

FINANCIAL INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2006

The following figures and information provides an overview of HERACLES GCC Group's and Company's financial condition and results. We therefore advise the users of the financial statements, before proceeding to any investment or other transaction with the Group or the Company, to visit its website and consult the annual financial statements prepared according to the International Financial Reporting Standards, as well as the certified auditor's - accountant's report.

COMPANY DETAILS

REGISTERED ADDRESS : 49-51, SOPHOCLI VENIZELOU STR., 14123, LYCOVRISSE,
 PULIC COMPANIES REG. NO. : 13576/06/B/86/096
 COMPETENT PREFECTURE : MINISTRY OF DEVELOPMENT
 - DIVISION OF CORPORATIONS AND CREDIT
 BOARD OF DIRECTORS : 1. Manolis Chr. Kyprianides - Chairman
 2. Ioannis Pehlivanidis - Vice-Chairman
 3. Saad Sebbar - Managing Director
 4. Jean-Charles Blatz - Director
 5. Eric Meuriot - Director
 6. Albert Corcos - Director
 7. Anthimos Thomopoulos - Director
 8. Christos Sorotos - Director
 9. Agisilaos Karampelas - Director
 ANNUAL FINANCIAL STATEMENTS APPROVAL DATE : 23 March 2007
 CERTIFIED AUDITORS ACCOUNTANTS : MICHALIS E. KARAVAS (SOEL REG.NO.: 13371) -
 NIKOLAOS A. PAPADIMITRIOU (SOEL REG.NO.: 14271)
 AUDITING COMPANY : DELOITTE - HATZIPAVLOU, SOFIANOS & KABANIS -
 SOEL REG. NO. E 120
 TYPE OF AUDITORS' REPORT : IN AGREEMENT - POINTS OF EMPHASIS
 COMPANY WEBSITE : www.aget.gr

BALANCE SHEET

All amounts in Euro thousands	GROUP		COMPANY	
	31/12/06	31/12/05	31/12/06	31/12/05
ASSETS				
Fixed Assets	625.885	648.200	624.663	618.713
Inventories	68.362	78.025	63.290	73.450
Trade receivables	161.299	157.353	138.579	124.629
Derivative Financial Instruments	883	0	883	0
Cash and cash equivalents	127.391	140.096	107.880	127.741
Other assets	10.917	6.816	5.567	4.804
TOTAL ASSETS	994.737	1.030.489	940.862	949.337
LIABILITIES				
Non-current liabilities	85.101	84.098	75.190	73.379
Current bank liabilities	7.401	37.634	0	0
Dividend payable	0	0	0	0
Other current liabilities	123.240	122.153	109.978	108.909
Total liabilities (a)	215.742	243.885	185.168	182.288
Share capital	142.165	109.467	142.165	109.467
Other equity assets	636.830	677.137	613.529	657.582
Total Shareholders' Equity (b)	778.995	786.604	755.694	767.049
Minority Interest (c)	0	0	0	0
Total Shareholders' Equity (d) = (b) + (c)	778.995	786.604	755.694	767.049
TOTAL LIABILITIES (e) = (a) + (d)	994.737	1.030.489	940.862	949.337

STATEMENT OF CHANGES IN EQUITY

All amounts in Euro thousands	GROUP		COMPANY	
	31/12/06	31/12/05	31/12/06	31/12/05
Start of year (01/01/2006 and 01/01/2005, respectively)	786.604	657.258	767.049	644.617
Profit after taxes	58.011	158.693	54.265	150.490
Losses from negotiable goods derivatives carried to the results	1.420	22	1.420	22
Dividends	(67.529)	(28.433)	(67.529)	(28.433)
Sale of Treasury Shares	0	546	0	0
Integration of merged subsidiary	0	0	0	1.835
Losses from derivatives	489	(1.482)	489	(1.482)
End of year (31/12/06 and 31/12/2005, respectively)	778.995	786.604	755.694	767.049

ADDITIONAL FIGURES AND INFORMATION

- The consolidated companies are:

Full consolidation method	Registered Office	Direct participation (%)	Indirect participation (%)	Unaudited Years
HERACLES GCC	Greece, Lykovrissi, Attica	Parent		2006
ATLAS S.A.	Greece, Kallithea, Thessaloniki	100,00		2003-2006
EVIESK S.A.	Greece, Lykovrissi, Attica	95,76	4,24	2006
HERACLES MARITIME CO.	Greece, Lykovrissi, Attica	99,99	0,01	2002-2006
LAVA S.A.	Greece, Lykovrissi, Attica	44,16	55,84	2001-2006
AMBER S.A.	Greece, Lykovrissi, Attica	100,00		2004-2006
STATHMOI AIGAIUO S.A.*	Greece, Chalandri, Attica	99,78		2003-2006
PORT SAID SILO INVESTMENT COMPANY S.A.	Greece, Lykovrissi, Attica	99,88	0,12	1995-2006
G. HATZIKYRIAKOS SOC. NAV.	Greece, Lykovrissi, Attica	100,00		1998-2006
A. HATZIKYRIAKOS SOC. NAV. (inactive)	Greece, Lykovrissi, Attica	100,00		1998-2006
DYSTOS SOC. NAV. (inactive)	Greece, Lykovrissi, Attica	100,00		1998-2006
NAFSIKA SOC. NAV. (inactive)	Greece, Lykovrissi, Attica	100,00		1998-2006
HERACLES GLORY SOC. NAV. (inactive)	Greece, Lykovrissi, Attica	100,00		1998-2006
EKET LTD.	Greece, Lykovrissi, Attica	90,00	10,00	2006
LAFARGE BETON S.A.	Greece, Metamorfossi, Attica	96,79	3,21	2001-2006
HALKIS CEMENT INTERNATIONAL S.A. (under liquidation)	Greece, Lykovrissi, Attica	100,00		1997-2006
FINDA TRANSPORTS S.A. (under liquidation)	Greece, Lykovrissi, Attica	100,00		1993-2006
ALEXANDRIA SILO INVESTMENT COMPANY S.A. (under liquidation)	Panama	100,00		***
PORT SAID SILO INVESTMENT COMPANY S.A. (inactive)	Panama		100,00	***
INTERNATIONAL MEDITERRANEAN SHIPPING S.A. (under liquidation)	Luxemburg		100,00	***
INTERNATIONAL FLAG (inactive)	Egypt		95,50	***

Equity method
 HELACEM S.A. (under liquidation) Switzerland 50,00
 METROPOL. VEHIC. ENTERPRISES S.A. Greece, Athens 45,97
 MIHALIS KATSIMBRIS SA Greece, Heraclion, Crete 26,50
 MARATHOS QUARRIES S.A. Greece, Heraclion, Crete 40,00

The non-consolidated companies are: (note 17 to the financial statements):

ARMSTOCK CORP. S.A. (under liquidation)	Luxemburg		40,00
MIDDLE EAST CEMENT HANDLING SOC. NAV. S.A. EKEPY S.A.	Greece, Lycovrissi Greece, Halkida	1,00	49,00
		0,52	

* Included in the consolidation for the first time. (see note 6)
 ** For the financial years 1999-2002, provisional tax audits have been performed. Moreover, for years 1983-1991, cases are still pending in tax courts.
 *** Subject to special tax status.
- LAFARGE, a company having its registered office in Paris, France, holds 53,19% of HERACLES GCC's share capital, and prepares consolidated financial statements which include the Company's financial statements. The Group's financial statements are consolidated to the parent company LAFARGE S.A. with the full consolidation method.
- At the end of 2006, a voluntary staff retirement scheme was initiated and is still in progress, in the HERACLES GCC Group of Companies. In this context, thirty (30) people already retired in 2006. The company has recognised a provision of €14.875 thousand, while the expense corresponding to the provision, will be incurred during 2007. The parent company HERACLES GCC will incur the entire scheme implementation cost. The scheme aims at the improvement of productivity in loss generating sectors, and at the reduction of operating costs.
- In May 2005, the Company collected the amount of €44.138 thousand from the Greek State relating to the case of the alleged excess state grant the company had received in 1986. The Company's Management and Legal Counsel consider that at least the above recovery of €44.138 thousand that the Company has collected from the Greek State, is practically final, and that it is quite unlikely that the Greek State's recourse against the Court of Appeals will be affirmed. Consequently, the Company has recognised the amount collected in the previous year's income statement.
- A prenotation of mortgage has been registered since 25/2/2004, to the amount of €240 thousand in favour of Emporiki Bank, over two plots owned by the acquired company PREVEZA BETON SA, with total surface areas of 3.505 sq.m. and 3.932 sq.m. respectively. The plots are situated within the Municipality of Preveza, within the town plan and outside the Preveza Industrial Area (VIPE).
- During 2006, the subsidiary Lafarge Beton SA acquired 100% of BETHON PREVEZIS S.A. and TH. ATHANASSIOU S.A. for a total acquisition price of €3.854 thousand, out of which €3.437 thousand was the acquisition price of TH. ATHANASSIOU S.A. and €417 thousand of BETHON PREVEZIS S.A. Moreover, additional direct acquisition costs of €67 thousand were also recognized, which increased the total acquisition price accordingly. Following the above allocation, the assessed goodwill from the acquisition of the above companies amounted to €3.697 thousand. The calculation of the fair value of recognizable assets, liabilities and contingent liabilities acquired following the acquisition of TH. ATHANASSIOU S.A. - and therefore the final valuation of the respective goodwill will be finalised within twelve months of the acquisition. On 30 May 2006, the Board of Directors of subsidiary Lafarge Beton SA decided on the merger by absorption of acquired companies TH. ATHANASSIOU SA and PREVEZA BETON SA, with transformation balance sheet date on 31 May 2006. On 15 March 2007, by virtue of decision no. K2-3833 of the Ministry of Development, the merger was completed following approval by the competent authorities of the absorption of PREVEZA BETON SA and TH. ATHANASSIOU SA by Lafarge Beton SA. In 2006, HERACLES GCC acquired 99.78% of the company STATHMOI AIGAIUO S.A. at the price of €796 thousand, and the estimated goodwill resulting from this acquisition amounted to €650 thousand. The above is further detailed in note 33 to the financial statements.

INCOME STATEMENT

All amounts in Euro thousands	GROUP		COMPANY	
	1/1-31/12/2006	1/1-31/12/2005	1/1-31/12/2006	1/1-31/12/2005
Turnover	693.660	609.081	615.736	544.177
Cost of goods sold	(518.136)	(470.030)	(459.784)	(416.660)
Gross profit	175.524	139.051	155.952	127.517
Administrative & distribution expenses	(53.624)	(44.781)	(39.847)	(38.253)
Other operating income / (expenses)	(5.652)	(3.977)	(375)	(6.045)
Partial recovery from the Greek State of funds paid	0	44.138	0	44.138
Cost of voluntary staff retirement scheme	(14.875)	0	(14.875)	0
Loss from impairment of participation in subsidiaries	0	0	(5.385)	(5.050)
Share of associates in the results	3	(34)	0	0
Depreciation expenses	47.250	47.160	43.657	43.191
Profit before taxation, finance costs and depreciation	148.626	181.557	139.127	165.498
Depreciation expenses	(47.250)	(47.160)	(43.657)	(43.191)
Profit before taxation and finance costs	101.376	134.397	95.470	122.307
Finance income	1.433	(310)	2.463	1.080
Profit before tax	102.809	134.087	97.933	123.387
Less taxes	(44.798)	24.606	(43.668)	27.103
Net profit after tax	58.011	158.693	54.265	150.490
Attributable to:				
Company Shareholders	58.011	158.693	54.265	150.490
Minority Shareholders	0	0	0	0
Period earnings per share in €	0,82	2,23	0,76	2,12
Number of shares	71.082.707	71.082.707	71.082.707	71.082.707
Proposed dividend per share			1,00	0,95

CASH FLOW STATEMENT

All amounts in Euro thousands	GROUP		COMPANY	
	1/1-31/12/2006	1/1-31/12/2005	1/1-31/12/2006	1/1-31/12/2005
Operating activities				
Profit before taxes	102.809	134.087	97.933	123.387
Plus / (less) adjustments for:				
Depreciation expenses	47.250	47.160	43.657	43.191
Provisions	26.450	3.407	20.560	11.329
Foreign exchange differences	(56)	807	(56)	1.056
Profit/(losses) from derivatives valuation	(130)	89	(130)	89
Results (income, expenses, profit and losses) from investment activities	(4.262)	(1.462)	1.966	(1.488)
Interest expenses and relevant expenses	1.947	1.723	505	552
Plus / (less) adjustments for changes in the working capital account or relating to operating activities:				
Reduction / (increase) in reserves	9.704	(14.139)	9.342	(14.449)
Reduction / (increase) in receivables	(9.645)	(13.222)	(24.900)	(11.395)
(Reduction) / Increase in liabilities (except banks)	(715)	13.956	2.114	14.293
Less :				
Interest expenses and relevant expenses paid	(1.947)	(1.723)	(505)	(552)
Taxes paid	(57.732)	(43.701)	(55.681)	(40.623)
Total inflow / (outflow) from operating activities (a)	113.673	126.982	94.805	125.390
Investment activities				
Acquisition of subsidiaries, affiliates, joint-ventures and other investments	(4.633)	(11.656)	(28.754)	0
Integration of merged subsidiary	0	0	0	3.168
Purchases of tangible and intangible fixed assets	(35.222)	(26.206)	(30.139)	(23.962)
Proceeds on disposal of tangible and intangible fixed assets	8.693	942	7.628	207
Collections (payments) from the sale (purchase) of investment titles (shares, securities)	806	1.568	658	0
Interest collected	2.509	1.209	2.137	1.084
Dividend collected	0	11	0	600
Total inflow / (outflow) from investment activities (b)	(27.847)	(34.132)	(48.470)	(18.903)
Finance activities				
Collections from loans issued / drawn	0	13.500	0	0
Loan repayments	(32.008)	(313)	0	0
Payment of obligations under finance leases (amortisation)	(200)	(114)	0	0
Dividends paid	(67.529)	(28.462)	(67.529)	(28.462)
Total inflow / (outflow) from finance activities (c)	(99.737)	(15.389)	(67.529)	(28.462)
Net increase / (drop) in cash available and equivalents (a) + (b) + (c)	(13.911)	77.461	(21.194)	78.025
Start of year cash and cash equivalents	140.096	63.691	127.741	50.772
Effects from changes in exchange parities	0,56	(1.056)	56	(1.056)
End of year cash and cash equivalents	126.241	140.096	106.603	127.741

- The main accounting principles used have not changed in relation to the Group and Company annual financial statements of 31 December 2005. Adoption, in the closing year, of the new amended standards and interpretations which apply to the annual accounting periods starting 1 January 2006, has resulted in a change in the Group's and the Company's accounting principles and consequently has affected the published amounts of the current year as follows:
 - exploration for and evaluation of mineral resources expenses, are now classified as fixed assets. This change is deemed to have minimal impact on the financial statement of the closing year.
- Pending appeal filed by both litigant parties against the Court of Appeals decision, obliging the Greek State to return to the Company the amount of €44.138 thousand; this was performed on 27/05/2005. The Company claims the return of €74.500 thousand paid to the Greek State, designated as prohibited state aid by the European Commission in 1986. On 31/12/2006, there are pending lawsuits to the amount of €33.035 thousand against the Company which are being tried. The outcome of such trials is uncertain. According to estimates, the maximum risk from the final decisions on the above cases, amounts to €19.119 thousand. No provision has been made in these financial statements for said pending cases, as it is unlikely that such risk will eventually occur. On 31/12/2006, there were pending lawsuits against the Group amounting to €36.123 thousand which are being tried. The outcome of such trials is uncertain. According to estimates, the maximum risk from the final decisions on the above cases, amounts to €21.025 thousand. No provision has been made in these financial statements for those pending cases as it is unlikely that such risk will eventually occur. In certain cases of Company 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 at €1.807 thousand. No provision has been made in these financial statements for said claims, as it is unlikely that such risk will eventually occur.
- The amounts of Company sales and purchases, cumulatively from start of the year, as well as receivables and liabilities balances at current year end in relation to associates, pursuant to IAS 24, appear in the following table:

All amounts in Euro thousands	SALES	PURCHASES	RECEIVABLES	LIABILITIES
Heracles Group Companies	34.683	60.110	21.194	11.300
Parent company Lafarge S.A.				
- Franchise rights	-	6.578	-	-
- Other transactions	2.584	1.059	-	2.000
Group Lafarge Associates	84.739	6.544	6.750	1.983
	122.006	74.291	27.944	15.283

The amounts of total management and directors' remuneration, as well as their transactions, appear in the following table:

All amounts in Euro thousands	GROUP	COMPANY
Current Benefits	3.541	1.878
Benefits after retirement ana paid compensations	818	35
BoD members attendance fees	262	242
	4.621	2.475
Receivables from management executives and Board members	8	8
Liabilities to management executives and Board members	1	1
Net receivables from/(liabilities to) management executives and Board members	7	7
- On 31 December 2006 Company and Group employed 1.866 staff (2005: 1.925) and 2.510 staff (2005: 2.560) respectively.
- Group investment in tangible and intangible assets for the period amounted to €35.222 thousand (2005: €26.206 thousand), while Company's amounted to €30.139 thousand (2005: €23.962 thousand).
- 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 the tax authorities. It is likely that the above tax audits will result in additional taxes and charges being imposed that cannot be accurately estimated at the time. Therefore no provisions have been made. Unaudited tax years of both the Company and the companies included in the consolidation are listed in note 1. The Company has undergone tax audits until year 2005, excluding franchise rights royalties by the Company to the parent company LAFARGE SA concerning year 2005, and the goodwill tax on the Company's real property that resulted following application of the provisions of para. 1 article 15 of Law 3229/2004. Moreover, the tax audit of EMMY BUILDING SA for years 2000-2005 was concluded; on 30/10/2005 the company was merged with HERACLES GCC, by absorption. The tax audit of HERACLES TRANSPORT SA for the 1/1/2003-31/7/2003 period was also concluded; on 31/12/2003, this company too was merged with HERACLES GCC by absorption. Furthermore, the tax audit of EVIESK SA for years 2002 - 2004 was concluded. The tax audit of HELLAMAT SA for years 2000 - 31/07/2002, prior to the merger, on 01/08/2002, with Lafarge Beton, is still continuing, as is the audit of the associate MIDDLE EAST CEMENT HANDLING SOC. NAV. S.A. for years 2003-2005.
- As of 1 January 2005, the Company has been advised of its allowance according to the National CO2 Emissions Allocation Plan, as approved by the European Commission. If CO2 emissions exceed the corresponding limit resulting from the National Allocation Plan, then the Company shall incur extra cost to pay the stipulated fine or purchase additional emissions rights. Alternatively, the Company may conduct investments aimed at reducing emissions and avoiding fines. For 2006, CO2 emissions are below the corresponding limit resulting from the National Allocation Plan. Company Management has decided to sell CO2 emissions rights corresponding to 106 thousand tons from its surplus, to the parent company LAFARGE SA which operates an emissions rights "consortium" for all its subsidiaries, for a consideration of €1.832 thousand. The Company has recognised the income from the sale of those rights to reduce the cost of goods sold.
- Event after balance sheet date
 By virtue of decision no ΔΒ Φ25/688/9.3.2005 of the Achaia Prefect, operation of the quarry of subsidiary Lafarge Beton SA in Mavra Vouna location, Araxos, Achaia prefecture, was forbidden as of 18/1/2006. Later, validity of the above decision was suspended until 31/12/2006 by virtue of decision 29/23.02.2006 of the Achaia Prefect