



HERACLES
GROUP OF COMPANIES

A member of  **LAFARGE**

**CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY - 30 SEPTEMBER 2010**

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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TABLE OF CONTENTS

PAGE

CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2010

CONDENSED INCOME STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2010	3
CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2010	4
CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2010	5
CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2010	6
CONDENSED STATEMENT OF CASH FLOWS (INDIRECT METHOD) FOR THE PERIOD ENDED 30 SEPTEMBER 2010	7

NOTES TO THE HALF YEAR FINANCIAL REPORT FOR THE PERIOD ENDED 30 SEPTEMBER 2010

1. GENERAL INFORMATION	8
2. BASIS OF PREPARATION	8
3. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS OF EXISTING STANDARDS	8
4. ACCOUNTING PRINCIPLES	13
5. OPERATING SEGMENTS	14
6. OTHER OPERATING INCOME / (EXPENSES)	16
7. FINANCIAL RESULTS FOR THE PERIOD ENDED 30 SEPTEMBER 2010	16
8. INCOME TAX	17
9. EARNINGS / (LOSSES) PER SHARE	17
10. DIVIDENDS	17
11. SHARE CAPITAL	18
12. INTANGIBLE AND TANGIBLE ASSETS	18
13. INVESTMENTS IN ASSOCIATES AND SUBSIDIARIES	19
14. BANK LOANS	20
15. CONTINGENT LIABILITIES AND COMMITMENTS	21
16. RELATED PARTY TRANSACTIONS	24
17. PERSONNEL	25
18. EVENTS AFTER THE REPORTING DATE OF THE CONDENSED INTERIM FINANCIAL STATEMENTS	25

CONDENSED INCOME STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2010

Amounts in Euro thousand	NOTE	GROUP		COMPANY	
		1/1-30/9/2010	1/1-30/9/2009	1/1-30/9/2010	1/1-30/9/2009
Operating results					
Turnover	5	304.623	404.244	266.095	360.913
Cost of sales		<u>(240.333)</u>	<u>(307.254)</u>	<u>(209.828)</u>	<u>(276.887)</u>
Gross profit		64.290	96.990	56.267	84.026
Administrative & distribution expenses		(41.810)	(42.755)	(25.427)	(28.806)
Other operating income/(expenses)	6	(16.557)	(6.815)	(18.393)	(3.773)
Share of profits of associates		<u>0</u>	<u>105</u>	<u>0</u>	<u>0</u>
Operating profit / (loss)		5.923	47.525	12.447	51.447
Finance income/(expenses)		<u>(3.979)</u>	<u>(2.662)</u>	<u>792</u>	<u>5.976</u>
Profit / (loss) before tax		1.944	44.863	13.239	57.423
Income tax	8	(16.036)	(14.910)	(15.163)	(14.008)
Net profit / (loss) for the period after tax	5,9	<u>(14.092)</u>	<u>29.953</u>	<u>(1.924)</u>	<u>43.415</u>
Allocated to:					
Non controlling interest		31	0	0	0
Company's Shareholders		<u>(14.123)</u>	<u>29.953</u>	<u>(1.924)</u>	<u>43.415</u>
		<u>(14.092)</u>	<u>29.953</u>	<u>(1.924)</u>	<u>43.415</u>
Number of shares		71.082.707	71.082.707	71.082.707	71.082.707
Earnings/ (losses) per share (in €)	9	(0,20)	0,42	(0,03)	0,61

Amounts in Euro thousand	GROUP		COMPANY	
	1/7/2010- 30/9/2010	1/7/2009- 30/9/2009	1/7/2010- 30/9/2010	1/7/2009- 30/9/2009
Operating results				
Turnover	92.698	134.769	81.174	119.497
Cost of sales	<u>(74.907)</u>	<u>(92.277)</u>	<u>(65.878)</u>	<u>(80.133)</u>
Gross profit	17.791	42.492	15.296	39.364
Administrative & distribution expenses	(9.098)	(4.919)	(3.427)	(749)
Other operating income/(expense)	(17.190)	(9.158)	(18.066)	(9.875)
Share of profits of associates	<u>0</u>	<u>105</u>	<u>0</u>	<u>0</u>
Operating profit / (loss)	(8.497)	28.520	(6.197)	28.740
Finance income/(expense)	<u>(2.264)</u>	<u>(1.534)</u>	<u>(928)</u>	<u>(354)</u>
Profit / (loss) before tax	(10.761)	26.986	(7.125)	28.386
Income tax	(862)	(8.288)	(502)	(7.913)
Net profit / (loss) for the period after tax	<u>(11.623)</u>	<u>18.698</u>	<u>(7.627)</u>	<u>20.473</u>
Allocated to:				
Non controlling interest	(17)	0	0	0
Company's Shareholders	<u>(11.606)</u>	<u>18.698</u>	<u>(7.627)</u>	<u>20.473</u>
	<u>(11.623)</u>	<u>18.698</u>	<u>(7.627)</u>	<u>20.473</u>
Number of shares	71.082.707	71.082.707	71.082.707	71.082.707
Earnings / (losses) per share (in €)	(0,16)	0,26	(0,11)	0,29

Notes from page 8 through to page 26 form an integral part of the Company and Group interim financial statements.

CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2010

Amounts in Euro thousand

	GROUP		COMPANY	
	30/9/2010	30/9/2009	30/9/2010	30/9/2009
Net profit /(loss) for the period after tax	(14.092)	29.953	(1.924)	43.415
Profit/ (loss) from derivative financial instruments recognised directly in equity, net of deferred tax	609	2.722	609	2.722
Actuarial gain/(loss) recognised directly in equity, net of deferred tax	(933)	(841)	(937)	(825)
Withheld tax on the capitalization of retained earnings	(538)	0	(538)	0
Other equity movements	(307)	193	(9)	196
Other comprehensive income for the period, net of tax	(1.169)	2.074	(875)	2.093
Total comprehensive income for the period, net of tax	(15.261)	32.027	(2.799)	45.508

Amounts in Euro thousand

	GROUP		COMPANY	
	1/7/2010- 30/9/2010	1/7/2009- 30/9/2009	1/7/2010- 30/9/2010	1/7/2009- 30/9/2009
Net profit /(loss) after tax	(11.623)	18.698	(7.627)	20.473
Profit/(loss) from derivative financial instruments recognised directly in equity, net of deferred tax	345	24	345	24
Actuarial gain/(loss) recognised directly in equity, net of deferred tax	(3)	0	0	0
Withheld tax on the capitalization of retained earnings	0	0	0	0
Other equity movements	(311)	193	0	196
Other comprehensive income for the period, net of tax	31	217	345	220
Total comprehensive income for the period, net of tax	(11.592)	18.915	(7.282)	20.693

Notes from page 8 through to page 26 form an integral part of the Company and Group interim financial statements.

CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2010

Amounts in Euro thousand	NOTE	GROUP		COMPANY	
		30/9/2010	31/12/2009	30/9/2010	31/12/2009
Fixed assets					
Goodwill		29.480	29.480	0	0
Intangible assets	12	3.727	4.088	1.061	1.212
Tangible assets	12	519.188	545.415	483.145	507.965
Investments in associates and subsidiaries	13	0	522	81.164	81.164
Other investments	13	55	55	55	55
Derivative financial instruments		2.459	3.790	2.459	3.790
Other non-current receivables		15.963	9.981	35.331	9.484
Deferred tax asset		623	1.957	0	0
Total fixed assets		571.495	595.288	603.215	603.670
Current assets					
Inventories		71.691	63.079	65.278	56.668
Trade and other receivables		154.558	147.680	122.418	138.342
Derivative financial instruments		442	700	442	700
Fixed assets available for sale	12	1.857	2.428	0	0
Cash and cash equivalents		165.590	192.120	152.779	177.178
Income tax receivable		1.169	1.057	0	0
Total current assets		395.307	407.064	340.917	372.888
Total assets		966.802	1.002.352	944.132	976.558
Non-current liabilities					
Provision for staff termination indemnity		80.291	77.240	75.581	72.319
Other non-current provisions		20.426	20.740	35.261	33.950
Derivative financial instruments		2.215	4.542	2.215	4.542
Deferred tax liabilities		5.301	5.942	4.544	4.419
Finance lease liabilities		232	302	85	125
Total non-current liabilities		108.465	108.766	117.686	115.355
Current liabilities					
Provision for staff termination indemnity		3.563	5.285	3.264	4.944
Trade and other payables		117.761	124.339	107.155	109.495
Income tax liability		6.408	7.526	6.089	7.448
Finance lease liabilities		96	210	23	0
Other current provisions		1.509	4.918	517	4.308
Derivative financial instruments		1.393	1.206	1.393	1.206
Dividends payable	10	139	138	139	138
Bank loans	14	52.859	39.480	13.060	15.445
Total current liabilities		183.728	183.102	131.640	142.984
Total liabilities		292.193	291.868	249.326	258.339
Equity					
Share capital	11	190.502	142.165	190.502	142.165
Share premium		1.279	1.279	1.279	1.279
Reserves		174.696	171.058	162.170	158.340
Derivatives valuation reserve		(527)	(1.136)	(527)	(1.136)
Retained earnings		308.519	397.118	341.382	417.571
Total Shareholders' equity		674.469	710.484	694.806	718.219
Non controlling interest		140	0	0	0
Total equity		674.609	710.484	694.806	718.219
Total liabilities and equity		966.802	1.002.352	944.132	976.558

Notes from page 8 through to page 26 form an integral part of the Company and Group interim financial statements.

CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2010

Amounts in Euro thousand

GROUP	Share capital	Share premium	Reserves	Derivatives valuation reserve	Retained earnings	Non controlling interest	Total
Balance at 1/1/2010	142.165	1.279	171.058	(1.136)	397.118	0	710.484
Profit/(loss) for the period	0	0	0	0	(14.123)	31	(14.092)
Dividends	0	0	0	0	(20.614)	0	(20.614)
Share capital increase	48.337	0	0	0	(48.337)	0	0
Distribution of profits	0	0	3.830	0	(3.830)	0	0
Profit/(loss) from derivative financial instruments recognised directly in equity	0	0	0	609	0	0	609
Actuarial gain/(loss), net of deferred tax	0	0	0	0	(933)	0	(933)
Withholding tax on the capitalization of retained earnings	0	0	0	0	(538)	0	(538)
Other equity movements	0	0	(192)	0	(224)	109	(307)
Balance at 30/9/2010	<u>190.502</u>	<u>1.279</u>	<u>174.696</u>	<u>(527)</u>	<u>308.519</u>	<u>140</u>	<u>674.609</u>
Balance at 1/1/2009	142.165	1.279	170.175	(5.377)	386.551	0	694.793
Profit for the period	0	0	0	0	29.953	0	29.953
Dividends	0	0	(4.696)	0	4.696	0	0
Distribution of profits	0	0	5.579	0	(5.579)	0	0
Profit/(loss) from derivative financial instruments recognised directly in equity	0	0	0	2.722	0	0	2.722
Actuarial gain/(loss), net of deferred tax	0	0	0	0	(841)	0	(841)
Other equity movements	0	0	0	0	193	0	193
Balance at 30/9/2009	<u>142.165</u>	<u>1.279</u>	<u>171.058</u>	<u>(2.655)</u>	<u>414.973</u>	<u>0</u>	<u>726.820</u>

Amounts in Euro thousand

COMPANY	Share capital	Share premium	Reserves	Derivatives valuation reserve	Retained earnings	Total
Balance at 1/1/2010	142.165	1.279	158.340	(1.136)	417.571	718.219
Profit/(loss) for the period	0	0	0	0	(1.924)	(1.924)
Dividends	0	0	0	0	(20.614)	(20.614)
Share capital increase	48.337	0	0	0	(48.337)	0
Distribution of profits	0	0	3.830	0	(3.830)	0
Profit/(loss) from derivative financial instruments recognised directly in equity	0	0	0	609	0	609
Actuarial gain/(loss), net of deferred tax	0	0	0	0	(937)	(937)
Withholding tax on the capitalization of retained earnings	0	0	0	0	(538)	(538)
Other equity movements	0	0	0	0	(9)	(9)
Balance at 30/9/2010	<u>190.502</u>	<u>1.279</u>	<u>162.170</u>	<u>(527)</u>	<u>341.382</u>	<u>694.806</u>
Balance at 1/1/2009	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/(loss), net of deferred tax	0	0	0	0	(825)	(825)
Other equity movements	0	0	0	0	196	196
Balance at 30/9/2009	<u>142.165</u>	<u>1.279</u>	<u>158.262</u>	<u>(2.655)</u>	<u>431.947</u>	<u>730.998</u>

Notes from page 8 through to page 26 form an integral part of the Company and Group interim financial statements.

**CONDENSED STATEMENT OF CASH FLOWS
(INDIRECT METHOD) FOR THE PERIOD ENDED 30
SEPTEMBER 2010**

Amounts in Euro thousand

	GROUP		COMPANY	
	1/1- 30/9/2010	1/1- 30/9/2009	1/1- 30/9/2010	1/1- 30/9/2009
Operating activities				
Profit /(loss) before tax	1.944	44.863	13.239	57.423
Plus /less adjustments for:				
Depreciation	35.318	34.578	32.573	31.549
Provisions	15.634	10.247	15.614	12.300
Foreign exchange differences	(1.597)	(178)	(1.597)	(138)
Gain /(loss) from derivatives valuation	261	(674)	261	(674)
Income /(expenses), profit /(losses) from investing activities	(2.005)	45	(4.641)	(7.516)
Interest and related expenses	6.229	3.201	3.301	446
Plus/ less adjustments for changes in working capital accounts or relevant with operating activities:				
Decrease /(increase) in inventories	(8.149)	12.571	(7.412)	12.189
Decrease /(increase) in receivables	(31.158)	(51.447)	(26.957)	(50.310)
(Decrease) /increase in liabilities (excl. bank loans)	(7.453)	(15.536)	(3.092)	(13.703)
Less :				
Interest and related expenses paid	(6.732)	(3.201)	(3.179)	(446)
Taxes paid	(14.473)	(12.274)	(14.308)	(11.898)
Total inflow / (outflow) from operating activities (a)	(12.181)	22.195	3.802	29.222
Investing activities				
Acquisition of subsidiaries, affiliates, joint-ventures and other investments	(52)	(105)	0	(23)
Purchases of tangible and intangible fixed assets	(10.921)	(23.258)	(9.468)	(21.331)
Proceeds from disposals of tangible and intangible assets	1.907	4.993	958	4.352
Proceeds (payments) from the sale (purchase) of investments (shares, securities)	518	0	0	0
Interest received	1.268	467	1.662	592
Dividends received	0	0	1.434	5.645
Total inflow / (outflow) from investing activities (b)	(7.280)	(17.903)	(5.414)	(10.765)
Financing activities				
Loan proceeds	70.900	50.070	0	0
Loan repayments	(57.400)	(44.655)	(2.385)	(2.000)
Payments of obligations under finance leases	(184)	(243)	(17)	0
Dividends paid	(20.385)	(30.496)	(20.385)	(30.496)
Total inflow /(outflow) from finance activities (c)	(7.069)	(25.324)	(22.787)	(32.496)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (a)+(b)+(c)	(26.530)	(21.032)	(24.399)	(14.039)
Cash and cash equivalents at the beginning of the period	192.120	140.493	177.178	123.359
Cash and cash equivalents at the end of the period	165.590	119.461	152.779	109.320

Notes from page 8 through to page 26 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 30/9/2010) 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 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 and Interpretations effective for the current financial period

IFRS 3 (Revised) "Business Combinations" and IAS 27 (Amended) "Consolidated and Separate Financial Statements"

The revised IFRS 3 introduces a number of changes in the accounting for business combinations which will impact the amount of goodwill recognized, the reported results in the period that an acquisition occurs, and future reported results. Such changes include the expensing of acquisition-related costs and recognizing subsequent changes in fair value of contingent consideration in the profit or loss. The amended IAS 27 requires that a change in ownership interest of a subsidiary to be accounted for as an equity transaction. The amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. Furthermore the acquirer in a business combination has the option of measuring the non-controlling interest, at the acquisition date, either at fair value or at the amount of the percentage of the non-controlling interest over the net assets acquired. The Group has applied the revised and amended standards from 1 January 2010.

IFRS 1 (Amendment) "First-time adoption of International Financial Reporting Standards" – additional exemptions

This amendment provides additional clarifications for first-time adopters of IFRSs in respect of the use of deemed cost for oil and gas assets, the determination of whether an arrangement contains a lease and the decommissioning liabilities included in the cost of property, plant and equipment. This amendment does not have an impact on the Group's financial statements since it has already adopted IFRSs.

IFRS 2 (Amendment) "Share-based Payment"

The purpose of the amendment is to clarify the scope of IFRS 2 and the accounting for group cash-settled share-based payment transactions in the separate or individual financial statements of the entity receiving the goods or services, when that entity has no obligation to settle the share-based payment transaction. This amendment does not have an impact on the Group's financial statements.

3. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS OF EXISTING STANDARDS (Continued)

IAS 39 (Amendment) “Financial Instruments: Recognition and Measurement”

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. This amendment does not have an impact on the Group’s financial statements.

IFRIC 12 – Service Concession Arrangements (EU endorsed for periods beginning on or after 30 March 2009)

This interpretation applies to companies that participate in service concession arrangements. This interpretation is not relevant to the Group’s operations.

IFRIC 15 - Agreements for the construction of real estate (EU endorsed for use from 1 January 2010)

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 particular. This interpretation is not relevant to the Group’s operations.

IFRIC 16 - Hedges of a net investment in a foreign operation (EU endorsed for use from 1 July 2009)

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.

IFRIC 17 “Distributions of non-cash assets to owners”

This interpretation provides guidance on accounting for the following types of non-reciprocal distributions of assets by an entity to its owners acting in their capacity as owners: (a) distributions of non-cash assets and (b) distributions that give owners a choice of receiving either non-cash assets or a cash alternative. This interpretation does not have an impact on the Group’s financial statements.

IFRIC 18 “Transfers of assets from customers” (EU-endorsed for use annual periods beginning on or after 31 October 2009)

This interpretation clarifies the requirements of IFRSs for agreements in which an entity receives from a customer an item of property, plant and equipment that the entity must then use to provide the customer with an ongoing supply of goods or services. In some cases, the entity receives cash from a customer which must be used only to acquire or construct the item of property, plant and equipment. This interpretation is not relevant to the Group.

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

The amendments set out below describe the key changes to IFRSs following the publication in July 2009 of the results of the IASB’s annual improvements project. The following amendments are effective for the current financial period / year. In addition, unless otherwise stated, the following amendments do not have a material impact on the Group’s financial statements.

IFRS 2 “Share-Based payment”

The amendment confirms that contributions of a business on formation of a joint venture and common control transactions are excluded from the scope of IFRS 2.

IFRS 5 “ Non-current Assets Held for Sale and Discontinued Operations”

The amendment clarifies disclosures required in respect of non-current assets classified as held for sale or discontinued operations.

3. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS OF EXISTING STANDARDS (Continued)

IFRS 8 “Operating Segments”

The amendment provides clarifications on the disclosure of information about segment assets.

IAS 1 “Presentation of Financial Statements”

The amendment provides clarification that the potential settlement of a liability by the issue of equity is not relevant to its classification as current or non-current.

IAS 7 “Statement of Cash Flows”

The amendment requires that only expenditures that result in a recognized asset in the statement of financial position can be classified as investing activities.

IAS 17 “Leases”

The amendment provides clarification as to the classification of leases of land and buildings as either finance or operating.

IAS 18 “Revenue”

The amendment provides additional guidance regarding the determination as to whether an entity is acting as a principal or an agent.

IAS 36 “Impairment of Assets”

The amendment clarifies that the largest cash-generating unit to which goodwill should be allocated for the purposes of impairment testing is an operating segment as defined by paragraph 5 of IFRS 8 (that is before the aggregation of segments).

IAS 38 “Intangible Assets”

The amendments clarify (a) the requirements under IFRS 3 (revised) regarding accounting for intangible assets acquired in a business combination and (b) the description of valuation techniques commonly used by entities when measuring the fair value of intangible assets acquired in a business combination that are not traded in active markets.

IAS 39 “Financial Instruments: Recognition and Measurement”

The amendments relate to (a) clarification on treating loan pre-payment penalties as closely related derivatives, (b) the scope exemption for business combination contracts and (c) clarification that gains or losses on cash flow hedge of a forecast transaction should be reclassified from equity to profit or loss in the period in which the hedged forecast cash flow affects profit or loss.

IFRIC 9 “Reassessment of Embedded Derivatives”

The amendment clarifies that IFRIC 9 does not apply to possible reassessment, at the date of acquisition, to embedded derivatives in contracts acquired in a business combination between entities under common control.

IFRIC 16 “Hedges of a Net Investment in a Foreign Operation”

The amendment states that, in a hedge of a net investment in a foreign operation, qualifying hedging instruments may be held by any entity within the group, including the foreign operation itself, as long as certain requirements are satisfied.

3. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS OF EXISTING STANDARDS (Continued)

Standards and Interpretations effective from periods beginning on or after 1 January 2011

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

IFRS 9 is the first part of Phase 1 of the Board’s project to replace IAS 39. The IASB intends to expand IFRS 9 during 2010 to add new requirements for classifying and measuring financial liabilities, derecognition of financial instruments, impairment, and hedge accounting. IFRS 9 states that financial assets are initially measured at fair value plus, in the case of a financial asset not at fair value through profit or loss, particular transaction costs. Subsequently financial assets are measured at amortised cost or fair value and depend on the basis of the entity’s business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. IFRS 9 prohibits reclassifications except in rare circumstances when the entity’s business model changes; in this case, the entity is required to reclassify affected financial assets prospectively. IFRS 9 classification principles indicate that all equity investments should be measured at fair value. However, management has an option to present in other comprehensive income unrealised and realised fair value gains and losses on equity investments that are not held for trading. Such designation is available on initial recognition on an instrument-by-instrument basis and is irrevocable. There is no subsequent recycling of fair value gains and losses to profit or loss; however, dividends from such investments will continue to be recognised in profit or loss. IFRS 9 removes the cost exemption for unquoted equities and derivatives on unquoted equities but provides guidance on when cost may be an appropriate estimate of fair value. 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 24 (Amendment) “Related Party Disclosures” (effective for annual periods beginning on or after 1 January 2011)

This amendment attempts to relax 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. The Group will apply these changes from their effective date.

IAS 32 (Amendment) “Financial Instruments: Presentation” (effective for annual periods beginning on or after 1 February 2010)

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 expected to impact the Group’s financial statements.

IFRS 1 (Amendment) “First-time adoption of International Financial Reporting Standards” – financial instrument disclosures (effective for annual periods beginning on or after 1 July 2010)

This amendment provides first-time adopters with the same transition provisions as included in the amendment to IFRS 7 regarding comparative information for the new three-level fair value classification disclosures. This amendment will not impact the Group’s financial statements since it has already adopted IFRSs.

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.

3. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS OF EXISTING STANDARDS (Continued)

IFRIC 19 “Extinguishing Financial Liabilities with Equity Instruments” (effective for annual periods beginning on or after 1 July 2010)

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” (effective for annual periods beginning on or after 1 January 2011)

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.

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 are effective for annual periods beginning on or after 1 January 2011. In addition, unless otherwise stated, the following amendments will not have a material impact on the Group’s financial statements.

IFRS 1 “First-time adoption of International Financial Reporting Standards”

The amendments relate to: (i) additional disclosure requirements if an entity changes its accounting policies or its use of IFRS 1 exemptions after it has published a set of IAS 34 interim financial information; (ii) exemptions when the revaluation basis is used for the purposes of ‘deemed cost’; and (iii) exemptions for entities that are subject to rate regulation to use previous GAAP carrying amounts for property, plant and equipment or intangible assets as ‘deemed cost’.

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.

4. ACCOUNTING PRINCIPLES

The condensed interim financial statements for the period ended 30 September 2010 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 2009. However, the condensed interim financial statements should be examined along with the annual financial statements of 31 December 2009 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 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 thousand	30/9/2010				
	<u>Cement Division</u>	<u>Concrete Division</u>	<u>Aggregates Division</u>	<u>Eliminations</u>	<u>Total Group</u>
Turnover	269.015	40.621	12.220	(17.712)	304.144
Current Operating Income	19.247	(3.169)	1.115	0	17.193
Operating Income/(loss)	10.766	(5.740)	823	0	5.849

Amounts in Euro thousand	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/(loss)	38.553	(4.600)	1.641	0	35.594

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>
30/9/2010	953.160	90.277	56.559	(137.609)	962.387
31/12/2009	983.987	87.104	64.931	(140.569)	995.453

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>30/9/2010</u>	<u>30/9/2009</u>
Turnover per Management Reporting	304.144	406.005
Discount reclassification between Turnover and Cost of sales	479	(1.761)
Turnover per Income Statement	<u>304.623</u>	<u>404.244</u>

Amounts in Euro thousand

Reportable Segments	<u>30/9/2010</u>	<u>30/9/2009</u>
Current Operating Income /(loss)	17.193	47.279
Non-recurring income /(expenses)	(11.344)	(11.685)
Operating Income/(loss)	5.849	35.594
Reconciliation to Income Statement		
Timing difference on revenue recognition	160	13.200
Reversal of journal entry concerning imputed cost vs financial income posted for Management Report purposes	0	962
Gain recognised in 2008 Financial Statements	0	(624)
Provisions and liabilities recognised in different periods	1.910	0
Difference in other financial expenses	(1.537)	0
Difference in Fixed Assets depreciation	(2.172)	(2.273)
Other timing differences	1.713	666
Income Statement		
Operating Income /(loss)	5.923	47.525
Net financial income /(expenses)	(3.979)	(2.662)
Profit /(loss) before tax	1.944	44.863
Income tax	(16.036)	(14.910)
Net profit /(loss) for the period after tax	<u>(14.092)</u>	<u>29.953</u>

Amounts in Euro thousand

	<u>30/9/2010</u>	<u>31/12/2009</u>
Total Assets per Management Reporting	962.387	995.453
Difference in deemed cost of fixed assets	16.276	16.910
Total assets of non consolidated entity	(3.987)	(3.984)
Decrease of receivables due to long-term settlement	(1.537)	0
Deferred tax difference	(3.450)	(4.228)
Other	(2.887)	(1.799)
Total Assets per Statement of Financial position	<u>966.802</u>	<u>1.002.352</u>

6. OTHER OPERATING INCOME / (EXPENSES)

Other operating income /(expenses) of the Group and the Company for the period 1/1 – 30/9/2010 are analysed as follows:

Amounts in Euro thousand	GROUP		COMPANY	
	1/1-30/9/2010	1/1-30/9/2009	1/1-30/9/2010	1/1-30/9/2009
Profit/(loss) from investment disposals	277	0	0	0
Profit/(loss) from fixed asset disposals	460	1.112	110	1.279
Impairment of tangible fixed assets	0	(2.736)	0	0
Reversal of provision / (Provision) for share in losses of subsidiaries	0	0	(579)	1.554
Provision for doubtful receivables	(17.924)	(6.606)	(17.924)	(6.606)
Other	630	1.415	0	0
	<u>(16.557)</u>	<u>(6.815)</u>	<u>(18.393)</u>	<u>(3.773)</u>

Due to the special features of the cement market situation during both the current and the prior year, the Company's 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 2009 have been adjusted for presentation purposes.

The same reclassification also affected the condensed income statement of the third quarter 2010.

7. FINANCIAL RESULTS FOR THE PERIOD ENDED 30 SEPTEMBER 2010

The Group's turnover amounted to 304.623 Euro thousand for the first nine-month period of 2010, decreased by 24,6% compared to the corresponding period in 2009. The Company's turnover amounted to 266.095 Euro thousand, for the same period in 2010, decreased by 26,3% compared to the corresponding period in 2009.

During the third three-month period of 2010 the Group's turnover amounted to 92.698 Euro thousand, decreased by 31,2% compared to the corresponding period in 2009. The Company's turnover amounted to 81.174 Euro thousand, for the same three-month period in 2010, decreased by 32% compared to the corresponding period in 2009.

The decrease in the sales volume of the Group and the Company is due to the reduction of cement sales volume both in domestic and in international markets.

In domestic market, the reduction of cement sales volume is the combined result of the excess supply of residences and the further deterioration of the economic environment.

The significant, above expected, decrease of cement sales volume in domestic market during the third three-month period of the year is also attributed to the strikes of public use transporters during the months of July and September.

In international markets, the decrease in cement demand was due to the continuing crisis in private construction activity in the traditional markets.

The Group's and Company's gross profit margin for the first nine-month period of 2010 amounted to 21,1% while in the corresponding period of 2009 amounted to 24,0% and 23,3% respectively.

The decrease of gross profit margin is mainly due to the significant decrease of cement sales volume in domestic market during the third three-month period of 2010 and the increase of fuel cost.

The Company's net loss after taxes for the first nine-month period of 2010 amounted to 1.924 Euro thousand while in the corresponding period in 2009 the net profit after tax amounted to 43.415 Euro thousand. The Group released net loss after taxes of amount 14.092 Euro thousand for the first nine-

month period of 2010 while in the same period in 2009 released net profit after taxes of amount 29.953 Euro thousand.

The net loss after taxes both for the Group and the Company was substantially affected by the imposition of a special levy for social responsibility in May 2010 according to the L.3845/2010 (refer to Note 8) as well as the further recognition of provision for doubtful debts (refer to Note 6).

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 2010", implemented by the LAFARGE Group.

8. INCOME TAX

The period's income tax expense represents the sum of current income tax, tax audit differences, special levy of L.3845/2010, property tax and deferred tax. The period's current income tax has been calculated based on the applicable tax rate for 2010, namely 24% (2009: 25%).

The charge of the special levy of L. 3845/2010 in the income statement of the first nine-month period of 2010 amounted to 5.854 Euro thousand for the Company and 6.004 Euro thousand for the Group.

During the first nine-month period of 2010, a regular tax audit of the Company was performed for the years 2007 and 2008. An amount of 3.700 Euro thousand was assessed and paid as additional tax obligation. The accumulated tax provision the Company had realised for the audited years amounted to 2.400 Euro thousand as at 31/12/2009 while the remaining amount of 1.300 Euro thousand, was charged against current period's results.

At the same time, a regular tax audit was performed in the merged subsidiary AMBER S.A. for the years 2007 and 2008. From the tax audit, no extra taxes or fines were charged.

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	
	<u>1/1-30/9/2010</u>	<u>1/1-30/9/2009</u>	<u>1/1-30/9/2010</u>	<u>1/1-30/9/2009</u>
Net profit /(loss) for the period after tax	(14.092)	29.953	(1.924)	43.415
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 /(losses) per share in Euro	(0,20)	0,42	(0,03)	0,61

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 31 December 2009, it was decided during the Ordinary General Meeting of the Company's Shareholders of 28/6/2010 to distribute dividend amounting to 20.614 Euro thousand or € 0,29 per share.

11. SHARE CAPITAL

During the Ordinary General Meeting of the Company's Shareholders of 28/6/2010, it was decided that the share capital of the Company should be increased by 48.337 Euro thousand through:

- a) Undistributed profit of year 2008 amounting to 42.804 Euro thousand
- b) Undistributed profit of year 2009 amounting to 5.533 Euro thousand

12. INTANGIBLE AND TANGIBLE ASSETS

The Group's capital expenditure for the period 1/1-30/9/2010 amounted to 9.382 Euro thousand, while Company's capital expenditure amounted to 7.785 Euro thousand. The carrying amount of the fixed assets written off in the period by the Group, amounted to 699 Euro thousand and for the Company amounted to 199 Euro thousand.

Intangible Assets	GROUP	COMPANY
Opening net book amount as at 31/12/2009	4.088	1.212
Additions	362	283
Goodwill allocation	(49)	0
Transfers	47	0
Amortisation	(721)	(434)
Closing net book amount as at 30/9/2010	<u>3.727</u>	<u>1.061</u>

Tangible Assets	GROUP	COMPANY
Opening net book amount as at 31/12/2009	545.415	507.965
Additions	9.020	7.502
Goodwill allocation	(17)	0
Disposals/Write-offs	(699)	(199)
Depreciation	(34.531)	(32.123)
Closing net book amount as at 30/9/2010	<u>519.188</u>	<u>483.145</u>

Fixed assets available for sale	GROUP	COMPANY
Value as at 31/12/09	2.428	0
Disposals	(571)	0
Value as at 30/9/2010	<u>1.857</u>	<u>0</u>

13. 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 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
PORT SAID SILO INVESTMENT COMPANY 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

The percentage of participation of the Group in the subsidiary company MARATHOS QUARRIES S.A. was increased by 22,13% (31/12/2009: 77,02% - 30/9/2010: 99,15%). In particular, on 13/4/2010 the consolidated subsidiary LAVA S.A. acquired the 9,83% of the shares of the company MARATHOS QUARRIES S.A., increasing its percentage to 49,83% and on 14/4/2010 the consolidated subsidiary LAFARGE BETON S.A. acquired the 12,3% of the company.

On 13/7/2010 by virtue of decision number K2 – 5998/2010 of the Ministry of Economy, Competitiveness and Shipping and following approval by the competent authorities, the legal merger of LAFARGE BETON S.A. with ATLAS SA and BETON DOMI S.A. was completed, based on articles 68-78 of L. 2190/1920 and articles 1-5 of L. 2166/1993.

In September of 2010 the acquisition of percentage 0,22% of the company AEGEAN TERMINALS S.A. was completed and as a result the Group now possesses the 100% of the above mentioned company.

The fully consolidated subsidiary INTERNATIONAL MEDITERRANEAN SHIPPING HOLDING S.A., which was based on Luxemburg and was under liquidation, was liquidated with the write-off certificate of the Commercial Register of Luxemburg.

Except for the subsidiary LEADER BETON S.A., the subsidiary MARATHOS QUARRIES S.A. in which the Group's participation is less than 100% is loss making and has negative net equity, for this reason non-controlling interest has not been recognised either in the period losses or in the negative net equity because non-controlling interest does not have any constructive obligation for these losses.

As far as the subsidiary LEADER BETON S.A. is concerned, non-controlling interest recognised for the first time in the financial statements 31/3/2010.

13. 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>
MIDDLE EAST CEMENT SHIPPING & HANDLING COMPANY S.A.	Greece, Lycovrissi, Attica	1,00%	49,00%	50,00%	Dormant

The 26,5% percentage participation of the subsidiary company LAVA S.A. in the associated company MICHALIS KATSIBRIS S.A. was sold on 24/6/2010 at a profit 278 Euro thousand.

The Group has a 40% shareholding in the entity ARMSTOCK CORPORATION S.A. which is incorporated in Luxemburg. The above mentioned entity is not consolidated, because its shareholding and financial position are immaterial.

14. BANK LOANS

The short term bank loans and overdrafts of the Group as at 30/9/2010 have an average interest rate of 4,80% (31/12/2009: 3,46%). All bank loans are denominated in Euro.

As at 30/9/2010 the total short-term bank loans amounted to 52.859 Euro thousand of which 35.999 Euro thousand concern subsidiary LAFARGE BETON S.A., 13.060 Euro thousand concern the Company, 3.600 Euro thousand concern subsidiary EVIESK S.A. and 200 Euro thousand concern subsidiary LEADER BETON S.A.

As at 31/12/2009 the total Group's bank loans amounted to 39.480 Euro thousand of which 4.678 Euro thousand concern subsidiary EVIESK S.A, 19.027 Euro thousand concern subsidiary LAFARGE BETON S.A, 204 Euro thousand concern subsidiary LEADER BETON S.A, 126 Euro thousand concern subsidiary BETON DOMI S.A. and 15.445 Euro thousand concern the Company.

15. CONTINGENT LIABILITIES AND COMMITMENTS

Company disputes under litigation or arbitration

On 30/9/2010, there were pending lawsuits against the Group amounting to 48.955 Euro thousand (31/12/2009: 45.378 Euro thousand), out of which the pending lawsuits against the Company amount to 34.551 Euro thousand (31/12/2009: 32.094 Euro thousand), 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 20.881 Euro thousand, out of which 16.283 Euro thousand 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 20.475 Euro thousand, with estimated maximum risk of 10.238 Euro thousand.
- b. Lawsuit for loss of freight of 2.618 Euro thousand, with estimated maximum risk of 995 Euro thousand.
- c. Lawsuit for indemnity due to sale of foreign property of 1.691 Euro thousand, with estimated maximum risk of 846 Euro thousand.

Various plots of land of the Company have been declared as forests, sea shores, archaeological sites etc and/or their ownership is disputed by the Greek State and/or 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 interim financial statements of the period 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 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 1/1/2010-30/9/2010 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.

Company	Registered Office	Unaudited tax years
HERACLES GCC	Greece, Lycovrissi, Attica	2009
LAFARGE BETON S.A.	Greece, Metamorfossi, Attica	2006-2009
ATLAS S.A. (absorbed by LAFARGE BETON S.A.)	Greece, Kallithea, Thessaloniki	2007-2009
EVIESK S.A.	Greece, Lycovrissi, Attica	2005-2009
HERACLES MARITIME CO.	Greece, Lycovrissi, Attica	2005-2009
LAVA S.A.	Greece, Lycovrissi, Attica	2006-2009
EKET LTD. (absorbed by HERACLES GCC)	Greece, Lycovrissi, Attica	2007-2009
AEGEAN TERMINALS S.A.	Greece, Lycovrissi, Attica	2007-2009
PORT SAID SILO INVESTMENT COMPANY S.A.	Greece, Lycovrissi, Attica	1995-2009
G. HATZIKYRIAKOS SOC. NAV. (dormant)	Greece, Lycovrissi, Attica	1998-2009
A. HATZIKYRIAKOS SOC. NAV. (dormant)	Greece, Lycovrissi, Attica	1998-2009
DYSTOS SOC. NAV. (dormant)	Greece, Lycovrissi, Attica	1996-2009
NAFSIKA SOC. NAV. (dormant)	Greece, Lycovrissi, Attica	1998-2009
HERACLES GLORY SOC. NAV. (liquidated)	Greece, Lycovrissi, Attica	1998-2009
SYNERGATIKI BETON S.A. (absorbed by LAFARGE BETON S.A.)	Greece, Lamia	2007-2008
TRANS BETON MACEDONIA S.A.(absorbed by LAFARGE BETON S.A.)	Greece, Arta	2007-2009
SUPER BETON S.A. I MARKOULAKIS	Greece, Heraclion, Crete	2007-2009
SAMARAS QUARRIES S.A. (absorbed by LAFARGE BETON S.A.)	Greece, Athens Attica	2007-2008
MYTILINI QUARRIES S.A.(absorbed by LAFARGE BETON S.A.)	Greece, Lesvos	2007-2009
BETON DOMI S.A. (absorbed by LAFARGE BETON S.A.)	Greece, Kilkis	2007-2009
MIDDLE EAST CEMENT SHIPPING & HANDLING CO. S.A.	Greece, Lycovrissi, Attica	2007-2009
HALKIS CEMENT INTERNATIONAL S.A. (absorbed by PORT SAID SILO INVESTMENT COMPANY S.A.)	Greece, Lycovrissi, Attica	1997-2007
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	2007-2009
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. (liquidated)	Luxemburg	*

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

15. CONTINGENT LIABILITIES AND COMMITMENTS - Continued

Unaudited tax years- continued

The tax audits of the companies Heracles GCC and AMBER S.A. have been finalized for the years 2007 and 2008 (refer to Note 8).

Tax audits are in progress for the following Group companies:

- EVIESK S.A. for the years 2005 and 2006
- PONTOPOROS SOC. NAV. (liquidated) for the years 2000 to 2004

From these tax audits, additional tax obligation may arise, which is estimated not to have significant effect for the Group and the Company.

Granted guarantees

The following letters of guarantee have been provided to secure liabilities of the Group and the Company, and were in force on 30/9/2010 and on 31/12/2009:

Amounts in Euro thousand	GROUP		COMPANY	
	30/9/2010	31/12/2009	30/9/2010	31/12/2009
Granted guarantees	4.890	5.538	3.478	4.076
Intercompany granted guarantees	1.923	0	1.923	1.923
	<u>6.813</u>	<u>5.538</u>	<u>5.401</u>	<u>5.999</u>

Commitments for purchases and capital expenditure

Commitments for purchases and capital expenditure in force on 30/9/2010 and on 31/12/2009 are as follows:

Amounts in Euro thousand	GROUP		COMPANY	
	30/9/2010	31/12/2009	30/9/2010	31/12/2009
Purchase contracts	20.289	46.580	30.685	65.271
Capital expenditure contracts	9.898	3.591	8.598	1.393
	<u>30.187</u>	<u>50.171</u>	<u>39.283</u>	<u>66.664</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	
	30/9/2010	31/12/2009	30/9/2010	31/12/2009
Within one year	12.609	14.365	450	164
Within two and up to five years	10.555	14.620	2.170	1.761
Over five years	6.579	3.341	2.278	286
	<u>29.743</u>	<u>32.326</u>	<u>4.898</u>	<u>2.211</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 -	1/1 -	1/1 -	1/1 -				
	30/9/2010	30/9/2009	30/9/2010	30/9/2009	30/9/2010	31/12/2009	30/9/2010	31/12/2009
HERACLES G.C.C Group								
associates	414	684	52	37	0	219	0	0
Parent company								
LAFARGE S.A.	36.382	30.258	460	207	0	932	2.719	47
LAFARGE Group								
associates	41.817	56.027	6.421	3.465	5.116	4.104	655	813
Royalties to LAFARGE								
S.A.	0	0	6.792	8.838	0	0	0	0
Total	78.613	86.969	13.725	12.547	5.116	5.255	3.374	860

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 -				
	30/9/2010	30/9/2009	30/9/2010	30/9/2009	30/9/2010	31/12/2009	30/9/2010	31/12/2009
HERACLES G.C.C Group								
Companies	19.285	26.106	12.407	15.975	30.428	32.390	9.538	10.065
Parent company								
LAFARGE S.A.	36.382	30.258	460	207	0	932	2.696	0
LAFARGE Group								
associates	41.561	54.661	6.287	3.264	4.710	3.642	525	666
Royalties to LAFARGE								
S.A.	0	0	6.792	8.838	0	0	0	0
Total	97.228	111.025	25.946	28.284	35.138	36.964	12.759	10.731

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

16. 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	
	1/1-30/9/2010	1/1-30/9/2009	1/1-30/9/2010	1/1-30/9/2009
Current benefits	2.742	2.718	1.573	1.344
Provision for retirement compensation and paid compensations	165	192	90	69
BoD members attendance fees	225	156	146	146
	3.132	3.066	1.809	1.559

Amounts in Euro thousand

	GROUP		COMPANY	
	1/1-30/9/2010	1/1-30/9/2009	1/1-30/9/2010	1/1-30/9/2009
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	0	0	0	0

The comparative data of the remuneration and other benefits to executive members of the Company and the Group for 2009 have been adjusted for presentation purposes.

The increase in the current benefits of the Company is due to the increase in the number of Executive Committee members.

17. PERSONNEL

Group and Company employees as at 30 September 2010 are as follows:

	GROUP		COMPANY	
	30/9/2010	30/9/2009	30/9/2010	30/9/2009
Number of personnel	1.803	2.061	1.430	1.589

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

A regular tax audit has been completed for the years 2006 to 2008 of the Group's entity LAFARGE BETON S.A.. An amount of 599 Euro thousand was charged as tax obligation. The company has realised a tax provision of 419 Euro thousand for the above audited years. The remaining amount of 180 Euro thousand will be charged against next period's results.

The Group and Company interim financial statements on page 3 through to page 26 were approved by the Company's Board of Directors on 26 November of 2010. 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**