



HERACLES
GROUP OF COMPANIES

LH A member of
LafargeHolcim

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2015
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 4 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. George Michos, 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 4 paragraph 2 of Law 3556/2007, we declare that, to the best of our knowledge:

- a. The annual Financial Statements of the year 2015, which were prepared in accordance with the applicable Financial Reporting Standards, fairly present the assets and liabilities, equity and results of HERACLES G.C.C. (the Company) and the companies included in the consolidation, and
- b. The annual Report of the Board of Directors fairly presents the financial results, evolution and position of the Company, as well as the companies included in the consolidation, including the description of the related main risks and uncertainties.

**THE CHAIRMAN OF
THE BOARD OF
DIRECTORS**

**THE MANAGING
DIRECTOR**

**THE MEMBER OF THE
BOARD OF
DIRECTORS**

**PANAGIOTIS (TAKIS)
ATHANASOPOULOS**

I.D. No. AB 779530

GEORGE MICHOS

**PASSPORT No.
AN0142145**

**ANDREAS
ANDREOPOULOS**

I.D. No. AA 095700

ANNUAL REPORT OF THE BOARD OF DIRECTORS

Dear Shareholders,

According to the article 136 of L. 2190/1920, as such was defined by the article 13 of L. 3229/2004 and the paragraphs 6, 7 and 8 of the article 4 of L. 3556/2007 and the article 2 of Capital Market Committee decision 7/448/2007, attached herewith we submit to your General Assembly, the Group and Company Financial Statements for the year ended 31 December 2015.

A. Overview of major events for the year 2015

1. Financial Results

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

Analytically, according to the Financial Statements:

a) The Company's turnover increased by 4,6% in 2015, amounting to €218.330 thousand compared to €208.764 thousand in 2014, while the Group's turnover increased by 4,5% in 2015, amounting to €247.164 thousand compared to €236.485 thousand in 2014.

The favourable dollar euro exchange rate and the development of secondary sources of revenue led to increase in turnover in 2015 compared to 2014, offsetting the decline of the domestic construction activity impacted by unstable political environment and lack of liquidity.

b) The Company's results before taxes, interest, depreciation and amortisation (EBITDA) in 2015 amounted to loss €16.069 thousand compared to loss €6.231 thousand in 2014, while for the Group amounted to profit €10.686 thousand in 2015 compared to loss €13.737 thousand in 2014.

The Company recognized in the Financial Statements as at 31/12/2015 an impairment loss amounting to €31.486 thousand concerning its investment in the consolidated subsidiary LAFARGE BETON S.A. The Company continues its efforts to reduce operating costs as well as optimize the production and supply chain processes. As a result of this effort, there was a significant reduction mostly in fixed cost.

c) The Company's net results after taxes in 2015 amounted to loss €37.711 thousand compared to loss €26.372 thousand in 2014, while the Group's net results after taxes amounted to loss €18.448 thousand compared to loss €40.713 thousand in 2014.

The Company's investments in tangible and intangible assets for 2015 amounted to a total of €5.445 thousand compared to €4.034 thousand in 2014. As far as the Group is concerned, investments amounted to €6.006 thousand compared to €4.890 thousand in 2014.

2. Domestic cement, aggregates and concrete market

Total sales of the Group increased by 4,5% in 2015. The favourable dollar euro exchange rate and the increase in revenues from secondary activities affected the cement market positively, overtaking the deep recession of the constructive sector in the domestic market and the reduced exports volume. The Group's aggregates sales experienced a double-digit growth, amounting to 20%, reflecting the dynamic entry of the Group into several large infrastructure projects of the country, especially in roads while the Group's concrete sales were at negative levels due to the lack of liquidity and increasing economic uncertainty of the domestic market.

3. Other major events

3.1. Innovations

The Company launched STANDARD CEM II/ B-L 32,5R in June 2015, a new bagged cement product. It is a Portland cement with limestone, according to the European standard EN 197-1. This new product has exceptional early strength allowing quick demolding, great final strength for its category, excellent initial workability and long duration of it. Due to its thinness, it is spread out easily and gives excellent final surface. Its exceptional technical features in combination with lower production cost, offer STANDARD with strong competitive advantage as it gives more flexibility to commercial partners to adjust their prices and profit margins, depending on the competition conditions they face. Presentation events of the product have been made both to commercial partners (retailers and distributors) and end users (technicians).

3.2. Health & Safety

In 2015, three lost time work-related accidents occurred, all to contractors employees of the Company.

In the context of upgrading Health & Safety standards and preventing accidents, the Company's actions in 2015 were as follows:

- In the context of LafargeHolcim Health & Safety Management System, the facilities of the 6 cement distribution centers were inspected by a team of LafargeHolcim Group with the participation of the Company executives. The results of the inspections were exceptional, classifying the distribution centres to the group of the Excellence Club of LafargeHolcim, group which comprises the facilities with the best performance on Health & Safety worldwide. This distinction is a result of long and laborious effort of the employees and executives of the distribution centers.
- In respective inspections of LafargeHolcim Group, 10 executives of the Company participated, who in addition to their contribution to the facility, acquired knowledge and experience on Health & Safety.
- Award of excellent performance and a special diploma were given to the Transport activity of the Company in the context of the annual Transport & Logistics Awards, for the installation of specific technologies to silo vehicles (e-pressure & GPS) which among others aim at minimizing the risk of their operations.
- The initiative “αλλάζω” began, a program aiming at upgrading Health & Safety in the field of leadership and key behaviors. For 2015, the program “αλλάζω” focuses on four themes (PPE, Risk Assessment, Energy Isolation and Work at Height) which are the “vehicle” for upgrading key attitudes and leadership. «Αλλάζω» is a program developed and designed by the employees themselves, who in groups plan and direct the implementation in all country facilities. The first action carried out by the employees was the naming (αλλάζω: Health & Safety starts with me) through contest and award, by submitting more than 120 proposals. Spectacular results were achieved in the theme of PPE regarding the compliance to the 4 mandatory PPE and especially to work uniform. Moreover, the Risk Assessment was applied in every operation sector and its quality was improved in a measurable way. For Work at Height, a clear and safe method was applied for the use of the ladder and actions and trainings were planned for the safe anchorage when such work is carrier out.
- In the context of Health & Safety Month 2015, a special seminar was conducted to all facilities, with subject the awareness on preventing risks and the reminding / training in risk assessment process. This action was a part of the initiative “αλλάζω”.
- At cement distribution centers of Kavala and Drapetsona and ready-mix facilities of Lakkia and Neochorouda, honorary awards were given at specific local workshops, for their success not to have an accident for a long time (7.000, 2.000, 2.000 and 1.000 days respectively).
- A special award was given to two employees for their outstanding performance and contribution to Health & Safety: to the first employee for the implementation of a good practice that reduces the risks of pet coke bagging workings and to the second employee for the proper implementation of Energy isolation standard on the 28 concrete and aggregates facilities.
- The control program of exposure to harmful factors was conducted through performing and analyzing the relevant measurements (noise, dust, vibrations etc.) and actions were taken for the improvement of work conditions (e.g. reduction of noise).

- Since July 15th, the Company is part of a newly created group, LafargeHolcim. The first policy implemented concerned Health & Safety, placing Health & Safety as a primary value for the new company. These fundamental principles were communicated to all employees and partners, in a way they are clear and understandable.

3.3. Environmental issues

Milaki plant keeps using RDF, 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 while the use of sludge from Psytalia as alternative fuel was continued. Since February 2015, the use of RDF as alternative fuel began in the Volos plant as well.

At Volos plant, the annual audit of the Environmental Management System ISO 14001 was carried out while the Milaki plant was recertified with the same distinction. For both plants, CO₂ emissions were verified for 2014 and an inspection of pre-verification of CO₂ emissions for 2015 was also carried out.

The Program of Environmental Audits kept rolling in the facilities of the Group's subsidiary, LAFARGE BETON, in the concrete units of Leventochori and Polykastro.

In addition, the Environmental Terms Approval Decision (AEPO) of the Milaki plant was amended by the authorization of the construction of two new warehouses, one of capacity of 4.000 tons drilling oil wells cement and a second of capacity of 10.000 tons clinker.

The Company, for the first time, confirming its commitment to work in terms of social and environmental responsibility, issued the Sustainability Report 2014 in accordance with the GRI G4 "Comprehensive" Guidelines.

3.4 Corporate Social Responsibility

In 2015, HERACLES G.C.C. continued to have a comprehensive approach in relation to sustainable development throughout its whole value chain. The aim is to provide the market with innovative solutions which contribute to more sustainable cities and communities and to focus its actions on the dialogue with social partners and the construction of a more sustainable environment. Specifically, the following initiatives were implemented:

Corporate actions

The aim of the supply chain is the timely and consistent response to the needs of the end user. The Company's activities are effectively supported by comprehensive and advanced systems and software applications which incorporate in real time all the parameters of the supply chain network and recommend the optimal production, supply and distribution plan. This effort was awarded at the Business IT Excellence (BITE) Awards 2015 (organized by the Laboratory of Electronic Commerce & Business Eltron of Athens University of Economics and the Netweek of Boussias Communications journal) where the Company was awarded in Module Functional and Operational Applications for the study "Fuel Cost management on ships." In addition, the Company was awarded at the Ceremony Transport & Logistics Awards 2015, in the Excellent Performance category for "E-pressure system installation at silo trucks to minimize cement pneumatic discharge risks" while it was also awarded with a diploma of participation at European ILME Transport & Logistics Awards 2015 for "GPS Installation to ensure Work at Height Advisory compliance".

At the Health & Safety Awards 2015, in September of 2015, the Company excelled for the significant growth noted by the Cement Distribution Centers in Health & Safety. The awards were held with the honorary support of ELINYAE.

The Staff Union of the Volos Cement Industry offered school supplies to students really in need, in cooperation with the Volos plant of the Company. Workers and citizens responded to the call of the association and a large quantity of school supplies was gathered, helping the students in their infancy.

In the context of supporting sensitive groups, the Company organized voluntary action during the Christmas period, calling workers from all over Greece to offer long-duration food to the Social Institutions of the regions it operates. The response from the people was very positive as a large quantity of food was gathered, which was then doubled by the Company. The workers unions contributed substantially in this effort.

The Group subsidiaries, LAVA and LAFARGE BETON, participated in the 4th International Professional Exhibition "ΚΗΠΟΤΕΧΝΙΚΑ Professional 2015", for the field of green and construction of gardens of the surrounding area, organized at the MEC exhibition center of Paiania. At the stand of LAVA, the new product oikiaLAVA for domestic production of vegetables was presented, while at the stand of LAFARGE BETON, the proposals of innovative value added products Artevia and Hydromedia for constructing gardens and green fields were highlighted.

Under the title "Contemporary trends in greenhouse cultivation", an informative meeting was organized by LAVA in March at the Briskios Library of Gargalianoi. The aim of the meeting was to enhance the dialogue with the producers of the area and to point out the role of innovative cultivation and its perspective in Greece.

LAVA co-organized in September the two days workshop at the Congress Centre of the Agricultural University of Athens, following the successful completion of the project "Research and Technological Cooperation for the selection and constitution of substrates and plant compositions for fytodomata." In the same month, LAVA was one of the sponsors of the 6th Scientific Meeting of the TEE – Department of Dodecanese and the Architects Chamber of Mugla of Turkey held in Nisyros. At the meeting, four architecture workshops were organized, composed of mixed groups of Greek and Turkish Architects and investigated solutions on issues suggested by the Municipality of Nisyros, in order to improve the aesthetics and usability of public spaces on the island. Moreover, an informative educational program entitled "Eat healthy, feel great" was organized in Milos and Nisyros by LAVA in cooperation with the Greek Nutritional Company aiming at informing children about the correct and balanced diet as a prerequisite for health and proper mental and physical development.

LAFARGE BETON was one of the sponsors of the exhibition "Tourism Landscapes - Remaking Greece". The exhibition was organized at the Acropolis Museum from March 26th to April 11th and for the first time the architecture of Greek tourism in the last 100 years - from 1914 year in which GNTO was founded to 2014 - was presented in the Greek public.

Internal Programs of Corporate Responsibility

Many employees responded to the call of the Company and participated to the 6th Poseidonio Athens Half Marathon & Parallel Games held in the coastal area of Faliron Bay, on Sunday April 26th. Under the slogan "I run and I walk. I give value to my steps! Action for the Diabetes and Obesity. NOW!" participants, volunteers and organizations aimed at sensitize society to the prevention, diagnosis and treatment of diabetes and obesity. Furthermore, the Company sponsored the volunteer program of the Games by taking over the cost of the support material of volunteers and thus contributing to the proper organization of the Games.

Festive events were held in all six Distribution Centers in September, to celebrate their entrance in LafargeHolcim 's Excellence Club in Health & Safety. The Distribution Centers status confirms that they are successfully managing Health & Safety risks, including employee transportation, demonstrating that the leadership provides all employees and contractors with a healthy and safe working environment.

In the context of αλλάζΩ program, the training and development program «ΚΑΘΟΔΗΓΩ ΑΣΦΑΛΩΣ» is implemented. Part of the program constitutes the "Internal Survey on Health & Safety" which includes sample interviews and aims at highlighting those crucial areas where employees believe that Health & Safety is at satisfactory level and those where further actions are required. In the context of the same program, the training program "Proper use of PPE for the Respiratory & Hearing Protection" was implemented. During which employees were informed about identifying risks, understanding impacts, choosing the right equipment and the proper use of personal protective equipment (masks and earplugs).

HERACLES G.C.C. in its effort to take the necessary precaution measures for employees, organized a training for Safe Driving for all sales teams members of Cement, Concrete & Aggregates and Marketing. The target of the training was the development of proper behavior during driving, safeguarding Health & Safety.

The distribution center of Heraklio in cooperation with the Technical Environmental Protection S.A. held in May a training drill against the sea pollution. In the context of environmental day on June 5th, a group of employees in the Volos plant cleaned the coast in front of the plant and the street.

Last, in the context of the ISPS Code, a real exercise was conducted in the Volos plant with the participation of the Local Authorities, two tabletop exercises in Altsi and in Yali pumice quarry and two exercises of responding to emergent situations in the quarry Mesaio of Thessaloniki and the Distribution Center of Drapetsona.

B. Prospects, major sources of risk and uncertainties for 2016

According to the Bank of Greece Annual Report 2015, the first signs of the real estate market stabilization recorded in the mid of 2014 and almost until the first quarter of 2015, as a result of the improvement of the economic climate and expectations did not continue. The unfavorable economic environment, the imposition of capital controls and the lack of liquidity, the high unemployment rate, the high taxation and the constant instability of the tax framework (revaluation of objective values, etc.) have contributed to the market recovery difficulty.

In the same report it is estimated that the downward trend in the prices of both residential and commercial real estate will continue in 2016. The prospect of stabilization and recovery of the market depends, among others, on the uncertainty reduction and the strengthening of the Greek economy recovery prospects, as well as on the improvement of the business and household expectations, the improvement of the financing conditions from the banking system, the limitation of bureaucracy and also the formation of a stable urban and tax institutional framework. The recent decrease in the objective prices of the taxable value property as well as the future replacement by a new system for determining taxable values on the basis of the commercial prices are expected to contribute to the market recovery.

The Company and the Group have taken all the necessary safeguard actions to ensure the continued operations of its sites in Greece. The Company and the Group do not face significant liquidity risk as they preserve directly available funds in banks abroad while there is direct access with especially favorable terms to international funding when necessary. In addition the Company and the Group make continuous efforts to find new markets abroad and produce innovative products so as to partially offset the effects of liquidity problems and the estimated low level of demand for construction materials in the domestic market.

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

The Group is managing its assets in such a way, which adds value to the shareholders through the optimisation 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 cash flows from financing activities are not materially affected by interest rates fluctuations. 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 recognise 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, 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 significant impact on the carrying amounts of assets and liabilities, concern:

- (a) Estimates of the recoverability of deferred tax assets (note 21 of the Financial Statements).
- (b) The recoverability of the value of the Company's investments in the share capital of subsidiaries and associates (note 16 of the Financial Statements).
- (c) Contingent losses from pending litigations (notes 20 and 27 of the Financial Statements)
- (d) The assessment of the remaining useful life of the Group's and the Company's fixed assets.
- (e) Doubtful debts from trade and other receivables (note 26.3 of the Financial Statements).
- (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 27 of the Financial Statements).

C. Corporate Governance Statement

The Company is committed and applies high standards of corporate governance and applies the Code of Corporate Governance, as described below. The Statement constitutes the Company's corporate governance statement executed pursuant to article 43(a) para. 3(d) of L. 2190/1920, which is attached to the Annual Financial Report of the Company's Board of Directors in respect of fiscal year 2015, with the following contents:

1. Code of Corporate Governance

- a. By decisions No. 3186/30.3.2011 and 3233/31.8.2015 of the Board of Directors, the Company has drawn up and approved the Code of Corporate Governance (the "Code"), which governs its operations and is posted on the Company's webpage: www.lafarge.gr. The Code is adopted by the Company in accordance with the provisions of article 43(a) para. 3(d)(aa) of L. 2190/1920, as amended by the provisions of article 2 para. 2 of L. 3873/2010, and defines the principles, rules and practices which comprise the corporate governance system applied by the Company.
- b. The Code is not merely intended to achieve the Company's typical compliance to the applicable provisions, but also takes into consideration the procedures and the corporate governance system under which the Company operates, in order to ensure its smooth operation, promote its corporate objectives and enhance its long-term financial value and competitiveness both in the domestic and international markets.
- c. The Code has been drawn up based on the Company's choices and objectives, without being subject to any other standardized codes, taking into consideration the need for accurate recording of the Company's own corporate governance profile, for reasons of transparency, information of the investors and efficient operation. Therefore, the Company is not liable to publish any deviations from the standard corporate governance practices and terms established under such similar codes.
- d. Corporate governance comprises a series of regulations which are included in the Code in respect of the basic principles governing the Company's operations and the operation of the Board of Directors and the executive, non-executive and independent Directors, the powers of the Chairman of the BoD and the Managing Director, the Company's Audit Committee set out in art. 37 of L. 3693/2008, the Company's Internal Audit, Remuneration system and Internal Regulation of Operation, as well as the operations of the General Meetings of Shareholders, with a view to facilitate the shareholders in exercising their right to attend and vote at such Meetings, regardless of whether they reside in Greece or abroad, as well as their minority rights.
- e. The Code was drawn up in accordance with the applicable laws (particularly L. 2190/1920 and L. 3016/2002) and includes the corporate governance practices as they are defined in article 43(a) para. 3(d)(bb) of L. 2190/1920, as amended by the provisions of article 2 para. 2 of L. 3873/2010, to which the Company is subject.
- f. The Code is drawn up by decision of the Company's Board of Directors. The same applies to any amendments to the Code. The Code, or in case of an amendment thereto, the new codified text of the Code is published through the Company's website (cf. para. a above). The Code, or in case of an amendment thereto, the new codified text of the Code is signed by the Company's legal representative and notified to the Capital Market Committee for their information. The Company's Articles of Association are also posted on the webpage.

2. Corporate Governance Practices

All corporate governance practices applied by the Company are included in the Code, drawn-up and published as per above.

3. Basic features of the Company's Internal Audit and Risk Management Mechanisms in respect of the Financial Statements preparation procedure

Internal Control System

- a. The Company, as listed, bears specific obligations under the applicable laws to provide financial information to the investors, including the obligation to prepare annual financial report, six-month financial report, quarterly financial statements and relevant announcements. Within this context, the Company applies an Internal Control System which consists of a group of recorded controls and procedures which cover the full range of its daily operation and activities.
- b. The Internal Control System is based on the framework set by the COSO Committee (Committee of Sponsoring Organization of the Treadway Commission), as it was updated in 2013, and aims at giving reasonable assurance concerning the reliability of financial reporting, compliance with the laws and internal regulations, safeguarding the Company's assets and the efficiency and effectiveness of processes. One of the objectives of the internal control system is to prevent and implement mechanisms to monitor risks for errors, omissions or fraud. As every control system, the internal control system provides reasonable assurance and does not guarantee that all risks from errors, omissions or fraud are eliminated or fully controlled.
- c. The control environment of the Company is structured according to the Principles of Action, the Corporate Internal Regulation and the Code of Business Conduct, which are applied by all employees. The principles of action determine the commitments towards the customers, the employees, the shareholders, the stakeholders as well as the fundamental principles of Company management. The Corporate Internal Regulation determines the principles of organization, the authorities of the Board of Directors, the Audit Committee and the general directions, the management circle as well as the key principles for performance improvement. The Code of Business Conduct defines the rules of conduct and has been structured as follows: compliance with the laws and regulations, prevention of conflict of interests, care for the people and the environment, safeguarding the Company's assets, reliability of financial reporting, importance of the internal control system and internal audit, implementation of rules, violations and sanctions.
- d. For the processes which have a direct impact on financial reporting of the Company and its subsidiaries, key internal control system standards are applied. These concern the following areas: Finance (closing process of Financial Statements, processing and completing the consolidated Financial Statements, management, monitoring and updating on legal and tax issues, segregation of duties and access to the information systems etc.), Purchasing (from the creation of the business need to the recording and payment of invoices), Sales (from order taken to revenue recognition and collection), IT (management of data and external and internal accesses security etc.), payroll and administration of various employee benefits, administration of tangible and intangible assets, inventory management (physical stock take, valuation etc.) and finally financing activities.
- e. The responsible bodies for the audit of the Internal Control System's implementation are the Company's Internal Control Department and the Audit Committee.
- f. The Internal Control Department operates in accordance with the relevant provisions of L. 3016/2002, the relevant decisions of the Capital Market Committee and the provisions of the Company's Internal Regulation of Operation. It monitors compliance by the Company departments with Internal Control System, through application of the annual monitoring plan approved by the Audit Committee. Within this context, the Internal Control Department examines and evaluates the appropriateness and efficiency of the Internal Control System based on the Company's operations and the risks involved, and the compliance with the safeguards provided by the Internal Control System in respect of the prevention and correction of any financial irregularities relating to the financial information provided by the Company.

- g. Constant review and testing of the internal control standards is performed on an annual basis by the internal control system Coordinators under the supervision and coordination of the Internal Control Department. This process includes description and evaluation of the internal control standard (procedures and policies in place, person in charge, frequency, supporting documents, redesign of process if needed etc.), testing of the internal control standard in order to evaluate its operating effectiveness while on an annual basis and based on the significance of the control and the assessment of risk, internal control standards are selected and incorporated in the Annual Audit Plan. This work is part of the continuous improvement of the internal control system. The development of specific corrective actions as a result of the aforementioned process as well as through other internal and external audits is also part of the continuous improvement of the control system. The implementation of corrective actions is monitored by the competent member of the Company's Executive Committee. The Audit Committee is informed about the results of this process.
- h. The Company's Audit Committee was established and operates in accordance with the provisions of L. 3693/2008 and the specific provisions of the Code. It has established and applies internal monitoring procedures in respect of the financial information procedure, the efficient operation of the Internal Control System and Risk Management System, the efficient operation of the Internal Control Department, the course of the essential audit of the Company's separate and consolidated Financial Statements, the review and monitoring of matters pertaining to the level of objectivity and independence of the Company's auditors or auditing firm, particularly as regards the provision of other services to the Company audited by such auditors or firm.

The Company's Audit Committee, from 1.1.2015 up to 17.6.2015, consists of the following members:

1. Jean Claude Block
2. Andreas G. Andreopoulos
3. Agisilaos Karabelas

The Company's Audit Committee, from 18.6.2015 up to 31.12.2015, consists of the following members:

1. Jean Claude Block
2. Andreas G. Andreopoulos
3. Aristotelis Kalipolitis

Risk Management Mechanism

The Company has created the proper structures and procedures in order to assess and manage risks concerning the preparation of Financial Statements. These processes include:

- An annual strategic review and analysis of business risks and opportunities with the participation of the members of the Executive Committee (General Directors), which is coordinated by the Financial Department.
- Determination and assessment of internal and external business risks with the participation of the Executive and Operational Committee members of the Company, which is coordinated by the Internal Control Department.
- Assessment of the internal control standards which have an impact on the Financial Statements, aiming to incorporate them in the annual audit plan, which is performed by the Internal Control Department.

4. Reference to the information of Art. 10 para. 1 sections (c), (d), (g), (h) and (i) of Directive 2004/25/EC.

- a. The information required under art. 10 para. 1 (c) of Directive 2004/25/EC [*significant direct and indirect shareholdings (including indirect shareholdings through pyramid structures and cross-shareholdings) within the meaning of article 85 of Directive 2001/34/EC*] is provided on p. 62 of the Annual Financial Report, which refers to the detailed information of art. 4 para. 7 of L. 3556/2007.

- b. As regards the information required under art. 10 para. 1 (d) of Directive 2004/25/EC [*the holders of any securities with special control rights and a description of those rights;*]: There are no Company securities providing their holders with special control rights.
- c. As regards the information required under section (f) [*any restrictions on voting rights, such as limitations of the voting rights of holders of a given percentage or number of votes, deadlines for exercising voting rights, or systems whereby, with the Company's cooperation, the financial rights attaching to securities are separated from the holding of securities;*] of para. 1 of art. 10 of Directive 2004/25/EC: There are no such restrictions on the voting rights.
- d. As regards the information required under art. 10 para. 1 (h) of Directive 2004/25/EC [*the rules governing the appointment and replacement of board members and the amendment of the articles of association*]: Board members are appointed by the General Meeting of Shareholders. The Directors' capacity as executive or non-executive Directors is defined by the Board of Directors. The independent Directors are appointed according to the law provisions. Any amendment to the Company's Articles of Association is subject to authorization by the General Meeting of Shareholders pursuant to L. 2190/1920.
- e. As regards the information required under art. 10 para. 1 (i) of Directive 2004/25/EC [*the powers of board members and in particular the power to issue or buy back shares;*]: Such information is provided on p. 21 of the Annual Financial Report in accordance with art. 4 para. 7 of L. 3556/2007.

5. Information about the General Meetings of Shareholders and shareholder rights

The following information is provided in the Company's Articles of Association and in the Code, based on the particular requirements of the Law.

Operations of the General Meetings of Shareholders

The General Meeting of Shareholders is the supreme corporate body, which is competent to decide on all corporate matters except for any matters falling within the powers of the Board of Directors. All shareholders are eligible to attend the General Meetings of Shareholders either in person or through duly authorized proxies, in accordance with the applicable procedure defined in the law. The Board of Directors shall ensure that the preparation and conduction of the General Meetings of Shareholders facilitate the efficient exercise of shareholders rights and that the shareholders are adequately informed on all matters pertaining to their attendance at the shareholders' General Meeting, including the items on the agenda and any rights which can be exercised at the General Meetings.

More specifically, as regards the preparation of the General Meetings, in conjunction with the provisions of L. 2190/1920, at least twenty (20) days prior to each General Meeting, the Company shall post information about the date, time and place that the General Meeting is to be held, the basic attendance rules and practices, including the right to include additional items on the agenda and file questions, the time limits within which such rights may be exercised, the voting procedures, the terms governing shareholder representation through proxies and the printed forms used for voting through proxy, the proposed agenda, including any draft resolutions for discussion and adoption and any accompanying documentation and the total number of shares and voting rights at the date the General Meeting is held.

The Chairman of the Board of Directors, the Managing Director and the members of the Audit Committee shall attend the General Meetings in order to provide information and updating in respect of the matters brought for discussion and any questions or clarifications requested by the shareholders. The General Meetings are also attended by the Director of the Internal Control Department.

The Chairman of the Board of Directors or his substitute, if he is impeded or absent, shall temporarily preside over the General Meetings and elect one or two secretaries among the present shareholders and/ or third parties until the list of shareholders entitled to attend the General Meeting is ratified and the president of the General Meeting is elected. The General Meeting is presided by the President and one or two secretaries who also act as scrutineers. The President and secretaries of the General Meeting are elected through secret vote, unless otherwise decided by the General Meeting or required under the Law. Once the list of shareholders entitled to vote is ratified, the General Meeting proceeds immediately to the election of the President and one or two secretaries, who also act as scrutineers.

The resolutions of the General Meetings are adopted in accordance with the applicable laws and the provisions of the Company's Articles of Association. A summary of the minutes of the General Meetings of Shareholders is posted on the Company's website within fifteen (15) days from the General Meeting.

Attendance to the General Meetings of Shareholders

The Company's General Meetings of Shareholders can be attended by any shareholder appearing under such capacity on the DSS files at the beginning of the fifth (5th) day prior to the date of the General Meeting of Shareholders, or, in respect of any Repeated General Meetings, on the fourth (4th) day prior to the date of the Repeated General Meeting. The exercise of the relevant rights is not conditional upon deposition of the relevant share certificates or any other similar procedure. Each shareholder may appoint a representative at their free discretion. As for the rest, the Company is governed by the provisions of L. 2190/1920 (art. 28a) and the provisions of the Code.

Attendance and voting through representatives

Shareholders shall attend and vote at the General Meetings either in person or through representatives. Each shareholder may appoint up to three (3) representatives. Legal entities may appoint as representatives up to three (3) individuals. Any shareholders who hold Company shares which appear in multiple securities accounts of DSS Operators can appoint a different representative in respect of the shares appearing under each account. Any representatives representing multiple shareholders may not vote similarly for all shareholders.

There is no possibility for shareholders to attend or vote at the shareholders' General Meetings or appoint or revoke their representatives through electronic means or by letter, as this is not permitted under the Company's Articles of Association.

The relevant document for the appointment of a proxy will be made available to the shareholders in paper at the Department of the Investor Relations Services (19,3 km Markopoulou Avenue, Paiania, tel.: 210-2898533) or at the Company's website in electronic form.

Each representative, prior to the commencement of the General Meeting session, shall notify the Company of any particular events which may be useful to the shareholders in assessing the risk of him serving interests other than those of the appointing shareholder as they are defined in the law and the Code.

Minority rights

In respect of any General Meeting of Shareholders, the shareholders have the following rights, as specifically defined by the Law:

a) Shareholders representing at least one twentieth (1/20) of the paid up capital may request the addition of items in the agenda of the General Meeting, provided that such request is received by the Board of Directors at least fifteen (15) days prior to the General Meeting, and it is accompanied by justification or a draft resolution for authorization by the General Meeting. The Board of Directors is liable to include in the agenda such additional items provided that the relevant request is accompanied by a justification or a draft resolution for authorization by the General Meeting. The revised agenda is subject to the same publication formalities applicable to the previous agenda and published by the BoD thirteen (13) days prior to the date of the General Meeting and, at the same time, it is made available to the shareholders through the Company's webpage, along with the justification or draft resolution submitted by the requesting shareholders.

b) Shareholders representing at least one twentieth (1/20) of the paid up capital may request, by application filed to the BoD at least seven (7) days prior to the General Meeting, to be supplied with draft resolutions on the items on the agenda or revised agenda, under the publication formalities required by the law, six (6) days prior to the General Meeting.

c) The Board of Directors is not liable to add any items on the agenda or have such items published along with the relevant justification or draft resolutions filed by the requesting shareholders, when their content is obviously infringing upon the law or the good morals.

d) At the request of shareholders representing one twentieth (1/20) of the paid up capital, the President of the General Meeting shall postpone only once the adoption of resolutions by the Ordinary or Extraordinary General Meeting for all or part of the agenda, defining as the date that the session shall be resumed the one set out in the shareholders' request, which may not be more than thirty (30) days far from the date of postponement. The General Meeting held after postponement is a continuation of the previous one; therefore, the relevant invitation is not subject to the same publication formalities, whereas the Meeting may be attended also by any new shareholders, subject to the legal formalities.

e) At the request of any shareholder filed with the Company at least five (5) days prior to the General Meeting, the Board of Directors shall provide the General Meeting with the requested specific information on the Company's affairs, to the extent such information is useful in assessing accurately

the items on the agenda. The Board of Directors may provide a single reply to any shareholder requests having the same content. The Directors are under no obligation to provide information where the information requested is posted on the Company's webpage, especially in the form of questions and answers.

f) Moreover, at the request of shareholders representing one twentieth (1/20) of the paid up capital, the Board of Directors shall announce to the Ordinary General Meeting any amounts paid during the last two years to each Director or company manager and any provisions made to such persons from any cause or under any contract with the Company. In all cases set out above, the Board of Directors may refuse to provide the information for a material cause quoted in the minutes, in accordance with the specific provisions of the law.

g) At the request of shareholders representing one fifth (1/5) of the paid up capital filed with the Company within the time limit set out in paragraph (e) above, the Board of Directors is liable to provide the General Meeting with information on the progress of the corporate affairs and the Company's financial situation. The Board of Directors may refuse to provide the information requested for a material cause quoted in the minutes, in accordance with the specific provisions of the law.

h) At the request of shareholders representing one twentieth (1/20) of the paid up capital, the adoption of resolutions by the General Meeting on any item on the agenda shall be carried out by roll call.

In all cases set out above, in exercising the relevant rights, the requesting shareholders have to prove their shareholder capacity and the number of shares they hold. Such information is certified by the shareholders' registration in the HELLEX records.

Available documentation and information

The information laid down in Art.27, paragraph 3 of L.2190/1920 and Art.232 of L.4072/2012, including the Invitation to General Meeting, the procedure of voting through representatives, the documentation used for the appointment or revocation of representatives, the draft resolutions on the items on the agenda and more detailed information relating to the exercise of the minority rights set out in Article 39 paras. 2, 2^(a), 4 and 5 of L. 2190/1920 is provided in paper at the Company's premises (Department of the Company's Shareholders Services, (19,3 km Markopoulou Avenue, Paiania, tel.: 210-2898533), where the shareholders can obtain copies thereof. Furthermore, all documentation set out above and the total number of the existing Company shares and voting rights (accumulatively and per share category) are available to the shareholders in electronic form through the Company's website (www.lafarge.gr).

6. Information about the Board of Directors

The Board of Directors is elected by the General Meeting of Shareholders. The Board of Directors, based on the article 22 of the Articles of Association of the Company, has assigned the exercise of its rights in whole to the Managing Director Mr. George Michos who, based on the article 23 of the Articles of Association, has also first signature rights. The primary obligation of the Directors is to constantly improve the Company's long-term financial value and promote its general interests. Furthermore, given that the Company is listed, the Board Members bear specific obligations and duties under the Law and the Code to pursue the long-term improvement of the financial value of the Company's shares, including the obligation not to engage in any interests incompatible with those of the Company's and to prevent and disclose any conflicts of interest.

According to the Company's Articles of Association, the Board of Directors may assign all or part of their powers and duties relating to the Company's management, administration and representation, to one or more persons, Directors or not. The title and powers of each of such persons shall be determined by the decision of the Board of Directors issued for their appointment.

The Managing Director is the ultimate executive corporate body, competent to decide on any matters relating to the Company's operations, and exercises general supervision on the Company's operations.

Composition – Term of office of the Board of Directors

According to the Company's Articles of Association, company management is exercised by the Board of Directors, which consists of five (5) to nine (9) members.

For the period 1.1.2015 to 17.6.2015, the Board of Directors consisted of seven (7) members, of which one (1) executive Director, four (4) non-executive Directors and two (2) independent, non-executive, Directors.

The Company's Board of Directors for the period 1.1.2015 to 17.6.2015 consisted of the following members:

	Name and Surname	Position	Role
1	Panagiotis (Takis) Athanasopoulos	Chairman of the Board	Non-executive member
2	Jean Claude Block	Vice-Chairman	Non-executive member
3	Pierre Deleplanque	Managing Director	Executive member
4	Jean – Charles Blatz	Member	Non-executive member
5	Neil Curtis	Member	Non-executive member
6	Andreas G. Andreopoulos	Member	Independent Non-executive member
7	Agisilaos Karabelas	Member	Independent Non-executive member

For the period 18.6.2015 to 29.9.2015, the Board of Directors consisted of seven (7) members, of which one (1) executive Director, four (4) non-executive Directors and two (2) independent, non-executive, Directors.

The Company's Board of Directors for the period 18.6.2015 to 29.9.2015 consisted of the following members:

	Name and Surname	Position	Role
1	Panagiotis (Takis) Athanasopoulos	Chairman of the Board	Non-executive member
2	Jean Claude Block	Vice-Chairman	Non-executive member
3	Pierre Deleplanque	Managing Director	Executive member
4	Jean – Charles Blatz	Member	Non-executive member
5	Neil Curtis	Member	Non-executive member
6	Andreas G. Andreopoulos	Member	Independent Non-executive member
7	Aristotelis Kalipolitis	Member	Independent Non-executive member

For the period 29.9.2015 to 30.9.2015, the Board of Directors consisted of seven (7) members, of which one (1) executive Director, four (4) non-executive Directors and two (2) independent, non-executive, Directors.

The Company's Board of Directors for the period 29.9.2015 to 30.9.2015 consisted of the following members:

	Name and Surname	Position	Role
1	Panagiotis (Takis) Athanasopoulos	Chairman of the Board	Non-executive member
2	Jean Claude Block	Vice-Chairman	Non-executive member
3	Pierre Deleplanque	Managing Director	Executive member
4	George Michos	Member	Non-executive member
5	Neil Curtis	Member	Non-executive member
6	Andreas G. Andreopoulos	Member	Independent Non-executive member
7	Aristotelis Kalipolitis	Member	Independent Non-executive member

For the period 1.10.2015 to 31.12.2015, the Board of Directors consists of seven (7) members, of which one (1) executive Director, four (4) non-executive Directors and two (2) independent, non-executive, Directors.

The Company's Board of Directors for the period 1.10.2015 to 31.12.2015 consists of the following members:

	Name and Surname	Position	Role
1	Panagiotis (Takis) Athanasopoulos	Chairman of the Board	Non-executive member
2	Jean Claude Block	Vice-Chairman	Non-executive member
3	George Michos	Managing Director	Executive member
4	Pierre Deleplanque	Member	Non-executive member
5	Neil Curtis	Member	Non-executive member
6	Andreas G. Andreopoulos	Member	Independent Non-executive member
7	Aristotelis Kalipolitis	Member	Independent Non-executive member

According to the Company's Articles of Association, the Board of Directors is elected by the General Meeting of Shareholders in accordance with the provisions of L. 2190/1920 for a term of three years. Any replacement of Directors made during the fiscal year is subject to ratification by the General Meeting. All Directors are freely re-elected and revoked.

The term of office of the current Board of Directors lasts three years and expires on 18.6.2018 and it can be automatically extended to the next Ordinary General Meeting of Shareholders of the Company of year 2018 which will approve the acts of financial year 2017.

Election / Replacement of Directors

The Directors are elected by the General Meeting of Shareholders through secret vote, in accordance with the provisions of L. 2190/1920. The Directors may be shareholders or third parties and are freely re-elected and revoked.

In the event of resignation, death or forfeiture of any Director(s) for any reason, the remaining Directors, provided that they are at least three (3), may elect member(s) in replacement for the rest of

the term of office of the member(s) replaced, subject to the specific provisions of the Company's Articles of Association. The resolution on such election is subject to the publication formalities of Art. 7(b) of L. 2190/1920 as in force from time to time and announced by the Board of Directors to the following General Meeting. The remaining Directors may alternatively carry on the management and the representation of the Company without replacing the vacant members, provided their number exceeds one half (1/2) of the number of the members initially appointed and the legal provisions on corporate governance are observed. In any event, the remaining members regardless of their number shall be entitled to call the General Meeting with exclusive item on the agenda the election of a new Board of Directors.

Constitution of the Board of Directors into body

The Board of Directors shall elect among its members, by the absolute majority of the Directors present or represented, the Chairman, the Vice-Chairman and the Managing Director. Such elections are always carried out at the first Meeting of the Board of Directors to be held following the General Meeting that resolved on the election of the Directors. The Chairman, the Vice-Chairman and the Managing Director are freely re-elected.

Convocation of the Board of Directors' meetings

The Board of Directors is called to a meeting by the Chairman (or the Vice-Chairman when he is replacing the Chairman) and shall hold their meetings at the Company's registered office or elsewhere in accordance with the Company's Articles of Association.

Within 2015, the Board of Directors held ten (10) meetings in total.

The individual attendance of each Board Member at the meetings held in 2015 is presented in the following tables:

Meetings of the Board of Directors for the period 1.1.2015 to 17.6.2015

Name and Surname	Number of meetings	Meetings attended	Meetings attended through proxy
Panagiotis (Takis) Athanasopoulos	5	5	0
Jean Claude Block	5	4	1
Pierre Deleplanque	5	5	0
Jean – Charles Blatz	5	4	1
Neil Curtis	5	5	0
Andreas G. Andreopoulos	5	5	0
Agisilaos Karabelas	5	5	0

Meetings of the Board of Directors for the period 18.6.2015 to 28.9.2015

Name and Surname	Number of meetings	Meetings attended	Meetings attended through proxy
Panagiotis (Takis) Athanasopoulos	2	2	0
Jean Claude Block	2	2	0
Pierre Deleplanque	2	1	1
Jean – Charles Blatz	2	0	2
Neil Curtis	2	2	0
Andreas G. Andreopoulos	2	2	0
Aristotelis Kalipolitis	2	2	0

Meetings of the Board of Directors for the period 29.9.2015 to 31.12.2015

Name and Surname	Number of meetings	Meetings attended	Meetings attended through proxy
Panagiotis (Takis) Athanasopoulos	3	3	0
Jean Claude Block	3	0	3
George Michos	3	3	0
Pierre Deleplanque	3	1	2
Neil Curtis	3	2	1
Andreas G. Andreopoulos	3	3	0
Aristotelis Kalipolitis	3	3	0

Quorum – Majority – Representation of the Directors - Minutes

The meetings of the Board of Directors are in quorum and validly held if attended in person or by proxy by at least 1/2 of Directors plus one member. In any case, the Directors attending in person must be at least three (3). In estimating such quorum, any fractional numbers shall not be taken into account.

When the Board of Directors holds a meeting by teleconference, all Board Members attending the teleconference are considered to be attending in person.

Unless otherwise provided for in the Law or in the Company's Articles of Association, the Board of Directors' decisions shall be validly adopted by the absolute majority of the Directors attending in person or by representative.

A Director may be represented in the BoD meetings only by another Director duly authorized by power of attorney addressed to the Board.

Any minutes of the BoD executed and signed by all Directors or their representatives shall have the effect of a valid decision of the Board of Directors, even if no meeting has been previously held.

The discussions and the decisions of the Board of Directors shall be summarized in a special book of minutes, which can be also kept electronically. At the request of any Director, the Chairman of the Board of Directors shall enter in the Minutes a summary of such Director's opinion. The book of Minutes shall also contain a list of the Directors present or represented at the meeting. Any copies or extracts from such Minutes shall be issued by the Chairman of the BoD or his legal substitute, who will also certify the accuracy of their contents.

Powers - Duties of the Board of Directors

The Board of Directors acting collectively, based on the article 22 of the Articles of Association of the Company, has assigned the exercise of its rights on whole to the Managing Director Mr. George Michos who, based on the article 23 of the Articles of Association, has also first signature right. The Board of Directors has given, based on the article 23 of the Articles of Association of the Company, signature right to Company executives for specially defined by category subjects. Though the above authorizations the Board of Directors has appointed the responsible persons towards the laws and principles.

Delegation of powers of the Board of Directors to Directors or third parties

By decision adopted by the absolute majority of the Directors present and/or represented, the Board of Directors may assign all or part of their powers and duties relating to Company management, administration and representation, to one or more persons, Directors or not. The title and powers of each of such persons shall be determined by the decision of the Board of Directors issued for their appointment.

Obligations of the Directors

The members of the Board of Directors, the Managers and all senior-level Company executives shall not, without prior consent of the General Meeting, engage either on their own or in collaboration with third parties, in any of the Company's objectives or in any operations similar to the Company's objectives, nor participate as general partners in any entities engaging in similar objectives. Failure to abide by this obligation shall entitle Company to claim damages; where the party in fault is a Director,

they are subject to forfeiture by decision of the Board of Directors. In this case the provisions of article 23, paras. 2 and 3 of L. 2190/1920, as amended by article 21 of L. 3604/2007 shall also apply.

The Directors, depending on their capacity as executive or non-executive Directors, bear the obligations laid down in L. 3016/2002, as they are described in the Code.

The members of the Board may be remunerated by an amount defined by special resolution of the ordinary General Meeting of Shareholders.

For year 2015 the Ordinary General Meeting of Shareholders has pre-approved the presence expenses of the non-executive members of the Board of Directors for their participation in the meetings and committees of a total gross amount 166.000 Euro.

The Ordinary General Assembly has pre-approved also as annual maximum remuneration for the executive member of the Board Member who is fully occupied by the Company as Managing Director the gross amount of 450.000 Euro.

7. Information about other administrative, management or supervisory bodies and committees

The only Company's Board of Directors Committee currently standing is the Audit Committee, as same is regulated under the Code and paragraph "Internal Control System" hereof.

As per the rest, any powers and duties relating to Company operation shall be exercised by the competent corporate bodies as same are defined through the Company's internal procedures and Internal Regulation of Operation.

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

The Board of Directors of the Capital Market Commission, by virtue of its resolution 751/24.2.2016, approved the application of Lafarge Cementos regarding the exercise of the squeeze-out right for the acquisition of the ordinary shares of HERACLES G.C.C. and determined 10 March 2016 as the last trading date of the shares of the Company. On 18 March 2016 the registration of Lafarge Cementos in the Dematerialized Securities System as the new holder of the 4.216.145 shares of the Company, to which pertained the above-mentioned squeeze out right, was completed and consequently, Lafarge Cementos holds 71.082.707 shares of the Company in total, which represent 100% of the total paid-up share capital and voting rights of the Company. As a consequence the Company will proceed with the delisting of its shares from the Athens Stock Exchange.

By virtue of the 9.3.2016 resolution of the General Meeting of Shareholders of Lafarge Beton, the capital of the company increased by €72.000 thousand with the issuance of 3.600.000 new shares, of nominal value €1 each and issue price €20 each. The share capital increase was totally covered by its parent company HERACLES G.C.C..

According to the Company Management's best knowledge, no other subsequent events after 31 December 2015 exist that may have a significant impact on the Group's and the Company's financial position.

E. 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 for the use of its trade name, trade mark and know-how in a wide area of activities including production process, initiation and application of innovations, supply chain etc. Moreover, included in transactions with the parent company are sales of emissions rights.

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

Intercompany receivables concern mainly an interest-bearing loan granted by the parent company HERACLES G.C.C. to the subsidiary EVIESK S.A. amounting to €29.125 thousand, as well as receivable from LAFARGE BETON S.A. amounting to €3.353 thousand.

The nature of the related party transactions for 2015 remains unchanged compared to the latest annual report as at 31 December 2014.

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

GROUP		31/12/2015					
Amounts in thousands of Euro							
Related Parties	Sales of goods and services	Purchases of goods and services	Royalties	Fees and other expenses	Receivables	Payables	
LAFARGE HOLCIM GROUP COMPANIES							
PERICLES S.A.	0	0	0	0	590	0	
LAFARGE S.A.	7.858	578	7.230	0	217	4.051	
CEMENTIA TRADING S.A.	72.539	3.981	0	0	7.530	914	
LAFARGE ENERGY SOLUTIONS S.A.S.	18.259	30.246	0	0	2.010	8.770	
OTHER LAFARGE HOLCIM GROUP COMPANIES	3.432	3.551	0	0	900	19.300	
MEMBERS of BoD and EXECUTIVE COMMITTEE OF HERACLES G.C.C.	0	0	0	5.893	0	0	
Total	102.088	38.356	7.230	5.893	11.247	33.035	

COMPANY		31/12/2015					
Amounts in thousands of Euro							
Related Parties	Sales of goods and services	Purchases of goods and services	Royalties	Interest income	Fees and other expenses	Receivables	Payables
HERACLES G.C.C. SUBSIDIARIES							
HERACLES MARITIME CO.	36	14.472	0	0	0	0	4.437
LAFARGE BETON S.A.	12.409	711	0	0	0	3.353	0
EVIESK S.A.	2	0	0	1.055	0	29.125	6.524
LAVA S.A.	311	1.390	0	0	0	0	365
AEGEAN TERMINALS S.A.	0	0	0	2	0	34	0
BIOMASS S.A. (ex E.D.A.K.E. S.A.)	1	28	0	2	0	77	0
G. HATZIKYRIAKOS SOC. NAV.	1	0	0	0	0	0	19
DYSTOS SOC. NAV.	1	0	0	0	0	5	0
LAFARGE HOLCIM GROUP COMPANIES							
LAFARGE S.A.	7.858	540	6.048	0	0	217	3.509
CEMENTIA TRADING S.A.	72.208	3.981	0	0	0	7.427	869
LAFARGE ENERGY SOLUTIONS S.A.S.	18.259	30.246	0	0	0	2.010	8.770
OTHER LAFARGE HOLCIM GROUP COMPANIES	724	3.424	0	0	0	898	19.277
MEMBERS of BoD and EXECUTIVE COMMITTEE OF HERACLES G.C.C.	0	0	0	0	3.887	0	0
Total	111.810	54.792	6.048	1.059	3.887	43.146	43.770

F. Explanatory report of HERACLES G.C.C. (According to paragraphs 7 and 8 of article 4 of L. 3556/2007)

The present Explanatory Report of the Board of Directors of the company under the trade name "HERACLES General Cement Company" (the Company"), which is addressed to the Ordinary General Assembly of the Shareholders, includes information, known today 30/3/2016 to the Company, according to the provisions of article 11a of L. 3371/2005, as it is in force combined with article 33 of L. 3556/2007.

1. Structure of share capital

The share capital of the Company amounts to one hundred and twenty million eight hundred and forty thousand six hundred and one euro and ninety cents (120.840.601,90€), divided into seventy one million eighty two thousand seven hundred and seven (71.082.707) shares, with a nominal value of one euro and seventy cents (1,70€) each. All shares are traded in the Athens Stock Exchange. The shares of the Company are ordinary nominal shares with voting rights.

2. Restrictions on the transfer of shares

The transfer of the Company's shares is executed according to the provisions of the Law and there are no restrictions, known today to the Company, regarding their transfer.

3. Significant direct and indirect holdings within the context of the provisions of P.D. 51/1992, as it was in force, of the article 12, para.3 of L. 3152/2003 and herein L. 3556/2007.

As at 31 December 2015 the Swiss company LafargeHolcim Ltd holds indirectly shares that represent 93,61% of the share capital. No other individual or legal entity owns shares that represent more than 5% of the Company's share capital.

4. Holders of any securities with special control rights

There are no company shares with special control rights.

5. Restrictions on voting rights

Restrictions on voting rights are not provided by the Company's Articles of Association.

6. Agreements between shareholders of the Company

The Company has no knowledge of the existence of agreements between its shareholders, which may result in restrictions on the transfer of securities or voting rights.

7. Rules governing the appointment and replacement of Board of Directors members and the amendment of the Articles of Association

The rules set by the Articles of Association for the appointment and replacement of the Board of Directors members and the amendment of the Articles of Association, do not deviate from the provisions of L. 2190/1920.

8. The power of Board of Directors and its members to issue or buy back shares

According to the provisions of the article 16 of L. 2190/1920, as amended by L. 3604/2007, the Company may buy back shares. There is no deviation from the provisions of Law in the Company's Articles of Association.

9. Significant agreement, the effect or the content of which is influenced upon a change in the Company's control

There is no significant agreement to which the Company is a party and which is in force, amended or terminated upon a change in the Company's control following a takeover bid and the effects thereof.

10. Company's agreements with the members of the Board of Directors or its employees

There are no agreements between the Company and its Board of Directors members or employees which provide for compensation in case they resign or are made redundant without valid reason or if their term of office or employment ceases because of a takeover bid.

G. Dividend policy

As far as the current year is concerned, the Company has losses and consequently no dividend will be distributed.

H. Share capital of the subsidiaries of the Group

Amounts in Euro	<u>31/12/2015</u>		
	<u>Number of shares</u>	<u>Nominal value per share</u>	<u>Share capital</u>
GROUP COMPANIES			
HERACLES MARITIME CO.	592.466	2,24	1.327.124
LAFARGE BETON S.A.	7.505.835	1,00	7.505.835
EVIK S.A.	1.172.000	1,29	1.511.880
LAVA S.A.	109.065	33,32	3.634.046
AEGEAN TERMINALS S.A.	252.441	29,35	7.409.143
G. HATZIKYRIAKOS SOC. NAV.	34.100	17,61	600.501
DYSTOS SOC. NAV.	30.100	17,61	530.061
PORT SAID SILO INVESTMENT COMPANY S.A.	42	82.246,46	3.454.351
LEADER BETON S.A.	2.000	8,08	16.158
BIOMASS S.A. (ex E.D.A.K.E. S.A.)	3.118	60,00	187.080

I. List of the Group's branches

HERACLES G.C.C.

Plants

1. VOLOS, Agria, Volos
2. MILAKI, Milaki, Aliveri, Evia

Branch

3. 15 K. Pateli str., Lycovrissi

Distribution Terminals

4. Drapetsona, 1 Kontopoulou str., Piraeus
5. Thessaloniki, Dendropotamos' bridge (coast)
6. Rio of Patra, 14 Eleftherias str., Akteon coast
7. Kavala, 7 Nileos str.
8. Igoumenitsa, Ladohori, Thesprotia
9. Heraklion, Linoperamata of Rodia, Crete
10. Kalohori, Thessaloniki

Warehouse

11. 49-51 Soph. Venizelou Str, Lycovrissi

Quarries

12. Platanos, Almiros-Magnissia

Various

13. Stilida, Fthiotida (camping)
14. Rhodes, 103 Michail Volonaki str. (office)

LAFARGE BETON

Concrete units

1. Koropi, Attica, 28th km Varis- Koropiou ave.
2. Metamorphossi, Attica, 12 Amaliados str.
3. Agios I.Rentis, Attica, 19, 28th October str.
4. Voulia, Siros
5. Marathi, Paros
6. Ageria, Paros
7. Larsos, Lesvos
8. Antimahia, Kos
9. Neohorouda, Thessaloniki
10. Strofi, Lakia, Thessaloniki
11. Sesklo, Magnissia
12. Lamia, Fthiotida, 2nd km of Lamia-Domokos road
13. Platanias, Fthiotida
14. Tragana, Fthiotida
15. Lefka, Achaia
16. Aliveri, Evia
17. Drimos, Thessaloniki
18. Polikastro, Kilkis
19. Leventoxori, Kilkis
20. Rafina, Attica
21. 9th km Heraklion – Chania
22. Kamares, Aigio

Quarries

23. Araxos, Ahaia
24. Tragana, Fthiotida
25. Voulia, Siros
26. Aliveri, Evia
27. Kampi, Artas
28. Valanidoussa, Prevesa
29. Pitharia Pigis, Lesvos
30. Mikro Dasos, Polikastro
31. Mesaio, Thessaloniki

Aggregates trade

32. Almiros, Volos

Aggregates warehouses

33. Lazareta, Siros

Limestone (not active)

34. Milaki, Evia

Offices

35. 19,3 Km Markopoulou Avenue, Paiania Attica

Subsidiaries

36. LEADER BETON SA – Bul. “Deshmoret e Kombit”, Twin Towers, Kulla 2, Kati 13/2, Albania

LAVA Quarrying and Mining S.A.**Quarries**

1. Pumice stone: Yali, Nissiros, the Dodecanese
2. Gypsum: Altsi, Sitia, Crete
3. Pozzolane and Silicon : Xylokeratia, Adamantas, Milos & Kastriani, Milos

Warehouses

4. Drapetsona, 1 Kontopoulou str., Piraeus

Dear Shareholders,

Based on the above mentioned, you have at your disposal all the necessary information in order to proceed with the approval of the Financial Statements and our lawful release of any liability, as stipulated in the Articles of Association.

Paiania, 30/3/2016

By order of the Board of Directors

GEORGE MICHOS

Managing Director

TRUE TRANSLATION

Independent Auditors' Report

To the Shareholders of "HERACLES GENERAL CEMENT COMPANY"

Report on the Company and Consolidated Financial Statements

We have audited the accompanying company and consolidated financial statements of the Company and the Group of "HERACLES GENERAL CEMENT COMPANY", which comprise the company and consolidated statement of financial position as at December 31, 2015, and the company and consolidated income statements and statements of comprehensive income, changes in equity and cash flows for the year then ended, as well as a summary of significant accounting principles and policies and other explanatory notes.

Management's Responsibility for the Company Stand-Alone and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these company and consolidated financial statements in accordance with International Financial Reporting Standards as these have been adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of company and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these company and consolidated financial statements based on our audit. We conducted our audit in accordance with the International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the company and consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the company and consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the company and consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the company and consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting principles and policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Company and consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying company and consolidated financial statements present fairly, in all material respects, the financial position of the Company and the Group of “HERACLES GENERAL CEMENT COMPANY” as of December 31, 2015, and of their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards as these have been adopted by the European Union.

Report on Other Legal and Regulatory Requirements

- (a) The Directors’ Report includes a Corporate Governance Statement which provides the information required according to the provisions of paragraph 3d of article 43a of Codified Law 2190/1920.
- (b) We have agreed and confirmed the content and consistency of the Directors’ Report to the accompanying company and consolidated financial statements according to the provisions of articles 43a (par. 3a), 108 and 37 of Codified Law 2190/1920.

Athens, March 30, 2016

The Statutory Auditors

Michalis E. Karavas
Reg. No SOEL: 13371
Reg. No. ELTE: 1342

Alexis M. Hadjipavlou
Reg. No SOEL: 42351
Reg. No. ELTE: 2254

Deloitte.

Hadjipavlou Sofianos & Cambanis S.A.
Assurance & Advisory Services
3a Fragoklissias & Granikou Str.
151 25 Marousi
Reg. No. SOEL: E 120
Reg. No. ELTE: 5

**ANNUAL GROUP AND COMPANY FINANCIAL STATEMENTS
OF HERACLES G.C.C. IN ACCORDANCE WITH
INTERNATIONAL FINANCIAL REPORTING STANDARDS
AS AT 31 DECEMBER 2015**

The Group and Company Financial Statements on pages 29 to 94 were approved by the Board of Directors in its meeting on Wednesday 30 March 2016 and are subject to the approval of the ordinary General Assembly of the Shareholders. As ordered by the Board of Directors, the Financial Statements are signed by the following persons:

**THE CHAIRMAN OF
THE BOARD OF
DIRECTORS**

**THE MANAGING
DIRECTOR**

**THE CHIEF
FINANCIAL OFFICER**

**THE FINANCIAL
SERVICES MANAGER**

**PANAGIOTIS (TAKIS)
ATHANASOPOULOS**

I.D. No. AB 779530

GEORGE MICHOS

**PASSPORT No.
AN0142145**

**GREGORY
LOVICH**

**PASSPORT No.
10AT92468**

**PANTELIS
TOURNIS**

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

STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDED 31 DECEMBER 2015

Amounts in thousands of Euro	NOTE	GROUP		COMPANY	
		1/1- 31/12/2015	1/1- 31/12/2014	1/1- 31/12/2015	1/1- 31/12/2014
Operating results					
Turnover	5,6	247.164	236.485	218.330	208.764
Cost of sales	8	(219.681)	(219.239)	(195.260)	(193.317)
Gross profit / (loss)		27.483	17.246	23.070	15.447
Administrative & distribution expenses	8	(35.979)	(41.616)	(23.172)	(29.318)
Other operating income / (expenses)	7	(5.797)	(16.477)	(6.719)	(16.687)
Impairment of investments in subsidiaries	10	0	0	(31.486)	0
Operating profit / (loss)		(14.293)	(40.847)	(38.307)	(30.558)
Finance income / (expenses)	6,9	(8.035)	(5.012)	(3.839)	(1.016)
Profit / (loss) for the year before tax		(22.328)	(45.859)	(42.146)	(31.574)
Income tax	11	3.880	5.146	4.435	5.202
Net profit / (loss) for the year after tax	6	(18.448)	(40.713)	(37.711)	(26.372)
Allocated to:					
Non controlling interest		(22)	(18)	0	0
Company's Shareholders		(18.426)	(40.695)	(37.711)	(26.372)
		(18.448)	(40.713)	(37.711)	(26.372)
Number of shares		71.082.707	71.082.707	71.082.707	71.082.707
Earnings / (losses) per share (in €)	12	(0,26)	(0,57)	(0,53)	(0,37)

Notes from page 34 through to page 94 form an integral part of the annual Group and Company Financial Statements.

**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED
31 DECEMBER 2015**

Amounts in thousands of Euro

	GROUP		COMPANY	
	1/1- 31/12/2015	1/1- 31/12/2014	1/1- 31/12/2015	1/1- 31/12/2014
Net profit / (loss) for the year after tax	(18.448)	(40.713)	(37.711)	(26.372)
<i>Amounts that will not be reclassified to the Income Statement in the future</i>				
Actuarial gain / (loss), net of deferred tax and respective change in rate effect	1.927	(1.217)	1.833	(1.018)
Other equity movements	796	1.022	0	345
Total amounts that will not be reclassified to the Income Statement in the future	2.723	(195)	1.833	(673)
<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	183	(217)	183	(217)
Total amounts that will be possibly reclassified to the Income Statement in the future	183	(217)	183	(217)
Other comprehensive income for the year, after tax	2.906	(412)	2.016	(890)
Total comprehensive income for the year, after tax	(15.542)	(41.125)	(35.695)	(27.262)

Notes from page 34 through to page 94 form an integral part of the annual Group and Company Financial Statements.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

Amounts in thousands of Euro	NOTE	GROUP		COMPANY	
		31/12/2015	31/12/2014	31/12/2015	31/12/2014
Fixed assets or non-current assets					
Goodwill	13	29.480	29.480	0	0
Intangible assets	13	1.797	2.014	402	346
Tangible assets	14	276.412	296.827	252.011	270.571
Investment property	15	1.417	1.491	0	0
Investments in subsidiaries and associates	16	0	0	37.529	69.015
Other investments	17	57	57	57	57
Other non-current receivables	26.2	4.843	4.780	4.557	33.000
Deferred tax assets	21	57.937	52.701	55.518	50.750
Total fixed assets or non-current assets		371.943	387.350	350.074	423.739
Current assets					
Inventories	18	46.933	42.636	43.134	38.857
Trade receivables	26.3	42.830	43.493	33.709	35.109
Other receivables	26.3	24.608	17.960	49.932	14.626
Cash and cash equivalents	26.4	27.469	45.209	17.881	35.328
Income tax receivables	11	793	858	627	616
Total current assets		142.633	150.156	145.283	124.536
Total assets		514.576	537.506	495.357	548.275
Equity					
Share capital	23	120.841	120.841	120.841	120.841
Share premium	24	1.279	1.279	1.279	1.279
Reserves	25	172.950	173.757	161.825	161.825
Derivatives valuation reserve	26.6	0	(183)	0	(183)
Retained earnings		(39.997)	(24.305)	20.841	56.719
Total Shareholders' equity		255.073	271.389	304.786	340.481
Non controlling interest		(110)	(77)	0	0
Total equity		254.963	271.312	304.786	340.481
Non-current liabilities					
Provision for staff termination indemnity	19	18.726	20.248	17.130	18.386
Other non-current provisions	20	21.319	20.063	42.717	40.584
Long-term debt	26.4	18.000	30.000	18.000	30.000
Finance lease liabilities	26.7	7	21	0	0
Total non-current liabilities		58.052	70.332	77.847	88.970
Current liabilities					
Provision for staff termination indemnity	19	768	5.060	683	4.956
Trade payables	26.5	77.549	78.623	68.651	66.099
Other payables	26.5	18.326	17.884	18.288	17.359
Income tax liabilities	11	368	1.138	232	950
Finance lease liabilities	26.7	15	34	0	0
Other current provisions	20	6.563	6.573	5.075	6.162
Derivative financial instruments	26.6	0	298	0	298
Dividends payable		45	0	45	0
Short-term debt	26.4	97.927	86.252	19.750	23.000
Total current liabilities		201.561	195.862	112.724	118.824
Total liabilities		259.613	266.194	190.571	207.794
Total liabilities and equity		514.576	537.506	495.357	548.275

Notes from page 34 through to page 94 form an integral part of the annual Group and Company Financial Statements.

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED
31 DECEMBER 2015**

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 year	0	0	0	0	(40.695)	(18)	(40.713)
Profit / (loss) from derivative financial instruments recognised directly in equity, net of deferred tax	0	0	0	(217)	0	0	(217)
Actuarial gain / (loss), net of deferred tax	0	0	0	0	(1.217)	0	(1.217)
Other equity movements	0	0	(939)	0	939	83	83
Balance at 31/12/2014	<u>120.841</u>	<u>1.279</u>	<u>173.757</u>	<u>(183)</u>	<u>(24.305)</u>	<u>(77)</u>	<u>271.312</u>
Balance at 1/1/2015	120.841	1.279	173.757	(183)	(24.305)	(77)	271.312
Profit / (loss) for the year	0	0	0	0	(18.426)	(22)	(18.448)
Profit / (loss) from derivative financial instruments recognised directly in equity, net of deferred tax	0	0	0	183	0	0	183
Actuarial gain / (loss), net of deferred tax and respective change in rate effect	0	0	0	0	1.927	0	1.927
Other equity movements	0	0	(807)	0	807	(11)	(11)
Balance at 31/12/2015	<u>120.841</u>	<u>1.279</u>	<u>172.950</u>	<u>0</u>	<u>(39.997)</u>	<u>(110)</u>	<u>254.963</u>

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 year	0	0	0	0	(26.372)	(26.372)
Profit / (loss) from derivative financial instruments recognised directly in equity, net of deferred tax	0	0	0	(217)	0	(217)
Actuarial gain / (loss), net of deferred tax	0	0	0	0	(1.018)	(1.018)
Other equity movements	0	0	(345)	0	345	0
Balance at 31/12/2014	<u>120.841</u>	<u>1.279</u>	<u>161.825</u>	<u>(183)</u>	<u>56.719</u>	<u>340.481</u>
Balance at 1/1/2015	120.841	1.279	161.825	(183)	56.719	340.481
Profit / (loss) for the year	0	0	0	0	(37.711)	(37.711)
Profit / (loss) from derivative financial instruments recognised directly in equity, net of deferred tax	0	0	0	183	0	183
Actuarial gain / (loss), net of deferred tax and respective change in rate effect	0	0	0	0	1.833	1.833
Balance at 31/12/2015	<u>120.841</u>	<u>1.279</u>	<u>161.825</u>	<u>0</u>	<u>20.841</u>	<u>304.786</u>

Notes from page 34 through to page 94 form an integral part of the annual Group and Company Financial Statements.

**STATEMENT OF CASH FLOWS (INDIRECT METHOD) FOR THE YEAR ENDED
31 DECEMBER 2015**

Amounts in thousands of Euro

	GROUP		COMPANY	
	1/1- 31/12/2015	1/1- 31/12/2014	1/1- 31/12/2015	1/1- 31/12/2014
<u>Operating activities</u>				
Profit / (loss) of the year before tax	(22.328)	(45.859)	(42.146)	(31.574)
Plus / less adjustments for:				
Depreciation	24.979	27.110	22.238	24.327
Impairment of tangible and intangible fixed assets	1.424	6.532	1.429	5.823
Provisions	(3.769)	(285)	28.409	646
Foreign exchange differences	(209)	19	(177)	21
Gain / (loss) from derivatives valuation	(51)	44	(51)	44
Income / (expenses), profit / (loss) from investing activities	118	(1.022)	(920)	(2.232)
Interest and related expenses	6.186	5.748	3.038	2.640
Plus/ less adjustments for changes in working capital accounts or relevant with operating activities:				
Decrease / (increase) in inventories	(3.470)	1.866	(3.501)	2.087
Decrease / (increase) in receivables	(7.083)	(5.334)	(6.074)	(2.692)
(Decrease) / increase in liabilities (excl. bank loans)	(2.560)	(1.005)	1.603	(386)
Less :				
Interest and related expenses paid	(5.603)	(4.877)	(2.725)	(1.950)
Taxes paid	(1.352)	(873)	(953)	(139)
Total inflow / (outflow) from operating activities (a)	(13.718)	(17.936)	170	(3.385)
<u>Investing activities</u>				
Acquisition of subsidiaries, affiliates, joint-ventures and other investments	0	0	0	(23.247)
Intercompany loans	0	0	0	(950)
Purchases of tangible and intangible fixed assets	(3.960)	(5.629)	(3.599)	(5.057)
Proceeds from disposals of tangible and intangible assets	281	490	193	276
Interest received	15	33	1.039	929
Total inflow / (outflow) from investing activities (b)	(3.664)	(5.106)	(2.367)	(28.049)
<u>Financing activities</u>				
Loan proceeds	45.900	79.000	18.000	53.500
Loan repayments	(46.225)	(38.425)	(33.250)	(9.500)
Payments of obligations under finance leases	(33)	(116)	0	(24)
Total inflow / (outflow) from financing activities (c)	(358)	40.459	(15.250)	43.976
Net increase / (decrease) in cash and cash equivalents (a)+(b)+(c)	(17.740)	17.417	(17.447)	12.542
Cash and cash equivalents at the beginning of the year	45.209	27.792	35.328	22.786
Cash and cash equivalents at the end of the year	27.469	45.209	17.881	35.328

*Notes from page 34 through to page 94 form an integral part of the annual Group and Company
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 (93,61% as at 31 December 2015) is held by the LafargeHolcim Group, Switzerland.

On 10/7/2015, the merger of Groups Lafarge and Holcim was completed, with the creation of a new Group LafargeHolcim. As a result, the company LafargeHolcim Ltd indirectly acquired voting rights corresponding to 63.253.403 shares in the share capital and to 88,99% of total voting rights in HERACLES G.C.C., through the acquisition of control in the ultimate, as of that date, parent undertaking of HERACLES G.C.C., namely the company Lafarge S.A. The company LafargeHolcim Ltd increased its indirect participation in HERACLES G.C.C. in the context of the public offer of the direct shareholder Lafarge Cementos SAU on 30 July 2015 for the acquisition of the whole shares of the Company and as a result on 31 December 2015 owned 66.543.599 shares i.e. percentage 93,61%.

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

2. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS TO EXISTING STANDARDS

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning during the current financial year and 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 current year, however their application does not have a significant impact on the Group's Financial Statements, thus they are not adopted.

IFRIC 21 "Levies"

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.

Annual Improvements to IFRSs 2013

The amendments set out below describe the key changes to three 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 if a specific transaction meets the definition of both a business combination as defined in IFRS 3 and investment property as defined in IAS 40, then the separate application of both standards, independently of each other, is required.

2. 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 December 31, 2015. 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 (effective for annual periods beginning on or after 1 January 2018)

IFRS 9 replaces the guidance in IAS 39 which deals with the classification and measurement of financial assets and financial liabilities and it also includes an expected credit losses model that replaces the incurred loss impairment model used today. IFRS 9 establishes a more principles-based approach to hedge accounting and addresses inconsistencies and weaknesses in the current model in IAS 39.

IFRS 15 “Revenue from Contracts with Customers” (effective for annual periods beginning on or after 1 January 2018)

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 recognized. The underlying principle is that an entity will recognize 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.

IFRS 16 “Leases” (effective for annual periods beginning on or after 1 January 2019)

IFRS 16 has been issued in January 2016 and supersedes IAS 17. The objective of the standard is to ensure the lessees and lessors provide relevant information in a manner that faithfully represents those transactions. IFRS 16 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

IAS 19R (Amendment) “Employee Benefits” (effective for annual periods beginning on or after 1 February 2015)

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.

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 Amortization” (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.

2. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS OF EXISTING STANDARDS – Continued

IAS 27 (Amendment) “Separate Financial Statements” (effective for annual periods beginning on or after 1 January 2016)

This amendment allows entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate Financial Statements and clarifies the definition of separate Financial Statements.

IAS 1 (Amendments) “Disclosure initiative” (effective for annual periods beginning on or after 1 January 2016)

These amendments clarify guidance in IAS 1 on materiality and aggregation, the presentation of subtotals, the structure of Financial Statements and the disclosure of accounting policies.

IFRS 10, IFRS 12 and IAS 28 (Amendments) “Investment entities: Applying the consolidation exception” (effective for annual periods beginning on or after 1 January 2016)

These amendments clarify the application of the consolidation exception for investment entities and their subsidiaries.

IAS 12 (Amendments) “Recognition of Deferred Tax Assets for Unrealized Losses” (effective for annual periods beginning on or after 1 January 2017)

These amendments clarify the accounting for deferred tax assets for unrealized losses on debt instruments measured at fair value.

IAS 7 (Amendment) “Disclosure initiative” (effective for annual periods beginning on or after 1 January 2017)

The amendment clarifies that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

Annual Improvements to IFRSs 2012 (effective for annual periods beginning on or after 1 February 2015)

The amendments set out below describe the key changes to certain 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 judgements 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.

2. 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.

Annual Improvements to IFRSs 2014 (effective for annual periods beginning on or after 1 January 2016)

The amendments set out below describe the key changes to four IFRSs. The improvements have not yet been endorsed by the EU.

IFRS 5 “Non-current assets held for sale and discontinued operations”

The amendment clarifies that, when an asset (or disposal group) is reclassified from ‘held for sale’ to ‘held for distribution’, or vice versa, this does not constitute a change to a plan of sale or distribution, and does not have to be accounted for as such.

IFRS 7 “Financial instruments: Disclosures”

The amendment adds specific guidance to help management determine whether the terms of an arrangement to service a financial asset which has been transferred constitute continuing involvement and clarifies that the additional disclosure required by the amendments to IFRS 7, ‘Disclosure – Offsetting financial assets and financial liabilities’ is not specifically required for all interim periods, unless required by IAS 34.

IAS 19 “Employee benefits”

The amendment clarifies that, when determining the discount rate for post-employment benefit obligations, it is the currency that the liabilities are denominated in that is important, and not the country where they arise.

IAS 34 “Interim financial reporting”

The amendment clarifies what is meant by the reference in the standard to ‘information disclosed elsewhere in the interim financial report’.

3. ACCOUNTING PRINCIPLES

Statement of compliance

The Financial Statements have been prepared according to the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), as well as the relevant Interpretations of the International Financial Reporting Interpretations Committee (IFRIC), which are relevant to the Group’s activities and are effective as of the Financial Report’s date, as adopted by the European Commission.

Basis of preparation

The Financial Statements have been prepared on the historical or deemed cost basis with the exception 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 2014, which are available on the Company’s website www.lafarge.gr.

3. ACCOUNTING PRINCIPLES - continued

The primary accounting principles adopted are set out below:

Basis of consolidation

The consolidated Financial Statements incorporate the Financial Statements of the Company as well as the Financial Statements of the entities controlled by the Company (its subsidiaries) as at 31 December of each year. Control is achieved when the Company has the power to govern the financial and operating policies of an entity in order to obtain financial benefits from its activities.

The profit or loss of subsidiaries acquired or disposed of during the year are included in the consolidated statement of profit or loss from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, the subsidiaries' Financial Statements have been restated in order for their accounting policies to comply with those of the Group.

For consolidation purposes, all material intercompany transactions, balances and gains and losses on transactions between Group companies are eliminated.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity in the Financial Statements. Non-controlling interests consist of the amount of those interests at the date of the initial business combination and the non-controlling interests' share of subsequent changes in equity since the date of the combination. Losses of subsidiaries in excess of the non-controlling party's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the non-controlling interest has a legal or constructive obligation and is able to make an additional investment to cover the losses.

Acquisitions of Subsidiaries

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets offered, liabilities incurred or assumed at the acquisition date and equity shares that have been issued by the Group's companies in exchange for the control of the acquiree, including indirect expenses attributable to the acquisition.

Assets, liabilities and contingent liabilities of the acquired company that comply with the recognition requirements of IFRS 3 are measured at their fair value at the acquisition date. The resulting goodwill is finalised within twelve months from the acquisition date, and is recognised as an asset and initially measured as the excess of the cost of acquisition over the fair value of the Group's share of the identifiable assets, liabilities and contingent liabilities acquired. If after a reassessment process, the cost of acquisition is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the statement of profit or loss.

Losses of subsidiaries exceeding the Company's investment therein are recognised in the statement of profit or loss of the Company's Financial Statements, as a provision for losses from investment in subsidiaries.

In the Company's Financial Statements, investments in subsidiaries and associates are carried at cost, less any later impairment provisions. On an annual basis or whenever events or circumstances suggest that there may be an indication of impairment, the Company examines the carrying value of the above investments against their recoverable value which is the higher between their fair value less cost of disposal and their value in use.

3. ACCOUNTING PRINCIPLES - continued

Goodwill

Goodwill arising on an acquisition of a subsidiary or jointly controlled entity represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the subsidiary, associate or jointly controlled entity recognised at the date of acquisition.

Goodwill value is finalised within one year of the acquisition and initially recognised as an asset at cost. Subsequently it is measured at cost decreased by any accumulated impairment losses.

For the purposes of impairment testing, goodwill is allocated to the Group's cash generating units that are expected to benefit from the synergies of the business combination in which the goodwill arose. Cash generating units to which goodwill has been allocated are tested for impairment on an annual basis or more frequently, if there are indications that the respective under-control unit's value could be impaired. If the unit's recoverable amount is lower than its respective carrying amount, the resulting loss reduces first the carrying amount of the goodwill allocated to the specific unit and then to the unit's remaining assets, pro rata, based on the carrying amount of each asset's participation in the specific unit. The loss resulting from goodwill impairment is recognised in profit and loss and is not reversed in the following periods.

At the disposal of a subsidiary, associate or jointly controlled entity, the defined carrying amount of goodwill is taken into account in the determination of the profit or loss on disposal.

The Group's policy for goodwill arising on the acquisition of interests in associates is described in paragraph "Investments in associates".

Goodwill arising on acquisitions before the date of transition to IFRSs, based on the Greek Accounting Standards, has been deducted directly from equity at the date of transition to IFRS, namely 31 December 2003. On the date of transition to the IFRS, it has been written off against retained earnings and will not be included in the calculation of any profit or loss that will result from any future sale.

Investments in associates

An associate is an entity over which the Company (or the Company through the Group) is in a position to exercise significant influence, but not control or joint control, through participation in the financial and operating policy decisions of the investee.

The profit or loss, the assets and the liabilities of associates are incorporated in these Financial Statements using the equity method of accounting, except when the investment is classified as held for sale. Under the equity method, investments in associates are carried at cost in the Statement of Financial Position, as adjusted for post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of an associate in excess of the Group's interest in that associate are recognised only to the extent that the Group has incurred legal or constructive obligations on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is finalised within twelve months from the date of acquisition and is recognised as goodwill. The goodwill is included within the total carrying amount of the investment and is assessed for impairment as part of that investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss at the year of acquisition.

In cases where a Group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

3. ACCOUNTING PRINCIPLES – continued

Investments in associates - continued

Financial information by segment

A business segment is a component of an enterprise that provides products and services and that is subject to risks and returns that are different from those of other business segments.

Segments were determined based on 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 related note its three operating segments: cement, concrete and aggregates.

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)" is defined by Management as the income of the Company and the Group before taxes, financial income/ (expenses), non-recurring income/ (expenses) and depreciation.

Revenue Recognition

Revenue is recognised at the fair value of the consideration received or receivable for the sale of goods and services provided in the normal course of business, net of discounts, returns, VAT and other sales related taxes.

Revenue from sales of goods is recognised when goods are delivered and ownership has been transferred. In particular, the following conditions must be met:

- The Group has transferred to the purchaser significant risks and rewards of ownership
- The Group no longer manages the goods sold insofar as ownership usually entails, nor does it exercise effective control over goods sold
- The revenue amount can be reliably measured
- It is very likely that the economic benefits associated with the transaction will flow to the Group
- The cost incurred or to be incurred in relation to the transaction can be reliably measured

Income arising from contracts concerning rendering of services is recognised in profit or loss upon completion of the rendering of services or with reference to the completion stage of the transaction.

Interest income is accrued on a time-proportion basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash inflows through the expected life of the financial asset to that asset's net carrying amount.

Dividend income from investments is recognised in profit or loss when the shareholders' rights to receive payment are established.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Income tax

The Company is subject to income tax. The income tax expense presented in the statement of profit or loss represents the sum of current tax, previous years' tax differences, special levy, property tax and deferred tax.

Current and deferred tax are recognised as an income or expense in the statement of profit or loss, unless they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or in determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the business combination.

3. ACCOUNTING PRINCIPLES - continued

Income tax - continued

Current tax

The recognition of related expense is initially made based on the relevant amounts presented in the income tax return statement. The calculation of income tax expense is an accounting estimate and assumes the exercise of subjective judgment. Taxable profit differs from net profit as reported in the statement of profit or loss because it excludes items of income or expense that are taxable or deductible in other financial years and it further excludes items that are not taxable or deductible.

In addition, in the context of the Company's normal operations, there are many transactions the tax treatment and relative calculations of which include uncertainty and the tax calculation is temporary until tax obligations are finalized by tax authorities or any differences are finalized in the courts. The Company recognizes provision for tax contingencies and relative surcharges that are possible to arise either from special or regular tax audit based on estimates. In case the final amount of income tax is different from the amounts initially provided, these differences will affect the income and deferred taxes of the year in which the finalization of the income tax charge takes place, during the final settlement of the tax obligations of the Company.

The income tax is calculated using current or substantively enacted tax rates at the reporting date.

Deferred tax

Deferred tax is recognised on (temporary) differences between the carrying amounts of assets and liabilities in the Financial Statements and the corresponding tax base used in the computation of taxable profit, and are accounted for using the statement of financial position method, using the tax rates which are expected to apply when the receivable will be realized or the liability will be settled. Deferred tax liabilities are generally recognised for all taxable temporary differences while deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary differences arise from goodwill (or profit from beneficial purchase) or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

In case of subsidiary acquisition, deferred taxation shall be taken into account in determining goodwill or profit from beneficial purchase.

Deferred tax liabilities are recognised for all taxable temporary differences arising from investments in subsidiaries and associates, and interests in joint ventures, except when the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

No liability from deferred taxation on tax-free or specially taxed reserves shall be recognised, to the extent that it can reasonably be expected that the Management shall be in a position to control the time they will be allocated, whilst distribution and in general any taxation whatsoever in the immediate future is not anticipated.

The carrying amount of deferred tax assets is reviewed on each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset is realised, based on tax laws that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognized in profit or loss, unless it relates to items recognized directly in equity, in which case the deferred tax is also posted in equity respectively.

Deferred tax liabilities and assets shall be offset when there is a legal enforceable right that allows the offsetting of current tax assets to current tax liabilities, when they concern income tax imposed by the same taxation authority, and the Group is willing to arrange current tax assets and liabilities on a net basis.

3. ACCOUNTING PRINCIPLES – continued

Leases

Operating Leases

Rental payments under operating leases are recognised as an expense on a straight-line basis over the lease term.

Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

Benefits that have been received or will be received as an incentive to enter into an operating lease are also recognised deductible of rental expenses, on a straight line basis over the lease term.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability.

Finance leases

Assets held under finance leases are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Statement of Financial Position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the respective IFRSs.

Contingent rentals are recognised as expenses in the periods in which they are incurred.

Foreign currency transactions

The Financial Statements of the Group are presented in the currency of the primary economic environment in which the Group operates (its functional currency) which is Euro.

Transactions in currencies other than Euro are recognised at the exchange rates prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies recorded at historical cost are translated at year-end exchange rates. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary assets and liabilities in a foreign currency carried at historical cost are translated and measured using the exchange rates at the date of the transaction.

Profits and losses resulting from liquidation or settlements of monetary assets, or from the valuation at current exchange rates as at reporting date, shall be included in the year's net profit or loss. Exchange differences concerning valuation of non-monetary assets and liabilities at exchange rates as at reporting date, at fair value, shall be included in the current year's profit or loss, except for exchange differences concerning non-monetary assets whose profit and losses are recognised directly in equity. For such non-monetary assets, exchange differences shall be recognised directly in equity.

On consolidation, the assets and liabilities of the Group's operations abroad are translated at exchange rates prevailing at the reporting date. Income and expense items are translated at the average exchange rates of the year, unless exchange rates fluctuate significantly. Exchange differences arising, if any, are classified as equity and transferred to the Group's translation reserve. Such translation differences are recognised as income or as expenses of the period in which the operation is disposed of.

3. ACCOUNTING PRINCIPLES – continued

Government grants / subsidies

Government grants are not recognised until there is reasonable assurance that the Group will comply with attached conditions and that the grants will be received.

Government grants relating to machinery and equipment are abstracted from granted assets and released to profit or loss over the expected useful lives of the assets concerned. Government subsidies relating to staff training expenses shall be recognised to profit or loss when collected.

Retirement benefit costs and termination benefits

Payments to national insurance funds are considered as defined contribution retirement schemes and are recognised as an expense when employees have rendered service entitling them to the contributions.

Staff termination indemnity provision is considered as defined benefit retirement scheme and the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at each reporting date.

Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest cost, which is recognized in profit or loss, is calculated by applying the discount rate at the beginning of the period to the net defined liability (asset), after taking into account any changes in the net liability (asset).

Defined benefit costs are categorised as follows:

- Service Cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income;
- Re-measurement.

The staff retirement benefit obligation recognised in the statement of Financial Position represents the actual deficit or surplus in the Group's defined benefit plans. A liability for a termination benefit is recognized at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognizes any related restructuring costs.

Re-measurement, comprising of actuarial gains and losses, the effect of changes to the asset ceiling and the return on plan assets, is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognized in other comprehensive income will not be reclassified to profit or loss.

Share based payments

On a regular basis, the parent company LafargeHolcim Ltd offers share purchase plans to Group employees.

In accordance with the prescriptions of IFRS 2 – “Share Based Payments”, the Group records compensation expense for all share-based compensation granted to its employees.

When the parent company LafargeHolcim Ltd performs capital increases reserved for Group employees, and when the conditions offered are significantly different from market conditions, the Group records a compensation cost.

This cost is measured at the grant date, defined as the date at which the Group and employees share a common understanding of the characteristics and conditions of the offer.

The measurement of the cost takes into account the bonuses paid under the plan, the potential discount granted on the share price and the effect of post-vesting transfer restrictions (deducted from the discount granted). The compensation cost calculated is expensed in the period of the operation (considered as compensation for past-services) if no vesting condition is attached to the shares.

3. ACCOUNTING PRINCIPLES – continued

Tangible assets

Tangible assets used in the production or supply of goods or services, or for administrative purposes, were stated in the transition to IFRS Statement of Financial Position at their revaluated amounts, according to IFRS 1, being either the fair value at the date of revaluation, determined from market-based evidence by appraisal undertaken by professional valuers, or their respective carrying amount of acquisition appearing in the books thus far according to the Greek Accounting Standards, less any subsequent accumulated depreciation. Since then, tangible assets are recognised at their historic cost, less any subsequent accumulated depreciation and any subsequent accumulated impairment losses.

Properties in the course of construction for production, rental or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and depreciation of these assets, on the same basis as other tangible assets, commences when the assets are ready for their intended use. Depreciation is charged so as to reduce the cost or value of assets, other than land and properties under construction, over their estimated useful lives, using the straight-line method, on the following bases:

(useful lives in years)	<u>Group</u>	<u>Company</u>
Buildings	5 - 30	10 - 30
Machinery	5 - 30	15 - 30
Veehicles, Furnitures and Other Equipment	3 - 15	5 - 15

The useful lives of the assets of several subsidiaries are quite different than that of the Company, due to different operating activities, and consequently, different use of the assets. Assets held under finance leases are depreciated on a straight line basis over their expected useful lives. At the end of each year, Management reviews the estimated useful lives, residual values and depreciation methods. The impact of changes in estimations is recognised in the current and in future years. The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit and loss.

Investment property

As investment property is defined the property that is held to earn rentals or for capital appreciation or both and is not used by any subsidiary company of the Group. Property that is used for the operating activities of the Group, e.g. for production or for administrative purposes, is not considered investment but operating property.

Investment property is initially measured at its cost, which includes the acquisition cost and the related transaction costs.

After initial recognition, investment property is measured at its historical cost less any subsequent accumulated depreciation and any subsequent accumulated impairment losses.

Investment property is depreciated over its estimated useful life, using the straight-line method, which does not differ significantly from the useful life of related property included in the account “tangible assets”. The estimated useful lives, the residual values and the depreciation method are reviewed by the Management of the Company at the end of each year.

3. ACCOUNTING PRINCIPLES - continued

Intangible assets

Intangible assets relate to software measured at acquisition cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised in profit or loss on a straight-line basis over their useful life, which is estimated at three years. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimates being accounted for on a prospective basis.

Intangible assets acquired in a business combination are identified and recognized separately from goodwill when they satisfy the definition of an intangible asset and their fair values can be measured reliably. The cost of such intangible assets is their fair value at the acquisition date. Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses.

Internally generated intangible assets – Research and development expenditure

Expenditure on research and development activities is recognised as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised only if all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale,
- the intention to complete the intangible asset and use or sell it,
- the ability to use or sell the intangible asset,
- the expectation that the intangible asset will generate probable future economic benefits,
- the availability of appropriate technical, financial and other resources to complete the development and to use or sell the intangible asset, and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above.

Where no internally-generated intangible asset can be recognised, development expenditure is charged to profit or loss in the period in which it is incurred. Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

3. ACCOUNTING PRINCIPLES - continued

Impairment of tangible and intangible assets excluding goodwill

At each reporting date, the Group and Company review the carrying amounts of tangible and intangible assets to determine whether there is any indication that such assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to assess the recoverable amount of an individual asset, the Group and the Company estimate the recoverable amount of the cash-generating unit to which the asset belongs. Impairment tests are performed annually and whenever there is an indication that the above assets may be impaired.

Recoverable amount of an asset is the higher of fair value less costs of disposal and respective value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately as an expense in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income in the statement of profit or loss immediately.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs comprise of direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average cost method. Net realisable value represents the estimated selling price less all estimated costs of completion and direct costs to be incurred in marketing, selling and distribution.

Emission rights

Emission rights are not recognised as an asset. Profit from surplus of emission rights is recognised only after a sale is realised and classified in cost of sales. If there is a shortage, a provision is recognised in the statement of profit or loss.

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that the Group will be required to settle the obligation and reliable estimate can be made of the amount of the obligation. Provisions are measured based on the best possible estimates that the Management will make regarding the consideration of the expected liability settlement due at the reporting date, and are discounted at their present value, provided that the relevant discount impact is significant.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be reliably measured.

A restructuring provision is recognised when the Group has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the on-going activities of the Group.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

3. ACCOUNTING PRINCIPLES - continued

Warranties

Provisions for warranty costs are recognised at the date of sale of the relevant products, at the Management's best estimate of the expenditure required in order for the Group companies to settle the obligation.

Financial instruments

Financial instruments are classified into the following specified categories: financial assets 'at fair value through profit or loss' (FVTPL), 'held-to-maturity' investments, 'available-for-sale' (AFS) financial assets and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest basis for financial instruments other than those financial assets designated as at FVTPL.

Loans and Receivables

Trade receivables, loans, and other receivables that have fixed or defined payments that are not quoted in an active market are classified as "Loans and Receivables". Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, bank deposits and other short-term investments of high liquidity, readily convertible into an identifiable amount of cash with an insignificant value change risk.

Other financial liabilities

Other financial liabilities are split into current and non-current and are initially recognised at fair value. Non-current liabilities are subsequently measured at amortised cost or in case of borrowing at the amount of the capital borrowed based on which interest is calculated. Current trade payables are not interest carrying and are measured at their nominal value which is also their fair value. The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or expired.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered not collectable, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

3. ACCOUNTING PRINCIPLES - continued

Financial instruments - continued

Impairment of financial assets - continued

With the exception of available for sale equity instruments, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date of the impairment reversal does not exceed what the amortised cost would have been if the impairment had not been recognised.

In respect of available for sale equity securities, any increase in fair value subsequent to an impairment loss is recognised directly in equity.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and any associated liability for amounts it may have to pay in the future.

Derivative financial instruments and hedging accounting

The Group's activities are primarily exposed to foreign exchange rates and commodities risks, notably fuel and marine freight.

The Group uses derivative financial instruments (mostly forward contracts) to hedge these exposures to fluctuating exchange rates and future market values of commodities, concerning specific existing commitments or anticipated transactions (cash flow hedging). The use of financial derivatives is governed by the policies of LafargeHolcim Group and is harmonised with the LafargeHolcim Group risk management strategy.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting date. Changes (gain or loss) in the fair value of derivative financial instruments that are designated and effective as hedges of future cash flows are recognised directly in equity and the ineffective portion is recognised immediately in profit or loss as "Financial income/(expenses)".

A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months or it is not expected to be realised or settled within 12 months.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognised in profit or loss as they arise. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any cumulative gain or loss deferred in equity at that time remains in equity and is recognised in profit or loss when the forecast transaction is ultimately recognised in profit or loss or is no longer expected to occur.

Exploration for and evaluation of mineral resources expenses

Pursuant to IFRS 6, as of 1 January 2006, exploration and evaluation of mineral resources expenses are recognised as fixed assets. Fixed assets from the exploration and evaluation of mineral resources are recognised in the Statement of Financial Position according to the cost method less any subsequent accumulated depreciation. The above assets shall be tested for impairment when events and circumstances may indicate that the carrying amount of the said assets may exceed their recoverable amount.

4. MAJOR ACCOUNTING JUDGEMENTS & MAIN SOURCES OF UNCERTAINTY FOR ACCOUNTING ASSESSMENTS

In the application of the Group's accounting policies, as described in note 3, the Management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not apparent from other information sources. The estimates and associated assumptions are based on historical experience, on estimates of specialised external consultants and other relevant factors. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis to ensure that they are relevant regarding the past experience and the current economic environment. Revisions to accounting estimates are recognised in the period in which the estimates are revised, if the revisions affect only the specific period, or also future periods.

Such estimates are prepared on the assumption of going concern, are established based on currently available information and are in keeping with the current economic crisis or political instability affecting some of the Group's markets. Estimates may be revised in case of changes in circumstances used for the estimate or new information. Actual amounts could differ from the estimates.

The following are the accounting judgements that Management has made in the process of applying the Group's accounting policies and they have the most significant effect in the Financial Statements of the Group and the Company:

Management examines at least annually whether there is a goodwill impairment indication, and if so, assesses the amount according to the Group's accounting policy on recognised goodwill. The recoverable amount of the cash generating unit under review is determined on the basis of the higher value between its fair value less cost of disposal and its value in use. The assessment of these values is based on estimates and subjective assumptions.

Moreover, Management annually examines the following, on the basis of assumptions and estimates:

- useful lives and recoverable amounts of depreciable tangible and intangible assets;
- recoverable amounts of real estate property;
- recoverable amounts of investments in subsidiaries and associates, in the individual Financial Statements;
- the amount of provisions for quarry restoration, staff retirement compensation, unaudited tax years, pending litigations and labour law compliance cases;
- the recoverability of deferred tax asset;

Income tax is determined on the basis of the best possible estimate of taxable profit for the year. If the tax that results from the tax audit is different than the estimated one, the difference will affect both the income tax itself and the deferred tax in the year the tax audit was conducted.

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

- (a) Estimates of the recoverability of deferred tax assets (note 21 of the Financial Statements).
- (b) The recoverability of the value of the Company's investments in the share capital of subsidiaries and associates (note 16 of the Financial Statements).
- (c) Contingent losses from pending litigations (notes 20 and 27 of the Financial Statements)
- (d) The assessment of the remaining useful life of the Group's and the Company's fixed assets.
- (e) Doubtful debts from trade and other receivables (note 26.3 of the Financial Statements).
- (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 27 of the Financial Statements).

5. TURNOVER

A turnover breakdown per category of goods sold (finished and semi-finished products, merchandises and services) is analysed below:

Amounts in thousands of Euro

	GROUP		COMPANY	
	1/1-31/12/2015	1/1-31/12/2014	1/1-31/12/2015	1/1-31/12/2014
Income from sale of finished and semi-finished products	236.398	226.223	210.371	200.621
Income from sale of merchandise	5.925	5.338	5.925	5.342
Income from services	4.841	4.924	2.034	2.801
	247.164	236.485	218.330	208.764

6. 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.

The Group's operating segments derive their revenues almost exclusively from the following products:

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

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:

	1/1-31/12/2015				
	Cement Division	Concrete Division	Aggregates Division	Eliminations	Total Group
Turnover	223.938	24.415	11.434	(11.069)	248.718
Gross operating income / (loss) before depreciation	25.407	(3.301)	301	0	22.407
Operating income / (loss)	(10.465)	(5.537)	(1.370)	40	(17.332)

	1/1-31/12/2014				
	Cement Division	Concrete Division	Aggregates Division	Eliminations	Total Group
Turnover	212.271	30.141	9.538	(13.607)	238.343
Gross operating income / (loss) before depreciation	18.149	(3.326)	(273)	0	14.550
Operating income / (loss)	(29.977)	(5.881)	(1.868)	0	(37.726)

6. OPERATING SEGMENTS – continued

Amounts in thousands of Euro

Total Assets as per Management Reporting	Cement Division	Concrete Division	Aggregates Division	Eliminations	Total Group
31/12/2015	566.680	75.616	41.182	(176.152)	507.326
31/12/2014	587.774	81.306	43.284	(178.773)	533.591

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 Statement of profit or loss as well as in the Statement of Financial Position of the Group are different.

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

Amounts in thousands of Euro

	<u>1/1- 31/12/2015</u>	<u>1/1- 31/12/2014</u>
Turnover per Management Reporting	248.718	238.343
Discount, transportation and other cost reclassification between Turnover and Cost of Sales	(1.554)	(1.858)
Turnover per Published Statement of Profit or Loss	<u>247.164</u>	<u>236.485</u>

Amounts in thousands of Euro

	<u>1/1- 31/12/2015</u>	<u>1/1- 31/12/2014</u>
Management Reporting		
Gross operating income/ (loss) before depreciation	22.407	14.550
Depreciation	(23.879)	(26.030)
Non-recurring income / (expenses)	(15.860)	(26.246)
Operating Income / (loss) per Management Reporting	<u>(17.332)</u>	<u>(37.726)</u>
Reconciliation to Published Statement of Profit or Loss		
Reversal of provision of non consolidated entity	2.102	0
Timing difference on provisions and liabilities recognition	1.930	(2.450)
Allocation between finance and administrative expenses	403	(242)
Difference in fixed assets depreciation	(644)	(628)
Allocation between finance and other income / (expenses)	0	1.029
Other timing differences	(752)	(830)
Operating Income / (loss)	<u>(14.293)</u>	<u>(40.847)</u>
Financial income /(expenses)	(8.035)	(5.012)
Profit / (loss) before tax	<u>(22.328)</u>	<u>(45.859)</u>
Income tax	3.880	5.146
Net profit / (loss) for the year after tax	<u>(18.448)</u>	<u>(40.713)</u>

6. OPERATING SEGMENTS – continued

Amounts in thousands of Euro

	<u>1/1- 31/12/2015</u>	<u>1/1- 31/12/2014</u>
Total Financial Income / (Expenses) per Management Reporting	(7.256)	(6.193)
Allocation between finance and tax income / (expenses)	(475)	0
Allocation between finance and other income / (expenses)	0	1.029
Allocation between finance and administrative expenses	(403)	242
Other	99	(90)
Total Financial Income / (Expenses) per Published Statement of Profit or Loss	<u>(8.035)</u>	<u>(5.012)</u>

Amounts in thousands of Euro

	<u>31/12/2015</u>	<u>31/12/2014</u>
Total Assets per Management Reporting	507.326	533.591
Difference in deemed cost of fixed assets	8.477	9.628
Timing difference on inventories recognition	0	720
Total assets of non consolidated entity	(1.603)	(3.705)
Deferred tax difference	(4.125)	(3.110)
Reclass from liability account	4.292	0
Other	209	382
Total Assets per Published Statement of Financial Position	<u>514.576</u>	<u>537.506</u>

The Group and Company operate in the following countries:

Amounts in thousands of Euro

	GROUP		COMPANY	
	<u>1/1-31/12/2015</u>	<u>1/1-31/12/2014</u>	<u>1/1-31/12/2015</u>	<u>1/1-31/12/2014</u>
Greece	144.747	149.462	123.098	128.482
Switzerland	74.127	68.609	72.208	66.943
Other countries	28.290	18.414	23.024	13.339
	<u>247.164</u>	<u>236.485</u>	<u>218.330</u>	<u>208.764</u>

The Group and Company do not have facilities abroad. Consequently, operations abroad concern exclusively sales of goods and services.

7. OTHER OPERATING INCOME / (EXPENSES)

Other operating income / (expenses) of the Group and the Company is analysed as follows:

Amounts in thousands of Euro

	GROUP		COMPANY	
	1/1- 31/12/2015	1/1- 31/12/2014	1/1- 31/12/2015	1/1- 31/12/2014
Profit / (loss) from fixed asset disposals	(237)	(310)	(244)	4
(Impairment) / Reversal of impairment of fixed assets	(1.424)	(6.532)	(1.429)	(5.823)
(Provision) / Reversal of provision for obsolescence of spare parts	0	(828)	0	(828)
(Provision) / Reversal of provision for share in losses of subsidiaries	0	0	(1.538)	(1.315)
Other restructuring expenses	(2.830)	(6.364)	(2.830)	(6.364)
Other income / (expenses)	(1.306)	(2.443)	(678)	(2.361)
	<u>(5.797)</u>	<u>(16.477)</u>	<u>(6.719)</u>	<u>(16.687)</u>

The impairment of fixed assets for the Company and the Group mainly relates to impairment of land plot in the area Bataria of Chalkida of amount €773 thousand.

Restructuring expenses include items related to the reorganization of the Company's cement production structure, based on the Board of Director's decision of the 25th March 2013, which was approved by the Annual General Meeting of the 27th June 2013, as they are analyzed below:

Amounts in thousands of Euro

	GROUP		COMPANY	
	1/1- 31/12/2015	1/1- 31/12/2014	1/1- 31/12/2015	1/1- 31/12/2014
(Provision) / Reversal of provision for obsolescence of spare parts, finished & semi-finished products, consumables	0	(3.462)	0	(3.462)
(Provision) / Reversal of provision for staff indemnities due to restructuring	183	(66)	183	(66)
Special termination benefits offered to employees due to restructuring	(942)	(430)	(942)	(430)
Other restructuring expenses	(2.071)	(2.406)	(2.071)	(2.406)
	<u>(2.830)</u>	<u>(6.364)</u>	<u>(2.830)</u>	<u>(6.364)</u>

8. COST OF SALES – ADMINISTRATIVE & DISTRIBUTION EXPENSES

Cost of sales as well as administrative & distribution expenses mostly include the following:

Amounts in thousands of Euro	GROUP		COMPANY	
	1/1-31/12/2015	1/1-31/12/2014	1/1-31/12/2015	1/1-31/12/2014
Amortization of intangible assets	383	444	110	167
Depreciation of tangible assets	24.528	26.603	22.128	24.160
Depreciation of investment property	74	70	0	0
Amortization of grants	(5)	(7)	0	0
Total depreciation & amortization	24.980	27.110	22.238	24.327
Movement of finished and semi-finished products	(1.647)	3.583	(1.400)	3.857
Consumption of raw, auxiliary materials, consumables and spare parts	74.694	72.051	70.008	64.068
Cost of goods sold	73.047	75.634	68.608	67.925
Employer's contributions	7.845	8.581	6.601	7.182
Salaries and other personnel benefits	34.140	36.362	28.845	30.742
Provision for staff termination indemnity	1.060	1.052	937	936
Staff termination incentives	3.605	4.008	3.223	3.538
Total personnel expenses	46.650	50.003	39.606	42.398
Energy cost	20.323	18.723	18.903	17.146
Royalties	7.230	7.646	6.048	6.472
Other expenses	83.430	81.739	63.029	64.367
Total	255.660	260.855	218.432	222.635

In 2015, revenue for provision for staff termination indemnity of the Halkis plant amounting to €183 thousand is recorded in "Other Operating Expenses".

The number of Group and Company personnel as at 31 December 2015 is analysed as follows:

	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Number of employees	770	839	611	670

9. FINANCE INCOME / (EXPENSES)

Finance income / (expenses) is analysed as follows:

Amounts in thousands of Euro

	GROUP		COMPANY	
	1/1-31/12/2015	1/1-31/12/2014	1/1-31/12/2015	1/1-31/12/2014
Income				
Interest received and related income	119	1.332	1.164	2.228
Foreign exchange income	84	54	0	0
Income from derivatives	18	0	18	0
	<u>221</u>	<u>1.386</u>	<u>1.182</u>	<u>2.228</u>
Expenses				
Interest and related expenses	6.186	5.748	3.038	2.640
Loss from derivatives	0	12	0	12
Foreign exchange losses	2.070	638	1.983	592
	<u>8.256</u>	<u>6.398</u>	<u>5.021</u>	<u>3.244</u>
Total	<u>(8.035)</u>	<u>(5.012)</u>	<u>(3.839)</u>	<u>(1.016)</u>

An amount of €419 thousand for the Group and of €380 thousand for the Company respectively is included in interest and related expenses, for 2015, which relate to the interest of present value of defined benefit obligations. The corresponding amounts for 2014 were €709 thousand and €651 thousand for the Group and the Company respectively.

10. IMPAIRMENT LOSS OF INVESTMENT IN SUBSIDIARIES

The Company recognized in the Financial Statements as at 31/12/2015 an impairment loss amounting to €31.486 thousand concerning its investment in the consolidated subsidiary LAFARGE BETON S.A., which derived from the test for impairment of investments in subsidiaries which is assessed at each reporting period or whenever there is an indication of impairment. This impairment loss was a result of an assessment for the recoverable value of the investment as at 31/12/2015. The recoverable value of the investment was determined as the higher of the values derived by the two alternative methods (present value of future cash flows and fair value less cost to sell), as defined by IAS 36.

For the prior year, the Company did not recognize an impairment loss of its investment in any consolidated subsidiary.

11. INCOME TAX

Amounts in thousands of Euro

	GROUP		COMPANY	
	1/1-31/12/2015	1/1-31/12/2014	1/1-31/12/2015	1/1-31/12/2014
Income tax	570	323	0	0
Deferred taxation (Note 21)	(5.144)	(6.580)	(4.645)	(6.152)
Tax audit differences	395	0	0	0
Other taxes	299	1.111	210	950
Total	<u>(3.880)</u>	<u>(5.146)</u>	<u>(4.435)</u>	<u>(5.202)</u>

Under the law 4334/2015 “Urgent arrangements for the negotiation and conclusion of agreement with the European Support Mechanism” adopted in July 2015, the income tax rate for 2015 is 29%.

The income tax benefit of year 2015 mostly represents deferred tax revenue decreased by the charges of income tax, tax audit differences and real estate tax. The deferred tax asset increased during 2015, compared to 2014, mainly due to the change in the applicable income tax rate from 26% to 29%.

11. INCOME TAX – continued

Income tax arises from the following agreement of the accounting losses:

Amounts in thousands of Euro	GROUP				COMPANY			
	1/1-31/12/2015		1/1-31/12/2014		1/1-31/12/2015		1/1-31/12/2014	
		%		%		%		%
Profit / (loss) before tax	(22.328)	29%	(45.859)	26%	(42.146)	29%	(31.574)	26%
Income tax at the current tax rate 29% (2014: 26%)	(6.475)	29%	(11.923)	26%	(12.222)	29%	(8.209)	26%
Expenses not deductible in determining taxable profit - permanent differences	3.654	-16%	2.335	-5%	2.495	-6%	1.568	-5%
Difference in the current year's deferred taxation due to changes in tax rate	(5.356)	24%	0	0%	(5.192)	12%	0	0%
Effect of different tax rates of subsidiaries operating under a different tax status	(89)	0%	(66)	0%	0	0%	0	0%
Tax losses not carried forward	0	0%	0	0%	0	0%	0	0%
Tax audit differences	395	-2%	0	0%	0	0%	0	0%
Other permanent differences	489	-2%	171	0%	697	-2%	147	0%
Participation to impairment of investments and share in losses of subsidiaries	36	0%	0	0%	9.577	-23%	342	-1%
Non-recognised deferred tax asset due to non-recoverability / (reversal)	3.167	-14%	3.226	-7%	0	0%	0	0%
Other taxes	299	-1%	1.111	-2%	210	0%	950	-3%
	(3.880)	17%	(5.146)	11%	(4.435)	11%	(5.202)	16%

Income tax receivables and payables are analysed as follows:

Amounts in thousands of Euro	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Receivables				
Income tax receivable	793	858	627	616
Total tax receivables	793	858	627	616
Payables				
Income tax payable	(368)	(1.138)	(232)	(950)
Total tax payables	(368)	(1.138)	(232)	(950)
Total	425	(280)	395	(334)

12. 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- 31/12/2015	1/1- 31/12/2014	1/1- 31/12/2015	1/1- 31/12/2014
Net profit / (loss) for the year after tax	(18.448)	(40.713)	(37.711)	(26.372)
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	(0,26)	(0,57)	(0,53)	(0,37)

13. INTANGIBLE ASSETS

Intangible assets concern software purchases and customer loyalty of the acquired subsidiaries. The following table shows the movement for the years ended 31 December 2015 and 31 December 2014 respectively:

Amounts in thousands of Euro	GROUP	COMPANY
COST		
1 January 2014	17.565	12.474
Additions	191	164
Disposals / Write-offs	(10)	0
31 December 2014	17.746	12.638
Additions	166	166
31 December 2015	17.912	12.804
ACCUMULATED AMORTIZATION - IMPAIRMENT		
1 January 2014	15.298	12.125
Amortization charge	266	167
Amortization of goodwill allocation	178	0
Disposals / Write-offs	(10)	0
31 December 2014	15.732	12.292
Amortization charge	205	110
Amortization of goodwill allocation	178	0
31 December 2015	16.115	12.402
CARRYING AMOUNT		
31 December 2014	2.014	346
31 December 2015	1.797	402

13. INTANGIBLE ASSETS - continued

Impairment testing of Goodwill

Goodwill, which has arisen on subsidiary acquisition, amounts to €29.480 thousand for the aggregates and concrete production structure (2014: €29.480 thousand).

The Group proceeded with an impairment testing of the aforementioned goodwill, using the following key assumptions:

The recoverable amount of the cash generating units (CGUs) under examination is determined by the calculation of their value-in-use. For this calculation, pre-tax discounted cash flows have been used, based on financial budgets approved by Management covering a ten-year period, as defined by the LafargeHolcim Group policy, as well as a discount rate of 12,6% (2014: 11%). This period, according to the LafargeHolcim Group's Management, reflects the characteristics of the Group's activities where operating assets have a long lifespan and where technologies evolve very slowly.

The discount rate represents the current assessments of the market, as regards the risks related to the specific CGU, taking into account the time value of money.

The calculation method used was the "Weighted Average Cost of Capital (WACC)". The weighted average cost of capital consists of the average rate of return that the shareholders (cost of equity) and the debtors (cost of debt) expect from the entity, in order to invest their capital to finance its operations, taking into account the specific circumstances under which the Group and its segments operate.

Beta factors have also been applied, reflecting the specific risks of the country, the cement sector and the general business environment, as well as the current developments and prospects. The beta factors are evaluated on an annual basis according to publicly available market data.

Following the ten-year period, the cash flows have been extrapolated using an assessment of a growth rate of 2% (2014: 2%). A steady perpetual growth of the expected free cash flow of the last year of the forecast time-period has been assumed.

The remaining key assumptions that were used for the calculation of the value-in-use of the cash generating units consist of the following:

Sales volumes:

Sales Volume Growth:

	<u>2015</u>	<u>2014</u>
Concrete	2,4% - 25,0%	1,8% - 37,7%
Aggregates	0% - 20,0%	7,0% - 20,0%

The assessments of the Group's Management regarding the projected sales volumes have taken into consideration the market growth estimates in the country, the participation in the public infrastructure projects, as well as the productivity per activity area, based on the past experience.

Moreover, the cement/ concrete intensity in construction in accordance with the building codes, and the availability of the raw materials have also been considered in the framework of designing the long-term growth rate.

13. INTANGIBLE ASSETS - continued

Impairment testing of Goodwill - continued

Sales prices:

Sales Prices Growth:

	<u>2015</u>	<u>2014</u>
Concrete	0,9% - 2,0%	1,6% - 3,0%
Aggregates	(0,1)% - 2,0%	(0,1)% - 3,0%

The inflation, the growth rate of the domestic market as well as the increase of the production cost comprise of the fundamental elements that formed the base for the assumptions made.

Results before taxes, interest, depreciation and amortization (EBITDA)/ Sales:

EBITDA/ Sales Variance

	<u>2015</u>	<u>2014</u>
Concrete	(11,0%) - 3,0%	(6,0%) - 14,0%
Aggregates	10,0% - 21,0%	1,0% - 30,0%

The EBITDA/ Sales rate is composed by all items included in the Cost of Sales, among which the energy cost, as well as the items included in the Administrative expenses.

Management is evaluating the reasonableness of assumptions on which the current cash flow projections are based, taking into account external resources, such as the projections of sectoral studies and the required amendments for capturing the current financial situation, and is examining the causes of differences between past cash flow projections and the current ones.

Any deviations between the assumptions made by the Group's Management in previous years and the actual results that occurred subsequently are attributed to the unprecedented downturn of the construction sector, which nobody could foresee. In such an environment of continuing economic recession, as the one the country is experiencing during the five past years at least, where the "external evidence" was changing at a very high pace, the modification of the related Management assumptions was inevitable and was took place when it was considered necessary and reasonable.

However, the deviations of the assumptions made in previous years from the actual results were minor and, therefore, had no significant impact on the outcome of the impairment test of the Group's goodwill, given that the recoverable amount of the cash generating units was considerably higher than their book value and the goodwill that has been recognized in Company's books, and continues to be higher as at 31 December 2015.

The Group is not aware, at present, of any event or condition which would have a reasonably possible variation in any of the main assumptions on which the determination of the recoverable amount of the cash generating units was based. However, the Group carried out a sensitivity analysis at 31 December 2015, in the context of which it assessed the sensitivity of the recoverable amounts to a reasonable variation of half point in the perpetual growth rate and the discount rate. The analysis does not indicate any conditions where the carrying value of the significant Cash Generating Units exceed their recoverable value, thus no impairment is required.

14. TANGIBLE ASSETS

The following table shows the relevant Group tangible assets movements for the years ended 31 December 2015 and 31 December 2014 respectively:

Amounts in thousands of Euro

GROUP	Land and quarries	Buildings	Machinery	Vehicles, Furniture and other equipment	Assets under construction	Total
COST						
1 January 2014	75.635	267.722	482.576	26.479	11.544	863.956
Additions	0	82	981	123	3.513	4.699
Disposals / Write-offs	0	(350)	(1.327)	(517)	0	(2.194)
Transfers of assets under construction	0	399	6.771	236	(7.406)	0
31 December 2014	75.635	267.853	489.001	26.321	7.651	866.461
Additions	0	13	709	47	5.071	5.840
Disposals / Write-offs	0	0	(400)	(68)	(21)	(489)
Transfers of assets under construction	0	1.510	3.746	1	(5.257)	0
31 December 2015	75.635	269.376	493.056	26.301	7.444	871.812
ACCUMULATED DEPRECIATION - AMORTIZATION						
1 January 2014	6.398	179.107	330.293	20.697	1.686	538.181
Depreciation charge	230	10.746	14.442	1.021	0	26.439
Amortization of allocation of goodwill	164	0	0	0	0	164
Impairment of fixed assets	800	1.067	4.734	(69)	0	6.532
Disposals / Write-offs	0	(237)	(956)	(482)	0	(1.675)
Subsidies of fixed assets	0	(5)	(2)	0	0	(7)
31 December 2014	7.592	190.678	348.511	21.167	1.686	569.634
Depreciation charge	351	10.311	12.830	872	0	24.364
Amortization of allocation of goodwill	164	0	0	0	0	164
Impairment of fixed assets	773	0	282	(5)	374	1.424
Disposals / Write-offs	0	0	(113)	(68)	0	(181)
Subsidies of fixed assets	0	(4)	(1)	0	0	(5)
31 December 2015	8.880	200.985	361.509	21.966	2.060	595.400
NET BOOK VALUE						
31 December 2014	68.043	77.175	140.490	5.154	5.965	296.827
31 December 2015	66.755	68.391	131.547	4.335	5.384	276.412

The above assets include the net book value of the buildings, machinery and stripping costs, amounting to €2.881 thousand, of the subsidiary LAFARGE BETON S.A. at the Araxos location in Achaia Prefecture. According to notary public deed No. 10114/2003, transfer of ownership of the above land to LAFARGE BETON S.A. is still outstanding; however the transfer of the demesne has been completed. The Management presumes ownership of property as well as full recoverability of the book value, although the above impediment has not yet been remedied.

The quarry of Araxos ceased its operation on 31 December 2010 based on No 12365/09 KYA (FEK 159D/29-4-2009) and operated again on 28 November 2011 based on article 53, par. 2 of L. 4030/2011 (FEK/A/249/25-11-2011).

The impairment of fixed assets for the Company and the Group mainly relates to impairment of land plot in the area Bataria of Chalkida of amount €773 thousand.

14. TANGIBLE ASSETS – continued

The following table shows the relevant Company tangible assets movements for the years ended 31 December 2015 and 31 December 2014 respectively:

Amounts in thousands of Euro

COMPANY	<u>Land and quarries</u>	<u>Buildings</u>	<u>Machinery</u>	<u>Vehicles, Furniture and other equipment</u>	<u>Assets under construction</u>	<u>Total</u>
COST						
1 January 2014	57.067	257.533	455.330	17.064	10.813	797.807
Additions	0	56	611	15	3.188	3.870
Disposals / Write-offs	0	0	(141)	(19)	0	(160)
Transfers of assets under construction	0	305	6.501	191	(6.997)	0
31 December 2014	57.067	257.894	462.301	17.251	7.004	801.517
Additions	0	10	618	21	4.630	5.279
Disposals / Write-offs	0	0	(322)	(11)	0	(333)
Transfers of assets under construction	0	1.370	3.441	0	(4.811)	0
31 December 2015	57.067	259.274	466.038	17.261	6.823	806.463
ACCUMULATED DEPRECIATION - IMPAIRMENT						
1 January 2014	1.670	172.786	311.697	13.254	1.610	501.017
Depreciation charge	24	10.333	13.144	659	0	24.160
Impairment of fixed assets	0	1.067	4.756	0	0	5.823
Disposals / Write-offs	0	0	(35)	(19)	0	(54)
31 December 2014	1.694	184.186	329.562	13.894	1.610	530.946
Depreciation charge	28	9.928	11.603	569	0	22.128
Impairment of fixed assets	773	0	282	0	374	1.429
Disposals / Write-offs	0	0	(40)	(11)	0	(51)
31 December 2015	2.495	194.114	341.407	14.452	1.984	554.452
NET BOOK VALUE						
31 December 2014	55.373	73.708	132.739	3.357	5.394	270.571
31 December 2015	54.572	65.160	124.631	2.809	4.839	252.011

15. INVESTMENT PROPERTY

Investment property is defined as property held to earn rentals or for capital appreciation or both. Investment property of the Group concerns the tangible assets of the subsidiary EVIESK S.A. and its movement for period ended 31 December 2015 is presented in the following table:

Amounts in thousands of Euro

GROUP

	<u>Land</u>	<u>Buildings</u>	<u>Total</u>
Closing net book value as at 31 December 2014	633	858	1.491
Depreciation charge	0	(74)	(74)
Closing net book value as at 31 December 2015	633	784	1.417

16. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

The following table is a list of the Group's companies included in the consolidated Financial Statements, with their respective registered offices, their Group's interest in these and their main scope of activity.

Companies consolidated by full consolidation:

Name of Subsidiary	Registered office	31/12/2015			31/12/2014			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	98,22%	1,78%	100,00%	98,86%	1,14%	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
BIOMASS S.A.	Greece, Paiania, Attica	57,24%		57,24%	51,00%		51,00%	Biomass exploitation and trade
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%	Liquidated in June of 2015
DYSTOS SOC. NAV.	Greece, Paiania, Attica		100,00%	100,00%		100,00%	100,00%	Dormant
MARATHOS QUARRIES S.A.	Greece, Heraclion, Crete					100,00%	100,00%	Merged in July of 2015
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

On 26/6/2015, based on a statement of the Ministry of Economy, Infrastructure, Shipping and Tourism, under protocol number 3151.1/486/08, the liquidation process of the company A. HATZIKYRIAKOS SOC. NAV. was completed and it was deleted from the relevant Registry of Naval Companies.

On 17/7/2015, by virtue of decision of the Direction of Development of Regional Section of Eastern Attica, with protocol number 3457/2015, the legal merger of LAFARGE BETON S.A. with the company MARATHOS QUARRIES S.A. was completed, based on articles 68-78 of L. 2190/1920 and articles 1-5 of L. 2166/1993.

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.

16. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES – continued

Company consolidated using the equity method:

Name of Associate	Registered Office	31/12/2015			31/12/2014			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

Investments in subsidiaries and associates, in the Company's separate Financial Statements, are as follows:

Amounts in thousands of Euro

	COMPANY					
	31/12/2015			31/12/2014		
	Acquisition Cost	Impairment provision	Net value	Acquisition Cost	Impairment provision	Net value
LAFARGE BETON S.A.	127.173	(96.526)	30.647	127.173	(65.040)	62.133
EVIESK S.A.	1.428	(1.428)	0	1.428	(1.428)	0
LAVA S.A.	1.240	0	1.240	1.240	0	1.240
HERACLES MARITIME CO.	5.543	0	5.543	5.543	0	5.543
AEGEAN TERMINALS S.A.	6.436	(6.436)	0	6.436	(6.436)	0
MIDDLE EAST CEMENT SHIPPING & HANDLING COMPANY S.A.	6	(6)	0	6	(6)	0
BIOMASS S.A. (ex E.D.A.K.E. S.A.)	99	0	99	99	0	99
Total	141.925	(104.396)	37.529	141.925	(72.910)	69.015

Total assets and liabilities of companies consolidated using the equity method, are stated below:

Amounts in thousands of Euro

	31/12/2015	31/12/2014
Total Assets	533	533
Total Liabilities	5.263	4.881
Total Equity	(4.730)	(4.348)
Impairment of investment in MIDDLE EAST CEMENT SHIPPING & HANDLING COMPANY S.A.	(294)	(294)
Provision of MIDDLE EAST CEMENT SHIPPING & HANDLING COMPANY S.A.	(1.043)	(1.043)

17. OTHER INVESTMENTS

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 company UNICEN registered in the Municipality of Chalandri. The above mentioned entities are not consolidated because their shareholding and financial position are immaterial.

Amounts in thousands of Euro

	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Other investments	57	57	57	57
Total	57	57	57	57

18. INVENTORIES

Group and Company inventories are analysed as follows:

Amounts in thousands of Euro

	GROUP				COMPANY			
	31/12/2015		31/12/2014		31/12/2015		31/12/2014	
Merchandise	831		935		831		935	
Finished and semi-finished products	19.904		16.768		17.433		14.494	
Less: Obsolescence provision	(6.457)	13.447	(4.968)	11.800	(6.457)	10.976	(4.918)	9.576
Raw & auxiliary materials	19.029		17.023		18.184		15.954	
Less: Obsolescence provision	(1.517)	17.512	(1.302)	15.721	(1.507)	16.677	(1.291)	14.663
Spare parts	28.453		27.696		27.962		27.176	
Less: Obsolescence provision	(16.809)	11.645	(16.359)	11.337	(16.671)	11.291	(16.221)	10.955
Consumables	3.498		2.979		3.359		2.864	
Less: Obsolescence provision	0	3.498	(136)	2.843	0	3.359	(136)	2.728
Total	46.933		42.636		43.134		38.857	

The following table includes a detailed breakdown of the provisions for both Group and Company:

Amounts in thousands of Euro

	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Balance at the beginning of year	22.765	18.558	22.566	18.276
Additional provision in the year for finished and semi finished products obsolescence	1.539	2.214	1.539	2.214
Reversal of provision for finished and semi finished products	(50)	(83)	0	0
Additional provision in the year for raw materials obsolescence	238	1.248	216	1.248
Reversal of provision for slow moving raw materials obsolescence	(23)	0	0	0
Additional provision in the year for spare parts obsolescence	450	828	450	828
Reversal of provision in the year for consumables	(136)	0	(136)	0
Total	24.783	22.765	24.635	22.566

19. PROVISION FOR STAFF RETIREMENT COMPENSATION

The Group companies are compensating retiring staff with the equivalent of 100% of the compensation in case of dismissal as stated by the labour law. There are no other post-retirement benefits. In order to calculate the Group's above-mentioned obligations towards its staff, regarding future payment of staff retirement benefits depending on their previous service duration, independent actuaries perform an actuarial valuation.

The staff retirement compensation is not a savings program; therefore it is not funded by special reserves. The non-financed obligation will lead to future Group and Company payments on the date each employee will retire.

The actuarial valuation measures such obligation which is then presented at the date of the Financial Statements, based on the anticipated accrued right to be paid for each employee. The amount of accrued right appears discounted at its current value in relation to the anticipated payment date.

The most recent actuarial valuation of Group staff compensation due to retirement was conducted by independent actuaries, based on 31 December 2015 data. The current value of the defined benefits obligation and relevant costs of current and offered services, were calculated using the projected unit credit method, as stipulated in IAS 19.

Actuarial gains / (losses) (differences between expected and actual defined benefit obligations at the end of 2015) arose during the year for each of the Group's companies.

The Group's and the Company's estimated actuarial gain as at 31 December 2015 amounted to €1.758 thousand and €1.646 thousand respectively, with recognised deferred tax of €510 thousand and €477 thousand respectively, which is attributed to experiential adjustments as well as change in actuarial assumptions in relation to the previous year. The recognition of the above mentioned actuarial gain decreased the liability for staff retirement compensation and was made directly in the statement of comprehensive income.

The actuarial gain derives a) from gain of €1.078 thousand and €962 thousand for the Group and the Company respectively, due to change in actuarial assumptions in relation to the previous year, concerning mainly the change of the discount rate from 1,80% to 2,30% and b) from gain from experiential adjustments totalling €680 thousand and €684 thousand for the Group and the Company respectively, which is attributed to the following factors:

- In 2015 the actual average change in basic salaries and allowances increased by 0,8% for the Group and by 0,4% for the Company, against a long-term actuarial assumption of increase of 3,25% for both cases: gain of €750 thousand for the Group and €729 thousand for the Company. The Management estimates that in the long term the average increase will be at 3,25%.
- The remaining loss of €70 thousand and €45 thousand for the Group and the Company respectively is attributed to population mobility during the year, such as actual departures, retirements, new hiring and mortality.

The total expense in the statement of profit or loss in 2015 was €4.901 thousand and €4.357 thousand for the Group and the Company respectively. For the Group, €2.713 thousand is included in cost of sales and €1.953 thousand is included in administrative expenses, €183 thousand is included in other operating income and €419 thousand in financial expenses; while for the Company, €2.450 thousand is included in cost of sales and €1.710 thousand is included in administrative expenses, €183 thousand is included in other operating income and €380 thousand is included in financial expenses.

19. PROVISION FOR STAFF RETIREMENT COMPENSATION – continued

The staff retirement compensation provision is analysed as follows:

	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Amounts in thousands of Euro				
Present value of obligation	19.494	25.308	17.813	23.342
Net liability in Statement of Financial Position	19.494	25.308	17.813	23.342
Amounts recognised in the Statement of Profit or Loss				
Service cost	1.060	1.052	937	936
Interest cost	419	709	380	651
Regular Statement of Profit or Loss charge	1.479	1.761	1.317	1.587
Termination loss / Restructuring expense	3.422	4.074	3.040	3.604
Total Statement of Profit or Loss charge	4.901	5.835	4.357	5.191
Changes in present value of Defined benefit obligation				
Defined benefit obligation at the beginning of the year	25.308	32.588	23.342	30.772
Service cost	1.060	1.052	937	936
Interest cost	419	709	380	651
Benefits paid directly by the Company	(8.957)	(14.752)	(8.240)	(13.996)
Extra payments or expenses / (income)	3.422	4.074	3.040	3.604
Actuarial loss / (gain)	(1.758)	1.637	(1.646)	1.375
Defined benefit obligation at year end	19.494	25.308	17.813	23.342
Analysis of actuarial gain / (loss)				
Gain / (loss) on plan liabilities due to change in assumptions	1.078	(2.629)	962	(2.345)
Gain / (loss) on plan liabilities due to experiential changes	680	992	684	970
Actuarial gain / (loss)	1.758	(1.637)	1.646	(1.375)
Movement in net liability in Statement of Financial Position				
Net liability in Statement of Financial Position at the beginning of the year	25.308	32.588	23.342	30.772
Benefits paid directly by the Company	(8.957)	(14.752)	(8.240)	(13.996)
Total expense recognised in the Statement of Profit or Loss	4.901	5.835	4.357	5.191
Net liability in Statement of Financial Position before adjustment	21.252	23.671	19.459	21.967
Amount recognised in the statement of recognised (income) / expense	(1.758)	1.637	(1.646)	1.375
Net liability in Statement of Financial Position	19.494	25.308	17.813	23.342
Net liability in current liabilities	768	5.060	683	4.956
Net liability in non-current liabilities	18.726	20.248	17.130	18.386
Total	19.494	25.308	17.813	23.342

19. PROVISION FOR STAFF RETIREMENT COMPENSATION - continued

Main assumptions used by actuaries:

	GROUP		COMPANY		
	31/12/2015	31/12/2014	31/12/2015	31/12/2014	
Discount rate	2,30%	1,80%	2,30%	1,80%	annual
Salaries increase	3,25%	3,25%	3,25%	3,25%	annual
Allowances increase	3,25%	3,25%	3,25%	3,25%	annual
Inflation rate	1,75%	1,75%	1,75%	1,75%	annual
Plan duration	10,39	9,07	10,16	8,76	

Mortality assumption based on Swiss table EVK00

Disability assumption based on Swiss EVK00 disability table adjusted by 50%

The results of the actuarial valuation are discounted to present value with the use of a discount rate, thus the amount of provision for staff retirement compensation is sensitive to changes in the discount factor, namely:

- (a) if the discount rate used was 0,50 units higher (2,80%) then the "Defined Benefit Obligation" for the Group, would be lower by 4,90% (€963 thousand) and for the Company by 4,80% (€861 thousand).
- (b) if the discount rate used was 0,50 units lower (1,80%) then the "Defined Benefit Obligation" for the Group, would be higher by 5,30 (€1.041 thousand) and for the Company by 5,20% (€929 thousand).

In the table below, there is an analysis of the Defined Benefit Obligation of the Group and the Company as well as of the actuarial result (gain / loss) for the last five years:

Amounts in thousands of Euro

	GROUP				
	31/12/2015	31/12/2014	31/12/2013	31/12/2012	31/12/2011
Defined benefit obligation at year end	19.494	25.308	32.588	40.366	63.241
Actuarial gain / (loss)	1.758	(1.637)	2.121	2.231	(505)

	COMPANY				
	31/12/2015	31/12/2014	31/12/2012	31/12/2011	31/12/2010
Defined benefit obligation at year end	17.813	23.342	30.772	38.034	59.860
Actuarial gain / (loss)	1.646	(1.375)	1.912	2.352	(391)

20. OTHER NON-CURRENT AND CURRENT PROVISIONS
GROUP

	Provision for quarry restoration expenses	Provision for pending litigations	Provision for associate liability	Provision for fire affected areas	Provision for disputed tax cases	Other provisions	Total
Amounts in thousands of Euro							
1 January 2014	4.066	1.529	1.043	389	10.353	11.619	28.999
Additional provision for the year	96	4.766	0	0	0	920	5.782
Provision utilised	(119)	(1.077)	0	0	0	(6.820)	(8.016)
Unutilised provision	0	(129)	0	0	0	0	(129)
31 December 2014	4.043	5.089	1.043	389	10.353	5.719	26.636
Included in current liabilities	277	3.666	0	300	0	2.330	6.573
Included in non-current liabilities	3.766	1.423	1.043	89	10.353	3.389	20.063
31 December 2014	4.043	5.089	1.043	389	10.353	5.719	26.636
Additional provision for the year	1.984	2.224	0	0	0	1.713	5.921
Provision utilised	(96)	(1.879)	0	0	0	(2.157)	(4.132)
Unutilised provision	0	0	0	0	0	(826)	(826)
Transfer from current liabilities	0	0	0	0	0	283	283
31 December 2015	5.931	5.434	1.043	389	10.353	4.732	27.882
Included in current liabilities	277	4.252	0	300	0	1.734	6.563
Included in non-current liabilities	5.654	1.182	1.043	89	10.353	2.998	21.319
31 December 2015	5.931	5.434	1.043	389	10.353	4.732	27.882

COMPANY

	Provision for quarry restoration expenses	Provision for pending litigations	Provision for subsidiary losses	Provision for associate liability	Provision for fire affected areas	Provision for disputed tax cases	Other provisions	Total
Amounts in thousands of Euro								
1 January 2014	1.462	1.513	22.748	1.043	389	10.353	10.591	48.099
Additional provision for the year	0	4.496	1.315	0	0	0	920	6.731
Unutilised provision	0	(129)	0	0	0	0	0	(129)
Provision utilised	(77)	(1.061)	0	0	0	0	(6.817)	(7.955)
31 December 2014	1.385	4.819	24.063	1.043	389	10.353	4.694	46.746
Included in current liabilities	247	3.629	0	0	300	0	1.986	6.162
Included in non-current liabilities	1.138	1.190	24.063	1.043	89	10.353	2.708	40.584
31 December 2014	1.385	4.819	24.063	1.043	389	10.353	4.694	46.746
Additional provision for the year	1.824	2.149	1.538	0	0	0	0	5.511
Unutilised provision	0	0	0	0	0	0	(826)	(826)
Provision utilised	(45)	(1.878)	0	0	0	0	(1.998)	(3.921)
Transfer from accrual	0	0	0	0	0	0	282	282
31 December 2015	3.164	5.090	25.601	1.043	389	10.353	2.152	47.792
Included in current liabilities	247	4.252	0	0	300	0	276	5.075
Included in non-current liabilities	2.917	838	25.601	1.043	89	10.353	1.876	42.717
31 December 2015	3.164	5.090	25.601	1.043	389	10.353	2.152	47.792

20. OTHER NON-CURRENT AND CURRENT PROVISIONS – continued

The provision for quarry restoration expenses is based on the international practice of LafargeHolcim Group, the HERACLES G.C.C. Group being part thereof and covers the restoration expenses estimate until the date the provision is made, plus a cost assessment for the disassembly and removal of any fixed assets in the area.

The provision for pending litigations concerns actions filed against the Group and the Company, of a total amount of €9.482 thousand and €6.754 thousand respectively, for which the estimated probable loss would be €5.434 thousand and €5.090 respectively.

The provision for subsidiaries' losses concerns the recognition by the Company of subsidiaries' accumulated losses, over and above the provision for loss of capital. Furthermore, a provision for the undertaking of the liabilities of the associate company MIDDLE EAST CEMENT SHIPPING & HANDLING COMPANY S.A. has been recognised.

The long term provision for disputed tax cases relates to the tax audit of the company Halkis Cement conducted in 2001 for the years 1994-1996.

The tax audit assessed an amount of €10.353 thousand as additional taxes for Halkis Cement. Due to the Company merger with Halkis Cement in 2000, the Company assumed full liability for the tax assessed and recourses were filed before the Greek courts. The main argument was that Halkis Cement group had already settled this liability through its agreement with creditors including the Greek State, as stipulated in L. 1892/1990 Article 44.

The judgement of the first instance court was in favour of the Greek State. However the Company won the case before the Court of Appeals (by virtue of decision in November of 2009). Based on this ruling, the Greek State returned to the Company the amount of €10.353 thousand by offsetting against its tax liabilities.

However, since the Greek State has appealed against the decision of the Court of Appeals, the Company's Management, based on the principle of prudence, decided to provide for the related amount in the Financial Statements.

21. DEFERRED TAX ASSETS AND LIABILITIES

The following are the major deferred tax assets and liabilities recognised by the Group and Company, as well as the movement of the relative accounts:

Amounts in thousands of Euro

GROUP

Deferred taxation from:	1/1/2014	Equity	Statement of Profit or Loss	31/12/2014	Equity	Statement of Profit or Loss	31/12/2015
Impact from valuation of tangible assets to their fair value and adjustment of depreciation due to use of respective estimated useful life assessment	(14.648)	0	4.280	(10.368)	0	2.392	(7.976)
Deferred tax asset on tax losses of the year	15.757	0	2.878	18.635	0	(1.621)	17.014
Provision for doubtful receivables	23.098	0	1.348	24.446	0	4.150	28.596
Provision for staff retirement compensation	8.469	420	(2.360)	6.529	156	(1.096)	5.589
Recognition of financial derivatives	(8)	77	3	72	(64)	(6)	2
Impairment of inventory	7.505	0	1.120	8.625	0	784	9.409
Other provisions	4.125	0	(801)	3.324	0	624	3.948
Other	1.326	0	112	1.438	0	(83)	1.355
Total	45.624	497	6.580	52.701	92	5.144	57.937

21. DEFERRED TAX ASSETS AND LIABILITIES – continued

Amounts in thousands of Euro

COMPANY

Deferred taxation from:	1/1/2014	Equity	Statement of Profit or Loss	31/12/2014	Equity	Statement of Profit or Loss	31/12/2015
Impact from valuation of tangible assets to their fair value and adjustment of depreciation due to use of respective estimated useful life assessment	(11.872)	0	4.033	(7.839)	0	2.310	(5.529)
Deferred tax asset on tax losses of the year	15.705	0	2.855	18.560	0	(1.628)	16.932
Provision for doubtful receivables	20.416	0	1.270	21.686	0	3.729	25.415
Provision for staff retirement compensation	8.004	357	(2.290)	6.071	187	(1.111)	5.147
Recognition of financial derivatives	(8)	77	3	72	(64)	(6)	2
Impairment of inventory	7.540	0	1.137	8.677	0	790	9.467
Other provisions	3.411	0	(870)	2.541	0	361	2.902
Other	968	0	14	982	0	200	1.182
Total	44.164	434	6.152	50.750	123	4.645	55.518

21. DEFERRED TAX ASSETS AND LIABILITIES - continued

In addition to the deferred tax that has been recognised in the statement of profit or loss, deferred tax assets of €156 thousand and €187 thousand concerning actuarial gain recognized during the year as well as the impact of the tax rate change from 26% to 29% on the total recognized actuarial losses, have been recorded directly in the equity of the Group and the Company respectively as at 31 December 2015. The respective amounts as at 31 December 2014 concerned deferred tax asset of €420 thousand and €357 thousand for the Group and the Company respectively.

Moreover, a deferred tax liability of €64 thousand has been recorded directly to equity of the Group and the Company concerning the recognition of financial derivatives of the Company during the year.

Deferred tax assets and liabilities of the Group and the Company have been offset. The analysis of the deferred tax balances (following offset) for presentation purposes is given below:

Amounts in thousands of Euro	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Deferred tax assets	65.913	63.069	121.567	112.832
Deferred tax liabilities	(7.976)	(10.368)	(66.049)	(62.082)
Total	57.937	52.701	55.518	50.750

The main non-recognised figures of deferred tax assets for the Group and the Company are analysed as follows:

Amounts in thousands of Euro

	Amounts of non recognised deferred tax assets			
	GROUP		COMPANY	
	2015	2014	2015	2014
Tax losses from write-off of reserves	15.681	13.848	13.227	11.858
Other tax losses	14.913	10.496	0	0
Provision for doubtful debts	13.066	11.714	10.282	9.218
Provision for impairment of participations	0	0	30.273	18.955
Provisions for share in loss in subsidiary	0	0	7.727	6.528
Fixed assets adjustment	2.087	1.671	2.087	1.671
Total	45.747	37.729	63.596	48.230

22. 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 2015.

23. SHARE CAPITAL

There is a single class of common shares with voting rights which carry no right to fixed income.

Amounts in thousands of Euro	<u>31/12/2015</u>	<u>31/12/2014</u>
Number of issued common shares	71.082.707	71.082.707
Nominal share price (in Euro)	1,70	1,70
Approved, issued and fully paid:	120.841	120.841

24. SHARE PREMIUM

Amounts in thousands of Euro	<u>31/12/2015</u>	<u>31/12/2014</u>
Share premium	<u>1.279</u>	<u>1.279</u>

25. RESERVES

Movements in Group and Company reserves are presented in the tables below:

Amounts in thousands of Euro

GROUP

	<u>1/1/2014</u>	<u>Additions/ (Disposals)</u>	<u>31/12/2014</u>	<u>Additions/ (Disposals)</u>	<u>31/12/2015</u>
Statutory Reserve	38.261	0	38.261	0	38.261
Special Reserves	1.156	0	1.156	0	1.156
Extraordinary Reserves	4.553	0	4.553	(53)	4.500
Tax-free Reserves	130.726	(939)	129.787	(754)	129.033
	174.696	(939)	173.757	(807)	172.950

Amounts in thousands of Euro

COMPANY

	<u>1/1/2014</u>	<u>Additions/ (Disposals)</u>	<u>31/12/2014</u>	<u>Additions/ (Disposals)</u>	<u>31/12/2015</u>
Statutory Reserve	36.023	0	36.023	0	36.023
Special Reserves	851	0	851	0	851
Extraordinary Reserves	762	0	762	0	762
Tax-free Reserves	124.534	(345)	124.189	0	124.189
	162.170	(345)	161.825	0	161.825

Statutory reserve

According to the Greek corporate legislation, every company must transfer 5% of their profit after taxes to the statutory reserve each year, until the reserve equals 1/3 of the share capital. This reserve is not distributed, but it can be used against future losses.

The Company has losses and no statutory reserve will be created for year 2015.

Special and Extraordinary reserves

These are various special reserves such as taxed accounting differences, differences from conversion of capital from Drachma to Euro and others with different conditions attached.

25. RESERVES - continued***Tax-free reserves***

Movements in tax-free reserves are presented in the tables below:

Amounts in thousands of Euro

GROUP

	<u>31/12/2014</u>	<u>Movement</u>	<u>31/12/2015</u>
Tax incentive L. 2601/98	36.345	0	36.345
Tax incentive L. 1892/90	27.842	0	27.842
Tax incentive L. 1828/89	19.207	0	19.207
Tax incentive L. 1262/82	3.172	0	3.172
Article 9, L. 2190/20 Committee	1.614	0	1.614
Tax incentive L. 1078/71	1.613	0	1.613
Tax incentive L. 289/76	928	0	928
Tax incentive L. 607/68	729	0	729
Tax incentive L. 4002/59	210	0	210
Tax incentive L. 147/67	178	0	178
Tax incentive L. 3299/2004	36.904	0	36.904
Other tax-free reserves	1.045	(754)	291
Total	<u>129.787</u>	<u>(754)</u>	<u>129.033</u>

Amounts in thousands of Euro

COMPANY

	<u>31/12/2014</u>	<u>Movement</u>	<u>31/12/2015</u>
Tax incentive L. 2601/98	36.345	0	36.345
Tax incentive L. 1892/90	26.498	0	26.498
Tax incentive L. 1828/89	17.664	0	17.664
Tax incentive L. 1262/82	2.436	0	2.436
Article 9, L. 2190/20 Committee	1.614	0	1.614
Tax incentive L. 1078/71	1.345	0	1.345
Tax incentive L. 607/68	729	0	729
Tax incentive L. 4002/59	210	0	210
Tax incentive L. 147/67	161	0	161
Tax incentive L. 3299/2004	36.894	0	36.894
Other tax-free reserves	293	0	293
Total	<u>124.189</u>	<u>0</u>	<u>124.189</u>

26. FINANCIAL ASSETS AND LIABILITIES AND FINANCIAL RISK MANAGEMENT

In this note the Group's financial assets and liabilities and their respective financial risks are analysed.

26.1. FINANCIAL RISK FACTORS

The Group is exposed to financial risks: credit risk and market risk such as exchange rate fluctuations, borrowing rates and purchase prices of fuels and freights. These risks are consistent in the Group's operations and no new risks have recently arisen. The Group's risk management program aims at minimising the possible negative impact that such risks may have on the Group's financial performance.

Risk management of the Group and the Company is the responsibility of the Financial Management and Credit Control Function, that operates based on procedures, guidelines and directives set out by the Group's and the Company's Management, in the context of LafargeHolcim Group policy. The specific Function coordinates the Group's and the Company's access to domestic and international money markets, through the parent company LafargeHolcim.

Among others, the above include identification, assessment and hedging of the financial risks against which the Group is exposed. It is the Group's policy not to perform speculative transactions and, in general, transactions not related to its commercial, investment or borrowing activities.

The financial instruments that the Group mainly uses are bank deposits, overdraft bank accounts, receivables and liabilities, loans from third parties and to related parties, intercompany loans, finance lease contracts and derivatives.

Credit risk

The financial assets and liabilities of the Group that contain credit risk are mainly the following:

- (a) Trade and other receivables. The relative maximum exposure of the Group and the Company to credit risk is analysed in note 26.3, together with the risk management policies and methods used by Management.
- (b) Other non-current receivables. The maximum exposure to credit risk is analysed in note 26.2 below.

Liquidity risk

Liquidity risk consists of the Group's inability to honour its financial obligations when they come due. In order to manage liquidity, the Group maintains the appropriate combination of cash & cash equivalents and approved banking facilities, so that the maturing financial liabilities are met, under ordinary or even under adverse conditions, without undertaking unacceptable losses or setting its reputation at risk.

However, the developments during 2015 and discussions at national and international level on the review of the funding program's terms of Greece perpetuate the instability of the macroeconomic and financial environment in the country. The return to financial stability depends, at a great extent, on the actions and decisions of Greek and foreign institutions. The Group and the Company, taking into account that almost 50% of the Group's sales are intended for markets outside Greece and that the Group has access to financing sources outside Greece, consider that any negative developments in the Greek economy are not expected to significantly affect their normal operations.

As at 31 December 2015, the Group's cash and cash equivalents amounted to €27.469 thousand, while it also had the adequate approved but undrawn borrowing facilities, so that it could fund its current short-term liabilities. Moreover, the Group's Management, through coordinated efforts, has reduced its trade receivables collection period and attempts to maintain the best possible inventory levels.

To avoid liquidity risks the Group estimates the projected cash flows for a one-year period when preparing the annual budget, as well as conducts a rolling estimation covering a period of three months, in order to ensure that it has adequate cash resources to meet its operating needs, including the fulfilment of its financial obligations.

This policy does not take into account the impact of extreme conditions which cannot be foreseen. It should be noted, however, that for the total debt obligations no guarantee has been provided to the banks, which implies the high credit rating of the Group.

26. FINANCIAL ASSETS AND LIABILITIES AND FINANCIAL RISK MANAGEMENT - continued**26.1. FINANCIAL RISK FACTORS - continued*****Exchange rate risk***

The majority of the Group's transactions is carried out in Euro and the rest mainly in US Dollars. Therefore, to some degree, the Group is exposed to the risk of exchange rate fluctuations. The risk is hedged with derivatives, especially exchange futures. The exposure of the Group to exchange rate risks is due to its transactions in foreign currency concerning imports or exports of goods and services. The financial assets and liabilities of the Group that contain exchange rate risk are the following:

- (a) Trade and other current receivables
- (b) Cash and cash equivalents
- (c) Trade and other payables

The effect of the exchange rate fluctuation is opposite to "Trade and other Payables" compared to the effect to the other two categories. In the tables below, the US Dollars balances are presented as well as their respective value in Euro.

FINANCIAL ASSETS AND LIABILITIES IN US DOLLARS

Amounts in US Dollar thousand

	GROUP		COMPANY	
	<u>31/12/2015</u>	<u>31/12/2014</u>	<u>31/12/2015</u>	<u>31/12/2014</u>
Cash and cash equivalents	3.473	1.464	3.241	1.134
Receivables	10.901	5.300	10.694	5.153
Payables	(9.617)	(8.563)	(9.581)	(8.522)
Net receivables / (payables)	<u>4.757</u>	<u>(1.799)</u>	<u>4.354</u>	<u>(2.235)</u>
Exchange rate				
US Dollar	1,0887	1,2141	1,0887	1,2141

FINANCIAL ASSETS AND LIABILITIES IN EURO

Amounts in thousands of Euro

	GROUP		COMPANY	
	<u>31/12/2015</u>	<u>31/12/2014</u>	<u>31/12/2015</u>	<u>31/12/2014</u>
Cash and cash equivalents	3.190	1.206	2.977	934
Receivables	10.013	4.366	9.822	4.245
Payables	(8.833)	(7.053)	(8.801)	(7.019)
Net receivables / (payables)	<u>4.370</u>	<u>(1.481)</u>	<u>3.998</u>	<u>(1.840)</u>

Regarding the hedging of exchange rate risk, the Company concludes forward contracts of US Dollar purchase. There is no contract concluded until 31 December 2015 and its purchase to concern the year of 2016.

Interest rate risk

The Group's Bank loans are related to floating rates, the fluctuations of which do not significantly affect its financial expenses and cash flows. A key Group policy is to conclude short-term and mid-term loan agreements so there are insignificant changes in interest rates. This policy, in connection with the relatively low balance of Group bank loans, limits the exposure to interest rate risk. The exposure to interest rate risk is budgeted and then a follow up is carried out.

On 31 December 2015, the Group and Company's short term loans amounted to €97.927 thousand and €19.750 thousand respectively, while the long term loans amounted to €18.000 thousand for the Group and the Company.

26. FINANCIAL ASSETS AND LIABILITIES AND FINANCIAL RISK MANAGEMENT - continued**26.1. FINANCIAL RISK FACTORS - continued*****Risk of fuel, freight and electric power prices increase***

The Group consumes amounts of fuel and electric power of significant value for the operation of its plants and the distribution of its products; hence it is exposed to the risk of increased fuel prices. In order to hedge the risk of increased fuel prices, the Group uses derivative financial instruments and more specifically, forward contracts that refer to international fuel prices. For 2015, the Group did not use such derivative financial instruments.

The Group uses freight services of significant value, for the transportation of finished and semi-finished goods, raw materials and fuels in order to cover its sales and production needs; hence it is exposed to the risk of increased freight prices. In order to hedge the risk of increased freight prices, the Group uses derivative financial instruments and more specifically, forward contracts that refer to international freight prices (relative note 26.6 below). The hedging of the above risks is exercised in the context of LafargeHolcim Group policy. For 2015, the Group did not use such derivative financial instruments.

In the table below, a sensitivity analysis of the Company's profit to the fluctuation of prices of fuel, freight and electric power is presented, assuming that the sale prices of the Company will not change. At Group level the fluctuations are not expected to differ significantly from those of the Company.

Amounts in thousands of Euro

SENSITIVITY ANALYSIS 2015						
% variance	± 30%	± 25%	± 20%	± 15%	± 10%	± 5%
Coal	± 213	± 177	± 142	± 106	± 71	± 35
Petcoke	± 4.690	± 3.908	± 3.127	± 2.345	± 1.563	± 782
Freight	± 989	± 824	± 659	± 494	± 330	± 165
Electric power	± 5.375	± 4.479	± 3.583	± 2.687	± 1.792	± 896
Total	± 11.267	± 9.388	± 7.511	± 5.632	± 3.756	± 1.878

26. FINANCIAL ASSETS AND LIABILITIES AND FINANCIAL RISK MANAGEMENT - continued**26.2. OTHER NON-CURRENT RECEIVABLES**

Other non-current receivables are analysed as follows:

Amounts in thousands of Euro	GROUP		COMPANY	
	<u>31/12/2015</u>	<u>31/12/2014</u>	<u>31/12/2015</u>	<u>31/12/2014</u>
Present value of non-current notes receivable	3.866	5.018	3.866	5.018
Guarantee deposits (PPC, rents etc)	2.601	2.601	2.386	2.386
Other non-current receivables	13.048	12.789	12.977	12.719
Other non-current intercompany receivables	0	0	0	28.505
Provision for not received guarantees and doubtful non-current receivables	(14.672)	(15.628)	(14.672)	(15.628)
Total	<u>4.843</u>	<u>4.780</u>	<u>4.557</u>	<u>33.000</u>

The provisions, according to Management's judgment, adjust the balance of "Other non-current receivables" to their fair value.

The "Guarantee deposits (PPC, rents etc)" are considered of low credit risk by Management, so the maximum exposure to credit risk is immaterial.

Based on Group policy to ask for further collaterals for covering part of credit risk, the Company has guarantees, pledges and mortgages for its clients' property, which further reduce the exposure to credit risk from long-term receivables.

In the table below, the maximum exposure of the Group and the Company to credit risk from non-current receivables from trading activity is presented:

Amounts in thousands of Euro	GROUP		COMPANY	
	<u>31/12/2015</u>	<u>31/12/2014</u>	<u>31/12/2015</u>	<u>31/12/2014</u>
Present value of non-current receivables from trading activity	16.913	17.807	16.843	17.737
Minus:				
Bad Debt provisions	14.672	15.628	14.672	15.628
Mortgages	428	407	428	407
Assigned receivables	978	874	978	874
Maximum exposure to credit risk	<u>835</u>	<u>898</u>	<u>765</u>	<u>828</u>

26. FINANCIAL ASSETS AND LIABILITIES AND FINANCIAL RISK MANAGEMENT - continued**26.3 TRADE AND OTHER CURRENT RECEIVABLES**

Group and Company trade and other current receivables are analysed as follows:

Amounts in thousands of Euro	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Trade receivables net of intercompany	156.122	155.693	119.579	117.694
Intercompany receivables	0	0	3.410	5.970
	156.122	155.693	122.989	123.664
Bad debt provision for trade receivables	(113.292)	(112.200)	(89.280)	(88.555)
	42.830	43.493	33.709	35.109
Other current intercompany receivables	0	0	30.269	1.724
Claim from Industrial Reconstruction Organization (IRO)	8.542	8.542	6.295	6.295
Current tax receivable	17.448	10.442	16.141	9.047
Other debtors net of intercompany	16.925	16.424	13.575	13.050
Prepaid expenses	1.378	1.336	1.114	1.044
Receivables from the Greek State	7.727	7.727	7.622	7.622
Bad debt provision for other receivables	(27.412)	(26.511)	(25.084)	(24.156)
	24.608	17.960	49.932	14.626
Total trade and other receivables	67.438	61.453	83.641	49.735

The other current intercompany receivables of the Company mainly refer to the loan agreement between the Company and its subsidiary E.V.I.E.S.K. S.A. On 31 December 2015 the total amount of intercompany loan is €29.125 thousand while in the prior year an amount of €28.475 thousand had been recorded as other non-current intercompany receivables and an amount of €650 thousand had been recorded as other current intercompany receivables. It should be also noted that the intercompany loans are considered of low risk, as the repayment is controlled by the Group and their book value approximates their fair value.

An analysis of bad debt provision for trade and other receivables is presented in the following table:

Amounts in thousands of Euro	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Doubtful trade receivables				
Opening balance	112.200	109.556	88.555	86.228
Additional provision for the year	2.098	5.365	1.698	5.037
Reversal of unused provision	(977)	(1.379)	(973)	(1.377)
Use of provision	(29)	(1.342)	0	(1.333)
Closing balance	113.292	112.200	89.280	88.555
Doubtful other receivables				
Opening balance	26.511	26.081	24.156	23.713
Additional provision for the year	181	9	208	22
Reclassification from long term provisions	750	712	750	712
Reversal of unused provision	(30)	(139)	(30)	(139)
Use of provision	0	(152)	0	(152)
Closing balance	27.412	26.511	25.084	24.156
Total bad debt provision	140.704	138.711	114.364	112.711

As occurs from the Financial Statements, in 2015 the average credit period offered to Group customers for sales of goods was 56 days (60 days in 2014) and respectively for the Company was 50 days (54 days in 2014).

The Management considers that the accumulated provision as at 31 December 2015 represents the best possible estimation and that the carrying amount of trade and other receivables approximates the fair value.

26. FINANCIAL ASSETS AND LIABILITIES AND FINANCIAL RISK MANAGEMENT - continued**26.3 TRADE AND OTHER CURRENT RECEIVABLES - continued*****Credit Risk from trade and other current receivables***

The Group has established credit control procedures, aimed at minimising doubtful debts. In cooperation with Sales Management and after evaluating the client's financial condition, Group's Financial and Credit Control Management sets and applies specific sales and collections terms as well as credit limits per customer.

Group receipts consist of cash and post-dated cheques from clients or from clients of its clients, after evaluating the solvency of the issuer.

Clients' financial position is monitored and evaluated on a constant basis by Group's Financial and Credit Control Management, through a system of daily and monthly reports, analysis and indices, per client and per group of clients. In addition, a full record of each client's past payments and collaboration is maintained, supported by data provided from financial information agencies. On a regular basis the Company's Accounts Receivable Committee evaluates the results of credit and doubtful debts ratings and, for significant clients, approves any cases of excesses over the fixed credit policy.

Securing of the largest possible percentage of receivables from clients is a firm Group policy. When necessary and feasible, collateral is requested to secure part of the credit risk.

In the Financial Statements, the Group recognises a provision for doubtful debts on the basis of client outstanding balances maturity as well as Management estimates for special credit risk of specific clients, based on previous years' market knowledge and the current estimation of the industry's market conditions.

The Group evaluates collectability of receivables based on historic data concerning transactions with the client, the Company's credit policy for the specific customer and credibility analysis obtained from financial information agencies.

Monitoring of doubtful debts is performed through monthly reports containing all Company's clients and through Legal Department's reports concerning disputed cases.

The final write-off of doubtful debts is performed based on proposals and approvals from the Group's Legal Department, following the existing tax regulations, after exhausting without result, all legal means and procedures for their reduction (collection, assignment of property, etc.) or alternatively, when the success of the expected – by law and procedures – claim means is not considered possible.

26. FINANCIAL ASSETS AND LIABILITIES AND FINANCIAL RISK MANAGEMENT - continued**26.3 TRADE AND OTHER CURRENT RECEIVABLES - continued*****Credit Risk from trade and other current receivables - continued***

In the tables below the maximum exposure of the Group and the Company to credit risk is presented:

Amounts in thousands of Euro

	GROUP	
	<u>31/12/2015</u>	<u>31/12/2014</u>
Total receivables	208.142	200.164
Minus:		
Bad Debt provisions	140.704	138.711
Third parties cheques	3.888	3.342
Bank Warranties	12.751	16.552
Mortgages	121	124
Prenotices for mortgage	1.523	1.759
Assigned receivables	1.617	1.200
Related party receivables	11.247	4.883
Maximum exposure to credit risk	<u><u>36.291</u></u>	<u><u>33.593</u></u>

Amounts in thousands of Euro

	COMPANY	
	<u>31/12/2015</u>	<u>31/12/2014</u>
Total receivables	198.005	162.446
Minus:		
Bad Debt provisions	114.364	112.711
Third parties cheques	1.433	818
Bank Warranties	9.521	14.095
Mortgages	121	124
Prenotices for mortgage	1.118	1.254
Assigned receivables	1.617	1.200
Intercompany receivables	32.599	6.650
Related party receivables	10.551	4.195
Maximum exposure to credit risk	<u><u>26.681</u></u>	<u><u>21.399</u></u>

In addition, an insurance coverage exists for some receivables allocated to the Group's and the Company's customers, further mitigating the exposure to credit risk.

26. FINANCIAL ASSETS AND LIABILITIES AND FINANCIAL RISK MANAGEMENT - continued**26.3 TRADE AND OTHER CURRENT RECEIVABLES - continued*****Credit Risk from trade and other current receivables - continued*****Fair value measurement and valuation process**

The Group has established a control framework with respect to measurement of fair values. This consists of the use of the directly observable market data, other than quoted prices, when they are available, or also the use of valuation assessments of external, independent, certified valuers.

The measurement is based on the following level hierarchy in which the data used is 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 Chief Financial Officer reports the valuation results, including significant fluctuations and their respective causes, as well as any other findings, to the Board of Directors of the Company every quarter, accompanied by a discussion of the major assumptions used in the valuation.

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 2015 there were no related transfers from level 3 to other levels of hierarchy.

In the context of impairment testing, 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.

In order to determine the fair value of long-term debt (Level 2) values that are determined by the market or by agents for specific or similar financial instruments are used.

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 carrying amounts of the net trade receivables for which guarantees/ collaterals are available are as follows:

Amounts in thousands of Euro	GROUP	
	31/12/2015	31/12/2014
Financial assets measured at fair value (Level 3)	4.326	4.232

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.

26. FINANCIAL ASSETS AND LIABILITIES AND FINANCIAL RISK MANAGEMENT - continued**26.3 TRADE AND OTHER CURRENT RECEIVABLES - continued*****Credit Risk from trade and other current receivables - continued***

The tables below present the receivables aging analysis of the Group and the Company and the relative bad debt provision:

Amounts in thousands of Euro

	GROUP					
	31/12/2015			31/12/2014		
	Total receivables	Bad debt provision	Net receivables	Total receivables	Bad debt provision	Net receivables
Not overdue						
Other receivables	52.020	27.412	24.608	44.471	26.511	17.960
Trade receivables	40.249	0	40.249	41.948	0	41.948
Overdue analysis						
01--30	2.720	1.554	1.166	3.329	1.795	1.534
31--60	2.145	1.057	1.088	917	913	4
61--90	1.600	1.281	319	458	451	7
91--120	565	557	8	496	496	0
121--180	750	750	0	577	577	0
181--360	1.286	1.286	0	1.490	1.490	0
361+	106.807	106.807	0	106.478	106.478	0
Total	208.142	140.704	67.438	200.164	138.711	61.453

Amounts in thousands of Euro

	COMPANY					
	31/12/2015			31/12/2014		
	Total receivables	Bad debt provision	Net receivables	Total receivables	Bad debt provision	Net receivables
Not overdue						
Other receivables	44.747	24.004	20.743	37.058	23.112	13.946
Intercompany other receivables	30.269	1.080	29.189	1.724	1.044	680
Trade receivables	29.743	0	29.743	28.613	0	28.613
Intercompany trade receivables	3.410	0	3.410	5.970	0	5.970
Overdue analysis						
01--30	2.110	1.554	556	2.094	1.568	526
31--60	1.057	1.057	0	694	694	0
61--90	673	673	0	338	338	0
91--120	387	387	0	366	366	0
121--180	361	361	0	497	497	0
181--360	820	820	0	1.063	1.063	0
361+	84.428	84.428	0	84.029	84.029	0
Total	198.005	114.364	83.641	162.446	112.711	49.735

26. FINANCIAL ASSETS AND LIABILITIES AND FINANCIAL RISK MANAGEMENT - continued**26.4 CASH, CASH EQUIVALENTS AND BANK LOANS*****Cash and cash equivalents***

Cash and cash equivalents are analysed as follows:

Amounts in thousands of Euro	GROUP		COMPANY	
	<u>31/12/2015</u>	<u>31/12/2014</u>	<u>31/12/2015</u>	<u>31/12/2014</u>
Cash on hand	21	13	15	9
Demand deposits	27.448	41.596	17.866	35.319
Time deposits	0	3.600	0	0
	<u>27.469</u>	<u>45.209</u>	<u>17.881</u>	<u>35.328</u>

Time deposits have an average duration of one month or less while the average interest rate in 2015 was 0,27% (2014: 0,29%).

Loans

In Long-term debt, an amount of €18.000 thousand is included, relating to a loan granted to the Company from the LafargeHolcim Group entity SABELFI FRANCE, as depicted in the related parties transactions (Note 30).

The short term bank loans and overdrafts of the Group 2015 have an average interest rate of 3,68% (2014: 3,83%). All bank loans are denominated in Euro.

As at 31 December 2015 the total short-term bank loans amounted to €97.927 thousand, of which €19.750 thousand concern the Company, €77.900 thousand concern subsidiary LAFARGE BETON S.A. and €277 thousand concern subsidiary LEADER BETON S.A.

As at 31 December 2014, the total short-term bank loans amounted to €86.252 thousand, of which €23.000 thousand concern the Company, €63.000 thousand concern subsidiary LAFARGE BETON S.A. and €252 thousand concern subsidiary LEADER BETON S.A.

26.5 SUPPLIERS AND OTHER CREDITORS

Suppliers and other creditors are analysed as follows:

Amounts in thousands of Euro	GROUP		COMPANY	
	<u>31/12/2015</u>	<u>31/12/2014</u>	<u>31/12/2015</u>	<u>31/12/2014</u>
Suppliers excluding intercompany balances	77.549	78.623	63.839	62.586
HERACLES Group Companies	0	0	4.812	3.513
	<u>77.549</u>	<u>78.623</u>	<u>68.651</u>	<u>66.099</u>
Payables to personnel	3.258	3.671	3.017	3.264
Social security payables	2.088	2.413	1.755	2.039
Income tax payables	2.447	2.681	1.542	1.904
Other creditors excluding intercompany balances	10.533	9.119	5.442	3.620
Other creditors HERACLES Group Companies	0	0	6.532	6.532
	<u>18.326</u>	<u>17.884</u>	<u>18.288</u>	<u>17.359</u>
Total suppliers and other creditors	<u>95.875</u>	<u>96.507</u>	<u>86.939</u>	<u>83.458</u>

26. FINANCIAL ASSETS AND LIABILITIES AND FINANCIAL RISK MANAGEMENT - continued

26.5 SUPPLIERS AND OTHER CREDITORS - continued

Suppliers and other creditors mostly relate to purchases of raw materials, fuels and consumables, as well as various operating costs. In 2015, the average credit period for the Group's operating purchases was 105 days (106 days in 2014) and respectively for the Company was 104 days (101 days in 2014).

The normal course of business of the Group companies does not depend on the business of any supplier except for the Public Power Company (DEH), which is the only supplier of electricity power in Greece. Group and Company Management considers the carrying amount of trade payables approximates their fair value.

26.6 DERIVATIVE FINANCIAL INSTRUMENTS

Amounts in thousands of Euro	COMPANY			
	31/12/2015		31/12/2014	
	Assets	Liabilities	Assets	Liabilities
Foreign currency forward exchange contracts	0	0	0	(298)
Total	0	0	0	(298)
Split to:				
Short term	0	0	0	(298)
Total	0	0	0	(298)

Foreign currency forward exchange contracts

The Group uses foreign currency forward exchange contracts, in the context of LafargeHolcim Group policy, in order to hedge against exchange rates fluctuation risks regarding specific existing commitments or anticipated transactions.

On 31 December 2015 there was no opening position on foreign currency forward exchange contracts while on 31 December 2014 the fair value of the foreign currency forward exchange contracts resulted in a liability of €298 thousand.

Commodities forward contracts

The Group, in the context of LafargeHolcim Group policy, uses commodity forward contracts, mostly fuel and marine freight to hedge against risks regarding specific existing commitments or anticipated transactions.

On 31 December 2015 and 31 December 2014, there was no open position on commodity forward contracts.

26. FINANCIAL ASSETS AND LIABILITIES AND FINANCIAL RISK MANAGEMENT - continued

26.6 DERIVATIVES FINANCIAL INSTRUMENTS - continued

Derivatives valuation reserve

In the table below, the movement of the net of deferred tax hedging reserve of the Company is presented, since only the Company holds derivatives.

Amounts in thousands of Euro	<u>31/12/2015</u>	<u>31/12/2014</u>
Hedging reserve opening balance	(183)	34
Gain/(loss) recognised on cash flow hedges:		
Foreign currency forward exchange contracts	0	(247)
Deferred tax	0	64
Transferred to retained earnings:		
Foreign currency forward exchange contracts	247	(46)
Deferred tax	<u>(64)</u>	<u>12</u>
Hedging reserve closing balance	<u><u>0</u></u>	<u><u>(183)</u></u>

26.7 OBLIGATIONS UNDER FINANCE LEASES

As at 31 December 2015, the Group has two finance lease agreements in force, concerning vehicles, the duration of which is sixty months and will expire in 2016 and 2017 respectively.

Amounts in thousands of Euro	Minimum payments		Present value of minimum payments	
	<u>31/12/2015</u>	<u>31/12/2014</u>	<u>31/12/2015</u>	<u>31/12/2014</u>
Amounts payable:				
Within one year	15	35	15	34
Within two to five years	8	22	7	21
	<u>23</u>	<u>57</u>	<u>22</u>	<u>55</u>
Less: Unearned interest expense	<u>(1)</u>	<u>(2)</u>		
Present value of finance lease liabilities	<u><u>22</u></u>	<u><u>55</u></u>	<u><u>22</u></u>	<u><u>55</u></u>
Less: Amounts payable within the year (disclosed in current liabilities)			<u>(15)</u>	<u>(34)</u>
Non-current finance leases			<u><u>7</u></u>	<u><u>21</u></u>

All obligations under finance leases are denominated in Euro.

Management estimates that the fair value of the obligations under finance leases of the Group approaches their accounting value.

27. CONTINGENT LIABILITIES AND COMMITMENTS

Company disputes under litigation or arbitration

On 31 December 2015, there were pending lawsuits against the Group, the outcome of which is uncertain, amounting to €112.533 thousand (31 December 2014: €106.972 thousand), out of which the pending lawsuits against the Company amount to €99.046 thousand (31 December 2014: €94.135 thousand). The maximum risk for the Group from the final decisions on the above cases is estimated at €32.402 thousand, out of which the maximum risk from the final decisions on the cases of the Company is estimated at €27.519 thousand. No provision has been made in the Financial Statements for the pending cases, as, according to the assessments of the Company's Legal Department, 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 of the year for the said claims as, according to the assessments of the Company's Legal Department, 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, 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 was served to the Company on 13.10.2014. On 4.11.2014 the Company filed a petition of annulment before the Supreme Administrative Court challenging vigorously the appellate judgment which was discussed on 8.6.2015 before the 6th Department (7-member composition) of the Supreme Administrative Court. The Supreme Administrative Court issued on 22.2.2016 a judgement which accepted the petition of annulment of the Company, annulled the last appellate judgment and remitted the case to the Administrative Court of Appeal of Athens so as to judge anew the substance of the argument in the context set by the Supreme Administrative Court. 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.

27. CONTINGENT LIABILITIES AND COMMITMENTS - continued**Unaudited tax years**

The unaudited tax years for the Group companies are listed below:

Company	Registered Office	Unaudited tax years
HERACLES GCC	Greece, Paiania, Attica	2015
LAFARGE BETON S.A.	Greece, Paiania, Attica	2009-2010, 2015
EVIESK S.A.	Greece, Paiania, Attica	2015
HERACLES MARITIME CO.	Greece, Paiania, Attica	2010, 2015
LAVA S.A.	Greece, Paiania, Attica	2010, 2015
AEGEAN TERMINALS S.A.	Greece, Paiania, Attica	2010, 2015
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	2010-2014
A. HATZIKYRIAKOS SOC. NAV. (liquidated)	Greece, Paiania, Attica	2010-2014
DYSTOS SOC. NAV. (dormant)	Greece, Paiania, Attica	2010-2015
NAFSIKA SOC. NAV. (liquidated)	Greece, Paiania, Attica	2010-2011
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	2010-2015
MARATHOS QUARRIES S.A. (absorbed by LAFARGE BETON S.A. in July 2015)	Greece, Heraclion, Crete	2010, 2014
PORT SAID SILO INVESTMENT COMPANY S.A. (dormant)	Panama	*
LEADER BETON S.A.	Albania	*
BIOMASS S.A.	Greece, Paiania, Attica	2015

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

The tax authorities have not audited the records of the Group companies for specific financial years (as it is analytically referred in the table above) and therefore the tax obligations for these years have not been finalized. In a future tax audit, additional taxes and charges may arise, the amounts of which cannot be currently determined with accuracy. However, it is estimated by the Group's Management that they will not have a significant effect in the financial position of the Group and the Company.

The years 2011, 2012, 2013 and 2014 of the companies HERACLES G.C.C., LAFARGE BETON S.A., HERACLES MARITIME CO., EVIESK S.A., LAVA S.A., AEGEAN TERMINALS S.A. and BIOMASS S.A. as well as the years 2011, 2012 and 2013 for the company MARATHOS QUARRIES S.A. have been audited by the elected statutory auditor of C.L. 2190/1920, in accordance with article 82 of L. 2238/1994 and article 65A of L. 4174/13 and the related tax compliance certificates were issued and were unqualified. Until the approval date of the Financial Statements, the tax audit by the statutory auditor of year 2015 for the Group Companies HERACLES G.C.C., LAFARGE BETON S.A., HERACLES MARITIME CO. and LAVA S.A. had not been completed. According to POL 1006/5.1.2016, the companies for which an unqualified tax certificate is issued, are not exempt from statutory audit by the tax authorities for violations of tax legislation. Therefore, the tax authorities may return and conduct their own tax audit. However, it is estimated by the Group's management that the results of such future audits by the tax authorities, if finally implemented, will not have a significant effect in the financial position of the Group and the Company.

27. CONTINGENT LIABILITIES AND COMMITMENTS - continued

Granted guarantees

The letters of guarantee that have been provided to secure liabilities of the Group and the Company and were in force as at 31 December 2015 and 31 December 2014 are analysed as follows:

Amounts in thousands of Euro	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Granted guarantees	5.433	7.722	4.244	4.622
	<u>5.433</u>	<u>7.722</u>	<u>4.244</u>	<u>4.622</u>

Commitments for purchases and capital expenditure

Commitments for purchases and capital expenditure which were in force as at 31 December 2015 and 31 December 2014 respectively are analysed below:

Amounts in thousands of Euro	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Purchase contracts	12.072	9.239	32.060	36.183
Capital expenditure contracts	2.025	280	1.905	280
	<u>14.097</u>	<u>9.519</u>	<u>33.965</u>	<u>36.463</u>

Operating leases contracts

On the reporting date of the Financial Statements, the Group and the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which are due as follows:

Amounts in thousands of Euro	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Within one year	11.409	10.054	181	151
Within two and up to five years	9.639	17.827	355	277
Over five years	198	198	198	198
	<u>21.246</u>	<u>28.079</u>	<u>734</u>	<u>626</u>

28. OPERATING LEASES

The Group / Company as Lessee:

Amounts in thousands of Euro	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Lease payments for land and quarries	1.929	2.059	441	587
Lease payments for buildings	581	586	287	263
Lease payments for central offices	531	618	531	618
Lease payments for residences	97	87	97	87
Lease payments for port facilities	24	26	24	26
Lease payments for ships	13.438	11.602	0	0
Lease payments for machinery & equipment	31	26	21	20
Lease payments for transportation means	828	887	567	574
Other	31	30	31	30
Operating lease payments recognised as an expense in the statement of profit or loss	17.490	15.921	1.999	2.205

29. AUDITORS' FEES

The total audit fees of the Certified Auditors, for the financial years 2015 and 2014, are analysed as follows:

Amounts in thousands of Euro	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Audit Services	613	660	402	417
	613	660	402	417

30. RELATED PARTY TRANSACTIONS

Transactions with related parties

For the Group, related parties are considered the parent company and all other LafargeHolcim Group companies. Transactions between the Company and its subsidiaries have been eliminated on consolidation and are not disclosed in the analysis below:

GROUP	1/1-31/12/2015			1/1-31/12/2014		
	Sales of goods and services	Purchases of goods and services	Royalties	Sales of goods and services	Purchases of goods and services	Royalties
Amounts in thousands of Euro						
Related Parties						
LAFARGE HOLCIM GROUP COMPANIES						
LAFARGE S.A.	7.858	578	7.230	13.076	731	7.646
CEMENTIA TRADING S.A.	72.539	3.981	0	68.478	653	0
LAFARGE ENERGY SOLUTIONS S.A.S.	18.259	30.246	0	5.437	18.151	0
OTHER LAFARGE HOLCIM GROUP COMPANIES	3.432	3.551	0	3.759	5.269	0
Total	102.088	38.356	7.230	90.750	24.804	7.646

30. RELATED PARTIES TRANSACTIONS - continued
Transactions with related parties - continued

GROUP	<u>31/12/2015</u>		<u>31/12/2014</u>	
	Receivables	Payables	Receivables	Payables
Amounts in thousands of Euro				
Related Parties				
<u>LAFARGE HOLCIM GROUP COMPANIES</u>				
PERICLES S.A.	590	0	518	0
LAFARGE S.A.	217	4.051	239	3.650
CEMENTIA TRADING S.A.	7.530	914	3.180	0
LAFARGE ENERGY SOLUTIONS S.A.S.	2.010	8.770	8	3.308
OTHER LAFARGE HOLCIM GROUP COMPANIES	900	19.300	938	31.328
Total	11.247	33.035	4.883	38.286

Transactions of the Company with its subsidiaries, on the one hand, which are related parties, prior to being eliminated on consolidation and with the parent company along with other Group LafargeHolcim companies, on the other, are disclosed below:

COMPANY	<u>1/1-31/12/2015</u>				<u>1/1-31/12/2014</u>			
	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
Amounts in thousands of Euro								
Related Parties								
<u>HERACLES G.C.C. SUBSIDIARIES</u>								
HERACLES MARITIME CO.	36	14.472	0	0	33	12.942	0	0
LAFARGE BETON S.A.	12.409	711	0	0	16.234	620	0	0
EVIESK S.A.	2	0	0	1.055	2	0	0	952
LAVA S.A.	311	1.390	0	0	291	1.233	0	0
AEGEAN TERMINALS S.A.	0	0	0	2	0	0	0	2
BIOMASS S.A.	1	28	0	2	2	0	0	1
A. XATZHKYPIAKOS N.E.	0	0	0	0	1	0	0	0
G. HATZIKYRIAKOS SOC. NAV.	1	0	0	0	1	0	0	0
DYSTOS SOC. NAV.	1	0	0	0	1	0	0	0
<u>LAFARGE HOLCIM GROUP COMPANIES</u>								
LAFARGE S.A.	7.858	540	6.048	0	13.076	687	6.472	0
CEMENTIA TRADING S.A.	72.208	3.981	0	0	66.943	653	0	0
LAFARGE ENERGY SOLUTIONS S.A.S.	18.259	30.246	0	0	5.437	18.151	0	0
OTHER LAFARGE HOLCIM GROUP COMPANIES	724	3.424	0	0	2.295	5.200	0	0
Total	111.810	54.792	6.048	1.059	104.316	39.486	6.472	955

COMPANY	<u>31/12/2015</u>		<u>31/12/2014</u>	
	Receivables	Payables	Receivables	Payables
Amounts in thousands of Euro				
Related Parties				
<u>HERACLES G.C.C. SUBSIDIARIES</u>				
HERACLES MARITIME CO.	0	4.437	0	3.375
LAFARGE BETON S.A.	3.353	0	5.929	0
EVIESK S.A.	29.125	6.524	29.125	6.525
LAVA S.A.	0	365	0	124
AEGEAN TERMINALS S.A.	34	0	33	0
BIOMASS S.A.	77	0	59	0
A. XATZHKYPIAKOS N.E.	0	0	1	0
G. HATZIKYRIAKOS SOC. NAV.	0	19	0	21
DYSTOS SOC. NAV.	5	0	4	0
<u>LAFARGE HOLCIM GROUP COMPANIES</u>				
LAFARGE S.A.	217	3.509	239	3.045
CEMENTIA TRADING S.A.	7.427	869	3.086	0
LAFARGE ENERGY SOLUTIONS S.A.S.	2.010	8.770	8	3.308
OTHER LAFARGE HOLCIM GROUP COMPANIES	898	19.277	862	31.272
Total	43.146	43.770	39.346	47.670

In Long-term debt, an amount of €18.000 thousand is included, relating to a loan the Company was granted from the LafargeHolcim Group entity SABELFI FRANCE. For the year ended 31 December 2014, the amount of the loan from the above-mentioned company was €30.000 thousand.

All transactions of the Group and the Company with related parties according to IAS 24 were conducted under the usual market terms.

30. RELATED PARTIES TRANSACTIONS - continued***Transactions with related parties - continued******Benefits to BoD Members and Members of the Executive Committee of Heracles G.C.C.***

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 analysed as follows:

Amounts in thousands of Euro

	GROUP		COMPANY	
	1/1- 31/12/2015	1/1- 31/12/2014	1/1- 31/12/2015	1/1- 31/12/2014
Fees and other benefits	4.098	3.406	2.866	2.286
Provision for retirement compensation and paid compensations	1.587	73	855	44
BoD members attendance fees	208	208	166	166
	5.893	3.687	3.887	2.496

No receivables / obligations from / to the Board of Directors members and the members of the Executive Committee of Heracles G.C.C. exist.

31. RESTATEMENTS

In the Statement of profit or loss, for the year 2014, an amount of €1.795 thousand for the Group was reclassified from "Cost of sales" to "Administrative & Distribution Expenses", for presentation purposes.

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

The Board of Directors of the Capital Market Commission, by virtue of its resolution 751/24.2.2016, approved the application of Lafarge Cementos regarding the exercise of the squeeze-out right for the acquisition of the ordinary shares of HERACLES G.C.C. and determined 10 March 2016 as the last trading date of the shares of the Company. On 18 March 2016 the registration of Lafarge Cementos in the Dematerialized Securities System as the new holder of the 4.216.145 shares of the Company, to which pertained the above-mentioned squeeze out right, was completed and consequently, Lafarge Cementos holds 71.082.707 shares of the Company in total, which represent 100% of the total paid-up share capital and voting rights of the Company. As a consequence the Company will proceed with the delisting of its shares from the Athens Stock Exchange.

By virtue of the 9.3.2016 resolution of the General Meeting of Shareholders of Lafarge Beton, the capital of the company increased by €72.000 thousand with the issuance of 3.600.000 new shares, of nominal value €1 each and issue price €20 each. The share capital increase was totally covered by its parent company HERACLES G.C.C..

According to the Company Management's best knowledge, no other subsequent events after 31 December 2015 exist that may have a significant impact on the Group's and the Company's financial position.

WEBSITE

The annual Financial Statements, the audit reports of the certified auditor and the Board of Directors reports of the societe anonyme, as defined in part (b) of paragraph 1 of the article 134 of L. 2190/1920, are published in the website at the following address: www.lafarge.gr.

INDEX OF CORPORATE ANNOUNCEMENTS

The table below includes the Corporate Announcements, continuing from the previous table as published in the Company's 2014 Annual Report.

General Meeting Convocations and Decisions		
18/06/2015	Resolutions of the Ordinary Shareholders General Meeting of Heracles G.C.C.	www.lafarge.gr
25/05/2015	Invitation for the Ordinary Shareholders General Meeting of Heracles G.C.C. G.E.MH. no 224201000	www.lafarge.gr
Press Releases		
22/03/2016	Announcement of regulatory information of law 3556/2007: Notification for change of percentage of shares in voting right level	www.lafarge.gr
18/03/2016	Announcement regarding the completion of the exercise of the squeeze-out right for the acquisition of the ordinary shares of the company "Heracles G.C.C" by the company "LAFARGE CEMENTOS SAU"	www.lafarge.gr
25/02/2016	Approval by the Capital Market Commission of the application submitted by the company "LAFARGE CEMENTOS SAU" regarding the exercise of the squeeze-out right for the acquisition of the ordinary shares of the company "Heracles G.C.C"	www.lafarge.gr
03/02/2016	LAVA participates in 26 th Agrotica 2016	www.lafarge.gr
29/01/2016	Submission of an application to the Capital Market Commission by the company "LAFARGE CEMENTOS SAU" regarding the exercise of the squeeze-out right for the acquisition of the ordinary shares of the company "Heracles G.C.C"	www.lafarge.gr
23/12/2015	Announcement of regulatory information of law 3556/2007: Notification for change of percentage of shares in voting right level	www.lafarge.gr
15/12/2015	Announcement regarding the results of the mandatory tender offer of "LAFARGE CEMENTOS SAU" for the acquisition of the total of ordinary shares of "Heracles G.C.C" in consideration of 1.23 euro in cash per share	www.lafarge.gr
23/11/2015	Program for Healthy Nutrition by LAVA in Nissyros school	www.lafarge.gr
19/11/2015	Reasoned opinion of the Board of Directors of the company "Heracles G.C.C" on the mandatory tender offer submitted by the company "LAFARGE CEMENTOS SAU"	www.lafarge.gr
11/11/2015	Mandatory tender offer of the company Lafarge Cementos SAU to the shareholders of the company Heracles G.C.C.	www.lafarge.gr
29/09/2015	George Michos appointed CEO of Heracles	www.lafarge.gr
29/09/2015	Changes in Heracles G.C.C. Board of Directors	www.lafarge.gr
04/08/2015	Announcement of changes in Senior Management	www.lafarge.gr
31/07/2015	Announcement regarding the mandatory tender offer of Lafarge Cementos SAU for the acquisition of shares of Heracles G.C.C.	www.lafarge.gr
21/07/2015	A new leader for a new world: LafargeHolcim officially launched around the globe	www.lafarge.gr
17/07/2015	Announcement of regulatory information of law 3556/2007: Notification for change of percentage of shares in voting right level	www.lafarge.gr
18/06/2015	Heracles G.C.C.: New Board of Directors	www.lafarge.gr
21/05/2015	Program for Healthy Nutrition by LAVA in Milos school	www.lafarge.gr
Financial Results		
30/11/2015	Heracles Group announces nine months 2015 results	www.lafarge.gr
31/08/2015	Heracles Group announces 1 st semester 2015 results	www.lafarge.gr
19/05/2015	Heracles Group announces 1 st quarter 2015 results	www.lafarge.gr
30/03/2015	Heracles Group Announces 2014 Results	www.lafarge.gr
30/03/2015	Announcement of 2015 financial calendar	www.lafarge.gr

Financial Statements		
30/11/2015	Interim Financial Statements of Heracles G.C.C. and Heracles Group of the nine month period ended 30/09/2015	www.lafarge.gr
30/11/2015	Financial Data and Information of Heracles C.C.C. and Heracles Group at 30/09/2015	www.lafarge.gr
31/08/2015	Half Year Financial Report of Heracles G.C.C. and Heracles Group	www.lafarge.gr
31/08/2015	Financial Data and Information of Heracles G.C.C. and Heracles Group at 30/6/2015	www.lafarge.gr
11/06/2015	Annual Financial Report of BIOMASS	www.lafarge.gr
11/06/2015	Financial Data and Information of BIOMASS at 31/12/2014	www.lafarge.gr
16/06/2015	Financial Data and Information of Middle East at 31/12/2014	www.lafarge.gr
26/05/2015	Annual Financial Report of EVIESK S.A.	www.lafarge.gr
26/05/2015	Financial Data and Information of EVIESK S.A. at 31/12/2014	www.lafarge.gr
26/05/2015	Annual Financial Report of LAVA S.A.	www.lafarge.gr
26/05/2015	Financial Data and Information of LAVA S.A. at 31/12/2014	www.lafarge.gr
26/05/2015	Annual Financial Report of Aegean Terminals S.A.	www.lafarge.gr
26/05/2015	Financial Data and Information of Aegean Terminals S.A. at 31/12/2014	www.lafarge.gr
26/05/2015	Annual Financial Report of Lafarge Beton S.A.	www.lafarge.gr
26/05/2015	Financial Data and Information of Lafarge Beton S.A. at 31/12/2014	www.lafarge.gr
26/05/2015	Annual Financial Report of Heracles Shipping S.A.	www.lafarge.gr
26/05/2015	Financial Data and Information of Heracles Shipping S.A. at 31/12/2014	www.lafarge.gr
26/05/2015	Annual Financial Report of DYSTOS SOC. NAV.	www.lafarge.gr
19/05/2015	Interim Financial Statements of Heracles G.C.C. and Heracles Group of the 1st quarter	www.lafarge.gr
19/05/2015	Financial Data and Information of Heracles G.C.C. and Heracles Group of the 1st quarter	www.lafarge.gr
30/03/2015	Annual Financial Report of Heracles G.C.C. and Heracles Group at 31/12/2014	www.lafarge.gr
30/03/2015	Financial Data and Information of Heracles G.C.C. and Heracles Group at 31/12/2014	www.lafarge.gr

FINANCIAL DATA AND INFORMATION FOR THE YEAR FROM 1 JANUARY 2015 TO 31 DECEMBER 2015

(published according to C.L.2190/20, article 135 for entities preparing annual financial statements, consolidated or not consolidated according to IAS)

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 Company's website, 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 PAIANIA, ATTICA
COMPANIES REG. NO.	: 224201000
QUALIFIED PREFECTURE	: MINISTRY OF DEVELOPMENT - DEPARTMENT OF SOCIETE ANONYME AND TRUST
BOARD OF DIRECTORS COMPOSITION	: 1. Panagiotis (Takis) Athanasopoulos - Chairman, 2. Jean Claude Block - Vice Chairman, 3. George Michos - Managing Director, 4. Pierre Deleplanque - Member 5. Neil Curtis - Member, 6. Andreas G. Andreopoulos - Member, 7. Aristotelis Kalipollitis - Member
ANNUAL FINANCIAL STATEMENTS APPROVAL DATE BY THE BOARD OF DIRECTORS	: 30 March 2016
CERTIFIED AUDITORS	: MICHALIS E. KARAVAS (REG. No SOEL: 13371) - ALEXIS M. CHATZIPAVLOU (REG. No SOEL: 42351)
AUDIT FIRM	: DELOITTE - HADJIPAVLOU, SOFIANOS & CAMBANIS S.A. (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	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
ASSETS				
Tangible assets	276,412	296,827	252,011	270,571
Investment property	1,417	1,491	0	0
Intangible assets	31,277	31,494	402	346
Other non current receivables	62,837	57,538	97,661	152,822
Inventories	46,933	42,636	43,134	38,857
Trade and other receivables	67,438	61,453	83,641	49,735
Other current assets	793	858	627	616
Cash & cash equivalents	27,469	45,209	17,881	35,328
TOTAL ASSETS	514,576	537,506	465,357	546,276
EQUITY AND LIABILITIES				
Share capital	120,841	120,841	120,841	120,841
Other equity figures	134,232	150,548	183,945	219,640
Total Shareholders' equity (a)	255,073	271,389	304,786	340,481
Non-controlling interest (b)	(110)	(77)	0	0
Total Equity (c) = (a) + (b)	254,963	271,312	304,786	340,481
Long term bank loans	18,000	30,000	18,000	30,000
Provisions / Other non current liabilities	40,052	40,332	59,847	59,770
Short term bank loans	97,927	86,252	19,750	23,000
Other current liabilities	103,634	109,610	92,974	95,824
Total Liabilities (d)	259,613	266,194	190,571	207,794
TOTAL EQUITY AND LIABILITIES (c) + (d)	514,576	537,506	465,357	546,276

STATEMENT OF CHANGES IN EQUITY

Amounts in thousands of Euro	GROUP		COMPANY	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Equity opening balance (1/1/2015 and 1/1/2014 respectively)	271,312	313,376	340,481	368,088
Total comprehensive income after tax	(15,542)	(41,125)	(35,695)	(27,262)
Other equity movements	(607)	(939)	0	(345)
Equity closing balance (31/12/2015 and 31/12/2014 respectively)	254,963	271,312	304,786	340,481

STATEMENT OF COMPREHENSIVE INCOME

Amounts in thousands of Euro	GROUP		COMPANY	
	1/1-31/12/2015	1/1-31/12/2014	1/1-31/12/2015	1/1-31/12/2014
Turnover (Sales)	247,164	236,485	218,330	208,764
Gross profit / (loss)	27,483	17,246	23,070	15,447
Earnings / (losses) before interest & tax	(14,293)	(40,847)	(38,307)	(30,558)
Profit / (loss) for the year before tax	(22,328)	(45,859)	(42,146)	(31,574)
Net profit / (loss) for the year after tax (a)	(18,448)	(40,713)	(37,711)	(26,372)
Attributable to:				
Company's shareholders	(18,426)	(40,695)	(37,711)	(26,372)
Non-controlling interest	(22)	(18)	0	0
Other comprehensive income after tax (b)	2,906	(412)	2,016	(890)
Total comprehensive income after tax (a) + (b)	(15,542)	(41,125)	(35,695)	(27,262)
Allocated to:				
Company's shareholders	(15,520)	(41,107)	(35,695)	(27,262)
Non-controlling interest	(22)	(18)	0	0
Earnings / (losses) per share after tax (in €)	(0.2595)	(0.5728)	(0.5305)	(0.3710)
Earnings / (losses) before interest, tax, depreciation and amortization	10,686	(13,737)	(16,069)	(6,231)

ADDITIONAL DATA AND INFORMATION

- The basic accounting principles used, are consistent to those followed in the 31 December 2014 published annual financial statements of the Group and Company. There are reclassifications to the already published accounts of the Group Income Statement, for presentation purposes, analysis of which is presented in note 31 of the annual financial statements.
- The LafargeHolcim Group with registered office in Switzerland, which holds, as at 31 December 2015, 93.61% 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 27 of the annual financial statements.
- In relation to the 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 thousand and €1,724 thousand respectively. No provision has been made in the financial statements as, according to the assessments of the Company's Legal Department, it is unlikely that such risk will eventually occur.
As at 31 December 2015, there are pending lawsuits against the Group amounting to €112,533 thousand of which €99,046 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 €32,402 thousand of which €27,519 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, according to the assessments of the Company's Legal Department, 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 27 of the annual financial statements.
Furthermore, as at 31 December 2015, there are pending lawsuits against the Group amounting to €9,482 thousand of which €6,754 thousand relate to pending lawsuits against the Company that are being handled legally and their outcome will be probably negative. The maximum risk from the final decisions on the above cases is estimated at €5,434 thousand of which €5,090 thousand relate to the maximum risk from the final decisions on the Company's cases.
For these risks the Group has recognised "Provisions for pending litigations". 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	5,434	5,090
Provision for staff retirement	19,494	17,813
Other provisions	22,448	42,702
Total provisions	47,376	65,605
- The number of employees for the Group and the Company as at 31 December 2015 is 770 (31/12/2014: 839) and 611 (31/12/2014: 670) respectively.
- Transactions and balances between the Group and the Company and their related parties are disclosed below according to IAS 24:

Amounts in thousands of Euro	GROUP	COMPANY
Income	102,088	112,869
Expenses	45,586	60,840
Receivables	11,247	43,146
Payables	33,035	43,770
Receivables and expenses of general managers and BoD members	5,893	3,887
Receivables from general managers and BoD members	0	0
Payables to general managers and BoD members	0	0
- The amounts and nature of other comprehensive income after tax are as follows:

Amounts in thousands of Euro	GROUP	COMPANY		
1/1-31/12/2015	1/1-31/12/2014	1/1-31/12/2015	1/1-31/12/2014	
Actuarial gain / (loss) recognised directly in equity, net of deferred tax and respective change in rate effect	1,927	(1,217)	1,833	(1,018)
Profit / (loss) from derivative financial instruments recognised directly in equity, net of deferred tax	183	(217)	183	(217)
Other equity movements	796	1,022	0	345
Other comprehensive income after tax	2,906	(412)	2,016	(890)
- There are not any own shares held by the Group companies (treasury shares).
- Significant events after the reporting date of the financial statements: The Board of Directors of the Capital Market Commission, by virtue of its resolution 751/24.2.2016, approved the application of Lafarge Cements regarding the exercise of the squeeze-out right for the acquisition of the ordinary shares of HERACLES G.C.C. and determined 10 March 2016 as the last trading date of the shares of the Company. On 18 March 2016 the registration of Lafarge Cements in the Dematerialized Securities System as the new holder of the 4,216,145 shares of the Company, to which pertained the above-mentioned squeeze out right, was completed and consequently, Lafarge Cements holds 71,082,707 shares of the Company in total, which represent 100% of the total paid-up share capital and voting rights of the Company. As a consequence the Company will proceed with the delisting of its shares from the Athens Stock Exchange. By virtue of the 9.3.2016 resolution of the General Meeting of Shareholders of Lafarge Beton, the capital of the company increased by €72,000 thousand with the issuance of 3,600,000 new shares, of nominal value €1 each and issue price €20 each. The share capital increase was totally covered by its parent company HERACLES G.C.C. According to the Company's Management best knowledge, no other subsequent events after 31 December 2015 exist that may have a significant impact on the Group's and the Company's financial position.
- The trade name, the registered address, the consolidation method and the percentage of direct and indirect participation of the parent company in the consolidated companies are described in note 16 of the annual financial statements.
- Modifications of consolidation structure:
Compared to the previous year (1 January - 31 December 2014), the company A. HATZIKYRIAKOS SOC. NAV. is not included in Group consolidation since on 26/6/2015, based on a statement of the Ministry of Economy, Infrastructure, Shipping and Tourism, under protocol number 3151.1/486/08, its liquidation process was completed and it was deleted from the relevant Registry of Naval Companies. In addition, the company MARATHOS QUARRIES S.A. is not included in Group consolidation due to its merger through absorption by the Group company LAFARGE BETON S.A. by virtue of decision of the Direction of Development of Regional Section of Eastern Attica, with protocol number 3457/2015 on 17/7/2015.
A detailed analysis of the entities included in the consolidated financial statements is presented in note 16 of the annual financial statements.
- KEPEY S.A., STEGI OF THE GREEK INDUSTRY and UNICEN are not included in the consolidation, due to their immaterial impact as described in note 17 of the annual financial statements.
- There is no change in the consolidation method of the companies compared to the previous year (1 January - 31 December 2014).

Paiania, 30 March 2016

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

THE MANAGING DIRECTOR
GEORGE MICHOS
 PASP. No. AN0142145

THE CHIEF FINANCIAL OFFICER
GREGORY LOVICH
 PASP. No. 10AT92488

THE FINANCIAL SERVICES MANAGER
PANTELIS TOURNIS
 ECC LIC. No. 0078930
 A CLASS