



HERACLES
GROUP OF COMPANIES

A member of  **LAFARGE**

**INTERIM CONCISE FINANCIAL REPORT
ACCORDING TO L.3556/2007 AND THE
RELATED DECISIONS OF THE BOARD OF DIRECTORS
OF THE CAPITAL MARKET COMMITTEE**

**OF THE COMPANY AND THE GROUP HERACLES G.C.C.
FOR THE PERIOD 1 JANUARY - 31 MARCH 2009**

HERACLES G.C.C.

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INCOME STATEMENT FOR THE PERIOD ENDED 31ST OF MARCH 2009

Amounts in Euro thousands

| | NOTE | GROUP | | COMPANY | |
|--|------|-----------------------|-----------------------|-----------------------|-----------------------|
| | | <u>1/1-31/03/2009</u> | <u>1/1-31/03/2008</u> | <u>1/1-31/03/2009</u> | <u>1/1-31/03/2008</u> |
| Operating results | | | | | |
| Turnover | 6,8 | 120.975 | 168.358 | 108.305 | 152.224 |
| Cost of sales | | <u>(82.839)</u> | <u>(139.120)</u> | <u>(77.207)</u> | <u>(122.786)</u> |
| Gross profit | | 38.136 | 29.238 | 31.098 | 29.438 |
| Administrative & distribution expenses | | (19.516) | (17.584) | (15.139) | (13.883) |
| Other operating income/(expense) | 7 | 713 | (405) | 5.101 | (3.398) |
| Operating profit | | 19.333 | 11.249 | 21.060 | 12.157 |
| Finance income/(expense) | | <u>838</u> | <u>546</u> | <u>1.686</u> | <u>1.243</u> |
| Profit before tax | | 20.171 | 11.795 | 22.746 | 13.400 |
| Income tax | 9 | <u>(5.065)</u> | <u>(10.470)</u> | <u>(4.656)</u> | <u>(4.612)</u> |
| Net profit for the period after tax | 6,8 | 15.106 | 1.325 | 18.090 | 8.788 |
| Number of shares | | 71.082.707 | 71.082.707 | 71.082.707 | 71.082.707 |
| Earnings per share (in €) | 10 | 0,21 | 0,02 | 0,25 | 0,12 |

Notes from page 7 through to page 20 form an integral part of the Company and Group interim financial statements.

STATEMENT OF FINANCIAL POSITION AS AT 31ST OF MARCH 2009

Amounts in Euro thousands

| | NOTE | GROUP | | COMPANY | |
|--|------|------------------|------------------|----------------|----------------|
| | | 31/03/2009 | 31/12/2008 | 31/03/2009 | 31/12/2008 |
| Fixed assets | | | | | |
| Goodwill | | 30.370 | 31.871 | 0 | 0 |
| Intangible assets | 11 | 2.506 | 2.167 | 681 | 697 |
| Tangible assets | 11 | 560.333 | 566.391 | 515.332 | 522.029 |
| Investments in associates and subsidiaries | 13 | 417 | 417 | 55.748 | 55.748 |
| Other investments | | 55 | 55 | 55 | 55 |
| Derivative financial instruments | | 7.212 | 944 | 7.212 | 944 |
| Other non-current receivables | | 5.119 | 5.169 | 29.564 | 29.681 |
| Deferred tax asset | | 3.133 | 3.854 | 0 | 0 |
| Total fixed assets | | 609.145 | 610.868 | 608.592 | 609.154 |
| Current assets | | | | | |
| Inventories | | 93.248 | 81.024 | 85.788 | 74.471 |
| Trade and other receivables | | 188.659 | 164.917 | 155.784 | 132.676 |
| Derivative financial instruments | | 887 | 687 | 887 | 687 |
| Fixed assets available for sale | | 11.766 | 11.961 | 11.766 | 11.961 |
| Cash and cash equivalents | | 98.349 | 140.493 | 80.809 | 123.359 |
| Income tax receivable | | 890 | 986 | 0 | 0 |
| Total current assets | | 393.799 | 400.068 | 335.034 | 343.154 |
| Total assets | | 1.002.944 | 1.010.936 | 943.626 | 952.308 |
| Non-current liabilities | | | | | |
| Provision for staff termination indemnity | | 83.360 | 81.510 | 78.090 | 70.872 |
| Other non-current provisions | | 16.206 | 15.926 | 25.375 | 30.140 |
| Derivative financial instruments | | 12.674 | 6.832 | 12.674 | 6.832 |
| Deferred tax liabilities | | 3.172 | 5.241 | 1.661 | 3.589 |
| Finance lease liabilities | | 520 | 679 | 84 | 88 |
| Bank loans | 14 | 3.420 | 3.705 | 0 | 0 |
| Total non-current liabilities | | 119.352 | 113.893 | 117.884 | 111.521 |
| Current liabilities | | | | | |
| Provision for staff termination indemnity | | 4.674 | 4.742 | 4.339 | 4.109 |
| Trade and other payables | | 117.554 | 126.453 | 104.916 | 111.921 |
| Income tax liability | 9 | 10.204 | 3.633 | 9.860 | 3.401 |
| Finance lease liabilities | | 124 | 143 | 0 | 0 |
| Other current provisions | | 978 | 1.413 | 680 | 610 |
| Derivative financial instruments | | 1.526 | 2.587 | 1.526 | 2.587 |
| Dividends payable | 12 | 138 | 30.634 | 138 | 30.634 |
| Bank loans | 14 | 37.792 | 32.645 | 0 | 2.035 |
| Total current liabilities | | 172.990 | 202.250 | 121.459 | 155.297 |
| Total liabilities | | 292.342 | 316.143 | 239.343 | 266.818 |
| Equity | | | | | |
| Share capital | | 142.165 | 142.165 | 142.165 | 142.165 |
| Share premium | | 1.279 | 1.279 | 1.279 | 1.279 |
| Reserves | | 170.175 | 170.175 | 152.683 | 152.683 |
| Derivatives valuation reserve | | (4.674) | (5.377) | (4.674) | (5.377) |
| Retained earnings | | 401.657 | 386.551 | 412.830 | 394.740 |
| Total equity | | 710.602 | 694.793 | 704.283 | 685.490 |
| Total liabilities and equity | | 1.002.944 | 1.010.936 | 943.626 | 952.308 |

Notes from page 7 through to page 20 form an integral part of the Company and Group interim financial statements.

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31ST OF MARCH 2009

Amounts in Euro thousands

| | GROUP | | COMPANY | |
|---|---------------|--------------|---------------|--------------|
| | 31/03/2009 | 31/03/2008 | 31/03/2009 | 31/03/2008 |
| Profit/(loss) from derivative financial instruments recognised directly in equity, net of deferred tax | 703 | (579) | 703 | (579) |
| Net income/(expense) recognised directly in equity | 703 | (579) | 703 | (579) |
| Net profit after tax | 15.106 | 1.325 | 18.090 | 8.788 |
| Total income/(expenses) for the year | 15.809 | 746 | 18.793 | 8.209 |

Notes from page 7 through to page 20 form an integral part of the Company and Group interim financial statements.

CASH FLOW STATEMENT (Indirect Method) FOR THE PERIOD ENDED 31ST OF MARCH 2009

Amounts in Euro thousands

| | GROUP | | COMPANY | |
|--|------------------------|-----------------------|------------------------|-----------------------|
| | 1/1- 31/03/2009 | 1/1- 31/03/2008 | 1/1- 31/03/2009 | 1/1- 31/03/2008 |
| <u>Operating activities</u> | | | | |
| Profit before tax | 20.171 | 11.795 | 22.746 | 13.400 |
| Plus / less adjustments for: | | | | |
| Depreciation | 11.598 | 11.845 | 10.509 | 10.852 |
| Provisions | 335 | (7.813) | 3.668 | (3.221) |
| Foreign exchange differences | (393) | (339) | (392) | (317) |
| Gain / (loss) from derivatives valuation | (749) | (281) | (749) | (281) |
| Income / (expenses), profit / (losses) from investing activities | (124) | (1.498) | (490) | (1.394) |
| Interest expenses and relevant expenses | 1.063 | 632 | 161 | 75 |
| Plus/ less adjustments for changes in working capital accounts or relevant with operating activities: | | | | |
| Decrease / (increase) in inventories | (12.225) | (2.300) | (11.316) | (2.262) |
| Decrease / (increase) in receivables | (22.165) | (23.623) | (23.637) | (28.720) |
| (Decrease) / increase in liabilities (excl. banks) | (49) | 16.835 | 1.357 | 19.636 |
| Less : | | | | |
| Interest expenses and relevant expenses paid | (1.063) | (632) | (161) | (75) |
| Taxes paid | (451) | (22) | (28) | 0 |
| <u>Total inflow / (outflow) from operating activities (a)</u> | <u>(4.052)</u> | <u>4.599</u> | <u>1.668</u> | <u>7.693</u> |
| <u>Investing activities</u> | | | | |
| Purchase of tangible and intangible fixed assets | (13.254) | (5.388) | (12.445) | (5.119) |
| Proceeds from disposal of tangible and intangible assets | 641 | 0 | 430 | 0 |
| Interest received | 333 | 1.502 | 293 | 1.394 |
| <u>Total inflow / (outflow) from investing activities (b)</u> | <u>(12.280)</u> | <u>(3.886)</u> | <u>(11.722)</u> | <u>(3.725)</u> |
| <u>Financing activities</u> | | | | |
| Loan proceeds | 7.500 | 3.900 | 0 | 0 |
| Loan repayments | (2.638) | (3.468) | (2.000) | 0 |
| Payment of obligations under finance leases | (178) | (26) | 0 | 0 |
| Dividends paid | (30.496) | 0 | (30.496) | 0 |
| <u>Total inflow / (outflow) from finance activities (c)</u> | <u>(25.812)</u> | <u>406</u> | <u>(32.496)</u> | <u>0</u> |
| NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS (a)+(b)+(c) | <u>(42.144)</u> | <u>1.119</u> | <u>(42.550)</u> | <u>3.968</u> |
| Cash and cash equivalents at the beginning of the period | <u>140.493</u> | <u>149.926</u> | <u>123.359</u> | <u>132.521</u> |
| Cash and cash equivalents at the end of the period | <u>98.349</u> | <u>151.045</u> | <u>80.809</u> | <u>136.489</u> |

Notes from page 7 through to page 20 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 31/03/2009) in the Company is held by the LAFARGE Group, France.

The HERACLES G.C.C. Group (the Group) operates mainly in the production and trading of cement, concrete and other construction materials. The interim financial statements are presented in Euro thousands, unless otherwise stated, which is the currency of the primary economic environment, in which the Group operates.

2. BASIS OF PREPARATION

The interim financial statements have been prepared in accordance with International Accounting Standard "IAS" 34, Interim Financial Reporting.

3. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS OF EXISTING STANDARDS

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning during the current reporting period and subsequent reporting periods. The Group's evaluation of the effect of these new standards, amendments to standards and interpretations is as follows:

Standards effective for year ended 31 December 2009

IAS 1 (Revised) "Presentation of Financial Statements"

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

IFRS 8 "Operating Segments"

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

IAS 23 (Amendment) "Borrowing Costs"

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

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

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

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

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

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

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

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

Interpretations effective for year ended 31 December 2009

IFRIC 13 – Customer Loyalty Programmes

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

IFRIC 15 - Agreements for the construction of real estate

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

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

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

Standards effective after year ended 31 December 2009

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.

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

Interpretations effective after year ended 31 December 2009

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. The Group will apply this interpretation from its effective date.

IFRIC 18 “Transfers of assets from customers” (effective for transfers of assets received on or after 1 July 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. The Group will apply this interpretation from its effective date.

4. ACCOUNTING PRINCIPLES

The interim financial statements have been prepared on the historical or deemed cost basis with the exemption of derivatives financial instruments which are presented at their fair value.

The main accounting principles used have not changed in relation to the Group and Company annual financial statements of 31st December 2008. However, the interim financial statements should be examined along with the annual financial statements of 31st December 2008 which are available at the Company's website www.aget.gr.

5. STATEMENT OF CHANGES IN EQUITY

Amounts in Euro thousands

| GROUP | Share capital | Share premium | Reserves | Derivatives valuation reserve | Retained earnings | Total |
|---|----------------|---------------|----------------|-------------------------------|-------------------|----------------|
| Balance at 01/01/2009 | 142.165 | 1.279 | 170.175 | (5.377) | 386.551 | 694.793 |
| Profit for the period | 0 | 0 | 0 | 0 | 15.106 | 15.106 |
| Profit/(loss) from derivative financial instruments recognised directly in equity | 0 | 0 | 0 | 703 | 0 | 703 |
| Balance at 31/03/2009 | <u>142.165</u> | <u>1.279</u> | <u>170.175</u> | <u>(4.674)</u> | <u>401.657</u> | <u>710.602</u> |
| Balance at 01/01/2008 | 142.165 | 1.279 | 204.245 | (633) | 410.909 | 757.965 |
| Profit for the period | 0 | 0 | 0 | 0 | 1.325 | 1.325 |
| Distribution of profits | 0 | 0 | (2.529) | 0 | 2.529 | 0 |
| Profit/(loss) from derivative financial instruments recognised directly in equity | 0 | 0 | 0 | (579) | 0 | (579) |
| Balance at 31/03/2008 | <u>142.165</u> | <u>1.279</u> | <u>201.716</u> | <u>(1.212)</u> | <u>414.763</u> | <u>758.711</u> |

Amounts in Euro thousands

| COMPANY | Share capital | Share premium | Reserves | Derivatives valuation reserve | Retained earnings | Total |
|---|----------------|---------------|----------------|-------------------------------|-------------------|----------------|
| Balance at 01/01/2009 | 142.165 | 1.279 | 152.683 | (5.377) | 394.740 | 685.490 |
| Profit for the period | 0 | 0 | 0 | 0 | 18.090 | 18.090 |
| Profit/(loss) from derivative financial instruments recognised directly in equity | 0 | 0 | 0 | 703 | 0 | 703 |
| Balance at 31/03/2009 | <u>142.165</u> | <u>1.279</u> | <u>152.683</u> | <u>(4.674)</u> | <u>412.830</u> | <u>704.283</u> |
| Balance at 01/01/2008 | 142.165 | 1.279 | 181.796 | (633) | 412.027 | 736.634 |
| Profit for the period | 0 | 0 | 0 | 0 | 8.788 | 8.788 |
| Profit/(loss) from derivative financial instruments recognised directly in equity | 0 | 0 | 0 | (579) | 0 | (579) |
| Balance at 31/03/2008 | <u>142.165</u> | <u>1.279</u> | <u>181.796</u> | <u>(1.212)</u> | <u>420.815</u> | <u>744.843</u> |

6. BUSINESS 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.

Segment information is presented below:

| 31/3/2009 | | | | | |
|---------------------------------|------------------------|--------------------------|----------------------------|---------------------|--------------------|
| Amounts in Euro thousands | 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 | 9.173 | (1.814) | 190 | 0 | 7.549 |

| 31/3/2008 | | | | | |
|---------------------------------|------------------------|--------------------------|----------------------------|---------------------|--------------------|
| | Cement Division | Concrete Division | Aggregates Division | Eliminations | Total Group |
| Turnover | 154.421 | 19.591 | 4.315 | (8.752) | 169.575 |
| Current operating income | 16.833 | (226) | 575 | 0 | 17.182 |
| Operating Income | 9.137 | (1.226) | 575 | 0 | 8.486 |

| | | | | | |
|---|------------------------|--------------------------|----------------------------|---------------------|--------------------|
| Amounts in Euro thousands | | | | | |
| Total Assets as per Management Reporting | Cement Division | Concrete Division | Aggregates Division | Eliminations | Total Group |
| 31/3/2009 | 959.996 | 85.437 | 55.742 | (114.009) | 987.166 |
| 31/12/2008 | 983.800 | 86.927 | 59.787 | (118.083) | 1.012.431 |

Reconciling items between financial reporting used from Group's Management for decision making and Published Financial Statements of the Group, are presented in the following tables and are mainly due to:

a) Timing difference in the preparation of the reports. As a result, due to subsequent events the recognised amounts in the Income Statement as well as in the Statement of Financial Position of the Group are different.

b) Different deemed cost that was defined for the Group's fixed assets due to the timing difference in the first adoption of International Financial Reporting Standards between financial reporting used by the Management and to the published, according to International Financial Reporting Standards, Financial Statements.

6. BUSINESS SEGMENTS-continued

Amounts in Euro thousands

| | 31/3/2009 | 31/3/2008 |
|--|------------------|------------------|
| Turnover per Management Reporting | 121.950 | 169.575 |
| Timing difference on revenue recognition | (975) | (1.217) |
| Turnover per Income Statement | 120.975 | 168.358 |

Amounts in Euro thousands

| Reportable Segments | 31/3/2009 | 31/3/2008 |
|--|------------------|------------------|
| Current Operating Income | 6.529 | 17.182 |
| Non-recurring items | 1.020 | (8.696) |
| Operating Income | 7.549 | 8.486 |
| Reconciling items | | |
| Timing difference on revenue recognition | 12.225 | 228 |
| Timing difference on provisions' recognition | 0 | 2.665 |
| Difference on amortization | (210) | (210) |
| Other timing differences | (231) | 80 |
| Income Statement | | |
| Operating Income | 19.333 | 11.249 |
| Net financial income/(expense) | 838 | 546 |
| Profit before income tax | 20.171 | 11.795 |
| Income tax | (5.065) | (10.470) |
| Net profit for the period after tax | 15.106 | 1.325 |

Amounts in Euro thousands

| | 31/3/2009 | 31/12/2008 |
|---|------------------|-------------------|
| Total Assets per Management Reporting | 987.166 | 1.012.431 |
| Difference on deemed cost of fixed assets | 17.544 | 17.754 |
| Total assets of non consolidated entity | (3.994) | (3.994) |
| Receivables due to timing difference on revenue recognition | 0 | (13.200) |
| Deferred tax asset | (3.042) | (914) |
| Differences due to reclassifications between working capital accounts | 6.062 | (2.473) |
| Other | (792) | 1.332 |
| Total Assets per statement of Financial position | 1.002.944 | 1.010.936 |

7. OTHER OPERATING INCOME / (EXPENSES)

Other operating income / (expenses) of the Company as at 31/03/2009 includes an income from partial reversal of provision for participation in the accumulated losses of its subsidiaries that exceed the Company's initial investment amounted to 5,101 Euro thousands, while for the period 1/1-31/3/2008 an expense of 3,398 Euro thousands has been recognised.

Amounts in Euro thousands

| | GROUP | | COMPANY | |
|--|--------------------|--------------------|--------------------|--------------------|
| | 1/1- 31/03/2009 | 1/1- 31/03/2008 | 1/1- 31/03/2009 | 1/1- 31/03/2008 |
| Profit/(loss) from fixed asset disposals | 42 | 0 | 0 | 0 |
| Impairment of goodwill | 59 | 0 | 0 | 0 |
| Share in losses of subsidiaries | 0 | 0 | 5.101 | (3.398) |
| Other | 612 | (405) | 0 | 0 |
| | 713 | (405) | 5.101 | (3.398) |

8. FINANCIAL RESULTS FOR THE PERIOD ENDED 31 MARCH 2009

The Group's turnover amounting to 120,975 Euro thousands for the first quarter of 2009, decreased by 28.1% as compared to the corresponding period in 2008, while the Company's turnover amounting to 108,305 Euro thousands for the same period in 2009 decreased by 28.9% compared to the corresponding period in 2008.

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

The Group's and Company's gross margin for the first quarter of 2009 amount to 31.5% and 28.7%, while in the corresponding period in 2008 amounted to 17.4% and 19.3% respectively.

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

For the first quarter of 2009 the Group's net profit after taxes amounting to 15,106 Euro thousands while in the same period in 2008 amounted to 1,325 Euro thousands. The Company's net profit after taxes for the same period in 2009 amounts to 18,090 Euro thousands while in the corresponding period in 2008 amounted to 8,788 Euro thousands.

Apart from the increase in gross profit, the increase in net profit after taxes of the Group is also due to the fact that during the first quarter of 2008 Group's results have been burdened with previous years' tax audit differences amounted to 5,506 Euro thousands.

9. INCOME TAX

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

10. EARNINGS PER SHARE

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

Amounts in Euro thousands

| | GROUP | | COMPANY | |
|--|--------------------|--------------------|--------------------|--------------------|
| | 1/1- 31/03/2009 | 1/1- 31/03/2008 | 1/1- 31/03/2009 | 1/1- 31/03/2008 |
| Net profit for the year after tax | 15.106 | 1.325 | 18.090 | 8.788 |
| Weighted average number of common shares for the purpose of calculating basic earnings per share | 71.082.707 | 71.082.707 | 71.082.707 | 71.082.707 |
| Earnings per share in € | 0,21 | 0,02 | 0,25 | 0,12 |

11. INTANGIBLE & TANGIBLE ASSETS

The Group's capital expenditure for the period 1/1-31/3/2009 amounted to 5,033 Euro thousands, while Company's capital expenditure amounted to 3,834 Euro thousands. While the carrying amount of the fixed assets written off in the period by the Group,, amounted to 791 Euro thousands and for the Company amounted to 233 Euro thousands. .In addition, from the temporary estimated goodwill of the Group the value of the operating license of the quarry of LATOMIA MYTILINIS S.A was allocated to tangible assets.

| Intangible Assets | GROUP | COMPANY |
|--|--------------|------------|
| Opening net book amount as at 31/12/2008 | 2.167 | 697 |
| Additions | 207 | 82 |
| Disposals | (7) | 0 |
| Amortisation | (251) | (98) |
| Transfers | 390 | 0 |
| Closing net book amount as at 31/03/ 2009 | 2.506 | 681 |

| Tangible Assets | GROUP | COMPANY |
|---|----------------|----------------|
| Opening net book amount as at 31/12/2008 | 578.352 | 533.990 |
| Additions | 4.436 | 3.752 |
| Disposals | (784) | (233) |
| Depreciation | (11.347) | (10.411) |
| Goodwill allocation | 1.442 | 0 |
| Closing net book amount as at 31/03/2009 | 572.099 | 527.098 |

12. DIVIDENDS PAYABLE

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.

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:

| Name of subsidiary | Registered office | Direct participation | Indirect participation | Total | Main scope of activity |
|---|---------------------------------|----------------------|------------------------|---------|--|
| HERACLES GCC | Greece, Lycovrissi, Attica | | | Parent | Cement manufacture & trade |
| LAFARGE BETON S.A. | Greece, Metamorfossi, Attica | 97,58% | 2,42% | 100,00% | Concrete and aggregates production & trade |
| ATLAS S.A. | Greece, Kallithea, Thessaloniki | | 100,00% | 100,00% | Aggregates production & trade |
| EVIESK S.A. | Greece, Lycovrissi, Attica | 95,76% | 4,24% | 100,00% | Metal constructions and mechanical maintenance |
| HERACLES MARITIME CO. | Greece, Lycovrissi, Attica | 99,99% | 0,01% | 100,00% | Sea transports and ship management |
| LAVA S.A. | Greece, Lycovrissi, Attica | 44,16% | 55,84% | 100,00% | Building materials and aggregates production & trade |
| EKET LTD. | Greece, Lycovrissi, Attica | 90,00% | 10,00% | 100,00% | Cement and concrete production technology |
| AEGEAN TERMINALS S.A. | Greece, Chalandri, Attica | 99,78% | | 99,78% | Dormant |
| PORT SAID SILO INVESTMENT COMPANY S.A. | Greece, Lycovrissi, Attica | 99,97% | 0,03% | 100,00% | Dormant |
| G. HATZIKYRIAKOS SOC. NAV. | Greece, Lycovrissi, Attica | | 100,00% | 100,00% | Dormant |
| A. HATZIKYRIAKOS SOC. NAV. | Greece, Lycovrissi, Attica | | 100,00% | 100,00% | Dormant |
| DYSTOS SOC. NAV. | Greece, Lycovrissi, Attica | | 100,00% | 100,00% | Dormant |
| NAFSIKA SOC. NAV. | Greece, Lycovrissi, Attica | | 100,00% | 100,00% | Dormant |
| HERACLES GLORY SOC. NAV. | Greece, Lycovrissi, Attica | | 100,00% | 100,00% | Dormant |
| SUPER BETON S.A. I MARKOULAKIS | Greece, Heraclion, Crete | | 100,00% | 100,00% | Concrete production & trade |
| TRANS BETON S.A. | Greece, Thessaloniki | | 100,00% | 100,00% | Concrete production & trade |
| MYTILINI QUARRIES S.A. | Greece, Mytilini | | 100,00% | 100,00% | Extraction and processing of aggregates |
| BETON DOMI S.A. | Greece, Kilkis | | 100,00% | 100,00% | Concrete and aggregates production & trade |
| MARATHOS QUARRIES S.A. | Greece, Heraclion, Crete | | 77,00% | 77,00% | Dormant |
| FINDA TRANSPORTS S.A. | Greece, Lycovrissi, Attica | 100,00% | | 100,00% | Dormant |
| ALEXANDRIA SILO INVESTMENT COMPANY S.A. | Panama | 100,00% | | 100,00% | Dormant |
| PORT SAID SILO INVESTMENT COMPANY S.A. | Panama | | 100,00% | 100,00% | Dormant |
| INTERNATIONAL MEDITERRANEAN SHIPPING S.A. | Luxemburg | | 100,00% | 100,00% | Under liquidation |

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

13. INVESTMENTS IN ASSOCIATES AND SUBSIDIARIES - continued

Companies consolidated using the equity method:

| Name of Associate | Registered Office | Direct participation | Indirect participation | Total | Main scope of activity |
|---|----------------------------|-----------------------------|-------------------------------|--------------|---------------------------------|
| MIHALIS KATSIMBRIS SA | Greece, Heraklion, 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.

14. BANK LOANS

The short term bank loans and overdrafts of the Group as at 31/3/2009 have an average interest rate of 3.1% (31/12/2008: 4.8%). All bank loans are denominated in Euro.

The long-term bank loans of the Group amounts to 3,420 Euro thousands (31/12/2008: 3,705 Euro thousands), concerns the subsidiary BETON DOMH S.A. and its duration is up to 2017, while the relative interest rate is floating (Euribor+2.1%).

As at 31/3/2009 the total short-term bank loans amounted to 37,792 Euro thousands of which 32,499 Euro thousands concern subsidiary LAFARGE BETON S.A., 5,000 Euro thousands concern subsidiary EVIESK S.A., and 293 Euro thousands concern BETON DOMH S.A.

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

15. CONTINGENT LIABILITIES**Company disputes under litigation or arbitration**

On 31/03/2009, there are pending lawsuits against the Group amounting to 44,063 Euro thousands (31/12/2008: 47,351 Euro thousands), out of which the pending lawsuits against the Company amount to 34,867 Euro thousands (31/12/2008: 34,126 Euro thousands), which are being subject to court proceedings, the outcome of which is uncertain. According to estimates, the maximum risk faced by the Group from the final decisions on the above cases amounts to 24,514 Euro thousands, out of which 20,208 Euro thousands relate to the Company. No provision has been made in the interim financial statements of the period for the said pending cases, as it is unlikely that such risk will eventually occur.

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

- a. Lawsuit for loss of vessel and loss of profit up to the amount of 18,492 Euro thousands, with estimated maximum risk of 9,246 Euro thousands.
- b. Lawsuit for counterclaim for environmental cost up to the amount of 4,340 Euro thousands, with estimated maximum risk of 3,472 Euro thousands.

15. CONTINGENT LIABILITIES - Continued

Against some of the Company's and the Group's real property, there are pending cases of designation of such property as forest areas, coastal areas, archaeological sites, etc, and various claims from the Greek State and other third parties. The maximum risk from such claims is estimated to 1,885 Euro thousands and 2,525 Euro thousands 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.

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.

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

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

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

15. CONTINGENT LIABILITIES - Continued**Granted guarantees**

The following letters of guarantee have been provided to secure liabilities of the Group and the Company, and were in force on 31/03/2009 and on 31/12/2008:

| Amounts in Euro thousands | GROUP | | COMPANY | |
|---------------------------------|---------------|--------------|---------------|--------------|
| | 31/03/2009 | 31/12/2008 | 31/03/2009 | 31/12/2008 |
| Granted guarantees | 15.988 | 5.049 | 14.204 | 3.564 |
| Intercompany granted guarantees | 0 | 0 | 1.923 | 1.923 |
| | <u>15.988</u> | <u>5.049</u> | <u>16.127</u> | <u>5.487</u> |

Commitments for purchases and capital expenditure

Commitments for purchases and capital expenditure in force on 31/03/2009 and on 31/12/2008 are as follows:

| Amounts in Euro thousands | GROUP | | COMPANY | |
|-------------------------------|------------|------------|------------|------------|
| | 31/03/2009 | 31/12/2008 | 31/03/2009 | 31/12/2008 |
| Purchase contracts | 65.464 | 97.145 | 98.034 | 132.513 |
| Capital expenditure contracts | 9.351 | 8.725 | 7.671 | 6.856 |

Commitments for operating leases

On the balance sheet date, the Group and the Company have the following liabilities under operating lease agreements without the option or the intention of cancellation, which are payable as follows:

| Amounts in Euro thousands | GROUP | | COMPANY | |
|---------------------------------|---------------|---------------|--------------|--------------|
| | 31/03/2009 | 31/12/2008 | 31/03/2009 | 31/12/2008 |
| Within one year | 16.077 | 17.328 | 232 | 284 |
| Within two and up to five years | 29.609 | 26.264 | 1.950 | 1.950 |
| Over five years | 4.275 | 1.848 | 319 | 319 |
| | <u>49.961</u> | <u>45.440</u> | <u>2.501</u> | <u>2.553</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 thousands

| GROUP | INCOME | | EXPENSES | | RECEIVABLES | | LIABILITIES | |
|----------------------------------|---------------------|---------------------|---------------------|---------------------|--------------|--------------|--------------|---------------|
| | 1/1 - 31/03/2009 | 1/1 - 31/03/2008 | 1/1 - 31/03/2009 | 1/1 - 31/03/2008 | 31/03/2009 | 31/12/2008 | 31/03/2009 | 31/12/2008 |
| Group HERACLES associates | 146 | 174 | 5 | 7 | 196 | 156 | 0 | 0 |
| Parent company LAFARGE S.A. | 19.456 | 214 | 0 | 0 | 0 | 18 | 1.826 | 443 |
| Group LAFARGE associates | 21.496 | 31.595 | 586 | 99 | 4.111 | 7.665 | 1.729 | 28.344 |
| Franchise rights to LAFARGE S.A. | 0 | 0 | 2.728 | 2.401 | 0 | 0 | 0 | 0 |
| Total | 41.098 | 31.983 | 3.319 | 2.507 | 4.307 | 7.839 | 3.555 | 28.787 |

Transactions between the Company and its subsidiaries, which are related parties, prior to elimination entries, and with the parent company LAFARGE S.A. along with other LAFARGE Group companies, are disclosed below:

Amounts in Euro thousands

| COMPANY | INCOME | | EXPENSES | | RECEIVABLES | | LIABILITIES | |
|----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------|---------------|---------------|---------------|
| | 1/1 - 31/03/2009 | 1/1 - 31/03/2008 | 1/1 - 31/03/2009 | 1/1 - 31/03/2008 | 31/03/2009 | 31/12/2008 | 31/03/2009 | 31/12/2008 |
| HERACLES Group Companies | 6.326 | 8.524 | 5.211 | 9.182 | 31.878 | 35.117 | 11.144 | 13.912 |
| Parent company LAFARGE S.A. | 19.456 | 214 | 0 | 0 | 0 | 9 | 1.796 | 443 |
| Group LAFARGE associates | 20.648 | 30.910 | 470 | 73 | 3.794 | 7.108 | 1.228 | 27.522 |
| Franchise rights to LAFARGE S.A. | 0 | 0 | 2.728 | 2.401 | 0 | 0 | 0 | 0 |
| Total | 46.429 | 39.648 | 8.409 | 11.656 | 35.671 | 42.234 | 14.168 | 41.877 |

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

Remuneration to management and members of the BoD

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

Amounts in Euro thousands

| | GROUP | | COMPANY | |
|--|---------------------|---------------------|---------------------|---------------------|
| | 1/1 - 31/03/2009 | 1/1 - 31/03/2008 | 1/1 - 31/03/2009 | 1/1 - 31/03/2008 |
| Current benefits | 600 | 603 | 380 | 368 |
| Provision for retirement compensation and paid compensations | 37 | 30 | 20 | 10 |
| BoD members attendance fees | 50 | 63 | 48 | 59 |
| | 687 | 696 | 448 | 437 |

17. PERSONNEL

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

| | GROUP | | COMPANY | |
|---------------------|------------|------------|------------|------------|
| | 31/03/2009 | 31/12/2008 | 31/03/2009 | 31/12/2008 |
| Number of personnel | 2.158 | 2.185 | 1.643 | 1.512 |

18. EVENTS AFTER THE BALANCE SHEET DATE

Up to the date of Board of Directors' approval of Financial Statements as of 31st March 2009, no post balance sheet events exist that may have significant financial impact on the Group.

The Group and Company interim financial statements on page 3 through to page 20 were approved by the Company's Board of Directors on 25 May 2009. The Board of Directors authorised the following directors and officers to sign the interim financial statements on its behalf:

**THE CHAIRMAN OF
THE BOARD OF
DIRECTORS**

**THE MANAGING
DIRECTOR**

**THE CHIEF
FINANCIAL OFFICER**

**THE CONSOLIDATION
& FINANCIAL
REPORTING
MANAGER**

**MANOLIS CHR.
KYPRIANIDES**

**PIERRE
DELEPLANQUE**

**MICHAIL TH.
MICHELIS**

**KONSTANTINOS A.
MICHAILIDIS**

I.D. No. AZ 007012

**PASSPORT No.
07CV39073**

**ECG LIC. No. E29960
A' CLASS**

**ECG LIC. No. E36154
A' CLASS**