



HERACLES
GROUP OF COMPANIES

A member of  **LAFARGE**

**HALF YEAR FINANCIAL REPORT
FOR THE PERIOD 1 JANUARY – 30 JUNE 2012
OF THE GROUP AND THE COMPANY HERACLES G.C.C.
IN ACCORDANCE WITH L.3556/2007 AND THE
RELATED DECISIONS OF THE BOARD OF DIRECTORS
OF THE CAPITAL MARKET COMMITTEE**

HERACLES G.C.C.

Company' s Reg. No. : 13576/06/B/86/096
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TABLE OF CONTENTS

	PAGE
DECLARATION OF MEMBERS OF THE BOARD OF DIRECTORS	3
REPORT OF THE BOARD OF DIRECTORS FOR THE FIRST SEMESTER OF 2012	4
REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION	11
CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 2012	
CONDENSED INCOME STATEMENT FOR THE PERIOD ENDED 30 JUNE 2012	13
CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2012	14
CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2012	15
CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2012	16
CONDENSED STATEMENT OF CASH FLOWS (INDIRECT METHOD) FOR THE PERIOD ENDED 30 JUNE 2012	17
NOTES TO THE HALF YEAR FINANCIAL REPORT FOR THE PERIOD ENDED 30 JUNE 2012	
1. GENERAL INFORMATION	18
2. BASIS OF PREPARATION	18
3. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS OF EXISTING STANDARDS	18
4. ACCOUNTING PRINCIPLES	21
5. OPERATING SEGMENTS	22
6. OTHER OPERATING INCOME / (EXPENSES)	24
7. IMPAIRMENT LOSS OF INVESTMENT IN SUBSIDIARIES	24
8. FINANCIAL RESULTS OF THE PERIOD	24
9. INCOME TAX	25
10. EARNINGS / (LOSSES) PER SHARE	25
11. DIVIDENDS	25
12. INTANGIBLE AND TANGIBLE ASSETS	26
13. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES	27
14. BANK LOANS	28
15. CONTINGENT LIABILITIES AND COMMITMENTS	28
16. RELATED PARTY TRANSACTIONS	31
17. PERSONNEL	32
18. RECLASSIFICATIONS	32
19. EVENTS AFTER THE REPORTING DATE OF THE STATEMENT OF FINANCIAL POSITION	33
FINANCIAL DATA AND INFORMATION FOR THE PERIOD ENDED 30 JUNE 2012	35

DECLARATION OF MEMBERS OF THE BOARD OF DIRECTORS

(In accordance with article 5 par. 2 of Law 3556/2007)

The members of the Board of Directors of HERACLES G.C.C.:

1. Manolis Chr. Kyprianides, Chairman of the Board of Directors
2. Pierre Deleplanque, Managing Director and
3. Jean-Charles Blatz, Member of the Board of Directors

having been specifically assigned for this purpose by the Board of Directors

We declare that, to the best of our knowledge:

a. The condensed Financial Statements of the Group and the Company for the first semester of 2012 which were prepared in accordance with the applicable International Financial Reporting Standards, fairly present the assets and liabilities, equity and results of HERACLES G.C.C. (the Company) and of the companies included in the consolidation, in accordance with the provisions of Article 5 paragraph 3 to 5 of Law 3556/2007.

b. The report of the Board of Directors for the half year 2012 fairly presents the information required by Article 5 paragraph 6 of Law 3556/2007.

**THE CHAIRMAN OF
THE BOARD OF
DIRECTORS**

**THE MANAGING
DIRECTOR**

**THE MEMBER OF THE
BOARD OF
DIRECTORS**

**MANOLIS CHR.
KYPRIANIDES**

**PIERRE
DELEPLANQUE**

**JEAN-CHARLES
BLATZ**

I.D. No. AZ 007012

**PASSPORT No.
07CV39073**

**PASSPORT No.
02XD34455**

REPORT OF THE BOARD OF DIRECTORS FOR THE FIRST SEMESTER OF 2012

Dear Shareholders,

According to article 5 of L. 3556/2007, attached hereto we submit the Group and Company's Board of Directors half year Report for the period ended 30 June 2012.

A. Overview of major events for the first semester of 2012

1. Financial results

Group and Company financial results are presented in detail in the Financial Statements and their explanatory notes, which provide all the necessary information for their comprehension.

The deep recession in the domestic construction activity, which took place during the years 2009-2011, also continued and was intensified during 2012 and consequently, the cement sales volume in the domestic market was further reduced, as compared to prior years.

Analytically according to the Financial Statements:

a) The Company's turnover decreased by 27,5% in the first semester of 2012, amounting to 92.841 Euro thousand compared to 128.054 Euro thousand in the corresponding period of 2011, whilst the Group's turnover decreased in the same period by 26,4%, amounting to 108.528 Euro thousand compared to 147.453 Euro thousand in the corresponding period of 2011.

b) The Company's earnings before taxes, interest, depreciation and amortisation (EBITDA) decreased in the first semester of 2012 amounting to losses 61.867 Euro thousand compared to loss 18.982 Euro thousand in the corresponding period of 2011, whilst for the Group amounted to losses 52.017 Euro thousand compared to loss 24.018 Euro thousand in the corresponding period of 2011.

c) The Company's net losses after taxes in the first semester of 2012 were 69.895 Euro thousand compared to net losses after taxes 34.178 Euro thousand in the corresponding period of 2011, whilst the Group's net losses after taxes were 63.457 Euro thousand compared to losses 42.761 Euro thousand in the corresponding period of 2011.

The main events that affected the course of sales in the first semester of 2012 were, in the domestic market, the further slowdown of the private construction activity for a fourth consecutive year as well as the substantial suspension of the construction activity in public and co-financed infrastructure.

The Company continues its effort to reduce operating costs and optimise the production supply chain and administrative processes. As a result of this effort, there was a significant reduction mostly in fixed cost which partially offset the effects of the slowdown of the domestic market.

The Company's investments in tangible and intangible assets for the first semester of 2012 amounted to a total of 1.758 Euro thousand compared to 5.617 Euro thousand in the corresponding period of 2011. As far as the Group is concerned, investments amounted to 1.963 Euro thousand compared to 6.423 Euro thousand in the corresponding period of 2011.

2. Domestic cement, aggregates and concrete market

In the first semester of 2012 the domestic cement market continued its intense recessive course, compared to 2011, following the overall trend of the housing and construction activities. The aggregates and concrete market also followed the same course.

The crisis in the greek real estate market is verified by the data derived from the Hellenic Statistical Authority (EL. STAT).

According to the latest data from the EL. STAT., during the period of the last twelve months, meaning from May 2011 to April 2012, the total construction activity decreased by 17,5% in the number of building licences issued, by 30,5% in area size and by 26,3% in volumes, compared to the corresponding period May 2010 – April 2011. In addition, during the period January – April 2012, the total construction activity decreased by 3,8% in the number of building licences issued, by 6,8% in area size and by 4,2% in volumes, compared to the corresponding period of 2011.

3. Other major events

3.1. Products innovation

At the beginning of 2012, the white HERACLES™ of 5kg was added to the range of bagged cement products of the Company. Having now two small package products and co-operations with companies operating in the area of supplying retail outlets, the Company enters dynamically in a distribution channel which is directly addressed to the final consumer, exploring the possibility of strengthening its position in the period ahead with a complete range of solutions.

3.2. Health & Safety

In the first semester of 2012, two lost time accidents took place compared to five such accidents in the corresponding period of 2011.

The Company's actions for the prevention of accidents during the first semester of 2012 were:

- The Housekeeping inspection program continues for a third year and this year includes 21 areas and facilities of HERACLES G.C.C. and 13 facilities of LAFARGE BETON S.A.
- The program of mobilizing employees during the general service of the rotary kiln (PK1) of the Volos plant, aiming at the activation and achievement of team spirit in safety issues.
- Subject of the Safety Month for 2012 in all facilities was the evaluation of risks with 5 simple steps and critical behaviors. All employees participated in group exercises and recognised the risks, the protection measures and the critical behaviors in daily operations.
- Educational seminars took place during the first semester of 2012 at the cement and concrete & aggregates units, with subject the safe and defensive driving.
- Programs for the application of Standards for the employees health, the energy isolation and the risk management are in process while the program for the application of the Advisory Text for road transportation safety continues.

3.3. Environmental issues

The systematic reporting of environmental performance indicators which are part of the Group's Sustainability ambitions 2012 was continued for a fourth year. These ambitions concern environmental inspections of facilities, quarries' restoration program, bio-diversity, climate change and CO2 emissions, dust emissions, etc.

At the Volos plant, the use of biomass as alternative fuel continued in the first semester of 2012, with a replacement percentage above 5%. For year 2011, the replacement percentage was 3,4%.

At the Milaki plant, the use of paper-sludge as alternative fuel continued during the first semester of 2012. The total replacement of conventional fuels by paper-sludge reaches 1,2%. In July of 2012, an application for variation of environmental conditions was submitted to the Ministry of Environment, Energy and Climate Change – Approval Decision of Environmental Conditions (AEPO) – for the use of new waste codes.

At the Chalkis plant, in May of 2012, the Approval Decision of Environmental Conditions was modified to include new codes for the processing of excavation and demolition materials. Also, in March of 2012, a modified study of environmental implications including new activities was submitted. The consultation process is in process.

The process of environmental inspections at the Distribution Centers was completed. These inspections take place according to LAFARGE Group protocol of inspections every four years. In July of 2012 the

inspection of the Volos plant took place. The inspections of the current year will also include concrete and aggregates facilities of the Company.

3.4. Corporate social responsibility

The actions of social responsibility focused on our role to build a better and more viable environment around us. More specifically, during the first semester of 2012, the following initiatives took place:

The Company was Grand Sponsor of the exhibition "Young architects in France and Greece" which was inaugurated at the Benaki Museum and aimed at highlighting the newest generation of architecture and its evolution over the last decade. This sponsorship reaffirms also in Greece, LAFARGE's strong links to the world of architecture and its long-term strong commitment to the promotion of architecture innovation.

In March the Innovation Days 2012 were organized at the Benaki Museum, initiating a dialogue with the architecture community and members of the construction industry, on the role of innovation in addressing the construction challenges and the creation of a new development model and prospects for the construction industry in Greece. Particular emphasis was given on the role of innovation in LAFARGE and the development of solutions, from the design stage of buildings, which respond to the challenges of modern construction.

In addition, the subsidiary company LAVA S.A. participated in the International Exhibition World Eco Construction at Abu Dhabi from 22 to 25 April 2012 and presented solutions for sustainable construction and innovative proposals for constructing high-storey buildings. At the booth of LAVA S.A. all applications of pumice were presented, with particular emphasis on the use of pumice as lightweight component and on the presentation of innovative lightweight structural elements (pumice stone blocks) with thermal insulation properties and therefore being of particular importance because of the warm climate of the region.

For safety driving, with key pillars Comfort, Protection and Prevention regarding driving a car, motorbike and bicycle as well as pedestrian behaviour, a meeting was held in April, at the Milaki plant with the participation of employees' children, aged 16-25 years old. The meeting agenda and material was developed by the Educational Department aiming at raising awareness on road safety issues initially for employees and then for their children. The program has the title L for Life - Road Safety Community, was adapted for young people and teenagers and its objective is the gradual participation of all employees' children.

In a training course for safe circulation around schools and the role of school traffic warden, 60 traffic wardens and 5 school principals from Volos had the opportunity to participate. The seminar included basic tips for managing the circulation of vehicles and the safe passage of students and it was implemented under the joint initiative of the Municipality of Volos and Volos Education Committee with the participation of Volos Traffic Police and the support of the Volos plant.

With the initiative of the Compulsory Association of Vathi Avlida, tree planting was held on 3 April 2012 at the area of Big Vathi. In the event participated around 100 children from elementary schools of Chalkis wide area.

In the context of their programs, the Company's units created opportunities for stakeholders visiting and touring in their facilities during the first semester of 2012. Professors, doctoral candidates and post graduate students from the Agricultural University of Athens visited Yali quarry in order to be informed about the pumice product. The specific group of scientists works on different experiments regarding the use of pumice in both agriculture and landscape architecture, in the context of research programs assigned by the subsidiary LAVA S.A. to the Agricultural University of Athens for the pumice sales development.

B. Prospects – major sources of risk and uncertainties for the second semester of 2012

The prospects for the second semester of 2012 are ominous for the housing and construction sector in general. The private construction activity, as it is evident, will continue its recessive course due to lack of bank credit, lack of liquidity in the market and the continuous impact from the recent tax charges on real estate property. The significant increase of these charges during the last three years is estimated to have extended the crisis in the real estate market. Apart from these charges, the continuous announcements and postponements for extra measures extend the uncertainty regarding the tax status

of real estate property (the increase of objective values, the VAT charge on professional real estate of individuals etc) and make the future development of the market even more difficult. According to Alpha Bank last economic report, investments in residences are expected to reduce further in 2012 by 18%.

As far as the public construction activity and especially the co-financed projects are concerned, according to the Report of the Administrator of the Bank of Greece, disbursement of EU funds for co-financing ESPA projects in February of 2012 reached 40% (€9,3 billion) of the total financing of the period 2007-2013 (€24,3 billion). The absorption of the rest €15 billion is estimated to be facilitated by the following:

- The verification of the increase of the percentage of the EU participation of projects and programs ESPA to 95% with corresponding pro-disbursement of EU funds.
- The extended role of the European Investment Bank which grants loans for covering part of the national participation in the co-financed programs.
- The Task Force of the European Committee which gives priority to high-valued projects.

Regarding the Public Investments Program, in the first four-month period of 2012 only the 14% of the total program has been released. Based on current year budget, in the four-month period January to April 2012 1,88 billion Euro should have been released, almost the 25% of the total financing of the Public Investments Program which reaches 7,3 billion Euro this year. However, during the first 120 days of the year only 956 million Euro were released.

Considering the decline of the domestic market, the Company and the Group continue and intensify their activity in the foreign markets in order to partially counterbalance the domestic market losses.

The main sources of financial risks and the respective hedging measures are analysed below:

The Group is managing its assets in such a way, which adds value for the shareholders through the optimisation of the debt to equity ratio. The Group's funds consist of loans, cash and cash equivalents and the parent company's shareholders equity, which include the share capital, the share premium, the reserves and the retained earnings. The Group's Management is monitoring the Group's funds on a continuing basis.

The Group, due to its size and financial status, is in position to achieve competitive interest rates and credit terms. Hence, the expenses and the financing cash flow activities are not materially affected by interest rates fluctuation. Liquidity management is achieved with the proper combination of cash deposits and approved bank credit lines which are used only if needed. Group Management in order to confront liquidity risks provides for the adequate cash deposits and the appropriate bank credit lines.

The Group and the Company recognise provisions for doubtful debts, on the basis of the maturity of customers' outstanding balances, as well as Management estimates for particular credit risk of specific clients, based on previous years doubtful debts experience and the current estimation of industry's market conditions. The strict control of given credit limits to customers, credit insurances and additional collaterals obtained from clients are top priorities for the Group and the Company.

Most of the Group's and the Company's transactions are carried out in Euro and the rest in US Dollars. Therefore, to some degree, the Group and the Company are exposed to the risk of exchange rate fluctuations. The risk is hedged with derivatives, especially exchange futures. Furthermore, the Company purchases solid fuels in US Dollars and exports cement and clinker in US Dollars so to some extent these transactions constitute a natural hedge.

As of the Financial Statements' preparation date, the main sources of uncertainty for the Group and the Company, which may have significant impact on the carrying amounts of assets and liabilities, concern:

- (a) Unaudited tax years of the Group's companies, to the extent that it is possible that future tax audits will result in additional taxes and charges being imposed (note 15 of the Financial Statements).
- (b) Estimates of the recoverability of deferred tax assets.
- (c) Contingent losses from pending legal litigations (note 15 of the Financial Statements) and doubtful debts.
- (d) The recoverability of the value of the Company's participations in the share capital of subsidiaries and associates.
- (e) The fair value of the Company's and Group's fixed assets in the context of the periodical re-assessment of their useful economic life.

C. Significant events after the reporting date of the condensed interim Financial Statements

In July of 2012, the tax audit of the companies HERACLES G.C.C., LAFARGE BETON S.A., HERACLES MARITIME CO., EVIESK S.A., LAVA S.A., MARATHOS QUARRIES S.A. and AEGEAN TERMINALS S.A. was completed by the regular Certified Public Accountant for year 2011 according to article 21 of L.3943/2011. After the completion of the tax audit, the companies received a tax certificate with which the tax position of the companies are considered finalized, according to article 6 of POL.1159/22.7.2011, as long as a period of 18 months passes, during which the tax authorities can revert.

At the end of the same month, the tax audit of the company HERACLES G.C.C. for the years 2009-2010 was completed. An amount of 2.606 Euro thousand was charged as additional tax obligation and surcharges. The reversal of tax provision for the above audited years, including 2011, that had been recognised by the Company was 4.820 Euro thousand. These amounts have been recognised in the results of the first semester of 2012.

On 3 August 2012, according to article 16 case b' of the Articles of Association and 21 par. 5 of Law 2190/1920, the Company's Board of Directors decided to convene Extraordinary General Assembly of Shareholders on 27 August 2012, with subject the reduction of the share capital of the Company with the aim to rationalize its financial data. The amount of the reduction amounts to 69.661.052,86 Euro and corresponds to the reduction of the nominal share price from 2,68€ to 1,70€. The capital return will take place through payment of cash to shareholders.

According to the Company's Management best knowledge, no other subsequent events after 30/6/2012 exist that may have a significant financial impact on the Group and the Company.

D. Related party transactions

The most important related party transactions of the Group and the Company, according to IAS 24, along with the balances of their transactions accounts, are presented in the tables below.

The Group's and the Company's sales of goods and services to CEMENTIA TRADING S.A. mainly concern cement and clinker exports. The respective sales of the Company to LAFARGE BETON S.A. concern cement sales.

The Company pays royalties to the parent company LAFARGE S.A. for the use of the LAFARGE trade name, trade mark and know-how in a wide area of activities including production process, initiation and application of innovations, supply chain etc. Moreover, included in transactions with the parent company LAFARGE S.A. are sales of emissions rights.

Purchases of materials and services between the Company and its subsidiaries concern mostly raw materials and freight cost.

Intercompany receivables mainly concern an interest-bearing loan granted by the parent company HERACLES G.C.C. to the subsidiary EVIESK S.A. amounting to 26.025 Euro thousand as well as receivable from LAFARGE BETON S.A. amounting to 3.812 Euro thousand.

The nature of the related party transactions for the first semester of 2012 remains unchanged compared to the latest annual report as at 31 December 2011.

The companies included in the Group consolidation do not hold shares of the parent company (treasury shares).

GROUP

30/6/2012

Amounts in Euro thousand

Related Parties	Sales of goods and services	Purchases of goods and services	Royalties	Fees and other expenses	Receivables	Payables
LAFARGE GROUP COMPANIES						
PERICLES S.A.	0	0	0	0	326	0
LAFARGE S.A.	19.560	275	1.973	0	7	2.167
CEMENTIA TRADING S.A.	27.332	19	0	0	6.746	0
OTHER LAFARGE GROUP COMPANIES	1.060	1.171	0	0	1.084	442
MEMBERS of BoD and EXECUTIVE COMMITTEE OF HERACLES G.C.C.	0	0	0	1.861	0	0
Total	47.952	1.465	1.973	1.861	8.163	2.609

COMPANY

Amounts in Euro thousand

30/6/2012

Related Parties	Sales of goods and services	Purchases of goods and services	Royalties	Interest income	Fees and other expenses	Receivables	Payables
HERACLES G.C.C. SUBSIDIARIES							
HERACLES MARITIME CO.	6	6.570	0	0	0	0	2.578
LAFARGE BETON S.A.	5.961	128	0	0	0	3.812	0
EVIESK S.A.	0	0	0	628	0	26.025	6.531
LAVA S.A.	129	604	0	0	0	0	309
A. XATZHKYPIAKOS N.E.	0	0	0	0	0	1	0
G. HATZIKYRIAKOS SOC. NAV.	0	0	0	0	0	0	24
ΔΥΣΤΟΣ N.E.	0	0	0	0	0	1	0
LAFARGE GROUP COMPANIES							
LAFARGE S.A.	19.560	275	1.973	0	0	7	2.005
CEMENTIA TRADING S.A.	25.700	19	0	0	0	6.531	0
OTHER LAFARGE GROUP COMPANIES	429	1.112	0	0	0	458	415
MEMBERS of BoD and EXECUTIVE COMMITTEE OF HERACLES G.C.C.	0	0	0	0	1.232	0	0
Total	51.785	8.708	1.973	628	1.232	36.835	11.862

Paiania, 24/8/2012

By order of the Board of Directors

PIERRE DELEPLANQUE
Managing Director

TRUE TRANSLATION
Report on Review of Interim Financial Information
To the Shareholders of the Company “HERACLES GENERAL CEMENT COMPANY”

Introduction

We have reviewed the accompanying condensed company and consolidated statement of financial position of the Company “HERACLES GENERAL CEMENT COMPANY”, as of June 30, 2012, and the related condensed company and consolidated income statement and statement of comprehensive income, changes in equity and cash flows for the six-month period then ended, and selective explanatory notes which comprise the interim condensed financial information, which represents an integral part of the half year financial report as provided by Law 3556/2007. Management is responsible for the preparation and fair presentation of this interim condensed financial information in accordance with International Financial Reporting Standards as adopted by the European Union and applicable to interim financial reporting (“IAS 34”). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

Conclusion

Based on the review conducted, nothing has come to our attention that causes us to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with IAS 34.

Report on Other Legal Requirements

Our review has not revealed any inconsistency or mismatch in the content of the half year financial report as provided by article 5 of Law 3556/2007 with the accompanying interim condensed financial information.

Athens, 24 August 2012
The Certified Public Accountants

Epaminondas H. Giouroukos
Reg. No SOEL: 10351

Fotini D. Giannopoulou
Reg. No SOEL: 24031

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**CONDENSED INTERIM FINANCIAL STATEMENTS OF
GROUP AND COMPANY HERACLES G.C.C. IN ACCORDANCE WITH
INTERNATIONAL FINANCIAL REPORTING STANDARDS
AS AT 30 JUNE 2012**

CONDENSED INCOME STATEMENT FOR THE PERIOD ENDED 30 JUNE 2012

Amounts in Euro thousand

	NOTE	GROUP		COMPANY	
		1/1-30/6/2012	1/1-30/6/2011	1/1-30/6/2012	1/1-30/6/2011
Operating results					
Turnover	5	108.528	147.453	92.841	128.054
Cost of sales		(117.338)	(138.203)	(103.768)	(122.362)
Gross profit / (loss)		(8.810)	9.250	(10.927)	5.692
Administrative & distribution expenses		(23.025)	(25.173)	(15.091)	(16.476)
Other operating income / (expenses)	6	(40.648)	(30.577)	(31.657)	(28.917)
Impairment of investments in subsidiaries		0	0	(22.964)	0
Operating profit / (loss)		(72.483)	(46.500)	(80.639)	(39.701)
Finance income / (expenses)	5	381	(1.467)	1.795	432
Profit / (loss) for the period before tax		(72.102)	(47.967)	(78.844)	(39.269)
Income tax	9	8.645	5.206	8.949	5.091
Net profit / (loss) for the period after tax	5	(63.457)	(42.761)	(69.895)	(34.178)
Allocated to:					
Non controlling interest		(152)	(187)	0	0
Company's Shareholders		(63.305)	(42.574)	(69.895)	(34.178)
		(63.457)	(42.761)	(69.895)	(34.178)
Number of shares		71.082.707	71.082.707	71.082.707	71.082.707
Earnings / (losses) per share (in €)	10	(0,89)	(0,60)	(0,98)	(0,48)

Amounts in Euro thousand

	GROUP		COMPANY	
	1/4/2012- 30/6/2012	1/4/2011- 30/6/2011	1/4/2012- 30/6/2012	1/4/2011- 30/6/2011
Operating results				
Turnover	64.631	77.096	56.046	67.000
Cost of sales	(62.267)	(63.335)	(54.980)	(55.495)
Gross profit	2.364	13.761	1.066	11.505
Administrative & distribution expenses	(8.270)	(9.470)	(4.261)	(5.455)
Other operating income/(expense)	(39.836)	(29.668)	(30.829)	(27.728)
Impairment of investments in subsidiaries	0	0	(22.964)	0
Operating profit / (loss)	(45.742)	(25.377)	(56.988)	(21.678)
Finance income / (expense)	1.336	(452)	1.927	300
Profit / (loss) for the period before tax	(44.406)	(25.829)	(55.061)	(21.378)
Income tax	4.254	1.848	4.513	2.066
Net profit / (loss) for the period after tax	(40.152)	(23.981)	(50.548)	(19.312)
Allocated to:				
Non controlling interest	(128)	174	0	0
Company's Shareholders	(40.024)	(24.155)	(50.548)	(19.312)
	(40.152)	(23.981)	(50.548)	(19.312)
Number of shares	71.082.707	71.082.707	71.082.707	71.082.707
Earnings / (losses) per share (in €)	(0,56)	(0,34)	(0,71)	(0,27)

Notes from page 18 through to page 34 form an integral part of the Group and Company interim Financial Statements.

CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2012

Amounts in Euro thousand

	GROUP		COMPANY	
	30/6/2012	30/6/2011	30/6/2012	30/6/2011
Net profit / (loss) for the period after tax	(63.457)	(42.761)	(69.895)	(34.178)
Profit / (loss) from derivative financial instruments recognised directly in equity, net of deferred tax	(400)	244	(400)	244
Actuarial gain / (loss) recognised directly in equity, net of deferred tax	(3.235)	915	(3.235)	915
Other equity movements	(17)	(97)	0	0
Other comprehensive income for the period, net of tax	(3.652)	1.062	(3.635)	1.159
Total comprehensive income for the period, net of tax	(67.109)	(41.699)	(73.530)	(33.019)

Amounts in Euro thousand

	GROUP		COMPANY	
	1/4/2012- 30/6/2012	1/4/2011- 30/6/2011	1/4/2012- 30/6/2012	1/4/2011- 30/6/2011
Net profit / (loss) after tax	(40.152)	(23.981)	(50.548)	(19.312)
Profit / (loss) from derivative financial instruments recognised directly in equity, net of deferred tax	(458)	160	(458)	160
Actuarial gain / (loss) recognised directly in equity, net of deferred tax	(3.235)	915	(3.235)	915
Other equity movements	(3)	(27)	0	0
Other comprehensive income for the period, net of tax	(3.696)	1.048	(3.693)	1.075
Total comprehensive income for the period, net of tax	(43.848)	(22.933)	(54.241)	(18.237)

Notes from page 18 through to page 34 form an integral part of the Group and Company interim Financial Statements.

CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2012

Amounts in Euro thousand	NOTE	GROUP		COMPANY	
		30/6/2012	31/12/2011	30/6/2012	31/12/2011
Fixed assets or non-current assets					
Goodwill		29.480	29.480	0	0
Intangible assets	12	2.870	3.305	771	1.056
Tangible assets	12	446.827	456.076	412.501	420.226
Investments in associates and subsidiaries	13	0	0	47.472	70.436
Other investments	13	56	56	56	56
Other non-current receivables		10.790	15.605	10.257	42.772
Deferred tax asset	9	11.039	2.859	10.341	2.052
Total fixed assets or non-current assets		501.062	507.381	481.398	536.598
Current assets					
Inventories		48.948	57.078	43.094	50.721
Trade receivables	18	76.254	97.662	64.328	71.816
Other receivables	18	7.993	9.068	29.067	6.114
Derivative financial instruments		0	58	0	58
Fixed assets available for sale	12	0	9.044	0	9.044
Cash and cash equivalents		95.207	145.924	90.893	131.380
Income tax receivable		7.888	10.866	6.999	10.247
Total current assets		236.290	329.700	234.381	279.380
Total assets		737.352	837.081	715.779	815.978
Non-current liabilities					
Provision for staff termination indemnity		49.771	56.973	46.927	53.999
Other non-current provisions		18.058	18.886	36.290	36.254
Deferred tax liabilities	9	912	914	0	0
Finance lease liabilities		168	212	22	49
Total non-current liabilities		68.909	76.985	83.239	90.302
Current liabilities					
Provision for staff termination indemnity		4.879	6.193	4.609	5.854
Trade payables	18	60.579	77.856	53.430	66.114
Other payables	18	20.105	20.335	18.571	19.914
Income tax liability		49	0	0	0
Finance lease liabilities		249	311	93	79
Other current provisions		962	5.971	547	5.517
Derivative financial instruments		631	0	631	0
Dividends payable		129	138	129	138
Bank loans	14	56.712	58.035	0	0
Total current liabilities		144.295	168.839	78.010	97.616
Total liabilities		213.204	245.824	161.249	187.918
Equity					
Share capital		190.502	190.502	190.502	190.502
Share premium		1.279	1.279	1.279	1.279
Reserves		174.696	174.696	162.170	162.170
Derivatives valuation reserve		(400)	0	(400)	0
Retained earnings		158.127	224.684	200.979	274.109
Total Shareholders' equity		524.204	591.161	554.530	628.060
Non controlling interest		(56)	96	0	0
Total equity		524.148	591.257	554.530	628.060
Total liabilities and equity		737.352	837.081	715.779	815.978

Notes from page 18 through to page 34 form an integral part of the Group and Company interim Financial Statements.

CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 JUNE 2012

Amounts in Euro thousand

GROUP	Share capital	Share premium	Reserves	Derivatives valuation reserve	Retained earnings / (losses)	Non controlling interest	Total
Balance at 1/1/2012	190.502	1.279	174.696	0	224.684	96	591.257
Profit / (loss) for the period	0	0	0	0	(63.305)	(152)	(63.457)
Profit / (loss) from derivative financial instruments recognised directly in equity	0	0	0	(400)	0	0	(400)
Actuarial gain / (loss), net of deferred tax	0	0	0	0	(3.235)	0	(3.235)
Other equity movements	0	0	0	0	(17)	0	(17)
Balance at 30/6/2012	<u>190.502</u>	<u>1.279</u>	<u>174.696</u>	<u>(400)</u>	<u>158.127</u>	<u>(56)</u>	<u>524.148</u>
Balance at 1/1/2011	190.502	1.279	174.696	(1.041)	280.911	62	646.409
Profit / (loss) for the period	0	0	0	0	(42.574)	(187)	(42.761)
Profit / (loss) from derivative financial instruments recognised directly in equity	0	0	0	244	0	0	244
Actuarial gain / (loss), net of deferred tax	0	0	0	0	915	0	915
Other equity movements	0	0	0	0	(97)	0	(97)
Balance at 30/6/2011	<u>190.502</u>	<u>1.279</u>	<u>174.696</u>	<u>(797)</u>	<u>239.155</u>	<u>(125)</u>	<u>604.710</u>

Amounts in Euro thousand

COMPANY	Share capital	Share premium	Reserves	Derivatives valuation reserve	Retained earnings / (losses)	Total
Balance at 1/1/2012	190.502	1.279	162.170	0	274.109	628.060
Profit / (loss) for the period	0	0	0	0	(69.895)	(69.895)
Profit / (loss) from derivative financial instruments recognised directly in equity	0	0	0	(400)	0	(400)
Actuarial gain / (loss), net of deferred tax	0	0	0	0	(3.235)	(3.235)
Balance at 30/6/2012	<u>190.502</u>	<u>1.279</u>	<u>162.170</u>	<u>(400)</u>	<u>200.979</u>	<u>554.530</u>
Balance at 1/1/2011	190.502	1.279	162.170	(1.041)	320.709	673.619
Profit / (loss) for the period	0	0	0	0	(34.178)	(34.178)
Profit / (loss) from derivative financial instruments recognised directly in equity	0	0	0	244	0	244
Actuarial gain / (loss), net of deferred tax	0	0	0	0	915	915
Balance at 30/6/2011	<u>190.502</u>	<u>1.279</u>	<u>162.170</u>	<u>(797)</u>	<u>287.446</u>	<u>640.600</u>

Notes from page 18 through to page 34 form an integral part of the Group and Company interim Financial Statements.

**CONDENSED STATEMENT OF CASH FLOWS
(INDIRECT METHOD) FOR THE PERIOD ENDED 30
JUNE 2012**

Amounts in Euro thousand

	GROUP		COMPANY	
	1/1- 30/6/2012	1/1- 30/6/2011	1/1- 30/6/2012	1/1- 30/6/2011
<u>Operating activities</u>				
Profit / (loss) of the period before tax	(72.102)	(47.967)	(78.844)	(39.269)
Plus / less adjustments for:				
Depreciation	20.466	22.482	18.772	20.719
Provisions	29.373	35.940	43.701	34.796
Foreign exchange differences	165	(306)	156	(410)
Gain /(loss) from derivatives valuation	189	5	189	5
Income / (expenses), profit / (losses) from investing activities	(2.258)	(348)	(2.803)	(760)
Interest and related expenses	2.122	1.597	1.109	261
Plus/ less adjustments for changes in working capital accounts or relevant with operating activities:				
Decrease / (increase) in inventories	6.973	(2.661)	6.294	(2.606)
Decrease / (increase) in receivables	(11.887)	(25.761)	(14.123)	(20.406)
(Decrease) / increase in liabilities (excl. bank loans)	(18.289)	(13.535)	(14.220)	(12.156)
Less :				
Interest and related expenses paid	(1.248)	(1.445)	(241)	(314)
Taxes paid	(582)	(3.948)	(400)	(3.693)
<u>Total inflow / (outflow) from operating activities (a)</u>	<u>(47.078)</u>	<u>(35.947)</u>	<u>(40.410)</u>	<u>(23.833)</u>
<u>Investing activities</u>				
Purchases of tangible and intangible fixed assets	(2.964)	(11.811)	(2.736)	(10.919)
Proceeds from disposals of tangible and intangible assets	629	477	308	322
Interest received	153	496	704	918
<u>Total inflow / (outflow) from investing activities (b)</u>	<u>(2.182)</u>	<u>(10.838)</u>	<u>(1.724)</u>	<u>(9.679)</u>
<u>Financing activities</u>				
Loan proceeds	2.062	53.589	1.675	0
Loan repayments	(3.385)	(39.998)	0	(803)
Payments of obligations under finance leases	(125)	(124)	(19)	(11)
Dividends paid	(9)	0	(9)	0
<u>Total inflow / (outflow) from finance activities (c)</u>	<u>(1.457)</u>	<u>13.467</u>	<u>1.647</u>	<u>(814)</u>
Net increase / (decrease) in cash and cash equivalents (a)+(b)+(c)	<u>(50.717)</u>	<u>(33.318)</u>	<u>(40.487)</u>	<u>(34.326)</u>
Cash and cash equivalents at the beginning of the period	<u>145.924</u>	<u>138.002</u>	<u>131.380</u>	<u>125.962</u>
Cash and cash equivalents at the end of the period	<u>95.207</u>	<u>104.684</u>	<u>90.893</u>	<u>91.636</u>

Notes from page 18 through to page 34 form an integral part of the Group and Company interim Financial Statements.

1. GENERAL INFORMATION

HERACLES GENERAL CEMENT COMPANY (the Company) has been incorporated in Greece under the Companies Act 2190/1920, with its registered office located in the Municipality of Paiania, Attica, 19,3 km Markopoulou Avenue and the majority shareholding (88,99% as at 30/6/2012) is held by the LAFARGE Group, France.

The HERACLES G.C.C. Group (the Group) operates mainly in the production and trading of cement, concrete and other construction materials. The interim Financial Statements are presented in Euro thousand, unless otherwise stated, which is the currency of the primary economic environment, in which the Group operates.

2. BASIS OF PREPARATION

The Financial Statements have been prepared in accordance with International Accounting Standard "IAS" 34, Interim Financial Reporting.

3. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS OF EXISTING STANDARDS

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning during the current financial year and subsequent years. The Group's evaluation of the effect of these new standards, amendments to standards and interpretations is as follows:

Standards and Interpretations effective for the current financial year

IFRS 7 (Amendment) "Financial Instruments: Disclosures" – transfers of financial assets (effective for annual periods beginning on or after 1 July 2011)

This amendment sets out disclosure requirements for transferred financial assets not derecognised in their entirety as well as on transferred financial assets derecognised in their entirety but in which the reporting entity has continuing involvement. It also provides guidance on applying the disclosure requirements. The Group will evaluate the application of the amendment at the end of the year.

IAS 12 (Amendment) "Income Taxes" (effective for annual periods beginning on or after 1 January 2012)

The amendment to IAS 12 provides a practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model in IAS 40 "Investment Property". This amendment has not yet been endorsed by the EU and has no application in the Group.

Standards and Interpretations effective from periods beginning on or after 1 January 2013

IFRS 9 "Financial Instruments" (effective for annual periods beginning on or after 1 January 2015)

IFRS 9 is the first Phase of the Board's project to replace IAS 39 and deals with the classification and measurement of financial assets and financial liabilities. The IASB intends to expand IFRS 9 in subsequent phases in order to add new requirements for impairment and hedge accounting. IFRS 9 has not been endorsed by the EU.

3. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS OF EXISTING STANDARDS – Continued

IFRS 13 “Fair Value Measurement” (effective for annual periods beginning on or after 1 January 2013)

IFRS 13 provides new guidance on fair value measurement and disclosure requirements. These requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs. IFRS 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. Disclosure requirements are enhanced and apply to all assets and liabilities measured at fair value, not just financial ones. This standard has not yet been endorsed by the EU.

IFRIC 20 “Stripping costs in the production phase of a surface mine” (effective for annual periods beginning on or after 1 January 2013)

This interpretation sets out the accounting for overburden waste removal (stripping) costs in the production phase of a mine. The interpretation may require mining entities to write off existing stripping assets to opening retained earnings if the assets cannot be attributed to an identifiable component of an ore body. IFRIC 20 applies only to stripping costs that are incurred in surface mining activity during the production phase of the mine, while it does not address underground mining activity or oil and natural gas activity. This interpretation has not yet been endorsed by the EU.

IAS 1 (Amendment) “Presentation of Financial Statements” (effective for annual periods beginning on or after 1 July 2012)

The amendment requires entities to separate items presented in other comprehensive income into two groups, based on whether or not they may be recycled to profit or loss in the future.

IAS 19 (Amendment) “Employee Benefits” (effective for annual periods beginning on or after 1 January 2013)

This amendment makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits (eliminates the corridor approach) and to the disclosures for all employee benefits. The key changes relate mainly to recognition of actuarial gains and losses, recognition of past service cost / curtailment, measurement of pension expense, disclosure requirements, treatment of expenses and taxes relating to employee benefit plans and distinction between “short-term” and “other long-term” benefits.

IFRS 7 (Amendment) “Financial Instruments: Disclosures” (effective for annual periods beginning on or after 1 January 2013)

The IASB has published this amendment to include information that will enable users of an entity’s financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity’s recognised financial assets and recognised financial liabilities, on the entity’s financial position. This amendment has not yet been endorsed by the EU.

IAS 32 (Amendment) “Financial Instruments: Presentation” (effective for annual periods beginning on or after 1 January 2014)

This amendment to the application guidance in IAS 32 clarifies some of the requirements for offsetting financial assets and financial liabilities on the statement of financial position. This amendment has not yet been endorsed by the EU.

3. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS OF EXISTING STANDARDS – Continued

Group of standards on consolidation and joint arrangements (effective for annual periods beginning on or after 1 January 2013)

The IASB has published five new standards on consolidation and joint arrangements: IFRS 10, IFRS 11, IFRS 12, IAS 27 (amendment) and IAS 28 (amendment). These standards are effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted only if the entire “package” of five standards is adopted at the same time. These standards have not yet been endorsed by the EU. The Group is in the process of assessing the impact of the new standards on its consolidated financial statements. The main provisions are as follows:

IFRS 10 “Consolidated Financial Statements”

IFRS 10 replaces all of the guidance on control and consolidation in IAS 27 and SIC 12. The new standard changes the definition of control for the purpose of determining which entities should be consolidated. This definition is supported by extensive application guidance that addresses the different ways in which a reporting entity (investor) might control another entity (investee). The revised definition of control focuses on the need to have both power (the current ability to direct the activities that significantly influence returns) and variable returns (can be positive, negative or both) before control is present. The new standard also includes guidance on participating and protective rights, as well as on agency/ principal relationships.

IFRS 11 “Joint Arrangements”

IFRS 11 provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. The types of joint arrangements are reduced to two: joint operations and joint ventures. Proportional consolidation of joint ventures is no longer allowed. Equity accounting is mandatory for participants in joint ventures. Entities that participate in joint operations will follow accounting much like that for joint assets or joint operations today. The standard also provides guidance for parties that participate in joint arrangements but do not have joint control.

IFRS 12 “Disclosure of Interests in Other Entities”

IFRS 12 requires entities to disclose information, including significant judgments and assumptions, which enable users of financial statements to evaluate the nature, risks and financial effects associated with the entity’s interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities. An entity can provide any or all of the above disclosures without having to apply IFRS 12 in its entirety, or IFRS 10 or 11, or the amended IAS 27 or 28.

IFRS 10, IFRS 11 and IFRS 12 (Amendment) “Consolidated financial statements, joint arrangements and disclosure of interests in other entities: Transition guidance”

The amendment to the transition requirements in IFRSs 10, 11 and 12 clarifies the transition guidance in IFRS 10 and limits the requirements to provide comparative information for IFRS 12 disclosures only to the period that immediately precedes the first annual period of IFRS 12 application. Comparative disclosures are not required for interests in unconsolidated structured entities.

IAS 27 (Amendment) “Separate Financial Statements”

This Standard is issued concurrently with IFRS 10 and together, the two IFRSs supersede IAS 27 “*Consolidated and Separate Financial Statements*”. The amended IAS 27 prescribes the accounting and disclosure requirements for investment in subsidiaries, joint ventures and associates when an entity prepares separate financial statements. At the same time, the Board relocated to IAS 27 requirements from IAS 28 “*Investments in Associates*” and IAS 31 “*Interests in Joint Ventures*” regarding separate financial statements.

IAS 28 (Amendment) “Investments in Associates and Joint Ventures”

IAS 28 “*Investments in Associates and Joint Ventures*” replaces IAS 28 “*Investments in Associates*”. The objective of this Standard is to prescribe the accounting for investments in associates and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures, following the issue of IFRS 11.

3. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS OF EXISTING STANDARDS – Continued

Amendments to standards that form part of the IASB's 2011 annual improvements project

The amendments set out below describe the key changes to IFRSs following the publication in May 2012 of the results of the IASB's annual improvements project. These amendments are effective for annual periods beginning on or after 1 January 2013 and have not yet been endorsed by the EU.

IAS 1 "Presentation of financial statements"

The amendment clarifies the disclosure requirements for comparative information when an entity provides a third balance sheet either (a) as required by IAS 8 "Accounting policies, changes in accounting estimates and errors" or (b) voluntarily.

IAS 16 "Property, plant and equipment"

The amendment clarifies that spare parts and servicing equipment are classified as property, plant and equipment rather than inventory when they meet the definition of property, plant and equipment, i.e. when they are used for more than one period.

IAS 32 "Financial instruments: Presentation"

The amendment clarifies that income tax related to distributions is recognised in the income statement and income tax related to the costs of equity transactions is recognised in equity, in accordance with IAS 12.

IAS 34, 'Interim financial reporting'

The amendment clarifies the disclosure requirements for segment assets and liabilities in interim financial statements, in line with the requirements of IFRS 8 "Operating segments".

4. ACCOUNTING PRINCIPLES

The Financial Statements have been prepared on the historical or deemed cost basis with the exemption of derivatives financial instruments which are presented at their fair value.

The main accounting principles used have not changed in relation to the Group and Company annual Financial Statements of 31 December 2011. However, the condensed interim Financial Statements should be examined along with the annual Financial Statements of 31 December 2011 which are available at the Company's website www.lafarge.gr.

5. OPERATING SEGMENTS

The following information is provided for the reportable segments which are reviewed by the Group's chief operating decision makers. Segments were determined based on the operating division, since this is the way that the chief operating decision makers review the Group. Using the quantitative thresholds, the Group reports separately in the present note its three operating segments.

Management evaluates segment performance based on turnover, current operating income, operating income / (loss), financial income and expenses and total assets. "Current operating income" is defined by Management as the income of the Company and the Group before taxes, finance income / (expenses) and non-recurring income / (expenses). Segment information is presented below:

30/6/2012

Amounts in Euro thousand

	Cement Division	Concrete Division	Aggregates Division	Eliminations	Total Group
Turnover	96.871	13.514	4.099	(5.271)	109.213
Current Operating income	(13.876)	(3.096)	(1.649)	0	(18.621)
Operating income / (loss)	(57.053)	(10.995)	(3.527)	0	(71.575)

30/6/2011

	Cement Division	Concrete Division	Aggregates Division	Eliminations	Total Group
Turnover	129.594	21.260	6.235	(9.076)	148.013
Current Operating income	(14.669)	(4.077)	(976)	0	(19.722)
Operating income / (loss)	(36.239)	(5.437)	(1.120)	915	(41.881)

Amounts in Euro thousand

Total Assets as per Management Reporting	Cement Division	Concrete Division	Aggregates Division	Eliminations	Total Group
30/6/2012	758.358	64.939	47.848	(135.100)	736.045
31/12/2011	835.152	78.692	51.695	(133.541)	831.998

Reconciling items between financial reporting used from Group's Management for decision making and Published Financial Statements of the Group, are presented in the following tables and are mainly due to:

- a)** Timing difference in the preparation of the reports. As a result, due to subsequent events the recognised amounts in the Income Statement as well as in the Statement of Financial Position of the Group are different.
- b)** Different deemed cost that was defined for the Group's fixed assets due to the timing difference in the first adoption of International Financial Reporting Standards between financial reporting used by the Management and to the published, according to International Financial Reporting Standards, Financial Statements.

5. OPERATING SEGMENTS – Continued

Amounts in Euro thousand

	<u>30/6/2012</u>	<u>30/6/2011</u>
Turnover per Management Reporting	109.213	148.013
Timing difference on revenue recognition	(530)	0
Discount reclassification between Turnover and Cost of sales	<u>(155)</u>	<u>(560)</u>
Turnover per Published Income Statement	<u>108.528</u>	<u>147.453</u>

Amounts in Euro thousand

	<u>30/6/2012</u>	<u>30/6/2011</u>
Management Reporting		
Current Operating Income / (loss)	(18.621)	(19.722)
Non-recurring income / (expenses)	<u>(52.954)</u>	<u>(22.159)</u>
Operating Income / (loss) per Management Reporting	(71.575)	(41.881)
Reconciliation to Published Income Statement		
Timing difference on revenue recognition	(530)	0
Provisions and liabilities recognised in different periods	(769)	(4.833)
Cost allocation between administrative and finance expenses	(621)	603
Difference in fixed assets depreciation	(629)	(338)
Other timing differences	<u>1.641</u>	<u>(51)</u>
Operating Income / (loss)	(72.483)	(46.500)
Net financial income /(expenses)	<u>381</u>	<u>(1.467)</u>
Profit / (loss) before tax	(72.102)	(47.967)
Income tax	<u>8.645</u>	<u>5.206</u>
Net profit / (loss) for the period after tax	<u>(63.457)</u>	<u>(42.761)</u>

Amounts in Euro thousand

	<u>30/6/2012</u>	<u>30/6/2011</u>
Total Finance Income / (Expenses) per Management Reporting	(3.629)	(859)
Cost allocation between administrative and finance expenses	621	(603)
Long-term receivables discounting effect recognised in different period	3.504	0
Other	<u>(115)</u>	<u>(5)</u>
Total Finance Income / (Expenses) per Published Income Statement	<u>381</u>	<u>(1.467)</u>

Amounts in Euro thousand

	<u>30/6/2012</u>	<u>31/12/2011</u>
Total Assets per Management Reporting	736.045	831.998
Difference in deemed cost of fixed assets	14.690	16.065
Adjustment in stock valuation	0	1.236
Timing difference on revenue recognition	0	530
Additional provision for doubtful debts	0	(307)
Difference in income tax receivable	(2.978)	0
Total assets of non consolidated entity	(3.840)	(3.865)
Long-term receivables discounting effect	(585)	(4.089)
Deferred tax difference	(4.483)	(2.773)
Other	<u>(1.497)</u>	<u>(1.714)</u>
Total Assets per Published Statement of Financial Position	<u>737.352</u>	<u>837.081</u>

The comparative data for 2011 have been adjusted for presentation purposes.

6. OTHER OPERATING INCOME / (EXPENSES)

Other operating income / (expenses) of the Group and the Company for the period 1/1 – 30/6/2012 are analysed as follows:

Amounts in Euro thousand	GROUP		COMPANY	
	1/1-30/6/2012	1/1-30/6/2011	1/1-30/6/2012	1/1-30/6/2011
Profit / (loss) from fixed asset disposals	(43)	(148)	(35)	(158)
(Impairment) / Reversal of impairment of tangible fixed assets	0	(21.267)	0	(21.267)
(Provision) / Reversal of provision for obsolescence of spare parts	0	(4.472)	0	(4.472)
(Provision) / Reversal of provision for share in losses of subsidiaries	0	0	(789)	(667)
(Provision) / Reversal of provision for doubtful receivables	(39.775)	(4.098)	(30.079)	(2.353)
Other income / (expenses)	(830)	(592)	(754)	0
	<u>(40.648)</u>	<u>(30.577)</u>	<u>(31.657)</u>	<u>(28.917)</u>

7. IMPAIRMENT OF LOSS OF INVESTMENT IN SUBSIDIARIES

The Company recognised in the Financial Statements of the period an impairment loss amounting to 22.964 Euro thousand concerning its investment in the consolidated subsidiary LAFARGE BETON S.A., which derived from the test for impairment of investments in subsidiaries which is assessed at each reporting period end or whenever there is an indication of impairment. This impairment loss was a result of an assessment for the recoverable value of the investment as at 30/6/2012. The recoverable value of the investment was determined as the higher of the values derived by the two alternative methods (present value of future cash flows and fair value less cost to sell), as defined by IAS 36.

8. FINANCIAL RESULTS OF THE PERIOD

The Group's turnover amounted to 108.528 Euro thousand for the first semester of 2012 decreased by 26,4% compared to the corresponding period of the prior year. The Company's turnover amounted to 92.841 Euro thousand, for the same period in 2012, decreased by 27,5% compared to the corresponding period of the prior year.

The decrease in the turnover of the Group and the Company is mostly due to the reduction of the construction activity in the domestic market and more specifically to the further slowdown of the private housing activity for a fourth consecutive year as well as the substantial suspension of the construction activity in public and co-financed infrastructure.

The Group presented net loss after taxes of amount 63.457 Euro thousand for the first semester of 2012 while in the same period of 2011 presented net loss after taxes of amount 42.761 Euro thousand. The Company's net loss after taxes for the first semester of 2012 amounted to 69.895 Euro thousand while in the corresponding period in 2011 the net loss after taxes amounted to 34.178 Euro thousand.

Both the Group and the Company continue the effort to reduce operating costs and optimise performance in production, supply chain and administration activities which aims to partially offset the consequences of the decline of the domestic market.

9. INCOME TAX

The income tax benefit of the period mostly represents deferred tax revenue as well as reversal of provision for unaudited years as a result of the completion of the tax audits of the Company for years 2009-2011 which was partially offset by the current tax expense that occurred as a result of tax audit differences of the Company for the above mentioned years. The deferred tax asset increased in the first semester of 2012 mostly due to the recognition of the relative asset on the provision for doubtful debts and on the tax losses of the first semester of 2012.

The current income tax rate for years 2012 and 2011 is 20%.

10. EARNINGS / (LOSSES) PER SHARE

The calculation of the basic earnings /(losses) per share is based on the following data:

Amounts in Euro thousand	GROUP		COMPANY	
	1/1-30/6/2012	1/1-30/6/2011	1/1-30/6/2012	1/1-30/6/2011
Net profit / (loss) for the period after tax	(63.457)	(42.761)	(69.895)	(34.178)
Weighted average number of common shares for the purpose of calculating basic earnings / (losses) per share	71.082.707	71.082.707	71.082.707	71.082.707
Earnings / (losses) per share in Euro	(0,89)	(0,60)	(0,98)	(0,48)

11. DIVIDENDS

At the end of each year, the Board of Directors proposes the dividends, which are recognised as a liability at the time of approval by the General Assembly of Shareholders.

The company has losses and no dividends were distributed for the year 2011.

12. INTANGIBLE AND TANGIBLE ASSETS

The Group's capital expenditure for the period 1/1-30/6/2012 amounted to 1.963 Euro thousand, while Company's capital expenditure amounted to 1.758 Euro thousand. The carrying amount of the fixed assets written off or disposed in the same period amounted to 225 and 40 Euro thousand for the Group and the Company respectively.

Amounts in Euro thousand

Intangible Assets	GROUP	COMPANY
Opening net book amount as at 31/12/2011	3.305	1.056
Additions	27	27
Amortisation	(462)	(312)
Closing net book amount as at 30/6/2012	2.870	771

Tangible Assets	GROUP	COMPANY
Opening net book amount as at 31/12/2011	456.076	420.226
Additions	1.936	1.731
Disposals / Write-offs	(225)	(40)
Depreciation	(20.004)	(18.460)
Transfer from fixed assets available for sale	9.044	9.044
Closing net book amount as at 30/6/2012	446.827	412.501

Fixed assets available for sale	GROUP	COMPANY
Value as at 31/12/2011	9.044	9.044
Transfer to tangible assets	(9.044)	(9.044)
Value as at 30/6/2012	0	0

13. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

The Group companies included in the consolidated Financial Statements, with their respective registered offices, the Group's interest therein and the main scope of activity, are as follows:

Companies consolidated by full consolidation:

<u>Name of Subsidiary</u>	<u>Registered office</u>	<u>Direct participation</u>	<u>Indirect participation</u>	<u>Total</u>	<u>Main scope of activity</u>
HERACLES G.C.C	Greece, Paiania, Attica			Parent	Cement manufacture & trade
LAFARGE BETON S.A.	Greece, Paiania, Attica	98,64%	1,36%	100,00%	Concrete and aggregates production & trade
EVIESK S.A.	Greece, Paiania, Attica	95,76%	4,24%	100,00%	Dormant
HERACLES MARITIME CO.	Greece, Paiania, Attica	99,99%	0,01%	100,00%	Sea transports and ship management
LAVA S.A.	Greece, Paiania, Attica	44,16%	55,84%	100,00%	Building materials and aggregates production & trade
AEGEAN TERMINALS S.A.	Greece, Paiania, Attica	100,00%		100,00%	Dormant
G. HATZIKYRIAKOS SOC. NAV.	Greece, Paiania, Attica		100,00%	100,00%	Dormant
A. HATZIKYRIAKOS SOC. NAV.	Greece, Paiania, Attica		100,00%	100,00%	Dormant
DYSTOS SOC. NAV.	Greece, Paiania, Attica		100,00%	100,00%	Dormant
MARATHOS QUARRIES S.A.	Greece, Heraclion, Crete		99,15%	99,15%	Dormant
PORT SAID SILO INVESTMENT COMPANY S.A.	Panama		100,00%	100,00%	Dormant
LEADER BETON S.A	Tirana, Albania		51,00%	51,00%	Dormant

For the subsidiary company MARATHOS QUARRIES S.A. in which the Group's participation is 99,15%, non-controlling interest has not been recognised either in the period losses or in its negative net equity based on its insignificance.

Company consolidated using the proportional method:

<u>Name of Associate</u>	<u>Registered Office</u>	<u>Direct participation</u>	<u>Indirect participation</u>	<u>Total</u>	<u>Main scope of activity</u>
E.D.A.K.E. S.A.	Greece, Avlida, Evia	50,00%		50,00%	Building waste management

Company consolidated using the equity method:

<u>Name of Associate</u>	<u>Registered Office</u>	<u>Direct participation</u>	<u>Indirect participation</u>	<u>Total</u>	<u>Main scope of activity</u>
MIDDLE EAST CEMENT SHIPPING & HANDLING COMPANY S.A.	Greece, Paiania, Attica	1,00%	49,00%	50,00%	Dormant

The Group has a 0,52% shareholding in the company EKEPY S.A. registered in Halkida of Evia, a 2,95% shareholding in the company STEGI OF THE GREEK INDUSTRY registered in the Municipality of Athens and a 7,14% shareholding in the company UNICEN registered in the Municipality of Chalandri. The above mentioned entities are not consolidated, because their shareholding and financial position are immaterial.

14. BANK LOANS

The short term bank loans and overdrafts of the Group during the first semester of 2012 have a weighed average interest rate of 2,82% (first semester of 2011: 3,95%). All bank loans are denominated in Euro.

As at 30/6/2012 the total short-term bank loans amounted to 56.712 Euro thousand of which 56.507 Euro thousand concern subsidiary LAFARGE BETON S.A. and 205 Euro thousand concern subsidiary LEADER BETON S.A.

As at 31/12/2011, the total short-term bank loans amounted to 58.035 Euro thousand, of which 55.749 Euro thousand concern subsidiary LAFARGE BETON S.A., 2.090 Euro thousand concern subsidiary EVIESK S.A. and 196 Euro thousand concern subsidiary LEADER BETON S.A.

15. CONTINGENT LIABILITIES AND COMMITMENTS

Company disputes under litigation or arbitration

On 30/6/2012, there were pending lawsuits against the Group, the outcome of which is uncertain, amounting to 60.236 Euro thousand (31/12/2011: 58.206 Euro thousand), out of which the pending lawsuits against the Company amount to 45.151 Euro thousand (31/12/2011: 43.320 Euro thousand). The maximum risk for the Group from the final decisions on the above cases is estimated at 23.040 Euro thousand, out of which the maximum risk from the final decisions on the cases of the Company is estimated at 18.063 Euro thousand. No provision has been made in the Financial Statements for said pending cases, as it is unlikely that such risk will eventually occur.

Various plots of land of the Group and the Company have been declared as forests, sea shores and archaeological sites and their ownership is disputed by the Greek State and various third parties. The maximum risk from such claims is estimated at 1.908 Euro thousand and 1.885 Euro thousand for the Group and the Company respectively. No provision has been made in the Financial Statements for the said claims as it is unlikely that such risk will eventually occur.

15. CONTINGENT LIABILITIES AND COMMITMENTS - Continued**Unaudited tax years**

Tax obligations of the Group's companies in Greece, as presented in the table below, will be finalised after the completion of the relevant regular tax audits by the competent tax authorities or / and after finalisation of all pending court cases on existing previous years' differences with tax authorities. The current period 1/1/2012-30/6/2012 is also considered as unaudited. More specifically for the companies HERACLES G.C.C., LAFARGE BETON S.A., HERACLES MARITIME CO., EVIESK S.A., LAVA S.A., MARATHOS QUARRIES S.A. and AEGEAN TERMINALS S.A., the current period will be audited by the regular Certified Public Accountant for year 2011 according to article 21 of L.3943/2011. From these tax audits, additional tax obligations may arise, which are estimated not to have significant effect in the Group and the Company.

Company	Registered Office	Unaudited tax years
HERACLES GCC	Greece, Paiania, Attica	-
LAFARGE BETON S.A.	Greece, Paiania, Attica	2009-2010
EVIESK S.A.	Greece, Paiania, Attica	2010
HERACLES MARITIME CO.	Greece, Paiania, Attica	2010
LAVA S.A.	Greece, Paiania, Attica	2010
AEGEAN TERMINALS S.A.	Greece, Paiania, Attica	2010
INVESTMENT SILO PORT SAID COMPANY S.A. (absorbed by AEGEAN TERMINALS S.A.)	Greece, Paiania, Attica	2010
G. HATZIKYRIAKOS SOC. NAV. (dormant)	Greece, Paiania, Attica	1998-2011
A. HATZIKYRIAKOS SOC. NAV. (dormant)	Greece, Paiania, Attica	1998-2011
DYSTOS SOC. NAV. (dormant)	Greece, Paiania, Attica	1996-2011
NAFSIKA SOC. NAV. (liquidated)	Greece, Paiania, Attica	1998-2011
HERACLES GLORY SOC. NAV. (liquidated)	Greece, Paiania, Attica	1998-2009
SUPER BETON S.A. I MARKOULAKIS (absorbed by LAFARGE BETON S.A.)	Greece, Heraclion, Crete	2010-2011
MIDDLE EAST CEMENT SHIPPING & HANDLING CO. S.A.	Greece, Paiania, Attica	2010-2011
FINDA TRANSPORTS S.A. (absorbed by INVESTMENT SILO PORT SAID SILO INVESTMENT COMPANY S.A.)	Greece, Paiania, Attica	1993-2009
MARATHOS QUARRIES S.A.	Greece, Heraclion, Crete	2010
PORT SAID SILO INVESTMENT COMPANY S.A. (dormant)	Panama	*
INTERNATIONAL MEDITERRANEAN SHIPPING S.A. (liquidated)	Luxemburg	*
LEADER BETON S.A.	Albania	*

* Relates to a company established abroad, subject to a special tax status in the country of establishment.

15. CONTINGENT LIABILITIES AND COMMITMENTS - Continued**Granted guarantees**

The following letters of guarantee have been provided to secure liabilities of the Group and the Company, and were in force on 30/6/2012 and on 31/12/2011:

Amounts in Euro thousand	GROUP		COMPANY	
	30/6/2012	31/12/2011	30/6/2012	31/12/2011
Granted guarantees	5.243	5.339	3.709	3.799
Intercompany granted guarantees	0	0	1.923	1.923
	<u>5.243</u>	<u>5.339</u>	<u>5.632</u>	<u>5.722</u>

Commitments for purchases and capital expenditure

Commitments for purchases and capital expenditure in force on 30/6/2012 and on 31/12/2011 are as follows:

Amounts in Euro thousand	GROUP		COMPANY	
	30/6/2012	31/12/2011	30/6/2012	31/12/2011
Purchase contracts	15.375	24.016	72.151	80.413
Capital expenditure contracts	530	1.211	127	511
	<u>15.905</u>	<u>25.227</u>	<u>72.278</u>	<u>80.924</u>

Commitments for operating leases

On the reporting date, the Group and the Company have the following liabilities under operating lease agreements without the option or the intention of cancellation, which are payable as follows:

Amounts in Euro thousand	GROUP		COMPANY	
	30/6/2012	31/12/2011	30/6/2012	31/12/2011
Within one year	16.366	11.693	6	0
Within two and up to five years	41.526	43.496	512	583
Over five years	6.152	10.353	600	248
	<u>64.044</u>	<u>65.542</u>	<u>1.118</u>	<u>831</u>

16. RELATED PARTY TRANSACTIONS

Trading transactions with related parties

For the Group, related parties are the ultimate parent company LAFARGE S.A. and all other LAFARGE Group companies. Transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in this note:

Amounts in Euro thousand

GROUP	INCOME		EXPENSES		RECEIVABLES		LIABILITIES	
	1/1- 30/6/2012	1/1- 30/6/2011	1/1- 30/6/2012	1/1- 30/6/2011	30/6/2012	31/12/2011	30/6/2012	31/12/2011
Parent company LAFARGE S.A.	19.560	16.493	275	158	7	0	162	302
LAFARGE Group associates	28.392	23.723	1.190	1.498	8.156	4.770	442	526
Royalties to LAFARGE S.A.	0	0	1.973	3.308	0	0	2.005	1.094
Total	47.952	40.216	3.438	4.964	8.163	4.770	2.609	1.922

Transactions between the Company and its subsidiaries, which are related parties, prior to elimination entries, and with the parent company LAFARGE S.A. along with other LAFARGE Group companies, are disclosed below:

Amounts in Euro thousand

COMPANY	INCOME		EXPENSES		RECEIVABLES		LIABILITIES	
	1/1- 30/6/2012	1/1- 30/6/2011	1/1- 30/6/2012	1/1- 30/6/2011	30/6/2012	31/12/2011	30/6/2012	31/12/2011
HERACLES G.C.C Group Companies	6.724	10.132	7.302	6.903	29.839	31.555	9.442	8.831
Parent company LAFARGE S.A.	19.560	16.486	275	158	7	0	0	139
LAFARGE Group associates	26.129	23.077	1.131	1.445	6.989	4.183	415	451
Royalties to LAFARGE S.A.	0	0	1.973	3.308	0	0	2.005	1.094
Total	52.413	49.695	10.681	11.814	36.835	35.738	11.862	10.515

16. RELATED PARTY TRANSACTIONS - Continued**Remuneration to management and members of the BoD**

The benefits of the Board of Directors members and the members of the Executive Committee of Heracles G.C.C., as well as attendance fees of Group and Company Board of Directors members, are analysed as follows:

Amounts in Euro thousand

	GROUP		COMPANY	
	1/1-30/6/2012	1/1-30/6/2011	1/1-30/6/2012	1/1-30/6/2011
Current benefits	1.647	1.785	1.096	1.098
Provision for retirement compensation and paid compensations	70	65	38	30
BoD members attendance fees	144	149	98	98
	1.861	1.999	1.232	1.226

Amounts in Euro thousand

	GROUP		COMPANY	
	1/1-30/6/2012	1/1-30/6/2011	1/1-30/6/2012	1/1-30/6/2011
Prepayments of expenses to be refunded to Management and BoD Members	0	0	0	0
Obligations to Management and BoD members	0	0	0	0
Net receivables/ (obligations) to Management and BoD Members	0	0	0	0

The comparative data for the Group and the Company, for the first semester of 2011, have been adjusted for presentation purposes.

17. PERSONNEL

Group and Company employees as at 30/6/2012 are as follows:

	GROUP		COMPANY	
	30/6/2012	30/6/2011	30/6/2012	30/6/2011
Number of personnel	1.293	1.561	1.026	1.235

18. RECLASSIFICATIONS

In the condensed Statement of Financial Position of the Group, for year 2011, an amount of 498 Euro thousand has been reclassified from "Other payables" subtractive to "Income tax receivable" as it concerned liabilities of LAFARGE BETON S.A. arising from its tax audit and the tax settlements of its subsidiaries. Moreover, for the Group, for year 2011, an amount of 154 Euro thousand has been reclassified from "Other receivables" to "Income tax receivable" for presentation purposes.

In the condensed Income Statement of the Group, for the second three-month period of 2011, an amount of 68 Euro thousand has been reclassified from turnover to other operating income while an amount of 15 Euro thousand has been reclassified from other operating income subtractive to cost of sales by 7 Euro thousand and subtractive to administrative & distribution expenses by 8 Euro thousand.

Moreover, "Trade receivables" and "Other receivables" as well as "Trade payables" and "Other payables" are presented in separate lines in the condensed Statement of Financial Position of the Group and the Company and consequently their comparative data have been adjusted for presentation purposes.

19. EVENTS AFTER THE REPORTING DATE OF THE STATEMENT OF FINANCIAL POSITION

In July of 2012, the tax audit of the companies HERACLES G.C.C., LAFARGE BETON S.A., HERACLES MARITIME CO., EVIESK S.A., LAVA S.A., MARATHOS QUARRIES S.A. and AEGEAN TERMINALS S.A. was completed by the regular Certified Public Accountant for year 2011 according to article 21 of L.3943/2011. After the completion of the tax audit, the companies received a tax certificate with which the tax position of the companies is considered finalized, according to article 6 of POL.1159/22.7.2011, as long as a period of 18 months passes, during which the tax authorities can revert.

At the end of the same month, the tax audit of the company HERACLES G.C.C. for the years 2009-2010 was completed. An amount of 2.606 Euro thousand was charged as additional tax obligation and surcharges. The reversal of tax provision for the above audited years, including 2011, that had been recognised by the Company was 4.820 Euro thousand. These amounts have been recognised in the results of the first semester of 2012.

On 3 August 2012, according to article 16 case b' of the Articles of Association and 21 par. 5 of Law 2190/1920, the Company's Board of Directors decided to convene Extraordinary General Assembly of Shareholders on 27 August 2012, with subject the reduction of the share capital of the Company with the aim to rationalize its financial data. The amount of the reduction amounts to 69.661.052,86 Euro and corresponds to the reduction of the nominal share price from 2,68€ to 1,70€. The capital return will take place through payment of cash to shareholders.

According to the Company's Management best knowledge, no other subsequent events after 30/6/2012 exist that may have a significant financial impact on the Group and the Company.

The Group and Company interim Financial Statements on page 3 through to page 34 were approved by the Company's Board of Directors on 24 August of 2012. The Board of Directors authorised the following directors and officers to sign the Financial Statements on its behalf:

**THE CHAIRMAN OF
THE BOARD OF
DIRECTORS**

**THE MANAGING
DIRECTOR**

**THE CHIEF
FINANCIAL OFFICER**

**MANOLIS CHR.
KYPRIANIDES**

**PIERRE
DELEPLANQUE**

**MICHAIL TH.
MICHELIS**

I.D. No. AZ 007012

**PASSPORT No.
07CV39073**

**ECG LIC. No. E29960
A' CLASS**

FINANCIAL DATA AND INFORMATION FOR THE PERIOD FROM 1 JANUARY 2012 TO 30 JUNE 2012

(according to decision 4/507/28.04.2009 of the Capital Market's Committee Board of Directors)

The financial data and information presented below, aim to provide for a general overview of the financial position and the results of the Group and the Company HERACLES G.C.C. S.A. Therefore we suggest to readers, before proceeding to any investment decision or other transaction with the Group and the Company, to refer to the web site of the Company where financial statements are published, as well as the certified auditors' opinion when it is required.

COMPANY'S INFORMATION

COMPANY'S NAME	: HERACLES GROUP OF COMPANIES
COMPANY'S REGISTERED ADDRESS	: 19.3 KLM MARKOPOULOU AV., 19002 PAANIA, ATTICA
COMPANIES REG. NO.	: 13576/06/B/86/096
QUALIFIED PREFECTURE	: MINISTRY OF DEVELOPMENT - DEPARTMENT OF SOCIETE ANONYME AND TRUST
FINANCIAL STATEMENTS APPROVAL DATE BY THE BOARD OF DIRECTORS	: 24 August 2012
CERTIFIED AUDITORS	: EPAMINONTAS E. GIOUROUKOS (REG. No: ICPA (GR) 10351) - GIANNOPOULOU D. FOTINI (REG. No: ICPA (GR) 24031)
AUDIT FIRM	: DELOITTE. - HADJIPAVLOU, SOFIANOS & CAMBANIS SA.- (REG. No: ICPA (GR): E 120)
TYPE OF AUDIT OPINION	: UNQUALIFIED
COMPANY'S WEBSITE	: www.lafarge.gr

STATEMENT OF FINANCIAL POSITION

Amounts in Euro thousand	GROUP		COMPANY	
	30/6/2012	31/12/2011	30/6/2012	31/12/2011
ASSETS				
Tangible assets	446,827	456,076	412,501	420,226
Intangible assets	32,350	32,785	771	1,056
Other non current assets	21,885	18,520	68,126	115,316
Inventories	48,948	57,078	43,094	50,721
Trade receivables	76,254	97,662	64,328	71,816
Other current assets	15,881	19,992	36,066	16,419
Non current assets available for sale	0	9,044	0	9,044
Cash & cash equivalents	95,207	145,924	90,893	131,380
TOTAL ASSETS	737,352	837,081	715,779	815,978
LIABILITIES & EQUITY				
Share capital	190,502	190,502	190,502	190,502
Other equity figures	333,702	400,659	364,028	437,558
Total Shareholders' equity (a)	524,204	591,161	554,530	628,060
Non-controlling interest (b)	(56)	96	0	0
Total Equity (c) = (a) + (b)	524,148	591,257	554,530	628,060
Provisions/ Other non current liabilities	68,909	76,985	83,239	90,302
Short term bank loans	56,712	58,035	0	0
Other current liabilities	87,583	110,804	78,010	97,616
Total Liabilities (d)	213,204	245,824	161,249	187,918
TOTAL EQUITY AND LIABILITIES (c) + (d)	737,352	837,081	715,779	815,978

STATEMENT OF CHANGES IN EQUITY

Amounts in Euro thousand	GROUP		COMPANY	
	30/6/2012	30/6/2011	30/6/2012	30/6/2011
Equity opening balance (1/1/2012 and 1/1/2011 respectively)	591,257	646,409	628,060	673,619
Total comprehensive income after tax	(67,109)	(41,699)	(73,530)	(33,019)
Equity closing balance (30/6/2012 and 30/6/2011 respectively)	524,148	604,710	554,530	640,600

STATEMENT OF COMPREHENSIVE INCOME

Amounts in Euro thousand	GROUP		COMPANY	
	1/1-30/6/2012	1/1-30/6/2011	1/1-30/6/2012	1/1-30/6/2011
Turnover (Sales)	108,528	147,453	92,841	128,054
Gross profit / (loss)	(8,810)	9,250	(10,927)	5,692
Earnings / (losses) before interest & tax	(72,483)	(46,500)	(80,639)	(39,701)
Profit / (loss) for the period before tax	(72,102)	(47,967)	(78,844)	(39,269)
Net profit / (loss) for the period after tax (a)	(63,457)	(42,761)	(69,895)	(34,178)
Allocated to:				
Company's shareholders	(63,305)	(42,574)	(69,895)	(34,178)
Non-controlling interest	(152)	(187)	0	0
Other comprehensive income after tax (b)	(3,652)	1,062	(3,635)	1,159
Total comprehensive income after tax (a) + (b)	(67,109)	(41,699)	(73,530)	(33,019)
Allocated to:				
Company's shareholders	(66,957)	(41,512)	(73,530)	(33,019)
Non-controlling interest	(152)	(187)	0	0
Earnings / (losses) per share after tax (in €)	(0.8927)	(0.6016)	(0.9833)	(0.4808)
Earnings / (losses) before interest, tax, depreciation and amortization	(52,017)	(24,018)	(61,867)	(18,982)

STATEMENT OF CASH FLOWS

Indirect method Amounts in Euro thousand	GROUP		COMPANY	
	1/1-30/6/2012	1/1-30/6/2011	1/1-30/6/2012	1/1-30/6/2011
Operating activities				
Profit / (loss) of the period before tax	(72,102)	(47,967)	(78,844)	(39,269)
Plus / less adjustments for:				
Depreciation	20,466	22,482	18,772	20,719
Provisions	29,373	35,940	43,701	34,796
Foreign exchange differences	165	(306)	156	(410)
Gain / (loss) from derivatives valuation	189	5	189	5
Income / (expenses), profit / (losses) from investing activities	(2,258)	(348)	(2,803)	(760)
Interest and related expenses	2,122	1,597	1,109	261
Plus / less adjustments for changes in working capital accounts or relevant with operating activities:				
Decrease / (increase) in inventories	6,973	(2,661)	6,294	(2,606)
Decrease / (increase) in receivables	(11,887)	(25,761)	(14,123)	(20,406)
(Decrease) / increase in liabilities (excl. bank loans)	(18,289)	(13,535)	(14,220)	(12,156)
Less :				
Interest and related expenses paid	(1,248)	(1,445)	(241)	(314)
Taxes paid	(582)	(3,948)	(400)	(3,693)
Total inflow / (outflow) from operating activities (a)	(47,078)	(35,947)	(40,410)	(23,833)
Investing activities				
Purchases of tangible and intangible fixed assets	(2,964)	(11,811)	(2,736)	(10,919)
Proceeds from disposals of tangible and intangible assets	629	477	308	322
Interest received	153	496	704	918
Total inflow / (outflow) from investing activities (b)	(2,182)	(10,838)	(1,724)	(9,679)
Financing activities				
Loan proceeds	2,062	53,589	1,675	0
Loan repayments	(3,385)	(39,998)	0	(803)
Payments of obligations under finance leases	(125)	(124)	(19)	(11)
Dividends paid	(9)	0	(9)	0
Total inflow / (outflow) from financing activities (c)	(1,457)	13,467	1,647	(814)
Net increase / (decrease) in cash and cash equivalents (a) + (b) + (c)	(50,717)	(33,318)	(40,487)	(34,326)
Cash and cash equivalents at the beginning of the period	145,924	138,002	131,380	125,962
Cash and cash equivalents at the end of the period	95,207	104,684	90,893	91,636

ADDITIONAL DATA AND INFORMATION

- The basic accounting principles used, are consistent to those followed in the 31 December 2011 published annual financial statements of the Group and Company. There are reclassifications to the already published accounts of Group and Company condensed Statement of Financial Position and Group condensed Income Statement, for presentation purposes, analysis of which is presented in note 18 of the interim financial statements.
- The LAFARGE Group with registered office in Paris, which holds, as at 30 June 2012, 88.99% of the issued share capital of HERACLES G.C.C., prepares consolidated financial statements including the financial statements of the Group, using the full consolidation method.
- The unaudited by tax authorities fiscal years of the Group companies are described in note 15 of the interim financial statements.
- Related to the legal litigation issues that have or may have a material effect in the Group's and Company's financial position or activity the following are noted:
Various plots of land have been declared as forests, sea shores and archaeological sites and their ownership is disputed by the Greek State and various third parties.
The maximum risk, from these disputes, for the Group and the Company is estimated at 1,908 Euro thousand and 1,885 Euro thousand respectively. No provision has been made in the financial statements, as it is unlikely that such risk will eventually occur.
As at 30 June 2012, there are pending lawsuits against the Group amounting to 60,236 Euro thousand of which 45,151 Euro thousand relate to pending lawsuits against the Company that are being handled legally and their outcome is uncertain. The maximum risk from the final decisions on the above cases is estimated at 23,040 Euro thousand of which 18,063 Euro thousand relate to the maximum risk from the final decisions on the Company's cases. No relative provision has been made in the financial statements, as it is unlikely that such risk will eventually occur.
Furthermore, as at 30 June 2012, there are pending lawsuits against the Group amounting to 5,241 Euro thousand of which 5,188 Euro thousand relate to pending lawsuits against the Company that are being handled legally and their outcome, as estimated by management, will be probably negative. The maximum risk from the final decisions on the above cases is estimated at 2,248 Euro thousand of which 2,209 Euro thousand relate to the maximum risk from the final decisions on the Company's cases.
For these risks the Group has recognised "Provisions for legal litigation". The amounts of accumulated provisions for the Group and the Company are described in the table below:

Amounts in Euro thousand	GROUP	COMPANY
Provisions for legal litigation	2,248	2,209
Provision for staff retirement	54,650	51,536
Other provisions	16,772	34,628
Total provisions	73,670	88,373
- The number of employees for the Group and the Company as at 30 June 2012, is 1,293 (30/6/2011: 1,561) and 1,026 (30/6/2011: 1,235) respectively.

- Transactions and balances between the Company and its related parties are disclosed below according to IAS 24:

Amounts in Euro thousand	GROUP	COMPANY
Income	47,952	52,413
Expenses	3,438	10,681
Receivables	8,163	36,835
Payables	2,609	11,862
Salaries and expenses of general managers and BoD members	1,861	1,232
Receivables from general managers and BoD members	0	0
Payables to general managers and BoD members	0	0
- Amounts and nature of other comprehensive income after tax are as follows:

Amounts in Euro thousand	GROUP		COMPANY	
	30/6/2012	30/6/2011	30/6/2012	30/6/2011
Actuarial gain / (loss) net of deferred tax	(3,235)	915	(3,235)	915
Gain / (loss) on valuation of derivatives net of deferred tax	(400)	244	(400)	244
Other equity movements	(17)	(97)	0	0
Other comprehensive income after tax	(3,652)	1,062	(3,635)	1,159
- There are not any own shares held by the Group companies.
- Significant events after the reporting date of the financial statements: In July of 2012, the tax audit of the companies HERACLES G.C.C., LAFARGE BETON S.A., HERACLES MARITIME CO., EVIESK S.A., LAVA S.A., MARATHOS QUARRIES S.A. and AEGEAN TERMINALS S.A. was completed by the regular Certified Public Accountant for year 2011 according to article 21 of L.3943/2011. After the completion of the tax audit, the companies received a tax certificate with which the tax position of the companies is considered finalized, according to article 6 of POL.1159/22.7.2011, as long as a period of 18 months passes, during which the tax authorities can revert. At the end of the same month, the tax audit of the company HERACLES G.C.C. for the years 2009-2010 was completed. An amount of 2,606 Euro thousand was charged as additional tax obligation and surcharges. The reversal of tax provision for the above audited years, including 2011, that had been recognised by the Company was 4,820 Euro thousand. These amounts have been recognised in the results of the first semester of 2012. On 3 August 2012, according to article 16 case b' of the Articles of Association and 21 par. 5 of Law 2190/1920, the Company's Board of Directors decided to convene Extraordinary General Assembly of Shareholders on 27 August 2012, with subject the reduction of the share capital of the Company with the aim to rationalize its financial data. The amount of the reduction amounts to 69,661,052.86 Euro and corresponds to the reduction of the nominal share price from 2.68€ to 1.70€. The capital return will take place through payment of cash to shareholders. According to the Company's Management best knowledge, no other subsequent events after 30/6/2012 exist that may have a significant financial impact on the Group and the Company.
- The name, the registered address, the consolidation method and the direct and indirect percentage of participation of the parent company in the consolidated companies are described in the note 13 of the interim financial statements.
- Modifications of consolidation structure:
Compared to the respective period of the previous year (1 January - 30 June 2011) the subsidiary SUPER BETON S.A. I MARKOULAKIS is not included in consolidation due to its absorption by the subsidiary LAFARGE BETON S.A. The subsidiary NAFSIKA SOC. NAV. is not included in consolidation as well, as it was liquidated. Also, in the current period, the company E.D.A.K.E. S.A. is consolidated through the proportional method whereas it was not included in consolidation in the respective period of the previous year. The above mentioned changes do not effect more than 25% the account of sales, profit / (loss) after tax and minority interests and shareholders' net equity of the Group.
- EKEPI S.A., STEGI OF THE GREEK INDUSTRY and UNICEN are not included in consolidation, due to their immaterial impact as described in note 13 of the interim financial statements.
- There is not any change in the consolidation method of the companies compared to the previous year (1 January - 31 December 2011).

Paiania, 24 August 2012

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