

13. FINANCE INCOME

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

	The Group		The Company	
		Re-presented		Re-presented
	1/1-31/12 2012	1/1-31/12 2011	1/1-31/12 2012	1/1-31/12 2011
Interest income (Note 27)	257	261	20	33
Gains from settlement of derivatives on oil (Note 35)	107	333	107	333
Other	9	-	-	-
Total finance income	**373**	**594**	**127**	**366**

14. FINANCE COSTS

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

	The Group		The Company	
		Re-presented		Re-presented
	1/1-31/12 2012	1/1-31/12 2011	1/1-31/12 2012	1/1-31/12 2011
Interest expense on long term loans and borrowings (Note 34)	8.366	5.149	6.267	4.032
Interest expense on short term borrowings (Note 37)	3.332	1.425	3.138	1.290
Bank charges	1.325	546	748	256
Finance cost of environmental rehabilitation provision (Note 33)	1.129	1.098	968	1.007
Finance cost of staff leaving indemnities provision (Note 32)	851	905	449	474
Foreign exchange losses, net	672	125	53	(7)
Amortization of loan expenses	229	97	202	49
Finance cost of other provisions	23	22	-	-
Total finance costs	**15.927**	**9.367**	**11.825**	**7.101**

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 2012	1/1-31/12 2011	1/1-31/12 2012	1/1-31/12 2011
Current income tax	12.677	10.222	126	111
Deferred income tax	(641)	1.183	(947)	1.047
Total income tax	**12.036**	**11.405**	**(821)**	**1.158**

The income tax expense has been calculated based on the profit before income tax in conjunction with the nominal tax rate applicable. The nominal income tax rate applicable to the Company for its Greek operations is 20% for 2012 and 2011. Effective from January 1, 2013, the nominal income tax rate for the Company and its Greek subsidiaries will rise to 26%. It is estimated that if the increased tax rate for the Company and its Greek subsidiaries was applicable as of December 31, 2012, the impact on the Company income tax expense would have been an additional € 534. The statutory income tax rate for the Company's foreign operation, through its branch, is 31,4% for the years 2012 and 2011.

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

(Amounts in thousand Euro, unless otherwise stated)

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

The Group effective income tax rate differs from the aggregate nominal one due to various factors. The most significant of which are, the taxable profit mix across the Group, various permanent differences and non-calculated deferred tax income for certain incurred losses.

A numerical reconciliation between tax expense and the product of accounting profit multiplied by the applicable tax rate for the Group and the Company for the years ended December 31, 2012 and 2011 is as follows:

	The Group	
	December 31 2012	December 31 2011
Profit before tax	**24.308**	**31.960**
Company's tax rate	20%	20%
Income tax calculated at the nominal applicable tax rate	4.862	6.392
- Impact from profits from subsidiaries taxed at different rates	3.375	3.402
- Non tax deductible expenses	1.758	902
- Additional taxes	1.484	534
- Impact from losses of subsidiaries on which no deferred tax was calculated	557	175
Total Group income tax expense	**12.036**	**11.405**

	The Company	
	December 31 2012	December 31 2011
Profit before tax	**5.083**	**676**
Income tax calculated at the nominal applicable tax rate of the:		
- Greek operation	993	106
- Foreign operation	46	50
Non tax deductible expenses		
- Additional taxes	81	4
- Non tax deductible expenses	350	402
- B.O.D. fees and other employee benefits	214	92
- Tax free dividends	(3.078)	-
- Other	573	504
Company income tax expense / (income)	**(821)**	**1.158**

(Amounts in thousand Euro, unless otherwise stated)

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

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

Entity	Footnote	Country	Unaudited tax years
EUROPE			
S&B Industrial Minerals A.D.		Bulgaria	2007-2012
S&B Industrial Minerals S.A.R.L.	(1)	France	2006-2012
S&B Industrial Minerals GmbH		Germany	2010-2012
S&B Holding GmbH		Germany	2010-2012
SLS Baustoffe GmbH		Germany	2010-2012
Orykton GmbH		Germany	2010-2012
Askana Ltd.		Georgia	2003-2012
S&B Industrial Minerals S.A.	(2)	Greece	2010, 2012
Isocon S.A.	(7)	Greece	2007-2012
Greek Helicon Bauxites S.A.	(7)	Greece	2010-2012
Cape Trahilas One S.A.	(4)	Greece	2010-2012
Cape Trahilas Two S.A.		Greece	2010-2012
Cape Trahilas Three S.A.		Greece	2010-2012
S&B Industrial Minerals Spain S.L.u.		Spain	2007-2012
Sarda Perlite S.r.l.	(3)	Italy	2008-2012
Sibimin Overseas Ltd.		Cyprus	2006-2012
Cape Trahilas Enterprises Ltd.		Cyprus	2007-2012
Cape Trahilas One Ltd.	(5)	Cyprus	2012
Cape Trahilas Two Ltd.	(5)	Cyprus	2012
Cebo International B.V.		Netherlands	2010-2012
Cebo Holland B.V.		Netherlands	2010-2012
Cebo Marine B.V.		Netherlands	2010-2012
Cebo U.K. Ltd.		U.K.	2010-2012
S&B Industrial Minerals Kft.		Hungary	2006-2012
S&B Industrial Minerals SP Z.O.O.		Poland	2008-2012
AMERICAS			
S&B Industrial Minerals North America Inc.		U.S.A.	2009-2012
Stollberg Inc.		U.S.A.	2009-2012
Stollberg do Brazil Ltda		Brazil	2005-2012
Rolling Rock Minerals Inc.	(6)	U.S.A.	2009-2012
NYCO Minerals Inc.	(6)	U.S.A.	2009-2012
American Tripoli Inc.	(6)	U.S.A.	2009-2012
NYCO Minerals Canada Inc.	(6)	Canada	2009-2012
Minera Roca Rodando S.de R.L. de C.V.	(6)	Mexico	2008-2012
Servicios Piedra Tumbante S.de R.L. de C.V.	(6)	Mexico	2008-2012
ASIA			
S&B Industrial Minerals (Henan) Co. Ltd.		China	2010-2012
S&B Jilin Wollastonite Co. Ltd.		China	2005-2012
S&B Industrial Minerals (Tianjin) Co. Ltd.		China	2006-2012
Panshi Huanyu Wollastonite Co. Ltd.		China	2007-2012
Qing Dao Stollberg & Samil Co.Ltd.		China	2008-2012
S&B Endustriyel Mineraller A.Ş.		Turkey	2005-2012
Pabalk Maden A.Ş.		Turkey	2005-2012
Pergem Mineral A.Ş.		Turkey	2010-2012
Organik Madencilik Ltd.		Turkey	2011-2012
Stollberg India Pvt. Ltd.		India	2012
Stollberg & Samil Co. Ltd.		Korea	2004-2012
AFRICA			
Naimex S.A.R.L.		Morocco	2009-2012
S&B Ind. Min. Morocco S.A.R.L.		Morocco	2009-2012

Footnotes:

(1) Unaudited tax years for this entity are 2009-2012. However, this period extends back to 2006 due to the merger with Denain Anzin Metallurgie S.A.S..

(2) For the fiscal year ended December 31, 2011, an assurance report in accordance to the law 3842/2010, as implemented by law 1159/2011, was issued by its statutory auditors. For the fiscal year ended December 31, 2012, the Company is still audited under the aforementioned audit process.

(3) The entity is currently under audit from tax authorities.

(4) The entity was dissolved in 2011 but according to Greek legislation has not settled its unaudited tax years.

(5) These entities were audited from tax authorities for the years 2007-2011, with no tax liabilities arising.

(6) The potential tax liabilities that may arise for the pre-acquisition period are covered by the Seller, based on the Sales & Purchase Agreement.

(7) For the fiscal year ended December 31, 2012, these entities are still audited by its statutory auditors in accordance to the law 3842/2010, as implemented by law 1159/2011.

(Amounts in thousand Euro, unless otherwise stated)

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

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

The Group has not recognized deferred tax assets for cumulative tax losses of specific subsidiaries, amounting to € 13,5 million approximately. The main reason for this is the uncertainty of when these companies will start to generate taxable profits and 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 2012	1/1-31/12 2011	1/1-31/12 2012	1/1-31/12 2011
Beginning balance, net asset / (liability)	**(11.933)**	**(10.819)**	**1.121**	**2.016**
Add back : Deferred income tax of discontinued operations	*141*	*-*	*141*	*-*
(Debit) / credit of the income statement	641	(1.183)	947	(1.047)
Deferred income tax credited in equity	101	293	101	293
Business combinations	779	-	-	-
Currency translation differences	115	(83)	-	-
Less : Deferred income tax of discontinued operations	*-*	*(141)*	*-*	*(141)*
Ending balance of deferred income tax, net asset / (liability)	**(10.156)**	**(11.933)**	**2.310**	**1.121**

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

	The Group	
	December 31 2012	December 31 2011
Net deferred income tax asset	6.336	3.584
Net deferred income tax liability	(16.492)	(15.517)
	(10.156)	**(11.933)**

(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			
	Statement of financial position		Income statement	
	December 31 2012	December 31 2011	Year 2012	Year 2011
Deferred tax assets				
Provision for environmental rehabilitation	2.587	2.214	11	(39)
Provision for staff leaving indemnities	5.096	1.997	(102)	623
Personnel bonus	548	882	334	373
Carry forward losses	3.173	894	(2.279)	85
Provision for bad debts	618	733	123	25
Impact on remaining inventory from intercompany sales	698	775	77	(15)
Provision for pending litigation	-	700	700	(700)
Impairment loss	748	629	(119)	(629)
Derivatives valuation (included in O.C.I.)	534	433	-	-
Provision for slow moving inventory	436	428	(8)	17
Other	1.484	837	(68)	(62)
	15.922	10.522		
Deferred tax liabilities				
Adjustment of fixed assets' useful lives	(7.828)	(6.838)	587	1.437
Tax deductible goodwill	(6.837)	(6.269)	568	504
Intangible assets fair value adjustment	(5.851)	(6.205)	(354)	683
Tangible assets fair value adjustment	(2.418)	(2.695)	(277)	(1.002)
Other	(3.144)	(307)	166	(117)
Total	(26.078)	(22.314)		
	(10.156)	(11.792)		
Deferred income tax charge / (credit) to the income statement			(641)	1.183
Less: Net deferred tax assets of discontinuing operations		*141*		*126*
Net deferred tax liabilities	(10.156)	(11.933)		

	The Company			
	Statement of financial position		Income statement	
	December 31 2012	December 31 2011	Year 2012	Year 2011
Deferred tax assets				
Carry forward losses	2.358	-	(2.358)	
Provision for environment rehabilitation	2.125	2.157	32	(82)
Provision for staff leaving indemnities	1.741	1.578	(163)	552
Provision for pending litigation	-	700	700	(700)
Personnel bonus	392	692	300	347
Provision for bad debts	281	275	(6)	(44)
Derivatives valuation (included in O.C.I.)	534	433	-	-
Impairment loss	381	216	(165)	(216)
Adjustment of subsidies' useful lives	181	184	3	9
Provision for slow moving inventory	162	162	-	24
Other		32	32	(32)
Total	8.155	6.429		
Deferred tax liabilities				
Adjustment of fixed assets' useful lives	(5.845)	(5.167)	678	1.189
Total	(5.845)	(5.167)		
	2.310	1.262		
Deferred income tax charge / (credit) to the income statement			(947)	1.047
Less: Net deferred tax assets of discontinuing operations	-	*141*		
Net deferred tax assets	2.310	1.121		

(Amounts in thousand Euro, unless otherwise stated)

16. DEPRECIATION / AMORTIZATION

Depreciation/amortization expense for the years ended December 31, 2012 and 2011 is as follows:

	The Group		The Company	
		Re-presented		Re-presented
	1/1-31/12 2012	1/1-31/12 2011	1/1-31/12 2012	1/1-31/12 2011
Depreciation and amortization of fixed assets:				
- Property, plant and equipment (Note 18)	29.909	26.539	19.050	16.988
- Other intangible assets (Note 21)	1.761	1.970	32	20
- Investment property (Note 19)	275	274	275	274
Total depreciation and amortization of fixed assets	**31.945**	**28.783**	**19.357**	**17.282**
Depreciation and amortization included in fixed assets	(345)	(369)	(345)	(369)
Depreciation and amortization expensed	**31.600**	**28.414**	**19.012**	**16.913**

In addition to the above, amounts of € 712 and € 1.186 for the years ended December 31, 2012 and 2011, respectively, that relate to the depreciation included in prior year's' ending inventories, are capitalized and are deducted from consumptions in the cost of sales.

It should be noted that an amount of € 1,9 million, relating to the two month period from November, 1 to December 31, 2011, is included in the 2012 figures.

17. PAYROLL COST

Payroll cost for the years ended December 31, 2012 and 2011 is as follows:

	The Group		The Company	
		Re-presented		Re-presented
	1/1-31/12 2012	1/1-31/12 2011	1/1-31/12 2012	1/1-31/12 2011
Wages and salaries	65.697	64.824	25.102	27.502
Social security costs	13.860	12.989	5.539	5.753
Other staff costs	5.041	3.507	2.127	988
Staff leaving indemnities	2.264	2.227	1.473	1.575
Share based payments	1.068	1.156	1.068	1.156
Total payroll cost	**87.930**	**84.703**	**35.309**	**36.974**
Payroll cost included in ending inventories and fixed assets	(2.123)	(3.011)	(2.123)	(3.000)
Payroll cost expensed	**85.807**	**81.692**	**33.186**	**33.974**

18. PROPERTY, PLANT AND EQUIPMENT

In 2011, the Group decided that the net book value of specific tangible and intangible assets of S&B Industrial Minerals Spain Slu.,is not expected to be recovered due to the slowdown in the industries served in Spain and therefore recognized an impairment loss in the income statement of 2011, amounting to € 1.800, out of which € 717 refers to tangible assets and € 1.083 to intangible assets (Note 21).

(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, 2011	114.799	29.296	95.667	171.031	16.365	19.487	14.125	460.770
Additions	26.176	1.040	262	4.242	967	573	11.879	45.139
Disposals	(18)	(703)	(14)	(289)	(293)	(105)	-	(1.422)
Write offs	-	-	(26)	(59)	(6)	(51)	-	(142)
Impairment loss	-	(423)	-	(294)	-	-	-	(717)
Exchange Difference	26	3	(418)	(149)	9	(56)	(56)	(641)
Transfers	78	4	10.277	8.321	412	61	(19.153)	-
PPE of discont.operations	(89.324)	(568)	(8.615)	(27.725)	(8.937)	(1.039)	(32)	(136.240)
December 31, 2011	51.737	28.649	97.133	155.078	8.517	18.870	6.763	366.747
Add back of discontinuing operations	89.324	568	8.615	27.725	8.937	1.039	32	136.240
Additions	17.069	916	905	5.005	708	807	5.203	30.613
Business combinations (Note 5)	4.053	729	7.532	10.626	768	119	128	23.955
Disposals	-	(3)	(30)	10	(284)	(59)	(13)	(379)
Write offs	-	-	(14)	(5)	-	(6)	(3)	(28)
Exchange Difference	(35)	3	(559)	(891)	(26)	(66)	(10)	(1.584)
Adjustments to provision (Note 33)	(123)	-	-	-	-	-	-	(123)
Transfers to Investment Properties (Note 19)	-	(26)	(53)	-	-	-	-	(79)
Transfers	155	(12)	667	4.038	(8)	6	(4.846)	-
December 31, 2012	162.180	30.824	114.196	201.586	18.612	20.710	7.254	555.362
Accumulated depreciation								
January 1, 2011	77.867	325	45.773	116.296	12.199	18.196	-	270.656
Depreciation charge for the year	12.077	78	3.830	8.649	861	1.044	-	26.539
Disposals	-	-	(12)	(273)	(258)	(92)	-	(635)
Write offs	-	-	(23)	(57)	(6)	(47)	-	(133)
Exchange Difference	12	(5)	(93)	(58)	15	(31)	-	(160)
Transfers	26	1	(3)	(24)	-	-	-	-
PPE of discont.operations	(55.000)	-	(4.526)	(16.819)	(6.642)	(972)	-	(83.959)
December 31, 2011	34.982	399	44.946	107.714	6.169	18.098	-	212.308
Add back of discontinuing operations	55.000	-	4.526	16.819	6.642	972	-	83.959
Depreciation charge for the year	13.929	72	4.319	9.570	1.025	994	-	29.909
Business combinations (Note 5)	1.376	1	2.656	5.634	325	247	-	10.239
Disposals	-	-	(21)	3	(246)	(41)	-	(305)
Write offs	-	-	(5)	(5)	-	(3)	-	(13)
Exchange Difference	(8)	(1)	(299)	(343)	(13)	(37)	-	(701)
Transfers to Investment Properties (Note 19)	-	-	(43)	-	-	-	-	(43)
Transfers	-	-	(65)	66	-	(1)	-	-
December 31, 2012	105.279	471	56.014	139.458	13.902	20.229	-	335.353
Net Book Value								
January 1, 2011	36.932	28.971	49.894	54.735	4.166	1.291	14.125	190.114
December 31, 2011	16.755	28.250	52.187	47.364	2.348	772	6.763	154.439
December 31, 2012	56.901	30.353	58.182	62.128	4.710	481	7.254	220.009

Additions in 2011 include an amount of € 1.230 transferred from Inventory.

(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:

	Ores - Mines	Land	Buildings	Machinery	Transportation Means	Furniture and Fixtures	Construction in Progress	Total
Cost								
January 1, 2011	107.575	8.099	35.666	66.432	11.446	12.020	12.407	253.645
Additions	23.674	1.030	4	1.274	255	219	6.777	33.233
Disposals	-	-	-	-	(20)	(3)	-	(23)
Write offs	-	-	-	-	(91)	-	-	(91)
Transfers	-	-	9.635	5.598	229	-	(15.464)	(2)
PPE of discont.operations	(88.291)	(59)	(8.624)	(27.731)	(8.938)	(1.039)	(32)	(134.714)
December 31, 2011	42.958	9.070	36.681	45.573	2.881	11.197	3.688	152.048
Add back of discontinuing operations	88.291	59	8.624	27.731	8.938	1.039	32	134.714
Additions	14.975	515	61	246	86	342	2.117	18.342
Disposals	-	-	-	(2)	(73)	(34)	-	(109)
Adjustments to provision (Note 33)	(123)	-	-	-	-	-	-	(123)
Transfers to investment properties (Note 19)	-	(26)	(53)	-	-	-	-	(79)
Transfers	-	-	628	2.768	214	-	(3.610)	-
December 31, 2012	146.101	9.618	45.941	76.316	12.046	12.544	2.227	304.793
Accumulated depreciation								
January 1, 2011	74.551	-	19.236	42.206	8.624	11.200	-	155.817
Depreciation charge for the year	11.731	-	1.248	3.091	416	502	-	16.988
Disposals	-	-	-	-	(90)	(3)	-	(93)
PPE of discont.operations	(53.967)	-	(4.526)	(16.819)	(6.642)	(972)	-	(82.926)
December 31, 2011	32.315	-	15.958	28.478	2.308	10.727	-	89.786
Add back of discontinuing operations	53.967	-	4.526	16.819	6.642	972	-	82.926
Depreciation charge for the year	12.811	-	1.687	3.636	545	371	-	19.050
Disposals	-	-	-	(2)	(73)	(33)	-	(108)
Transfers to investment properties (Note 19)	-	-	(43)	-	-	-	-	(43)
December 31, 2012	99.093	-	22.128	48.931	9.422	12.037	-	191.611
Net Book Value								
January 1, 2011	33.024	8.099	16.430	24.226	2.822	820	12.407	97.828
December 31, 2011	10.643	9.070	20.723	17.095	573	470	3.688	62.262
December 31, 2012	47.008	9.618	23.813	27.385	2.624	507	2.227	113.182

Additions in 2011 include an amount of € 1.230 transferred from Inventory .

(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, 2011	**20.958**	**81.464**	**6.410**	**5.967**	**114.799**
Additions	135	21.584	2.926	1.531	**26.176**
Disposals	-	-	-	(18)	**(18)**
Exchange Difference	-	26	-	-	**26**
Transfers	-	6	-	72	**78**
Ores-Mines of discont. operations	(228)	(76.156)	(5.560)	(7.380)	**(89.324)**
December 31, 2011	**20.865**	**26.924**	**3.776**	**172**	**51.737**
Add back of discontinuing operations	228	76.156	5.560	7.380	89.324
Additions	37	16.461	-	571	17.069
Business combinations (Note 5)	96	1.180	1.069	1.708	4.053
Exchange Difference	-	(31)	(7)	3	(35)
Adjustments to provision (Note 33)	-	-	(123)	-	(123)
Transfers	3	50	-	102	155
December 31, 2012	**21.229**	**120.740**	**10.275**	**9.936**	**162.180**
Accumulated Depreciation					
January 1, 2011	**12.522**	**58.674**	**5.249**	**1.422**	**77.867**
Depreciation charge for the year	706	10.780	231	360	**12.077**
Exchange Difference	-	10	2	-	**12**
Transfers	-	-	-	26	**26**
Ores-Mines of discont. operations	(226)	(50.119)	(2.969)	(1.686)	**(55.000)**
December 31, 2011	**13.002**	**19.345**	**2.513**	**122**	**34.982**
Add back of discontinuing operations	226	50.119	2.969	1.686	**55.000**
Depreciation charge for the year	625	12.466	287	551	**13.929**
Business combinations (Note 5)	2	614	475	285	**1.376**
Exchange Difference		(8)	-		**(8)**
December 31, 2012	**13.855**	**82.536**	**6.244**	**2.644**	**105.279**
Net Book Value					
January 1, 2011	**8.436**	**22.790**	**1.161**	**4.545**	**36.932**
December 31, 2011	**7.863**	**7.579**	**1.263**	**50**	**16.755**
December 31, 2012	**7.374**	**38.204**	**4.031**	**7.292**	**56.901**

(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 Expenditure	Environment Rehabilitation Expenditure	Exploration and Evaluation Expenditure	Total
Cost					
January 1, 2011	16.328	80.173	5.862	5.212	107.575
Additions	27	20.255	1.878	1.514	23.674
Ores-Mines of discont.operations	(229)	(75.867)	(5.470)	(6.725)	(88.291)
December 31, 2011	16.126	24.561	2.270	1	42.958
Add back of discontinuing operations	229	75.867	5.470	6.725	88.291
Additions	-	14.424	-	551	14.975
Adjustments to provision (Note 33)	-	-	(123)	-	(123)
December 31, 2012	16.355	114.852	7.617	7.277	146.101
Accumulated depreciation					
January 1, 2011	11.105	58.073	4.701	672	74.551
Depreciation charge for the year	632	10.561	178	360	11.731
Ores-Mines of discont.operations	(226)	(49.831)	(2.879)	(1.031)	(53.967)
December 31, 2011	11.511	18.803	2.000	1	32.315
Add back of discontinuing operations	226	49.831	2.879	1.031	53.967
Depreciation charge for the year	600	11.507	180	524	12.811
December 31, 2012	12.337	80.141	5.059	1.556	99.093
Net Book Value					
January 1, 2011	5.223	22.100	1.161	4.540	33.024
December 31, 2011	4.615	5.758	270	-	10.643
December 31, 2012	4.018	34.711	2.558	5.721	47.008

(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:

	The Group		The Company	
Cost	December 31 2012	December 31 2011	December 31 2012	December 31 2011
Mines	1.299	1.281	-	-
Buildings	17.981	15.592	8.194	7.547
Machinery	82.693	64.798	26.103	20.304
Transportation means	8.197	7.292	5.442	4.855
Furniture and fixtures	16.292	14.153	11.472	10.440
Total	**126.462**	**103.116**	**51.211**	**43.146**

Under a Pledge and Security Agreement dated as of September 14, 2012, the Group's US-based companies S&B Industrial Minerals North America Inc., Stollberg Inc. and "Rolling Rock" granted a security interest of € 25,1 mil over their property, plant and equipment to "M&T" as a collateral for the repayment of Senior Secured Credit Facilities (Note 34).

Furthermore, a mortgage of € 1,1 million has been granted over the property, plant and equipment of S&B Industrial Minerals AD (see note 40).

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, 2011	**14.679**	**11.070**	**25.749**
Impairment loss	(1.080)	-	(1.080)
December 31, 2011	**13.599**	**11.070**	**24.669**
Impairment loss	(825)	-	(825)
Transfers (Note 18)	26	53	79
December 31, 2012	**12.800**	**11.123**	**23.923**
Accumulated depreciation			
January 1, 2011	**-**	**5.535**	**5.535**
Depreciation charge for the year	-	274	274
December 31, 2011	**-**	**5.809**	**5.809**
Depreciation charge for the year	-	275	275
Transfers	-	43	43
December 31, 2012	**-**	**6.127**	**6.127**
Net Book Value			
January 1, 2011	**14.679**	**5.535**	**20.214**
December 31, 2011	**13.599**	**5.261**	**18.860**
December 31, 2012	**12.800**	**4.996**	**17.796**

The book value of an investment property was written-down from its historical cost of € 4.240 to its current recoverable amounts of € 3.160 in 2011 and of € 2.460 in 2012, respectively. Furthermore, in 2012, the book value of another investment property was written-down from its historical cost of € 1.645 to its current recoverable amount of € 1.520.

19. INVESTMENT PROPERTIES (continued)

Investment properties are leased to third and related parties for the purpose of housing and warehouse storage. Rental fees on investment properties amounted to € 1.204 and € 1.505 for the years ended December 31, 2012 and 2011, respectively.

Repairs and maintenance costs incurred for such investment properties amounted to € 62 and € 173 for the years ended December 31, 2012 and 2011, respectively. At December 31, 2012, the Company was engaged in operating lease contracts of its investment property that expire in various dates through to 2025.

The minimum future rental fees to be received on investment properties, under non-cancelable lease contracts, as of December 31, 2012 and 2011 are the following:

	December 31 2012	December 31 2011
	(in million Euro)	
Within one year	1	1,5
2-5 years	3,6	5,9
After 5 years	2,3	5
	6,9	12,4

Based on an independent valuation study, the fair value of investment property for the Group and the Company as of December 31, 2012 and 2011 amounted to approximately € 19,2 million and € 22 million, respectively.

20. GOODWILL

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

	South Europe	North Europe	Americas	Total
Balance January 1, 2011	29.573	47.571	6.293	83.437
Exchange Difference	-	-	206	206
Balance December 31, 2011	29.573	47.571	6.499	83.643
Additions (Note 5)	-	-	25.393	25.393
Exchange Difference	-	-	(125)	(125)
Balance December 31, 2012	29.573	47.571	31.767	108.911

Effective from 2012, the Group's organizational structure changed from divisions, based on the nature of the industrial mineral applications, to geographic Regions (Note 41). Due to this change, Goodwill amounts for 2011 were reallocated from divisions to Regions.

Goodwill of € 25.129 in the Company financial statements is related to business combinations effected prior to the transition date to IFRS. Goodwill is measured at historic cost minus any impairment losses and resulted from the combination of Mykobar S.A. of € 18.317 and Otavi Minerals Greece S.A of € 6.812, in 2000 and 2001 respectively.

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

- South Europe
- North Europe
- Americas
- Asia & Pacific

The recoverable amount of all the cash generating units has been determined with the 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 cash-generating units is, on a pre-tax basis, 13,8% for 2012 and 13,6% for 2011, respectively. Cash flows beyond the 5-year period are extrapolated using a 2% growth rate for all the cash-generating units.

Key assumptions used for the calculation of the value in use of the cash generating units for December 31, 2012 and 2011:

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 German government bond.
- ***Spread:*** The spread used in the calculation is 5,7%, higher than the Group's average borrowing rates
- ***Budgeted profit margins:*** The budgeted margins of operating profit and EBITDA were determined based on the approved by the Management five-year business plans.

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

The impairment tests performed as of December 31, 2012, did not indicate any impairment losses with respect to the above goodwill amounts.

With regard to the value in use of the four cash generating units, management believes that no reasonably possible change in any of the above key assumptions would cause their carrying value to materially exceed their recoverable amounts.

Management has considered the effect of an increased discount rate which represents current market assessment of the risks the Group faces. If the discount rate on a pre-tax basis increase by more than 2 percentage points and the Group is unable to absorb the impact of such an increase though operational, marketing or financial actions then the value in use as determined through the discounted cash flows, will fall below the carrying value of certain Group's cash generating units.

(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, 2011	6.015	8.437	9.506	16.985	40.943
Additions	61	315	1	-	377
Impairment loss			(1.083)		(1.083)
Write offs	-	(7)	-	-	(7)
Exchange Difference	(5)	(124)	22	7	(100)
Transfers	53	(173)	-	120	-
Intangible assets of discontinuing operations	-	(889)	-	-	(889)
December 31, 2011	6.124	7.559	8.446	17.112	39.241
Add back of discontinuing operations	-	889	-	-	889
Additions	174	447	-	-	621
Business combinations (Note 5)	998	1.679	-	-	2.677
Write offs	-	(5)	-	-	(5)
Exchange Difference	2	(20)	(14)	(7)	(39)
Transfers	47	(163)	-	116	-
December 31, 2012	7.345	10.386	8.432	17.221	43.384
Accumulated amortization					
January 1, 2011	5.780	5.959	182	7.274	19.195
Amortization charge for the year	92	281	172	1.425	1.970
Exchange Difference	(4)	(166)	5	4	(161)
Intangible assets of discontinuing operations	-	(713)	-	-	(713)
December 31, 2011	5.868	5.361	359	8.703	20.291
Add back of discontinuing operations	-	713	-	-	713
Amortization charge for the year	151	142	47	1.421	1.761
Business combinations (Note 5)	742	475	-	-	1.217
Write Offs	-	(2)	-	-	(2)
Exchange Difference	(1)	(10)	(4)	(7)	(22)
December 31, 2012	6.760	6.679	402	10.117	23.958
Net Book Value					
January 1, 2011	235	2.478	9.324	9.711	21.748
December 31, 2011	256	2.198	8.087	8.409	18.950
December 31, 2012	585	3.707	8.030	7.104	19.426

(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, 2011	3.123	828	3.951
Transfers	3	-	3
Intangible assets of discont.operations	-	(682)	(682)
December 31, 2011	3.126	146	3.272
Add back of discontinuing operations	-	682	682
Additions	-	46	46
December 31, 2012	3.126	874	4.000
Accumulated depreciation			
January 1, 2011	3.120	635	3.755
Amortization charge for the year	3	17	20
Intangible assets of discont.operations	-	(506)	(506)
December 31, 2011	3.123	146	3.269
Add back of discontinuing operations	-	506	506
Amortization charge for the year	1	31	32
December 31, 2012	3.124	683	3.807
Net Book Value			
January 1, 2011	3	193	196
December 31, 2011	3	-	3
December 31, 2012	2	191	193

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

	The Group		The Company	
Cost	December 31 2012	December 31 2011	December 31 2012	December 31 2011
Software	5.543	5.584	3.123	3.123
Concessions and Licenses	2.617	2.259	598	598
Other Intangibles	714	709	-	-
Customer Lists	307	195	-	-
Total	9.181	8.747	3.721	3.721

(Amounts in thousand Euro, unless otherwise stated)

22. INVESTMENTS IN ASSOCIATES

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

	The Group		The Company	
	December 31 2012	December 31 2011	December 31 2012	December 31 2011
Laviosa Chimica Mineraria S.p.a.	7.517	7.223	3.164	3.164
Laviosa Promasa S.A.	1.109	1.069	208	208
Protovoulia Milos S.A.	784	807	826	826
Xinyang- Athenian Mining Co	1.093	820	-	-
Angang Stollberg & Samil Co. Ltd.	683	374	-	-
	11.186	**10.293**	**4.198**	**4.198**

The following table provides additional information for the above associates:

Associate	Country	Field of activity	% Participation 31/12/2012	% Participation 31/12/2011	Year Established / Acquired
Laviosa Chimica Mineraria S.p.A.	Italy	Industrial Minerals	35,00%	35,00%	1997
Laviosa Sanayi Ve Ticaret Ltd. (1)	Turkey	Industrial Minerals	35,00%	35,00%	2008
Laviosa Trimex Industries Ltd. (1)	India	Industrial Minerals	19,00%	19,00%	2009
Laviosa MPC SAS (1)	France	Industrial Minerals	28,00%	28,00%	2010
Minersarda S.p.A. (1)	Italy	Industrial Minerals	35,00%	35,00%	1993
Laviosa Promasa S.A (2)	Spain	Industrial Minerals	29,52%	29,52%	1997
Xinyang- Athenian Mining Co Ltd. (XAMCO)	China	Industrial Minerals	25,00%	25,00%	1996
Angang Stollberg & Samil Co. Ltd. (3)	China	Industrial Minerals	25,00%	25,00%	2010
Protovoulia Milos S.A.	Greece	Other activities	43,07%	43,07%	2007

Footnotes

1. Laviosa Sanayi Ve Ticaret Ltd., Laviosa Trimex Industries Ltd, Laviosa MPC SAS and Minersarda S.p.A. are fully consolidated in their parent's, Laviosa Chimica Mineraria S.p.A., financial statements (participation interest 100%, 55%, 80% and 100%, respectively).
2. The Company holds a direct participation interest of 20,10% in the associate Laviosa Promasa S.A. whereas the aggregate interest stated at the above table, derives indirectly due to the fact that the above mentioned company is also consolidated in the financial statements of Laviosa Chimica Mineraria S.p.A.
3. Angang Stollberg & Samil Co. Ltd is consolidated under the equity method in its parent's, Stollberg & Samil Co. Ltd, financial statements (participation interest 50%).

In November 2011, the Group sold its investment in Adventus Europe GmbH for a consideration of € 243. The resulted gain from the above disposal amounted to € 243 on consolidated level due to the accumulated losses of the associate and is recognized in "Gain from the disposal of associates" in the income statement for the year ended December 31, 2011.

Dividend income from associates, net of taxes, received for the years ended December 31, 2012 and 2011, respectively, are as follows:

	The Group	
	December 31 2012	December 31 2011
Laviosa Chimica Mineraria S.p.A.	66	230
Laviosa Promasa S.A.	216	159
Xinyang-Athenian Mining Co	-	123
	282	**512**

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

(Amounts in thousand Euro, unless otherwise stated)

22. INVESTMENTS IN ASSOCIATES (continued)

Dividend income from associates recognized in the Company's income statement for the years ended December 31, 2012 and 2011, respectively, are as follows:

	The Company	
	December 31 2012	December 31 2011
Laviosa Chimica Mineraria S.p.A.	66	317
Laviosa Promasa S.A.	216	220
	282	**537**

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

	December 31, 2012		
	Assets	Liabilities	Net assets
Laviosa Chimica Mineraria S.p.A. (consolidated)	53.185	31.180	22.005
Laviosa Promasa S.A.	7.798	2.285	5.513
Angang Stollberg & Samil Co. Ltd.	6.842	3.928	2.914
Xinyang - Athenian Mining Co.	4.456	57	4.399
Protovoulia Milos S.A.	813	51	762
	December 31, 2011		
	Assets	**Liabilities**	**Net assets**
Laviosa Chimica Mineraria S.p.A. (consolidated)	51.480	30.457	21.023
Laviosa Promasa S.A.	7.706	2.396	5.310
Angang Stollberg & Samil Co. Ltd.	6.833	4.047	2.786
Xinyang - Athenian Mining Co.	3.733	424	3.309
Protovoulia Milos S.A.	843	28	815

Sales revenue of the above associates in their financial statements amounted to € 66.981 and € 67.394 for the year ended December 31, 2012 and 2011, respectively. The share of profit from the associates, before taxes, accounted for using the equity method amounted to € 1.160 (€ 801 net of taxes) and € 889 (€ 607 net of taxes), for the years ended December 31, 2012 and 2011, respectively. It is noted that no guarantees have been provided to the associates.

(Amounts in thousand Euro, unless otherwise stated)

23. RELATED PARTY TRANSACTIONS

Transactions with related parties are made at arm's-length and mainly relate to operating and partly to investing activities. Outstanding balances at the year-end are unsecured, interest free and are settled in cash within the timeframe agreed. The guarantees provided by S&B to its subsidiaries as December 31, 2012 and 2011 are analyzed in Note 40. Company's Management has not provided against the receivables due from its subsidiaries or associates as it does not anticipate any doubtfulness of such receivables, except for the case of Askana Ltd. against which a provision for doubtful debts has been established. Intra-group balances and transactions among fully consolidated subsidiaries have been fully eliminated from the financial statements of the Group.

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

	The Group			
	Due from		Due to	
	December 31 2012	December 31 2011	December 31 2012	December 31 2011
Associates				
Xinyang Athenian Mining Co. Ltd	128	131	1.911	1.517
Laviosa Promasa S.A.	7	-	111	-
Laviosa Chimica Mineraria S.p.A.	-	3	-	-
	135	134	2.022	1.517
Jointly controlled entities				
Pergem Mineral A.Ş.	629	193	-	-
Cebo International B.V.	-	221	1.099	43
Stollberg & Samil Co. Ltd.	9	47	80	108
	638	461	1.179	151
Other related parties				
Halliburton Affiliates L.L.C.*	640	781	61	313
Bulent Iper & Orca Kirker	-	-	629	-
ORYMIL S.A.	33	33	-	931
Perlite Hellas S.A.	-	-	207	430
Rescon India Private Ltd.	-	-	94	200
Other	39	55	2	6
	712	869	993	1.880
	1.485	1.464	4.194	3.548

	The Group			
	Revenues		Expenses	
	1/1-31/12 2012	1/1-31/12 2011	1/1-31/12 2012	1/1-31/12 2011
Associates				
Laviosa Promasa S.A.	1.954	1.825	-	-
Laviosa Chimica Mineraria S.p.A.	691	75	-	-
Adventus Europe GmbH	-	153	-	-
Xinyang Athenian Mining Co. Ltd.	-	-	2.150	1.754
	2.645	2.053	2.150	1.754
Jointly controlled entities				
Cebo International B.V.	1.451	1.575	336	571
Stollberg & Samil Co. Ltd	123	53	252	243
Other	4	-	-	-
	1.578	1.628	588	814
Other related parties				
Halliburton Affiliates L.L.C.*	7.441	5.841	606	854
Rescon India Private Ltd.	-	-	854	1.422
Perlite Hellas S.A.	-	-	342	1.302
Other	55	14	109	97
	7.496	5.855	1.911	3.675
	11.719	9.536	4.649	6.243

*Halliburton L.L.C. holds the remaining 50% investment share in CEBO B.V. and all amounts are related to their business transactions.

(Amounts in thousand Euro, unless otherwise stated)

23. RELATED PARTY TRANSACTIONS (continued)

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

	The Company			
	Due from		Due to	
	December 31 2012	December 31 2011	December 31 2012	December 31 2011
Direct subsidiaries				
Isocon S.A.	884	1.682	-	6
Sarda Perlite S.r.l.	-	-	563	830
Greek Helicon Bauxite S.A.	2	-	972	-
Sibimin Overseas Ltd.	5	5	-	-
	891	1.687	1.535	836
Indirect subsidiaries				
S&B Endustriyel Mineraller A.S.	1.008	172	-	-
S&B Industrial Minerals Spain S.L.u.	208	-	-	-
S&B Industrial Minerals A.D.	-	-	332	455
S&B Industrial Minerals (Henan) Co.Ltd	12	12	6	6
S&B Industrial Minerals GmbH	-	-	11.816	9.222
S&B Industrial Minerals North America Inc.	-	41	1.046	-
S&B Industrial Minerals S.A.R.L.	-	797	936	-
	1.228	1.022	14.136	9.683
Associates				
Laviosa Promasa S.A.	-	-	111	-
Laviosa Chimica Mineraria S.p.A.	8	3	-	-
	8	3	111	-
Other related parties				
Cebo International B.V.	-	443	162	-
ORYMIL S.A.	33	33	-	931
Other	42	55	2	5
	75	531	164	936
	2.202	3.243	15.946	11.455

For the year ended December 31 2011, the amount of € 9.222 due to S&B Industrial Minerals GmbH was related to advance payments for industrial minerals purchases. For the year ended December 31 2012, the amounts of € 6.816 (out of € 11.816) due to S&B Industrial Minerals GmbH, € 1.046 due to S&B Industrial Minerals North America Inc. and € 936 due to S&B Industrial Minerals S.A.R.L. relate to advance payments for industrial minerals purchases.

Following the decision of the 2010 Shareholders’ General Assembly, within 2011 and 2012 the Company proceeded to the acquisition in stages of the defined land in Milos island for an amount of € 933 and € 467, respectively, from ORYMIL S.A..

(Amounts in thousand Euro, unless otherwise stated)

23.RELATED PARTY TRANSACTIONS (continued)

	The Company			
	Revenues		Expenses	
	1/1-31/12 2012	1/1-31/12 2011	1/1-31/12 2012	1/1-31/12 2011
Direct subsidiaries				
Isocon S.A.	1.253	1.517	-	1
S&B Holding GmbH	15.191	399	-	-
Sarda Perlite S.r.l.	111	110	563	518
Sibimin Overseas Ltd.	1	24	-	-
Greek Helicon Bauxite S.A.	12	-	11	-
	16.568	2.050	574	519
Indirect subsidiaries				
S&B Industrial Minerals GmbH	19.545	21.939	2.033	2
S&B Industrial Minerals North America Inc.	16.666	17.218	-	-
S&B Industrial Minerals S.A.R.L.	3.427	6.272	-	-
S&B Endustriyel Mineraller A.S.	1.568	1.671	-	-
S&B Industrial Minerals Spain S.L.u.	403	618	-	-
Stollberg Inc.	269	212	-	-
S&B Industrial Minerals A.D.	54	4	106	226
Other	-	11	-	-
	41.932	47.945	2.139	228
Associates				
Laviosa Promasa S.A.	2.171	1.983	-	-
Laviosa Chimica Mineraria S.p.A.	756	304	-	-
Adventus Europe GmbH	-	70	-	-
	2.927	2.357	-	-
Other related parties				
Cebo International B.V.	2.661	3.083	-	-
KOF S.A.	-	-	58	
ORYMIL S.A.	-	-	33	33
Other	16	14	16	63
	2.677	3.097	107	96
	64.104	55.449	2.820	843

Compensation of key management personnel: Compensation of key management personnel for the years ended December 31, 2012 and 2011 were as follows:

	The Group		The Company	
	1/1-31/12 2012	1/1-31/12 2011	1/1-31/12 2012	1/1-31/12 2011
Board of Directors fees	650	650	650	650
Executives compensation (including executive board members)	4.666	5.973	4.196	5.458
	5.316	6.623	4.846	6.108

Board of Directors fees are approved by the Shareholders A.G.M. and as a result the related fees for the years ended December 31, 2012 and 2011 are either paid or accrued in the accompanying financial statements.

Balances due to key management personnel of the Group and Board members as of December 31, 2012 amounted to € 1.009 (€ 1.272 as of December 31, 2011). Balances due to key management personnel of the Company and to its Board members as of December 31, 2012 amounted to € 936 (€ 1.228 as of December 31, 2011).

(Amounts in thousand Euro, unless otherwise stated)

23. RELATED PARTY TRANSACTIONS (continued)

Social security contributions paid by the Company to state contribution plans for key management personnel for the years ended December 31, 2012 and 2011 amounted to € 103 and € 86, respectively (the Group paid € 120 and € 97, 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, 2012 and 2011 amounted to € 250 and € 317, respectively.

24. INVENTORIES

Inventories presented in the financial statements are analyzed as follows:

	The Group		The Company	
	December 31 2012	December 31 2011	December 31 2012	December 31 2011
Bentonite	31.358	30.698	10.264	9.757
Bauxite	16.402	1.418	16.176	1.418
Perlite	12.062	10.597	3.253	3.156
Trading minerals	15.579	15.364	-	-
Continuous casting fluxes	9.076	9.508	-	-
Wollastonite	3.646	751	-	-
Consumables and spare parts	12.881	5.892	7.847	4.411
Advances to suppliers for inventories purchases	792	541	6	119
	101.796	74.769	37.546	18.861
Less: provision for impairment of inventories	(1.930)	(1.300)	(808)	(499)
	99.866	73.469	36.738	18.362

Provision for impairment of inventories is as follows:

	The Group		The Company	
	Year 2012	Year 2011	Year 2012	Year 2011
Beginning balance	**1.300**	**1.601**	**499**	**901**
Add back: provision of discontinuing operations	309		309	-
Additions (income statement)	91	225	-	-
Provision used	(42)	(223)	-	(93)
Business combinations	272	-	-	-
Exchange difference	-	6	-	-
Less: provision of discontinuing operations	-	(309)	-	(309)
Ending balance	1.930	1.300	808	499

Under a Pledge and Security Agreement dated as of September 14, 2012, the Group US-based companies S&B Industrial Minerals North America Inc., Stollberg Inc. and “Rolling Rock” granted a security interest of € 16 mil. on their inventories to “M&T” as a collateral for the repayment of Senior Secured Credit Facilities (Note 34).

There are no other pledges on the Group’s and the Company’s inventories.

(Amounts in thousand Euro, unless otherwise stated)

25. TRADE RECEIVABLES

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

	The Group		The Company	
	December 31 2012	December 31 2011	December 31 2012	December 31 2011
Trade receivables	56.356	51.254	11.369	5.351
Post-dated cheques and notes receivable	3.613	4.224	441	471
	59.969	**55.478**	**11.810**	**5.822**
Less: provision for bad debts	(5.129)	(5.921)	(565)	(1.167)
	54.840	**49.557**	**11.245**	**4.655**

Under a Pledge and Security Agreement dated as of September 14, 2012, the Group US-based companies S&B Industrial Minerals North America Inc., Stollberg Inc. and "Rolling Rock" granted a security interest of € 10 mil. on their trade receivables to "M&T" as a collateral for the repayment of Senior Secured Credit Facilities (Note 34).

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

The movement of bad debts provision is as follows:

	The Group		The Company	
	Year 2012	Year 2011	Year 2012	Year 2011
Beginning balance	**5.921**	**5.458**	**1.167**	**1.240**
Additions / (Reversals) (income statement)	(132)	700	(106)	150
Provision used	(218)	(238)	(30)	(223)
Business combinations	26	-	-	-
Exchange difference	(2)	1	-	-
Transfers	(466)	-	(466)	-
Ending balance	**5.129**	**5.921**	**565**	**1.167**

Additions in bad debt provision are included in "Selling expenses", while reversals are included in "Other income".

The following table presents the ageing analysis of trade receivables:

	The Group					
	Past due but not impaired					
	0-30 days	31-90 days	91-180 days	> 180 days	Non-past due and not impaired	Total
2012	11.958	4.905	1.361	848	35.768	**54.840**
2011	7.492	1.674	373	4	40.014	**49.557**
	The Company					
	Past due but not impaired					
	0-30 days	31-90 days	91-180 days	> 180 days	Non-past due and not impaired	Total
2012	3.479	1.194	148	94	6.330	**11.245**
2011	292	-	-	-	4.363	**4.655**

(Amounts in thousand Euro, unless otherwise stated)

26. OTHER CURRENT ASSETS

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

	The Group		The Company	
	December 31 2012	December 31 2011	December 31 2012	December 31 2011
VAT receivable	16.979	12.810	13.941	10.152
Unbilled revenue	2.921	1.167	2.663	868
Prepaid expenses	1.840	830	362	144
Restricted cash	2.118	857	1.410	832
Advances and prepayments	420	295	-	-
Other current assets	2.156	2.709	1.053	660
Less: provision for impairment of other receivables	(397)	(734)	-	-
	26.037	**17.934**	**19.429**	**12.656**

For the year ended December 31, 2011, an amount of VAT receivable of € 7.951 is included in "Other non-current assets" for the Group and the Company.

27. CASH AND CASH EQUIVALENTS

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

	The Group		The Company	
	December 31 2012	December 31 2011	December 31 2012	December 31 2011
Sight deposits	37.796	44.469	1.953	2.311
Time deposits	4.125	1.621	2.500	-
Cash on hand	165	68	112	12
	42.086	**46.158**	**4.565**	**2.323**

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

	The Group		The Company	
	December 31 2012	December 31 2011	December 31 2012	December 31 2011
Euro	20.996	20.841	4.274	2.175
Other currencies	21.090	25.317	291	148
	42.086	**46.158**	**4.565**	**2.323**

Interest income from time and sight deposits accounted for in the fiscal year they relate and amounted to € 257 and € 261 for the Group (€ 20 and € 33 for the Company) for the years ended December 31, 2012 and 2011, respectively (Note 13). Bank deposits bear variable interest rates based on the current interbank market conditions.

(Amounts in thousand Euro, unless otherwise stated)

28. SHARE CAPITAL

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

Acquisition and cancellation of treasury shares

Within 2011, the Company purchased 1.800 common treasury shares, at an average price of € 3,76 per share for an aggregate amount of € 6.761,03. As of June 22, 2011, the Company held 671.513 treasury shares at average price of € 4,8 per share, for a total amount of € 3.222.616,14.

On June 1, 2011, the Shareholders' AGM resolved to decrease the total number of shares from 51.782.200 to 51.110.687 ordinary registered shares, by cancelling 671.513 treasury shares, which have been acquired during the period from June 6, 2008 until January 12, 2011. The aforementioned AGM decision was approved by the competent ministry on June 22, 2011.

Share Capital increase and reduction

On March 22, 2011 the Board of Directors of the Company proposed and the Shareholders' General Assembly (AGM) held on June 1, 2011 approved to increase the Company's share capital by the amount of € 12.777.671,75 through the capitalization of an equal amount of the "Share premium account" reserve by increasing the nominal value of each share from the current € 1,00 to € 1,25. The AGM also approved to subsequently decrease the share capital of the Company by an equal amount i.e. € 12.777.671,75 through the reduction of the nominal value of each share by € 0,25 and payment of the amount of the capital reduction to the shareholders in cash. The amount of the capital reduction was paid to the Company's shareholders on July 25, 2011.

On April 11, 2012, the Board of Directors of the Company proposed and the Shareholders' General Assembly (AGM) held on June 27, 2012, approved to increase the Company's share capital by the amount of € 12.777.671,75 through the capitalization of an equal amount of the "Share premium account" reserve by increasing the nominal value of each share from the current € 1,00 to € 1,25. The AGM also approved to subsequently decrease the share capital of the Company by an equal amount i.e. € 12.777.671,75 through the reduction of the nominal value of each share by € 0,25 and payment of the amount of the capital reduction to the shareholders in cash. The amount of the capital reduction was paid to the Company's shareholders on August 2, 2012.

On December 7, 2012, the Board of Directors of the Company decided the issuance of 87.175 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 28, 2012. The resulted par value difference of € 265.293,50 was transferred to "Share premium".

Following the above transactions as of December 31, 2012, the Company's share capital amounted to € 51.197.862 divided into 51.197.862 common registered shares of nominal value € 1,00 each.

	December 31 2012	December 31 2011
Number of shares of the Company at year end	51.197.862	51.110.687
Effect to the weighted number of shares from:		
Exercised stock options	(86.449)	-
Basic weighted average number of shares in the year	51.111.413	51.110.687
Stock options and CSRs that may be exercised in the future	722.996	429.476
Diluted weighted average number of shares in the year	51.834.409	51.540.163

(Amounts in thousand Euro, unless otherwise stated)

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

(in this note all amounts are expressed in Euro)

(a) Stock Option Plans to members of the Board of Directors and Executives

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

In 2012, no new stock option plan was granted. As of December 31, 2012, three stock option plans were active (granted in years 2009 – 2011), with exercise prices ranging from € 3,90 to € 4,52.

Further details of the plans are as follows:

	1/1-31/12/2012		1/1-31/12/2011	
	Number of Options	Weighted average exercise price	Number of Options	Weighted average exercise price
Outstanding at beginning of year	**590.838**	**4,91**	**558.780**	**5,67**
- Granted	-	-	155.000	4,52
- Forfeited	(24.963)	5,93	(6.000)	6,37
- Exercised	(87.175)	4,04	-	-
- Expired at end of year	(118.125)	7,53	(116.942)	7,94
Outstanding at end of year	**360.575**	**4,19**	**590.838**	**4,91**
Exercisable at end of year	220.925	4,11	311.613	5,52
Unvested at end of year	139.650	4,32	279.225	4,23
	Weighted average remaining contractual term	**Aggregate intrinsic value**	**Weighted average remaining contractual term**	**Aggregate intrinsic value**
Outstanding at end of year	4,2	472.226	4,1	13.144
Exercisable at end of year	3,8	306.446	3,0	5.272

The market price of each share on the exercise date for 2012 and 2011 was € 5,80 (December 7, 2012) and € 3,80 (December 6, 2011), respectively.

Expense recognised in P&L

The cost of the stock option plans is recognized as an expense in "Administration expenses" of income statement, during the years the requirements are gradually fulfilled. The income statement charge for the years ended December 31, 2012 and 2011 was € 106.820 and € 177.777, respectively. These amounts are credited to a reserve in the equity, which is then reduced as the stock options are being exercised, cancelled or expired.

(b) Long-Term Incentive plan for Senior Executives

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

(Amounts in thousand Euro, unless otherwise stated)

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

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

As of December 31, 2012, four LTI plans were active (granted in years 2009 – 2012). Further details of the plans are as follows:

	1/1-31/12/2012	1/1-31/12/2011
	Number of Options	Number of Options
Outstanding at beginning of year	**513.148**	**745.067**
- Granted	366.620	280.369
- Forfeited	(17.524)	(180.586)
- Exercised	(85.542)	(331.702)
Outstanding at end of year	**776.702**	**513.148**
Exercisable at end of year	161.796	103.066
Unvested at end of year	614.906	410.082

	1/1-31/12/2012		1/1-31/12/2011	
	Weighted average remaining contractual term	Aggregate intrinsic value	Weighted average remaining contractual term	Aggregate intrinsic value
Outstanding at end of year	1,9	4.271.861	1,9	2.042.000
Exercisable at end of year	0,5	898.878	0,4	410.000

Fair Value Calculations

The weighted average fair value for the 2012 plan is € 3,88. The fair value was determined using a Monte Carlo simulation option pricing model. Key inputs and calculation outputs for the plans of 2012 and 2011 are presented below:

Fair value calculations	**2012**	**2011**
Weighted average share price	4,97	4,55
Weighted average expected volatility	37,70%	35,40%
Weighted average risk free rate	0,70%	2,23%
Weighted average expected dividends	4,10%	2,45%
Weighted average exercise period	**3,00**	**3,00**
Weighted average option value	**3,88**	**3,73**

- Volatility was estimated based on the average of the four year period prior to the valuation date (i.e. periods 02/01/07 - 31/12/07 and 01/07/09 - 21/06/12), which excludes the period of the financial crisis
- One of the vesting components of the LTI plans is market performance, for which the probability of vesting was incorporated in the fair value measurement. Volatility and correlation of the Company share to the market were determined using the same period as above.

Expense recognised in P&L

The cost of the CSR plans is recognized as an expense in "Administration expenses" of the income statement, during the periods the requirements are gradually fulfilled. The income statement

(Amounts in thousand Euro, unless otherwise stated)

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

charge for CSR plans for the years ended December 31, 2012 and 2011 is € 504.041 and € 854.446, respectively, and is included in an equity reserve which is reduced as the CSRs are being exercised or cancelled.

(c) Share Appreciation Rights (SARs)

The Shareholders' General Assembly of the Company has 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. Vesting of granted SARs is dependent on service conditions. SARs are not tradable or transferable.

In 2011, a new compensation plan was established under which 500.000 SARs were awarded at an original exercise price of € 4,52, which was adjusted to € 4,27 to reflect the decrease in the share capital as decided in the Shareholders' General Assembly (AGM) of the Company of June 1, 2011 (Note 28). In 2012, the exercise price was further adjusted to € 4,02 to reflect the decrease in the share capital as decided in the Shareholders' General Assembly (AGM) of the Company of June 27, 2012 (Note 28).

As of December 31, 2012, three SAR plans were active (granted in years 2006 - 2011) with exercise prices ranging from € 4,02 to € 9,36, as adjusted for bonus share and share capital decrease. Further details of the plans are as follows:

	The Group			
	1/1-31/12/2012		1/1-31/12/2011	
	Number of Options	Weighted average exercise price	Number of Options	Weighted average exercise price
Outstanding at beginning of year	**872.663**	**5,88**	**382.870**	**8,42**
- Granted	-	-	500.000	4,27
- Expired	(12.663)	9,60	(10.207)	9,60
Outstanding at end of year	**860.000**	**5,83**	**872.663**	**6,03**
Exercisable at end of year	360.000	8,34	372.663	8,38
Unvested at end of year	500.000	4,02	500.000	4,27
	Weighted average remaining contractual term		Weighted average remaining contractual term	
Outstanding at end of year		3,9		4,8
Exercisable at end of year		1,7		2,7

	The Company			
	1/1-31/12/2012		1/1-31/12/2011	
	Number of Options	Weighted average exercise price	Number of Options	Weighted average exercise price
Outstanding at beginning of year	**860.000**	**5,97**	**360.000**	**8,32**
- Granted	-	-	500.000	4,27
Outstanding at end of year	**860.000**	**5,97**	**860.000**	**5,97**
Exercisable at end of year	360.000	8,34	360.000	8,32
Unvested at end of year	500.000	4,02	500.000	4,27

(Amounts in thousand Euro, unless otherwise stated)

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

(in this note all amounts are expressed in Euro)

Fair Value Calculations

The weighted average fair value as of December 31, 2012 is € 1,28 and it was determined using a Monte Carlo simulation option pricing model. Key inputs and calculation outputs for 2012 and 2011 are presented below:

Fair value calculations	**2012**	**2011**
Weighted average share price	5,50	3,98
Weighted average exercise price	5,83	6,03
Weighted average expected volatility	38,70%	36,00%
Weighted average risk free rate	0,10%	1,20%
Weighted average expected dividends	4,80%	3,20%
Weighted average exercise period	**2,20**	**3,80**
Weighted average option value	**1,28**	**0,64**

- Volatility was estimated based on the average of the four year period prior to the valuation date (i.e. periods 02/07/07 - 31/12/07 and 01/07/09 - 18/12/12), which excludes the period of the financial crisis.
- The early exercise effect was calculated by assuming that employees will exercise their rights at the first period, after vesting, that the options reach a value of € 0,50.
- The weighted average exercise period and option value were calculated by the model.

Expense recognised in P&L

The cost of the SAR plans is recognized as an expense in the income statement, during the years the requirements are gradually fulfilled. The income statement charge relating to the vesting of SARs for the years ended December 31, 2012 and 2011 is € 456.773 and € 123.950, respectively (€ 456.773 and € 124.305) for the Company, respectively), and is included in “Administration expenses” of the income statement and “Other provisions” in the statement of financial position. This provision is reduced as the SARs are being exercised, cancelled or expired. The table below illustrates the movement of the provision:

	The Group		**The Company**	
	December 31 2012	**December 31 2011**	**December 31 2012**	**December 31 2011**
Balance at the beginning of the year	**136.905**	**12.955**	**136.905**	**12.600**
Income statement charge	456.773	123.950	456.773	124.305
End of the year	**593.678**	**136.905**	**593.678**	**136.905**

(Amounts in thousand Euro, unless otherwise stated)

30. OTHER RESERVES

Other reserves in the financial statements are analyzed as follows:

	The Group		The Company	
	December 31 2012	December 31 2011	December 31 2012	December 31 2011
Tax-free reserves and special reserves	62.131	63.699	75.325	76.941
Legal reserve	10.603	10.505	10.010	10.010
Revaluation reserves from participations and securities	2.825	2.825	2.825	2.825
Extraordinary reserves	259	488	-	-
Reserves from tax-exempted income	538	538	538	538
Other reserves	416	84	(22)	(95)
	76.772	**78.139**	**88.676**	**90.219**

The majority of the above reserves relates to the Company and the Greek subsidiaries.

Under Greek corporate law, corporations are required to transfer a minimum of 5% of their annual net profit as reflected in their statutory books to a legal reserve, until such reserve equals one-third of the outstanding share capital. The above reserve cannot be distributed throughout the life of the company. For the year ended December 31, 2011, the Group transferred to legal reserve an amount of € 161, while the Company did not make any transfers to legal reserve due to the net loss reported. For the year ended December 31, 2012, the Group transferred to legal reserve an amount of € 98, while the Company did not make any transfers to legal reserve due to the fact that the retained earnings do not suffice for such a transfer.

Tax free reserves and special reserves represent mainly non distributed profits that are exempt from income tax based on special provisions of development laws (under the condition that adequate profits exist for their allowance). These reserves mainly relate to investments and are not distributed. For these reserves no deferred tax liabilities were provided. In 2011, the Group created special reserve of € 76 and an additional debit amount of € 7.619 was transferred to Special reserves from Retained earnings due to statutory requirements of German subsidiaries. In 2012, the Company released an amount of € 1.616 from a special tax-free reserve under development laws to Retained earnings.

Reserves from tax exempted income (inclusive of specially taxed reserves) represent interest income and income from disposal of listed in the Stock Exchange and non-listed companies and are tax free or tax has been withheld at source. Except for any tax prepayments, these reserves are subject to taxes in case they are distributed.

31. DIVIDENDS

(in this note all amounts are expressed in Euro)

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

(a) No dividends can be distributed to shareholders as long as the company's net equity, as reflected in the statutory financial statements, is, or after such distribution will be, less than the outstanding capital plus non-distributable reserves, and

(b) No dividends can be distributed to shareholders as long as the unamortized balance of "Pre-operating Expenses," as reflected in the statutory financial statements exceeds the aggregate of distributable reserves plus retained earnings.

The financial statements of the year 2011 were approved by the Board of Directors of the Company

(Amounts in thousand Euro, unless otherwise stated)

31.DIVIDENDS (continued)

in a meeting held on March 22, 2012. Due to the reported net loss for the Company, statutory minimum dividend declaration and payment for 2011 was not required.

On April 11, 2012, the Board of Directors of the Company proposed and the Shareholders' General Assembly (AGM) held on June 27, 2012, approved a capital return of € 0,25 per share to the Company's shareholders (Note 28).

The financial statements of the year 2012 were approved by the Board of Directors of the Company in a meeting held on March 5, 2013. Due to the net carry forward losses for the Company, when excluding the amount of special reserves under the Greek tax law, statutory minimum dividend declaration and payment for 2012 is not required.

The dividend not collected by the shareholders by December 31, 2012 and 2011 amounted to € 16.283 and € 16.370, respectively.

32. PROVISION FOR STAFF LEAVING INDEMNITIES

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

Statutory Benefit Obligation: In accordance with local labor law, employees are entitled to indemnities for dismissal or retirement, the amount of which varies according to salary, years of service and the way of separation (dismissal or retirement). Employees who quit or are fairly dismissed are not entitled to an indemnity. Employees who retire are entitled to 40% of such an indemnity in Greece. These plans are not funded and 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 of the liability. Any payments made to entitled employees during any period are offset against this liability.

The newly acquired "Rolling Rock" Group operates a noncontributory funded defined benefit pension plan covering substantially all of its U.S. employees upon their retirement. The benefits for salaried employees are based on age, years of service and the level of compensation during the five years before retirement. The benefits for hourly employees are based on years of service at a fixed amount. Annual contributions are made to a separately administered fund at least equal to the minimum required by law. In accordance with Mexican Labour Law, "Rolling Rock" operates a non-funded retirement indemnity plan for local employees that cease to render their services under certain circumstances. Furthermore, "Rolling Rock" sponsors a defined benefit healthcare plan that provides postretirement medical benefits to full-time U.S. salaried employees who meet minimum age and service requirements. This plan is contributory and non-funded.

The details for the funded plan sponsored by "Rolling Rock" Group as included in the accompanying consolidated statement of financial position of December 31, 2012, are the following:

Present value of actuarial liability	(19.643)
Fair value of plan assets	12.808
Deficit	**(6.835)**
Unrecognized actuarial loss	226
Net liability in balance sheet	**(6.609)**

Group's defined benefit liabilities under IAS 19 are evaluated by independent actuarial firms.

(Amounts in thousand Euro, unless otherwise stated)

32. PROVISION FOR STAFF LEAVING INDEMNITIES (continued)

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

	The Group		The Company	
	December 31 2012	December 31 2011	December 31 2012	December 31 2011
Net liability at beginning of the year	**15.034**	**19.613**	**6.061**	**10.445**
Add back: Net liability at beginning of year from discontinuing operations	1.966	-	1.966	-
Business Combinations	9.252	-	-	-
Benefits paid by the Group	(1.496)	(4.843)	(635)	(3.993)
Expense recognized in the income statement	2.214	2.173	1.423	1.521
Exchange difference	(185)	3	-	-
Capitalized Expenses	50	54	50	54
Less: Net liability at end of year from discontinuing operations	-	(1.966)	-	(1.966)
Net liability at year-end	**26.835**	**15.034**	**8.865**	**6.061**

The details and principal assumptions of the actuarial study as at December 31, 2012 and 2011 for the plans have as follows:

	The Group		The Company	
	December 31 2012	December 31 2011	December 31 2012	December 31 2011
Reconciliation of net liability benefit obligation				
Present value of actuarial liability at the beginning of the year	**17.385**	**22.123**	**7.632**	**11.667**
Add back: Present value of actuarial liability at the beginning of the year from discontinuing operations	*2.101*	-	*2.101*	-
Less: Present value of actuarial liability at the beginning of year from discontinuing operations	-	*(2.079)*	-	*(2.079)*
Service cost	916	556	529	385
Interest cost	1.131	813	449	382
Expected return on plan assets	(280)	-	-	-
Past service cost arising over last period	(657)	1.233	(657)	1.233
Benefits paid	(1.496)	(4.604)	(635)	(3.754)
Additional cost of extra benefits	202	64	202	64
Actuarial loss / (gain)	1.263	(724)	(703)	(266)
Business combinations	9.252	-	-	-
Plan asset gain / loss	409	-	-	-
Benefits paid by the fund	(142)	-	-	-
Foreign exchange differences	(185)	3	-	-
Present value of actuarial liability at the end of the year	**29.899**	**17.385**	**8.918**	**7.632**
Benefits paid by the fund	142	-	-	-
Unrecognized actuarial loss	(3.021)	(1.262)	132	(482)
Unrecognized service cost	(185)	(1.089)	(185)	(1.089)
Net liability in balance sheet	**26.835**	**15.034**	**8.865**	**6.061**

(Amounts in thousand Euro, unless otherwise stated)

32. PROVISION FOR STAFF LEAVING INDEMNITIES (continued)

	The Group		The Company	
	December 31 2012	December 31 2011	December 31 2012	December 31 2011
Components of income statement charge				
Service cost	916	698	529	527
Interest cost (Note 14)	1.131	905	449	474
Expected return on plan assets (Note 14)	(280)	-	-	-
Amortization of unrecognized actuarial loss	22	50	20	-
Amortization of unrecognized service cost	247	444	247	444
Regular charge to income statement	2.036	2.097	1.245	1.445
Additional cost of extra benefits	228	130	228	130
Capitalized expenses	(50)	(54)	(50)	(54)
Total charge to income statement	2.214	2.173	1.423	1.521
Principal assumptions				
Discount rate	3,00%-6,70%	4,50%-5,10%	3,00%	4,72%
Rate of personnel compensation increase	2,00%-4,64%	2,00%-5,50%	2,50%	5,00%
Expected Return on Plan Assets	7,5%	-	-	-
Average future working life (in years)	7,88-13,16	13,3-14,13	13,16	14,13

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 charge to the income statement of the year.

Employers' contributions to Social Security defined contribution plans: The Group has paid to Social Security funds for the year ended December 31, 2012 and 2011 € 13.860 and € 12.989 (€ 5.539 and € 5.752 for the Company) respectively. These contributions are recognized in the income statement as incurred.

Defined Contribution Plans: The Group also sponsors 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, 2012 and 2011 amount to € 1.290 and € 1.425, respectively. These contributions are charged to the income statement as incurred.

(Amounts in thousand Euro, unless otherwise stated)

33. PROVISION FOR ENVIRONMENTAL REHABILITATION

The movement of provision for environmental rehabilitation for the year ended December 31, 2012 and 2011 is as follows:

	The Group		The Company	
	December 31 2012	December 31 2011	December 31 2012	December 31 2011
Balance at the beginning of the year	6.305	12.346	3.450	10.073
Add back: provision for discontinuing operations	*7.583*		7.336	
Finance cost (Note 14)	1.129	1.098	968	1.007
Change in future outflow for depleted mines (income statement)	53	(756)	40	(763)
Change in future outflow for active mines (tangible assets)	(123)	1.789	(123)	741
Re-estimation of provision	38	385	131	615
Business combinations	1.331	-	-	-
Foreign exchange differences	(43)	16		-
Utilization of provision (payments)	(1.260)	(990)	(1.176)	(887)
Less: provision of discontinuing operations	-	(7.583)		(7.336)
Balance at year end	**15.013**	**6.305**	**10.626**	**3.450**

34. INTEREST BEARING LOANS AND BORROWINGS

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

	The Group		The Company	
	December 31 2012	December 31 2011	December 31 2012	December 31 2011
Bond loan (Law 3156/2003)	110.000	114.000	110.000	114.000
Bank loan (EUR)	39.500	-	-	-
Bank loan (USD)	33.349	-	-	-
Syndicated loan	-	45.000	-	-
	182.849	**159.000**	**110.000**	**114.000**
Loan expenses	(1.289)	(45)	(1.031)	(22)
Less: current portion of long term loans and borrowings	(21.516)	(91.977)	(12.000)	(47.000)
	160.044	**66.978**	**96.969**	**66.978**

The above bank loan balances approximate their fair value since they have floating interest rates and are not traded in a secondary interbank market. The weighted average interest rate of long term loans for the year ended December 31, 2012 and 2011 is 4,87% and 3,46% (5,68% and 4,02% for the Company), respectively. The maturity of the above loans extends up to 2017.

Total interest expense of long-term borrowings for the year ended December 31, 2012 and 2011 amounts to € 8.366 and € 5.149 (€ 6.267 and € 4.032 for the Company), respectively (Note 14).

The terms of the above loans include financial covenants including requirements to maintain minimum ratios of net borrowings to EBITDA, EBITDA to net interest expense and net borrowings to net worth.

Within March 2011, Company refinanced a bond loan of € 20 million with a 2-year tenure and repayable on maturity. Within June 2011, the Company concluded an agreement for common bond issues of € 20 million, according to the stipulations of the applicable law for common bond loans issues (L. 3156/2003). The above bond loan is of two years tenure with floating interest payments based on Euribor plus spread and will be gradually repaid until maturity date. The Company used the aforementioned loan for general working capital and refinancing needs. Moreover, within 2011, the Group repaid € 16 million of interest-bearing loans, out of which € 8,5 million related to the Company's bond loans and € 7,5 million to the Group's syndicated loans.

(Amounts in thousand Euro, unless otherwise stated)

34. INTEREST BEARING LOANS AND BORROWINGS (continued)

In June 2012, the Company concluded an agreement for common bond issue of L. 3156/2003 of € 110 million, drawn down in June 2012. The above bond loan is of four years tenor bearing floating interest rate based on Euribor plus spread, repayable in seven (7) variable installments. The Company used the aforementioned loan for refinancing maturing loans.

In June 2012, the Group concluded an agreement of Term Loan Facility of € 40 million, drawn down in June 2012. The above loan is of three years tenure bearing floating interest rate based on Euribor plus spread, repayable in six (6) variable installments. The Group used the aforementioned loan facility for refinancing maturing loans.

Within June 2012, the Group repaid € 159 million of interest bearing loans, out of which € 114 million related to the Company's bond loans and € 45 million to the Group's syndicated loans.

In September 2012, the Group concluded a Credit agreement of USD 50 million for financing the acquisition of Rolling Rock and for working capital purposes. The above credit agreement includes the following:

- A Term Loan of USD 30 million drawn down in September 2012. The above loan is of five years tenure bearing floating interest rate based on Libor plus spread, gradually repayable until maturity.
- A Revolving Credit Facility of USD 20 million, from which USD 14 million was drawn down in September 2012. The above facility is of 3 years tenure bearing floating interest rate based on Libor plus spread, repayable on maturity.

The Euro value of the above Term Loan and the Revolving Credit Facility at drawdown date was € 33,6 million.

Under a Pledge and Security Agreement dated as of September 14, 2012, the Group US-based companies S&B Industrial Minerals North America Inc., Stollberg Inc. and "Rolling Rock" granted a security interest on tangible and working capital assets to "Manufacturers and Traders Trust Company (M&T)" as a collateral for the repayment of the above credit agreement.

Within September 2012, the Group repaid € 1 million of interest bearing loan, related to the Group's loans.

The maturity profile of the long-term interest bearing loans and borrowings as of December 31, 2012, is as follows:

	The Group			
Interest-bearing loans	**Up to 1 year**	**1-5 years**	**Loan expenses**	**Total**
31.12.2012	21.516	161.333	(1.289)	**181.560**
31.12.2011	91.977	67.000	(22)	**158.955**
	The Company			
Interest-bearing loans	**Up to 1 year**	**1-5 years**	**Loan expenses**	**Total**
31.12.2012	12.000	98.000	(1.031)	**108.969**
31.12.2011	47.000	67.000	(22)	**113.978**

(Amounts in thousand Euro, unless otherwise stated)

35. DERIVATIVE FINANCIAL INSTRUMENTS

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

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

Further details of the interest rate swaps contracts are as follows:

	Start Date	Maturity	Interest rate	Nominal amount	December 31, 2012 Valuation
Plain Vanilla Swap	12/11/2009	16/12/2014	2,73% Fixed	15.000	(757)
Plain Vanilla Swap	16/12/2010	16/12/2015	2,15% Fixed	10.000	(553)
Plain Vanilla Swap	12/11/2009	16/3/2015	2,89% Fixed	10.000	(830)
Zero cost collar Swap	12/11/2009	16/12/2014	2,06% Floor 4,00% Cap	15.000	(510)
				50.000	**(2.650)**

The above valuation amounts are before deferred taxes impact.

Oil Swap contracts: The Group uses average oil swaps on IPE Brent in order to hedge against the volatility of its oil purchases. All oil derivatives have a maximum duration of 12 months. In February 2011, the Company proceeded to oil swap contracts signed for buying a total quantity of 96.000 BBL of on IPE Brent settled on a monthly basis until February 2012.

The above derivative financial instruments meet the requirements of effective cash flow hedges according to IAS 39 "Financial Instruments: Recognition and Measurement" and thus the effective portion of the change in their fair value is recognized directly to other comprehensive income.

All the above derivative financial instruments are measured on Level 2 of the fair value hierarchy and are included in the line "Other current liabilities" in the December 31, 2012 statement of financial position.

The following table presents the fair value and the movement of derivative financial instruments for the year ended December 31, 2012 and 2011 (for the Group and the Company):

	January 1 2012	Movement in 2012: Income statement	Movement in 2012: Equity	Movement in 2012: (Receipts) / Payments	December 31 2012
Financial instruments that qualify for hedge accounting					
Valuation of Interest Rate Swaps (IRS)	(2.062)	-	(588)	-	(2.650)
Valuation of oil derivatives	6	-	(6)	-	-
Settlement of oil derivatives (Note 13)	-	107	-	(107)	-
Financial instruments liabilities (Note 38)	**(2.056)**	**107**	**(594)**	**(107)**	**(2.650)**

	January 1 2011	Movement in 2011: Income statement	Movement in 2011: Equity	Movement in 2011: (Receipts) / Payments	December 31 2011
Financial instruments that qualify for hedge accounting					
Valuation of Interest Rate Swaps (IRS)	(601)	-	(1.461)	-	(2.062)
Valuation of oil derivatives	-	-	6	-	6
Settlement of oil derivatives	-	333		(333)	-
Financial instruments liabilities (Note 38)	**(601)**	**333**	**(1.455)**	**(333)**	**(2.056)**

The above amounts are presented before deferred taxes impact.

(Amounts in thousand Euro, unless otherwise stated)

36. TRADE PAYABLES

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

	The Group		The Company	
	December 31 2012	December 31 2011	December 31 2012	December 31 2011
Suppliers	37.957	38.020	9.067	6.158
Freights payable	2.561	1.807	1.224	1.060
Customers advances	3.253	1.576	-	2
	43.771	**41.403**	**10.291**	**7.220**

37. SHORT-TERM BORROWINGS

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

	The Group		The Company	
	December 31 2012	December 31 2011	December 31 2012	December 31 2011
Overdrafts	37.241	18.700	36.253	18.698
Short-term loans	1.403	602	-	-
Used amount	**38.644**	**19.302**	**36.253**	**18.698**

The above loans are analyzed as follows:

	The Group		The Company	
	December 31 2012	December 31 2011	December 31 2012	December 31 2011
- Euro (EUR)	38.034	18.698	36.253	18.698
- Korean Won (KRW)	607	602	-	-
- Turkish Lira (TRY)	3	2	-	-
Total	**38.644**	**19.302**	**36.253**	**18.698**

As of December 31, 2012 and 2011 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, 2012 and 2011 is 6,71% and 6,43% (6,88% and 6,70% for the Company) respectively. The weighted average interest rate of short term loans in KRW and Euro for the year ended December 31, 2012 is 8,68% and 6,88% respectively. Total interest expense for the years ended December 31, 2012 and 2011 amounts to € 3.332 and € 1.425 (€ 3.138 and € 1.290 for the Company), respectively (Note 14).

(Amounts in thousand Euro, unless otherwise stated)

38. OTHER CURRENT LIABILITIES

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

	The Group		The Company	
	December 31 2012	December 31 2011	December 31 2012	December 31 2011
Bonus to employees	2.311	3.126	1.958	2.812
Accrued payroll expenses	3.541	3.446	316	166
Taxes and duties	2.897	2.161	1.253	1.004
Derivatives (Note 35)	2.650	2.056	2.650	2.056
Social security	1.970	1.505	1.361	969
Interests accrued	1.314	699	1.293	696
Other accrued expenses	2.393	2.867	400	249
Other payables	9.088	4.128	4.663	1.355
	26.164	**19.988**	**13.894**	**9.307**

The settlement part of the amount “Bonus to employees” is pending to the approval of the Company’s Shareholders General Assembly Meeting.

39. FINANCIAL RISK MANAGEMENT

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

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

(i) Credit Risk: The Group has no significant concentrations of credit risk with any single counter party. The maximum exposure to credit risk is represented by the carrying amount of each asset, including derivative financial instruments, in the statement of financial position. With respect to derivative financial instruments, the Group monitors its positions, the credit ratings of counter parties and the level of contracts it enters into with any counter party. Given that the counter parties to these contracts are major bank institutions, there is no relevant counterparty risk.

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

(Amounts in thousand Euro, unless otherwise stated)

39. FINANCIAL RISK MANAGEMENT (continued)

(iii) Liquidity Risk: The Group manages its liquidity risk by on-going monitoring of its cash flows. The Group budgets and follows up its cash flows and appropriately acts for available cash deposits and credit lines with the banks. The unutilized approved credit lines available to the Group are sufficient to cover any foreseeable 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, 2012 and 2011, respectively:

	The Group			
Interest-bearing loans	**Up to 1 year**	**1-5 years**	**>5 years**	**Total**
31.12.2012	31.902	178.599	-	**210.501**
31.12.2011	96.647	68.878	-	**165.525**
	The Company			
Interest-bearing loans	**Up to 1 year**	**1-5 years**	**>5 years**	**Total**
31.12.2012	18.962	111.250	-	**130.212**
31.12.2011	51.159	68.878	-	**120.037**

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

	The Group				
2012	**0-30 days**	**31-90 days**	**91-180 days**	**> 180 days**	**Total**
Trade payables	28.268	14.547	766	190	**43.771**
Other current liabilities	6.083	3.127	927	5.200	**15.337**
	34.351	**17.674**	**1.693**	**5.390**	**59.108**
2011	**0-30 days**	**31-90 days**	**91-180 days**	**> 180 days**	**Total**
Trade payables	29.720	10.828	659	196	**41.403**
Other current liabilities	5.384	3.260	246	1.483	**10.373**
	35.104	**14.088**	**905**	**1.679**	**51.776**
	The Company				
2012	**0-30 days**	**31-90 days**	**91-180 days**	**> 180 days**	**Total**
Trade payables	5.606	4.638	47	-	**10.291**
Other current liabilities	2.307	1.328	753	4.621	**9.009**
	7.913	**5.966**	**800**	**4.621**	**19.300**
2011	**0-30 days**	**31-90 days**	**91-180 days**	**> 180 days**	**Total**
Trade payables	3.568	3.481	171	-	**7.220**
Other current liabilities	2.645	1.669	27	811	**5.152**
	6.213	**5.150**	**198**	**811**	**12.372**

Total credit limits of the Group and the Company at December 31, 2012 and 2011 are as follows:

	The Group		The Company	
	December 31 2012	**December 31 2011**	**December 31 2012**	**December 31 2011**
Credit limit	**80.054**	**78.320**	**60.000**	**63.800**
Less: used amount				
-Short term loans	(38.644)	(19.302)	(36.252)	(18.698)
-Revolving credit facility	(10.611)	-	-	-
-Guarantees (reducing credit lines' availability)	(2.054)	(5.980)	(2.054)	(2.253)
Unused credit limits	**28.745**	**53.038**	**21.694**	**42.849**

(Amounts in thousand Euro, unless otherwise stated)

39. FINANCIAL RISK MANAGEMENT (continued)

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

Total Group debt is on a floating basis. As a result, Group interest rate risk arises mainly from changes in Euro and USD interest rates, as Euro and USD denominated debt represents the majority of Group's borrowings. Secondarily, interest rate risk arises from changes in other currencies denominated debt (INR, KRW, TRY). The following table demonstrates the sensitivity to a reasonably possible change in interest rates in Euro, USD 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, 2012 and 2011, respectively:

	The Group				
	Change in basis points	Effect from Euro interest rate changes	Effect from USD interest rate changes	Effect from other interest rate changes	Total effect on profit before tax
2012	20	(379)	(68)	(1)	**(448)**
	(15)	285	50	1	**336**
2011	20	(360)	-	(1)	**(361)**
	(15)	270	-	1	**271**

	The Company	
	Change in basis points	Total effect in profit before tax
2012	20	(295)
	(15)	221
2011	20	(269)
	(15)	202

(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. 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, 2012 and 2011, respectively:

	Change in exchange rate	Effect from USD exchange rate changes	Effect from GBP exchange rate changes	Total effect on profit before tax
		The Group		
2012	5%	(101)	34	**(67)**
	-5%	91	(30)	**61**
2011	5%	(103)	49	**(54)**
	-5%	93	(44)	**49**
		The Company		
2012	5%	(47)	(17)	**(64)**
	-5%	42	15	**57**
2011	5%	(22)	11	**(11)**
	-5%	20	(10)	**10**

(Amounts in thousand Euro, unless otherwise stated)

39. FINANCIAL RISK MANAGEMENT (continued)

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

The table below presents ratio results for the years December 31, 2012 and 2011 respectively:

	The Group	
	2012	2011
Long-term borrowings	160.044	66.978
Current portion of long term loans and borrowings	21.516	91.977
Short-term borrowings	38.644	19.302
Cash and cash equivalents	(42.086)	(46.187)
Net debt	**178.118**	**132.070**
Group EBITDA	**70.575**	**67.566**
Net Debt / EBITDA of the Group	**2,52**	**1,95**

The Company manages its capital on a consolidated level.

40. COMMITMENTS AND CONTINGENCIES

(a) Litigations and claims: The Group is a party to various lawsuits and arbitration proceedings in the normal course of business, against which the Group has provided for an amount of € 260 and € 1.726 as of December 31, 2012 and December 31, 2011, respectively, (€ 235 and € 1.701 as of December 31, 2012, and December 31, 2011, respectively, for the Company) in the financial statements.

Moreover, by its decisions 8778/07 and 8779/07 the Hellenic Ministry for the Environment, Energy and Climate Change imposed penalties of € 224 and € 168, respectively, to the Company in 2007. The related amounts were paid in 2008. Furthermore, the Company appealed the above decisions before the Administrative Court of Athens which by its decisions 1630/2008 and 1631/2008 accepted the appeals and rejected the initial decisions of the Hellenic Ministry for the Environment, Energy and Climate Change. The above amounts were remitted to the Company in 2009. The pertinent authorities have repeated the procedure and by their decisions 2589/9.7.10 and 2588/9.7.10 have imposed to the Company the same amount of penalties € 224 and € 168, respectively. The amounts were paid within 2010. However, following the aforementioned payment, the Company has appealed against the above decisions before the Administrative Court of Athens but will be committed for trial to the Administrative Court of Syros, following the reform on court jurisdiction.

By a letter dated September 29, 2010, the Secretariat of the International Commercial Chamber (I.C.C.) informed the Company that it received a request for arbitration from Kerneos S.A. (claimant), a French third party customer. The claimant, on the basis of a 10-year supply of bauxite agreement with the Company, alleged that the Company breached its contractual obligations due to non-delivery of the quantities stipulated in the said agreement. On the basis of the revised statement of claim submitted on June 29, 2011, the claimant claimed the amount of € 4,8 million for late deliveries penalties, for the period September 2009 to May 15, 2011, and € 2,2 million for alleged damages for the same period. On March 9, 2012, the International Court of Arbitration of the I.C.C. issued its decision, which held that the Company is liable in damages of € 2,2 million to Kerneos S.A.. Regarding the late deliveries penalties, the decision held that the relevant clause of the contract is applicable without awarding any specific amount to the claimant. Furthermore, the Court rejected the claim for such penalties with respect to

40.COMMITMENTS & CONTINGENCIES (continued)

shipments of 2009 and invited the Company to provide additional clarifications for the period from January 1, 2010 to May 15, 2011 in relation to its supportive argument that was submitted in the arbitration process which argued that the claimed penalties for delivery delays are excessive and need to be adjusted to proportionate reasonable levels. Finally, Kerneos S.A. reserved its right to file additional claim for alleged damages and late deliveries penalties for the period May 15, 2011 to December 31, 2011. Based on the International Court of Arbitration of the I.C.C decision, the amount of awarded damages of € 2,2 million was charged in December 31, 2011 income statement and paid in April 2012.

On June 29, 2012, Kerneos S.A. filed an additional claim for a total amount of € 6,3 million, for alleged damages, late deliveries penalties and interest surcharges for the period May 15, 2011 to December 31, 2011.

On December 27, 2012 the counterparties settled the above case with an indemnity amount of € 5 million, covering any and all damages and losses (including all kinds of costs and interests), direct or indirect, provable or improvable, which Kerneos S.A. may have suffered driven by the short quantities and/or late deliveries of bauxite. The aforementioned amount was paid on December 28, 2012. Based on the above, an amount of € 3,7 million is charged in December 31, 2012 income statement (Note 12).

In December 2003, S&B Group acquired S&B Industrial Minerals A.D. (at the time named Bentonit A.D.) from its former owners who had acquired the entity in 1998 through a privatization process. On the basis of the privatization agreement, its former owners undertook, vis-a-vis the Bulgarian Privatization Agency (B.P.A.), certain obligations which were not met in full and thus certain liabilities were developed. However, from the time of its acquisition, the Group was never informed of these liabilities, because S&B Industrial Minerals A.D. could not, as a legal party, be held liable for the breach of the Privatization Agreements as these were limited to the previous owners. After the 2006 legislative changes in Bulgaria, B.P.A. has been entitled to hold liable the privatized entities themselves, in the case that the acquirers in the privatized process had not honored their obligations. As a result of these changes, B.P.A. set a mortgage in 2007 on the assets of S&B Industrial Minerals A.D. for an amount of € 1,1 million for which no notification was sent to the entity in the absence of such a legal requirement. In November 2011, S&B Industrial Minerals A.D. was notified for the initiation of a forceful execution of this mortgage to foreclose part of its assets in order to enforce payment of an amount equal to € 600 plus legal interest. The forceful execution of the mortgage has been temporarily suspended. S&B Industrial Minerals A.D. also applied for the annulation of the mortgage on the merits. The application was rejected by the Court of First Instance and an appeal was filed before the Court of Appeal. Notwithstanding the above suspension and the appeal on the merits S&B Industrial Minerals A.D. has taken appropriate legal measures and has formally requested the Economic Investment Bank to intervene in the legal proceedings with its capacity as a guarantor of the acquisition transaction in 2003. If for any reason, the Group is forced to pay any amount, legal recourse actions will be initiated for compensation against the sellers in the acquisition transaction in 2003, as well as the guarantor, Economic Investment Bank. Due to the complexity of the case and the arbitration recourse actions that may be initiated against the sellers and the guarantor, the Group's management has sustainable reasons to believe that there will not be any net financial damage for the Group.

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

(b) Guarantees: On December 31, 2012 and 2011 the Group has issued letters of guarantee for a total amount of € 9,3 million and € 6,8 million, respectively, while the Company has issued letters of guarantee for a total amount of € 4,5 million and € 4,0 million, respectively, relating mainly to mining rights and licenses. Further to the above, the Company as of December 31, 2012 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 € 40,6 million (€ 53,7

40.COMMITMENTS & CONTINGENCIES (continued)

million as of December 31, 2011).

(c) Operating lease commitments: As of December 31, 2012, the Group and the Company have entered into a number of operating lease agreements that expire on various dates through 2024. Rental expenses included in the income statement for the year ended December 31, 2012 and 2011 amounted to approximately € 7,6 million and € 7,3 million respectively (approximately € 3,3 million and € 3,4 million for the Company, respectively).

Future minimum lease payments under non-cancelable operating leases relating mainly to buildings and vehicles as at December 31, 2012 and 2011 are as follows for the Group and the Company:

	The Group		The Company	
(In million €)	December 31 2012	December 31 2011	December 31 2012	December 31 2011
Within one year	6,9	6,5	2,2	2,4
2-5 years	17,9	17,0	8,8	9,9
After 5 years	14,5	19,9	11,5	16,8
	39,3	**43,4**	**22,5**	**29,1**

(d) Capital commitments: At December 31, 2012 and 2011 the Group had commitments of € 2.672 and € 3.041 relating to the construction of Property, Plant & Equipment, respectively, (€ 803 and € 829 for the Company, respectively).

41. OPERATING SEGMENT INFORMATION

Effective from 2012, the Group's organizational structure changed from divisions based on the nature of the industrial mineral applications to geographic regions where it engages in production, processing and distribution activities, in order to better manage complexity and diversity across its geographic spread and support further growth prospects. Under this new structure, the Group has four reportable profit generating segments (Regions), which are independently managed, plus the Corporate segment. This external segment reporting is based on the Group's internal organizational and management structure and on key figures of internal financial reporting to the chief operating decision maker who is considered to be the Chief Executive Officer. Therefore, the Group's reportable operating segments are summarized as follows:

- **South Europe Region** incorporates Group entities operating in Greece, Bulgaria, Cyprus, Georgia, Italy, Morocco, Spain and Turkey.
- **North Europe Region** incorporates Group entities operating in Germany, France, Holland, Hungary and Poland.
- **Americas Region** incorporates Group entities operating in USA, Brazil, Mexico and Canada.
- **Asia & Pacific Region** incorporates Group entities operating in China, India, Indonesia and Korea.
- **Corporate segment** incorporates all corporate functions.

No operating segments have been aggregated to form the above reportable operating segments. All previous year's amounts are reallocated from divisions to geographic regions to reflect the new organizational structure of the Group.

Management monitors the operating results of each segment separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on sales, profit / (loss) before tax and Earnings Before Interest Taxes Depreciation and Amortization ("EBITDA"). It is noted that the Group applies the same accounting policies as those in the financial statements in order to measure the operating segments' results. Group financing, including finance costs (other than the finance costs of provisions for environmental rehabilitation and staff leaving indemnities) and finance income, as well as income

(Amounts in thousand Euro, unless otherwise stated)

41. OPERATING SEGMENT INFORMATION (continued)

taxes are measured on a group basis and are included in corporate segment without being allocated to the profit generating segments.

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

The following tables present sales and results regarding the Group's operating segments for the years ended December 31, 2012 and 2011, respectively:

	1/1-31/12/2012					
	Sales			Results		
	Third party	Inter-segment	Total sales	Profit / (loss) before tax	Depreciation & Net finance costs	EBITDA
South Europe	124.372	40.391	164.763	16.156	20.815	36.971
North Europe	210.517	2.858	213.375	28.673	6.481	35.154
Americas	108.004	72	108.076	12.482	4.152	16.634
Asia & Pacific	27.323	3.819	31.142	2.686	1.066	3.752
Corporate	-	-	-	(36.080)	13.753	(22.327)
Eliminations	-	(47.140)	(47.140)	391	-	391
Total Group	**470.216**	**-**	**470.216**	**24.308**	**46.267**	**70.575**

	Re-presented 1/1-31/12/2011					
	Sales			Results		
	Third party	Inter-segment	Total sales	Profit / (loss) before tax	Depreciation & Net finance costs	EBITDA
South Europe	125.473	46.696	172.169	21.119	18.437	39.556
North Europe	215.653	1.140	216.793	26.107	6.361	32.468
Americas	89.354	16	89.370	6.398	2.799	9.197
Asia & Pacific	25.240	5.114	30.354	3.596	1.027	4.623
Corporate	-	-	-	(24.364)	6.982	(17.382)
Eliminations	-	(52.966)	(52.966)	(896)	-	(896)
Total Group	**455.720**	**-**	**455.720**	**31.960**	**35.606**	**67.566**

The following tables present the assets of the Group's operating segments as of December 31, 2012 and 2011:

	December 31 2012	December 31 2011
South Europe	273.985	197.825
North Europe	177.285	181.471
Americas	104.285	51.598
Asia & Pacific	24.352	21.562
Other	-	2.616
Corporate	50.861	51.060
Eliminations	(18.070)	(15.935)
	612.698	**490.197**
Assets held for sale	-	72.585
Total assets of the Group	**612.698**	**562.782**

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

(Amounts in thousand Euro, unless otherwise stated)

41. OPERATING SEGMENT INFORMATION (continued)

Geographic information

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

	Revenues from external customers	
		Re-presented
	Year 2012	Year 2011
Germany	102.210	104.891
USA	85.831	70.602
France	38.113	38.940
Greece	31.061	32.923
Netherlands	21.010	20.157
Russia	18.327	15.499
Canada	16.083	14.671
UK	14.142	9.714
China	13.529	11.517
Sweden	13.207	12.461
Italy	12.841	16.080
Brazil	9.160	10.781
Spain	9.125	11.663
Korea	8.060	7.120
Ukraine	7.206	6.170
India	6.729	6.561
Belgium	5.317	5.833
Norway	5.023	3.853
Turkey	4.848	6.675
Poland	4.040	4.108
Austria	3.333	3.891
Bulgaria	2.952	2.825
Thailand	2.945	2.165
Other	35.124	36.620
Total Group	**470.216**	**455.720**

No single country exceeds 3% of total revenues from external customers in line “Other”. Furthermore, there is no single customer whose sales revenue exceeds 5% of the Group’s sales.

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

	Non-current assets	
	December 31 2012	December 31 2011
Greece	166.228	115.715
Germany	87.103	88.497
United States	59.180	22.800
Bulgaria	12.283	12.794
Netherlands	10.448	11.247
Italy	8.174	7.966
Other	33.912	27.166
	377.328	**286.185**

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

42. PRIOR YEARS RECLASSIFICATIONS

For better presentation and comparison purposes, the following amounts have been reclassified: (i) amounts of € 523 and € 148 were reclassified from line "Other operating income" to line "Other operating expenses" in the income statement of the Group and the Company, respectively, for the year ended December 31, 2011 (ii) an amount of € 7 was reclassified from line "Finance income" to line "Finance costs" in the income statement and the cash flow of the Group and the Company, respectively, for the year ended December 31, 2011 (iii) amounts of € 8.833 and € 1.236 were reclassified from line "Other" to line "Repairs and maintenance costs" in Note 8 for the year ended December 31, 2011 for the Group and the Company, respectively, (iv) amounts of € 7.235 and € 6.333 were reclassified from line "Other" to line "Transportation costs" in Note 8 for the year ended December 31, 2011 for the Group and the Company, respectively and (v) amounts of € 2.947 and € 338 were reclassified from line "Other" to line "Promotion & travel costs" in Note 10 for the year ended December 31, 2011 for the Group and the Company, respectively.

43. SIGNIFICANT EVENTS AFTER THE REPORTING DATE

(in this note all amounts are expressed in Euro)

In January 2013, the Group reached an agreement to acquire a 50% stake in Chaoyang GoldCommon Mining Co. Ltd. (GC), through its 100% subsidiary Sibimin Ltd., from Beijing Dongxinlian GoldCommon Investment Management Co. Ltd. who will retain the other 50% stake in the jointly controlled entity. The purchase price amounts to € 4,4 million and will be financed through existing facilities. The finalization of the transaction is subject to regulatory approvals and confirmatory due diligence. GC has access to high quality bentonite reserves for serving the metallurgy and foundry markets and is based in Liaoning province where it operates production facilities with annual capacity in excess of 150.000 tons.

On January 30, 2013, "Delphi Luxembourg Holdings S.A.R.L.", acting in concert with members of the major shareholding Kyriacopoulos family ("family") and entities controlled by them, launched a mandatory tender offer of L. 3461/2006, as it stands in effect, and the Directive 2004/25/EC, for the acquisition of the Company's shares not owned or controlled by the family (i.e. 38.74% of the Company's share capital).

On February 27, 2013, the Group reached an agreement to dispose a plant of book value € 1,1 mil. located in Essen, Germany, for a cash consideration of € 1,8 mil. The purchasing party was "Ferrocarbon Produktions-GmbH" a major customer of the German subsidiary.

(Amounts in thousand Euro, unless otherwise stated)

44. FOREIGN EXCHANGE RATES

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

	FINANCIAL POSITION		
	December 31 2012	December 31 2011	Δ%
1 € = USD	1,3194	1,2939	2%
1 € = GBP	0,8161	0,8353	-2%
1 € = BGN	1,9558	1,9558	0%
1 € = HUF	292,30	314,58	-7%
1 € = TRY	2,355	2,443	-4%
1 € = CNY	8,3176	8,1588	2%
1 € = GEL	2,1849	2,1740	1%
1 € = KRW	1.416,26	1.494,10	-5%
1 € = BRL	2,6954	2,4342	11%
1 € = INR	72,560	68,713	6%
1 € = MAD	11,1604	11,1351	0%
1 € = PLN	4,0740	4,4580	-9%
1 € = MXN	17,1845	-	-
	COMPREHENSIVE INCOME		
	Average rate 2012	Average rate 2011	Δ%
1 € = USD	1,2848	1,3920	-8%
1 € = GBP	0,8109	0,8679	-7%
1 € = BGN	1,9558	1,9558	0%
1 € = HUF	289,25	279,37	4%
1 € = TRY	2,314	2,338	-1%
1 € = CNY	8,1127	8,9960	-10%
1 € = GEL	2,1225	2,3441	-9%
1 € = KRW	1.448,20	1.541,42	-6%
1 € = BRL	2,5103	2,3293	8%
1 € = INR	68,597	64,886	6%
1 € = MAD	11,1035	11,2687	-1%
1 € = PLN	4,1847	4,1206	2%
1 € = MXN	16,9029	-	-

E. ADDITIONAL INFORMATION

S&B Industrial Minerals S.A.

Company's number 229101000 of the General Electronic Commercial Registry (former Company's No 110/06/B/86/11 in the register of Societes Anonymes) - Andrea Metaxa 15 - 145 64 Kifissia

FINANCIAL DATA AND INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2012

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

(Amounts in Euro thousand unless otherwise stated)

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

Company's website:	www.sandb.com
Supervising Authority:	Ministry of Development, Societe Anonyme and Credit Division
Board of Directors approval date of financial statements:	March 5, 2013
Certified Auditors Accountants:	PANOS PAPAZOGLOU, IOANNIS PSICHOUNTAKIS
Auditing firm:	ERNST & YOUNG (HELLAS) CERTIFIED AUDITORS ACCOUNTANTS S.A.
Type of auditors report:	Unqualified opinion

Board of Directors:

Chairman:	Ulysses Kyriacopoulos
Vice Chairman:	Kalypso-Maria Nomikos
Chief Executive Officer:	Kriton Leonidas Anavlavis
Non-Executive Members:	Florica P.Kyriakopoulos, Alain Walter Marie Wivine Speeckaert, Efthimios Vidalis
Independent Non-Executive Members:	Robert James Champion de Crespigny AC, Gabriel Hawawini, Raphael Moissis, Helen Papaconstantinou, Alexandros Sarrigeorgiou, Jan Carel Maarten Schönfeld

STATEMENT OF FINANCIAL POSITION

	GROUP		COMPANY	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
ASSETS				
Property, Plant & Equipment	220.009	154.439	113.182	62.262
Investment properties	17.796	18.860	17.796	18.860
Intangible assets	128.337	102.593	25.322	25.132
Other non current assets	20.767	24.739	140.944	143.069
Inventories	99.866	73.469	36.738	18.362
Trade receivables	54.840	49.557	11.245	4.655
Other current assets	28.815	20.292	22.176	16.501
Cash and cash equivalents	42.086	46.158	4.565	2.323
Available for sale financial assets	182	90	182	90
Assets held for sale	-	72.585	-	76.286
TOTAL ASSETS	**612.698**	**562.782**	**372.150**	**367.540**
EQUITY AND LIABILITIES				
Share capital	51.198	51.111	51.198	51.111
Share premium	14.565	27.000	14.565	27.000
Other equity components	182.590	171.142	98.795	93.006
Total equity attributable to owners of the Company (a)	248.353	249.253	164.558	171.117
Minority interests (b)	718	658	-	-
Total equity (c)=(a)+(b)	249.071	249.911	164.558	171.117
Long-term interest-bearing loans and borrowings	160.044	66.978	96.969	66.978
Provisions/Other non current liabilities	64.477	41.738	22.223	11.509
Short-term borrowings	60.160	111.279	48.253	65.698
Other current liabilities	78.946	68.844	40.147	27.998
Liabilities associated with the assets classified as held for sale	-	24.032	-	24.240
Total liabilities (d)	363.627	312.871	207.592	196.423
TOTAL EQUITY AND LIABILITIES (c)+(d)	**612.698**	**562.782**	**372.150**	**367.540**

CONDENSED STATEMENT OF CHANGES IN EQUITY

	GROUP		COMPANY	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
Equity at beginning of the year (1/1/2012 and 1/1/2011 respectively)	**249.911**	**242.958**	**171.117**	**185.760**
Total comprehensive income/(loss) for the year	11.229	19.859	5.502	-1.743
Dividend distribution	-70	-74	-	-
Share capital increase from capitalization of share premium	12.778	12.778	12.778	12.778
Share capital increase	-	-671	-	-671
Share capital return	-12.778	-12.778	-12.778	-12.778
Share premium decrease	-12.778	-15.329	-12.778	-15.329
Share capital increase from excercise of stock option plan	353	-	353	-
Purchase of treasury shares	-	-6	-	-6
Cancellation of treasury shares	-	3.222	-	3.222
Increase of investment in subsidiaries	140	68	-	-
Share based payment	364	-116	364	-116
Transfers	-78	-	-	-
Equity at year end (31/12/2012 and 31/12/2011 respectively)	**249.071**	**249.911**	**164.558**	**171.117**

ADDITIONAL DATA AND INFORMATION

1. Companies included in the consolidated financial statements together with country of establishment, participation interest and method of consolidation for the fiscal year 2012 are presented in notes 3, 4, 22 of the annual financial report.

2. The fiscal years that are unaudited by the tax authorities for the Company and the Group subsidiaries are presented in detail in note 15 of the annual financial report.

3. Number of employees at the end of the reporting year: Group 1.963 (31.12.2011: 1.983) and 656 for the Company (31.12.2011: 643).

4. Certain amounts of previous fiscal year have been reclassified for better presentation and comparability purposes (note 42 of the annual financial report).

5. Related party transactions for the fiscal year 2012 and balances with related parties as of December 31, 2012 according to I.A.S. 24 are as follows:

	Group	Company
a) Revenues	11.719	64.104
b) Expenses	4.649	2.820
c) Receivables from related parties	1.485	2.202
d) Payables to related parties	4.194	15.946
e) Key management personnel compensations	5.316	4.846
f) Receivables from key management personnel	0	0
g) Payables to key management personnel	1.009	936

6. Other comprehensive loss for the fiscal year 1.1.2012 - 31.12.2012 is as follows:

	Group	Company
Translation of foreign operations:		
- Subsidiaries	-757	0
- Associates	116	0
Valuation of available-for-sale financial assets	91	91
Income tax relating to the valuation of available-for-sale financial assets	-18	-18
Valuation of derivatives	-594	-594
Income tax relating to the valuation of derivatives	119	119

7. Provisions of the Group and the Company as of 31.12.2012 are as follows:

	Group	Company
a) Provision for litigation and arbitration	260	235
b) Provision for unaudited tax years	2.134	200
c) Other provisions	3.342	981

8. Under a Pledge and Security Agreement dated as of September 14, 2012, the Group's US-based companies S&B Industrial Minerals North America Inc., Stollberg Inc. and "Rolling Rock" granted a security interest of € 25,1 mil over their property, plant and equipment to "M&T" as a collateral for the repayment of Senior Secured Credit Facilities. Furthermore, a mortgage of € 1,1 million has been granted over the property, plant and equipment of S&B Industrial Minerals AD (note 18 of the annual financial report).

9. On March 9, 2012, the International Court of Arbitration of the International Commercial Chamber issued its decision, on the claim of Kerneos S.A. against the Company by which it awarded an amount of € 2,2 million for damages which was charged in December 31, 2011 income statement and paid in April 2012. On June 29, 2012, Kerneos S.A. filed an additional claim for a total amount of € 6,3 million, for alleged damages, late deliveries penalties and interest surcharges for the period May 15, 2011 to December 31, 2011. On December 27, 2012, the counterparties settled the above case with an indemnity amount of € 5 million, covering any and all damages and losses (including all kinds of costs and interests), direct or indirect, provable or improvable, which Kerneos S.A. may have suffered driven by the short quantities and/or late deliveries of bauxite. The aforementioned amount was paid on December 28, 2012. Based on the above, an amount of € 3,7 million is charged in December 31, 2012 income statement. Except for this case, within the normal course of business of the Company and the Group there are pending lawsuits, applications and appeals (note 40 of the annual financial report).

10. (In this note all amounts are expressed in Euro):

- On April 11, 2012, the Board of Directors of the Company proposed and the Shareholders' General Assembly (AGM) held on June 27, 2012, approved to increase the Company's share capital by the amount of € 12.777.671,75 through the capitalization of an equal amount of the "Share premium account" reserve by increasing the nominal value of each share from the current € 1,00 to € 1,25. The AGM also approved to subsequently decrease the share capital of the Company by an equal amount i.e. € 12.777.671,75 through the reduction of the nominal value of each share by € 0,25 and payment of the amount of the capital reduction to the shareholders in cash. The amount of the capital reduction was paid to the Company's shareholders on August 2, 2012. On December 7, 2012, the Board of Directors of the Company decided the issuance of 87.175 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 28, 2012. The resulted par value difference of € 265.293,50 was transferred to "Share premium". Following the above transactions as of December 31, 2012, the Company's share capital amounted to € 51.197.862 divided into 51.197.862 common registered shares of nominal value € 1,00 each (note 28 of the annual financial report).
- Due to the net carry forward losses for the Company, when excluding the amount of special reserves under the Greek tax law, statutory minimum dividend declaration and payment for 2012 is not required (note 31 of the annual financial report).
- Within 2011, the Company purchased 1.800 common treasury shares, at an average price of € 3,76 per share for an aggregate amount of € 6.761,03. As of June 22, 2011, the Company held 671.513 treasury shares at average price of € 4,8 per share, for a total amount of € 3.222.616,14. On June 1, 2011, the Shareholders' AGM resolved to decrease the total number of shares from 51.782.200 to 51.110.687 ordinary registered shares, by cancelling 671.513 treasury shares, which have been acquired during the period from June 6, 2008 until January 12, 2011. The aforementioned AGM decision was approved by the competent ministry on June 22, 2011 (note 28 of the annual financial report).

11. On September 14, 2012, the Group acquired 100% of the shares and voting rights of US-based Rolling Rock Minerals Inc. group and its subsidiaries in the U.S.A., Canada and Mexico ("Rolling Rock"). Rolling Rock is engaged in the mining and processing of high quality wollastonite grades and tripoli for a diverse range of end-use markets. The cash consideration for the acquisition was € 42,9 mil. and was financed primarily through a Credit facility arranged with a US bank (note 5 of the annual financial report).

STATEMENT OF COMPREHENSIVE INCOME

	GROUP		COMPANY	
		Re-presented		Re-presented
	1.1 - 31.12.2012	1.1 - 31.12.2011	1.1 - 31.12.2012	1.1 - 31.12.2011
Sales	470.216	455.720	140.960	144.032
Gross profit	113.667	111.100	29.171	36.887
Profit before income tax, financial and investment results	39.862	40.490	1.389	6.723
Profit before tax	24.308	31.960	5.083	676
Net profit/(loss) (A)	**12.272**	**20.555**	**5.904**	**-482**
Attributable to:				
- Owners of the company	12.291	20.617	5.904	-482
- Non-controlling interests	-19	-62	-	-
Other comprehensive loss for the year (B)	**-1.043**	**-696**	**-402**	**-1.261**
Total other comprehensive income/(loss) for the year (A) + (B)	**11.229**	**19.859**	**5.502**	**-1.743**
Attributable to:				
- Owners of the company	11.239	19.912	5.502	-1.743
- Non-controlling interests	-10	-53	-	-
Net earnings/(losses) per share - basic (in €)	0,2405	0,4034	0,1155	-0,0094
Profit before income tax, financial and investment results,depreciation and amortization	70.575	67.566	19.564	22.361

CASH FLOW STATEMENT

	GROUP		COMPANY	
Indirect Method	1.1 - 31.12.2012	1.1 - 31.12.2011	1.1 - 31.12.2012	1.1 - 31.12.2011
Cash flows from operating activities				
Profit before tax	24.308	31.960	5.083	676
Adjustments for:				
- Depreciation and amortization	30.888	27.228	18.300	15.728
- Grants amortization	-175	-152	-125	-90
- Provisions, net	1.124	5.658	779	1.426
- Finance income	-373	-594	-127	-373
- Finance costs	15.927	9.367	11.825	7.108
- Investment income (net of foreign taxes)	-	-	-15.392	-635
- Share of profit of associates	-1.160	-889	-	-
- Impairment loss	825	2.880	825	1.080
- Gain from disposal of associates	-	-243	-	-
- (Gain)/loss from disposal of property, plant and equipment	-87	228	-7	20
	71.277	**75.443**	**21.161**	**24.940**
(Increase) / Decrease in:				
- Inventories	-3.741	-11.712	-2.634	-6.528
- Trade receivables	4.885	-2.647	-2.839	-664
- Due from related parties	-21	-109	833	698
- Other assets	1.607	-10.076	2.233	-9.182
Increase / (Decrease) in:				
- Trade payables	-5.549	4.423	-4.211	1.882
- Due to related parties	646	1.531	3.415	10.311
- Other liabilities	-1.592	-881	-1.539	2.376
Staff leaving indemnities paid	-1.496	-4.843	-635	-3.993
Payments for environment rehabilitation	-1.260	-990	-1.176	-887
Income tax paid	-11.505	-12.360	-170	-1.504
Net cash flows from operating activities (a)	**53.251**	**37.779**	**14.438**	**17.449**
Cash flows from investing activities				
- Capital expenditure	-31.020	-41.065	-18.042	-29.757
- Business combinations and investments in consolidated entities	-42.367	-101	-	-
- Proceeds from the sale of associate	-	243	-	-
- Dividends received	282	388	15.392	498
- Interest and other finance income received	266	261	20	36
- Proceeds from the settlement of derivatives	107	333	107	333
- Proceeds from disposal of property, plant and equipment	161	561	7	1
Net cash flows used in investing activities (b)	**-72.571**	**-39.380**	**-2.516**	**-28.889**
Cash flows from financing activities				
- Capital return to shareholders	-12.769	-12.767	-12.769	-12.767
- Purchase of treasury shares	-	-7	-	-7
- Net increase of short-term borrowing	19.342	18.523	17.555	18.698
- Proceeds from long-term borrowing	184.029	20.000	110.000	20.000
- Repayment of long-term borrowing	-160.000	-16.000	-114.000	-8.500
- Dividends paid to equity holders of the Company, net of taxes	-	-9	-	-9
- Dividends paid to non-controlling interests	-70	-70	-	-
- Share option plans exercised	353	-	353	-
- Interest and other finance costs paid	-13.903	-6.604	-10.767	-5.055
Net cash flows from/(used in) financing activities (c)	**16.982**	**3.066**	**-9.628**	**12.360**
- Net foreign exchange difference on cash flows (d)	-1.417	1.362	-53	6
Net increase/(decrease) in cash and cash equivalents (a) + (b) + (c) + (d)	**-3.755**	**2.827**	**2.241**	**926**
Increase in restricted cash		190		190
Cash and cash equivalents at the beginning of the year	**46.187**	**42.724**	**2.324**	**1.208**
- Net foreign exchange difference on cash and cash equivalents at the beginning of the year	-346	446	-	-
Less: Cash and cash equivalents fo discontinuing operations at the end of the year	-	-29	-	-1
Cash and cash equivalents at year end	**42.086**	**46.158**	**4.565**	**2.323**

12. In November 2011, the Company had announced an initial agreement for the gradual disposal of its Bauxite operations in Greece to Aluminium S.A., a subsidiary of Mytilineos Holdings S.A. The initially agreed consideration of € 61.072 was to be confirmed upon completion of the financial, legal, tax and technical due diligence process. On October 12, 2012, the Company announced that following an extended due diligence process, as well as negotiations between the two parties, it was not possible to conclude on an agreement for the above disposal. Following the above announcement, the net assets of the Company's Bauxite operations in Greece and "Greek Helicon Bauxite S.A.", a subsidiary of the Company, cease to be classified as held for sale in the Company and Group statements of financial position of December 31, 2012 and their results are reclassified as "Continuing operations" in the accompanying Company and Group's income statements for the year ended December 31, 2012 (with representation of comparatives). Furthermore, in accordance with the provisions of IFRS 5 "Non-current assets held for sale and Discontinued operations", the carrying amount of the non-current assets which had been classified as held for sale includes, as of December 31, 2012, depreciation had these assets never been classified as held for sale. The depreciation charge included in the accompanying income statements amounts to € 10,4 million, out of which an amount of € 8,5 million corresponds to the year ended December 31, 2012 and a remaining amount of € 1,9 million to the two month period from November 1 to December 31, 2011. In their meetings held on December 18, 2012, and December 28, 2012, respectively, the Boards of Directors of the Company and Greek Helicon Bauxites S.A. ("subsidiary"), a 100% subsidiary of the Company, approved the spin-off of the Company's bauxite operations in Greece and its contribution to Greek Helicon Bauxites S.A.. The conclusion of this transaction is pending on the authorization of the pertinent authorities. This transaction is an internal rearrangement to serve the rationalization of the Group structure and will not have any impact on financial figures (note 6 of the annual financial report).

13. As of 17th February, 2012, Milos Island Resort Ltd was dissolved. In May 2012, S&B Enterprise Management Consulting Co. Ltd. was established in China while In September, 2012, the Company's subsidiary Isocon S.A. proceeded to the increase of its share capital by an amount of € 350, which was contributed within the reporting period (note 3 of the annual financial report).

14. In January 2013, the Group reached an agreement to acquire a 50% stake in Chaoyang GoldCommon Mining Co. Ltd. (GC), through its 100% subsidiary Sibimin Ltd., from Beijing Dongxinlian GoldCommon Investment Management Co. Ltd. who will retain the other 50% stake in the jointly controlled entity. The finalization of the transaction is subject to regulatory approvals and confirmatory due diligence. On February 27, 2013, the Group reached an agreement to dispose a plant of book value € 1,1 mil. located in Essen, Germany, for a cash consideration of € 1,8 mil. The purchasing party was "Ferrocarbon Produktions-GmbH", a major customer of the German subsidiary (note 43 of the annual financial report).

15. On January 30, 2013, "Delphi Luxembourg Holdings S.A.R.L.", acting in concert with members of the major shareholding Kyriacopoulos family ("family") and entities controlled by them, launched a mandatory tender offer of L. 3461/2006, as it stands in effect, and the Directive 2004/25/EC, for the acquisition of the Company's shares not owned or controlled by the family (i.e. 38.74% of the Company's share capital), (note 43 of the annual financial report).

Kifissia, March 5, 2013

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE CHIEF EXECUTIVE OFFICER	THE CHIEF FINANCIAL OFFICER	THE CONTROLLER SOUTH EUROPE
ULYSSES P. KYRIACOPOULOS ID No. AH 042868	KRITON ST. ANAVLAVIS ID No. AK 061616	IOANNIS EMM. CHRISTODOULAKIS ID No. AZ 951354	NIKOLAOS CH. IOAKIM A'CLASS LICENSE No 0002714

GNN 210/8222848

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 2012, 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.	Annual Financial Report Full Year 2012 (incl. report of the BoD, Consolidated and Stand-alone Financial Statements)	http://www.sandb.com/investor-relations/results-presentations/	HOME->INVESTOR RELATIONS-> RESULTS & PRESENTATIONS-> RESULTS ->2012
2.	Figures & Information as of 31.12.2012	http://www.sandb.com/investor-relations/results-presentations/	HOME->INVESTOR RELATIONS-> RESULTS & PRESENTATIONS-> RESULTS ->2012
3.	Consolidated and Stand-alone Nine Months 2012 Interim Financial Statements	http://www.sandb.com/investor-relations/results-presentations/	HOME->INVESTOR RELATIONS-> RESULTS & PRESENTATIONS-> RESULTS ->2012
4.	Figures & Information as of 30.09.12	http://www.sandb.com/investor-relations/results-presentations/	HOME->INVESTOR RELATIONS-> RESULTS & PRESENTATIONS-> RESULTS ->2012
5.	Half Year 2012 Financial Report (incl. report of the BoD, Consolidated and Stand-alone Financial Statemetns)	http://www.sandb.com/investor-relations/results-presentations/	HOME->INVESTOR RELATIONS-> RESULTS & PRESENTATIONS-> RESULTS ->2012
6.	Figures & Information as of 30.06.12	http://www.sandb.com/investor-relations/results-presentations/	HOME->INVESTOR RELATIONS-> RESULTS & PRESENTATIONS-> RESULTS ->2012
7.	Consolidated and Stand-alone First Quarter 2012 Interim Financial Statements	http://www.sandb.com/investor-relations/results-presentations/	HOME->INVESTOR RELATIONS-> RESULTS & PRESENTATIONS-> RESULTS ->2012
8.	Figures & Information as of 31.03.12	http://www.sandb.com/investor-relations/results-presentations/	HOME->INVESTOR RELATIONS-> RESULTS & PRESENTATIONS-> RESULTS ->2012
9.	Announcement of S&B insiders transactions for the year 2012	http://www.sandb.com/investor-relations/corporate-governance/dealings-in-company-shares/	HOME->INVESTOR RELATIONS-> CORPORATE GOVERNANCE-> DEALINGS IN COMPANY SHARES
10.	S&B'S announcements at the Athens Exchange for the year 2012	http://www.sandb.com/investor-relations/regulatory-news/	HOME->INVESTOR RELATIONS-> NEWS
11.	S&B'S Press Releases during the year 2012	http://www.sandb.com/media/news/	HOME->MEDIA-> NEWS
12.	Annual General Meeting 2012 - All relevant announcements and information	http://www.sandb.com/investor-relations/shareholders/annual-general-meeting/	HOME->INVESTOR RELATIONS-> SHAREHOLDERS-> ANNUAL GENERAL MEETING