



HERACLES
GROUP OF COMPANIES

A member of  **LAFARGE**

**INTERIM COMPANY AND GROUP FINANCIAL STATEMENTS
OF HERACLES G.C.C. IN ACCORDANCE WITH
INTERNATIONAL FINANCIAL REPORTING STANDARDS
AS AT 31st MARCH 2008**

HERACLES G.C.C.

Companies' Reg. No. : 13576/06/B/86/096
49-51 Sophokli Venizelou str.
141 23 Lycovrissi - Attica

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INCOME STATEMENT FOR THE PERIOD ENDED 31 MARCH 2008

Amounts in € thousand

	NOTE	GROUP		COMPANY	
		1/1- 31/03/2008	1/1- 31/03/2007	1/1- 31/03/2008	1/1- 31/03/2007
Operating results					
Turnover	6,8	168.358	164.310	152.224	146.210
Cost of sales		<u>(139.120)</u>	<u>(122.466)</u>	<u>(122.786)</u>	<u>(106.112)</u>
Gross profit		29.238	41.844	29.438	40.098
Administrative & distribution expenses		(17.584)	(17.479)	(13.883)	(13.753)
Other operating income/(expense)	7	<u>(405)</u>	<u>2.139</u>	<u>(3.398)</u>	<u>1.853</u>
Operating profit		11.249	26.504	12.157	28.198
Finance income/(expense)		<u>546</u>	<u>486</u>	<u>1.243</u>	<u>871</u>
Profit before tax		11.795	26.990	13.400	29.069
Income tax	9	<u>(10.470)</u>	<u>(8.243)</u>	<u>(4.612)</u>	<u>(7.536)</u>
Net profit for the period after tax	6,8	<u>1.325</u>	<u>18.747</u>	<u>8.788</u>	<u>21.533</u>
Number of shares		71.082.707	71.082.707	71.082.707	71.082.707
Earnings per share (in €)	10	0,02	0,26	0,12	0,30

Notes from page 7 through to page 17 form an integral part of the Company and Group interim financial statements.

BALANCE SHEET AS AT 31 MARCH 2008

Amounts in € thousand

	NOTE	GROUP		COMPANY	
		31/03/2008	31/12/2007	31/03/2008	31/12/2007
Fixed assets					
Goodwill		19.199	19.199	0	0
Intangible assets	12	722	796	305	341
Tangible assets	12	578.340	586.650	538.551	546.172
Investments in associates and subsidiaries	13	411	411	36.653	36.653
Other investments		55	55	55	55
Other non-current receivables		4.496	4.461	42.933	37.573
Deferred tax asset		3.674	4.140	763	1.141
Total fixed assets		606.897	615.712	619.260	621.935
Current assets					
Inventories		63.176	60.804	57.692	55.358
Trade and other receivables		186.489	162.289	161.071	137.121
Derivative financial instruments		0	39	0	39
Cash and cash equivalents		151.044	149.926	136.489	132.521
Total current assets		400.709	373.058	355.252	325.039
Total assets		1.007.606	988.770	974.512	946.974
Non-current liabilities					
Provision for staff retirement compensation		91.537	93.785	78.741	80.629
Other non-current provisions		10.654	11.894	22.098	19.585
Finance lease obligations		119	120	0	0
Total non-current liabilities		102.310	105.799	100.839	100.214
Current liabilities					
Provision for staff retirement compensation		5.430	6.220	5.449	5.777
Trade and other payables		107.505	92.223	85.162	79.628
Income tax liabilities	9	12.269	2.851	19.484	3.265
Finance lease obligations		101	126	0	0
Other current provisions		17.200	20.390	17.155	20.328
Derivative financial instruments		1.580	1.128	1.580	1.128
Bank loans	14	2.500	2.068	0	0
Total current liabilities		146.585	125.006	128.830	110.126
Total liabilities		248.895	230.805	229.669	210.340
Equity					
Share capital		142.165	142.165	142.165	142.165
Share premium		1.279	1.279	1.279	1.279
Reserves		201.716	204.245	181.796	181.796
Derivatives valuation reserve		(1.212)	(633)	(1.212)	(633)
Retained earnings		414.763	410.909	420.815	412.027
Total equity		758.711	757.965	744.843	736.634
Total liabilities and equity		1.007.606	988.770	974.512	946.974

Notes from page 7 through to page 17 form an integral part of the Company and Group interim financial statements.

**STATEMENT OF RECOGNISED INCOME AND
EXPENSES FOR THE PERIOD ENDED 31 MARCH 2008**

Amounts in € thousand	GROUP		COMPANY	
	31/03/2008	31/03/2007	31/03/2008	31/03/2007
Profit/(loss) from derivative financial instruments recognised directly in equity	(579)	508	(579)	508
Net income/(expense) recognised directly in equity	(579)	508	(579)	508
Net profit after tax	1.325	18.747	8.788	21.533
Total income/(expenses) for the year	746	19.255	8.209	22.041

Notes from page 7 through to page 17 form an integral part of the Company and Group interim financial statements.

CASH FLOW STATEMENT (Indirect method) FOR THE PERIOD ENDED 31 MARCH 2008

Amounts in € thousand

	GROUP		COMPANY	
	1/1- 31/03/2008	1/1- 31/03/2007	1/1- 31/03/2008	1/1- 31/03/2007
<u>Operating activities</u>				
Profit before tax	11.795	26.990	13.400	29.069
Plus / less adjustments for:				
Depreciation	11.845	11.220	10.852	10.672
Provisions	(7.813)	(3.225)	(3.221)	(2.471)
Foreign exchange differences	(339)	0	(317)	(48)
Gain / (loss) from derivatives valuation	(281)	(25)	(281)	(25)
Results (income, expenses, profit and losses) from investment activities	(1.498)	(2.607)	(1.394)	(844)
Interest expenses and relevant expenses	632	578	75	105
Plus/ less adjustments for changes in working capital accounts or relevant with operating activities:				
Decrease / (increase) in inventories	(2.300)	(4.446)	(2.262)	(3.347)
Decrease / (increase) in receivables	(23.623)	(21.564)	(28.720)	(20.053)
(Decrease) / increase in liabilities (excl. banks)	16.835	11.468	19.636	5.689
Less :				
Interest expenses and relevant expenses paid	(632)	(578)	(75)	(105)
Taxes paid	(22)	0	0	0
<u>Total inflow / (outflow) from operating activities (a)</u>	4.599	17.811	7.693	18.642
<u>Investment activities</u>				
Acquisition of subsidiaries, affiliates, joint-ventures and other investments	0	(316)	0	0
Purchase of tangible and intangible fixed assets	(5.388)	(2.713)	(5.119)	(2.271)
Proceeds from disposal of tangible and intangible assets	0	294	0	1
Proceeds (payments) from the sale (purchase) of investments (shares, securities)	0	3.222	0	3.218
Interest received	1.502	1.067	1.394	979
<u>Total inflow / (outflow) from investment activities (b)</u>	(3.886)	1.554	(3.725)	1.927
<u>Financing activities</u>				
Loan proceeds	3.900	3.802	0	0
Loan repayments	(3.468)	(1.003)	0	0
Payment of obligations under finance leases	(26)	(64)	0	0
<u>Total inflow / (outflow) from finance activities (c)</u>	406	2.735	0	0
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS (a)+(b)+(c)	1.118	22.100	3.968	20.569
Cash and cash equivalents at the beginning of the period	149.926	126.241	132.521	106.603
Cash and cash equivalents at the end of the period	151.044	148.341	136.489	127.172

Notes from page 7 through to page 17 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 Companies Act 2190/1920, with its registered office located in the Municipality of Lycovrissi, Attica, 49-51 Sophokli Venizelou str. By majority (88.11%), as at 31/03/2008 the Company belongs to LAFARGE Group which is incorporated in France. Regarding the development of the LAFARGE Group investment in the Company refer to Note 13.

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

2. BASIS OF PREPARATION

The interim condensed financial report has been prepared in accordance with International Accounting Standard "IAS" 34, Interim Financial Reporting.

3. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS OF EXISTING STANDARDS

During the year, the Group and the Company have adopted the new and amended standards issued by the International Accounting Standards Board "IASB", as well as the relevant Interpretations of the International Financial Reporting Interpretations Committee (IFRIC), which are relevant with the Company's activities and apply to accounting periods starting 1st January 2008.

The new IFRS, interpretations and amendments of existing standards, are listed below:

IFRS 3, Business combinations (applicable to annual financial periods beginning on or after July 1st 2009).

The main changes are the accounting treatment of the acquisition costs, the accounting of changes in the amount of contingent consideration as a result of a post acquisition event, the option to use the 'full goodwill method', the step acquisition method, the accounting of partial disposal of an investment in a subsidiary while control is retained or lost, the accounting of the acquisition of additional shares in the subsidiary after control was obtained and the application of the standard to combinations of mutual entities and combinations without consideration (dual listed shares)

Amendment to IFRS 3 has not yet been adopted by the EU.

IFRS 8, Operating segments (applicable to annual financial periods beginning on or after January 1st 2009)

IFRS 8 replaces IAS 14, Segment reporting. It requires information provided for operating segments, to be consistent with those components of the entity that management uses internally to assess performance. The Group is in the process of assessing the standard's impact on its financial statements.

Interpretation 12, Service concession arrangements (applicable to annual financial periods beginning on or after January 1st 2008)

Interpretation 12 has been adopted by the EU.

3. NEW STANDARDS, INTERPRETATIONS AND AMENDMENT OF EXISTING STANDARDS – Continued

Interpretation 13, Customer loyalty programmes (applicable to annual financial periods beginning on or after July 1st 2008)

Interpretation 13 has not yet been adopted by the EU.

Interpretation 14, IAS 19 – The limit on a defined benefit asset, minimum funding requirements and their interaction (applicable to annual financial periods beginning on or after January 1st 2008)

Interpretation 14 has been adopted by the EU.

Amendment to IFRS 2, Share based payment (applicable to annual financial periods beginning on or after January 1st 2009).

The amendment will clarify the terms 'vesting conditions' and 'cancellations' along with the accounting treatment of cancellations, whether by the entity or by other parties.

Amendment to IFRS 2 has not yet been adopted by the EU.

Amendment to IAS 1, Presentation of financial statements

The main changes from the previous version are to require that an entity must prepare a statement of comprehensive income, aggregate information in financial statements on the basis of shared characteristics and changes the titles of some financial statements. The new titles will be used in accounting standards, but are not mandatory for use in financial statements (applicable to annual financial periods beginning on or after January 1st 2009).

Amendment to IAS 1 has been adopted by the EU.

Amendment to IAS 23, Borrowing costs (applicable to annual financial periods beginning on or after January 1st 2009).

The main change from the previous version is the removal of the option of immediately recognising borrowing costs as an expense that relate to assets which take a substantial period of time to get ready for its intended use or sale

Amendment to IAS 23 has been adopted by the EU.

Amendment to IAS 27, Consolidated and separate financial statements (applicable to annual financial periods beginning on or after July 1st 2009).

The main amendments refer to the accounting treatment of the partial disposal of an investment in a subsidiary while control is retained or lost, along with the treatment of partial disposals of associates and joint ventures and the allocation of the corresponding income as income from investments in non-controlling entities.

Amendment to IAS 27 has not yet been adopted by the EU.

4. ACCOUNTING PRINCIPLES

The interim financial statements have been prepared on the historical or deemed cost basis.

The main accounting principles used have not changed in relation to the Group and Company annual financial statements of 31 December 2007.

5. STATEMENT OF CHANGES IN EQUITY

Amounts in € thousand

GROUP	Share capital	Share premium	Reserves	Derivatives valuation reserve	Retained earnings	Total
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
Subsidiary's profits distribution	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	142.165	1.279	201.716	(1.212)	414.763	758.711
Balance at 01/01/2007	142.165	1.279	219.601	489	399.106	762.640
Profit for the period	0	0	0	0	18.747	18.747
Profit/(loss) from derivative financial instruments recognised directly in equity	0	0	0	508	0	508
Balance at 31/03/2007	142.165	1.279	219.601	997	417.853	781.895

Amounts in € thousand

COMPANY	Share capital	Share premium	Reserves	Derivatives valuation reserve	Retained earnings	Total
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	142.165	1.279	181.796	(1.212)	420.815	744.843
Balance at 01/01/2007	142.165	1.279	197.232	489	399.045	740.210
Profit for the period	0	0	0	0	21.533	21.533
Profit/(loss) from derivative financial instruments recognised directly in equity	0	0	0	508	0	508
Balance at 31/03/2007	142.165	1.279	197.232	997	420.578	762.251

6. BUSINESS SEGMENTS

For management purposes, the Group has been organised into three business segments: the cement, the concrete and the aggregates segment. These components form the basis on which the Group reports its fundamental accounting information per segment.

Amounts in € thousand

	Turnover		Net income/(loss)	
	<u>1/1-31/03/2008</u>	<u>1/1-31/03/2007</u>	<u>1/1-31/03/2008</u>	<u>1/1-31/03/2007</u>
Cement division	154.421	149.101	8.350	18.267
Concrete division	19.591	21.283	(6.995)	147
Aggregates division	4.315	2.968	(30)	333
Intercompany eliminations	(9.969)	(9.042)	0	0
TOTAL	<u>168.358</u>	<u>164.310</u>	<u>1.325</u>	<u>18.747</u>

7. OTHER OPERATING INCOME / (EXPENSES)

Other operating income as at 31/03/2008 includes a Company provision for losses of €3,398 thousand, which relates to the Company's participations in the accumulated losses of its subsidiaries.

Amounts in € thousand

	GROUP		COMPANY	
	<u>1/1-31/03/2008</u>	<u>1/1-31/03/2007</u>	<u>1/1-31/03/2008</u>	<u>1/1-31/03/2007</u>
Profit/(loss) from participation disposals	0	1.981	0	1.981
Profit/(loss) from fixed asset disposals	0	275	0	(7)
Participation in subsidiaries losses	0	0	(3.398)	0
Other	(405)	(117)	0	(121)
	<u>(405)</u>	<u>2.139</u>	<u>(3.398)</u>	<u>1.853</u>

8. FINANCIAL RESULTS FOR THE PERIOD ENDED 31 MARCH 2008

In the first quarter of 2008, the Group's turnover amounts to €168,358 thousand, increased by 2.5% compared to the respective last year period, since decreased sale volumes in the local market were counterbalanced by increased sale volumes of the exports along with the increased sale prices. The Group's profit before tax amounts to €11,795 thousand, decreased by 56.3% compared to respective period of 2007. Consequently, Group profit after tax amounts to €1,325 thousand, decreased by 92.9% compared to the first quarter of 2007.

The decrease in Group profits is mainly due to the significant increase of the fuel and electric power prices, the increased maintenance costs along with non recurrent income from the sale of the associated company METROPOLITAN AUTOMOBILE ENTERPRISES S.A. in 2007. Additionally, the Group profit after tax for the first quarter of 2008 has been charged with previous years' tax audit differences of subsidiary LAFARGE BETON S.A. amounts to €5,506 thousand.

9. INCOME TAX

The period's income tax expense represents the sum of current income tax, previous years' tax audit differences, property tax and deferred tax.

The period's current income tax has been calculated based on the applicable tax rate for 2008, namely 25% (2007: 25%).

10. EARNINGS PER SHARE

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

Amounts in € thousand	GROUP		COMPANY	
	1/1- 31/03/2008	1/1- 31/03/2007	1/1- 31/03/2008	1/1- 31/03/2007
Net profit for the period after tax	1.325	18.747	8.788	21.533
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 €	0,02	0,26	0,12	0,30

11. DIVIDENDS

At the end of each year, the Board of Directors proposes the dividend, which is then subject to approval by the General Assembly of Shareholders.

The proposed dividend for the year 1/1-31/12/2007 amounts to €71,083 thousand (€1,00 per share) of which, €56,866 thousand from the above mentioned year profit, and €14,217 thousand from the period reserves and is subject to approval of the General Shareholders Meeting on 27 June 2008.

Dividends payable are recognised as a liability at the time of approval by the General Assembly of Shareholders.

12. INTANGIBLE & TANGIBLE ASSETS

Group capital expenditure for the period amounts to €3,465 thousand (2007: €2,713 thousand), while Company capital expenditure amounts to €3,193 thousand (2007: €2,271 thousand).

The fixed assets carrying amount written off in the period by the Group, amounted to €24 thousand.

13. PARTICIPATIONS IN ASSOCIATES AND SUBSIDIARIES

The following table are the companies included in the consolidated financial statements, with their respective addresses, the Group's interest therein and the main scope of activity.

Companies consolidated by full consolidation:

<u>Name of subsidiary</u>	<u>Registered office</u>	<u>Direct participation</u>	<u>Indirect participation</u>	<u>Total</u>	<u>Main scope of activity</u>
HERACLES GCC	Greece, Lycovrissi, Attica			Parent	Cement manufacture and trade
LAFARGE BETON S.A.	Greece, Metamorfossi, Attica	96,79%	3,21%	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
AMBER S.A.	Greece, Lycovrissi, Attica	100,00%		100,00%	Industrial automation and IT
EKET LTD.	Greece, Lycovrissi, Attica	90,00%	10,00%	100,00%	Cement production technology
AEGEAN TERMINALS S.A.	Greece, Chalandri, Attica	99,78%		99,78%	Distribution terminal
PORT SAID SILO INVESTMENT COMPANY S.A.	Greece, Lycovrissi, Attica	99,97%	0,03%	100,00%	Distribution terminal
G. HATZIKYRIAKOS SOC. NAV.	Greece, Lycovrissi, Attica		100,00%	100,00%	Marine company
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)
SYNERGATIKI BETON S.A.	Greece, Lamia		100,00%	100,00%	Concrete production & trade
KAMBIS QUARRIES S.A.	Greece, Arta		100,00%	100,00%	Extraction and processing of aggregates production
SUPER BETON S.A. I MARKOULAKIS	Greece, Heraclion, Crete		100,00%	100,00%	Concrete production & trade
SAMARAS QUARRIES S.A.	Greece, Athens, Attica		100,00%	100,00%	Extraction and processing of aggregates production
MARATHOS QUARRIES S.A.	Greece, Heraclion, Crete		77,00%	77,00%	Extraction and processing of aggregates production
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
INTERNATIONAL FLAG	Egypt		95,50%	95,50%	(Dormant)

13. PARTICIPATIONS IN ASSOCIATES AND SUBSIDIARIES - continued

Companies consolidated using the equity method

<u>Name of Associate</u>	<u>Registered Office</u>	<u>Direct participation</u>	<u>Indirect participation</u>	<u>Total</u>	<u>Main scope of activity</u>
MIHALIS KATSIMBRIS SA	Greece, Heraclion, Crete		26,50%	26,50%	Building material and quarrying
MIDDLE EAST CEMENT SHIPPING & HANDLING COMPANY S.A.	Greece, Lycovrissi, Attica	1,00%	49,00%	50,00%	(Dormant)

The LAFARGE Group during the period 1/01 – 31/03/2008 acquired an additional 1.38% of the Company's share capital, increasing its participation to 88.11%.

14. BANK LOANS

The Group has concluded short term bank loans and overdrafts with an average interest rate in 2008 of 5.66% (2007: 5.85%). All bank loans are denominated in Euro.

Total short-term bank loans amount to €2,500 thousand of which €2,000 thousand concerns AMBER SA and €500 thousand concerns LAFARGE BETON S.A.

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

On 31/03/2008, there were pending lawsuits against the Group amounting to €36,829 thousand (31/12/2007: €36,665 thousand), out of which the pending lawsuits against the Company amount to €33,852 thousand (31/12/2007: €34,144 thousand), which are being under trial. The outcome of such trials is uncertain. According to estimates, the maximum risk from the final decisions on the above cases amounts to €21,562 thousand, out of which the maximum risk from the final decisions on the cases of the Company amounts to €19,915 thousand. No provision has been made in this financial report for the said pending cases, as it is unlikely that such risk will eventually occur.

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

- a. Lawsuit for loss of vessel and loss of profit up to the amount of €17,029 thousand, with estimated maximum risk of €8,515 thousand.
- b. Lawsuit for counterclaim from environmental cost up to the amount of €3,996 thousand, with estimated maximum risk of €3,197 thousand.

In certain cases 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 thousand and €2,525 thousand respectively. No provision has been made in this financial report for the said claims as it is unlikely that such risk will eventually occur.

15. CONTINGENT LIABILITIES - Continued**Unaudited 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. It is possible that these tax audits will result in additional taxes and charges that cannot be accurately estimated at the time. Therefore no provisions have been made.

<u>Company</u>	<u>Registered Office</u>	<u>Unaudited years</u>
HERACLES GCC	Greece, Lycovrissi, Attica	2007
LAFARGE BETON S.A.	Greece, Metamorfossi, Attica	2006-2007
ATLAS S.A.	Greece, Kallithea, Thessaloniki	2004-2007
EVIESK S.A.	Greece, Lycovrissi, Attica	2005-2007
HERACLES MARITIME CO.	Greece, Lycovrissi, Attica	2002-2007
LAVA S.A.	Greece, Lycovrissi, Attica	2006-2007
AMBER S.A.	Greece, Lycovrissi, Attica	2004-2007
EKET LTD.	Greece, Lycovrissi, Attica	2005-2007
AEGEAN TERMINALS S.A.	Greece, Chalandri , Attica	2003-2007
MIDDLE EAST S.A.	Greece, Lycovrissi, Attica	2003-2007
G. HATZIKYRIAKOS SOC. NAV.	Greece, Lycovrissi, Attica	1998-2007
A. HATZIKYRIAKOS SOC. NAV. (inactive)	Greece, Lycovrissi, Attica	1998-2007
DYSTOS SOC. NAV. (inactive)	Greece, Lycovrissi, Attica	1996-2007
NAFSIKA SOC. NAV. (inactive)	Greece, Lycovrissi, Attica	1998-2007
HERACLES GLORY SOC. NAV. (inactive)	Greece, Lycovrissi, Attica	1998-2007
SYNERGATIKI BETON S.A.	Greece, Lamia	2006-2007
KAMPIS QUARRIES S.A.	Greece, Arta	2006-2007
SUPER BETON S.A. I MARKOULAKIS	Greece, Heraclion, Crete	2007
SAMARAS QUARRIES	Greece, Athens Attica	2007
MICHALIS KATSIBRIS	Greece, Heraclion, Crete	2002-2007
INVESTMENT SILO PORT SAID SILO INVESTMENT COMPANY S.A.	Greece, Lycovrissi, Attica	1995-2007
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	1993-2007
MARATHOS QUARRIES S.A.	Greece, Heraclion, Crete	2003-2007
ALEXANDRIA SILO INVESTMENT COMPANY S.A. (under liquidation)	Panama	*
PORT SAID SILO INVESTMENT COMPANY S.A. (inactive)	Panama	*
INTERNATIONAL MEDITERRANEAN SHIPPING S.A. (under liquidation)	Luxemburg	*
INTERNATIONAL FLAG S.A. (inactive)	Egypt	*

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

Tax audit of HERACLES MARITIME CO. for the years 2002-2004 is in progress.

As regards the audits of the financial years 1983 to 1991, when the Group belonged to the Business Restructuring Organisation, the tax audit reports have been legally disputed and have not been finalized yet. At any rate, Company management deems that any tax amount due by virtue of the judicial rulings will be payable by the aforementioned Organisation –substituted by the Greek Government –as set out in the provisions of article 49 of Law 1892/1990.

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 31/03/2008 and on 31/12/2007:

Amounts in € thousand	GROUP		COMPANY	
	<u>31/03/2008</u>	<u>31/12/2007</u>	<u>31/03/2008</u>	<u>31/12/2007</u>
Granted guarantees	12.684	5.084	5.101	4.227

Commitments for purchases and capital expenditure

Purchase and capital expenses contracts, in force on 31/03/2008 and on 31/12/2007, are as follows:

Amounts in € thousand	GROUP		COMPANY	
	<u>31/03/2008</u>	<u>31/12/2007</u>	<u>31/03/2008</u>	<u>31/12/2007</u>
Purchase contracts	71.790	70.907	131.433	117.363
Capital expenditure contracts	10.415	10.250	7.976	10.412

Commitments for operating leases

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

Amounts in € thousand	GROUP		COMPANY	
	<u>31/03/2008</u>	<u>31/12/2007</u>	<u>31/03/2008</u>	<u>31/12/2007</u>
Within one year	11.630	11.832	130	65
Within two and up to five years	24.488	25.489	2.134	2.069
Over five years	748	909	153	384
	<u>36.866</u>	<u>38.230</u>	<u>2.417</u>	<u>2.518</u>

16. EVENTS AFTER THE BALANCE SHEET DATE

On 11/04/2008, the subsidiary LAFARGE BETON S.A. acquired 100% of the company MYTILINI QUARRIES S.A. which operates in the production and trading of aggregates, for a consideration of €4,455 thousand. The net equity (loss) of the acquired company at the acquisition date amounts to a negative €1,930 thousand. The temporary estimated goodwill derived from the acquisition amounts to €6,385 thousand. The calculation of the fair value of identifiable assets, liabilities and contingent liabilities acquired following the acquisition of the above mentioned company, and therefore the final valuation of the respective goodwill, will be finalised within twelve months from the date of acquisition.

On 22/04/2008, the tax audit of LAFARGE BETON S.A. for years 2001-2005 was completed (note 8).

17. RELATED PARTY TRANSACTIONS

Transactions between associates

For the Group, associates are the 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 € thousand

GROUP	SALES		PURCHASES		RECEIVABLES		LIABILITIES	
	1/1- 31/03/2008	1/1- 31/03/2007	1/1- 31/03/2008	1/1- 31/03/2007	31/03/2008	31/12/2007	31/03/2008	31/12/2007
Group HERACLES associates	174	105	7	10	125	122	0	0
Parent company LAFARGE S.A.	214	251	(102)	0	0	0	1.899	4.363
Group LAFARGE associates	31.595	15.415	99	224	11.074	8.729	89	291
Franchise rights to LAFARGE S.A.	0	0	2.743	2.227	0	0	0	0
Total	31.983	15.771	2.747	2.461	11.199	8.851	1.988	4.654

Transactions between the company and its subsidiaries, on the one hand, which are related parties, prior to being eliminated on consolidation and with the parent company LAFARGE S.A. along with other LAFARGE Group companies, on the other, are disclosed below:

Amounts in € thousand

COMPANY	SALES		PURCHASES		RECEIVABLES		LIABILITIES	
	1/1- 31/03/2008	1/1- 31/03/2007	1/1- 31/03/2008	1/1- 31/03/2007	31/03/2008	31/12/2007	31/03/2008	31/12/2007
HERACLES Group Companies	8.524	8.875	9.182	12.259	49.604	44.116	6.875	10.646
Parent company LAFARGE S.A.	214	251	(107)	0	0	0	1.898	4.360
Group LAFARGE associates	30.910	14.503	73	218	10.225	8.260	0	0
Franchise rights to LAFARGE S.A.	0	0	2.401	1.854	0	0	0	0
Total	39.648	23.629	11.549	14.331	59.829	52.376	8.773	15.006

All transactions between related parties are conducted on market prices and terms, also applicable in third party transactions.

17. RELATED PARTY TRANSACTIONS - Continued

Remuneration to management and members of the BoD

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

Amounts in € thousand

	GROUP		COMPANY	
	<u>1/1-31/03/2008</u>	<u>1/1-31/03/2007</u>	<u>1/1-31/03/2008</u>	<u>1/1-31/03/2007</u>
Current benefits	603	786	368	467
Provision for retirement compensation and paid compensations	30	197	10	59
BoD members attendance fees	63	61	59	59
	<u>696</u>	<u>1.045</u>	<u>437</u>	<u>584</u>

18. HUMAN RESOURCES

Group and Company employees are as follows:

	GROUP		COMPANY	
	<u>31/03/2008</u>	<u>31/03/2007</u>	<u>31/03/2008</u>	<u>31/03/2007</u>
Number of personnel	2.329	2.475	1.676	1.853

The number of personnel for 2008 and 2007 is presented on the basis of the period average number of employees.

The Group and Company interim financial statements on page 3 through to page 17 were approved by the Company's Board of Directors on 22 May 2008. 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 CH.
KYPRIANIDIS**

**SAAD M.
SEBBAR**

**MIHALIS TH.
MICHELIS**

**KONSTANTINOS A.
MICHAILIDIS**

I.D. No. AZ 007012

**PASSPORT No.
04FE81791-6**

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

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