



HERACLES
GROUP OF COMPANIES

A member of  **LAFARGE**

**INTERIM CONDENSED COMPANY AND GROUP FINANCIAL REPORT
OF HERACLES G.C.C. IN ACCORDANCE WITH
INTERNATIONAL FINANCIAL REPORTING STANDARDS
AS AT 30 SEPTEMBER 2007**

HERACLES G.C.C.

Companies' Reg. No. : 13576/06/B/86/096
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INCOME STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2007

Amounts in € thousand

| | NOTE | GROUP | | COMPANY | |
|--|------|------------------|------------------|------------------|------------------|
| | | 1/1-30/9/2007 | 1/1-30/9/2006 | 1/1-30/9/2007 | 1/1-30/9/2006 |
| Operating results | | | | | |
| Turnover (sales) | 6,10 | 509.265 | 513.090 | 456.840 | 455.940 |
| Cost of goods sold | | <u>(369.855)</u> | <u>(382.211)</u> | <u>(330.078)</u> | <u>(337.740)</u> |
| Gross profit | | 139.410 | 130.879 | 126.762 | 118.200 |
| Administrative & distribution expenses | | (43.099) | (38.461) | (31.746) | (31.394) |
| Other operating income / (expenses) | 7 | 952 | (865) | (3.598) | (821) |
| Provision for fire affected areas | | (3.000) | 0 | (3.000) | 0 |
| Cost of voluntary staff retirement program | 8 | (13.356) | 0 | (13.356) | 0 |
| Impairment of investment | 9 | (650) | 0 | (650) | 0 |
| Share of results of associates | | 147 | 18 | 0 | 0 |
| Operating profit | | 80.404 | 91.571 | 74.412 | 85.985 |
| Finance income / (expense) | | 1.945 | 641 | 4.694 | 1.576 |
| Profit for the period before tax | | 82.349 | 92.212 | 79.106 | 87.561 |
| Income tax | 11 | <u>(29.096)</u> | <u>(38.810)</u> | <u>(25.920)</u> | <u>(37.025)</u> |
| Net profit for the period after tax | 6,10 | 53.253 | 53.402 | 53.186 | 50.536 |
| Number of shares | | | | | |
| | | 71.082.707 | 71.082.707 | 71.082.707 | 71.082.707 |
| Earnings per share (in €) | 12 | 0,75 | 0,75 | 0,75 | 0,71 |

Amounts in € thousand

| | GROUP | | COMPANY | |
|--|------------------------|------------------------|------------------------|------------------------|
| | 1/7/2007- 30/9/2007 | 1/7/2006- 30/9/2006 | 1/7/2007- 30/9/2007 | 1/7/2006- 30/9/2006 |
| Operating results | | | | |
| Turnover (sales) | 178.209 | 183.620 | 159.648 | 161.558 |
| Cost of goods sold | <u>(125.846)</u> | <u>(124.021)</u> | <u>(112.681)</u> | <u>(108.461)</u> |
| Gross profit | 52.363 | 59.599 | 46.967 | 53.097 |
| Administrative & distribution expenses | (13.738) | (9.220) | (9.684) | (7.219) |
| Other operating income / (expenses) | (1.288) | (121) | (2.058) | (59) |
| Provision for fire affected areas | (3.000) | 0 | (3.000) | 0 |
| Cost of voluntary staff retirement program | 0 | 0 | 0 | 0 |
| Impairment of investment | 0 | 0 | 0 | 0 |
| Share of results of associates | 145 | 0 | 0 | 0 |
| Operating profit | 34.482 | 50.258 | 32.225 | 45.819 |
| Finance income / (expense) | 577 | (62) | 1.162 | 110 |
| Profit for the period before tax | 35.059 | 50.196 | 33.387 | 45.929 |
| Income tax | <u>(9.959)</u> | <u>(23.573)</u> | <u>(9.523)</u> | <u>(22.991)</u> |
| Net profit for the period after tax | 25.100 | 26.623 | 23.864 | 22.938 |
| Number of shares | | | | |
| | 71.082.707 | 71.082.707 | 71.082.707 | 71.082.707 |
| Earnings per share (in €) | 0,35 | 0,37 | 0,34 | 0,32 |

Notes from page 7 through to page 33 form an integral part of the Company and Group Interim Condensed Financial Report.

BALANCE SHEET AS AT 30 SEPTEMBER 2007

Amounts in € thousand

| | NOTE | GROUP | | COMPANY | |
|---|-------|------------------|------------------|----------------|----------------|
| | | 30/9/2007 | 31/12/2006 | 30/9/2007 | 31/12/2006 |
| Fixed assets | | | | | |
| Goodwill | | 14.752 | 7.013 | 0 | 0 |
| Intangible assets | 14 | 647 | 601 | 213 | 44 |
| Tangible assets | 14 | 585.121 | 604.647 | 546.453 | 566.980 |
| Investments in associates and subsidiaries | 15 | 411 | 409 | 36.653 | 37.868 |
| Other investments | | 58 | 59 | 55 | 55 |
| Other non-current receivables | | 8.527 | 7.909 | 38.361 | 17.554 |
| Deferred tax asset | | 6.981 | 11.068 | 4.502 | 7.180 |
| Total fixed assets | | 616.497 | 631.706 | 626.237 | 629.681 |
| Current assets | | | | | |
| Inventories | | 75.284 | 68.362 | 69.889 | 63.290 |
| Trade and other current receivables | | 183.767 | 172.216 | 153.808 | 144.146 |
| Derivative financial instruments | | 2.499 | 883 | 2.499 | 883 |
| Non-current asset available for sale | | 0 | 1.150 | 0 | 1.277 |
| Cash and cash equivalents | | 126.367 | 126.241 | 105.966 | 106.603 |
| Total current assets | | 387.917 | 368.852 | 332.162 | 316.199 |
| Total assets | | 1.004.414 | 1.000.558 | 958.399 | 945.880 |
| Non-current liabilities | | | | | |
| Provision for staff retirement compensation | 4, 16 | 100.681 | 101.798 | 87.466 | 87.088 |
| Other non-current provisions | | 17.529 | 7.065 | 24.767 | 10.395 |
| Obligations under finance leases | | 171 | 252 | 0 | 0 |
| Total non-current liabilities | | 118.381 | 109.115 | 112.233 | 97.483 |
| Current liabilities | | | | | |
| Provision for staff retirement compensation | 4, 16 | 7.020 | 9.978 | 6.496 | 9.319 |
| Trade and other creditors | | 97.645 | 85.179 | 83.388 | 73.947 |
| Income tax liabilities | | 13.701 | 11.410 | 13.694 | 10.445 |
| Obligations under finance leases | | 140 | 249 | 0 | 0 |
| Other current provisions | | 20.064 | 14.434 | 19.964 | 14.324 |
| Derivative financial instruments | | 345 | 152 | 345 | 152 |
| Bank loans | 17 | 2.361 | 7.401 | 0 | 0 |
| Total current liabilities | | 141.276 | 128.803 | 123.887 | 108.187 |
| Total liabilities | | 259.657 | 237.918 | 236.120 | 205.670 |
| Equity | | | | | |
| Share capital | | 142.165 | 142.165 | 142.165 | 142.165 |
| Share premium | | 1.279 | 1.279 | 1.279 | 1.279 |
| Reserves | | 204.245 | 219.601 | 181.796 | 197.232 |
| Derivatives valuation reserve | | 1.740 | 489 | 1.740 | 489 |
| Retained earnings | | 395.328 | 399.106 | 395.299 | 399.045 |
| Total equity | | 744.757 | 762.640 | 722.279 | 740.210 |
| Total liabilities and equity | | 1.004.414 | 1.000.558 | 958.399 | 945.880 |

Notes from page 7 through to page 33 form an integral part of the Company and Group Interim Condensed Financial Report.

**STATEMENT OF RECOGNISED INCOME –EXPENSES
FOR THE PERIOD ENDED 30 SEPTEMBER 2007**

Amounts in € thousand

| | NOTE | GROUP | | COMPANY | |
|---|------|-----------------|-----------------|-----------------|-----------------|
| | | 30/9/2007 | 30/9/2006 | 30/9/2007 | 30/9/2006 |
| Profit/(loss) from derivative financial instruments recognised directly in equity | | 1.251 | 529 | 1.251 | 529 |
| Actuarial gains/(losses) recognised directly in equity, net of deferred tax | 16 | (1.304) | 0 | (1.285) | 0 |
| Net income/(expense) recognised directly in equity | | (53) | 529 | (34) | 529 |
| Profit/(losses) from derivative financial instruments recognised to profit and loss | | 0 | 1.482 | 0 | 1.482 |
| Net profit for the period after tax | | 53.253 | 53.402 | 53.186 | 50.536 |
| Total income/(expenses) for the period | | 53.200 | 55.413 | 53.152 | 52.547 |
| <u>Impact of change in accounting policy on retained earnings</u> | | | | | |
| | | 1/1/2007 | 1/1/2006 | 1/1/2007 | 1/1/2006 |
| (a) Actuarial gains/(losses), net of deferred tax | | (18.010) | (11.589) | (15.597) | (9.987) |
| (b) Voluntary staff retirement program cost, net of deferred tax | | 1.655 | 0 | 1.655 | 0 |
| (c) Provision for losses of subsidiaries | | 0 | 0 | (1.542) | (1.230) |
| Total | | (16.355) | (11.589) | (15.484) | (11.217) |

Notes from page 7 through to page 33 form an integral part of the Company and Group Interim Condensed Financial Report.

CASH FLOW STATEMENT (indirect method)
FOR THE PERIOD ENDED 30 SEPTEMBER 2007

Amounts in € thousand

| | GROUP | | COMPANY | |
|---|------------------------|------------------------|------------------------|------------------------|
| | 1/1- 30/9/2007 | 1/1- 30/9/2006 | 1/1- 30/9/2007 | 1/1- 30/9/2006 |
| <u>Operating activities</u> | | | | |
| Profit before tax | 82.349 | 92.212 | 79.106 | 87.561 |
| Plus / less adjustments for: | | | | |
| Depreciation | 34.522 | 35.337 | 32.155 | 32.691 |
| Provisions | 7.901 | (4.764) | 14.351 | (3.988) |
| Foreign exchange differences | 0 | (77) | 0 | (77) |
| Loss from derivatives valuation | 0 | (232) | 0 | (232) |
| Results (income, expenses, profit and losses) from investment activities | (5.880) | (2.887) | (6.419) | (2.754) |
| Interest expenses and relevant expenses | 1.965 | 1.491 | 297 | 374 |
| Plus/less adjustments for changes in working capital accounts or relevant with operating activities: | | | | |
| Decrease / (increase) in inventories | (5.593) | 12.316 | (5.429) | 13.131 |
| Decrease / (increase) in receivables | (8.095) | (31.091) | (29.299) | (34.705) |
| (Decrease) / increase in liabilities (excl. banks) | 8.603 | (9.353) | 9.306 | (9.623) |
| Less : | | | | |
| Interest expenses and relevant expenses paid | (1.965) | (1.491) | (297) | (374) |
| Tax paid | (21.953) | (36.151) | (19.715) | (34.389) |
| <u>Total inflow / (outflow) from operating activities (a)</u> | <u>91.854</u> | <u>55.310</u> | <u>74.056</u> | <u>47.615</u> |
| <u>Investment activities</u> | | | | |
| Acquisition of subsidiaries, affiliates, joint-ventures and other investments | (5.473) | (4.566) | 0 | (24.487) |
| Purchase of tangible and intangible fixed assets | (14.722) | (17.804) | (11.899) | (14.695) |
| Cash from disposal of tangible and intangible assets | 463 | 6.291 | 15 | 5.927 |
| Proceeds from the sale of investments | 3.218 | 807 | 3.218 | 659 |
| Interest received | 3.372 | 1.733 | 3.066 | 1.546 |
| Return of capital | 0 | 0 | 565 | 0 |
| Dividends received | 0 | 0 | 1.425 | 0 |
| <u>Total inflow / (outflow) from investment activities (b)</u> | <u>(13.142)</u> | <u>(13.539)</u> | <u>(3.610)</u> | <u>(31.050)</u> |
| <u>Financing activities</u> | | | | |
| Loan proceeds | 2.000 | (22.347) | 0 | 0 |
| Loan repayments | (9.313) | 0 | 0 | 0 |
| Payment of obligations under finance leases | (190) | (161) | 0 | 0 |
| Dividends paid | (71.083) | (67.529) | (71.083) | (67.529) |
| <u>Total inflow / (outflow) from finance activities (c)</u> | <u>(78.586)</u> | <u>(90.037)</u> | <u>(71.083)</u> | <u>(67.529)</u> |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | <u>126</u> | <u>(48.266)</u> | <u>(637)</u> | <u>(50.964)</u> |
| Cash and cash equivalents at the beginning of the period | <u>126.241</u> | <u>140.096</u> | <u>106.603</u> | <u>127.741</u> |
| Effects from changes in exchange rates | <u>0</u> | <u>47</u> | <u>0</u> | <u>47</u> |
| Cash and cash equivalents at the end of the period | <u>126.367</u> | <u>91.877</u> | <u>105.966</u> | <u>76.824</u> |

Notes from page 7 through to page 33 form an integral part of the Company and Group Interim Condensed Financial Report.

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 (79.17%), as at 30/09/2007 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 15.

The HERACLES G.C.C Group (the Group) mainly operates in the production and trading of cement, concrete and other structural materials. The above interim condensed financial report is presented in thousand Euros, which is the currency of the primary economic environment in which 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 2007.

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

IFRS 7, Financial Instruments: Disclosures and supplementary adaptation to IAS 1, presentation of financial statements, capital disclosures (applicable for annual financial periods beginning on or after January 1st 2007).

IFRS 7 requires additional disclosures with respect to exposures to risks from financial instruments, including credit risk, liquidity risk and market risk.

The supplementary adaptation of IAS 1 refers to disclosures regarding the amount and management of capital.

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 10, Interim financial reporting and impairment (applicable to annual financial periods beginning on or after November 1st 2006)

Refer to note 9 of the Interim Condensed Financial Report.

Interpretation 11, IFRS 2 – Group and treasury shares transactions (applicable to annual financial periods beginning on or after March 1st 2007)

Interpretation 11 does not apply to the Group.

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

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

Interpretation 12 has not yet been adopted by the EU.

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 not yet been adopted by the EU.

Amendment to IAS 23, Borrowing costs

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 (applicable to annual financial periods beginning on or after January 1st 2009).

Amendment to IAS 23 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 not yet been adopted by the EU.

4. ACCOUNTING PRINCIPLES

The interim condensed financial report has 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 2006, except for the change in accounting policy for recognising actuarial gains and losses.

Specifically, according to the accounting policy that the Group and Company pursued until 31 December 2006, actuarial gains and losses which, at the end of the previous period exceeded 10% of the current value of the liability from defined benefits on that date were amortised through the income statement over the employees' average remaining working life.

According to the new accounting policy adopted as of 1 January 2007, all actuarial gains and losses in the period are recognised outside the income statement, as they occur. Actuarial gains and losses recognised outside income statement shall appear in the statement of recognised income and expenses.

The implementation of the new accounting policy by the Group aims to presenting a more fair view of the provision for staff retirement compensation.

4. ACCOUNTING PRINCIPLES – continued

The impact from implementing the new accounting policy to the interim condensed financial report is presented below:

Impact on Group and Company Income Statements as at 30 September 2007

Amounts in € thousand

| | <u>New accounting policy</u> | <u>Effect of new accounting policy</u> | <u>Previous accounting policy</u> |
|---|----------------------------------|--|---------------------------------------|
| GROUP | | | |
| Amortisation of unrecognised actuarial losses | 0 | 1.120 | (1.120) |
| Utilisation of provision for staff retirement compensation | 12.776 | 2.437 | 10.339 |
| Cost of voluntary staff retirement program | (13.356) | 1.995 | (15.351) |
| Utilisation of provision for cost of voluntary staff retirement program | 3.483 | (495) | 3.978 |
| Profit for the period before the effect of the new accounting policy | 79.446 | 0 | 79.446 |
| Profit for the period before tax | 82.349 | 5.057 | 77.292 |
| Income tax | (29.096) | (1.521) | (27.575) |
| Net profit for the period after tax | 53.253 | 3.536 | 49.717 |
| COMPANY | | | |
| Amortisation of unrecognised actuarial losses | 0 | 983 | (983) |
| Utilisation of provision for staff retirement compensation | 10.166 | 1.971 | 8.195 |
| Share of loss of subsidiaries | (9.958) | (355) | (9.603) |
| Cost of voluntary staff retirement program | (13.356) | 1.995 | (15.351) |
| Utilisation of provision for cost of voluntary staff retirement program | 3.483 | (495) | 3.978 |
| Intercompany charge for the cost of voluntary staff retirement program | (2.536) | 447 | (2.983) |
| Profit for the period before the effect of the new accounting policy | 91.307 | 0 | 91.307 |
| Profit for the period before tax | 79.106 | 4.546 | 74.560 |
| Income tax | (25.920) | (1.371) | (24.549) |
| Net profit for the period after tax | 53.186 | 3.175 | 50.011 |

4. ACCOUNTING PRINCIPLES – continued

Impact on Group and Company Balance Sheets as at 30 September 2007

Amounts in € thousand

| | GROUP | | | COMPANY | | |
|---|-----------------------|---------------------------------|----------------------------|-----------------------|---------------------------------|----------------------------|
| | New accounting policy | Effect of new accounting policy | Previous accounting policy | New accounting policy | Effect of new accounting policy | Previous accounting policy |
| Fixed assets | 616.497 | 5.320 | 611.177 | 626.237 | 4.651 | 621.586 |
| of which: | | | | | | |
| Deferred tax asset | 6.981 | 5.320 | 1.661 | 4.502 | 4.651 | (149) |
| Current assets | 387.917 | 0 | 387.917 | 332.162 | 0 | 332.162 |
| Total assets | 1.004.414 | 5.320 | 999.094 | 958.399 | 4.651 | 953.748 |
| Non-current liabilities | 118.381 | 22.713 | 95.668 | 112.233 | 21.961 | 90.272 |
| of which: | | | | | | |
| Provision for staff retirement compensation | 100.681 | 22.204 | 78.477 | 87.466 | 19.556 | 67.910 |
| Other non-current provisions | 17.529 | 508 | 17.021 | 24.767 | 2.405 | 22.362 |
| Current liabilities | 141.276 | (3.269) | 144.545 | 123.887 | (3.716) | 127.603 |
| of which: | | | | | | |
| Trade and other creditors | 97.645 | 0 | 97.645 | 83.388 | (447) | 83.835 |
| Other current provisions | 20.064 | (3.269) | 23.333 | 19.964 | (3.269) | 23.233 |
| Total liabilities | 259.657 | 19.443 | 240.214 | 236.120 | 18.245 | 217.875 |
| Equity | 744.757 | (14.123) | 758.880 | 722.279 | (13.594) | 735.873 |
| of which: | | | | | | |
| Retained earnings | 395.328 | (14.123) | 409.451 | 395.299 | (13.594) | 408.893 |
| Total liabilities and equity | 1.004.414 | 5.320 | 999.094 | 958.399 | 4.651 | 953.748 |

Impact on Group and Company Statements of Changes in Equity as at 30 September 2007

Amounts in € thousand

| | GROUP | | | COMPANY | | |
|---|-----------------------|---------------------------------|----------------------------|-----------------------|---------------------------------|----------------------------|
| | New accounting policy | Effect of new accounting policy | Previous accounting policy | New accounting policy | Effect of new accounting policy | Previous accounting policy |
| Balance at 01/01/2007 as previously published | 778.995 | 0 | 778.995 | 755.694 | 0 | 755.694 |
| (a) Actuarial gains/(losses), net of deferred tax | (18.010) | (18.010) | 0 | (15.597) | (15.597) | 0 |
| (b) Voluntary staff retirement program, net of deferred tax | 1.655 | 1.655 | 0 | 1.655 | 1.655 | 0 |
| (c) Provision for losses of subsidiaries | 0 | 0 | 0 | (1.542) | (1.542) | 0 |
| Balance at 01/01/2007 as restated | 762.640 | (16.355) | 778.995 | 740.210 | (15.484) | 755.694 |
| Profit for the period | 53.253 | 3.536 | 49.717 | 53.186 | 3.175 | 50.011 |
| Dividends | (71.083) | 0 | (71.083) | (71.083) | 0 | (71.083) |
| Profit/(loss) from derivative financial instruments recognised directly in equity | 1.251 | 0 | 1.251 | 1.251 | 0 | 1.251 |
| Actuarial gains/(losses) recognised directly in equity, net of deferred tax | (1.304) | (1.304) | 0 | (1.285) | (1.285) | 0 |
| Balance at 30/6/2007 | 744.757 | (14.123) | 758.880 | 722.279 | (13.594) | 735.873 |

Regarding the restatements of the published Interim and Annual Financial Statements please refer to Notes 5 and 23.

5. STATEMENT OF CHANGES IN EQUITY

Amounts in € thousand

| GROUP | Share Capital | Share premium | Reserves | Derivatives valuation reserve | Treasury shares | Retained earnings | Total |
|---|----------------|---------------|----------------|-------------------------------|-----------------|-------------------|----------------|
| Balance at 01/01/2007 as previously published | 142.165 | 1.279 | 219.601 | 489 | 0 | 415.461 | 778.995 |
| (a) Actuarial gains/(losses), net of deferred tax | 0 | 0 | 0 | 0 | 0 | (18.010) | (18.010) |
| (b) Voluntary staff retirement program, net of deferred tax | 0 | 0 | 0 | 0 | 0 | 1.655 | 1.655 |
| Balance at 01/01/2007 as restated | 142.165 | 1.279 | 219.601 | 489 | 0 | 399.106 | 762.640 |
| Profit for the period | 0 | 0 | 0 | 0 | 0 | 53.253 | 53.253 |
| Dividends | 0 | 0 | (28.434) | 0 | 0 | (42.649) | (71.083) |
| Transfer to reserves | 0 | 0 | 13.078 | 0 | 0 | (13.078) | 0 |
| Profit/(loss) from derivative financial instruments recognised directly in equity | 0 | 0 | 0 | 1.251 | 0 | 0 | 1.251 |
| Actuarial gain/(losses) of staff retirement compensation provision, net of deferred tax | 0 | 0 | 0 | 0 | 0 | (1.304) | (1.304) |
| Balance at 30/09/2007 | 142.165 | 1.279 | 204.245 | 1.740 | 0 | 395.328 | 744.757 |
| Balance at 01/01/2006 as previously published | 109.467 | 1.279 | 213.668 | (1.482) | 431 | 463.241 | 786.604 |
| (a) Actuarial gains/(losses), net of deferred tax | 0 | 0 | 0 | 0 | 0 | (11.589) | (11.589) |
| Balance at 01/01/2006 as restated | 109.467 | 1.279 | 213.668 | (1.482) | 431 | 451.652 | 775.015 |
| Profit/(losses) from derivative financial instruments recognised to profit and loss | 0 | 0 | 0 | 1.482 | 0 | 0 | 1.482 |
| Capitalization under law 2065/1992 | 32.698 | 0 | (95) | 0 | 0 | (32.603) | 0 |
| Profit for the period as restated | 0 | 0 | 0 | 0 | 0 | 53.402 | 53.402 |
| Dividends | 0 | 0 | (9.314) | 0 | 0 | (58.215) | (67.529) |
| Transfer to reserves | 0 | 0 | 15.332 | 0 | 0 | (15.332) | 0 |
| Profit/(loss) from derivative financial instruments recognised directly in equity | 0 | 0 | 0 | 529 | 0 | 0 | 529 |
| Sale of own shares | 0 | 0 | 0 | 0 | (431) | 431 | 0 |
| Balance at 30/09/2006 | 142.165 | 1.279 | 219.591 | 529 | 0 | 399.335 | 762.899 |

5. STATEMENT OF CHANGES IN EQUITY - continued

Amounts in € thousand

| COMPANY | Share Capital | Share premium account | Reserves | Derivatives valuation reserve | Retained earnings | Total |
|---|----------------|-----------------------|----------------|-------------------------------|-------------------|----------------|
| Balance at 01/01/2007 published items | 142.165 | 1.279 | 197.232 | 489 | 414.529 | 755.694 |
| (a) Actuarial losses recognition after deferred taxation | 0 | 0 | 0 | 0 | (15.597) | (15.597) |
| (b) Restatement of staff voluntary exit program, after deferred taxation | 0 | 0 | 0 | 0 | 1.655 | 1.655 |
| (c) Restatement of provision for losses from participations | 0 | 0 | 0 | 0 | (1.542) | (1.542) |
| Balance at 01/01/2007 restated items | 142.165 | 1.279 | 197.232 | 489 | 399.045 | 740.210 |
| Profit for the period | 0 | 0 | 0 | 0 | 53.186 | 53.186 |
| Dividends | 0 | 0 | (28.434) | 0 | (42.649) | (71.083) |
| Transfer to reserves | 0 | 0 | 12.998 | 0 | (12.998) | 0 |
| Profit/(loss) from derivative financial instruments recognised directly in equity | 0 | 0 | 0 | 1.251 | 0 | 1.251 |
| Actuarial gain/(losses) of staff retirement compensation provision, net of deferred tax | 0 | 0 | 0 | 0 | (1.285) | (1.285) |
| Balance at 30/09/2007 | 142.165 | 1.279 | 181.796 | 1.740 | 395.299 | 722.279 |
| Balance at 01/01/2006 published items | 109.467 | 1.279 | 191.309 | (1.482) | 466.476 | 767.049 |
| (a) Actuarial losses recognition after deferred taxation | 0 | 0 | 0 | 0 | (9.987) | (9.987) |
| (c) Restatement of provision for losses from participations | 0 | 0 | 0 | 0 | (1.230) | (1.230) |
| Balance at 01/01/2006 restated items | 109.467 | 1.279 | 191.309 | (1.482) | 455.259 | 755.832 |
| Profit/(losses) from derivative financial instruments recognised to profit and loss | 0 | 0 | 0 | 1.482 | 0 | 1.482 |
| Capitalization under law 2065/1992 | 32.698 | 0 | (95) | 0 | (32.603) | 0 |
| Profit for the period as restated | 0 | 0 | 0 | 0 | 50.536 | 50.536 |
| Dividends | 0 | 0 | (9.314) | 0 | (58.215) | (67.529) |
| Transfer to reserves | 0 | 0 | 15.332 | 0 | (15.332) | 0 |
| Profit/(loss) from derivative financial instruments recognised directly in equity | 0 | 0 | 0 | 529 | 0 | 529 |
| Balance at 30/06/2006 | 142.165 | 1.279 | 197.232 | 529 | 399.645 | 740.850 |

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.

The 2006 comparative figures have been restated in order to reflect the implementation of the new accounting policy for the recognition of actuarial gain / losses.

Amounts in € thousand

| | Group sales | | Net profit/(loss) for the period | |
|----------------------------|----------------|----------------|----------------------------------|---------------|
| | 1/1-30/9/2007 | 1/1-30/9/2006 | 1/1-30/9/2007 | 1/1-30/9/2006 |
| Cement | 464.447 | 465.298 | 52.686 | 51.634 |
| Concrete | 60.278 | 64.080 | 187 | 589 |
| Aggregates | 11.187 | 11.544 | 380 | 1.179 |
| Intra-company eliminations | (26.647) | (27.832) | 0 | 0 |
| TOTAL | 509.265 | 513.090 | 53.253 | 53.402 |

7. OTHER OPERATING INCOME / (EXPENSES)

In the period under review, other operating income includes net profit of €1,853 thousand from the disposal of shares in the associate METROPOLITAN AUTOMOBILE ENTERPRISES S.A. The transaction took place on 17/01/2007, for a consideration of €3,218 thousand, corresponding to the Company's participation percentage of 45.97%. The sold company's main activity is the commercial operation of car parking.

The amount of €579 thousand concerns real estate impairment which was charged to the cost of goods sold in the Group and Company 2006 income statement and was reclassified to other operating income/ (expenses) for more appropriate comparative presentation of the income statement.

Other operating income as at 30/09/2007 includes a Company provision for losses of €4,069 thousand, which relates to the Company's participations in the accumulated losses of its subsidiaries.

Amounts in € thousand

| | Group | | Company | |
|--|---------------|---------------|----------------|---------------|
| | 1/1-30/9/2007 | 1/1-30/9/2006 | 1/1-30/9/2007 | 1/1-30/9/2006 |
| Profit/(loss) from participation disposals | 1.853 | 0 | 1.853 | 0 |
| Profit/(loss) from fixed asset disposals | 37 | (165) | (13) | (183) |
| Impairment of fixed assets | (57) | (579) | (74) | (579) |
| Participation in subsidiaries losses | 0 | 0 | (4.069) | 0 |
| Provision for associates losses | (1.295) | 0 | (1.295) | 0 |
| Other | 414 | (121) | 0 | (59) |
| | 952 | (865) | (3.598) | (821) |

8. COST OF VOLUNTARY STAFF RETIREMENT PROGRAM

In view of improving the Group's competitiveness, in the year ended 2006 the Group initiated the implementation of the voluntary staff retirement program which is still in progress. The Company recognised a provision amounting to €13,038 thousand as at 31/12/2006 (as restated in the published quarterly financial reports in 2007, after the change in accounting policy for the recognition of actuarial gain/losses), out of which €3,483 thousand have been utilised as at 30/09/2007. Management decided on the expansion of the above mentioned staff retirement program and therefore the Company recognised additional provision amounting to €13,356 thousand as at 30/06/2007. The corresponding expense for the program will be realised during the fiscal years 2007 and 2008.

The entire cost for the implementation of the program will be borne by the Company. The intention of the program is the productivity improvement of loss making activities along with the reduction of operating costs.

9. LOSS FROM IMPAIRMENT OF INVESTMENT IN SUBSIDIARIES

The Company recognised an impairment loss on the goodwill which was recognised from the acquisition of the subsidiary AEGEAN TERMINALS amounting to €650 thousand, in the context of its revised strategy concerning the use of the subsidiary's distribution centre.

10. FINANCIAL RESULTS FOR THE PERIOD ENDED 30 SEPTEMBER 2007

In the third quarter of 2007, the Group's turnover amounting to €509,265 thousand, slightly decreased by 0.75%, compared to the respective period last year, since decreased sale volumes were counterbalanced by increased sale prices.

Turnover of the third quarter of 2007 amounting to €178,209 thousand, decreased by 2.95% compared with the corresponding 2006 period, mainly due to the deceleration of the local market following the favourable conditions prevailing through out 2006.

Net Group profit after tax amounting to €53,253 thousand, decreased slightly by 0.28% compared to the first nine months of 2006. However, taking into consideration, on one hand, the provision for the fire affected areas amounting to €3,000 thousand and the cost of expansion of the voluntary staff retirement programme amounting to €13,356 thousand which have been charged to the income statement of the period and on the other hand, the previous years' income tax amounting to €10,143 thousand which have been charged to the income statement of the corresponding period in 2006, the net Group profit after tax increased by 9.54% compared with the related 2006 period. This improvement is mainly due to the containment of fixed costs which counterbalance the major increase in fuel prices.

11. 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 2007, namely 25% (2006: 29%).

12. EARNINGS PER SHARE

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

| | GROUP | | COMPANY | |
|--|---------------------------|---------------------------|---------------------------|----------------------|
| | <u>1/1- 30/9/2007</u> | <u>1/1- 30/9/2006</u> | <u>1/1- 30/9/2007</u> | <u>1/1-30/9/2006</u> |
| Amounts in € thousand | 53.253 | 53.402 | 53.186 | 50.536 |
| 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 € | 0,75 | 0,75 | 0,75 | 0,71 |

13. 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 out of the profit of the previous year 1/1-31/12/2006 as well as from available extraordinary reserves amounts to €71,083 thousands (€1.00 per share), and was approved by the General Assembly of Shareholders on 15 June 2007.

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

14. INTANGIBLE & TANGIBLE ASSETS

Group capital expenditure for the period amounts to €14,722 thousand (2006: €17,804 thousand), while Company capital expenditure amounts to €11,899 thousand (2006: €14,695 thousand).

The fixed assets carrying amount the Group disposed of or wrote off in the period under review, rose to €332 thousand, with total revenues of €463 thousand.

The above assets include the carrying amount of the plot, quarry, machinery, as well as buildings/improvements of the subsidiary LAFARGE BETON S.A. at the Araxos location in Achaia Prefecture, amounting to €3,899 thousand. According to Notary Public deed no. 10114/2003, transfer of ownership of the above plot to LAFARGE BETON S.A. is still outstanding, however the transfer of the demesne has been completed. The Management presumes ownership of property for granted and book value recoverable, although the above impediment has not been remedied yet.

15. PARTICIPATIONS IN ASSOCIATES AND SUBSIDIARIES

The following table is a list of the Group's companies included in the consolidated financial report, with their respective addresses and the Group's interest therein. 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 | 99,88% | 0,12% | 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 | | 90,00% | 90,00% | Extraction and processing of aggregates production |
| SUPER BETON S.A. I MARKOULAKIS | Greece, Heraclion, Crete | | 100,00% | 100,00% | Concrete production & trade |
| MARATHOS QUARRIES S.A. | Greece, Heraclion, Crete | | 77,00% | 77,00% | Extraction and processing of aggregates production |
| HALKIS CEMENT INTERNATIONAL S.A. | Greece, Lycovrissi, Attica | 100,00% | | 100,00% | Under liquidation |
| FINDA TRANSPORTS S.A. | Greece, Lycovrissi, Attica | 100,00% | | 100,00% | Under liquidation |
| ALEXANDRIA SILO INVESTMENT COMPANY S.A. | Panama | 100,00% | | 100,00% | Under liquidation |
| 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) |

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) |

On 19/04/2007 the Group LAFARGE acquired, through LAFARGE CEMENTOS S.A. 18,480,899 shares (25.99% of the share capital) from National Bank of Greece S.A. for a total amount of €321,568 thousand. Following the acquisition, the participation of Group LAFARGE in the share capital of the Company was increased to 79.17%.

15. PARTICIPATIONS IN ASSOCIATES AND SUBSIDIARIES - continued

On 14/11/07, LAFARGE S.A. has acquired through its subsidiary LAFARGE CEMENTOS S.A., additional 2,289,781 shares in HERACLES General Cement Company with voting rights (i.e. 3.22%). Pursuant to the aforementioned session, LAFARGE S.A. holds in total (i.e. both directly and indirectly) 82.39% of the total of the Company's shares and voting rights.

On 30/09/07 the equity consolidated company HELACEM S.A. deregistered from the participations of the Company following the completion of liquidation. The liquidation has no impact to the Group results.

Following the acquisition on 02/07/2007 of the SUPER BETON S.A. I. MARKOULAKI from the subsidiary LAFARGE BETON S.A., the participation of the Group to the, until then, equity consolidated company MARATHOS QUARRIES S.A. increased to 77%. Therefore, from the day of acquisition the above mentioned company is fully consolidated. Minority interest has not been recognised in the Group's consolidated net equity given that the corresponding to the minority accumulated losses of MARATHOS QUARRIES S.A. exceed its participation cost. Accordingly, minority loss has not been recognised to the Group's consolidated income statement as the amount is insignificant.

The Management reassessed the Company's obligations to third parties resulting from its participation to MIDDLE EAST CEMENT SHIPPING & HANDLING COMPANY S.A., which as at 30/09/2007 was accounted for at cost value. As a result of the above mentioned reassessment, the Group and the Company have provided for the corresponding deferred tax liability of the associated company, amounting to €1,295 thousand Euro. The participation amounting to €293 thousand, of the Group companies in the MIDDLE EAST CEMENT SHIPPING & HANDLING COMPANY S.A., has been and remain fully impaired as at 30/09/2007. The corresponding total receivables amounting to €3,242 thousand are impaired by €3,140 thousand.

16. PROVISION FOR STAFF RETIREMENT COMPENSATION

The Group's and the Company's estimated actuarial losses as at 30/09/2007 amounting to €1,746 thousand and €1,713 thousand after deferred taxation of €433 thousand and €428 thousand respectively. The restatement of the 2006 comparative is considered impracticable.

The recognition of the above mentioned actuarial losses increase the liability for staff retirement compensation and is made directly in the statement of recognised income – expense statement.

17. BANK LOANS

The Group has concluded short term bank loans and overdrafts with an average interest rate in 2007 of 5.25% (2006: 4.37%). All bank loans are denominated in Euro.

Total short-term lending amounts to €2,361 thousand of which €2,000 thousand concerns AMBER SA, €276 thousand concerns SUPER BETON S.A. and €85 thousand concerns KAMBIS QUARRIES S.A.

On 30 July 2007, a loan agreement between the Company and its subsidiary EVIESK became effective. The loan granted to EVIESK amounts to €12,500 thousand with an annual interest rate of 3.8%. The loan utilised for the repayment of all existing bank loans of EVIESK.

18. CONTINGENT LIABILITIES

Liens and Encumbrances

A prenotation of mortgage has been registered since 25/02/2004, to the amount of €240 thousand in favour of Emporiki Bank, over two plots owned by LAFARGE BETON S.A., with total surface areas of 3,505 sq.m. and 3,932 sq.m. respectively. Said plots are situated within the Municipality of Preveza, within the town plan and outside the Preveza Industrial Area.

Company disputes under litigation or arbitration

On 30/09/2007, there were pending lawsuits against the Group amounting to €36,974 thousand (31/12/2006: €36,123 thousand), out of which the pending lawsuits against the Company amount to €34,580 thousand (31/12/2006: €33,035 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 €21,389 thousand, out of which the maximum risk from the final decisions on the cases of the Company amounts to €20,073 thousand. No provision has been made in this financial report for 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. Loss of profit lawsuit due to cancellation of a contract of approx. €2,340 thousand, with estimated maximum risk of €1,638 thousand.
- b. Lawsuit for loss of vessel and loss of profit to the amount of €16,296 thousand, with estimated maximum risk of €8,148 thousand.
- c. Lawsuit for counterclaim from environmental cost of €3,823 thousand, with estimated maximum risk of €3,059 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 €1,908 thousand respectively. No provision has been made in this financial report for said claims as it is unlikely that such risk will eventually occur.

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 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.

18. CONTINGENT LIABILITIES - Continued

Unaudited Years - Continued

| <u>Company</u> | <u>Registered Office</u> | <u>Unaudited years</u> |
|---|---------------------------------|------------------------|
| HERACLES GCC | Greece, Lycovrissi, Attica | *2006 |
| LAFARGE BETON S.A. | Greece, Metamorfossi, Attica | 2001-2006 |
| ATLAS S.A. | Greece, Kallithea, Thessaloniki | 2004-2006 |
| EVIESK S.A. | Greece, Lycovrissi, Attica | 2005-2006 |
| HERACLES MARITIME CO. | Greece, Lycovrissi, Attica | 2002-2006 |
| LAVA S.A. | Greece, Lycovrissi, Attica | 2006 |
| AMBER S.A. | Greece, Lycovrissi, Attica | 2004-2006 |
| EKET LTD. | Greece, Lycovrissi, Attica | 2005-2006 |
| AEGEAN TERMINALS S.A. | Greece, Chalandri, Attica | 2003-2006 |
| PORT SAID SILO INVESTMENT COMPANY S.A. | Greece, Lycovrissi, Attica | 1995-2006 |
| G. HATZIKYRIAKOS SOC. NAV. | Greece, Lycovrissi, Attica | 1998-2006 |
| A. HATZIKYRIAKOS SOC. NAV. (inactive) | Greece, Lycovrissi, Attica | 1998-2006 |
| DYSTOS SOC. NAV. (inactive) | Greece, Lycovrissi, Attica | 1998-2006 |
| NAFSIKA SOC. NAV. (inactive) | Greece, Lycovrissi, Attica | 1998-2006 |
| HERACLES GLORY SOC. NAV. (inactive) | Greece, Lycovrissi, Attica | 1998-2006 |
| SYNERGATIKI BETON S.A. | Greece, Lamia | 2006 |
| KAMPIS QUARRIES S.A. | Greece, Arta | 2006 |
| SUPER BETON S.A. I MARKOULAKIS | Greece, Heraclion, Crete | 2003-2006 |
| HALKIS CEMENT INTERNATIONAL S.A. (under liquidation) | Greece, Lycovrissi, Attica | 1997-2006 |
| MARATHOS QUARRIES S.A. | Greece, Heraclion, Crete | 2003-2006 |
| FINDA TRANSPORTS S.A. (under liquidation) | Greece, Lycovrissi, Attica | 1997-2006 |
| ALEXANDRIA SILO INVESTMENT COMPANY S.A. (under liquidation) | Panama | 1993-2006 |
| PORT SAID SILO INVESTMENT COMPANY S.A. (inactive) | Panama | 2003-2006 |
| INTERNATIONAL MEDITERRANEAN SHIPPING S.A. (under liquidation) | Luxemburg | ** |
| INTERNATIONAL FLAG S.A. (inactive) | Egypt | ** |

* The Company has undergone tax audits until year 2005, excluding franchise rights royalties by the Company to the parent company LAFARGE S.A. 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, Law 3229/2004. Tax audit for these pending issues as well as for the year 2006 is currently in progress.

Additionally, tax audit of LAFARGE BETON S.A. for the years 2001-2005 is in progress. The tax audit of HELLAMAT SA for years 2000 - 31/07/2002 has been completed, while on 31/7/2007 the tax audit of the associate MIDDLE EAST CEMENT HANDLING SOC. NAV. S.A. for years 2003-2005 has been delivered. Additionally, an audit mandate for the subsidiary LAVA S.A. has been completed for years 2001-2005.

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.

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

18. 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 30/09/2007 and on 31/12/2006:

| Amounts in € thousand | GROUP | | COMPANY | |
|----------------------------------|-----------|------------|-----------|------------|
| | 30/9/2007 | 31/12/2006 | 30/9/2007 | 31/12/2006 |
| Granted guarantees | 4.872 | 10.531 | 3.598 | 3.553 |
| Inter-company granted guarantees | 0 | 0 | 0 | 6.000 |

Commitments for Purchases and Capital Expenditure

Purchase and capital expenses contracts, in force on 30/09/2007 and on 31/12/2006, are as follow:

| Amounts in € thousand | GROUP | | COMPANY | |
|-------------------------------|-----------|------------|-----------|------------|
| | 30/9/2007 | 31/12/2006 | 30/9/2007 | 31/12/2006 |
| Purchase contracts | 91.800 | 93.259 | 89.134 | 91.809 |
| Capital expenditure contracts | 6.489 | 16.416 | 6.315 | 15.573 |

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 | |
|-----------------------|---------------|---------------|--------------|--------------|
| | 30/9/2007 | 31/12/2006 | 30/9/2007 | 31/12/2006 |
| Within one year | 17.880 | 6.312 | 99 | 110 |
| Between 2 to 5 years | 10.604 | 7.215 | 2.137 | 2.228 |
| Over 5 years | 614 | 515 | 283 | 453 |
| | <u>29.097</u> | <u>14.042</u> | <u>2.518</u> | <u>2.791</u> |

19. EVENTS AFTER THE BALANCE SHEET DATE

On 5/10/2007, the subsidiary LAFARGE BETON S.A. acquired 100% of the company SAMARAS QUARRIES S.A. which operates in the production and trading of aggregates, for a consideration of €2,100 thousand. The net equity (loss) of the acquired company at the acquisition date amounts to a negative €306 thousand. The temporary estimated goodwill derived from the acquisition amounts to €2,406 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.

20. 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- | 1/1- | 1/1- | 1/1- | | | | |
| | 30/9/2007 | 30/9/2006 | 30/9/2007 | 30/9/2006 | 30/9/2007 | 31/12/2006 | 30/9/2007 | 31/12/2006 |
| Parent company LAFARGE S.A. | 656 | 521 | 91 | 543 | 239 | 0 | 4.119 | 2.086 |
| Group LAFARGE associates | 56.452 | 70.955 | 2.753 | 1.701 | 9.880 | 7.566 | 2.483 | 2.157 |
| Franchise rights to LAFARGE S.A. | 0 | 0 | 6.470 | 4.587 | 0 | 0 | 0 | 0 |
| Total | 57.108 | 71.476 | 9.314 | 6.831 | 10.119 | 7.566 | 6.602 | 4.243 |

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 Group LAFARGE companies, on the other, are disclosed below:

Amounts in € thousand

| COMPANY | SALES | | PURCHASES | | RECEIVABLES | | LIABILITIES | |
|----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 1/1- | 1/1- | 1/1- | 1/1- | | | | |
| | 30/9/2007 | 30/9/2006 | 30/9/2007 | 30/9/2006 | 30/9/2007 | 31/12/2006 | 30/9/2007 | 31/12/2006 |
| HERACLES Group Companies | 25.946 | 26.113 | 37.781 | 43.547 | 39.125 | 21.277 | 4.821 | 11.300 |
| Parent company LAFARGE S.A. | 656 | 520 | 90 | 543 | 239 | 0 | 4.119 | 2.000 |
| Group LAFARGE associates | 53.921 | 67.168 | 2.620 | 1.674 | 9.002 | 6.750 | 2.374 | 1.983 |
| Franchise rights to LAFARGE S.A. | 0 | 0 | 6.470 | 4.587 | 0 | 0 | 0 | 0 |
| Total | 80.523 | 93.801 | 46.961 | 50.351 | 48.366 | 28.027 | 11.314 | 15.283 |

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

The 2006 comparatives have been restated and include the residuals of the consolidated via net equity method associated companies, for better presentation purposes. The restated amounts concern HERACLES Group companies receivables, purchases and sales of €83 thousand, €16 thousand and €324 thousand Euro respectively.

20. 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 | |
|--|---------------|---------------|---------------|---------------|
| | 1/1-30/9/2007 | 1/1-30/9/2006 | 1/1-30/9/2007 | 1/1-30/9/2006 |
| Current benefits | 2.655 | 2.233 | 1.587 | 1.457 |
| Provision for retirement compensation and paid compensations | 3.240 | 1.156 | 1.628 | 355 |
| BoD members attendance fees | 181 | 191 | 170 | 177 |
| | 6.076 | 3.580 | 3.385 | 1.989 |

| | GROUP | | COMPANY | |
|---|-----------|------------|-----------|------------|
| | 30/9/2007 | 31/12/2006 | 30/9/2007 | 31/12/2006 |
| Prepayments of expenses to management and Board members to be refunded | 0 | 8 | 0 | 8 |
| Liabilities to management executives and Board members | 0 | 1 | 0 | 1 |
| Net receivables from/(liabilities to) management executives and Board members | 0 | 7 | 0 | 7 |

21. ACQUISITIONS OF SUBSIDIARIES

On 15 March 2007, by virtue of decision no. K2-3833 of the Ministry of Development, the legal merger process through absorption of BETON PREVEZIS S.A. and TH. ATHANASSIOU S.A. by LAFARGE BETON S.A. was completed, following approval by the competent authorities.

From the initially estimated goodwill of €3,006 thousand that derived from the acquisition of TH. ATHANASSIOU S.A. on 31 March 2006 by LAFARGE BETON S.A., an amount of €269 thousand was allocated as an adjustment to the fair value of the quarry that the acquired and merged company is exploiting. Therefore, the final recognised goodwill from the above mentioned acquisition amounts to €2,737 thousand.

On 5 February 2007, the subsidiary LAFARGE BETON S.A. acquired full control of SYNERGATIKI BETON S.A. which is operating in the production and trading of ready-mix concrete.

The consideration, temporary estimated goodwill and temporary allocation of the purchase consideration, is as follows:

Amounts in € thousand

| SYNERGATIKI BETON S.A. | <u>Book value</u> | <u>Provisional fair value adjustments</u> | <u>Provisionally assessed fair value</u> |
|---|-------------------|---|--|
| Equity obtained: | | | |
| Intangible & tangible assets | 22 | 0 | 22 |
| Investments in associated companies | 3 | 0 | 3 |
| Other non-current receivables | 1 | 0 | 1 |
| Trade and other current receivables | 21 | 0 | 21 |
| Cash and cash equivalents | 68 | 0 | 68 |
| Trade and other creditors | <u>(19)</u> | <u>0</u> | <u>(19)</u> |
| | <u>96</u> | <u>0</u> | <u>96</u> |
| Goodwill | | | <u>288</u> |
| Total consideration, satisfied in cash | | | <u>384</u> |
| Net cash outflow from acquisition: | | | |
| Cash consideration paid | | | (384) |
| Cash and bank deposits of acquired subsidiary | | | <u>68</u> |
| | | | <u>(316)</u> |

The profit of the acquired company in the post-acquisition period (06/02 – 30/09/2007) amounts to €40 thousand and the profit, which is included in the Group's consolidation, amounts to €26 thousand.

Had the acquisition of the acquired company been completed on the first day of the period, Group revenues for the period would have been increased by €45 thousand, and Group profit would have been increased by €30 thousand.

The determination of fair value of identifiable assets, liabilities and contingent liabilities acquired following the acquisition of the above mentioned company, the final allocation of the purchase consideration paid and, consequently, the final determination of goodwill will be finalised within twelve months of the acquisition.

The subsidiary LAFARGE BETON S.A. is currently in the process of estimating the fair values of assets and liabilities acquired, in order to assess the final goodwill.

21. ACQUISITIONS OF SUBSIDIARIES - Continued

On 25 May 2007, the subsidiary LAFARGE BETON S.A. acquired 90% of the share capital of KAMBIS QUARRIES S.A., operating in the extraction and processing of aggregate production, while on 25 September 2007 acquired the remaining 10% increasing the total consideration by €254 thousand.

The consideration, temporary estimation of goodwill and temporary allocation of the purchase consideration, is as follows:

Amounts in € thousand

| KAMBIS QUARRIES S.A. | <u>Book value</u> | <u>Provisional fair value adjustments</u> | <u>Provisionally assessed fair value</u> |
|---|-------------------|---|--|
| Equity obtained: | | | |
| Intangible & tangible assets | 112 | 0 | 112 |
| Inventories | 110 | 0 | 110 |
| Trade and other current receivables | 542 | 0 | 542 |
| Cash and cash equivalents | 4 | 0 | 4 |
| Provisions for staff compensation | (18) | 0 | (18) |
| Trade and other creditors | (328) | 0 | (328) |
| Bank loan | (454) | 0 | (454) |
| | <u>(32)</u> | <u>0</u> | <u>(32)</u> |
| Goodwill | | | <u>2.593</u> |
| Total consideration, satisfied in cash | | | <u>2.561</u> |
| Net cash outflow from acquisition: | | | |
| Cash consideration paid | | | (2.561) |
| Cash and bank deposits of acquired subsidiary | | | <u>4</u> |
| | | | <u>(2.557)</u> |

The profit of the acquired company in the post-acquisition period (26/05 – 30/09/2007) amounts to €373 thousand and the loss which is included in the Group's consolidation, amounts to €18 thousand.

Had the acquisition of the acquired company been completed on the first day of the period, Group revenues for the period would have been increased by €783 thousand, and Group profit would have been lower by €336 thousand.

The determination of fair value of identifiable assets, liabilities and contingent liabilities acquired following the acquisition of the above mentioned company, the final allocation of the purchase consideration, and consequently, the final determination of goodwill will be finalised within twelve months of the acquisition.

The subsidiary LAFARGE BETON S.A. is currently in the process of estimating the fair values of assets and liabilities acquired, in order to assess the final goodwill.

21. ACQUISITIONS OF SUBSIDIARIES - Continued

On 2 July 2007, the subsidiary LAFARGE BETON S.A. acquired 100% of the share capital of SUPER BETON I. MARKOULAKI S.A., operating in the production and trading of ready-mix.

The consideration, temporary estimation of goodwill and temporary allocation of the purchase consideration, is as follows:

Amounts in € thousand

| SUPER BETON S.A. I. MARKOULAKI | <u>Book value</u> | <u>Provisional fair value adjustments</u> | <u>Provisionally assessed fair value</u> |
|---|-------------------|---|--|
| Equity obtained: | | | |
| Intangible & tangible assets | 276 | 0 | 276 |
| Investments in associated companies | 5 | 0 | 5 |
| Other non-current receivables | 288 | 0 | 288 |
| Inventories | 51 | 0 | 51 |
| Trade and other current receivables | 1.389 | 0 | 1.389 |
| Cash and cash equivalents | 10 | 0 | 10 |
| Other non-current payables | (684) | 0 | (684) |
| Trade and other creditors | (2.908) | 0 | (2.908) |
| Bank loan | (1.594) | 0 | (1.594) |
| | <u>(3.167)</u> | <u>0</u> | <u>(3.167)</u> |
| Goodwill | | | <u>5.777</u> |
| Total consideration, satisfied in cash | | | <u>2.610</u> |
| Net cash outflow from acquisition: | | | |
| Cash consideration paid | | | (2.610) |
| Cash and bank deposits of acquired subsidiary | | | <u>10</u> |
| | | | <u>(2.600)</u> |

The profit of the acquired company in the post-acquisition period (03/07 – 30/09/2007) amounting to €969 thousand and the loss, which is included in the Group's consolidation, amounting to €25 thousand.

Had the acquisition of the acquired company been completed on the first day of the period, Group revenues for the period would have been increased by €3,080 thousand, and Group loss would have been amounted to €1,422 thousand.

The determination of fair value of identifiable assets, liabilities and contingent liabilities acquired following the acquisition of the above mentioned company, the final allocation of the purchase consideration paid and, consequently, the final determination of goodwill will be finalised within twelve months of the acquisition.

The subsidiary LAFARGE BETON S.A. is currently in the process of estimating the fair values of assets and liabilities acquired, in order to assess the final goodwill.

22. NUMBER OF EMPLOYEES

Group and Company employees are as follows:

| | GROUP | | COMPANY | |
|---------------------|------------------|------------------|------------------|------------------|
| | <u>30/9/2007</u> | <u>30/9/2006</u> | <u>30/9/2007</u> | <u>30/9/2006</u> |
| Number of employees | 2.444 | 2.560 | 1.815 | 1.898 |

The number of employees for 2007 and 2006 is presented on the basis of the annual average employees.

23. RESTATEMENTS IN RELATION TO PUBLISHED INTERIM AND ANNUAL FINANCIAL STATEMENTS DUE TO ACCOUNTING POLICY CHANGE

Group and Company Management decided to change the method of recognising actuarial gains and losses, applicable as of 1 January 2007.

Specifically, according to the accounting policy that Group and Company pursued until 31 December 2006, actuarial gains and losses which, at the end of the previous period exceeded 10% of the current value of the liability from defined benefits on that date were amortised in income statement over the employees' average remaining working life.

According to the new accounting policy, all actuarial gains and losses in the period are recognised outside income statement when they occur. Actuarial gains and losses recognised outside income statement appear in the statement of recognised income and expenses.

On 01/01/2006, recognition of the Group's accumulated actuarial losses after deferred taxation in equity (carried forward), amounted to €11,589 thousand, of which accumulated actuarial losses amounted to €15,452 thousand, and the respective deferred tax to €3,863 thousand.

On 01/01/2006, recognition of the Company's accumulated actuarial losses after deferred taxation in equity (carried forward), amounted to €9,987 thousand, of which accumulated actuarial losses amounted to €13,317 thousand, and the respective deferred tax to €3,330 thousand.

The above change has caused a restatement of the Company's provision for losses from participation on 01/01/2006 to the amount of €1,230 thousand.

Pursuant to the requirements of IAS 8 on disclosures for retrospective restatements of items of comparable financial statements due to changes in accounting principles, detailed tables are provided with all changes made to the items of already published Group and Company financial statements, with the respective explanations.

23. RESTATEMENTS IN RELATION TO PUBLISHED INTERIM AND ANNUAL FINANCIAL STATEMENTS DUE TO ACCOUNTING POLICY CHANGE - Continued

Restatement of items appearing in Group and Company Income Statements as at 30 September 2006

Amounts in € thousand

| GROUP INCOME 1/1-30/09/2006 | | | | |
|---|-----------------|----------------|---------------------------------------|---------------------------|
| NOTE | Published items | Restated items | Items reclassification note (c) | Restatement difference |
| Turnover (sales) | 513.090 | 513.090 | 0 | 0 |
| Cost of Goods Sold | (383.858) | (382.211) | 579 | 1.068 |
| Gross profit | 129.232 | 130.879 | 579 | 1.068 |
| Administrative & distribution expenses | (38.611) | (38.461) | 0 | 150 |
| Other operating income / (expenses) | (286) | (865) | (579) | 0 |
| Share of results of associates | 18 | 18 | 0 | 0 |
| Operating profit | 90.353 | 91.571 | 0 | 1.218 |
| Finance income / (expenses) | 641 | 641 | 0 | 0 |
| Profit for the period before taxes | 90.994 | 92.212 | 0 | 1.218 |
| Income tax | (38.505) | (38.810) | 0 | (305) |
| Net profit of the period after tax | 52.489 | 53.402 | 0 | 913 |
| Number of shares | 71.082.707 | 71.082.707 | | |
| Earnings per share (in €) | 0,74 | 0,75 | | |

a. Reversal of actuarial losses depreciation.

b. Deferred tax from reversal of actuarial losses depreciation.

c. Reclassification of real property impairment from cost of goods sold to other operating expenses.

Amounts in € thousand

| COMPANY INCOME 1/1-30/09/2006 | | | | |
|---|-----------------|----------------|---------------------------------------|---------------------------|
| NOTE | Published items | Restated items | Items reclassification note (c) | Restatement difference |
| Turnover (sales) | 455.940 | 455.940 | 0 | 0 |
| Cost of Goods Sold | (339.167) | (337.740) | 579 | 848 |
| Gross profit | 116.773 | 118.200 | 579 | 848 |
| Administrative & distribution expenses | (31.544) | (31.394) | 0 | 150 |
| Other operating income / (expenses) | (242) | (821) | (579) | 0 |
| Operating profit | 84.987 | 85.985 | 0 | 998 |
| Finance income / (expenses) | 1.576 | 1.576 | 0 | 0 |
| Profit for the period before taxes | 86.563 | 87.561 | 0 | 998 |
| Income tax | (36.775) | (37.025) | 0 | (250) |
| Net profit of the period after tax | 49.788 | 50.536 | 0 | 748 |
| Number of shares | 71.082.707 | 71.082.707 | | |
| Earnings per share (in €) | 0,70 | 0,71 | | |

a. Reversal of actuarial losses depreciation.

b. Deferred tax from reversal of actuarial losses depreciation.

c. Reclassification of real property impairment from cost of goods sold to other operating expenses.

23. RESTATEMENTS IN RELATION TO PUBLISHED INTERIM AND ANNUAL FINANCIAL STATEMENTS DUE TO ACCOUNTING POLICY CHANGE - Continued

Restatement of items appearing in the Group's Balance Sheet as at 30 September 2006

Amounts in € thousand

| GROUP BALANCE SHEET 30/09/2006 | | | | |
|---|-----------------|----------------|---------------------------------|------------------------|
| NOTE | Published items | Restated items | Items reclassification note (c) | Restatement difference |
| Fixed assets | | | | |
| | 6.945 | 6.945 | 0 | 0 |
| Goodwill | | | | |
| | 654 | 654 | 0 | 0 |
| Intangible assets | | | | |
| | 609.291 | 607.091 | (2.200) | 0 |
| Tangible assets | | | | |
| | 1.608 | 1.608 | 0 | 0 |
| Investments in associates and subsidiaries | | | | |
| | 58 | 58 | 0 | 0 |
| Other investments | | | | |
| | 6.708 | 6.708 | 0 | 0 |
| Other non-current receivables | | | | |
| | 4.631 | 6.327 | (1.861) | 3.557 |
| Deferred tax asset | | | | |
| Total fixed assets | 629.895 | 629.391 | (4.061) | 3.557 |
| Current assets | | | | |
| | 66.717 | 66.717 | 0 | 0 |
| Inventories | | | | |
| | 202.436 | 202.436 | 0 | 0 |
| Trade and other current receivables | | | | |
| | 888 | 888 | 0 | 0 |
| Derivative financial instruments | | | | |
| | 91.877 | 91.877 | 0 | 0 |
| Cash and cash equivalents | | | | |
| Total current assets | 361.918 | 361.918 | 0 | 0 |
| Total assets | 991.813 | 991.309 | (4.061) | 3.557 |
| Non-current liabilities | | | | |
| | 77.740 | 91.974 | 0 | 14.234 |
| Provisions for staff retirement compensations | | | | |
| | 8.139 | 5.939 | (2.200) | 0 |
| Other non-current provisions | | | | |
| | 1.861 | 0 | (1.861) | 0 |
| Deferred tax liabilities | | | | |
| | 285 | 285 | 0 | 0 |
| Obligations under finance leases | | | | |
| Total non-current liabilities | 88.025 | 98.198 | (4.061) | 14.234 |
| Current liabilities | | | | |
| | 9.561 | 9.561 | 0 | 0 |
| Provisions for staff retirement compensations | | | | |
| | 77.713 | 77.713 | 0 | 0 |
| Trade and other creditors | | | | |
| | 24.379 | 24.379 | 0 | 0 |
| Income tax liabilities | | | | |
| | 255 | 255 | 0 | 0 |
| Obligations under finance leases | | | | |
| | 1.242 | 1.242 | 0 | 0 |
| Other current provisions | | | | |
| | 17.062 | 17.062 | 0 | 0 |
| Bank loans | | | | |
| Total current liabilities | 130.212 | 130.212 | 0 | 0 |
| Total liabilities | 218.237 | 228.410 | (4.061) | 14.234 |
| Equity | | | | |
| | 142.165 | 142.165 | 0 | 0 |
| Share capital | | | | |
| | 1.279 | 1.279 | 0 | 0 |
| Share premium | | | | |
| | 0 | 431 | 0 | 0 |
| Treasury shares | | | | |
| | 219.591 | 219.591 | 0 | 0 |
| Reserves | | | | |
| | 529 | (395) | 0 | 0 |
| Derivatives valuation reserve | | | | |
| | 410.011 | 372.281 | 0 | (10.980) |
| Retained earnings | | | | |
| Total equity | 773.575 | 735.352 | 0 | (10.980) |
| Total liabilities and equity | 991.812 | 963.762 | (4.061) | 3.254 |

a. Deferred taxation on recognition of actuarial losses and reversal of actuarial losses depreciation.

b. Recognition of accumulated actuarial losses on 31/12/2005 and reversal of actuarial losses depreciation for 1/1 - 30/09/2006.

c. Reclassification of real property impairment from non-current provisions, reducing tangible assets and deferred tax liabilities netting off with deferred tax assets.

d. Impact on equity (carried forward) of a and b.

23. RESTATEMENTS IN RELATION TO PUBLISHED INTERIM AND ANNUAL FINANCIAL STATEMENTS DUE TO ACCOUNTING POLICY CHANGE - Continued

Restatement of items appearing in the Company's Balance Sheet as at 30 September 2006

Amounts in € thousand

| COMPANY BALANCE SHEET 30/06/2006 | | | | |
|----------------------------------|---|----------------|------------------------------|---------------------------|
| | | | Items | |
| NOTE | Published items | Restated items | reclassification note (e) | Restatement difference |
| Fixed assets | | | | |
| | 54 | 54 | 0 | 0 |
| | Intangible Assets | | | |
| | 568.879 | 566.679 | (2.200) | 0 |
| e. | Tangible assets | | | |
| | 40.571 | 40.571 | 0 | 0 |
| | Investments in associates and subsidiaries | | | |
| | 55 | 55 | 0 | 0 |
| | Other investments | | | |
| | 6.028 | 6.028 | 0 | 0 |
| | Other non-current receivables | | | |
| a. | 595 | 3.673 | 0 | 3.078 |
| | Deferred tax asset | | | |
| | 616.182 | 617.060 | (2.200) | 3.078 |
| | Total fixed assets | | | |
| Current assets | | | | |
| | 60.309 | 60.309 | 0 | 0 |
| | Inventories | | | |
| | 159.602 | 159.602 | 0 | 0 |
| | Trade and other current receivables | | | |
| | 888 | 888 | 0 | 0 |
| | Derivative financial instruments | | | |
| | 76.823 | 76.823 | 0 | 0 |
| | Cash and cash equivalents | | | |
| | 297.622 | 297.622 | 0 | 0 |
| | Total current assets | | | |
| | 913.804 | 914.682 | (2.200) | 3.078 |
| | Total assets | | | |
| Non-current liabilities | | | | |
| b. | 65.936 | 78.255 | 0 | 12.319 |
| | Provisions for staff retirement compensations | | | |
| c.&e. | 8.918 | 7.948 | (2.200) | 1.230 |
| | Other non-current provisions | | | |
| | 74.854 | 86.203 | (2.200) | 13.549 |
| | Total non-current liabilities | | | |
| Current liabilities | | | | |
| | 8.847 | 8.847 | 0 | 0 |
| | Provisions for staff retirement compensations | | | |
| | 54.450 | 54.450 | 0 | 0 |
| | Trade and other creditors | | | |
| | 23.331 | 23.331 | 0 | 0 |
| | Income tax liabilities | | | |
| | 1.001 | 1.001 | 0 | 0 |
| | Other current provisions | | | |
| | 87.629 | 87.629 | 0 | 0 |
| | Total current liabilities | | | |
| | 162.483 | 173.832 | (2.200) | 13.549 |
| | Total liabilities | | | |
| Equity | | | | |
| | 142.165 | 142.165 | 0 | 0 |
| | Share capital | | | |
| | 1.279 | 1.279 | 0 | 0 |
| | Share premium | | | |
| | 197.232 | 197.232 | 0 | 0 |
| | Reserves | | | |
| | 529 | 529 | 0 | 0 |
| | Derivatives valuation reserve | | | |
| | 410.114 | 399.645 | 0 | (10.469) |
| d. | Retained earnings | | | |
| | 751.319 | 740.850 | 0 | (10.469) |
| | Total equity | | | |
| | 913.802 | 914.682 | (2.200) | 3.080 |
| | Total liabilities and equity | | | |

a. Deferred taxation on recognition of actuarial losses and reversal of actuarial losses depreciation.

b. Recognition of accumulated actuarial losses on 31/12/2005 and reversal of actuarial losses depreciation for 1/1 - 30/09/2006.

c. Restatement of provision for losses from participations.

d. Impact on equity (carried forward) of a, b and c.

e. Reclassification of real property impairment from non-current provisions, reducing tangible assets.

23. RESTATEMENTS IN RELATION TO PUBLISHED INTERIM AND ANNUAL FINANCIAL STATEMENTS DUE TO ACCOUNTING POLICY CHANGE - Continued

Restatement of items appearing in the Group's Balance Sheet as at 31 December 2006

Amounts in € thousand

| GROUP BALANCE SHEET 31/12/2006 | | | |
|---|-----------------|------------------|------------------------|
| NOTE | Published items | Restated items | Restatement difference |
| Fixed assets | | | |
| | 7.013 | 7.013 | 0 |
| Goodwill | | | |
| | 601 | 601 | 0 |
| Intangible Assets | | | |
| | 604.647 | 604.647 | 0 |
| Tangible assets | | | |
| | 409 | 409 | 0 |
| Investments in associates and subsidiaries | | | |
| | 59 | 59 | 0 |
| Other investments | | | |
| | 7.909 | 7.909 | 0 |
| Other non-current receivables | | | |
| | 5.247 | 11.068 | 5.822 |
| Deferred tax asset | 625.885 | 631.706 | 5.822 |
| Total fixed assets | | | |
| Current assets | | | |
| | 68.362 | 68.362 | 0 |
| Inventories | | | |
| | 172.216 | 172.216 | 0 |
| Trade and other current receivables | | | |
| | 883 | 883 | 0 |
| Derivative financial instruments | | | |
| | 1.150 | 1.150 | 0 |
| Non-current asset available for sale | | | |
| | 126.241 | 126.241 | 0 |
| Cash and cash equivalents | 368.852 | 368.852 | 0 |
| Total current assets | | | |
| Total assets | 994.737 | 1.000.558 | 5.822 |
| Non-current liabilities | | | |
| | 77.783 | 101.798 | 24.014 |
| Provisions for staff retirement compensations | | | |
| | 7.065 | 7.065 | 0 |
| Other non-current provisions | | | |
| | 252 | 252 | 0 |
| Obligations under finance leases | 85.101 | 109.115 | 24.014 |
| Total non-current liabilities | | | |
| Current liabilities | | | |
| | 9.978 | 9.978 | 0 |
| Provisions for staff retirement compensations | | | |
| | 85.179 | 85.179 | 0 |
| Trade and other creditors | | | |
| | 11.409 | 11.409 | 0 |
| Income tax liabilities | | | |
| | 249 | 249 | 0 |
| Obligations under finance leases | | | |
| | 16.272 | 14.435 | (1.837) |
| Other current provisions | | | |
| | 152 | 152 | 0 |
| Derivative financial instruments | | | |
| | 7.401 | 7.401 | 0 |
| Bank loans | 130.641 | 128.803 | (1.837) |
| Total current liabilities | | | |
| Total liabilities | 215.742 | 237.918 | 22.177 |
| Equity | | | |
| | 142.165 | 142.165 | 0 |
| Share capital | | | |
| | 1.279 | 1.279 | 0 |
| Share premium | | | |
| | 219.601 | 219.601 | 0 |
| Reserves | | | |
| | 489 | 489 | 0 |
| Derivatives valuation reserve | | | |
| | 415.461 | 399.106 | (16.355) |
| Retained earnings | 778.995 | 762.640 | (16.355) |
| Total equity | | | |
| Total liabilities and equity | 994.737 | 1.000.558 | 5.822 |

- a. Deferred taxation on actuarial losses recognition and the recoverable part of the difference of the voluntary exit program cost.
- b. Recognition of accumulated actuarial losses on 31/12/2006.
- c. Restatement of the voluntary exit program cost.
- d. Impact on equity (carried forward) of a, b and c.

23. RESTATEMENTS IN RELATION TO PUBLISHED INTERIM AND ANNUAL FINANCIAL STATEMENTS DUE TO ACCOUNTING POLICY CHANGE - Continued

Restatement of items appearing in the Company's Balance Sheet as at 31 December 2006

Amounts in € thousand

| COMPANY BALANCE SHEET 31/12/2006 | | | | |
|--------------------------------------|-----------------|----------------|---------------------------------|------------------------|
| NOTE | Published items | Restated items | Reclassification difference (f) | Restatement difference |
| Fixed assets | | | | |
| | 44 | 44 | 0 | 0 |
| | 566.980 | 566.980 | 0 | 0 |
| | 37.868 | 37.868 | 0 | 0 |
| | 55 | 55 | 0 | 0 |
| | 17.554 | 17.554 | 0 | 0 |
| a. | 2.162 | 7.180 | 0 | 5.018 |
| Total fixed assets | 624.663 | 629.681 | 0 | 5.018 |
| Current assets | | | | |
| | 63.290 | 63.290 | 0 | 0 |
| | 144.146 | 144.146 | 0 | 0 |
| | 883 | 883 | 0 | 0 |
| | 1.277 | 1.277 | 0 | 0 |
| | 106.603 | 106.603 | 0 | 0 |
| Total current assets | 316.199 | 316.199 | 0 | 0 |
| Total assets | 940.862 | 945.880 | 0 | 5.018 |
| Non-current liabilities | | | | |
| b. | 66.291 | 87.088 | 0 | 20.797 |
| c. & f. | 8.899 | 10.395 | (46) | 1.542 |
| Total non-current liabilities | 75.190 | 97.483 | (46) | 22.339 |
| Current liabilities | | | | |
| | 9.319 | 9.319 | 0 | 0 |
| | 73.947 | 73.947 | 0 | 0 |
| | 10.445 | 10.445 | 0 | 0 |
| d. & f. | 16.115 | 14.324 | 46 | (1.837) |
| | 152 | 152 | 0 | 0 |
| Total current liabilities | 109.978 | 108.187 | 46 | (1.837) |
| Total liabilities | 185.168 | 205.670 | 0 | 20.502 |
| Equity | | | | |
| | 142.165 | 142.165 | 0 | 0 |
| | 1.279 | 1.279 | 0 | 0 |
| | 197.232 | 197.232 | 0 | 0 |
| | 489 | 489 | 0 | 0 |
| e. | 414.529 | 399.045 | 0 | (15.484) |
| Total equity | 755.694 | 740.210 | 0 | (15.484) |
| Total liabilities and equity | 940.862 | 945.880 | 0 | 5.018 |

- a. Deferred taxation on actuarial losses recognition and the recoverable part of the difference of the voluntary exit program cost.
b. Recognition of accumulated actuarial losses on 31/12/2006.
c. Restatement of provision for losses from participations.
d. Restatement of the voluntary exit program cost.
e. Impact on equity (carried forward) of a and b, c and d.
f. Reclassification from long term to short term provisions for a more fair presentation

23. RESTATEMENTS IN RELATION TO PUBLISHED INTERIM AND ANNUAL FINANCIAL STATEMENTS DUE TO ACCOUNTING POLICY CHANGE - Continued

Restatement of items appearing in the Group's Cash Flows as at 30 September 2006

Amounts in € thousand

| | | GROUP CASH FLOWS 30/09/2006 | | |
|---|------|------------------------------------|-----------------|------------------------|
| | NOTE | Published items | Restated items | Restatement difference |
| Operating activities | | | | |
| Profit before tax | a. | 90.994 | 92.212 | 1.218 |
| Plus / less adjustments for: | | | | |
| Depreciation | | 35.337 | 35.337 | 0 |
| Provisions | a. | (3.546) | (4.764) | (1.218) |
| Foreign exchange differences | | (77) | (77) | 0 |
| Loss from derivatives valuation | | (232) | (232) | 0 |
| Results (income, expenses, profit and losses) from investment activities | | (2.887) | (2.887) | 0 |
| Interest expenses and relevant expenses | | 1.491 | 1.491 | 0 |
| Plus/less adjustments for changes in working capital accounts or relevant with operating activities: | | | | |
| Decrease / (increase) in inventories | | 12.316 | 12.316 | 0 |
| Decrease / (increase) in receivables | | (31.091) | (31.091) | 0 |
| (Decrease) / increase in payables (excl. banks) | | (9.353) | (9.353) | 0 |
| Less : | | | | |
| Interest expenses and relevant expenses paid | | (1.491) | (1.491) | 0 |
| Tax paid | | (36.151) | (36.151) | 0 |
| Total inflow / (outflow) from operating activities (a) | | 55.310 | 55.310 | 0 |
| Investment activities | | | | |
| Acquisition of subsidiaries, affiliates, joint-ventures and other investments | | (4.566) | (4.566) | 0 |
| Purchase of tangible and intangible fixed assets | | (17.804) | (17.804) | 0 |
| Cash from disposal of tangible and intangible assets | | 6.291 | 6.291 | 0 |
| Proceeds from the sale of investments | | 807 | 807 | 0 |
| Interest received | | 1.733 | 1.733 | 0 |
| Total inflow / (outflow) from investment activities (b) | | (13.539) | (13.539) | 0 |
| Financing activities | | | | |
| Loan proceeds | | (22.347) | (22.347) | 0 |
| Loan repayments | | (161) | (161) | 0 |
| Payment of obligations under finance leases | | (67.529) | (67.529) | 0 |
| Total inflow / (outflow) from finance activities (c) | | (90.037) | (90.037) | 0 |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | | (48.266) | (48.266) | 0 |
| Cash and cash equivalents at the beginning of the period | | 140.096 | 140.096 | 0 |
| Effects from changes in exchange rates | | 47 | 47 | 0 |
| Cash and cash equivalents at the end of the period | | 91.877 | 91.877 | 0 |

a. Reversal of actuarial losses depreciation in provisions for staff compensation.

23. RESTATEMENTS IN RELATION TO PUBLISHED INTERIM AND ANNUAL FINANCIAL STATEMENTS DUE TO ACCOUNTING POLICY CHANGE - Continued

Restatement of items appearing in the Company's Cash Flows as at 30 September 2006

Amounts in € thousand

| COMPANY CASH FLOWS 30/09/2006 | | | |
|---|------------------|------------------|------------------------|
| NOTE | Published items | Restated items | Restatement difference |
| Operating activities | | | |
| | | | 998 |
| a. | 86.563 | 87.561 | |
| Plus / less adjustments for: | | | |
| | 32.691 | 32.691 | 0 |
| | | | 0 |
| a. | (2.990) | (3.988) | (998) |
| | (77) | (77) | 0 |
| | (232) | (232) | 0 |
| | (2.754) | (2.754) | 0 |
| | 374 | 374 | 0 |
| Plus/less adjustments for changes in working capital accounts or relevant with operating activities: | | | |
| | 13.131 | 13.131 | 0 |
| | (34.705) | (34.705) | 0 |
| | (9.623) | (9.623) | 0 |
| Less : | | | |
| | (374) | (374) | 0 |
| | (34.389) | (34.389) | 0 |
| | 47.615 | 47.615 | 0 |
| Total inflow / (outflow) from operating activities (a) | | | |
| Investment activities | | | |
| | (24.487) | (24.487) | 0 |
| | (14.695) | (14.695) | 0 |
| | 5.927 | 5.927 | 0 |
| | 659 | 659 | 0 |
| | 1.546 | 1.546 | 0 |
| | (31.050) | (31.050) | 0 |
| Total inflow / (outflow) from investment activities (b) | | | |
| Financing activities | | | |
| | 0 | 0 | 0 |
| | 0 | 0 | 0 |
| | 0 | 0 | 0 |
| | 0 | 0 | 0 |
| | (67.529) | (67.529) | 0 |
| | (67.529) | (67.529) | 0 |
| Total inflow / (outflow) from finance activities (c) | | | |
| NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS | | | |
| | (50.964) | (50.964) | 0 |
| Cash and cash equivalents at the beginning of the period | | | |
| | 127.741 | 127.741 | 0 |
| | 47 | 47 | 0 |
| Cash and cash equivalents at the end of the period | | | |
| | 76.824 | 76.824 | 0 |

a. Reversal of actuarial losses depreciation in provisions for staff compensation.

The Group and Company interim condensed financial report on page 3 through to page 33 were approved by the Company's Board of Directors on 27 November 2007. The Board of Directors authorised the following directors to sign the interim condensed financial report on its behalf:

**THE CHAIRMAN OF
THE BOARD**

**THE MANAGING
DIRECTOR**

**THE CHIEF
FINANCIAL OFFICER**

**FINANCIAL SERVICES
MANAGER**

**MANOLIS CH.
KYPRIANIDIS**

**SAAD M.
SEBBAR**

**HARALAMPOS V.
KOKOLOGIANNIS**

**MIHALIS TH.
MIHELIS**

**I.D. CARD No.
AZ 007012**

**PASSPORT No.
04FE81791**

**EC.CC.REG. No.
31731**

**EC.CC.REG. No.
29960**