



**HERACLES**  
**GROUP OF COMPANIES**

A member of  **LAFARGE**

**CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY – 31 MARCH 2011**

**OF THE COMPANY AND THE GROUP 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.**

Companies' Reg. No. : 13576/06/B/86/096  
49-51 Sophokli Venizelou str.  
141 23 Lycovrissi - Attica

# TABLE OF CONTENTS

## PAGE

### CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2011

CONDENSED INCOME STATEMENT FOR THE PERIOD ENDED 31 MARCH 2011	3
CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2011	4
CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2011	5
CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2011	6
CONDENSED STATEMENT OF CASH FLOWS (INDIRECT METHOD) FOR THE PERIOD ENDED 31 MARCH 2011	7

### NOTES TO INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 2011

1. GENERAL INFORMATION	8
2. BASIS OF PREPARATION	8
3. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS OF EXISTING STANDARDS	8
4. ACCOUNTING PRINCIPLES	10
5. OPERATING SEGMENTS	11
6. OTHER OPERATING INCOME / (EXPENSES)	13
7. FINANCIAL RESULTS OF THE PERIOD	13
8. INCOME TAX	13
9. EARNINGS / (LOSSES) PER SHARE	14
10. DIVIDENDS	14
11. INTANGIBLE AND TANGIBLE ASSETS	14
12. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES	15
13. BANK LOANS	16
14. CONTINGENT LIABILITIES AND COMMITMENTS	16
15. RELATED PARTY TRANSACTIONS	19
16. PERSONNEL	20
17. RECLASSIFICATIONS	20
18. EVENTS AFTER THE REPORTING DATE OF THE CONDENSED STATEMENT OF FINANCIAL POSITION	20

## CONDENSED INCOME STATEMENT FOR THE PERIOD ENDED 31 MARCH 2011

Amounts in Euro thousand	NOTE	GROUP		COMPANY	
		1/1-31/3/2011	1/1-31/3/2010	1/1-31/3/2011	1/1-31/3/2010
<b>Operating results</b>					
Turnover	5	70.289	95.084	61.054	82.025
Cost of sales		(74.861)	(79.495)	(66.867)	(68.863)
<b>Gross profit / (loss)</b>		<b>(4.572)</b>	<b>15.589</b>	<b>(5.813)</b>	<b>13.162</b>
Administrative & distribution expenses		(15.695)	(17.052)	(11.021)	(12.060)
Other operating income/(expenses)	6	(856)	(1.164)	(1.189)	(1.444)
<b>Operating profit /(loss)</b>		<b>(21.123)</b>	<b>(2.627)</b>	<b>(18.023)</b>	<b>(342)</b>
Finance income/(expenses)		(1.015)	(376)	132	513
<b>Profit /(loss) for the period before tax</b>		<b>(22.138)</b>	<b>(3.003)</b>	<b>(17.891)</b>	<b>171</b>
Income tax	8	3.358	(1.172)	3.025	(948)
<b>Net profit /(loss) for the period after tax</b>	9	<b>(18.780)</b>	<b>(4.175)</b>	<b>(14.866)</b>	<b>(777)</b>
<b>Allocated to:</b>					
Non controlling interest		(361)	21	0	0
Company's Shareholders		(18.419)	(4.196)	(14.866)	(777)
		<b>(18.780)</b>	<b>(4.175)</b>	<b>(14.866)</b>	<b>(777)</b>
<b>Number of shares</b>		71.082.707	71.082.707	71.082.707	71.082.707
<b>Earnings/ (losses) per share (in €)</b>	9	(0,26)	(0,06)	(0,21)	(0,01)

Notes from page 8 through to page 21 form an integral part of the Company and Group interim Financial Statements.

## CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2011

Amounts in Euro thousand

	GROUP		COMPANY	
	31/3/2011	31/3/2010	31/3/2011	31/3/2010
<b>Net profit /(loss) for the period after tax</b>	(18.780)	(4.175)	(14.866)	(777)
Profit/ (loss) from derivative financial instruments recognised directly in equity, net of deferred tax	84	561	84	561
Other equity movements	(70)	0	0	0
<b>Other comprehensive income for the period, net of tax</b>	<b>14</b>	<b>561</b>	<b>84</b>	<b>561</b>
<b>Total comprehensive income for the period, net of tax</b>	<b>(18.766)</b>	<b>(3.614)</b>	<b>(14.782)</b>	<b>(216)</b>

Notes from page 8 through to page 21 form an integral part of the Company and Group interim Financial Statements.

## CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2011

Amounts in Euro thousand	NOTE	GROUP		COMPANY	
		31/3/2011	31/12/2010	31/3/2011	31/12/2010
<b>Fixed assets</b>					
Goodwill		29.480	29.480	0	0
Intangible assets	11	3.767	4.048	1.308	1.485
Tangible assets	11	502.776	511.198	465.966	473.514
Investments in associates and subsidiaries	12	0	0	81.168	81.168
Other investments	12	55	55	55	55
Other non-current receivables		15.321	15.325	39.812	39.799
Deferred tax asset		1.506	548	843	0
<b>Total fixed assets</b>		<b>552.905</b>	<b>560.654</b>	<b>589.152</b>	<b>596.021</b>
<b>Current assets</b>					
Inventories		59.640	56.364	53.368	50.236
Trade and other receivables		143.987	131.129	109.430	96.650
Derivative financial instruments		1.755	2.368	1.756	2.368
Fixed assets available for sale	11	9.044	9.044	9.044	9.044
Cash and cash equivalents		100.204	138.002	85.952	125.962
Income tax receivable		6.717	5.333	5.657	4.109
<b>Total current assets</b>		<b>321.347</b>	<b>342.240</b>	<b>265.207</b>	<b>288.369</b>
<b>Total assets</b>		<b>874.252</b>	<b>902.894</b>	<b>854.359</b>	<b>884.390</b>
<b>Non-current liabilities</b>					
Provision for staff termination indemnity		58.799	57.354	55.503	54.117
Other non-current provisions		20.447	20.558	36.379	36.082
Deferred tax liabilities		0	2.946	0	2.390
Finance lease liabilities		190	221	121	126
<b>Total non-current liabilities</b>		<b>79.436</b>	<b>81.079</b>	<b>92.003</b>	<b>92.715</b>
<b>Current liabilities</b>					
Provision for staff termination indemnity		4.460	4.658	3.937	3.979
Trade and other payables		107.241	122.118	95.508	108.622
Income tax liability		40	103	0	0
Finance lease liabilities		192	187	30	31
Other current provisions		1.162	871	758	547
Derivative financial instruments		2.931	3.722	2.931	3.722
Dividends payable		138	138	138	138
Bank loans	13	51.009	43.609	217	1.017
<b>Total current liabilities</b>		<b>167.173</b>	<b>175.406</b>	<b>103.519</b>	<b>118.056</b>
<b>Total liabilities</b>		<b>246.609</b>	<b>256.485</b>	<b>195.522</b>	<b>210.771</b>
<b>Equity</b>					
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		(957)	(1.041)	(957)	(1.041)
Retained earnings		262.422	280.911	305.843	320.709
<b>Total Shareholders' equity</b>		<b>627.942</b>	<b>646.347</b>	<b>658.837</b>	<b>673.619</b>
Non controlling interest		(299)	62	0	0
<b>Total equity</b>		<b>627.643</b>	<b>646.409</b>	<b>658.837</b>	<b>673.619</b>
<b>Total liabilities and equity</b>		<b>874.252</b>	<b>902.894</b>	<b>854.359</b>	<b>884.390</b>

Notes from page 8 through to page 21 form an integral part of the Company and Group interim Financial Statements.

## CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2011

Amounts in Euro thousand

GROUP	Share capital	Share premium	Reserves	Derivatives valuation reserve	Retained earnings	Non controlling interest	Total
<b>Balance at 1/1/2011</b>	190.502	1.279	174.696	(1.041)	280.911	62	646.409
Profit /(loss) for the period	0	0	0	0	(18.419)	(361)	(18.780)
Profit/(loss) from derivative financial instruments recognised directly in equity	0	0	0	84	0	0	84
Other equity movements	0	0	0	0	(70)	0	(70)
<b>Balance at 31/3/2011</b>	<u>190.502</u>	<u>1.279</u>	<u>174.696</u>	<u>(957)</u>	<u>262.422</u>	<u>(299)</u>	<u>627.643</u>
<b>Balance at 1/1/2010</b>	142.165	1.279	171.058	(1.136)	397.009	109	710.484
Profit /(loss) for the period	0	0	0	0	(4.196)	21	(4.175)
Profit/(loss) from derivative financial instruments recognised directly in equity	0	0	0	561	0	0	561
<b>Balance at 31/3/2010</b>	<u>142.165</u>	<u>1.279</u>	<u>171.058</u>	<u>(575)</u>	<u>392.813</u>	<u>130</u>	<u>706.870</u>

Amounts in Euro thousand

COMPANY	Share capital	Share premium	Reserves	Derivatives valuation reserve	Retained earnings	Total
<b>Balance at 1/1/2011</b>	190.502	1.279	162.170	(1.041)	320.709	673.619
Profit /(loss) for the period	0	0	0	0	(14.866)	(14.866)
Profit/(loss) from derivative financial instruments recognised directly in equity	0	0	0	84	0	84
<b>Balance at 31/3/2011</b>	<u>190.502</u>	<u>1.279</u>	<u>162.170</u>	<u>(957)</u>	<u>305.843</u>	<u>658.837</u>
<b>Balance at 1/1/2010</b>	142.165	1.279	158.340	(1.136)	417.571	718.219
Merge of subsidiary	0	0	0	0	(777)	(777)
Profit /(loss) from derivative financial instruments recognised directly in equity	0	0	0	561	0	561
<b>Balance at 31/3/2010</b>	<u>142.165</u>	<u>1.279</u>	<u>158.340</u>	<u>(575)</u>	<u>416.794</u>	<u>718.003</u>

Notes from page 8 through to page 21 form an integral part of the Company and Group interim Financial Statements.

**CONDENSED STATEMENT OF CASH FLOWS  
(INDIRECT METHOD) FOR THE PERIOD ENDED 31  
MARCH 2011**

Amounts in Euro thousand	NOTE	GROUP		COMPANY	
		1/1- 31/3/2011	1/1- 31/3/2010	1/1- 31/3/2011	1/1- 31/3/2010
<b><u>Operating activities</u></b>					
Profit / (loss) before tax		(22.138)	(3.003)	(17.891)	171
Plus / less adjustments for:					
Depreciation		11.737	11.826	10.832	10.861
Provisions	17	7.333	4.137	7.229	4.393
Foreign exchange differences		(369)	389	(434)	389
Gain /(loss) from derivatives valuation		1	235	1	235
Income / (expenses), profit / (losses) from investing activities		(501)	(659)	(514)	(434)
Interest and related expenses		1.100	3.201	263	704
<b>Plus/ less adjustments for changes in working capital accounts or relevant with operating activities:</b>					
Decrease / (increase) in inventories		(5.376)	(3.101)	(5.232)	(2.632)
Decrease / (increase) in receivables		(13.608)	(26.149)	(13.756)	(24.290)
(Decrease) / increase in liabilities (excl. bank loans)	17	(15.832)	(903)	(13.839)	538
Less :					
Interest and related expenses paid		(1.147)	(3.202)	(125)	(704)
Taxes paid		(1.722)	(6.760)	(1.548)	(6.754)
<b>Total inflow / (outflow) from operating activities (a)</b>		<b><u>(40.522)</u></b>	<b><u>(23.989)</u></b>	<b><u>(35.014)</u></b>	<b><u>(17.523)</u></b>
<b><u>Investing activities</u></b>					
Purchases of tangible and intangible fixed assets		(5.007)	(3.320)	(4.779)	(3.052)
Proceeds from disposals of tangible and intangible assets		68	815	43	65
Interest received		332	467	549	416
<b>Total inflow / (outflow) from investing activities (b)</b>		<b><u>(4.607)</u></b>	<b><u>(2.038)</u></b>	<b><u>(4.187)</u></b>	<b><u>(2.571)</u></b>
<b><u>Financing activities</u></b>					
Loan proceeds		47.597	25.422	0	0
Loan repayments		(40.197)	(21.371)	(800)	(223)
Payments of obligations under finance leases		(69)	(69)	(9)	(4)
<b>Total inflow / (outflow) from finance activities (c)</b>		<b><u>7.331</u></b>	<b><u>3.982</u></b>	<b><u>(809)</u></b>	<b><u>(227)</u></b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (a)+(b)+(c)</b>		<b><u>(37.798)</u></b>	<b><u>(22.045)</u></b>	<b><u>(40.010)</u></b>	<b><u>(20.321)</u></b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b><u>138.002</u></b>	<b><u>192.120</u></b>	<b><u>125.962</u></b>	<b><u>177.178</u></b>
<b>Cash and cash equivalents at the end of the period</b>		<b><u>100.204</u></b>	<b><u>170.075</u></b>	<b><u>85.952</u></b>	<b><u>156.857</u></b>

Notes from page 8 through to page 21 form an integral part of the Company and Group interim Financial Statements.

## 1. GENERAL INFORMATION

HERACLES GENERAL CEMENT COMPANY (the Company) has been incorporated in Greece under the Company Law 2190/1920, with its registered office located in the Municipality of Lycovrissi, Attica, 49-51 Sophokli Venizelou str. The majority shareholding (88,99% as at 31/3/2011) in the Company 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 interim 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**

#### **IAS 24 (Revised) "Related Party Disclosures"**

This amendment attempts to reduce disclosures of transactions between government-related entities and clarify related-party definition. More specifically, it removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities, clarifies and simplifies the definition of a related party and requires the disclosure not only of the relationships, transactions and outstanding balances between related parties, but of commitments as well in both the consolidated and the individual Financial Statements. This revision does not affect the Group's Financial Statements.

#### **IAS 32 (Amendment) "Financial Instruments: Presentation"**

This amendment clarifies how certain rights issues should be classified. In particular, based on this amendment, rights, options or warrants to acquire a fixed number of the entity's own equity instruments for a fixed amount of any currency are equity instruments if the entity offers the rights, options or warrants pro rata to all of its existing owners of the same class of its own non-derivative equity instruments. This amendment is not relevant to the Group.

#### **IFRIC 19 "Extinguishing Financial Liabilities with Equity Instruments"**

This interpretation addresses the accounting by the entity that issues equity instruments to a creditor in order to settle, in full or in part, a financial liability. This interpretation is not relevant to the Group.

#### **IFRIC 14 (Amendment) "The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction"**

The amendments apply in limited circumstances: when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover those requirements. The amendments permit such an entity to treat the benefit of such an early payment as an asset. This interpretation is not relevant to the Group.



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

#### Amendments to standards that form part of the IASB's 2010 annual improvements project

The amendments set out below describe the key changes to IFRSs following the publication in May 2010 of the results of the IASB's annual improvements project. Unless otherwise stated the following amendments do not have a material impact on the Group's Financial Statements.

#### IFRS 3 "Business Combinations"

The amendments provide additional guidance with respect to: (i) contingent consideration arrangements arising from business combinations with acquisition dates preceding the application of IFRS 3 (2008); (ii) measuring non-controlling interests; and (iii) accounting for share-based payment transactions that are part of a business combination, including un-replaced and voluntarily replaced share-based payment awards.

#### IFRS 7 "Financial Instruments: Disclosures"

The amendments include multiple clarifications related to the disclosure of financial instruments.

#### IAS 1 "Presentation of Financial Statements"

The amendment clarifies that entities may present an analysis of the components of other comprehensive income either in the statement of changes in equity or within the notes.

#### IAS 27 "Consolidated and Separate Financial Statements"

The amendment clarifies that the consequential amendments to IAS 21, IAS 28 and IAS 31 resulting from the 2008 revisions to IAS 27 are to be applied prospectively.

#### IAS 34 "Interim Financial Reporting"

The amendment places greater emphasis on the disclosure principles that should be applied with respect to significant events and transactions, including changes to fair value measurements, and the need to update relevant information from the most recent annual report.

#### IFRIC 13 "Customer Loyalty Programmes"

The amendment clarifies the meaning of the term 'fair value' in the context of measuring award credits under customer loyalty programmes.

#### Standards and Interpretations effective from periods beginning on or after 1 January 2012

#### IFRS 9 "Financial Instruments" (effective for annual periods beginning on or after 1 January 2013)

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. The Group is currently investigating the impact of IFRS 9 on its Financial Statements. The Group cannot currently early adopt IFRS 9 as it has not been endorsed by the EU. Only once approved will the Group decide if IFRS 9 will be adopted prior to 1 January 2013.

#### 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.

#### 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. This amendment has not yet been endorsed by the EU.

#### **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 2010. However, the condensed three-month period financial statements should be examined along with the annual Financial Statements of 31 December 2010 which are available at the Company's website [www.lafarge.gr](http://www.lafarge.gr).

## 5. OPERATING SEGMENTS

The following information is provided for the reportable segments which are regularly 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) and total assets. "Current operating income" is defined by Management as the income of the Company and the Group before taxes, financial income / (expenses) and non-recurring income / (expenses). Segment information is presented below:

Amounts in Euro thousand	31/3/2011				
	<u>Cement Division</u>	<u>Concrete Division</u>	<u>Aggregates Division</u>	<u>Eliminations</u>	<u>Total Group</u>
<b>Turnover</b>	61.401	10.047	3.430	(4.112)	<b>70.766</b>
<b>Current Operating income</b>	(18.241)	(1.844)	(289)	0	<b>(20.374)</b>
<b>Operating income/(loss)</b>	(18.151)	(2.014)	(289)	0	<b>(20.454)</b>

Amounts in Euro thousand	31/3/2010				
	<u>Cement Division</u>	<u>Concrete Division</u>	<u>Aggregates Division</u>	<u>Eliminations</u>	<u>Total Group</u>
<b>Turnover</b>	83.241	14.435	4.327	(6.663)	<b>95.340</b>
<b>Current Operating income</b>	784	(1.166)	370	0	<b>(12)</b>
<b>Operating income/(loss)</b>	(590)	(1.396)	370	0	<b>(1.616)</b>

Amounts in Euro thousand	Total Assets as per Management Reporting				
	<u>Cement Division</u>	<u>Concrete Division</u>	<u>Aggregates Division</u>	<u>Eliminations</u>	<u>Total Group</u>
<b>31/3/2011</b>	862.544	84.769	58.544	(138.159)	<b>867.698</b>
<b>31/12/2010</b>	887.739	88.294	54.798	(142.031)	<b>888.800</b>

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 the published, according to International Financial Reporting Standards, Financial Statements.

## 5. OPERATING SEGMENTS – Continued

Amounts in Euro thousand

	<u>31/3/2011</u>	<u>31/3/2010</u>
<b>Turnover per Management Reporting</b>	<b>70.766</b>	<b>95.340</b>
Discount reclassification between Turnover and Cost of sales	<u>(477)</u>	<u>(256)</u>
<b>Turnover per Income Statement</b>	<b><u>70.289</u></b>	<b><u>95.084</u></b>

Amounts in Euro thousand

	<u>31/3/2011</u>	<u>31/3/2010</u>
<b>Reportable Segments</b>		
Current Operating Income /(loss)	(20.374)	(12)
Non-recurring income /(expenses)	<u>(80)</u>	<u>(1.604)</u>
<b>Operating Income/(loss)</b>	<b>(20.454)</b>	<b>(1.616)</b>
<b>Reconciliation to Income Statement</b>		
Timing difference on revenue recognition	0	(828)
Provisions and liabilities recognised in different periods	(475)	0
Cost allocation between administrative and finance expenses	300	(276)
Difference in Fixed Assets depreciation	(163)	(211)
Other timing differences	<u>(331)</u>	<u>304</u>
<b>Income Statement</b>		
<b>Operating Income /(loss)</b>	<b>(21.123)</b>	<b>(2.627)</b>
Net financial income /(expenses)	<u>(1.015)</u>	<u>(376)</u>
<b>Profit /(loss) before tax</b>	<b>(22.138)</b>	<b>(3.003)</b>
Income tax	<u>3.358</u>	<u>(1.172)</u>
<b>Net profit /(loss) for the period after tax</b>	<b><u>(18.780)</u></b>	<b><u>(4.175)</u></b>

Amounts in Euro thousand

	<u>31/3/2011</u>	<u>31/12/2010</u>
<b>Total Assets per Management Reporting</b>	<b>867.698</b>	<b>888.800</b>
Difference in deemed cost of fixed assets	15.992	17.601
Additional provision for doubtful debts	(2.114)	0
Total assets of non consolidated entity	(3.873)	(3.987)
Deferred tax difference	(3.247)	943
Other	<u>(204)</u>	<u>(463)</u>
<b>Total Assets per Statement of Financial position</b>	<b><u>874.252</u></b>	<b><u>902.894</u></b>

## 6. OTHER OPERATING INCOME / (EXPENSES)

Other operating income / (expenses) of the Group and the Company for the period 1/1 – 31/3/2011 are analysed as follows:

Amounts in Euro thousand	GROUP		COMPANY	
	1/1-31/3/2011	1/1-31/3/2010	1/1-31/3/2011	1/1-31/3/2010
Profit/(loss) from investment disposals	0	0	0	18
Profit/(loss) from fixed asset disposals	169	181	(35)	0
(Provision) / Reversal of provision for share in losses of subsidiaries	0	0	(320)	0
Provision for doubtful receivables	(1.339)	(1.438)	(834)	(1.462)
Other	314	93	0	0
	<u>(856)</u>	<u>(1.164)</u>	<u>(1.189)</u>	<u>(1.444)</u>

Due to the special features of the cement market situation during both the current and the prior year, the Company' Management decided to reclass the provision for doubtful receivables from the administrative & distribution expenses to other operating expenses, for the fair presentation of the company and the consolidated Financial Statements.

The comparative data of the administrative & distribution expenses and other operating income / (expenses) for the first three-month period of 2010 have been adjusted for presentation purposes.

The same reclassification also affected the condensed income statement of the first three-month period of 2010.

## 7. FINANCIAL RESULTS OF THE PERIOD

The Group's turnover amounted to 70.289 Euro thousand for the first three-month period of 2011 decreased by 26,1% compared to the corresponding period in 2010. The Company's turnover amounted to 61.054 Euro thousand, for the same period in 2011, decreased by 25,6% compared to the corresponding period in 2010.

The decrease in the turnover of the Group and the Company is due to the reduction of cement sales volume in the domestic market.

The reduction of cement sales volume in domestic market is the result of the further deterioration of the economic environment.

The Company's net loss after taxes for the first three-month period of 2011 amounted to 14.866 Euro thousand while in the corresponding period in 2010 the net loss after taxes amounted to 777 Euro thousand. The Group presented net loss after taxes of amount 18.780 Euro thousand for the first three-month period of 2011 while in the same period of 2010 presented net loss after taxes of amount 4.175 Euro thousand.

Both the Group and the Company continue the effort to reduce operating costs and optimise performance in production, supply chain and administration, in the framework of the international strategic plan Excellence, implemented by the LAFARGE Group.

## 8. INCOME TAX

The period's income tax expense represents the sum of current income tax, tax audit differences, property tax and deferred tax. The period's current income tax has been calculated based on the applicable tax rate for 2011, namely 20% (2010: 24%).

## 9. 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	
	1/1-31/3/2011	1/1-31/3/2010	1/1-31/3/2011	1/1-31/3/2010
Net profit /(loss) for the period after tax	(18.780)	(4.175)	(14.866)	(777)
Weighted average number of common shares for the purpose of calculating basic earnings per share	71.082.707	71.082.707	71.082.707	71.082.707
<b>Earnings /(losses) per share in Euro</b>	<b>(0,26)</b>	<b>(0,06)</b>	<b>(0,21)</b>	<b>(0,01)</b>

## 10. 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 will be distributed for the year 2010.

## 11. INTANGIBLE AND TANGIBLE ASSETS

The Group's capital expenditure for the period 1/1-31/3/2011 amounted to 3.282 Euro thousand, while Company's capital expenditure amounted to 3.142 Euro thousand. The carrying amount of the fixed assets written off in the period by the Group, amounted to 247 Euro thousand and for the Company amounted to 35 Euro thousand.

Intangible Assets	GROUP	COMPANY
<b>Opening net book amount as at 31/12/2010</b>	<b>4.048</b>	<b>1.485</b>
Goodwill allocation	(16)	0
Amortisation	(265)	(177)
<b>Closing net book amount as at 31/3/2011</b>	<b>3.767</b>	<b>1.308</b>

Tangible Assets	GROUP	COMPANY
<b>Opening net book amount as at 31/12/2010</b>	<b>511.198</b>	<b>473.514</b>
Additions	3.282	3.142
Goodwill allocation	(42)	0
Disposals/Write-offs	(247)	(35)
Depreciation	(11.415)	(10.655)
<b>Closing net book amount as at 31/3/2011</b>	<b>502.776</b>	<b>465.966</b>

Fixed assets available for sale	GROUP	COMPANY
<b>Value as at 31/12/2010</b>	<b>9.044</b>	<b>9.044</b>
<b>Value as at 31/3/2011</b>	<b>9.044</b>	<b>9.044</b>

## 12. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

The 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, Lycovrissi, Attica			Parent	Cement manufacture & trade
LAFARGE BETON S.A.	Greece, Metamorfossi, Attica	98,64%	1,36%	100,00%	Concrete and aggregates production & trade
EVIESK S.A.	Greece, Lycovrissi, Attica	95,76%	4,24%	100,00%	Dormant
HERACLES MARITIME CO.	Greece, Lycovrissi, Attica	99,99%	0,01%	100,00%	Sea transports and ship management
LAVA S.A.	Greece, Lycovrissi, Attica	44,16%	55,84%	100,00%	Building materials and aggregates production & trade
AEGEAN TERMINALS S.A.	Greece, Lycovrissi, Attica	100,00%		100,00%	Dormant
G. HATZIKYRIAKOS SOC. NAV.	Greece, Lycovrissi, Attica		100,00%	100,00%	Dormant
A. HATZIKYRIAKOS SOC. NAV.	Greece, Lycovrissi, Attica		100,00%	100,00%	Dormant
DYSTOS SOC. NAV.	Greece, Lycovrissi, Attica		100,00%	100,00%	Dormant
NAFSIKA SOC. NAV.	Greece, Lycovrissi, Attica		100,00%	100,00%	Dormant
SUPER BETON S.A. I MARKOULAKIS	Greece, Heraclion, Crete		100,00%	100,00%	Concrete production & trade
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%	Trade of concrete

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 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, Lycovrissi, Attica	1,00%	49,00%	50,00%	Dormant

The Group also has a 0,52% shareholding in the company EKEPY S.A. registered in Halkida of Evia. The above mentioned entity is not consolidated, because its shareholding and financial position are immaterial.

### 13. BANK LOANS

The short term bank loans and overdrafts of the Group as at 31/3/2011 have an average interest rate of 4,82% (2010: 4,52%). All bank loans are denominated in Euro.

As at 31/3/2011 the total short-term bank loans amounted to 51.009 Euro thousand of which 46.999 Euro thousand concern subsidiary LAFARGE BETON S.A., 3.600 Euro thousand concern subsidiary EVIESK S.A., 217 Euro thousand concern the Company and 193 Euro thousand concern subsidiary LEADER BETON S.A.

As at 31/12/2010 the total Group's bank loans amounted to 43.609 Euro thousand of which 38.699 Euro thousand concern subsidiary LAFARGE BETON S.A, 3.697 Euro thousand concern subsidiary EVIESK S.A, 1.017 Euro thousand concern the Company and 196 Euro thousand concern subsidiary LEADER BETON S.A.

### 14. CONTINGENT LIABILITIES AND COMMITMENTS

#### Company disputes under litigation or arbitration

On 31/3/2011, there were pending lawsuits against the Group, the outcome of which is uncertain, amounting to 50.905 Euro thousand (31/12/2010: 50.025 Euro thousand), out of which the pending lawsuits against the Company amount to 37.075 Euro thousand (31/12/2010: 36.397 Euro thousand). According to estimates, the maximum risk for the Group from the final decisions on the above cases amounts to 23.216 Euro thousand, out of which the maximum risk from the final decisions on the cases of the Company amounts to 18.262 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.

The above lawsuits against the Company mostly concern the following cases:

- (a) Lawsuit for loss of vessel and loss of profit of 21.056 Euro thousand, with estimated maximum risk of 10.528 Euro thousand
- (b) Lawsuit for indemnity due to default on freight agreement of 4.397 Euro thousand, with estimated maximum risk of 1.539 Euro thousand
- (c) Lawsuit for loss of freight of 2.657 Euro thousand, with estimated maximum risk of 1.010 Euro thousand.
- (d) Lawsuit for indemnity due to sale of foreign property of 1.758 Euro thousand, with estimated maximum risk of 879 Euro thousand.

Various plots of land of the Company and the Group 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 to 1.885 Euro thousand and 1.908 Euro thousand for the Company and the Group respectively. Neither provision nor impairment of the assets value has been made in the Financial Statements of the period for the said claims as it is unlikely that such risk will eventually occur.



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

Tax obligations of the Group's companies in Greece will be finalised after completion of the relevant regular tax audits by the competent tax authorities, and/or after finalisation of all pending court cases on existing previous years' differences with tax authorities. The current period 1/1/2011-31/3/2011 is also considered as unaudited. From these tax audits, additional tax obligation may arise, which is estimated not to have significant effect in the Group and the Company.

<b>Company</b>	<b>Registered Office</b>	<b>Unaudited tax years</b>
HERACLES GCC	Greece, Lycovrissi, Attica	2009-2010
LAFARGE BETON S.A.	Greece, Metamorfossi, Attica	2009-2010
EVIESK S.A.	Greece, Lycovrissi, Attica	2010
HERACLES MARITIME CO.	Greece, Lycovrissi, Attica	2005-2010
LAVA S.A.	Greece, Lycovrissi, Attica	2010
AEGEAN TERMINALS S.A.	Greece, Lycovrissi, Attica	2010
INVESTMENT SILO PORT SAID COMPANY S.A. (absorbed by AEGEAN TERMINALS S.A.)	Greece, Lycovrissi, Attica	2010
G. HATZIKYRIAKOS SOC. NAV. (dormant)	Greece, Lycovrissi, Attica	1998-2010
A. HATZIKYRIAKOS SOC. NAV. (dormant)	Greece, Lycovrissi, Attica	1998-2010
DYSTOS SOC. NAV. (dormant)	Greece, Lycovrissi, Attica	1996-2010
NAFSIKA SOC. NAV. (dormant)	Greece, Lycovrissi, Attica	1998-2010
HERACLES GLORY SOC. NAV. (liquidated)	Greece, Lycovrissi, Attica	1998-2009
SUPER BETON S.A. I MARKOULAKIS	Greece, Heraclion, Crete	2010
MIDDLE EAST CEMENT SHIPPING & HANDLING CO. S.A.	Greece, Lycovrissi, Attica	2010
FINDA TRANSPORTS S.A. (absorbed by INVESTMENT SILO PORT SAID SILO INVESTMENT COMPANY S.A.)	Greece, Lycovrissi, 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	*

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

The regular tax audit of the company EVIESK S.A., subsidiary of HERACLES G.C.C., was completed for years 2005-2009 and a stamp duty was assessed, for which the company brought an action to the authorised administrative court.

A tax audit is in progress for the Group company PONTOPOROS SOC.NAV. (liquidated) for the years 2000 to 2004.

**14. 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 31/3/2011 and on 31/12/2010:

Amounts in Euro thousand	GROUP		COMPANY	
	<u>31/3/2011</u>	<u>31/12/2010</u>	<u>31/3/2011</u>	<u>31/12/2010</u>
Granted guarantees	5.173	4.686	3.729	3.233
Intercompany granted guarantees	<u>0</u>	<u>0</u>	<u>1.923</u>	<u>1.923</u>
	<u>5.173</u>	<u>4.686</u>	<u>5.652</u>	<u>5.156</u>

**Commitments for purchases and capital expenditure**

Commitments for purchases and capital expenditure in force on 31/3/2011 and on 31/12/2010 are as follows:

Amounts in Euro thousand	GROUP		COMPANY	
	<u>31/3/2011</u>	<u>31/12/2010</u>	<u>31/3/2011</u>	<u>31/12/2010</u>
Purchase contracts	34.945	22.753	42.773	31.548
Capital expenditure contracts	<u>3.174</u>	<u>6.723</u>	<u>1.874</u>	<u>4.923</u>
	<u>38.119</u>	<u>29.476</u>	<u>44.647</u>	<u>36.471</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	
	<u>31/3/2011</u>	<u>31/12/2010</u>	<u>31/3/2011</u>	<u>31/12/2010</u>
Within one year	9.238	10.464	490	247
Within two and up to five years	8.833	9.092	2.420	2.440
Over five years	<u>5.601</u>	<u>5.839</u>	<u>1.940</u>	<u>1.957</u>
	<u>23.672</u>	<u>25.395</u>	<u>4.850</u>	<u>4.644</u>

## 15. 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-	1/1-	1/1-	1/1-				
	31/3/2011	31/3/2010	31/3/2011	31/3/2010	31/3/2011	31/12/2010	31/3/2011	31/12/2010
HERACLES G.C.C Group								
associates	0	131	0	2	0	0	0	0
Parent company								
LAFARGE S.A.	23	9.156	345	414	0	0	2.219	1.990
LAFARGE Group								
associates	12.512	11.247	430	806	4.654	4.757	105	471
Royalties to LAFARGE								
S.A.	0	0	2.396	2.342	0	0	0	0
<b>Total</b>	<b>12.535</b>	<b>20.534</b>	<b>3.171</b>	<b>3.564</b>	<b>4.654</b>	<b>4.757</b>	<b>2.324</b>	<b>2.461</b>

The comparative data of expenses for the first three-month period of 2010 have been adjusted for presentation purposes.

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-	1/1-	1/1-	1/1-				
	31/3/2011	31/3/2010	31/3/2011	31/3/2010	31/3/2011	31/12/2010	31/3/2011	31/12/2010
HERACLES G.C.C Group								
Companies	4.827	6.483	3.632	4.429	30.263	31.395	9.135	10.452
Parent company								
LAFARGE S.A.	0	9.156	345	414	0	0	2.092	1.839
LAFARGE Group								
associates	12.323	11.181	378	772	4.165	4.435	35	389
Royalties to LAFARGE								
S.A.	0	0	2.396	2.342	0	0	0	0
<b>Total</b>	<b>17.150</b>	<b>26.820</b>	<b>6.751</b>	<b>7.957</b>	<b>34.428</b>	<b>35.830</b>	<b>11.262</b>	<b>12.680</b>

All transactions between related parties are based on market prices and terms, which are also used in third party transactions.

## 15. RELATED PARTY TRANSACTIONS - Continued

### Remuneration to management and members of the BoD

Remunerations and amounts due to/from executive management, as well as attendance fees to Group and Company BoD members, are analysed as follows:

Amounts in Euro thousand

	GROUP		COMPANY	
	1/1-31/3/2011	1/1-31/3/2010	1/1-31/3/2011	1/1-31/3/2010
Current benefits	1.039	1.120	650	688
Provision for retirement compensation and paid compensations	39	39	23	20
BoD members attendance fees	75	75	49	49
	<b>1.153</b>	<b>1.234</b>	<b>722</b>	<b>757</b>

Amounts in Euro thousand

	GROUP		COMPANY	
	1/1-31/3/2011	1/1-31/3/2010	1/1-31/3/2011	1/1-31/3/2010
Prepayments of expenses to Management to be refunded and BoD Members	0	0	0	0
Obligations to Management and BoD members	0	0	0	0
<b>Net receivables/ (obligations) to Management and BoD Members</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 16. PERSONNEL

Group and Company employees as at 31 March 2011 are as follows:

	GROUP		COMPANY	
	31/3/2011	31/3/2010	31/3/2011	31/3/2010
Number of personnel	1.572	1.893	1.234	1.474

## 17. RECLASSIFICATIONS

In the consolidated statement of cash flows for the period 1/1-31/3/2010, an amount of 4.138 Euro thousand has been reclassified between the accounts "Provisions" and "(Decrease) / increase in liabilities (excl. bank loans)", for presentation purposes, both for the Group and the Company.

## 18. EVENTS AFTER THE REPORTING DATE OF THE CONDENSED INTERIM FINANCIAL STATEMENTS

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

The Group and Company interim Financial Statements on page 3 through to page 21 were approved by the Company's Board of Directors on 26 May of 2011. The Board of Directors authorised the following directors and officers to sign the interim 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**