



HERACLES
GROUP OF COMPANIES

A member of  **LAFARGE**

**INTERIM FINANCIAL REPORT
FOR THE PERIOD 1 JANUARY – 30 JUNE 2014
OF THE GROUP AND THE COMPANY HERACLES G.C.C.
IN ACCORDANCE WITH L. 3556/2007 AND THE
RELATED DECISIONS OF THE BOARD OF DIRECTORS
OF THE CAPITAL MARKET COMMITTEE**

HERACLES G.C.C.
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DECLARATION OF MEMBERS OF THE BOARD OF DIRECTORS

(in accordance with article 5 par. 2 of Law 3556/2007)

The members of the Board of Directors of HERACLES G.C.C.:

1. Panagiotis (Takis) Athanasopoulos, Chairman of the Board of Directors
2. Pierre Deleplanque, Managing Director and
3. Andreas Andreopoulos, Member of the Board of Directors, having been specifically assigned for this purpose by the Board of Directors,

In accordance with the provisions of article 5 paragraph 2 of Law 3556/2007, we declare that, to the best of our knowledge:

- a. The interim Financial Statements of the Group and the Company for the period ended 30 June 2014, which were prepared in accordance with the applicable International Financial Reporting Standards, fairly present the assets and liabilities, equity and results of HERACLES G.C.C. (the Company) and of the companies included in the consolidation, in accordance with the provisions of article 5, paragraph 3 to 5, of Law 3556/2007, and
- b. The report of the Board of Directors for the six month period ended 30 June 2014 fairly presents the information required by article 5 paragraph 6 of Law 3556/2007.

**THE CHAIRMAN OF
THE BOARD OF
DIRECTORS**

**THE MANAGING
DIRECTOR**

**THE MEMBER OF THE
BOARD OF
DIRECTORS**

**PANAGIOTIS (TAKIS)
ATHANASOPOULOS**

**PIERRE
DELEPLANQUE**

**ANDREAS
ANDREOPOULOS**

I.D. No. AB 779530

**PASSPORT No.
13DA09097**

I.D. No. AA 095700

REPORT OF THE BOARD OF DIRECTORS FOR THE PERIOD ENDED 30 JUNE 2014

Dear Shareholders,

According to article 5 of Law 3556/2007, attached hereto we submit the Group and Company's Board of Directors' Report for the six month period ended 30 June 2014.

A. Overview of major events for the first half of 2014

1. Financial results

Group and Company financial results are presented in detail in the Financial Statements and their explanatory notes, which provide all the necessary information for their comprehension.

Analytically, according to the Financial Statements:

a) The Company's turnover increased by 8,0% in the first half of 2014, amounting to €110.447 thousand compared to €102.220 thousand in the corresponding period of 2013, while the Group's turnover increased in the same period by 9,3%, amounting to €123.470 thousand compared to €112.953 thousand in the corresponding period of 2013.

b) The Company's earnings before taxes, interest, depreciation and amortisation (EBITDA) in the first half of 2014 amounted to a loss of €85 thousand compared to a loss of €115.258 thousand in the corresponding period of 2013, while for the Group it amounted to a loss of €4.189 thousand compared to a loss of €118.520 thousand in the corresponding period of 2013.

c) The Company's net results after taxes in the first half of 2014 amounted to a loss of €10.515 thousand compared to a loss of €102.536 thousand in the corresponding period of 2013, while the Group's net results after taxes amounted to a loss of €17.542 thousand compared to a loss of €108.866 thousand in the corresponding period of 2013.

The increase in the company's turnover in the first half of 2014, compared to the corresponding period of 2013, is attributed to both the increase of the export activity and the domestic sales, following domestic market improvement after five years of continuing recession, as well as to the increase of innovation initiatives.

The Group and the Company continue their efforts to reduce operating costs and to optimize the production, supply chain and administrative processes. As a result of these efforts, a significant decrease mostly in fixed cost occurred, which contributed to the improvement of the gross results of the Group and the Company.

The Company's investments in tangible and intangible assets for the first half of 2014 amounted to a total of €1.165 thousand compared to €887 thousand in the corresponding period of 2013. As far as the Group is concerned, investments amounted to €1.352 thousand compared to €937 thousand in the corresponding period of 2013.

2. Domestic cement, aggregates and concrete market

According to the latest data from the EL. STAT., from June 2013 to May 2014, the number of building licences issued decreased by 16,9%, 14,0% in area size and 10,8% in volume of transactions, compared to the corresponding period June 2012 – May 2013. In addition, during the period January – May 2014, the number of building licences issued decreased by 22,6%, compared to the corresponding period of 2013.

3. Other major events

3.1. Innovations

The Company launched the enhanced reactivity cement series “Heracles™ Enhanced and “Basis™ Enhanced” in the Greek domestic market. These products are of the innovative technology of separate grinding, which the Company has implemented for the first time in Greece in the cement production. The separate grinding enhances the efficiency of clinker, the basic element to produce cement. As a result, the aforementioned enhanced cement series, compared with the cements of conventional technology, offers to the customers and end-users upgraded properties that bring value to their applications: more strength, better workability. They are ideal for the Greek weather conditions and coastal areas, giving greater durability to any kind of construction.

The presentation event for the launch of the new products took place in June 2014 at the Volos plant, production facility for the aforementioned products of enhanced cement, with employees of the Company, customers and partners as well as representatives of local authorities and bodies being present.

The application of the innovative technology intends to offer added value and sustainable competitive advantage to the Company’s customers and end-users, consisting of the basis for the differentiation of cement products and the Company’s contribution to the evolution of the constructions sector and to building better cities.

3.2. Health & Safety

In the first half of 2014, one lost time work-related accident occurred to an employee of LAVA, a Group’s subsidiary. In the corresponding period of 2013, 3 lost time work-related accidents had occurred, all concerning contractors of HERACLES G.C.C.

In the context of preventing lost time work-related incidents, the actions of the Company in the first half of 2014 were as follows:

- The Annual Health & Safety Improvement Plan of the Country, which defines the priorities of the country, was implemented. Based on this, the individual plans of sites were defined according to country priorities, so that all actions are jointly coordinated to common goals.
- The program PROTEAS was further expanded in Health & Safety for all Group activities in the same way as it was launched in 2013 to the cement plants. Priorities were established (Risk Assessment, Compliance with Health & Safety Standards and Visible Leadership in Health & Safety), objectives were set and sites have taken actions to implement these priorities.
- The Housekeeping inspection program is maintained for a fourth year. It includes this year 13 sites of the Company and 25 sites of the Group’s subsidiary Lafarge Beton.
- Educational seminars on the application of the standard of locking and energy isolation of equipment in all sites of the country were conducted.
- The sites of the subsidiary companies of the Group namely Lafarge Beton and LAVA, located in the islands of Lesvos, Evia, Giali and Crete were inspected regarding the application of the Lafarge Health & Safety Management System, by an Audit team with the participation of the Company’s executives, part of the vast program of audits Lafarge Group rolled out. This program is based on the 10 key elements of the Health & Safety Management system to identify strengths and areas requiring progress. This program confirms the progress and the proper targeting regarding the improvement required in Health & Safety.

- 6 executives of the Company participated in related inspections of Lafarge Group, acquiring, in addition to their contribution to the site, knowledge, experiences and best practices about Health & Safety.
- The theme defined for the Health & Safety Month for 2014 in all sites was about the critical behaviors in order to achieve the goal of ZERO accidents: Be committed, Listen and Share, Be Uncompromising. The aim was for each employee to consider its own contribution to these behaviors. All employees participated in groups and examples of photo-stories and videos illustrating these behaviors were submitted.
- The Gold Award for Health & Safety was awarded to the Transportation activity of the Company in the context of the annual awards of Logistics & Transportation, for the project of safe access of the partners silo drivers to their vehicles at the sites of Ptolemaida and Kozani PPC (Public Power Corporation).
- The sites of the Aggregates' Quarry of Mesaio, the Distribution Center of Thessaloniki and the Aggregates & Concrete of Aliveri achieved each one 3.000 days without an accident and were awarded with a relevant honorary commendation at special local workshops.

3.3 Environmental issues

In the Milaki plant, the use of RDF was continued, in the context of utilizing alternative fuels, in order to optimize the energy mix and reduce the CO2 emissions, as well as to reinforce the competitiveness of the plant.

In the same plant, the annual audit of the Environmental Management System was implemented while the Volos plant's environmental license, including RDF and Alternative Fuel was renewed. Furthermore, the environmental audits in the facilities of the Group's subsidiary Lafarge Beton were continued.

Finally, the Company participated in the - carried at European level - public consultation for the revision of the "Carbon leakage" list through the Hellenic Cement Industry Association, successfully finalized in March 2014.

3.4 Corporate Social Responsibility

In the first half of 2014 the Group maintained its commitment to the continuous improvement of the organization and to sustainable development, acknowledging the benefits it yields for the business, the people, but also the local communities and the wider society, aiming to build a sustainable future for all.

Occupational Health & Safety

Health and Safety is a core company value. The Company's ambition is to eliminate injuries for employees and contractors across all its operations and become a leading company in health and safety for the industrial sector of the country.

As every year the Health & Safety Month took place in all sites, with main subject the personal responsibility and discipline in the implementation of Health & Safety actions. The subject was fully connected to the Company's priorities in Health & Safety: Risk Assessment in all jobs, zero tolerance when the rules are violated and active presence in the field of employees and superiors, based on giving and openly accepting feedback and recommendations for improvement.

As far as the promotion of safety in the project of transportation of the Company is concerned, in the first half of 2014, risk assessments took place for all the routes of the silo vehicles of the Group and they were communicated to the silo drivers of all the units during the trainings.

The Company was awarded for its safe practices in the road transports during the annual Logistics & Transport awards that took place on May 29th 2014, the first awards in Greece for the works and the initiatives in the Supply Chain and Transportations sectors. Specifically, for its practice for the improvement of the conditions and safety in the fly ash shipment in PPC power station of Kozani, the Company received the Gold Award on social responsibility.

Lafarge Beton, a Group's subsidiary, organized for its partners drivers of concrete conveying vehicles and the operators and drivers of concrete pumps, some seminars of Defensive Driving in the context of the application of the Health & Safety Advisory Document on Transportation (Logistics Advisory). 143 partners in total were trained.

In the framework of emergency preparedness, a safety drill was held in Milaki plant in co-operation with the Fire Service. The drill tested the response of the fire safety team, the procedures and the equipment (ambulance, firefighting network etc.).

Moreover, Volos plant organized a training aiming to form a trained team able to provide first aid in case of emergency. The training was conducted in co-operation with the Hellenic Red Cross and the Samaritans Division, continuing in this way an initiative started in 2009. 29 employees were trained on First Aid at Volos plant, following the completion of the training session.

Community engagement: the Company's socio-economic footprint

The Company has an active role in the socio-economic development of the communities nearby its sites, seeking to add value to local initiatives, making use of the know-how, products, equipment, advice and expertise.

Increasing the level of dialogue and information to local communities on the Company's activities, the sites have also created opportunities for visits and discussions with community stakeholders. These include the formal consultation meetings which take place in the plants of the Company, giving the opportunity to the stakeholders to express their observations, so that the Company can proceed through dialogue with actions based on common interest and mutual understanding.

Moreover, the Company's sites provided opportunities for guided visits of schools to the Company's sites. Students of all grades visited Milaki and Volos plants and the Distribution Centers and were informed about cement, its production processes, the various types of concrete as well as for safety.

In March 2014, LAVA S.A., a Group's subsidiary, organized an educational awareness program on "Safe Navigation in the Internet" in collaboration with the Cybercrime Investigation. The program was addressed to students, parents and teachers of Milos and Nisyros, aimed at informing the students about the possible risks faced by new technologies and how they can safely navigate in the Internet. The program was also attended by representatives of the Local Authorities. A special form that contains basic tips for safe navigation in the Internet was edited for the program, in cooperation with the Cybercrime Investigation.

Sustainable supply chain

The Company has a significant role in the local economy, particularly in the area nearby its operations, where it cooperates with many medium and small businesses. The Company's aim is to promote sustainability and generate economic benefit, integrating into its sourcing process the sustainability assessment of its suppliers. The selection of suppliers is based not only on criteria of cost, quality and time delivery but also on ethical and sustainability standards. The Purchasing Department demands that suppliers comply with the UN Global Compact principles and, in addition, it conducts assessment of the sustainability risk of the suppliers, evaluating them in relation to social, environmental and ethical practices.

In the context of promoting public dialogue on issues related to supply chain management, the Logistics & Terminals Management participated with subject "How transportation contributes to the continuous improvement" in an event at Aegli Zappiou on 9 May. The event was titled "Road freight transportation, the challenges of the present, opportunities for the future". During the presentation, the role of the supply chain of the Company and its objective to ensure the sustainability of its activity, its suppliers and its contractors were highlighted.

B. Prospects, major sources of risk and uncertainties for the second half of 2014

According to Alpha Bank's Economic Reports of July 2014, the continuing vast decline in the construction activity of the country and especially in the residential building segment up to April 2014 derives to a great extent from the multiple property taxation in 2013 and the anticipation until the enforcement of the new, significantly reduced, taxes on properties' transactions.

As far as the construction is concerned, the business expectations' index remains at an increased negative level, due to the significant delay of the construction activity in the country to enter into a period of recovery, for the reasons stated above, contrary to what happened to the private consumption sector.

However, in June 2014 the aforementioned index is back on an upward course, mainly due to the increasing trend of the business expectations in the construction of "Public Works", as the construction of key infrastructure works is in progress, while similar increase presented the expectations in the "Housing" constructions, as well as the estimations for the constructions of the "Other private buildings".

It is worth noticing that the investments in housing recorded a new dramatic decrease by 42,3% in the first quarter of 2014; however, the first signs of stabilization of the real estate market are already noticed, since the decrease of the volume of new building licenses issued during the quarter February – April 2014 was eliminated to 3,5% on a yearly basis, against the decrease by 40,8% in the corresponding quarter of 2013, and the aforementioned recovery will indicate, in turn, the recovery of the investments in building properties.

The enhancement of the activity in the Construction Sector, as a whole, by 2,9%, which occurred in the first quarter of the current year, after 3 total years of continuing recession, was driven by infrastructure / civil engineering works, while the construction works were limited.

Among the main factors which, according to the above mentioned, will determine the investments' trend in the remaining part of 2014, is the rationalization of the tax burden on the properties, following which the construction activity is expected to accelerate and the real estate market to revive. At the same time, the improvement of the economic climate and especially the improvement of the consumer confidence index consist of indications of the forthcoming cease of the recessive course and the recovery of the transactions in real estate in general, as well as the investments in housing.

The main sources of financial risks and the respective hedging measures are analyzed below:

The Group is managing its assets in such a way, which adds value to the shareholders through the optimization of the debt to equity ratio. The Group's funds consist of loans, cash and cash equivalents and the parent company shareholders' equity, which includes the share capital, the share premium, the reserves and the retained earnings. The Group's Management is monitoring the Group's funds on a continuing basis.

The Group, due to its size and its financial status, is in the position to achieve competitive interest rates and credit terms. Hence, the expenses and the financing cash flow activities are not materially affected by interest rates fluctuation. Liquidity management is achieved through the proper combination of cash deposits and approved bank credit lines which are used only if needed. Group Management, in order to confront liquidity risks, provides for the adequate cash deposits and the appropriate bank credit lines.

The Group and the Company recognize provisions for doubtful debts, on the basis of the maturity of customers' outstanding balances, as well as Management estimates for particular credit risk of specific clients, based on previous years' market knowledge and the current estimation of industry's market conditions. The strict control of given credit limits to customers, credit insurances and additional collaterals obtained from clients are top priorities for the Group and the Company.

Most of the Group's and the Company's transactions are carried out in Euro and the rest in US Dollars. Therefore, to some degree, the Group and the Company are exposed, up to some extent, to the risk of exchange rate fluctuations. The risk is hedged with the use of derivatives, especially exchange futures. Furthermore, the Company purchases solid fuels in US Dollars and exports its products in the same currency, so these transactions constitute to some extent a natural hedge.

As of the Financial Report's date, the main sources of uncertainty for the Group and the Company which may have a significant impact on the carrying amounts of assets and liabilities, concern:

- (a) Estimates of the recoverability of deferred tax assets.
- (b) The assessment of the remaining useful life of the Group's and the Company's fixed assets.
- (c) The recoverability of the value of the Company's investments in the share capital of subsidiaries and associates.
- (d) Contingent losses from pending litigations (note 15 of the Financial Statements).
- (e) Doubtful debts from trade and other receivables.
- (f) Unaudited tax years of the Group's companies, to the extent that it is possible that future tax audits will result in additional taxes and charges being imposed (note 15 of the Financial Statements).

C. Significant events after the reporting date of Statement of Financial Position

In July 2014, the tax audit of the companies HERACLES G.C.C., LAFARGE BETON S.A., HERACLES MARITIME CO., EVIESK S.A., LAVA S.A., EDAKE S.A., MARATHOS QUARRIES S.A. and AEGEAN TERMINALS S.A. was completed by the regular Certified Public Accountant for year 2013 according to article 21 of L.3943/2011. After the completion of the tax audit, the companies received a tax certificate and, as long as a period of 18 months passes, the tax position of the companies is considered finalized, according to article 6 of POL.1159/22.7.2011.

According to the Company's Management best knowledge, no other subsequent events after 30 June 2014 exist that may have a significant impact on the Group's and the Company's financial position.

D. Related party transactions

The most important related party transactions of the Group and the Company, according to IAS 24, along with the balances of their transactions accounts, are presented in the tables below.

The Group's and the Company's sales of goods and services to CEMENTIA TRADING S.A. mainly concern cement and clinker exports. The respective sales of the Company to LAFARGE BETON S.A. concern cement sales.

The Group pays royalties to the parent company LAFARGE S.A. for the use of the LAFARGE trade name, trade mark and know-how in a wide area of activities including production process, initiation and application of innovations and supply chain.

Purchases of goods and services between the Company and its subsidiaries mostly concern raw materials and freight costs.

Intercompany receivables mainly concern an interest-bearing loan granted by the parent company HERACLES G.C.C. to the subsidiary EVIESK S.A. amounting to €28.475 thousand, as well as receivables of the parent company from the subsidiary LAFARGE BETON S.A. amounting to €3.876 thousand.

In June 2014 the Company was granted a loan of amount €30.000 thousand from the Lafarge Group entity SABELFI FRANCE.

The nature of the related party transactions for the first half of 2014 remains unchanged compared to the latest annual report as at 31 December 2013.

The companies included in the consolidation do not hold shares of the parent company (treasury shares).

GROUP

30/6/2014

Amounts in thousands of Euro

Related Parties	Sales of goods and services	Purchases of goods and services	Royalties	Fees and other expenses	Receivables	Payables
<u>LAFARGE GROUP COMPANIES</u>						
PERICLES S.A.	0	0	0	0	497	0
LAFARGE S.A.	217	353	3.991	0	54	3.980
CEMENTIA TRADING S.A.	40.612	268	0	0	7.128	0
OTHER LAFARGE GROUP COMPANIES	7.948	12.295	0	0	5.168	34.637
<u>MEMBERS of BoD and EXECUTIVE COMMITTEE OF HERACLES G.C.C.</u>	0	0	0	1.805	0	0
Total	48.777	12.916	3.991	1.805	12.847	38.617

COMPANY

Amounts in thousands of Euro

30/6/2014

Related Parties	Sales of goods and services	Purchases of goods and services	Royalties	Interest income	Fees and other expenses	Receivables	Payables
<u>HERACLES G.C.C. SUBSIDIARIES</u>							
HERACLES MARITIME CO.	15	7.020	0	0	0	0	3.903
LAFARGE BETON S.A.	7.240	326	0	0	0	3.876	0
EVIESK S.A.	0	0	0	502	0	28.475	6.527
LAVA S.A.	122	660	0	0	0	0	246
AEGEAN TERMINALS S.A.	0	0	0	1	0	32	0
EDAKE S.A.	1	0	0	0	0	26	0
A. XATZHKYPIAKOS N.E.	0	0	0	0	0	3	0
G. HATZIKYRIAKOS SOC. NAV.	0	0	0	0	0	0	22
ΔΥΣΤΟΣ N.E.	0	0	0	0	0	3	0
<u>LAFARGE GROUP COMPANIES</u>							
LAFARGE S.A.	217	353	3.351	0	0	54	3.351
CEMENTIA TRADING S.A.	40.437	268	0	0	0	7.092	0
OTHER LAFARGE GROUP COMPANIES	6.707	12.286	0	0	0	4.673	34.579
<u>MEMBERS of BoD and EXECUTIVE COMMITTEE OF HERACLES G.C.C.</u>	0	0	0	0	1.211	0	0
Total	54.739	20.913	3.351	503	1.211	44.234	48.628

Paiania, 29/8/2014

By order of the Board of Directors

PIERRE DELEPLANQUE
Managing Director

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TRUE TRANSLATION

Report on Review of Interim Financial Information

To the Shareholders of the Company "HERACLES GENERAL CEMENT COMPANY S.A"

Introduction

We have reviewed the accompanying condensed company and consolidated statement of financial position of the Company "HERACLES GENERAL CEMENT COMPANY S.A.", as of June 30, 2014, and the related condensed company and consolidated income statement and statement of comprehensive income, changes in equity and cash flows for the six-month period then ended, and selective explanatory notes which comprise the interim condensed financial information, which represents an integral part of the half year financial report as provided by Law 3556/2007. Management is responsible for the preparation and fair presentation of this interim condensed financial information in accordance with International Financial Reporting Standards as adopted by the European Union and applicable to interim financial reporting ("IAS 34"). Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

Conclusion

Based on the review conducted, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information is not prepared, in all material respects, in accordance with IAS 34.

Report on Other Legal Requirements

Our review has not revealed any inconsistency or mismatch in the content of the half year financial report as provided by article 5 of Law 3556/2007 with the accompanying interim condensed financial information.

Athens, 29 August 2014
The Certified Public Accountants

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**INTERIM FINANCIAL STATEMENTS OF
GROUP AND COMPANY HERACLES G.C.C. IN ACCORDANCE WITH
INTERNATIONAL FINANCIAL REPORTING STANDARDS
FOR THE PERIOD ENDED 30 JUNE 2014**

CONDENSED INCOME STATEMENT FOR THE PERIOD ENDED 30 JUNE 2014

Amounts in thousands of Euro	NOTE	GROUP		COMPANY	
		1/1- 30/6/2014	1/1- 30/6/2013	1/1- 30/6/2014	1/1- 30/6/2013
Operating results					
Turnover	5	123.470	112.953	110.447	102.220
Cost of sales		<u>(120.791)</u>	<u>(123.930)</u>	<u>(108.339)</u>	<u>(114.197)</u>
Gross profit / (loss)		2.679	(10.977)	2.108	(11.977)
Administrative & distribution expenses		(19.108)	(20.856)	(13.446)	(13.526)
Other operating income / (expenses)	6	(1.664)	(103.519)	(1.275)	(103.385)
Impairment of investments in subsidiaries		0	0	0	(1.726)
Operating profit / (loss)		(18.093)	(135.352)	(12.613)	(130.614)
Finance income / (expenses)	5	(2.183)	(1.597)	(169)	97
Profit / (loss) for the period before tax		(20.276)	(136.949)	(12.782)	(130.517)
Income tax	8	2.734	28.083	2.267	27.981
Net profit / (loss) for the period after tax	5,9	<u>(17.542)</u>	<u>(108.866)</u>	<u>(10.515)</u>	<u>(102.536)</u>
Allocated to:					
Non controlling interest		(6)	(11)	0	0
Company's Shareholders		<u>(17.536)</u>	<u>(108.855)</u>	<u>(10.515)</u>	<u>(102.536)</u>
		<u>(17.542)</u>	<u>(108.866)</u>	<u>(10.515)</u>	<u>(102.536)</u>
Number of shares		71.082.707	71.082.707	71.082.707	71.082.707
Earnings / (losses) per share (in €)	9	(0,25)	(1,53)	(0,15)	(1,44)

Amounts in thousands of Euro		GROUP		COMPANY	
		1/4/2014- 30/6/2014	1/4/2013- 30/6/2013	1/4/2014- 30/6/2014	1/4/2013- 30/6/2013
Operating results					
Turnover		65.344	62.422	58.773	55.736
Cost of sales		<u>(60.202)</u>	<u>(63.312)</u>	<u>(54.267)</u>	<u>(57.441)</u>
Gross profit / (loss)		5.142	(890)	4.506	(1.705)
Administrative & distribution expenses		(9.066)	(8.649)	(5.784)	(4.972)
Other operating income/(expense)		(504)	(14.906)	(603)	(14.484)
Impairment of investments in subsidiaries		0	0	0	(1.726)
Operating profit / (loss)		(4.428)	(24.445)	(1.881)	(22.887)
Finance income / (expense)		(1.048)	(1.137)	(96)	(239)
Profit / (loss) for the period before tax		(5.476)	(25.582)	(1.977)	(23.126)
Income tax		704	2.888	562	2.881
Net profit / (loss) for the period after tax		<u>(4.772)</u>	<u>(22.694)</u>	<u>(1.415)</u>	<u>(20.245)</u>
Allocated to:					
Non controlling interest		(6)	0	0	0
Company's Shareholders		<u>(4.766)</u>	<u>(22.694)</u>	<u>(1.415)</u>	<u>(20.245)</u>
		<u>(4.772)</u>	<u>(22.694)</u>	<u>(1.415)</u>	<u>(20.245)</u>
Number of shares		71.082.707	71.082.707	71.082.707	71.082.707
Earnings / (losses) per share (in €)		(0,07)	(0,32)	(0,02)	(0,28)

The comparative figures of the period ended 30 June 2013 have been restated for presentation purposes, as analysed in Note 18 of the Financial Statements.

Notes from page 19 through to page 35 form an integral part of the Group and Company interim Financial Statements.

**CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE
PERIOD ENDED 30 JUNE 2014**

Amounts in thousands of Euro

	GROUP		COMPANY	
	30/6/2014	30/6/2013	30/6/2014	30/6/2013
Net profit / (loss) for the period after tax	(17.542)	(108.866)	(10.515)	(102.536)
<i>Amounts that will not be reclassified to the Income Statement in the future</i>				
Actuarial gain / (loss) recognised directly in equity, net of deferred tax	<u>(1.214)</u>	<u>1.901</u>	<u>(1.097)</u>	<u>1.900</u>
Total amounts that will not be reclassified to the Income Statement in the future	<u>(1.214)</u>	<u>1.901</u>	<u>(1.097)</u>	<u>1.900</u>
<i>Amounts that will be possibly reclassified to the Income Statement in the future</i>				
Profit / (loss) from derivative financial instruments recognised directly in equity, net of deferred tax	<u>(42)</u>	<u>(186)</u>	<u>(42)</u>	<u>(186)</u>
Total amounts that will be possibly reclassified to the Income Statement in the future	<u>(42)</u>	<u>(186)</u>	<u>(42)</u>	<u>(186)</u>
Other comprehensive income for the period, after tax	<u>(1.256)</u>	<u>1.715</u>	<u>(1.139)</u>	<u>1.714</u>
Total comprehensive income for the period, after tax	<u><u>(18.798)</u></u>	<u><u>(107.151)</u></u>	<u><u>(11.654)</u></u>	<u><u>(100.822)</u></u>

Amounts in thousands of Euro

	GROUP		COMPANY	
	1/4/2014- 30/6/2014	1/4/2013- 30/6/2013	1/4/2014- 30/6/2014	1/4/2013- 30/6/2013
Net profit / (loss) for the period after tax	(4.772)	(22.694)	(1.415)	(20.245)
<i>Amounts that will not be reclassified to the Income Statement in the future</i>				
Actuarial gain / (loss) recognised directly in equity, net of deferred tax	<u>(1.214)</u>	<u>538</u>	<u>(1.097)</u>	<u>538</u>
Total amounts that will not be reclassified to the Income Statement in the future	<u>(1.214)</u>	<u>538</u>	<u>(1.097)</u>	<u>538</u>
<i>Amounts that will be possibly reclassified to the Income Statement in the future</i>				
Profit / (loss) from derivative financial instruments recognised directly in equity, net of deferred tax	<u>(129)</u>	<u>354</u>	<u>(129)</u>	<u>354</u>
Total amounts that will be possibly reclassified to the Income Statement in the future	<u>(129)</u>	<u>354</u>	<u>(129)</u>	<u>354</u>
Other comprehensive income for the period, after tax	<u>(1.343)</u>	<u>892</u>	<u>(1.226)</u>	<u>892</u>
Total comprehensive income for the period, after tax	<u><u>(6.115)</u></u>	<u><u>(21.802)</u></u>	<u><u>(2.641)</u></u>	<u><u>(19.353)</u></u>

Notes from page 19 through to page 35 form an integral part of the Group and Company interim Financial Statements.

CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2014

Amounts in thousands of Euro	NOTE	GROUP		COMPANY	
		30/6/2014	31/12/2013	30/6/2014	31/12/2013
Fixed assets or non-current assets					
Goodwill		29.480	29.480	0	0
Intangible assets	11	2.024	2.267	248	349
Tangible assets	11	313.930	327.336	285.428	296.790
Investments in subsidiaries and associates	12	0	0	45.768	45.768
Other investments	12	57	57	57	57
Other non-current receivables		6.626	6.829	34.832	34.053
Deferred tax assets	8	49.145	45.624	46.831	44.164
Total fixed assets or non-current assets		401.262	411.593	413.164	421.181
Current assets					
Inventories		47.241	48.810	43.805	45.335
Trade receivables	14	51.072	44.500	42.896	37.890
Other receivables	14	12.877	15.408	11.539	12.559
Derivative financial instruments	14	37	42	37	42
Cash and cash equivalents	14	50.486	27.792	44.308	22.786
Income tax receivables		1.272	1.191	552	477
Total current assets		162.985	137.743	143.137	119.089
Total assets		564.247	549.336	556.301	540.270
Non-current liabilities					
Provision for staff termination indemnity		25.239	25.438	23.339	23.693
Other non-current provisions		19.409	20.982	39.532	40.472
Long-term debt	14, 16	30.000	0	30.000	0
Finance lease liabilities		37	53	0	0
Total non-current liabilities		74.685	46.473	92.871	64.165
Current liabilities					
Provision for staff termination indemnity		6.797	7.150	6.712	7.079
Trade payables	14	76.707	78.003	67.896	66.772
Other payables		19.797	20.244	17.317	17.512
Income tax liabilities		489	275	0	0
Finance lease liabilities		60	118	0	24
Other current provisions		5.388	8.017	5.013	7.627
Derivative financial instruments	14	58	3	58	3
Bank loans	13, 14	85.688	75.677	10.000	9.000
Total current liabilities		194.984	189.487	106.996	108.017
Total liabilities		269.669	235.960	199.867	172.182
Equity					
Share capital		120.841	120.841	120.841	120.841
Share premium		1.279	1.279	1.279	1.279
Reserves		174.696	174.696	162.170	162.170
Derivatives valuation reserve		(8)	34	(8)	34
Retained earnings		(2.082)	16.668	72.152	83.764
Total Shareholders' equity		294.726	313.518	356.434	368.088
Non controlling interest		(148)	(142)	0	0
Total equity		294.578	313.376	356.434	368.088
Total liabilities and equity		564.247	549.336	556.301	540.270

The comparative figures of the year ended 31 December 2013 have been restated for presentation purposes, as analysed in Note 18 of the Financial Statements.

Notes from page 19 through to page 35 form an integral part of the Group and Company interim Financial Statements.

**CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE
PERIOD ENDED 30 JUNE 2014**

Amounts in thousands of Euro

GROUP	Share capital	Share premium	Reserves	Derivatives valuation reserve	Retained earnings / (losses)	Non controlling interest	Total
Balance at 1/1/2014	120.841	1.279	174.696	34	16.668	(142)	313.376
Profit / (loss) for the period	0	0	0	0	(17.536)	(6)	(17.542)
Profit / (loss) from derivative financial instruments recognised directly in equity, net of deferred tax	0	0	0	(42)	0	0	(42)
Actuarial gain / (loss) recognised directly in equity, net of deferred tax	0	0	0	0	(1.214)	0	(1.214)
Balance at 30/6/2014	120.841	1.279	174.696	(8)	(2.082)	(148)	294.578
Balance at 1/1/2013	120.841	1.279	174.696	0	150.179	(131)	446.864
Profit / (loss) for the period	0	0	0	0	(108.855)	(11)	(108.866)
Profit / (loss) from derivative financial instruments recognised directly in equity, net of deferred tax	0	0	0	(186)	0	0	(186)
Actuarial gain / (loss) recognised directly in equity and respective change in rate effect	0	0	0	0	1.901	0	1.901
Balance at 30/6/2013	120.841	1.279	174.696	(186)	43.225	(142)	339.713

Amounts in thousands of Euro

COMPANY	Share capital	Share premium	Reserves	Derivatives valuation reserve	Retained earnings / (losses)	Total
Balance at 1/1/2014	120.841	1.279	162.170	34	83.764	368.088
Profit / (loss) for the period	0	0	0	0	(10.515)	(10.515)
Profit / (loss) from derivative financial instruments recognised directly in equity, net of deferred tax	0	0	0	(42)	0	(42)
Actuarial gain / (loss) recognised directly in equity, net of deferred tax	0	0	0	0	(1.097)	(1.097)
Balance at 30/6/2014	120.841	1.279	162.170	(8)	72.152	356.434
Balance at 1/1/2013	120.841	1.279	162.170	0	199.606	483.896
Profit / (loss) for the period	0	0	0	0	(102.536)	(102.536)
Profit / (loss) from derivative financial instruments recognised directly in equity, net of deferred tax	0	0	0	(186)	0	(186)
Actuarial gain / (loss) recognised directly in equity and respective change in rate effect	0	0	0	0	1.900	1.900
Balance at 30/6/2013	120.841	1.279	162.170	(186)	98.970	383.074

Notes from page 19 through to page 35 form an integral part of the Group and Company interim Financial Statements.

**CONDENSED STATEMENT OF CASH FLOWS
(INDIRECT METHOD) FOR THE PERIOD ENDED 30 JUNE 2014**

Amounts in thousands of Euro

	GROUP		COMPANY	
	1/1- 30/6/2014	1/1- 30/6/2013	1/1- 30/6/2014	1/1- 30/6/2013
<u>Operating activities</u>				
Profit / (loss) of the period before tax	(20.276)	(136.949)	(12.782)	(130.517)
Plus / less adjustments for:				
Depreciation	13.904	16.832	12.528	15.356
Impairment of tangible and intangible fixed assets	907	75.343	0	75.343
Provisions	(4.166)	24.534	(3.989)	26.341
Foreign exchange differences	85	36	81	12
Gain / (loss) from derivatives valuation	4	63	4	63
Income / (expenses), profit / (loss) from investing activities	(198)	7	(672)	(556)
Interest and related expenses	2.492	2.041	952	884
Plus/ less adjustments for changes in working capital accounts or relevant with operating activities:				
Decrease / (increase) in inventories	1.499	(1.176)	1.460	(1.712)
Decrease / (increase) in receivables	(4.403)	(5.249)	(4.101)	(6.011)
(Decrease) / increase in liabilities (excl. bank loans)	(1.971)	(3.831)	984	(2.745)
Less :				
Interest and related expenses paid	(2.179)	(1.308)	(740)	(323)
Taxes paid	(191)	(311)	0	(274)
Total inflow / (outflow) from operating activities (a)	(14.493)	(29.968)	(6.275)	(24.139)
<u>Investing activities</u>				
Intercompany loans	0	0	(950)	(1.500)
Purchases of tangible and intangible fixed assets	(3.067)	(1.959)	(2.856)	(1.573)
Proceeds from disposals of tangible and intangible assets	298	372	128	247
Interest received	19	8	499	573
Total inflow / (outflow) from investing activities (b)	(2.750)	(1.579)	(3.179)	(2.253)
<u>Financing activities</u>				
Loan proceeds	52.000	15.273	35.000	9.000
Loan repayments	(11.989)	(1)	(4.000)	0
Payments of obligations under finance leases	(74)	(139)	(24)	(71)
Dividends paid	0	(129)	0	(129)
Total inflow / (outflow) from financing activities (c)	39.937	15.004	30.976	8.800
Net increase / (decrease) in cash and cash equivalents (a)+(b)+(c)	22.694	(16.543)	21.522	(17.592)
Cash and cash equivalents at the beginning of the period	27.792	61.598	22.786	58.130
Cash and cash equivalents at the end of the period	50.486	45.055	44.308	40.538

Notes from page 19 through to page 35 form an integral part of the Group and Company interim Financial Statements.

1. GENERAL INFORMATION

HERACLES GENERAL CEMENT COMPANY (the Company) has been incorporated in Greece under the Companies Act 2190/1920, with its registered office located in the Municipality of Paiania, Attica, 19,3 km Markopoulou Avenue and the majority shareholding (88,99% as at 30 June 2014) is held by the LAFARGE Group, France.

The HERACLES Group of companies (the Group) operates mainly in the production and trading of cement, concrete and other construction materials. The interim Financial Statements are presented in Euro thousand, unless otherwise stated, which is the currency of the primary economic environment, in which the Group operates.

2. BASIS OF PREPARATION

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

3. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS OF EXISTING STANDARDS

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

Standards and Interpretations effective for the current financial year

The following standards and amendments are effective for the first time for the current year, however their application does not have a significant impact on the Group's Financial Statements, thus they are not adopted.

IAS 32 (Amendment) "Financial Instruments: Presentation"

This amendment to the application guidance in IAS 32 clarifies some of the requirements for offsetting financial assets and financial liabilities on the statement of financial position.

Group of standards on consolidation and joint arrangements

The International Accounting Standards Board ("IASB") has published five new standards on consolidation and joint arrangements: IFRS 10, IFRS 11, IFRS 12, IAS 27 (amendment) and IAS 28 (amendment). The main provisions are as follows:

IFRS 10 "Consolidated Financial Statements"

IFRS 10 replaces all of the guidance on control and consolidation in IAS 27 and SIC 12. The new standard changes the definition of control for the purpose of determining which entities should be consolidated. This definition is supported by extensive application guidance that addresses the different ways in which a reporting entity (investor) might control another entity (investee). The revised definition of control focuses on the need to have both power (the current ability to direct the activities that significantly influence returns) and variable returns (can be positive, negative or both) before control is present. The new standard also includes guidance on participating and protective rights, as well as on agency/ principal relationships.

IFRS 11 "Joint Arrangements"

IFRS 11 provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form. The types of joint arrangements are reduced to two: joint operations and joint ventures. Proportional consolidation of joint ventures is no longer allowed. Equity accounting is mandatory for participants in joint ventures. Entities that participate in joint operations will follow accounting much like that for joint assets or joint operations today. The standard also provides guidance for parties that participate in joint arrangements but do not have joint control.

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

IFRS 12 “Disclosure of interests in Other Entities”

IFRS 12 requires entities to disclose information, including significant judgments and assumptions, which enable users of Financial Statements to evaluate the nature, risks and financial effects associated with the entity’s interests in subsidiaries, associates, joint arrangements and unconsolidated structured entities. An entity can provide any or all of the above disclosures without having to apply IFRS 12 in its entirety, or IFRS 10 or 11, or the amended IAS 27 or 28.

IAS 27 (Amendment) “Separate Financial Statements”

This Standard was issued concurrently with IFRS 10 and together, the two IFRSs supersede IAS 27 “*Consolidated and Separate Financial Statements*”. The amended IAS 27 prescribes the accounting and disclosure requirements for investment in subsidiaries, joint ventures and associates when an entity prepares separate Financial Statements. At the same time, the Board relocated to IAS 27 requirements from IAS 28 “*Investments in Associates*” and IAS 31 “*Interests in Joint Ventures*” regarding separate Financial Statements.

IAS 28 (Amendment) “Investments in Associates and Joint Ventures”

IAS 28 “Investments in Associates and Joint Ventures” replaces IAS 28 “Investments in Associates”. The objective of this Standard is to prescribe the accounting for investments in associates and to set out the requirements for the application of the equity method when accounting for investments in associates and joint ventures, following the issue of IFRS 11.

IFRS 10, IFRS 11 and IFRS 12 (Amendment) “Consolidated financial statements, joint arrangements and disclosure of interests in other entities: Transition guidance”

The amendment to the transition requirements in IFRSs 10, 11 and 12 clarifies the transition guidance in IFRS 10 and limits the requirements to provide comparative information for IFRS 12 disclosures only to the period that is immediately preceding to the first annual period of IFRS 12 application. Comparative disclosures are not required for interests in unconsolidated structured entities.

IFRS 10, IFRS 12 and IAS 27 (Amendment) “Investment entities”

The amendment to IFRS 10 defines an investment entity and introduces an exception from consolidation. Many funds and similar entities that qualify as investment entities will be exempt from consolidating most of their subsidiaries, which will be accounted for at fair value through profit or loss, although controlled. The amendments to IFRS 12 introduce disclosures that an investment entity needs to make.

IAS 36 (Amendment) “Recoverable amount disclosures for non-financial assets”

This amendment requires: a) disclosure of the recoverable amount of an asset or cash generating unit (CGU) when an impairment loss has been recognised or reversed and b) detailed disclosure of how the fair value less costs of disposal has been measured when an impairment loss has been recognised or reversed. Also, it removes the requirement to disclose recoverable amount when a CGU contains goodwill or indefinite lived intangible assets but there has been no impairment.

IAS 39 (Amendment) “Financial Instruments: Recognition and Measurement”

This amendment will allow hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulations, if specific conditions are met.

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

Standards and Interpretations issued but not yet adopted by the European Union at the closing date

The Group has not adopted the following amendments to standards and interpretations, as they have not yet been endorsed by EU, as at June 30, 2014. Their possible application, however, in the future is not anticipated to have a significant impact on the Group's results.

IFRS 9 “Financial Instruments” and subsequent amendments to IFRS 9 and IFRS 7 “Mandatory Effective Date and Transition Disclosures” and IFRS 9 “Hedge Accounting” and amendments to IFRS 9, IFRS 7 and IAS 39

IFRS 9 replaces part of IAS 39 which deals with the classification and measurement of financial assets and financial liabilities. The IASB has also published IFRS 9 Hedge Accounting, the third phase of its replacement of IAS 39 which establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the current model in IAS 39. The Group is currently investigating the impact of IFRS 9 on its Financial Statements.

IFRIC 21 “Levies” (effective for annual periods beginning on or after 17 June 2014)

This interpretation sets out the accounting for an obligation to pay a levy imposed by government that is not income tax. The interpretation clarifies that the obligating event that gives rise to a liability to pay a levy (one of the criteria for the recognition of a liability according to IAS 37) is the activity described in the relevant legislation that triggers the payment of the levy. The interpretation could result in recognition of a liability later than today, particularly in connection with levies that are triggered by circumstances on a specific date.

IAS 19R (Amendment) “Employee Benefits” (effective for annual periods beginning on or after 1 July 2014)

This narrow scope amendment applies to contributions from employees or third parties to defined benefit plans and simplifies the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary.

Project of Annual Improvements to IFRSs 2010 - 2012 (effective for annual periods beginning on or after 1 July 2014)

The amendments set out below describe the key changes to seven IFRSs following the publication of the results of the IASB's 2010-12 cycle of the annual improvements project.

IFRS 2 “Share-based payment”

The amendment clarifies the definition of a 'vesting condition' and separately defines 'performance condition' and 'service condition'.

IFRS 3 “Business combinations”

The amendment clarifies that an obligation to pay contingent consideration which meets the definition of a financial instrument is classified as a financial liability or as equity, on the basis of the definitions in IAS 32 “Financial instruments: Presentation”. It also clarifies that all non-equity contingent consideration, both financial and non-financial, is measured at fair value through profit or loss.

IFRS 8 “Operating segments”

The amendment requires disclosure of the judgments made by management in aggregating operating segments.

IFRS 13 “Fair value measurement”

The amendment clarifies that the standard does not remove the ability to measure short-term receivables and payables at invoice amounts in cases where the impact of not discounting is immaterial.

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

IAS 16 “Property, plant and equipment” and IAS 38 “Intangible assets”

Both standards are amended to clarify how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model.

IAS 24 “Related party disclosures”

The standard is amended to include, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Project of Annual Improvements to IFRSs 2011 - 2013 (effective for annual periods beginning on or after 1 July 2014)

The amendments set out below describe the key changes to four IFRSs following the publication of the results of the IASB’s 2011-13 cycle of the annual improvements project.

IFRS 3 “Business combinations”

This amendment clarifies that IFRS 3 does not apply to the accounting for the formation of any joint arrangement under IFRS 11 in the Financial Statements of the joint arrangement itself.

IFRS 13 “Fair value measurement”

The amendment clarifies that the portfolio exception in IFRS 13 applies to all contracts (including non-financial contracts) within the scope of IAS 39/IFRS 9.

IAS 40 “Investment property”

The standard is amended to clarify that IAS 40 and IFRS 3 are not mutually exclusive.

IFRS 11 (Amendment) “Joint Arrangements” (effective for annual periods beginning on or after 1 January 2016)

This amendment requires an investor to apply the principles of business combination accounting when it acquires an interest in a joint operation that constitutes a ‘business’.

IAS 16 and IAS 38 (Amendments) “Clarification of Acceptable Methods of Depreciation and Amortisation (effective for annual periods beginning on or after 1 January 2016)

This amendment clarifies that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate and it also clarifies that revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset.

IFRS 15 “Revenue from Contracts with Customers” (effective for annual periods beginning on or after 1 January 2017)

IFRS 15 has been issued in May 2014. The objective of the standard is to provide a single, comprehensive revenue recognition model for all contracts with customers to improve comparability within industries, across industries, and across capital markets. It contains principles that an entity will apply to determine the measurement of revenue and timing of when it is recognised. The underlying principle is that an entity will recognise revenue to depict the transfer of goods or services to customers at an amount that the entity expects to be entitled to in exchange for those goods or services.

IAS 16 and IAS 41 (Amendments) “Agriculture: Bearer plants” (effective for annual periods beginning on or after 1 January 2016)

These amendments change the financial reporting for bearer plants, such as grape vines and fruit trees. The bearer plants should be accounted for in the same way as self-constructed items of property, plant and equipment. Consequently, the amendments include them within the scope of IAS 16, instead of IAS 41. The produce growing on bearer plants will remain within the scope of IAS 41.

4. ACCOUNTING PRINCIPLES

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

The main accounting principles used have not changed in relation to the Group and Company annual Financial Statements of 31 December 2013. However, the interim Financial Statements should be examined along with the annual Financial Statements of 31 December 2013, which are available at the Company's website www.lafarge.gr.

5. OPERATING SEGMENTS

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

Each operating segment derives its revenues from the following products:

- A wide range of cement and hydraulic binders adapted to the needs of the construction industry;
- Aggregates and concrete;
- Other products.

Management evaluates segment performance based on turnover, gross operating income / (loss) before depreciation, operating income / (loss), financial income and expenses and total assets.

"Gross operating income / (loss) before depreciation" is defined by Management as the income of the Company and the Group before taxes, finance income / (expenses), non-recurring income / (expenses) and depreciation. Segment information is presented below:

30/6/2014					
Amounts in thousands of Euro					
	Cement Division	Concrete Division	Aggregates Division	Eliminations	Total Group
Turnover	112.587	13.711	4.197	(6.255)	124.240
Gross operating income / (loss) before depreciation	2.116	(1.834)	(261)	0	21
Operating income / (loss)	(13.675)	(2.694)	(967)	0	(17.336)
30/6/2013					
	Cement Division	Concrete Division	Aggregates Division	Eliminations	Total Group
Turnover	104.996	8.638	2.656	(3.217)	113.073
Gross operating income / (loss) before depreciation	(8.999)	(2.320)	(1.355)	0	(12.674)
Operating income / (loss)	(127.775)	(3.835)	(2.291)	0	(133.901)

5. OPERATING SEGMENTS – Continued

Amounts in thousands of Euro

Total Assets as per Management Reporting	Cement Division	Concrete Division	Aggregates Division	Eliminations	Total Group
30/6/2014	597.003	64.323	42.934	(141.972)	562.288
31/12/2013	585.417	64.833	42.215	(140.339)	552.126

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

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

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

Amounts in thousands of Euro

	<u>30/6/2014</u>	<u>30/6/2013</u>
Turnover per Management Reporting	124.240	113.073
Timing difference on expenses / (revenue) recognition	0	73
Discount and transportation cost reclassification between Turnover and Cost of Sales	(770)	(193)
Turnover per Published Statement of Profit or Loss	123.470	112.953

Amounts in thousands of Euro

	<u>30/6/2014</u>	<u>30/6/2013</u>
Management Reporting		
Gross operating income/ (loss) before depreciation	21	(12.674)
Depreciation	(13.349)	(16.876)
Non-recurring income / (expenses)	(4.008)	(104.351)
Operating Income / (loss) per Management Reporting	(17.336)	(133.901)
Reconciliation to Published Statement of Profit or Loss		
Timing difference on expenses / (revenue) recognition	0	73
Reversal of journal entry concerning deemed cost of fixed assets	0	(3.760)
Provisions and liabilities recognised in different periods	666	2.897
Cost allocation between administrative and finance expenses	147	(427)
Difference in fixed assets depreciation	(364)	243
Other timing differences	(1.206)	(477)
Operating Income / (loss)	(18.093)	(135.352)
Net financial income /(expenses)	(2.183)	(1.597)
Profit / (loss) before tax	(20.276)	(136.949)
Income tax	2.734	28.083
Net profit / (loss) for the period after tax	(17.542)	(108.866)

Amounts in thousands of Euro

	<u>30/6/2014</u>	<u>30/6/2013</u>
Total Financial Income / (Expenses) per Management Reporting	(2.014)	(1.960)
Cost allocation between administrative and finance expenses	(147)	427
Other	(22)	(64)
Total Financial Income / (Expenses) per Published Statement of Profit or Loss	(2.183)	(1.597)

5. OPERATING SEGMENTS – Continued

Amounts in thousands of Euro

	<u>30/6/2014</u>	<u>31/12/2013</u>
Total Assets per Management Reporting	562.288	552.126
Difference in deemed cost of fixed assets	9.488	9.837
Total assets of non consolidated entity	(3.705)	(3.673)
Recognition of provision in different periods	(1.885)	(2.355)
Deferred tax difference	(997)	(6.064)
Other	(942)	(535)
Total Assets per Published Statement of Financial Position	<u>564.247</u>	<u>549.336</u>

6. OTHER OPERATING INCOME / (EXPENSES)

Other operating income / (expenses) of the Group and the Company for the six-month period ended 30 June 2014 are analysed as follows:

Amounts in thousands of Euro

	GROUP		COMPANY	
	<u>1/1- 30/6/2014</u>	<u>1/1- 30/6/2013</u>	<u>1/1- 30/6/2014</u>	<u>1/1- 30/6/2013</u>
Profit / (loss) from fixed asset disposals	(31)	(4)	(33)	10
(Impairment) / Reversal of impairment of fixed assets	(907)	(75.343)	0	(75.343)
(Provision) / Reversal of provision for obsolescence of spare parts	0	(5.185)	0	(5.185)
(Provision) / Reversal of provision for share in losses of subsidiaries	0	0	(646)	(712)
(Provision) / Reversal of provision for staff indemnities due to restructuring	486	(2.816)	486	(2.816)
Special termination benefits offered to employees due to restructuring	(574)	(16.629)	(574)	(16.629)
Other restructuring expenses	0	(2.710)	0	(2.710)
Other income / (expenses)	(638)	(832)	(508)	0
	<u>(1.664)</u>	<u>(103.519)</u>	<u>(1.275)</u>	<u>(103.385)</u>

The comparative data for the first half of 2013 have been reclassified for presentation purposes, as it is analysed in Note 18 of the Financial Statements.

7. FINANCIAL RESULTS OF THE PERIOD

The Group's turnover amounted to €123.470 thousand for the first half of 2014, increased by 9,3% compared to the corresponding period of the prior year. The Company's turnover amounted to €110.447 thousand, for the same period in 2014, increased by 8,0% compared to the corresponding period of the prior year.

The increase in the company's turnover in the first half of 2014, compared to the corresponding period of 2013, is attributed to both the increase of the export activity and domestic sales, following domestic market improvement after five years of continuing recession, as well as to the increase of innovation initiatives.

The Group recognized a net loss after taxes of amount €17.542 thousand for the first half of 2014, while in the same period of 2013 it recognized a net loss after taxes of amount €108.866 thousand. The Company's net losses after taxes for the first half of 2014 amounted to €10.515 thousand while in the corresponding period in 2013 the net losses after taxes amounted to €102.536 thousand.

The Group and the Company continue their efforts to reduce operating costs, as well as optimize the production and supply chain processes supporting the improvement of the gross profit.

8. INCOME TAX

The income tax benefit of the period represents deferred tax revenue. The deferred tax asset increased in the first six-month period of 2014, compared to the corresponding period of 2013, mainly due to recognition of deferred tax asset on losses for the period ended 30 June 2014.

The current income tax rate for year 2014 is 26% (2013: 26%).

9. EARNINGS / (LOSSES) PER SHARE

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

Amounts in thousands of Euro

	GROUP		COMPANY	
	1/1- 30/6/2014	1/1- 30/6/2013	1/1- 30/6/2014	1/1- 30/6/2013
Net profit / (loss) for the period after tax	(17.542)	(108.866)	(10.515)	(102.536)
Weighted average number of common shares for the purpose of calculating basic earnings / (losses) per share	71.082.707	71.082.707	71.082.707	71.082.707
Earnings / (losses) per share in Euro	(0,25)	(1,53)	(0,15)	(1,44)

10. DIVIDENDS

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

The company has losses, thus no dividends were distributed for the year 2013.

11. INTANGIBLE AND TANGIBLE ASSETS

The Group's capital expenditure for the six-month period ended 30 June 2014 amounted to €1.352 thousand, while the Company's capital expenditure amounted to €1.165 thousand. The carrying amount of the tangible assets written-off or disposed in the same period amounted to €190 and €100 thousand for the Group and the Company respectively.

Amounts in thousands of Euro

Intangible Assets	GROUP	COMPANY
Opening net book value as at 31/12/2013	2.267	349
Amortization	(243)	(101)
Closing net book value as at 30/6/2014	<u>2.024</u>	<u>248</u>
Tangible Assets	GROUP	COMPANY
Opening net book value as at 31/12/2013	327.336	296.790
Additions	1.352	1.165
Disposals / Write-offs	(190)	(100)
Depreciation	(13.661)	(12.427)
Impairment of tangible assets	(907)	0
Closing net book value as at 30/6/2014	<u>313.930</u>	<u>285.428</u>

The impairment of amount €907 thousand relates to tangible assets of the subsidiary company of the Group, Lafarge Beton.

12. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

The Group's companies included in the consolidated Financial Statements, with their respective registered offices, the Group's holding percentage and their main business activity are presented in the following table.

Companies consolidated by full consolidation:

Name of Subsidiary	Registered office	30/06/2014			31/12/2013			Main business activity
		Direct participation	Indirect participation	Total	Direct participation	Indirect participation	Total	
HERACLES G.C.C.	Greece, Paiania, Attica			Parent			Parent	Cement production & trade
LAFARGE BETON S.A.	Greece, Paiania, Attica	98,64%	1,36%	100,00%	98,64%	1,36%	100,00%	Concrete and aggregates production & trade
EVIESK S.A.	Greece, Paiania, Attica	95,76%	4,24%	100,00%	95,76%	4,24%	100,00%	Dormant
HERACLES MARITIME CO.	Greece, Paiania, Attica	99,99%	0,01%	100,00%	99,99%	0,01%	100,00%	Sea transports and ship management
LAVA S.A.	Greece, Paiania, Attica	44,16%	55,84%	100,00%	44,16%	55,84%	100,00%	Building materials and aggregates production & trade
AEGEAN TERMINALS S.A.	Greece, Paiania, Attica	100,00%		100,00%	100,00%		100,00%	Dormant
E.D.A.K.E. S.A.	Greece, Avlida, Evia	100,00%		100,00%	100,00%		100,00%	Dormant
G. HATZIKYRIAKOS SOC. NAV.	Greece, Paiania, Attica		100,00%	100,00%		100,00%	100,00%	Under liquidation
A. HATZIKYRIAKOS SOC. NAV.	Greece, Paiania, Attica		100,00%	100,00%		100,00%	100,00%	Dormant
DYSTOS SOC. NAV.	Greece, Paiania, Attica		100,00%	100,00%		100,00%	100,00%	Dormant
MARATHOS QUARRIES S.A.	Greece, Heraclion, Crete		99,15%	99,15%		99,15%	99,15%	Dormant
PORT SAID SILO INVESTMENT COMPANY S.A.	Panama		100,00%	100,00%		100,00%	100,00%	Dormant
LEADER BETON S.A.	Tirana, Albania		51,00%	51,00%		51,00%	51,00%	Dormant

For the subsidiary MARATHOS QUARRIES S.A. in which the Group's participation is 99,15%, non-controlling interest has neither been calculated in the period losses nor in its negative net equity due to its insignificance.

For the subsidiary G. HATZIKYRIAKOS SOC. NAV., in which the Group's indirect participation is 100%, following the decision of the Extraordinary General Meeting of its Shareholders as of 30 June 2014, the company's dissolution and winding-up has been decided. The respective financial statements have already been edited and published.

Company consolidated using the equity method:

Name of Associate	Registered Office	30/06/2014			31/12/2013			Main business activity
		Direct participation	Indirect participation	Total	Direct participation	Indirect participation	Total	
MIDDLE EAST CEMENT SHIPPING & HANDLING COMPANY S.A.	Greece, Paiania, Attica	1,00%	49,00%	50,00%	1,00%	49,00%	50,00%	Dormant

The Group has a 0,05% shareholding in the company EKEPY S.A., registered in Halkida of Evia, a 2,95% shareholding in the company STEGI OF THE GREEK INDUSTRY, registered in the Municipality of Athens and a 7,14% shareholding in the newly established company UNICEN, registered in the Municipality of Chalandri. The above mentioned entities are not consolidated because the Group's shareholding and their financial position are of minor significance.

13. BANK LOANS

The short term bank loans and overdrafts of the Group during the first half of 2014 have an average interest rate of 3,90% (first six-month period of 2013: 3,51%). All bank loans are denominated in Euro.

As at 30 June 2014 the total short-term bank loans amounted to €85.688 thousand, of which €10.000 thousand concern the Company, €75.450 thousand concern subsidiary LAFARGE BETON S.A. and €238 thousand concern subsidiary LEADER BETON S.A.

As at 31 December 2013, the total short-term bank loans amounted to €75.677 thousand, of which €9.000 thousand concern the Company, €66.450 thousand concern subsidiary LAFARGE BETON S.A. and €227 thousand concern subsidiary LEADER BETON S.A.

14. FINANCIAL ASSETS AND LIABILITIES

Fair value measurement and valuation process

The fair value measurement is based on the following level hierarchy in which the data used are allocated:

Level 1: Quoted (non-adjusted) prices in active markets for identical financial assets and liabilities.

Level 2: Observable inputs, other than quoted prices, such as quoted prices for similar financial assets and liabilities, quoted prices in inactive markets, or other observable data that significantly affect fair value.

Level 3: Unobservable inputs, supported by little or no transactions in active markets, that significantly affect fair value. It includes financial assets and liabilities whose fair value is determined using valuation models, while significant Management judgement or estimation is also required.

The Group recognizes transfers between the different levels of hierarchy in the end of the period at which any change has occurred. During the six-month period ended 30 June 2014 there were no related transfers from level 3 to other levels of hierarchy.

The Group conducted a measurement of the fair value of the financial assets (Cash & cash equivalents, Trade receivables, Other receivables, Derivative financial instruments), as well as of the financial liabilities (Derivative financial instruments, Loan liabilities, Trade payables).

The derivative financial instruments (Level 2) consist of foreign currency forward exchange contracts, in order for the Group to hedge against exchange rates fluctuation risks regarding specific existing commitments or anticipated transactions. The fair value was calculated using market prices that the Group would pay or receive to settle the related agreements.

The fair value of long-term debt (Level 2) was determined by discounting the future cash flows using an interest rate that takes into account the incremental borrowing rate at year-end for similar types of debt arrangements.

As far as the short-term financial assets and liabilities (Level 3), the fair values are not significantly different from the carrying amounts, mainly due to their short-term nature.

The determination of the fair values was performed in prudence and reflects the underlying financial and market conditions, based on the controls and safeguard procedures employed.

Management assesses that the fair values that have been measured for the aforementioned categories of financial assets and liabilities approximate their carrying amounts.

15. CONTINGENT LIABILITIES AND COMMITMENTS

Company disputes under litigation or arbitration

As at 30 June 2014, there were pending lawsuits against the Group, the outcome of which is uncertain, amounting to €110.342 thousand (31/12/2013: €127.687 thousand), out of which the pending lawsuits against the Company amount to €97.450 thousand (31/12/2013: €117.251 thousand). The maximum risk for the Group from the final decisions on the above cases is estimated at €33.141 thousand, out of which the maximum risk from the final decisions on the cases of the Company is estimated at €27.254 thousand. No provision has been made in the Financial Statements for the pending cases, as it is unlikely that such risk will eventually occur.

Various plots of land of the Group and the Company have been declared as forests, sea shores and archaeological sites and their ownership is disputed by the Greek State and various third parties. The maximum risk from such claims is estimated at €1.747 thousand and €1.724 thousand for the Group and the Company respectively. No provision has been made in the Financial Statements for the said claims, as it is unlikely that such risk will eventually occur.

In 1999, the European Commission (EC) ruled that part of a state aid granted in 1986 to the Company was illegal and ordered the Greek state to recover from the Company the amount of €7.300 thousand, plus interest. By virtue of a subsequent letter in 1999, the EC indicated an amount computed based on 18% compound interest. In 2000, the Company paid the overall amount (€74.000 thousand, including compound interest) and filed a complaint before the First Instance Administrative Court of Athens ("CFI").

In 2001, the CFI ruled that in the absence of compound interest in the EC ruling, the Greek authorities could not execute an amount with such compound interest, and restricted the amount to be recovered to €25.600 thousand (corresponding to an amount calculated with simple interest). In 2005, after the CFI judgment was confirmed on appeal, the Greek authorities repaid to the Company €44.000 thousand. The parties appealed further to the Supreme Administrative Court. Several years later, the Supreme Administrative Court, in 2012, referred the case back for a new appellate judgment to be issued on the merits regarding the amount of €44.000 thousand paid back to the Company. Further to a hearing which took place on February 13, 2014, the Company, at the end of April 2014, became aware that a new appellate judgment was issued, which quashed the CFI judgment of 2001 on the basis of which the Greek Authorities had repaid to the Company €44.000 thousand.

This new appellate judgment has not been served to the Company yet. It is noted that no related provision has been recorded until today in the books of the Company, due to the duly established view of the Company that the final outcome of such litigation will be positive further to a relevant legal opinion of the Company's legal advisors. The Company shall challenge vigorously the recent appellate judgment by filling a petition of annulment before the Supreme Administrative Court and will review other actions to challenge the possible execution of this judgment.

15. CONTINGENT LIABILITIES AND COMMITMENTS - Continued**Unaudited tax years**

The Group companies have not been audited for tax purposes for specific financial years (as it is analytically referred in the table below) as well as for the current six-month period ended 30 June 2014 and therefore, their tax obligations for these years will be finalised after the completion of the relevant regular tax audits by the competent tax authorities or / and after the finalisation of all pending court cases on existing previous years' differences with tax authorities. Thus, as a result of such tax audits, additional taxes and charges may arise, the amounts of which cannot be currently determined with accuracy. However, it is not estimated to have significant effect for the financial position of the Group and the Company.

For the Group companies HERACLES G.C.C., LAFARGE BETON S.A., HERACLES MARITIME CO., EVIESK S.A., LAVA S.A., EDAKE S.A., MARATHOS QUARRIES S.A. and AEGEAN TERMINALS S.A. the financial years 2011, 2012 and 2013 have been audited by the Certified Public Accountant of each company, according to the article 82 of L. 2238/1994 and the relevant tax certificates for 2011, 2012, 2013 were unqualified. Financial years 2011 and 2012 are considered finalized and financial year 2013 will be considered finalized, after a period of 18 months passes, during which more tax audits may be carried out by tax authorities, according to article 6 of POL.1159/22.7.2011.

Company	Registered Office	Unaudited tax years
HERACLES GCC	Greece, Paiania, Attica	2013
LAFARGE BETON S.A.	Greece, Paiania, Attica	2009-2010, 2013
EVIESK S.A.	Greece, Paiania, Attica	2013
HERACLES MARITIME CO.	Greece, Paiania, Attica	2010, 2013
LAVA S.A.	Greece, Paiania, Attica	2010, 2013
AEGEAN TERMINALS S.A.	Greece, Paiania, Attica	2010
INVESTMENT SILO PORT SAID COMPANY S.A. (absorbed by AEGEAN TERMINALS S.A.)	Greece, Paiania, Attica	2010
G. HATZIKYRIAKOS SOC. NAV. (under liquidation)	Greece, Paiania, Attica	1998-2013
A. HATZIKYRIAKOS SOC. NAV. (dormant)	Greece, Paiania, Attica	1998-2013
DYSTOS SOC. NAV. (dormant)	Greece, Paiania, Attica	1996-2013
NAFSIKA SOC. NAV. (liquidated)	Greece, Paiania, Attica	1998-2011
HERACLES GLORY SOC. NAV. (liquidated)	Greece, Paiania, Attica	1998-2009
SUPER BETON S.A. I MARKOULAKIS (absorbed by LAFARGE BETON S.A.)	Greece, Heraclion, Crete	2010
MIDDLE EAST CEMENT SHIPPING & HANDLING CO. S.A.	Greece, Paiania, Attica	2010-2013
FINDA TRANSPORTS S.A. (absorbed by INVESTMENT SILO PORT SAID SILO INVESTMENT COMPANY S.A.)	Greece, Paiania, Attica	1993-2009
MARATHOS QUARRIES S.A.	Greece, Heraclion, Crete	2010, 2013
PORT SAID SILO INVESTMENT COMPANY S.A. (dormant)	Panama	*
LEADER BETON S.A.	Albania	*
E.D.A.K.E. S.A.	Greece, Avlida, Evia	2013

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

15. CONTINGENT LIABILITIES AND COMMITMENTS - 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 June 2014 and on 31 December 2013:

Amounts in thousands of Euro	GROUP		COMPANY	
	30/6/2014	31/12/2013	30/6/2014	31/12/2013
Granted guarantees	6.996	4.364	4.561	3.896
	<u>6.996</u>	<u>4.364</u>	<u>4.561</u>	<u>3.896</u>

Commitments for purchases and capital expenditure

Commitments for purchases and capital expenditure in force as at 30 June 2014 and as at 31 December 2013 are as follows:

Amounts in thousands of Euro	GROUP		COMPANY	
	30/6/2014	31/12/2013	30/6/2014	31/12/2013
Purchase contracts	8.096	11.398	40.378	48.930
Capital expenditure contracts	806	704	806	704
	<u>8.902</u>	<u>12.102</u>	<u>41.184</u>	<u>49.634</u>

Commitments for operating leases

On the reporting date of the Condensed Statement of Financial Position, the Group and the Company had outstanding commitments under non-cancellable operating leases, including also any cancellation fees, which are due as follows:

Amounts in thousands of Euro	GROUP		COMPANY	
	30/6/2014	31/12/2013	30/6/2014	31/12/2013
Within one year	10.462	10.898	58	10
Within two and up to five years	22.473	27.228	283	441
Over five years	276	226	240	226
	<u>33.211</u>	<u>38.352</u>	<u>581</u>	<u>677</u>

16. RELATED PARTY TRANSACTIONS

Trading transactions and balances with related parties

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

GROUP		30/6/2014			30/6/2013		
Amounts in thousands of Euro							
Related Parties	Sales of goods and services	Purchases of goods and services	Royalties	Sales of goods and services	Purchases of goods and services	Royalties	
LAFARGE S.A.	217	353	3.991	197	66		2.990
CEMENTIA TRADING S.A.	40.612	268	0	42.569	392		0
OTHER LAFARGE GROUP COMPANIES	7.948	12.295	0	8.233	2.021		0
Total	48.777	12.916	3.991	50.999	2.479		2.990

GROUP		30/6/2014		31/12/2013	
Amounts in thousands of Euro					
Related Parties	Receivables	Payables	Receivables	Payables	
LAFARGE GROUP COMPANIES					
PERICLES S.A.	497	0	430	0	
LAFARGE S.A.	54	3.980	0	3.866	
CEMENTIA TRADING S.A.	7.128	0	5.105	0	
OTHER LAFARGE GROUP COMPANIES	5.168	34.637	2.959	1.710	
Total	12.847	38.617	8.494	5.576	

Transactions of the Company with its subsidiaries, which are related parties, on the one hand, 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:

COMPANY		30/6/2014				30/6/2013			
Amounts in thousands of Euro									
Related Parties	Sales of goods and services	Purchases of goods and services	Royalties	Interest income	Sales of goods and services	Purchases of goods and services	Royalties	Interest income	
HERACLES G.C.C. SUBSIDIARIES									
HERACLES MARITIME CO.	15	7.020	0	0	4	9.586	0	0	
LAFARGE BETON S.A.	7.240	326	0	0	3.773	216	0	0	
EVIESK S.A.	0	0	0	502	0	0	0	567	
LAVA S.A.	122	660	0	0	133	841	0	0	
AEGEAN TERMINALS S.A.	0	0	0	1	0	0	0	1	
EDAKE S.A.	1	0	0	0	1	0	0	0	
LAFARGE GROUP COMPANIES									
LAFARGE S.A.	217	353	3.351	0	197	66	2.519	0	
CEMENTIA TRADING S.A.	40.437	268	0	0	42.394	392	0	0	
OTHER LAFARGE GROUP COMPANIES	6.707	12.286	0	0	7.569	2.016	0	0	
Total	54.739	20.913	3.351	503	54.071	13.117	2.519	568	

16. RELATED PARTY TRANSACTIONS - Continued
Trading transactions and balances with related parties - Continued

COMPANY					
Amounts in thousands of Euro		<u>30/6/2014</u>		<u>31/12/2013</u>	
Related Parties	Receivables	Payables	Receivables	Payables	
<u>HERACLES G.C.C. SUBSIDIARIES</u>					
HERACLES MARITIME CO.	0	3.903	0	3.756	
LAFARGE BETON S.A.	3.876	0	4.212	0	
EVIESK S.A.	28.475	6.527	27.525	6.527	
LAVA S.A.	0	246	0	408	
AEGEAN TERMINALS S.A.	32	0	31	0	
EDAKE S.A.	26	0	7	0	
A. XATZHKYPIAKOS N.E.	3	0	3	0	
G. HATZIKYRIAKOS SOC. NAV.	0	22	0	21	
ΔΥΣΤΟΣ N.E.	3	0	3	0	
<u>LAFARGE GROUP COMPANIES</u>					
LAFARGE S.A.	54	3.351	0	2.891	
CEMENTIA TRADING S.A.	7.092	0	5.105	0	
OTHER LAFARGE GROUP COMPANIES	4.673	34.579	2.550	1.653	
Total	<u>44.234</u>	<u>48.628</u>	<u>39.436</u>	<u>15.256</u>	

In Long-term debt, an amount of €30.000 thousand is included, relating to a loan the Company was granted in June 2014 from the Lafarge Group entity SABELFI FRANCE.

Remuneration to management and members of the BoD

Transactions and balances of the Company with the Board of Directors members and with the members of the Executive Committee of Heracles G.C.C. are analyzed as follows:

Amounts in thousands of Euro

	GROUP		COMPANY	
	1/1-	1/1-	1/1-	1/1-
	<u>30/6/2014</u>	<u>30/6/2013</u>	<u>30/6/2014</u>	<u>30/6/2013</u>
Fees and other benefits	1.666	1.830	1.106	1.289
Provision for retirement compensation and paid compensations	35	424	22	27
BoD members attendance fees	104	108	83	83
	<u>1.805</u>	<u>2.362</u>	<u>1.211</u>	<u>1.399</u>

Amounts in thousands of Euro

	GROUP		COMPANY	
	1/1-	1/1-	1/1-	1/1-
	<u>30/6/2014</u>	<u>30/6/2013</u>	<u>30/6/2014</u>	<u>30/6/2013</u>
Prepayments of expenses to be refunded to Management and BoD members	0	0	0	0
Obligations to Management and BoD members	0	0	0	0
Net receivables / (obligations) to Management and BoD members	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

17. PERSONNEL

Group and Company employees as at 30 June 2014 are as follows:

	GROUP		COMPANY	
	30/6/2014	30/6/2013	30/6/2014	30/6/2013
Number of employees	939	1.127	758	933

18. RECLASSIFICATIONS

In the condensed Income Statement, for the first half of 2013, an expense amount of €758 thousand for the Group and of €500 thousand for the Company respectively, concerning provision for doubtful debts, have been reclassified from “Other Operating income / (expenses)” to the “Administrative & Distribution Expenses” for presentation purposes. Similarly, in the condensed Income Statement, for the second quarter of 2013, an expense amount of €380 thousand for the Group and of €249 thousand for the Company respectively, concerning provision for doubtful debts, have been reclassified from “Other Operating income / (expenses)” to the “Administrative & Distribution Expenses” for presentation purposes.

Moreover, in the condensed Financial Position, for the first half of 2013, an amount of €769 thousand, concerning other receivables for the Company and the Group, has been reclassified from “Trade receivables” to “Other receivables”, for presentation purposes.

19. EVENTS AFTER THE REPORTING DATE OF THE STATEMENT OF FINANCIAL POSITION

In July 2014, the tax audit of the companies HERACLES G.C.C., LAFARGE BETON S.A., HERACLES MARITIME CO., EVIESK S.A., LAVA S.A., EDAKE S.A., MARATHOS QUARRIES S.A. and AEGEAN TERMINALS S.A. was completed by the regular Certified Public Accountant for year 2013 according to article 21 of L.3943/2011. After the completion of the tax audit, the companies received a tax certificate and, as long as a period of 18 months passes, the tax position of the companies is considered finalized, according to article 6 of POL.1159/22.7.2011.

According to the Company Management’s best knowledge, no other subsequent events after 30 June 2014 exist that may have a significant impact on the Group’s and the Company’s financial position.

The Group and Company interim Financial Statements on page 13 through to page 35 were approved by the Company's Board of Directors on 29 August 2014. The Board of Directors authorised the following directors and officers to sign the Financial Statements on its behalf:

**THE CHAIRMAN OF
THE BOARD OF
DIRECTORS**

**THE MANAGING
DIRECTOR**

**THE CHIEF
FINANCIAL OFFICER**

**THE FINANCIAL
SERVICES MANAGER**

**PANAGIOTIS (TAKIS)
ATHANASOPOULOS**

**PIERRE
DELEPLANQUE**

**GREGORY
LOVICH**

**PANTELIS
TOURNIS**

I.D. No. AB 779530

**PASSPORT No.
13DA09097**

**PASSPORT No.
10AT92468**

**ECG LIC. No. 0078930
A' CLASS**

FINANCIAL DATA AND INFORMATION FOR THE PERIOD FROM 1 JANUARY 2014 TO 30 JUNE 2014

(according to decision 4/507/28.04.2009 of the Capital Market's Committee Board of Directors)

The financial data and information presented below, aim to provide for a general overview of the financial position and the results of the Group and the Company HERACLES G.C.C. S.A. Therefore we suggest to readers, before proceeding to any investment decision or other transaction with the Group and the Company, to refer to the web site of the Company where financial statements are published as well as the certified auditors' opinion, when it is necessary.

COMPANY'S INFORMATION

COMPANY'S NAME	: HERACLES GROUP OF COMPANIES
COMPANY'S REGISTERED ADDRESS	: 19.3 KLM MARKOPOULOU AV., 19002 PAANIA, ATTICA
COMPANIES REG. NO.	: 224201000
QUALIFIED PREFECTURE	: MINISTRY OF DEVELOPMENT - DEPARTMENT OF SOCIETE ANONYME AND TRUST
FINANCIAL STATEMENTS APPROVAL DATE BY THE BOARD OF DIRECTORS	: 29 August 2014
CERTIFIED AUDITORS	: MICHALIS E. KARAVAS (REG. No SOEL: 13371) - GIANNOPOULOU D. FOTINI (REG. No SOEL: 24031)
AUDIT FIRM	: DELOITTE - HADJIPAVLOU, SOFIANOS & CAMBANIS SA.- (REG. No SOEL: E 120)
TYPE OF AUDIT OPINION	: UNQUALIFIED
COMPANY'S WEBSITE	: www.lafarge.gr

STATEMENT OF FINANCIAL POSITION

Amounts in thousands of Euro	GROUP		COMPANY	
	30/6/2014	31/12/2013	30/6/2014	31/12/2013
ASSETS				
Tangible assets	313,930	327,336	285,428	296,790
Intangible assets	31,504	31,747	248	349
Other non current assets	55,828	52,510	127,488	124,042
Inventories	47,241	48,810	43,805	45,335
Trade and other receivables	63,949	59,908	54,435	50,449
Other current assets	1,309	1,233	589	519
Cash & cash equivalents	50,486	27,792	44,308	22,786
TOTAL ASSETS	564,247	549,336	556,301	540,270
LIABILITIES & EQUITY				
Share capital	120,841	120,841	120,841	120,841
Other equity figures	173,885	192,677	235,593	247,247
Total Shareholders' equity (a)	294,726	313,518	356,434	368,088
Non-controlling interest (b)	(148)	(142)	0	0
Total Equity (c) = (a) + (b)	294,578	313,376	356,434	368,088
Long term debt	30,000	0	30,000	0
Provisions/ Other non current liabilities	44,685	46,473	62,871	64,165
Short term bank loans	85,688	75,677	10,000	9,000
Other current liabilities	109,296	113,810	96,996	99,017
Total Liabilities (d)	269,669	235,960	199,867	172,182
TOTAL EQUITY AND LIABILITIES (c) + (d)	564,247	549,336	556,301	540,270

STATEMENT OF CHANGES IN EQUITY

Amounts in thousands of Euro	GROUP		COMPANY	
	30/6/2014	30/6/2013	30/6/2014	30/6/2013
Equity opening balance (1/1/2014 and 1/1/2013 respectively)	313,376	446,864	368,088	483,896
Total comprehensive income after tax	(18,798)	(107,151)	(11,654)	(100,822)
Equity closing balance (30/6/2014 and 30/6/2013 respectively)	294,578	339,713	356,434	383,074

STATEMENT OF COMPREHENSIVE INCOME

Amounts in thousands of Euro	GROUP		COMPANY	
	Continuing operations		Continuing operations	
	1/1-30/6/2014	1/1-30/6/2013	1/1-30/6/2014	1/1-30/6/2013
Turnover (Sales)	123,470	112,953	110,447	102,220
Gross profit / (loss)	2,679	(10,977)	2,108	(11,977)
Earnings / (losses) before interest & tax	(18,093)	(135,352)	(12,613)	(130,614)
Profit / (loss) for the period before tax	(20,276)	(136,949)	(12,782)	(130,517)
Net profit / (loss) for the period after tax (a)	(17,542)	(108,866)	(10,515)	(102,536)
Allocated to:				
Company's shareholders	(17,536)	(108,855)	(10,515)	(102,536)
Non-controlling interest	(6)	(11)	0	0
Other comprehensive income after tax (b)	(1,256)	1,715	(1,139)	1,714
Total comprehensive income after tax (a) + (b)	(18,798)	(107,151)	(11,654)	(100,822)
Allocated to:				
Company's shareholders	(18,792)	(107,140)	(11,654)	(100,822)
Non-controlling interest	(6)	(11)	0	0
Earnings / (losses) per share after tax (in €)	(0.2468)	(1.5315)	(0.1479)	(1.4425)
Earnings / (losses) before interest, tax, depreciation and amortization	(4,189)	(118,520)	(85)	(115,258)

STATEMENT OF CASH FLOWS

Indirect method Amounts in thousands of Euro	GROUP		COMPANY	
	1/1-30/6/2014	1/1-30/6/2013	1/1-30/6/2014	1/1-30/6/2013
Operating activities				
Profit / (loss) of the period before tax	(20,276)	(136,949)	(12,782)	(130,517)
Plus / less adjustments for:				
Depreciation	13,904	16,832	12,528	15,356
Impairment of tangible and intangible fixed assets	907	75,343	0	75,343
Provisions	(4,166)	24,534	(3,989)	26,341
Foreign exchange differences	85	36	81	12
Gain / (loss) from derivatives valuation	4	63	4	63
Income / (expenses), profit / (losses) from investing activities	(198)	7	(672)	(556)
Interest and related expenses	2,492	2,041	952	884
Plus / less adjustments for changes in working capital accounts or relevant with operating activities:				
Decrease / (increase) in inventories	1,499	(1,176)	1,460	(1,712)
Decrease / (increase) in receivables	(4,403)	(5,249)	(4,101)	(6,011)
(Decrease) / increase in liabilities (excl. bank loans)	(1,971)	(3,831)	984	(2,745)
Less :				
Interest and related expenses paid	(2,179)	(1,308)	(740)	(323)
Taxes paid	(191)	(311)	0	(274)
Total inflow / (outflow) from operating activities (a)	(14,493)	(29,968)	(6,275)	(24,139)
Investing activities				
Intercompany loans	0	0	(950)	(1,500)
Purchases of tangible and intangible fixed assets	(3,067)	(1,959)	(2,856)	(1,573)
Proceeds from disposals of tangible and intangible assets	298	372	128	247
Interest received	19	8	499	573
Total inflow / (outflow) from investing activities (b)	(2,750)	(1,579)	(3,179)	(2,253)
Financing activities				
Loan proceeds	52,000	15,273	35,000	9,000
Loan repayments	(11,989)	(1)	(4,000)	0
Payments of obligations under finance leases	(74)	(139)	(24)	(71)
Dividends paid	0	(129)	0	(129)
Total inflow / (outflow) from financing activities (c)	39,937	15,004	30,976	8,800
Net increase / (decrease) in cash and cash equivalents (a)+(b)+(c)	22,694	(16,543)	21,522	(17,592)
Cash and cash equivalents at the beginning of the period	27,792	61,598	22,786	58,130
Cash and cash equivalents at the end of the period	50,486	45,055	44,308	40,538

ADDITIONAL DATA AND INFORMATION

- The basic accounting principles used, are consistent to those followed in the 31 December 2013 published annual financial statements of the Group and Company. There are reclassifications to the already published accounts of Group and Company condensed Statement of Financial Position and Group condensed Income Statement, for presentation purposes, analysis of which is presented in note 18 of the interim financial statements.
- The LAFARGE Group with registered office in Paris, which holds, as at 30 June 2014, 88.99% of the issued share capital of HERACLES G.C.C., prepares consolidated financial statements including the financial statements of the Group, using the full consolidation method.
- The unaudited by tax authorities fiscal years of the Group companies are described in note 15 of the interim financial statements.
- Related to the legal litigation issues that have or may have a material effect in the Group's and Company's financial position or activity the following are noted:
Various plots of land have been declared as forests, sea shores and archaeological sites and their ownership is disputed by the Greek State and various third parties.
The maximum risk, from these disputes, for the Group and the Company is estimated at 1,747 Euro thousand and 1,724 Euro thousand respectively. No provision has been made in the financial statements, as it is unlikely that such risk will eventually occur.
As at 30 June 2014, there are pending lawsuits against the Group amounting to 110,342 Euro thousand of which 97,450 Euro thousand relate to pending lawsuits against the Company that are being handled legally and their outcome is uncertain. The maximum risk from the final decisions on the above cases is estimated at 33,141 Euro thousand of which 27,254 Euro thousand relate to the maximum risk from the final decisions on the Company's cases. No relative provision has been made in the financial statements, as it is unlikely that such risk will eventually occur.
Analysis of the progress of the pending litigation between the Company and the Greek State regarding the state aid granted in 1986 is presented in note 15 of the interim financial statements.
Furthermore, as at 30 June 2014, there are pending lawsuits against the Group amounting to 2,796 Euro thousand of which 2,792 Euro thousand relate to pending lawsuits against the Company that are being handled legally and their outcome, as estimated by management, will be probably negative. The maximum risk from the final decisions on the above cases is estimated at 1,021 Euro thousand of which 1,018 Euro thousand relate to the maximum risk from the final decisions on the Company's cases.
For these risks the Group has recognised "Provisions for legal litigation". The amounts of accumulated provisions for the Group and the Company are described in the table below:

Amounts in thousands of Euro	GROUP	COMPANY
Provisions for legal litigation	1,021	1,018
Provision for staff retirement	32,036	30,051
Other provisions	23,776	43,527
Total provisions	56,833	74,596
- The number of employees for the Group and the Company as at 30 June 2014, is 939 (30/6/2013: 1,127) and 758 (30/6/2013: 933) respectively.

- Transactions and balances between the Company and its related parties are disclosed below according to IAS 24:

Amounts in thousands of Euro	GROUP	COMPANY
Income	48,777	55,242
Expenses	16,907	24,264
Receivables	12,847	44,234
Payables	38,617	48,628
Salaries and expenses of general managers and BoD members	1,805	1,211
Receivables from general managers and BoD members	0	0
Payables to general managers and BoD members	0	0

- Amounts and nature of other comprehensive income after tax are as follows:

Amounts in thousands of Euro	GROUP		COMPANY	
	30/6/2014	30/6/2013	30/6/2014	30/6/2013
Actuarial gain / (loss) recognised directly in equity, net of deferred tax	(1,214)	1,901	(1,097)	1,900
Gain / (loss) from derivative financial instruments recognised directly in equity, net of deferred tax	(42)	(186)	(42)	(186)
Other comprehensive income, after tax	(1,256)	1,715	(1,139)	1,714

- There are not any own shares held by the Group companies (treasury shares).

- Significant events after the reporting date of the financial statements: In July 2014, the tax audit of the companies HERACLES G.C.C., LAFARGE BETON S.A., HERACLES MARITIME CO., EVIESK S.A., LAVA S.A., EDAKE S.A., MARATHOS QUARRIES S.A. and AEGEAN TERMINALS S.A. was completed by the regular Certified Public Accountant for year 2012 according to article 21 of L.3943/2011. After the completion of the tax audit, the companies received a tax certificate and, as long as a period of 18 months passes, the tax position of the companies is considered finalized, according to article 6 of POL.1159/22.7.2011.
According to the Company's Management best knowledge, no other subsequent events after 30 June 2014 exist that may have a significant financial impact on the Group and the Company.

- The name, the registered address, the consolidation method and the direct and indirect percentage of participation of the parent company in the consolidated companies are described in the note 12 of the interim financial statements.

- Modifications of consolidation structure:
Compared to the corresponding period of the previous year (1 January - 30 June 2013), there are no modifications in Group consolidation structure. There is a detailed description of the companies included in consolidated financial statements in note 12 of the financial statements.

- EKEPI S.A., STEGI OF THE GREEK INDUSTRY and UNICEN are not included in consolidation, due to their immaterial impact as described in note 12 of the interim financial statements.

- There is not any change in the consolidation method of the companies compared to the previous year (1 January - 31 December 2013). Compared to the corresponding period of the prior year (1 January - 30 June 2013), the company E.D.A.K.E. S.A. is consolidated using the full consolidation method, instead of the proportional, since the Company acquired the rest 50% of E.D.A.K.E. S.A. on 22 October 2013.

Paiania, 29 August 2014

THE CHAIRMAN OF THE BOARD OF DIRECTORS
PANAGIOTIS (TAKIS) ATHANASOPOULOS
 I.D. AB 779530

THE MANAGING DIRECTOR
PIERRE DELEPLANQUE
 PASP. No. 13DA09097

THE CHIEF FINANCIAL OFFICER
GREGORY LOVICHI
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PANTELIS Tournis
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 A' CLASS