

The AGET Heracles Group of Companies announced today sales of 693.7 million euros for 2006, increased by 13.9% in relation to the corresponding period of 2005. Respectively, Company sales for 2006 amounted to 615.7 million euros, increased by 13.1% in relation to the corresponding period of 2005.

The increase in turnover mainly derives from the increase in the volume of cement and concrete sales in the domestic market, as well as in the achievement of higher prices in cement exports. This vigorous domestic market is mainly attributed to private construction activities, primarily motivated by the changes in the taxation of real estate, which set off at the end of 2005 a significant increase in construction permits, the favorable terms of granting mortgage loans and the development of tourism. The achievement of higher cement prices in exports is mainly due to the strong demand in the markets where the Company is active.

The gross profits margin for the Company was formed at 25.3% for 2006 as opposed to 23.4% for 2005, while for the Group it showed an increase up to 25.3% in 2006 compared to 22.8% in 2005.

End 2006, in full respect of the Company human values and employees rights, a voluntary redundancy program for the personnel of AGET HERACLES Group of companies was launched and is in progress. In this context, thirty (30) persons have already departed in 2006. The Company has recognized a relevant provision amounting to 14.9 million euros, to be realized within 2007 in the frame of this program. This program's target is to improve the productivity of loss making activities in order to turn them profitable by the end of 2008.

Regarding profit before interest, taxes and depreciation (EBITDA), the Company showed a decrease by 15.9% at 139.1 million euros compared to 165.5 million euros in 2005. Respectively for the Group, EBITDA decreased by 18.1%, at 148.6 million euros in 2006 compared to 181.6 million euros in last year. On a like-for-like basis, EBITDA showed for the Company an increase of 26.8% versus 2005, whilst for the Group, it marked an increase of 18.9%. This increase derives from the dynamics of sales' activity as well as from the improvement in the performance of all operating factors of the Company, which partly offset the high increase of prices of fuel, power and raw materials.

Profit after taxes for the Company showed a decrease by 63.9% at 54.3 million euros compared to 150.5 million euros in 2005. Respectively for the Group, profit after taxes decreased by 63.4% at 58.0 million euros in 2006, compared to 158.7 million euros in 2005. On a like-for-like basis the Company's profit after taxes marked an increase of 40.3% for 2006 as compared to 2005. Correspondingly, the Profit after tax for the Group increased by 29.1%.

Group capital expenditure amounted to 35.2 million euros for 2006 as compared to 26.2 million euros for the corresponding period of 2005, increasing by 34.4%. These investments were mainly oriented to the improvement of productivity, environmental and health and safety performance of all Company's sites.

Continuing the Safety program to all staff in plants, terminals, quarries and transportation, the Company extended its training, safety awareness and improving actions to contractors. Company management at all levels, implementing Lafarge new safety policies, committed to make Heracles the leader for Industrial Safety and Hygiene in Greece.

Concerning the contribution to the environment, in 2006, the Company, implementing to the letter the European legal context which sets strict control terms for environmental repercussions of production, moved on to the implementation of significant environmental works and to the installation of new equipment in the plants and, parallel to that, studied in depth the exploitation of alternative fuels such as biomass and other non-recyclable materials, utilizing the technical expertise of Lafarge Group, whilst it started making the necessary technical preparation of the production units as well as the necessary investments for the gradual incorporation of these materials in the production process.

The board of Directors decided to propose to the Annual General Meeting a dividend of 1 Euro per share compared to 0,95 Euro last year.

Company Profile

HERACLES Group of Companies, a member of Lafarge, is Greece's largest cement producer, with a production capacity of 9.6 million tons per year. It is also the largest cement exporter in Europe. Focused in Sustainable Development, it creates value for all its stakeholders contributing to the economy and to the local communities where it operates. With three cement plants - Volos plant (the largest in Europe), Halkis Plant, Milaki Plant -, seven cement terminals, as well as establishments of production and trading of aggregates and concrete, the Group has a production activity in 29 prefectures around Greece and a trading activity all over continental and island Greece.

Lafarge is the world leader in building materials, with top-ranking positions in all of its businesses: Cement, Aggregates & Concrete and Gypsum. With 71,000 employees in over 70 countries, Lafarge posted sales of Euros 17 billion in 2006. Lafarge has been committed to sustainable development for many years, pursuing a strategy that puts customer on top of its priorities. It offers to construction industry and to final consumer innovative solutions effecting higher safety, comfort and quality in the daily life and environment. Lafarge is the only Company in the construction materials sector to be listed in the 2007 -100 Global Most Sustainable Corporations in the World.

1 i.e. taking into account on the one hand the positive impact from the extraordinary income that the Company realized in 2005 from the refund of the amount of 44.1 million euros from the Greek State and on the other hand the negative impact, within 2006, of the compensation provision in the context of the voluntary redundancy program for the personnel amounting to 14.9 million euros.

2 Footnote 1 restatements and furthermore taking into account, on the one hand, the positive impact from the reduction of the deferred tax liability, amounting to 50.3 million euros in 2005, and on the other hand, the negative impact in 2006, amounting to 9.6 million euros for the Company, resulting from tax audits,