



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

A member of  **LAFARGE**

**CONDENSED INTERIM FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 31 MARCH 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.**

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**CONDENSED INCOME STATEMENT FOR THE PERIOD ENDED**  
**31 MARCH 2010**

Amounts in Euro thousand	NOTE	GROUP		COMPANY	
		<u>1/1-31/03/2010</u>	<u>1/1-31/03/2009</u>	<u>1/1-31/03/2010</u>	<u>1/1-31/03/2009</u>
<b>Operating results</b>					
Turnover	5	95.084	120.975	82.025	108.305
Cost of sales		<u>(79.495)</u>	<u>(82.839)</u>	<u>(68.863)</u>	<u>(77.207)</u>
<b>Gross profit</b>		<b>15.589</b>	<b>38.136</b>	<b>13.162</b>	<b>31.098</b>
Administrative & distribution expenses		(18.490)	(19.516)	(13.522)	(15.139)
Other operating income/(expenses)	6	274	713	18	5.101
<b>Operating profit/(loss)</b>		<b>(2.627)</b>	<b>19.333</b>	<b>(342)</b>	<b>21.060</b>
Finance income/(expenses)		<u>(376)</u>	<u>838</u>	<u>513</u>	<u>1.686</u>
<b>Profit/(loss) before tax</b>		<b>(3.003)</b>	<b>20.171</b>	<b>171</b>	<b>22.746</b>
Income tax	8	<u>(1.172)</u>	<u>(5.065)</u>	<u>(948)</u>	<u>(4.656)</u>
<b>Net profit/(loss) for the period after tax</b>	9	<b><u>(4.175)</u></b>	<b><u>15.106</u></b>	<b><u>(777)</u></b>	<b><u>18.090</u></b>
<b>Allocated to:</b>					
Non controlling interest		21	0	0	0
Company's Shareholders		<u>(4.196)</u>	<u>15.106</u>	<u>(777)</u>	<u>18.090</u>
		<b><u>(4.175)</u></b>	<b><u>15.106</u></b>	<b><u>(777)</u></b>	<b><u>18.090</u></b>
<b>Number of shares</b>		71.082.707	71.082.707	71.082.707	71.082.707
<b>Earnings/(losses) per share (in €)</b>	9	(0,06)	0,21	(0,01)	0,25

Notes from page 8 through to page 24 form an integral part of the Company and Group interim financial statements.

## CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2010

Amounts in Euro thousand

	GROUP		COMPANY	
	31/03/2010	31/03/2009	31/03/2010	31/03/2009
<b>Net profit/(loss) after tax</b>	(4.175)	15.106	(777)	18.090
Profit/(Loss) from derivative financial instruments recognised directly in equity, net of deferred tax	561	703	561	703
<b>Other comprehensive income for the period, net of tax</b>	<b>561</b>	<b>703</b>	<b>561</b>	<b>703</b>
<b>Total comprehensive income for the period</b>	<b>(3.614)</b>	<b>15.809</b>	<b>(216)</b>	<b>18.793</b>

Notes from page 8 through to page 24 form an integral part of the Company and Group interim financial statements.

# CONDENSED STATEMENT OF FINANCIAL POSITION AS AT

## 31 MARCH 2010

Amounts in Euro thousand

	NOTE	GROUP		COMPANY	
		31/03/2010	31/12/2009	31/03/2010	31/12/2009
<b>Fixed assets</b>					
Goodwill		29.480	29.480	0	0
Intangible assets	11	4.049	4.088	1.278	1.212
Tangible assets	11	535.013	545.415	498.296	507.965
Investments in associates and subsidiaries	12	522	522	81.164	81.164
Other investments	12	55	55	55	55
Derivative financial instruments		3.392	3.790	3.392	3.790
Other non-current receivables		9.998	9.981	9.492	9.484
Deferred tax asset		1.802	1.957	0	0
<b>Total fixed assets</b>		<b>584.311</b>	<b>595.288</b>	<b>593.677</b>	<b>603.670</b>
<b>Current assets</b>					
Inventories		66.180	63.079	59.300	56.668
Trade and other receivables		171.991	147.680	160.805	138.342
Derivative financial instruments		686	700	686	700
Fixed assets available for sale	11	1.857	2.428	0	0
Cash and cash equivalents		170.075	192.120	156.857	177.178
Income tax receivable		1.059	1.057	0	0
<b>Total current assets</b>		<b>411.848</b>	<b>407.064</b>	<b>377.648</b>	<b>372.888</b>
<b>Total assets</b>		<b>996.159</b>	<b>1.002.352</b>	<b>971.325</b>	<b>976.558</b>
<b>Non-current liabilities</b>					
Provision for staff termination indemnity		78.909	77.240	74.124	72.319
Other non-current provisions		20.863	20.740	34.221	33.950
Derivative financial instruments		3.626	4.542	3.626	4.542
Deferred tax liabilities		4.858	5.942	3.324	4.419
Finance lease liabilities		287	302	121	125
<b>Total non-current liabilities</b>		<b>108.543</b>	<b>108.766</b>	<b>115.416</b>	<b>115.355</b>
<b>Current liabilities</b>					
Provision for staff termination indemnity		4.725	5.285	4.384	4.944
Trade and other payables		121.442	124.339	108.164	109.495
Income tax liability		6.776	7.526	6.664	7.448
Finance lease liabilities		155	210	0	0
Other current provisions		2.792	4.918	2.147	4.308
Derivative financial instruments		1.187	1.206	1.187	1.206
Dividends payable		138	138	138	138
Bank loans	13	43.531	39.480	15.222	15.445
<b>Total current liabilities</b>		<b>180.746</b>	<b>183.102</b>	<b>137.906</b>	<b>142.984</b>
<b>Total liabilities</b>		<b>289.289</b>	<b>291.868</b>	<b>253.322</b>	<b>258.339</b>
<b>Equity</b>					
Share capital		142.165	142.165	142.165	142.165
Share premium		1.279	1.279	1.279	1.279
Reserves		171.058	171.058	158.340	158.340
Derivatives valuation reserve		(575)	(1.136)	(575)	(1.136)
Retained earnings		392.813	397.118	416.794	417.571
<b>Total Shareholders' equity</b>		<b>706.740</b>	<b>710.484</b>	<b>718.003</b>	<b>718.219</b>
Non controlling interest		130	0	0	0
<b>Total equity</b>		<b>706.870</b>	<b>710.484</b>	<b>718.003</b>	<b>718.219</b>
<b>Total liabilities and equity</b>		<b>996.159</b>	<b>1.002.352</b>	<b>971.325</b>	<b>976.558</b>

Notes from page 8 through to page 24 form an integral part of the Company and Group interim financial statements.

## CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2010

Amounts in Euro thousand

GROUP	Share capital	Share premium	Reserves	Derivatives valuation reserve	Retained earnings	Non controlling interest	Total
<b>Balance at 01/01/2010</b>	142.165	1.279	171.058	(1.136)	397.009	109	710.484
Profit/(loss) for the period	0	0	0	0	(4.196)	21	(4.175)
Profit/(loss) from derivative financial instruments recognised directly in equity	0	0	0	561	0	0	561
<b>Balance at 31/03/2010</b>	<u>142.165</u>	<u>1.279</u>	<u>171.058</u>	<u>(575)</u>	<u>392.813</u>	<u>130</u>	<u>706.870</u>
<b>Balance at 01/01/2009</b>	142.165	1.279	170.175	(5.377)	386.551	0	694.793
Profit for the period	0	0	0	0	15.106	0	15.106
Profit/(loss) from derivative financial instruments recognised directly in equity	0	0	0	703	0	0	703
<b>Balance at 31/03/2009</b>	<u>142.165</u>	<u>1.279</u>	<u>170.175</u>	<u>(4.674)</u>	<u>401.657</u>	<u>0</u>	<u>710.602</u>

Amounts in Euro thousand

COMPANY	Share capital	Share premium	Reserves	Derivatives valuation reserve	Retained earnings	Total
<b>Balance at 01/01/2010</b>	142.165	1.279	158.340	(1.136)	417.571	718.219
Profit/(loss) for the period	0	0	0	0	(777)	(777)
Profit/(loss) from derivative financial instruments recognised directly in equity	0	0	0	561	0	561
<b>Balance at 31/03/2010</b>	<u>142.165</u>	<u>1.279</u>	<u>158.340</u>	<u>(575)</u>	<u>416.794</u>	<u>718.003</u>
<b>Balance at 01/01/2009</b>	142.165	1.279	152.683	(5.377)	394.740	685.490
Profit for the period	0	0	0	0	18.090	18.090
Profit/(loss) from derivative financial instruments recognised directly in equity	0	0	0	703	0	703
<b>Balance at 31/03/2009</b>	<u>142.165</u>	<u>1.279</u>	<u>152.683</u>	<u>(4.674)</u>	<u>412.830</u>	<u>704.283</u>

Notes from page 8 through to page 24 form an integral part of the Company and Group interim financial statements.

## CONDENSED STATEMENT OF CASH FLOWS (Indirect Method) FOR THE PERIOD ENDED 31 MARCH 2010

Amounts in Euro thousand

	GROUP		COMPANY	
	1/1- 31/03/2010	1/1- 31/03/2009	1/1- 31/03/2010	1/1- 31/03/2009
<b><u>Operating activities</u></b>				
Profit/(loss) before tax	(3.003)	20.171	171	22.746
Plus / less adjustments for:				
Depreciation	11.826	11.598	10.861	10.509
Provisions	(1)	335	255	3.668
Foreign exchange differences	389	(393)	389	(392)
Gain / (loss) from derivatives valuation	235	(749)	235	(749)
Income / (expenses), profit / (losses) from investing activities	(659)	(124)	(434)	(490)
Interest and related expenses	3.201	1.063	704	161
<b>Plus/ less adjustments for changes in working capital accounts or relevant with operating activities:</b>				
Decrease / (increase) in inventories	(3.101)	(12.225)	(2.632)	(11.316)
Decrease / (increase) in receivables	(26.149)	(22.165)	(24.290)	(23.637)
(Decrease) / increase in liabilities (excl. bank loans)	3.235	(49)	4.676	1.357
Less :				
Interest and related expenses paid	(3.202)	(1.063)	(704)	(161)
Taxes paid	(6.760)	(451)	(6.754)	(28)
<b><u>Total inflow / (outflow) from operating activities (a)</u></b>	<b><u>(23.989)</u></b>	<b><u>(4.052)</u></b>	<b><u>(17.523)</u></b>	<b><u>1.668</u></b>
<b><u>Investing activities</u></b>				
Purchases of tangible and intangible fixed assets	(3.320)	(13.254)	(3.052)	(12.445)
Proceeds from disposals of tangible and intangible assets	815	641	65	430
Interest received	467	333	416	293
<b><u>Total inflow / (outflow) from investing activities (b)</u></b>	<b><u>(2.038)</u></b>	<b><u>(12.280)</u></b>	<b><u>(2.571)</u></b>	<b><u>(11.722)</u></b>
<b><u>Financing activities</u></b>				
Loan proceeds	25.422	7.500	0	0
Loan repayments	(21.371)	(2.638)	(223)	(2.000)
Payments of obligations under finance leases	(69)	(178)	(4)	0
Dividends paid	0	(30.496)	0	(30.496)
<b><u>Total inflow / (outflow) from finance activities (c)</u></b>	<b><u>3.982</u></b>	<b><u>(25.812)</u></b>	<b><u>(227)</u></b>	<b><u>(32.496)</u></b>
<b>NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS (a)+(b)+(c)</b>	<b><u>(22.045)</u></b>	<b><u>(42.144)</u></b>	<b><u>(20.321)</u></b>	<b><u>(42.550)</u></b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b><u>192.120</u></b>	<b><u>140.493</u></b>	<b><u>177.178</u></b>	<b><u>123.359</u></b>
<b>Cash and cash equivalents at the end of the period</b>	<b><u>170.075</u></b>	<b><u>98.349</u></b>	<b><u>156.857</u></b>	<b><u>80.809</u></b>

Notes from page 8 through to page 24 form an integral part of the Company and Group interim financial statements.

## 1. GENERAL INFORMATION

HERACLES GENERAL CEMENT COMPANY (the Company) has been incorporated in Greece under the Company Law 2190/1920, with its registered office located in the Municipality of Lycovrissi, Attica, 49-51 Sophokli Venizelou str. The majority shareholding (88.99% as at 31/03/2010) 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

**New standards, amendments to standards and interpretations:** 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 for year ended 31 December 2010

### **IFRS 3 (Revised) "Business Combinations" and IAS 27 (Amended) "Consolidated and Separate Financial Statements"** (effective for annual periods beginning on or after 1 July 2009)

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. Furthermore the amended standard changes the accounting for losses incurred by the subsidiary as well as the loss of control of a subsidiary. The changes introduced by these standards must be applied prospectively and will affect future acquisitions and transactions with minority interests. The Group will apply these changes from their effective date.

### **IFRS 1 (Amendment) "First-time adoption of International Financial Reporting Standards"** (effective for annual periods beginning on or after 1 January 2010)

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 will not impact the Group's financial statements since it has already adopted IFRSs. This amendment has not yet been endorsed by the EU.

### **IFRS 2 (Amendment) "Share-based Payment"** (effective for annual periods beginning on or after 1 January 2010)

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 is not expected to impact the Group's financial statements.

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### 3. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS OF EXISTING STANDARDS- continued

**IAS 39 (Amendment) “Financial Instruments: Recognition and Measurement”** (effective for annual periods beginning on or after 1 July 2009)

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 is not applicable to the Group as it does not apply hedge accounting in terms of IAS 39.

Interpretations effective for year ended 31 December 2010

**IFRIC 12 – Service Concession Arrangements** (EU endorsed for periods beginning 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 17 “Distributions of non-cash assets to owners”** (effective for annual periods beginning on or after 1 July 2009)

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 is not expected to impact the Group’s financial statements.

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. Unless otherwise stated the following amendments are effective for annual periods beginning on or after 1 January 2010. In addition, unless otherwise stated, the following amendments will not have a material impact on the Group’s financial statements.

**IFRS 2 “Share-Based payment”** (effective for annual periods beginning on or after 1 July 2009)

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.

**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.

### 3. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS OF EXISTING STANDARDS- continued

#### 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” (effective for annual periods beginning on or after 1 July 2009)

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” (effective for annual periods beginning on or after 1 July 2009)

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.

Standards effective after year ended 31 December 2010

#### 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,

**3. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS OF EXISTING STANDARDS- continued**

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

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

Interpretations effective after year ended 31 December 2010

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

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

#### **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 31 December 2009. However, the 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](http://www.lafarge.gr).

## 5. OPERATING SEGMENTS

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

Management evaluates segment performance based on turnover, current operating income, operating income and total assets. "Current operating income" is defined by Management as the income of the Company and the Group before taxes, financial income/expenses and non-recurring income/expenses.

Segment information is presented below:

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

Amounts in Euro thousand	31/3/2009				
	Cement Division	Concrete Division	Aggregates Division	Eliminations	Total Group
Turnover	109.884	14.344	4.162	(6.440)	121.950
Current Operating Income	7.465	(1.174)	238	0	6.529
Operating Income/(loss)	9.173	(1.814)	190	0	7.549

Amounts in Euro thousand	Total Assets as per Management Reporting	31/3/2010				
		Cement Division	Concrete Division	Aggregates Division	Eliminations	Total Group
	31/3/2010	980.957	86.183	65.192	(140.065)	992.267
	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>31/3/2010</u>	<u>31/3/2009</u>
<b>Turnover per Management Reporting</b>	<b>95.340</b>	<b>121.950</b>
Discount reclassification between Turnover and Cost of sales	<u>(256)</u>	<u>(975)</u>
<b>Turnover per Income Statement</b>	<b><u>95.084</u></b>	<b><u>120.975</u></b>

Amounts in Euro thousand

	<u>31/3/2010</u>	<u>31/3/2009</u>
<b>Reportable Segments</b>		
Current Operating Income/(loss)	(12)	6.529
Non-recurring income/ (expenses)	<u>(1.604)</u>	<u>1.020</u>
<b>Operating Income/(loss)</b>	<b><u>(1.616)</u></b>	<b><u>7.549</u></b>
<b>Reconciliation to Income Statement</b>		
Timing difference on revenue recognition	(828)	12.225
Difference in Fixed Assets depreciation	(211)	(210)
Other timing differences	<u>28</u>	<u>(231)</u>
<b>Income Statement</b>		
<b>Operating Income/(loss)</b>	<b>(2.627)</b>	<b>19.333</b>
Net financial income/(expenses)	<u>(376)</u>	<u>838</u>
<b>Profit/(loss) before tax</b>	<b><u>(3.003)</u></b>	<b><u>20.171</u></b>
Income tax	<u>(1.172)</u>	<u>(5.065)</u>
<b>Net profit/(loss) for the period after tax</b>	<b><u>(4.175)</u></b>	<b><u>15.106</u></b>

Amounts in Euro thousand

	<u>31/3/2010</u>	<u>31/12/2009</u>
<b>Total Assets per Management Reporting</b>	<b>992.267</b>	<b>995.453</b>
Difference in deemed cost of fixed assets	16.794	16.910
Total assets of non consolidated entity	<u>(3.984)</u>	<u>(3.984)</u>
Receivables due to timing difference on revenue recognition	(828)	0
Deferred tax asset	(3.998)	(4.228)
Other	<u>(4.092)</u>	<u>(1.799)</u>
<b>Total Assets per Statement of Financial position</b>	<b><u>996.159</u></b>	<b><u>1.002.352</u></b>

## 6. OTHER OPERATING INCOME / (EXPENSES)

Other operating income / (expenses) of the Group and the Company for the period 1/1 - 31/03/2010 are analysed as follows:

Amounts in Euro thousand	GROUP		COMPANY	
	<u>1/1-31/03/2010</u>	<u>1/1-31/03/2009</u>	<u>1/1-31/03/2010</u>	<u>1/1-31/03/2009</u>
Profit/(loss) from fixed asset disposals	181	42	18	0
Impairment of goodwill	0	59	0	0
Share in losses of related parties	0	0	0	5.101
Other	93	612	0	0
	<u>274</u>	<u>713</u>	<u>18</u>	<u>5.101</u>

## 7. FINANCIAL RESULTS FOR THE PERIOD ENDED 31 MARCH 2010

The Group's turnover amounted to 95,084 Euro thousand for the first quarter of 2010, decreased by 21.4% compared to the corresponding period in 2009, while the Company's turnover amounted to 82,025 Euro thousand, for the same period in 2010, decreased by 24.3% 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 volumes both in domestic and in international markets.

In domestic market, the reduction of cement sales volumes is the combined result of the excess supply of residences and the further slowdown of housing loans granted by banks.

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

The Group's and Company's gross profit margin for the first quarter of 2010 amount to 16.4% and 16.0%, while in the corresponding period of 2009 amounted to 31.5% and 28.7% respectively.

Both the Group and the Company successfully continued 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, the property tax and the deferred tax. The period's current income tax has been calculated based on the applicable tax rate for 2010, namely 24% (2009: 25%).

## 9. EARNINGS PER SHARE

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

Amounts in Euro thousand	GROUP		COMPANY	
	<u>1/1-31/03/2010</u>	<u>1/1-31/03/2009</u>	<u>1/1-31/03/2010</u>	<u>1/1-31/03/2009</u>
Net profit/(loss) for the period after tax	(4.175)	15.106	(777)	18.090
Weighted average number of common shares for the purpose of calculating basic earnings per share	71.082.707	71.082.707	71.082.707	71.082.707
<b>Earnings/(losses) per share in Euro</b>	<b>(0,06)</b>	<b>0,21</b>	<b>(0,01)</b>	<b>0,25</b>

## 10. DIVIDENDS

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

The Board of directors with its decision on 29 March 2010, proposes to the General Assembly of the shareholders to distribute as dividend an amount of 0.29 Euro per share for the year 2009 totalling 20,614 Euro thousand.

**11. INTANGIBLE & TANGIBLE ASSETS**

The Group's capital expenditure for the period 1/1-31/3/2010 amounted to 1,438 Euro thousand, while Company's capital expenditure amounted to 1,305 Euro thousand. The carrying amount of the fixed assets written off in the period by the Group, amounted to 48 Euro thousand and for the Company amounted to 47 Euro thousand.

<b>Intangible Assets</b>	<b>GROUP</b>	<b>COMPANY</b>
<b>Opening net book amount as at 31/12/2009</b>	<b>4.088</b>	<b>1.212</b>
Additions	219	214
Amortisation	(258)	(148)
<b>Closing net book amount as at 31/03/ 2010</b>	<b><u>4.049</u></b>	<b><u>1.278</u></b>

<b>Tangible Assets</b>	<b>GROUP</b>	<b>COMPANY</b>
<b>Opening net book amount as at 31/12/2009</b>	<b>545.415</b>	<b>507.965</b>
Additions	1.219	1.091
Disposals/Write-offs	(48)	(47)
Depreciation	(11.568)	(10.713)
Goodwill allocation	(6)	0
<b>Closing net book amount as at 31/03/ 2010</b>	<b><u>535.013</u></b>	<b><u>498.296</u></b>

<b>Fixed assets available for sale</b>	<b>GROUP</b>	<b>COMPANY</b>
<b>Value as at 31/12/09</b>	<b>2.428</b>	<b>0</b>
Disposals	(571)	0
<b>Value as at 31/03/10</b>	<b><u>1.857</u></b>	<b><u>0</u></b>

## 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 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
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
AEGEAN TERMINALS S.A.	Greece, Lycovrissi, Attica	99,78%		99,78%	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
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		99,15%	99,15%	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
LEADER BETON S.A	Tirana, Albania		51,00%	51,00%	Trade of concrete

Except for the subsidiary LEADER BETON S.A., the subsidiaries in which the Group's participation is less than 100% are loss making and have 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.

**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>
MICHALIS 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.

**13. BANK LOANS**

The short term bank loans and overdrafts of the Group as at 31/3/2010 have an average interest rate of 3.63% (31/12/2009: 3.46%). All bank loans are denominated in Euro.

As at 31/3/2010 the total short-term bank loans amounted to 43,531 Euro thousand of which 23,499 Euro thousand concern subsidiary LAFARGE BETON S.A., 15,222 Euro thousand concern the Company, 4,600 Euro thousand concern subsidiary EVIESK S.A., 202 Euro thousand concern subsidiary LEADER BETON S.A and 8 Euro thousand concern BETON DOMI 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.

## 14. CONTINGENT LIABILITIES

### Company disputes under litigation or arbitration

On 31/03/2010, there are pending lawsuits against the Group amounting to 45,275 Euro thousand (31/12/2009: 45,378 Euro thousand), out of which the pending lawsuits against the Company amount to 31,830 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 18,270 Euro thousand, out of which 14,047 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 19,955 Euro thousand, with estimated maximum risk of 9,978 Euro thousand.
- b. Lawsuit for loss of freight of 2,583 Euro thousand, with estimated maximum risk of 982 Euro thousand.
- c. Lawsuit for indemnity due to sale of foreign property of 1,646 Euro thousand, with estimated maximum risk of 823 Euro thousand.

Against some of the Group's and the Company's real estate 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 thousand and 1,908 Euro thousand 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	2009
LAFARGE BETON S.A.	Greece, Metamorfossi, Attica	2006-2009
ATLAS 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
INVESTMENT SILO 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.	Greece, Kilkis	2007-2009
MICHALIS KATSIBRIS	Greece, Heraclion, Crete	2007-2009
MIDDLE EAST CEMENT SHIPPING & HANDLING CO. S.A.	Greece, Lycovrissi, Attica	2007-2009
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. (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. (under liquidation)	Luxemburg	*

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

## 14. CONTINGENT LIABILITIES - 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 17)

Tax audits are in progress for the following Group companies:

- LAFARGE BETON S.A. for the years 2006 to 2008
- 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 31/03/2010 and on 31/12/2009:

Amounts in Euro thousand	GROUP		COMPANY	
	31/03/2010	31/12/2009	31/03/2010	31/12/2009
Granted guarantees	4.795	5.538	3.327	4.076
Intercompany granted guarantees	0	0	1.923	1.923
	<u>4.795</u>	<u>5.538</u>	<u>5.250</u>	<u>5.999</u>

### Commitments for purchases and capital expenditure

Commitments for purchases and capital expenditure in force on 31/03/2010 and on 31/12/2009 are as follows:

Amounts in Euro thousand	GROUP		COMPANY	
	31/03/2010	31/12/2009	31/03/2010	31/12/2009
Purchase contracts	53.001	46.580	68.545	65.271
Capital expenditure contracts	5.652	3.591	3.635	1.393

### 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	
	31/03/2010	31/12/2009	31/03/2010	31/12/2009
Within one year	14.011	14.365	207	164
Within two and up to five years	13.934	14.620	1.761	1.761
Over five years	3.174	3.341	286	286
	<u>31.119</u>	<u>32.326</u>	<u>2.254</u>	<u>2.211</u>

## 15. RELATED PARTY TRANSACTIONS

### Trading transactions with related parties

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

Amounts in Euro thousand

GROUP	INCOME		EXPENSES		RECEIVABLES		LIABILITIES	
	1/1 - 31/03/2010	1/1 - 31/03/2009	1/1 - 31/03/2010	1/1 - 31/03/2009	31/03/2010	31/12/2009	31/03/2010	31/12/2009
HERACLES G.C.C Group associates	131	146	2	5	130	219	0	0
Parent company LAFARGE S.A.	9.156	19.456	414	0	0	932	2.920	47
LAFARGE Group associates	11.247	21.496	806	586	6.261	4.104	415	813
Royalties to LAFARGE S.A.	0	0	1.898	2.728	0	0	0	0
<b>Total</b>	<b>20.534</b>	<b>41.098</b>	<b>3.120</b>	<b>3.319</b>	<b>6.391</b>	<b>5.255</b>	<b>3.335</b>	<b>860</b>

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 - 31/03/2010	1/1 - 31/03/2009	1/1 - 31/03/2010	1/1 - 31/03/2009	31/03/2010	31/12/2009	31/03/2010	31/12/2009
HERACLES G.C.C Group Companies	6.483	6.326	4.429	5.211	31.371	32.390	9.933	10.065
Parent company LAFARGE S.A.	9.156	19.456	414	0	0	932	2.876	0
LAFARGE Group associates	11.181	20.648	772	470	5.979	3.642	286	666
Royalties to LAFARGE S.A.	0	0	1.898	2.728	0	0	0	0
<b>Total</b>	<b>26.820</b>	<b>46.430</b>	<b>7.513</b>	<b>8.409</b>	<b>37.350</b>	<b>36.964</b>	<b>13.095</b>	<b>10.731</b>

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

## 15. RELATED PARTY TRANSACTIONS - Continued

### Remuneration to management and members of the BoD

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

Amounts in Euro thousand

	GROUP		COMPANY	
	1/1-31/03/2010	1/1-31/03/2009	1/1-31/03/2010	1/1-31/03/2009
Current benefits	1.159	791	709	431
Provision for retirement compensation and paid compensations	0	0	0	0
BoD members attendance fees	74	51	47	47
	<b>1.233</b>	<b>842</b>	<b>756</b>	<b>478</b>

Amounts in Euro thousand

	GROUP		COMPANY	
	1/1-31/03/2010	1/1-31/03/2009	1/1-31/03/2010	1/1-31/03/2009
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
<b>Net receivables/ (obligations) to Management and BoD Members</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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.

## 16. PERSONNEL

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

	GROUP		COMPANY	
	31/03/2010	31/3/2009	31/03/2010	31/3/2009
Number of personnel	1.893	2.167	1.474	1.651

## 17. EVENTS AFTER THE REPORTING PERIOD

For the years 2007 and 2008 of the Company a regular tax audit has been performed. An amount of 3.700 Euro thousand was charged and paid as tax obligation. The Company has realised a tax provision of 2.400 Euro thousand for the above audited years. The remaining amount of 1.300 Euro thousand, will be charged against next period's results.

At the same time, a regular tax audit has been performed in the subsidiary AMBER S.A. for the years 2007 and 2008. From the tax audit, no extra taxes or fines were charged. In December 2008, AMBER S.A. was absorbed by the Company, based on the articles of L.2166/1993.

On 6.5.2010 and according to the L.3845/2010, a special levy for social responsibility was imposed on entities that had profits over 100 Euro thousand for the fiscal year 2009. The charge in the Income Statement of the second quarter of 2010 is estimated to be 5.701 Euro thousand for the Group and 5.428 Euro thousand for the Company.

The Group and Company interim financial statements on page 3 through to page 24 were approved by the Company's Board of Directors on 27 May 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**