



HERACLES
GROUP OF COMPANIES

A member of  **LAFARGE**

**CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 30 SEPTEMBER 2009**

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
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CONDENSED INCOME STATEMENT FOR THE PERIOD ENDED
30th OF SEPTEMBER 2009

Amounts in Euro thousands	NOTE	GROUP		COMPANY	
		1/1-30/9/2009	1/1-30/9/2008	1/1-30/9/2009	1/1-30/9/2008
Operating results					
Turnover	5,7	404.244	531.612	360.913	477.119
Cost of sales		(307.254)	(411.988)	(276.887)	(361.695)
Gross profit		96.990	119.624	84.026	115.424
Administrative & distribution expenses		(49.361)	(44.798)	(35.412)	(31.759)
Other operating income/(expense)	6	(209)	400	2.833	(7.617)
Cost of voluntary staff retirement program		0	6.711	0	6.711
Impairment of investments in subsidiaries		0	254	0	(22.116)
Share of profits of associates		105	6	0	0
Operating profit		47.525	82.197	51.447	60.643
Finance income/(expense)		(2.662)	674	5.976	4.049
Profit before tax		44.863	82.871	57.423	64.692
Income tax	8	(14.910)	(31.294)	(14.008)	(23.962)
Net profit for the period after tax	5,7	29.953	51.577	43.415	40.730
Number of shares		71.082.707	71.082.707	71.082.707	71.082.707
Earnings per share (in €)	9	0,42	0,73	0,61	0,57

Amounts in Euro thousands	GROUP		COMPANY	
	1/7/2009-30/09/2009	1/7/2008-30/09/2008	1/7/2009-30/09/2009	1/7/2008-30/09/2008
Operating results				
Turnover	134.769	174.915	119.497	156.081
Cost of sales	(92.277)	(130.488)	(80.133)	(114.674)
Gross profit	42.492	44.427	39.364	41.407
Administrative & distribution expenses	(11.525)	(13.071)	(7.355)	(8.365)
Other operating income/(expense)	(2.552)	71	(3.269)	(1.506)
Cost of voluntary staff retirement program	0	(103)	0	(103)
Impairment of investments in subsidiaries	0	254	0	(14.449)
Share of profits of associates	105	6	0	0
Operating profit / (loss)	28.520	31.584	28.740	16.984
Finance income/(expense)	(1.534)	2.106	(354)	1.103
Profit / (Loss) before tax	26.986	33.690	28.386	18.087
Income tax	(8.288)	(11.068)	(7.913)	(8.325)
Net profit / (loss) for the period after tax	18.698	22.622	20.473	9.762
Number of shares	71.082.707	71.082.707	71.082.707	71.082.707
Earnings / (Losses) per share (in €)	0,26	0,32	0,29	0,14

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
30th OF SEPTEMBER 2009

Amounts in Euro thousands

	NOTE	GROUP		COMPANY	
		30/9/2009	31/12/2008	30/9/2009	31/12/2008
Fixed assets					
Goodwill		29.585	31.871	0	0
Intangible assets	11	3.380	2.167	582	697
Tangible assets	11	537.929	566.391	498.951	522.029
Investments in associates and subsidiaries	12	522	417	55.771	55.748
Other investments		55	55	55	55
Derivative financial instruments		4.954	944	4.954	944
Other non-current receivables		8.528	5.169	12.616	29.681
Deferred tax asset		2.278	3.854	0	0
Total fixed assets		587.231	610.868	572.929	609.154
Current assets					
Inventories		68.454	81.024	62.283	74.471
Trade and other receivables		206.539	164.917	193.623	132.676
Derivative financial instruments		19	687	19	687
Fixed assets available for sale	11	13.856	11.961	11.428	11.961
Cash and cash equivalents		119.461	140.493	109.320	123.359
Income tax receivable		1.024	986	0	0
Total current assets		409.353	400.068	376.673	343.154
Total assets		996.584	1.010.936	949.602	952.308
Non-current liabilities					
Provision for staff termination indemnity		83.516	81.510	78.159	70.872
Other non-current provisions		16.504	15.926	29.381	30.140
Derivative financial instruments		6.394	6.832	6.394	6.832
Deferred tax liabilities		4.185	5.241	2.640	3.589
Finance lease liabilities		336	679	128	88
Bank loans	13	3.245	3.705	0	0
Total non-current liabilities		114.180	113.893	116.702	111.521
Current liabilities					
Provision for staff termination indemnity		5.175	4.742	4.799	4.109
Trade and other payables		101.622	126.453	87.557	111.921
Income tax liability		7.097	3.633	6.935	3.401
Finance lease liabilities		243	143	0	0
Other current provisions		726	1.413	410	610
Derivative financial instruments		2.063	2.587	2.063	2.587
Dividends payable	10	138	30.634	138	30.634
Bank loans	13	38.520	32.645	0	2.035
Total current liabilities		155.584	202.250	101.902	155.297
Total liabilities		269.764	316.143	218.604	266.818
Equity					
Share capital		142.165	142.165	142.165	142.165
Share premium		1.279	1.279	1.279	1.279
Reserves		171.058	170.175	158.262	152.683
Derivatives valuation reserve		(2.655)	(5.377)	(2.655)	(5.377)
Retained earnings		414.973	386.551	431.947	394.740
Total equity		726.820	694.793	730.998	685.490
Total liabilities and equity		996.584	1.010.936	949.602	952.308

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 30th OF SEPTEMBER 2009

Amounts in Euro thousands

	GROUP		COMPANY	
	30/9/2009	30/09/2008	30/9/2009	30/09/2008
Net profit after tax	29.953	51.577	43.415	40.730
Profit/(Loss) from derivative financial instruments recognised directly in equity, net of deferred tax	2.722	(1.050)	2.722	(1.050)
Actuarial gains/(losses) recognised directly in equity, net of deferred tax	(841)	(1.355)	(825)	(1.303)
Other equity movements	193	0	196	0
Other comprehensive income for the period, net of tax	2.074	(2.405)	2.093	(2.353)
Total comprehensive income for the period	<u>32.027</u>	<u>49.172</u>	<u>45.508</u>	<u>38.377</u>

Amounts in Euro thousands

	GROUP		COMPANY	
	1/7/09- 30/9/09	1/7/08- 30/9/08	1/7/09- 30/9/09	1/7/08- 30/9/08
Net profit / (loss) after tax	18.698	22.622	20.473	9.762
Profit/(loss) from derivative financial instruments recognised directly in equity, net of deferred tax	24	(2.032)	24	(2.032)
Actuarial gains/(losses) recognised directly in equity, net of deferred tax	0	(923)	0	(907)
Other equity movements	193	0	196	0
Other comprehensive income for the period, net of tax	217	(2.955)	220	(2.939)
Total comprehensive income for the period	<u>18.915</u>	<u>19.667</u>	<u>20.693</u>	<u>6.823</u>

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 30th OF SEPTEMBER 2009

Amounts in Euro thousands

GROUP	Share capital	Share premium	Reserves	Derivatives valuation reserve	Retained earnings	Total
Balance at 01/01/2009	142.165	1.279	170.175	(5.377)	386.551	694.793
Profit for the period	0	0	0	0	29.953	29.953
Subsidiary's profit & reserves distribution	0	0	(4.696)	0	4.696	0
Distribution of profits	0	0	5.579	0	(5.579)	0
Profit/(loss) from derivative financial instruments recognised directly in equity	0	0	0	2.722	0	2.722
Actuarial gain/(losses), net of deferred tax	0	0	0	0	(841)	(841)
Other equity movements	0	0	0	0	193	193
Balance at 30/09/2009	<u>142.165</u>	<u>1.279</u>	<u>171.058</u>	<u>(2.655)</u>	<u>414.973</u>	<u>726.820</u>
Balance at 01/01/2008	142.165	1.279	204.245	(633)	410.909	757.965
Profit for the period	0	0	0	0	51.577	51.577
Subsidiary's profit & reserves distribution	0	0	(2.763)	0	2.763	0
Dividends	0	0	(14.217)	0	(56.866)	(71.083)
Distribution of profits	0	0	15.767	0	(15.767)	0
Profit/(loss) from derivative financial instruments recognised directly in equity	0	0	0	(1.050)	0	(1.050)
Actuarial gain/(losses), net of deferred tax	0	0	0	0	(1.355)	(1.355)
Balance at 30/09/2008	<u>142.165</u>	<u>1.279</u>	<u>203.032</u>	<u>(1.683)</u>	<u>391.261</u>	<u>736.054</u>

Amounts in Euro thousands

COMPANY	Share capital	Share premium	Reserves	Derivatives valuation reserve	Retained earnings	Total
Balance at 01/01/2009	142.165	1.279	152.683	(5.377)	394.740	685.490
Profit for the period	0	0	0	0	43.415	43.415
Distribution of profits	0	0	5.579	0	(5.579)	0
Profit/(loss) from derivative financial instruments recognised directly in equity	0	0	0	2.722	0	2.722
Actuarial gain/(losses), net of deferred tax	0	0	0	0	(825)	(825)
Other equity movements	0	0	0	0	196	196
Balance at 30/09/2009	<u>142.165</u>	<u>1.279</u>	<u>158.262</u>	<u>(2.655)</u>	<u>431.947</u>	<u>730.998</u>
Balance at 01/01/2008	142.165	1.279	181.796	(633)	412.027	736.634
Profit for the period	0	0	0	0	40.730	40.730
Dividends	0	0	(14.217)	0	(56.866)	(71.083)
Distribution of profits	0	0	15.758	0	(15.758)	0
Profit/(loss) from derivative financial instruments recognised directly in equity	0	0	0	(1.050)	0	(1.050)
Actuarial gain/(losses), net of deferred tax	0	0	0	0	(1.303)	(1.303)
Balance at 30/09/2008	<u>142.165</u>	<u>1.279</u>	<u>183.337</u>	<u>(1.683)</u>	<u>378.830</u>	<u>703.928</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 30th OF
SEPTEMBER 2009**

Amounts in Euro thousands

	GROUP		COMPANY	
	1/1- 30/9/2009	1/1- 30/9/2008	1/1- 30/9/2009	1/1- 30/9/2008
<u>Operating activities</u>				
Profit before tax	44.863	82.871	57.423	64.692
Plus / less adjustments for:				
Depreciation	34.578	35.090	31.549	32.023
Provisions	10.247	(22.063)	12.300	9.291
Foreign exchange differences	(178)	(26)	(138)	0
Gain / (loss) from derivatives valuation	(674)	(106)	(674)	(106)
Income / (expenses), profit / (losses) from investing activities	45	(550)	(7.516)	(4.279)
Interest expenses and relevant expenses	3.201	3.002	446	292
Plus/ less adjustments for changes in working capital accounts or relevant with operating activities:				
Decrease / (increase) in inventories	12.571	(18.554)	12.189	(18.119)
Decrease / (increase) in receivables	(51.447)	(43.034)	(50.310)	(41.530)
(Decrease) / increase in liabilities (excl. banks)	(15.536)	30.627	(13.703)	25.419
Less :				
Interest expenses and relevant expenses paid	(3.201)	(3.002)	(446)	(292)
Taxes paid	(12.274)	(19.529)	(11.898)	(12.679)
<u>Total inflow / (outflow) from operating activities (a)</u>	<u>22.195</u>	<u>44.726</u>	<u>29.222</u>	<u>54.712</u>
<u>Investing activities</u>				
Acquisition of subsidiaries, affiliates, joint-ventures and other investments	(105)	(8.740)	(23)	0
Purchase of tangible and intangible fixed assets	(23.258)	(22.040)	(21.331)	(18.010)
Proceeds from disposal of tangible and intangible assets	4.993	32	4.352	32
Interest received	467	4.132	592	3.813
Dividends received	0	99	5.645	590
<u>Total inflow / (outflow) from investing activities (b)</u>	<u>(17.903)</u>	<u>(26.517)</u>	<u>(10.765)</u>	<u>(13.575)</u>
<u>Financing activities</u>				
Loan proceeds	50.070	22.940	0	0
Loan repayments	(44.655)	(640)	(2.000)	0
Payment of obligations under finance leases	(243)	(488)	0	0
Dividends paid	(30.496)	(71.083)	(30.496)	(71.083)
<u>Total inflow / (outflow) from finance activities (c)</u>	<u>(25.324)</u>	<u>(49.271)</u>	<u>(32.496)</u>	<u>(71.083)</u>
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS (a)+(b)+(c)	<u>(21.032)</u>	<u>(31.062)</u>	<u>(14.039)</u>	<u>(29.946)</u>
Cash and cash equivalents at the beginning of the period	<u>140.493</u>	<u>149.926</u>	<u>123.359</u>	<u>132.521</u>
Cash from subsidiaries acquired during the period	0	309	0	0
Cash and cash equivalents at the end of the period	<u>119.461</u>	<u>119.173</u>	<u>109.320</u>	<u>102.575</u>

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 30/09/2009) 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 thousands, 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 reporting period and subsequent reporting periods. The Group's evaluation of the effect of these new standards, amendments to standards and interpretations is as follows:

Standards effective from January 1st 2009

IAS 1 (Revised) "Presentation of Financial Statements"

IAS 1 has been revised to enhance the usefulness of information presented in the financial statements. The revised standard prohibits the presentation of items of income and expenses (that is 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All 'non-owner changes in equity' are required to be shown in a performance statement. Entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). The Group has elected to present two statements. The interim financial statements have been prepared under the revised disclosure requirements.

IFRS 8 "Operating Segments"

This standard supersedes IAS 14, under which segments were identified and reported based on a risk and return analysis. Under IFRS 8 segments are components of an entity regularly reviewed by the entity's chief operating decision maker and are reported in the financial statements based on this internal component classification. This has resulted in no change in the number of reportable segments presented.

IAS 23 (Amendment) "Borrowing Costs"

This standard replaces the previous version of IAS 23. The main change is the removal of the option of immediately recognising as an expense borrowing costs that relate to assets that need a substantial period of time to get ready for use or sale. Amendment to IAS 23 does not apply to the Group.

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

IFRS 2 (Amendment) “Share Based Payment” – Vesting Conditions and Cancellations

The amendment clarifies the definition of “vesting condition” by introducing the term “non-vesting condition” for conditions other than service conditions and performance conditions. The amendment also clarifies that the same accounting treatment applies to awards that are effectively cancelled by either the entity or the counterparty. This amendment does not impact the Group’s financial statements.

IAS 32 (Amendment) “Financial Instruments: Presentation” and IAS 1 (Amendment) “Presentation of Financial Statements” – Puttable Financial Instruments

The amendment to IAS 32 requires certain puttable financial instruments and obligations arising on liquidation to be classified as equity if certain criteria are met. The amendment to IAS 1 requires disclosure of certain information relating to puttable instruments classified as equity. This amendment does not impact the Group’s financial statements.

IAS 39 (Amended) “Financial Instruments: Recognition and Measurement” – Eligible Hedged Items

This amendment clarifies how the principles that determine whether a hedged risk or portion of cash flows is eligible for designation should be applied in particular situations.

Interpretations effective from January 1st 2009

IFRIC 13 – Customer Loyalty Programmes

This interpretation clarifies the treatment of entities that grant loyalty award credits such as “points” and “travel miles” to customers who buy other goods or services. This interpretation is not relevant to the Group’s operations.

IFRIC 15 - Agreements for the construction of real estate

This interpretation addresses the diversity in accounting for real estate sales. Some entities recognise revenue in accordance with IAS 18 (i.e. when the risks and rewards in the real estate are transferred) and others recognise revenue as the real estate is developed in accordance with IAS 11. The interpretation clarifies which standard should be applied to a particular case. This interpretation is not relevant to the Group’s operations.

IFRIC 16 - Hedges of a net investment in a foreign operation

This interpretation applies to an entity that hedges the foreign currency risk arising from its net investments in foreign operations and qualifies for hedge accounting in accordance with IAS 39. The interpretation provides guidance on how an entity should determine the amounts to be reclassified from equity to profit or loss for both the hedging instrument and the hedged item. This interpretation is not relevant to the Group as the Group does not apply hedge accounting for any investment in a foreign operation.

4. ACCOUNTING PRINCIPLES

The interim 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 31st December 2008. However, the interim financial statements should be examined along with the annual financial statements of 31st December 2008 which are available at the Company’s website www.aget.gr.

5. OPERATING SEGMENTS

The adoption of "IFRS 8: Operating Segments" by the Group has not affected the presentation of its reportable segments compared to the last published annual financial statements for the year ended 31st December 2008.

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 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 thousands	30/9/2009				
	<u>Cement Division</u>	<u>Concrete Division</u>	<u>Aggregates Division</u>	<u>Eliminations</u>	<u>Total Group</u>
Turnover	364.916	46.809	14.858	(20.578)	406.005
Current Operating Income	47.704	(2.230)	1.805	0	47.279
Operating Income	38.553	(4.600)	1.641	0	35.594

Amounts in Euro thousands	30/9/2008				
	<u>Cement Division</u>	<u>Concrete Division</u>	<u>Aggregates Division</u>	<u>Eliminations</u>	<u>Total Group</u>
Turnover	484.971	61.528	14.196	(28.447)	532.248
Current Operating Income	103.137	4	2.471	0	105.612
Operating Income	91.486	(1.016)	2.473	0	92.943

Total Assets as per Management Reporting	Amounts in Euro thousands				
	<u>Cement Division</u>	<u>Concrete Division</u>	<u>Aggregates Division</u>	<u>Eliminations</u>	<u>Total Group</u>
30/9/2009	957.763	86.591	59.020	(115.210)	988.164
31/12/2008	983.800	86.927	59.787	(118.083)	1.012.431

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 thousands

	<u>30/9/2009</u>	<u>30/9/2008</u>
Turnover per Management Reporting	406.005	532.248
Intercompany sales not eliminated in Management Reporting	(1.761)	(636)
Turnover per Income Statement	404.244	531.612

Amounts in Euro thousands

	<u>30/9/2009</u>	<u>30/9/2008</u>
Reportable Segments		
Current Operating Income	47.279	105.612
Non-recurring items	(11.685)	(12.669)
Operating Income	35.594	92.943
Reconciliation to Income Statement		
Timing difference on revenue recognition	13.200	(10.865)
Reversal of journal entry concerning imputed cost vs financial income posted for Management Report purposes	962	590
Gain already recognised in 2008 per Financial Statements	(624)	0
Provisions recognised in different periods	0	3.865
Difference on Fixed Assets depreciation	(2.273)	(3.993)
Other timing differences	666	(343)
Income Statement		
Operating Income	47.525	82.197
Net financial income/(expense)	(2.662)	674
Profit before income tax	44.863	82.871
Income tax	(14.910)	(31.294)
Net profit for the period after tax	29.953	51.577

Amounts in Euro thousands

	<u>30/9/2009</u>	<u>31/12/2008</u>
Total Assets per Management Reporting	988.164	1.012.431
Difference on deemed cost of fixed assets	17.121	17.754
Total assets of non consolidated entity	(3.972)	(3.994)
Receivables due to timing difference on revenue recognition	0	(13.200)
Deferred tax asset	(4.280)	(914)
Differences due to reclassifications between working capital accounts	0	(2.473)
Other	(449)	1.332
Total Assets per statement of Financial position	996.584	1.010.936

6. OTHER OPERATING INCOME / (EXPENSES)

Other operating income / (expenses) of the Company as at 30/09/2009 includes an income from partial reversal of provision for participation in the accumulated losses of its subsidiaries that exceed the Company's initial investment amounting to 1,554 Euro thousands, while for the period 1/1-30/9/2008 an expense of 7,617 Euro thousands has been recognised.

Amounts in Euro thousands

	GROUP		COMPANY	
	1/1- 30/9/2009	1/1- 30/9/2008	1/1-30/9/2009	1/1- 30/9/2008
Profit/(loss) from fixed asset disposals	1.112	(140)	1.279	0
Impairment of fixed assets	(2.736)	0	0	0
Reversal of provision / (Provision) for share in losses of subsidiaries	0	0	1.554	(7.617)
Other	1.415	540	0	0
	<u>(209)</u>	<u>400</u>	<u>2.833</u>	<u>(7.617)</u>

7. FINANCIAL RESULTS FOR THE PERIOD ENDED 30 SEPTEMBER 2009

The Group's turnover amounted to 404,244 Euro thousands for the first nine-month period of 2009, decreased by 24.0% as compared to the corresponding period in 2008, while the Company's turnover amounting to 360,913 Euro thousands for the same period in 2009 decreased by 24.4% compared to the corresponding period in 2008.

The decrease in the sales volume of cement and other construction materials, in the domestic as well as in the international market is due to the strong decrease of private construction activity.

The Group's and Company's gross profit margin for the first nine-month period of 2009 amount to 24.0% and 23.3%, while in the corresponding period in 2008 amounted to 22.5% and 24.2.3% respectively.

The gross profit margin remained at the same level due to series of actions and events like variable and fixed cost savings throughout the supply chain, in the context of the new international programme of LAFARGE Group for cost saving "Excellence 2010", as well as to the significant reduction in international prices of fuel and the stabilisation of electric power cost.

The income tax of the Group and the Company for the period 1/1-30/09/2009 has decreased, compared to the corresponding period of 2008, due to the significant decrease of profit before tax and furthermore, due to the non tax deductible expenses included in the profit before tax in the period of 1/1 – 30/9/2008 that had increased the income tax.

For the first nine-month period of 2009 the Group's net profit after taxes amounted to 29,953 Euro thousands while in the same period in 2008 amounted to 51,577 Euro thousands. The Company's net profit after taxes for the same period in 2009 amounted to 43,415 Euro thousands while in the corresponding period in 2008 amounted to 40,730 Euro thousands.

8. INCOME TAX

The period's income tax expense represents the sum of current income tax, the provision for tax unaudited periods, previous years' tax audit differences, deferred tax and property tax. The period's current income tax has been calculated based on the applicable tax rate for 2009, namely 25% (2008: 25%).

9. EARNINGS PER SHARE

The calculation of the basic earnings per share is based on the following data:

Amounts in Euro thousands	GROUP		COMPANY	
	1/1- 30/9/2009	1/1- 30/9/2008	1/1- 30/9/2009	1/1- 30/9/2008
Net profit for the period after tax	29.953	51.577	43.415	40.730
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
Earnings per share in €	0,42	0,73	0,61	0,57

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.

Regarding the dividend of the year ended December 31st 2008, during the Ordinary General Meeting of the Company's Shareholders of May 22nd 2009, the distribution of dividend amounted to 14.927,368.47 Euro thousands or € 0.21 per share was decided.

11. INTANGIBLE & TANGIBLE ASSETS

The Group's capital expenditure for the period 1/1-30/9/2009 amounted to 13,859 Euro thousands, while Company's capital expenditure amounted to 10,896 Euro thousands. The carrying amount of the fixed assets written off in the period by the Group, amounted to 6,635 Euro thousands and for the Company amounted to 2,540 Euro thousands. In addition, from the temporary estimated goodwill of the Group the value of the operating license of the quarries of LATOMIA MYTILINIS S.A and BETON DOMI S.A. was allocated to tangible assets. The customer list of BETON DOMI S.A. was also allocated to intangible assets.

Intangible Assets	GROUP	COMPANY
Opening net book amount as at 31/12/2008	2.167	697
Additions	929	175
Disposals	(8)	0
Amortisation	(712)	(290)
Transfers	33	0
Goodwill allocation	971	0
Closing net book amount as at 30/09/ 2009	<u>3.380</u>	<u>582</u>

Tangible Assets	GROUP	COMPANY
Opening net book amount as at 31/12/2008	566.391	522.029
Additions	12.930	10.721
Disposals	(4.199)	(2.540)
Depreciation	(33.866)	(31.259)
Impairment	(2.736)	0
Transfers	(2.461)	0
Goodwill allocation	1.869	0
Closing net book amount as at 30/09/ 2009	<u>537.929</u>	<u>498.951</u>

Fixed assets available for sale	GROUP	COMPANY
Value as at 31/12/08	11.961	11.961
Disposals	(533)	(533)
Transfers	2.428	0
Value as at 30/09/09	<u>13.856</u>	<u>11.428</u>

12. INVESTMENTS IN ASSOCIATES AND SUBSIDIARIES

The companies included in the consolidated interim 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 GCC	Greece, Lycovrissi, Attica			Parent	Cement manufacture & trade
LAFARGE BETON S.A.	Greece, Metamorfossi, Attica	97,58%	2,42%	100,00%	Concrete and aggregates production & trade
ATLAS S.A.	Greece, Kallithea, Thessaloniki		100,00%	100,00%	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
EKET LTD.	Greece, Lycovrissi, Attica	100,00%		100,00%	Cement and concrete production technology
AEGEAN TERMINALS S.A.	Greece, Lycovrissi, Attica	99,78%		99,78%	Dormant
PORT SAID SILO INVESTMENT COMPANY S.A.	Greece, Lycovrissi, Attica	99,97%	0,03%	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
HERACLES GLORY 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
TRANS BETON S.A.	Greece, Thessaloniki		100,00%	100,00%	Concrete production & trade
MYTILINI QUARRIES S.A.	Greece, Mytilini		100,00%	100,00%	Extraction and processing of aggregates
BETON DOMI S.A.	Greece, Polikastro Kilkis		100,00%	100,00%	Concrete production & trade, extraction & production of aggregates
MARATHOS QUARRIES S.A.	Greece, Heraclion, Crete		77,00%	77,00%	Dormant
FINDA TRANSPORTS S.A.	Greece, Lycovrissi, Attica	100,00%		100,00%	Dormant
PORT SAID SILO INVESTMENT COMPANY S.A.	Panama		100,00%	100,00%	Dormant
INTERNATIONAL MEDITERRANEAN SHIPPING S.A.	Luxemburg		100,00%	100,00%	Under liquidation

On 30/09/2009, according to the Panamanian Company Registry (protocol number 223610/09.09.2009), the consolidated dormant subsidiary ALEXANDRIA SILO INVESTMENT COMPANY S.A. was written off.

Given that the subsidiaries in which the Group's participation is less than 100% are loss making and have negative net equity, minority interest has not been recognised either in the period losses or in the negative net equity because minority does not have any constructive obligation for these losses.

12. INVESTMENTS IN ASSOCIATES AND SUBSIDIARIES - continued

Companies 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>
MIHALIS KATSIMBRIS SA	Greece, Heraclion, Crete		26,50%	26,50%	Building material and quarrying
MIDDLE EAST CEMENT SHIPPING & HANDLING COMPANY S.A.	Greece, Lycovrissi, Attica	1,00%	49,00%	50,00%	(Dormant)

The Group also participates by 40% in ARMSTOCK CORPORATION S.A. with its registered office located in Luxemburg, which is under liquidation and by 0.52% in EKEPY S.A. with its registered office located in Chalkis. These two participations are not consolidated due to the insignificance of their assets and Group's participation value.

At the beginning of this year, LEADER BETON SHA, a new company of the Group located in Tirana Albania, started its operations. The indirect participation of the Group is 51% and the share capital of the entity as at 30th of September 2009 is 16.5 Euro thousands. Due to the insignificance of the operations of this entity, it is not consolidated.

13. BANK LOANS

The short term bank loans and overdrafts of the Group as at 30/9/2009 have an average interest rate of 3.15% (31/12/2008: 4.8%). All bank loans are denominated in Euro.

The long-term bank loans of the Group amounts to 3,245 Euro thousands (31/12/2008: 3,705 Euro thousands), concerns the subsidiary BETON DOMI S.A. and its duration is up to 2017, while the relative interest rate is floating (Euribor 6M +2.1%).

As at 30/9/2009 the total short-term bank loans amounted to 38,520 Euro thousands of which 33,799 Euro thousands concern subsidiary LAFARGE BETON S.A., 4,600 Euro thousands concern subsidiary EVIESK S.A., and 121 Euro thousands concern BETON DOMI S.A.

As at 31/12/2008 the total Group's bank loans amounted to 32,645 Euro thousands (of which 5,120 Euro thousands concern subsidiary EVIESK S.A, 25,000 Euro thousands concern subsidiary LAFARGE BETON S.A, 3 Euro thousands concern subsidiary MYTILINI S.A, 487 Euro thousands concern subsidiary BETON DOMI S.A. and 2,035 Euro thousands concern parent company).

14. CONTINGENT LIABILITIES

Company disputes under litigation or arbitration

On 30/09/2009, there are pending lawsuits against the Group amounting to 49,433 Euro thousands (31/12/2008: 47,351 Euro thousands), out of which the pending lawsuits against the Company amount to 37,635 Euro thousands (31/12/2008: 34,126 Euro thousands), which are being subject to court proceedings, the outcome of which is uncertain. According to estimates, the maximum risk faced by the Group from the final decisions on the above cases amounts to 26,284 Euro thousands, out of which 21,932 Euro thousands relate to the Company. No provision has been made in the interim financial statements of the period for the said pending cases, as it is unlikely that such risk will eventually occur.

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

- a. Lawsuit for loss of vessel and loss of profit up to the amount of 19,226 Euro thousands, with estimated maximum risk of 9,613 Euro thousands.
- b. Lawsuit for counterclaim for environmental cost up to the amount of 4,513 Euro thousands, with estimated maximum risk of 3,610 Euro thousands.

Against some of the Group's and the Company's real property, there are pending cases of designation of such property as forest areas, coastal areas, archaeological sites, etc, and various claims from the Greek State and other third parties. The maximum risk from such claims is estimated to 1,885 Euro thousands and 2,525 Euro thousands for the Company and the Group respectively. No provision has been made in the interim financial statements of the period for the said claims as it is unlikely that such risk will eventually occur.

14. CONTINGENT LIABILITIES - 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. From these tax audits, additional tax obligation may arise, which is estimated not to have significant effect in the Group and the Company.

<u>Company</u>	<u>Registered Office</u>	<u>Unaudited tax years</u>
HERACLES GCC	Greece, Lycovrissi, Attica	2007-2008
LAFARGE BETON S.A.	Greece, Metamorfossi, Attica	2006-2008
ATLAS S.A.	Greece, Kallithea, Thessaloniki	2007-2008
EVIESK S.A.	Greece, Lycovrissi, Attica	2005-2008
HERACLES MARITIME CO.	Greece, Lycovrissi, Attica	2005-2008
LAVA S.A.	Greece, Lycovrissi, Attica	2006-2008
AMBER S.A. (absorbed by HERACLES GCC)	Greece, Lycovrissi, Attica	2007-2008
EKET LTD.	Greece, Lycovrissi, Attica	2007-2008
AEGEAN TERMINALS S.A.	Greece, Lycovrissi, Attica	2007-2008
INVESTMENT SILO PORT SAID SILO INVESTMENT COMPANY S.A.	Greece, Lycovrissi, Attica	1995-2008
G. HATZIKYRIAKOS SOC. NAV. (dormant)	Greece, Lycovrissi, Attica	1998-2008
A. HATZIKYRIAKOS SOC. NAV. (dormant)	Greece, Lycovrissi, Attica	1998-2008
DYSTOS SOC. NAV. (dormant)	Greece, Lycovrissi, Attica	1996-2008
NAFSIKA SOC. NAV. (dormant)	Greece, Lycovrissi, Attica	1998-2008
HERACLES GLORY SOC. NAV. (dormant)	Greece, Lycovrissi, Attica	1998-2008
SYNERGATIKI BETON S.A. (absorbed by LAFARGE BETON S.A.)	Greece, Lamia	2007-2008
TRANS BETON MACEDONIA S.A.	Greece, Arta	2007-2008
SUPER BETON S.A. I MARKOULAKIS	Greece, Heraclion, Crete	2007-2008
SAMARAS QUARRIES S.A. (absorbed by LAFARGE BETON S.A.)	Greece, Athens Attica	2007-2008
MYTILINI QUARRIES S.A.	Greece, Lesvos	2007-2008
BETON DOMI S.A.	Greece, Kilkis	2007-2008
MICHALIS KATSIBRIS	Greece, Heraclion, Crete	2007-2008
MIDDLE EAST CEMENT SHIPPING & HANDLING CO. S.A.	Greece, Lycovrissi, Attica	2007-2008
HALKIS CEMENT INTERNATIONAL S.A. (absorbed by INVESTMENT SILO PORT SAID SILO INVESTMENT COMPANY S.A.)	Greece, Lycovrissi, Attica	1997-2007
FINDA TRANSPORTS S.A. (under liquidation)	Greece, Lycovrissi, Attica	1993-2008
MARATHOS QUARRIES S.A.	Greece, Heraclion, Crete	2007-2008
T.ATHANSIOU S.A. (absorbed by LAFARGE BETON S.A.)	Greece, Aliveri	2007
BETON PREVEZIS S.A. (absorbed by LAFARGE BETON S.A.)	Greece, Preveza	2007
KAMPIS QUARRIES S.A. (absorbed by LAFARGE BETON S.A.)	Greece, Arta	2007-2008
PORT SAID SILO INVESTMENT COMPANY S.A. (dormant)	Panama	*
INTERNATIONAL MEDITERRANEAN SHIPPING S.A. (under liquidation)	Luxemburg	*

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

Tax audit of the liquidated maritime company PONTOPOROS for the years 2000-2004 is in progress.

14. CONTINGENT LIABILITIES - 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 30/09/2009 and on 31/12/2008:

Amounts in Euro thousands	GROUP		COMPANY	
	<u>30/9/2009</u>	<u>31/12/2008</u>	<u>30/9/2009</u>	<u>31/12/2008</u>
Granted guarantees	5.886	5.049	4.422	3.564
Intercompany granted guarantees	<u>0</u>	<u>0</u>	<u>1.923</u>	<u>1.923</u>
	<u>5.886</u>	<u>5.049</u>	<u>6.345</u>	<u>5.487</u>

Commitments for purchases and capital expenditure

Commitments for purchases and capital expenditure in force on 30/09/2009 and on 31/12/2008 are as follows:

Amounts in Euro thousands	GROUP		COMPANY	
	<u>30/9/2009</u>	<u>31/12/2008</u>	<u>30/9/2009</u>	<u>31/12/2008</u>
Purchase contracts	35.414	97.145	49.245	132.513
Capital expenditure contracts	4.560	8.725	4.560	6.856

Commitments for operating leases

On the balance sheet 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 thousands	GROUP		COMPANY	
	<u>30/9/2009</u>	<u>31/12/2008</u>	<u>30/9/2009</u>	<u>31/12/2008</u>
Within one year	14.577	17.328	461	284
Within two and up to five years	19.167	26.264	1.919	1.950
Over five years	<u>3.574</u>	<u>1.848</u>	<u>183</u>	<u>319</u>
	<u>37.318</u>	<u>45.440</u>	<u>2.563</u>	<u>2.553</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 thousands

GROUP	INCOME		EXPENSES		RECEIVABLES		LIABILITIES	
	1/1 -	1/1 -	1/1 -	1/1 -	30/09/2009	31/12/2008	30/09/2009	31/12/2008
	30/09/2009	30/09/2008	30/09/2009	30/09/2008	30/09/2009	31/12/2008	30/09/2009	31/12/2008
Group HERACLES associates	684	756	37	34	818	156	0	0
Parent company LAFARGE S.A.	30.258	993	207	0	4	18	3.849	443
Group LAFARGE associates	56.027	77.983	3.465	606	5.178	7.665	159	28.344
Franchise rights to LAFARGE S.A.	0	0	8.838	8.709	0	0	0	0
Total	86.969	79.732	12.547	9.349	6.000	7.839	4.007	28.787

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 thousands

COMPANY	INCOME		EXPENSES		RECEIVABLES		LIABILITIES	
	1/1 -	1/1 -	1/1 -	1/1 -	30/09/2009	31/12/2008	30/09/2009	31/12/2008
	30/09/2009	30/09/2008	30/09/2009	30/09/2008	30/09/2009	31/12/2008	30/09/2009	31/12/2008
HERACLES Group Companies	26.106	26.995	15.975	28.270	32.888	35.117	10.463	13.912
Parent company LAFARGE S.A.	30.258	993	207	0	4	9	3.825	443
Group LAFARGE associates	54.661	75.208	3.264	513	5.280	7.108	352	27.522
Franchise rights to LAFARGE S.A.	0	0	8.838	8.709	0	0	0	0
Total	111.025	103.196	28.283	37.492	38.172	42.234	14.639	41.877

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, is analysed as follows:

Amounts in Euro thousands

	GROUP		COMPANY	
	1/1- 30/9/2009	1/1- 30/9/2008	1/1- 30/9/2009	1/1- 30/9/2008
Current benefits	2.135	2.040	1.210	1.231
Provision for retirement compensation and paid compensations	112	113	61	41
BoD members attendance fees	156	174	146	161
	<u>2.403</u>	<u>2.327</u>	<u>1.417</u>	<u>1.433</u>

Amounts in Euro thousands

	GROUP		COMPANY	
	1/1- 30/9/2009	1/1- 30/9/2008	1/1- 30/9/2009	1/1- 30/9/2008
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
Net receivables/ (obligations) to Management and BoD Members	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

16. PERSONNEL

Group and Company employees as at period end are as follows:

	GROUP		COMPANY	
	30/09/2009	30/9/2008	30/09/2009	30/9/2008
Number of personnel	2.061	2.295	1.589	1.614

17. EVENTS AFTER THE BALANCE SHEET DATE

Up to the date of Board of Directors' approval of Financial Statements as of 30th of September 2009, no post balance sheet events exist that may have significant financial impact on 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 27 November 2009. 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**