



**HERACLES**  
**GROUP OF COMPANIES**

A member of  **LAFARGE**

**INTERIM CONDENSED FINANCIAL STATEMENTS  
FOR THE PERIOD 1 JANUARY - 30 SEPTEMBER 2012**

**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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## CONDENSED INCOME STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2012

Amounts in Euro thousand	NOTE	GROUP		COMPANY	
		1/1- 30/9/2012	1/1- 30/9/2011	1/1- 30/9/2012	1/1- 30/9/2011
<b>Operating results</b>					
Turnover	5	173.412	215.007	151.934	186.226
Cost of sales		<u>(183.159)</u>	<u>(177.553)</u>	<u>(163.609)</u>	<u>(154.554)</u>
<b>Gross profit / (loss)</b>		<b>(9.747)</b>	<b>37.454</b>	<b>(11.675)</b>	<b>31.672</b>
Administrative & distribution expenses		(30.625)	(35.232)	(19.174)	(22.757)
Other operating income / (expenses)	6	(41.435)	(33.295)	(32.531)	(30.527)
Impairment of investments in subsidiaries	7	0	0	(22.964)	0
<b>Operating profit / (loss)</b>		<b>(81.807)</b>	<b>(31.073)</b>	<b>(86.344)</b>	<b>(21.612)</b>
Finance income / (expenses)	5	(323)	(1.414)	1.964	1.189
<b>Profit / (loss) for the period before tax</b>		<b>(82.130)</b>	<b>(32.487)</b>	<b>(84.380)</b>	<b>(20.423)</b>
Income tax	9	12.001	261	12.107	360
<b>Net profit / (loss) for the period after tax</b>	5	<b><u>(70.129)</u></b>	<b><u>(32.226)</u></b>	<b><u>(72.273)</u></b>	<b><u>(20.063)</u></b>
<b>Allocated to:</b>					
Non controlling interest		(216)	(92)	0	0
Company's Shareholders		<u>(69.913)</u>	<u>(32.134)</u>	<u>(72.273)</u>	<u>(20.063)</u>
		<b><u>(70.129)</u></b>	<b><u>(32.226)</u></b>	<b><u>(72.273)</u></b>	<b><u>(20.063)</u></b>
<b>Number of shares</b>		71.082.707	71.082.707	71.082.707	71.082.707
<b>Earnings / (losses) per share (in €)</b>	10	(0,99)	(0,45)	(1,02)	(0,28)

Amounts in Euro thousand		GROUP		COMPANY	
		1/7/2012- 30/9/2012	1/7/2011- 30/9/2011	1/7/2012- 30/9/2012	1/7/2011- 30/9/2011
<b>Operating results</b>					
Turnover		64.884	67.554	59.093	58.172
Cost of sales		<u>(65.821)</u>	<u>(39.350)</u>	<u>(59.841)</u>	<u>(32.192)</u>
<b>Gross profit / (loss)</b>		<b>(937)</b>	<b>28.204</b>	<b>(748)</b>	<b>25.980</b>
Administrative & distribution expenses		(7.600)	(10.059)	(4.083)	(6.281)
Other operating income/(expense)		(787)	(2.718)	(874)	(1.610)
<b>Operating profit / (loss)</b>		<b>(9.324)</b>	<b>15.427</b>	<b>(5.705)</b>	<b>18.089</b>
Finance income / (expense)		(704)	53	169	757
<b>Profit / (loss) for the period before tax</b>		<b>(10.028)</b>	<b>15.480</b>	<b>(5.536)</b>	<b>18.846</b>
Income tax		3.356	(4.945)	3.158	(4.731)
<b>Net profit / (loss) for the period after tax</b>		<b><u>(6.672)</u></b>	<b><u>10.535</u></b>	<b><u>(2.378)</u></b>	<b><u>14.115</u></b>
<b>Allocated to:</b>					
Non controlling interest		(64)	95	0	0
Company's Shareholders		<u>(6.608)</u>	<u>10.440</u>	<u>(2.378)</u>	<u>14.115</u>
		<b><u>(6.672)</u></b>	<b><u>10.535</u></b>	<b><u>(2.378)</u></b>	<b><u>14.115</u></b>
<b>Number of shares</b>		71.082.707	71.082.707	71.082.707	71.082.707
<b>Earnings / (losses) per share (in €)</b>		(0,09)	0,15	(0,03)	0,20

Notes from page 8 through to page 23 form an integral part of the Group and Company interim Financial Statements.

## CONDENSED STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 SEPTEMBER 2012

Amounts in Euro thousand

	GROUP		COMPANY	
	30/9/2012	30/9/2011	30/9/2012	30/9/2011
<b>Net profit / (loss) for the period after tax</b>	(70.129)	(32.226)	(72.273)	(20.063)
Profit / (loss) from derivative financial instruments recognised directly in equity, net of deferred tax	171	661	171	661
Actuarial gain / (loss) recognised directly in equity, net of deferred tax	(3.235)	915	(3.235)	915
Other equity movements	(16)	(34)	0	0
<b>Other comprehensive income for the period, net of tax</b>	<b>(3.080)</b>	<b>1.542</b>	<b>(3.064)</b>	<b>1.576</b>
<b>Total comprehensive income for the period, net of tax</b>	<b>(73.209)</b>	<b>(30.684)</b>	<b>(75.337)</b>	<b>(18.487)</b>

Amounts in Euro thousand

	GROUP		COMPANY	
	1/7/2012- 30/9/2012	1/7/2011- 30/9/2011	1/7/2012- 30/9/2012	1/7/2011- 30/9/2011
<b>Net profit / (loss) for the period after tax</b>	(6.672)	10.535	(2.378)	14.115
Profit / (loss) from derivative financial instruments recognised directly in equity, net of deferred tax	571	417	571	417
Other equity movements	1	63	0	0
<b>Other comprehensive income for the period, net of tax</b>	<b>572</b>	<b>480</b>	<b>571</b>	<b>417</b>
<b>Total comprehensive income for the period, net of tax</b>	<b>(6.100)</b>	<b>11.015</b>	<b>(1.807)</b>	<b>14.532</b>

Notes from page 8 through to page 23 form an integral part of the Group and Company interim Financial Statements.

## CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2012

Amounts in Euro thousand	NOTE	GROUP		COMPANY	
		30/9/2012	31/12/2011	30/9/2012	31/12/2011
<b>Fixed assets or non-current assets</b>					
Goodwill		29.480	29.480	0	0
Intangible assets	13	2.724	3.305	624	1.056
Tangible assets	13	437.253	456.076	403.635	420.226
Investments in associates and subsidiaries	14	0	0	47.472	70.436
Other investments	14	56	56	56	56
Other non-current receivables		7.637	15.605	7.107	42.772
Deferred tax asset	9	14.073	2.859	13.392	2.052
<b>Total fixed assets or non-current assets</b>		<b>491.223</b>	<b>507.381</b>	<b>472.286</b>	<b>536.598</b>
<b>Current assets</b>					
Inventories		46.731	57.078	40.686	50.721
Trade receivables	19	68.665	97.662	56.559	71.816
Other receivables	19	6.206	9.068	30.875	6.114
Derivative financial instruments		627	58	627	58
Fixed assets available for sale	13	0	9.044	0	9.044
Cash and cash equivalents		116.599	145.924	111.261	131.380
Income tax receivable		5.508	10.866	4.555	10.247
<b>Total current assets</b>		<b>244.336</b>	<b>329.700</b>	<b>244.563</b>	<b>279.380</b>
<b>Total assets</b>		<b>735.559</b>	<b>837.081</b>	<b>716.849</b>	<b>815.978</b>
<b>Non-current liabilities</b>					
Provision for staff termination indemnity		50.729	56.973	47.822	53.999
Other non-current provisions		18.137	18.886	36.684	36.254
Deferred tax liabilities	9	825	914	0	0
Finance lease liabilities		156	212	15	49
<b>Total non-current liabilities</b>		<b>69.847</b>	<b>76.985</b>	<b>84.521</b>	<b>90.302</b>
<b>Current liabilities</b>					
Provision for staff termination indemnity		4.269	6.193	4.035	5.854
Trade payables	19	65.889	77.856	58.492	66.114
Other payables	19	17.732	20.335	16.198	19.914
Finance lease liabilities		218	311	94	79
Other current provisions		912	5.971	547	5.517
Derivative financial instruments		110	0	110	0
Dividends payable		129	138	129	138
Bank loans	15	58.405	58.035	0	0
<b>Total current liabilities</b>		<b>147.664</b>	<b>168.839</b>	<b>79.605</b>	<b>97.616</b>
<b>Total liabilities</b>		<b>217.511</b>	<b>245.824</b>	<b>164.126</b>	<b>187.918</b>
<b>Equity</b>					
Share capital		190.502	190.502	190.502	190.502
Share premium		1.279	1.279	1.279	1.279
Reserves		174.696	174.696	162.170	162.170
Derivatives valuation reserve		171	0	171	0
Retained earnings		151.520	224.684	198.601	274.109
<b>Total Shareholders' equity</b>		<b>518.168</b>	<b>591.161</b>	<b>552.723</b>	<b>628.060</b>
Non controlling interest		(120)	96	0	0
<b>Total equity</b>		<b>518.048</b>	<b>591.257</b>	<b>552.723</b>	<b>628.060</b>
<b>Total liabilities and equity</b>		<b>735.559</b>	<b>837.081</b>	<b>716.849</b>	<b>815.978</b>

Notes from page 8 through to page 23 form an integral part of the Group and Company interim Financial Statements.

## CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 30 SEPTEMBER 2012

Amounts in Euro thousand

GROUP	Share capital	Share premium	Reserves	Derivatives valuation reserve	Retained earnings / (losses)	Non controlling interest	Total
<b>Balance at 1/1/2012</b>	190.502	1.279	174.696	0	224.684	96	591.257
Profit / (loss) for the period	0	0	0	0	(69.913)	(216)	(70.129)
Profit / (loss) from derivative financial instruments recognised directly in equity	0	0	0	171	0	0	171
Actuarial gain / (loss), net of deferred tax	0	0	0	0	(3.235)	0	(3.235)
Other equity movements	0	0	0	0	(16)	0	(16)
<b>Balance at 30/9/2012</b>	<b>190.502</b>	<b>1.279</b>	<b>174.696</b>	<b>171</b>	<b>151.520</b>	<b>(120)</b>	<b>518.048</b>
<b>Balance at 1/1/2011</b>	190.502	1.279	174.696	(1.041)	280.911	62	646.409
Profit / (loss) for the period	0	0	0	0	(32.134)	(92)	(32.226)
Profit / (loss) from derivative financial instruments recognised directly in equity	0	0	0	661	0	0	661
Actuarial gain / (loss), net of deferred tax	0	0	0	0	915	0	915
Other equity movements	0	0	0	0	(34)	0	(34)
<b>Balance at 30/9/2011</b>	<b>190.502</b>	<b>1.279</b>	<b>174.696</b>	<b>(380)</b>	<b>249.658</b>	<b>(30)</b>	<b>615.725</b>

Amounts in Euro thousand

COMPANY	Share capital	Share premium	Reserves	Derivatives valuation reserve	Retained earnings / (losses)	Total
<b>Balance at 1/1/2012</b>	190.502	1.279	162.170	0	274.109	628.060
Profit / (loss) for the period	0	0	0	0	(72.273)	(72.273)
Profit / (loss) from derivative financial instruments recognised directly in equity	0	0	0	171	0	171
Actuarial gain / (loss), net of deferred tax	0	0	0	0	(3.235)	(3.235)
<b>Balance at 30/9/2012</b>	<b>190.502</b>	<b>1.279</b>	<b>162.170</b>	<b>171</b>	<b>198.601</b>	<b>552.723</b>
<b>Balance at 1/1/2011</b>	190.502	1.279	162.170	(1.041)	320.709	673.619
Profit / (loss) for the period	0	0	0	0	(20.063)	(20.063)
Profit / (loss) from derivative financial instruments recognised directly in equity	0	0	0	661	0	661
Actuarial gain / (loss), net of deferred tax	0	0	0	0	915	915
<b>Balance at 30/9/2011</b>	<b>190.502</b>	<b>1.279</b>	<b>162.170</b>	<b>(380)</b>	<b>301.561</b>	<b>655.132</b>

Notes from page 8 through to page 23 form an integral part of the Group and Company interim Financial Statements.

## CONDENSED STATEMENT OF CASH FLOWS (Indirect Method) FOR THE PERIOD ENDED 30 SEPTEMBER 2012

Amounts in Euro thousand

	GROUP		COMPANY	
	1/1- 30/9/2012	1/1- 30/9/2011	1/1- 30/9/2012	1/1- 30/9/2011
<b><u>Operating activities</u></b>				
Profit / (loss) of the period before tax	(82.130)	(32.487)	(84.380)	(20.423)
Plus / less adjustments for:				
Depreciation	30.490	33.980	27.988	31.338
Impairment of tangible and intangible fixed assets	0	21.226	0	21.226
Provisions	28.885	15.352	42.841	14.921
Foreign exchange differences	(216)	1.167	(196)	1.089
Gain /(loss) from derivatives valuation	(245)	15	(245)	15
Income / (expenses), profit / (losses) from investing activities	(3.005)	(461)	(3.802)	(1.184)
Interest and related expenses	3.120	2.240	1.610	346
<b>Plus/ less adjustments for changes in working capital accounts or relevant with operating activities:</b>				
Decrease / (increase) in inventories	9.759	(9.723)	9.093	(9.491)
Decrease / (increase) in receivables	3.015	(18.172)	(2.576)	(17.543)
(Decrease) / increase in liabilities (excl. bank loans)	(12.468)	(11.718)	(7.856)	(10.499)
Less :				
Interest and related expenses paid	(2.271)	(2.093)	(770)	(236)
Taxes paid	(605)	(5.842)	(274)	(5.450)
<b>Total inflow / (outflow) from operating activities (a)</b>	<b>(25.671)</b>	<b>(6.516)</b>	<b>(18.567)</b>	<b>4.109</b>
<b><u>Investing activities</u></b>				
Acquisition of subsidiaries, affiliates, joint-ventures and other investments	0	0	0	(1)
Intercompany loans	0	0	(30)	0
Proceeds from repayments of intercompany loans	0	0	1.675	0
Purchases of tangible and intangible fixed assets	(5.075)	(14.874)	(4.712)	(13.316)
Proceeds from disposals of tangible and intangible assets	881	678	542	484
Proceeds (payments) from the sale (purchase) of investments (shares, securities)	100	200	0	0
Interest received	228	758	1.001	1.424
<b>Total inflow / (outflow) from investing activities (b)</b>	<b>(3.866)</b>	<b>(13.238)</b>	<b>(1.524)</b>	<b>(11.409)</b>
<b><u>Financing activities</u></b>				
Loan proceeds	3.959	56.177	0	0
Loan repayments	(3.589)	(41.666)	0	(766)
Payments of obligations under finance leases	(149)	(182)	(19)	(32)
Dividends paid	(9)	0	(9)	0
<b>Total inflow / (outflow) from finance activities (c)</b>	<b>212</b>	<b>14.329</b>	<b>(28)</b>	<b>(798)</b>
<b>Net increase / (decrease) in cash and cash equivalents (a)+(b)+(c)</b>	<b>(29.325)</b>	<b>(5.425)</b>	<b>(20.119)</b>	<b>(8.098)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>145.924</b>	<b>138.002</b>	<b>131.380</b>	<b>125.962</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>116.599</b>	<b>132.577</b>	<b>111.261</b>	<b>117.864</b>

Notes from page 8 through to page 23 form an integral part of the Group and Company interim Financial Statements.

## 1. GENERAL INFORMATION

HERACLES GENERAL CEMENT COMPANY (the Company) has been incorporated in Greece under the Companies Act 2190/1920, with its registered office located in the Municipality of Paiania, Attica, 19,3 km Markopoulou Avenue and the majority shareholding (88,99% as at 30/9/2012) is held by the LAFARGE Group, France.

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

## 2. BASIS OF PREPARATION

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

## 3. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS OF EXISTING STANDARDS

Certain new standards, amendments to standards and interpretations have been issued that are mandatory for periods beginning during the current financial year 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

#### **IFRS 7 (Amendment) "Financial Instruments: Disclosures" – transfers of financial assets** (effective for annual periods beginning on or after 1 July 2011)

This amendment sets out disclosure requirements for transferred financial assets not derecognised in their entirety as well as on transferred financial assets derecognised in their entirety but in which the reporting entity has continuing involvement. It also provides guidance on applying the disclosure requirements. The Group will evaluate the application of the amendment at the end of the year.

#### **IAS 12 (Amendment) "Income Taxes"** (effective for annual periods beginning on or after 1 January 2012)

The amendment to IAS 12 provides a practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model in IAS 40 "Investment Property". This amendment has not yet been endorsed by the EU and has no application in the Group.

### Standards and Interpretations effective from periods beginning on or after 1 January 2013

#### **IFRS 9 "Financial Instruments"** (effective for annual periods beginning on or after 1 January 2015)

IFRS 9 is the first Phase of the Board's project to replace IAS 39 and deals with the classification and measurement of financial assets and financial liabilities. The IASB intends to expand IFRS 9 in subsequent phases in order to add new requirements for impairment and hedge accounting. IFRS 9 has not been endorsed by the EU.

### 3. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS OF EXISTING STANDARDS – Continued

**IFRS 13 “Fair Value Measurement”** (effective for annual periods beginning on or after 1 January 2013)

IFRS 13 provides new guidance on fair value measurement and disclosure requirements. These requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within IFRSs. IFRS 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across IFRSs. Disclosure requirements are enhanced and apply to all assets and liabilities measured at fair value, not just financial ones. This standard has not yet been endorsed by the EU.

**IFRIC 20 “Stripping costs in the production phase of a surface mine”** (effective for annual periods beginning on or after 1 January 2013)

This interpretation sets out the accounting for overburden waste removal (stripping) costs in the production phase of a mine. The interpretation may require mining entities to write off existing stripping assets to opening retained earnings if the assets cannot be attributed to an identifiable component of an ore body. IFRIC 20 applies only to stripping costs that are incurred in surface mining activity during the production phase of the mine, while it does not address underground mining activity or oil and natural gas activity. This interpretation has not yet been endorsed by the EU.

**IAS 1 (Amendment) “Presentation of Financial Statements”** (effective for annual periods beginning on or after 1 July 2012)

The amendment requires entities to separate items presented in other comprehensive income into two groups, based on whether or not they may be recycled to profit or loss in the future.

**IAS 19 (Amendment) “Employee Benefits”** (effective for annual periods beginning on or after 1 January 2013)

This amendment makes significant changes to the recognition and measurement of defined benefit pension expense and termination benefits (eliminates the corridor approach) and to the disclosures for all employee benefits. The key changes relate mainly to recognition of actuarial gains and losses, recognition of past service cost / curtailment, measurement of pension expense, disclosure requirements, treatment of expenses and taxes relating to employee benefit plans and distinction between “short-term” and “other long-term” benefits.

**IFRS 7 (Amendment) “Financial Instruments: Disclosures”** (effective for annual periods beginning on or after 1 January 2013)

The IASB has published this amendment to include information that will enable users of an entity’s financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity’s recognised financial assets and recognised financial liabilities, on the entity’s financial position. This amendment has not yet been endorsed by the EU.

**IAS 32 (Amendment) “Financial Instruments: Presentation”** (effective for annual periods beginning on or after 1 January 2014)

This amendment to the application guidance in IAS 32 clarifies some of the requirements for offsetting financial assets and financial liabilities on the statement of financial position. This amendment has not yet been endorsed by the EU.

### 3. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS OF EXISTING STANDARDS – Continued

**Group of standards on consolidation and joint arrangements** (effective for annual periods beginning on or after 1 January 2013)

The IASB has published five new standards on consolidation and joint arrangements: IFRS 10, IFRS 11, IFRS 12, IAS 27 (amendment) and IAS 28 (amendment). These standards are effective for annual periods beginning on or after 1 January 2013. Earlier application is permitted only if the entire “package” of five standards is adopted at the same time. These standards have not yet been endorsed by the EU. The Group is in the process of assessing the impact of the new standards on its consolidated financial statements. The main provisions are as follows:

#### **IFRS 10 “Consolidated Financial Statements”**

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

#### **IFRS 11 “Joint Arrangements”**

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

#### **IFRS 12 “Disclosure of Interests in Other Entities”**

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

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

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

#### **IAS 27 (Amendment) “Separate Financial Statements”**

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

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

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

### **3. NEW STANDARDS, INTERPRETATIONS AND AMENDMENTS OF EXISTING STANDARDS – Continued**

**IFRS 10, IFRS 12 and IAS 27 (Amendment) “Investment entities”** (effective for annual periods beginning on or after 1 January 2014)

The amendment to IFRS 10 defines an investment entity and introduces an exception from consolidation. Many funds and similar entities that qualify as investment entities will be exempt from consolidating most of their subsidiaries, which will be accounted for at fair value through profit or loss, although controlled. The amendments to IFRS 12 introduce disclosures that an investment entity needs to make. These amendments have not yet been endorsed by the EU.

#### **Amendments to standards that form part of the IASB’s 2011 annual improvements project**

The amendments set out below describe the key changes to IFRSs following the publication in May 2012 of the results of the IASB’s annual improvements project. These amendments are effective for annual periods beginning on or after 1 January 2013 and have not yet been endorsed by the EU.

#### **IAS 1 “Presentation of financial statements”**

The amendment clarifies the disclosure requirements for comparative information when an entity provides a third balance sheet either (a) as required by IAS 8 “Accounting policies, changes in accounting estimates and errors” or (b) voluntarily.

#### **IAS 16 “Property, plant and equipment”**

The amendment clarifies that spare parts and servicing equipment are classified as property, plant and equipment rather than inventory when they meet the definition of property, plant and equipment, i.e. when they are used for more than one period.

#### **IAS 32 “Financial instruments: Presentation”**

The amendment clarifies that income tax related to distributions is recognised in the income statement and income tax related to the costs of equity transactions is recognised in equity, in accordance with IAS 12.

#### **IAS 34, ‘Interim financial reporting’**

The amendment clarifies the disclosure requirements for segment assets and liabilities in interim financial statements, in line with the requirements of IFRS 8 “Operating segments”.

### **4. ACCOUNTING PRINCIPLES**

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

The main accounting principles used have not changed in relation to the Group and Company annual Financial Statements of 31 December 2011. However, the interim condensed Financial Statements should be examined along with the annual Financial Statements of 31 December 2011 which are available at the Company’s website [www.lafarge.gr](http://www.lafarge.gr).

## 5. OPERATING SEGMENTS

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

Management evaluates segment performance based on turnover, current operating income, operating income / (loss), financial income and expenses and total assets. "Current operating income" is defined by Management as the income of the Company and the Group before taxes, finance income / (expenses) and non-recurring income / (expenses). Segment information is presented below:

<b>30/9/2012</b>					
Amounts in Euro thousand					
	<b>Cement Division</b>	<b>Concrete Division</b>	<b>Aggregates Division</b>	<b>Eliminations</b>	<b>Total Group</b>
<b>Turnover</b>	156.487	19.165	6.143	(7.533)	<b>174.262</b>
<b>Current Operating income</b>	(18.426)	(4.779)	(2.443)	0	<b>(25.648)</b>
<b>Operating income / (loss)</b>	(64.290)	(12.789)	(4.361)	0	<b>(81.440)</b>

  

<b>30/9/2011</b>					
Amounts in Euro thousand					
	<b>Cement Division</b>	<b>Concrete Division</b>	<b>Aggregates Division</b>	<b>Eliminations</b>	<b>Total Group</b>
<b>Turnover</b>	188.837	31.290	8.921	(13.510)	<b>215.538</b>
<b>Current Operating income</b>	4.689	(6.009)	(1.881)	0	<b>(3.201)</b>
<b>Operating income / (loss)</b>	(22.760)	(7.715)	(2.114)	916	<b>(31.673)</b>

Amounts in Euro thousand

<b>Total Assets as per Management Reporting</b>	<b>Cement Division</b>	<b>Concrete Division</b>	<b>Aggregates Division</b>	<b>Eliminations</b>	<b>Total Group</b>
<b>30/9/2012</b>	753.321	63.023	46.112	(135.041)	<b>727.415</b>
<b>31/12/2011</b>	835.152	78.692	51.695	(133.541)	<b>831.998</b>

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 recognised amounts in the Income Statement as well as in the Statement of Financial Position of the Group are different.
- b)** Different deemed cost that was defined for the Group's fixed assets due to the timing difference in the first adoption of International Financial Reporting Standards between financial reporting used by the Management and to the published, according to International Financial Reporting Standards, Financial Statements.

**5. OPERATING SEGMENTS – Continued**

Amounts in Euro thousand

	<u>30/9/2012</u>	<u>30/9/2011</u>
<b>Turnover per Management Reporting</b>	<b>174.262</b>	<b>215.538</b>
Timing difference on revenue recognition	(530)	0
Discount reclassification between Turnover and Cost of sales	<u>(320)</u>	<u>(531)</u>
<b>Turnover per Published Income Statement</b>	<b><u>173.412</u></b>	<b><u>215.007</u></b>

Amounts in Euro thousand

	<u>30/9/2012</u>	<u>30/9/2011</u>
<b>Management Reporting</b>		
Current Operating Income / (loss)	(25.648)	(3.201)
Non-recurring income / (expenses)	<u>(55.792)</u>	<u>(28.472)</u>
<b>Operating Income / (loss) per Management Reporting</b>	<b>(81.440)</b>	<b>(31.673)</b>
<b>Reconciliation to Published Income Statement</b>		
Timing difference on revenue recognition	(530)	0
Provisions and liabilities recognised in different periods	(454)	(44)
Cost allocation between administrative and finance expenses	999	770
Difference in fixed assets depreciation	(734)	(874)
Other timing differences	<u>352</u>	<u>748</u>
<b>Operating Income / (loss)</b>	<b>(81.807)</b>	<b>(31.073)</b>
Net financial income /(expenses)	<u>(323)</u>	<u>(1.414)</u>
<b>Profit / (loss) before tax</b>	<b>(82.130)</b>	<b>(32.487)</b>
Income tax	12.001	261
<b>Net profit / (loss) for the period after tax</b>	<b><u>(70.129)</u></b>	<b><u>(32.226)</u></b>

Amounts in Euro thousand

	<u>30/9/2012</u>	<u>30/9/2011</u>
<b>Total Finance Income / (Expenses) per Management Reporting</b>	<b>(3.217)</b>	<b>(770)</b>
Cost allocation between administrative and finance expenses	(999)	(770)
Long-term receivables discounting effect recognised in different period	4.089	0
Other	<u>(196)</u>	<u>126</u>
<b>Total Finance Income / (Expenses) per Published Income Statement</b>	<b><u>(323)</u></b>	<b><u>(1.414)</u></b>

Amounts in Euro thousand

	<u>30/9/2012</u>	<u>31/12/2011</u>
<b>Total Assets per Management Reporting</b>	<b>727.415</b>	<b>831.998</b>
Difference in deemed cost of fixed assets	14.609	16.065
Adjustment in stock valuation	362	1.236
Timing difference on revenue recognition	0	530
Additional provision for doubtful debts	0	(307)
Total assets of non consolidated entity	(3.840)	(3.865)
Long-term receivables discounting effect	0	(4.089)
Deferred tax difference	(1.235)	(2.773)
Other	<u>(1.752)</u>	<u>(1.714)</u>
<b>Total Assets per Published Statement of Financial Position</b>	<b><u>735.559</u></b>	<b><u>837.081</u></b>

The comparative data for 2011 have been adjusted for presentation purposes.

**6. OTHER OPERATING INCOME / (EXPENSES)**

Other operating income / (expenses) of the Group and the Company for the period 1/1 – 30/9/2012 are analysed as follows:

Amounts in Euro thousand	GROUP		COMPANY	
	1/1- 30/9/2012	1/1- 30/9/2011	1/1- 30/9/2012	1/1- 30/9/2011
Profit / (loss) from fixed asset disposals	(67)	(297)	(61)	(240)
(Impairment) / Reversal of impairment of tangible fixed assets	0	(21.228)	0	(21.226)
(Provision) / Reversal of provision for obsolescence of spare parts	0	(4.472)	0	(4.472)
(Provision) / Reversal of provision for share in losses of subsidiaries	0	0	(1.143)	(1.017)
(Provision) / Reversal of provision for doubtful receivables	(40.590)	(6.323)	(30.637)	(3.572)
Other income / (expenses)	(778)	(975)	(690)	0
	<u>(41.435)</u>	<u>(33.295)</u>	<u>(32.531)</u>	<u>(30.527)</u>

**7. IMPAIRMENT LOSS OF INVESTMENT IN SUBSIDIARIES**

The Company recognised in the Financial Statements of the period an impairment loss amounting to 22.964 Euro 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 end 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 30/6/2012. 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.

**8. FINANCIAL RESULTS OF THE PERIOD**

The Group's turnover amounted to 173.412 Euro thousand for the nine-month period of 2012 decreased by 19,3% compared to the corresponding period of the prior year. The Company's turnover amounted to 151.934 Euro thousand, for the same period in 2012, decreased by 18,4% compared to the corresponding period of the prior year.

The Group's earnings before taxes, interest, depreciation and amortization (EBITDA) amounted to loss 51.317 Euro thousand for the nine-month period of 2012 compared to profit 2.907 Euro thousand for the corresponding period of 2011. The Company's earnings before taxes, interest, depreciation and amortization (EBITDA) amounted to loss 58.356 Euro thousand for the nine-month period of 2012 compared to profit 9.726 Euro thousand for the corresponding period of 2011.

The Group presented net loss after taxes of amount 70.129 Euro thousand for the nine-month period of 2012 while in the same period of 2011 presented net loss after taxes of amount 32.226 Euro thousand. The Company's net loss after taxes for the nine-month period of 2012 amounted to 72.273 Euro thousand while in the corresponding period of 2011 the net loss after taxes amounted to 20.063 Euro thousand.

The decrease in the turnover of the Group and the Company is mostly due to the reduction of the construction activity in the domestic market and more specifically to the further slowdown of the private housing activity for a fourth consecutive year as well as the substantial suspension of the construction activity in public and co-financed infrastructure. The Group's and the Company's results were further affected by provision for doubtful debts while the Company's results were also affected by impairment loss of investment in consolidated subsidiary company.

Aiming to partially offset the effects of the domestic market deterioration in the nine-month period of 2012, the Group and the Company intensified their export activity and continued their coordinated efforts and measures for the reduction of operating cost and the optimization of production, supply chain and administration activities.

## 9. INCOME TAX

The income tax benefit of the period mostly represents deferred tax revenue as well as reversal of provision for unaudited years as a result of the completion of the tax audits of the Company for years 2009-2011 which was partially offset by the current tax expense that occurred as a result of tax audit differences of the Company for the above mentioned years. The deferred tax asset increased in the nine-month period of 2012 mostly due to the recognition of the relative asset on the provision for doubtful debts and on the tax losses of the nine-month period of 2012.

The current income tax rate for years 2012 and 2011 is 20%.

## 10. EARNINGS / (LOSSES) PER SHARE

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

Amounts in Euro thousand	GROUP		COMPANY	
	1/1- 30/9/2012	1/1- 30/9/2011	1/1- 30/9/2012	1/1- 30/9/2011
Net profit / (loss) for the period after tax	(70.129)	(32.226)	(72.273)	(20.063)
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
<b>Earnings / (losses) per share in Euro</b>	<b>(0,99)</b>	<b>(0,45)</b>	<b>(1,02)</b>	<b>(0,28)</b>

## 11. 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 and no dividends were distributed for the year 2011.

## 12. RETURN OF SHARE CAPITAL

On 3 August 2012, according to article 16 case b' of the Articles of Association and 21 par. 5 of Law 2190/1920, the Company's Board of Directors convened Extraordinary General Assembly of Shareholders on 27 August 2012, with subject the reduction of the share capital of the Company with the aim to rationalize its financial data. The above mentioned Extraordinary General Assembly approved the reduction, the amount of which amounts to 69.661.052,86 Euro and corresponds to the reduction of the nominal share price from 2,68€ to 1,70€. The capital return will take place through payment of cash to shareholders on 29/11/2012.

### 13. INTANGIBLE AND TANGIBLE ASSETS

The Group's capital expenditure for the period 1/1-30/9/2012 amounted to 2.481 Euro thousand, while Company's capital expenditure amounted to 2.176 Euro thousand. The carrying amount of the fixed assets written off or disposed in the same period amounted to 439 and 255 Euro thousand for the Group and the Company respectively.

Amounts in Euro thousand

<b>Intangible Assets</b>	<b>GROUP</b>	<b>COMPANY</b>
<b>Opening net book value as at 31/12/2011</b>	<b>3.305</b>	<b>1.056</b>
Additions	100	27
Amortisation	(681)	(459)
<b>Closing net book value as at 30/9/2012</b>	<b>2.724</b>	<b>624</b>

<b>Tangible Assets</b>	<b>GROUP</b>	<b>COMPANY</b>
<b>Opening net book value as at 31/12/2011</b>	<b>456.076</b>	<b>420.226</b>
Additions	2.381	2.149
Disposals / Write-offs	(439)	(255)
Depreciation	(29.809)	(27.529)
Transfer from fixed assets available for sale	9.044	9.044
<b>Closing net book value as at 30/9/2012</b>	<b>437.253</b>	<b>403.635</b>

<b>Fixed assets available for sale</b>	<b>GROUP</b>	<b>COMPANY</b>
<b>Value as at 31/12/2011</b>	<b>9.044</b>	<b>9.044</b>
Transfer to tangible assets	(9.044)	(9.044)
<b>Value as at 30/9/2012</b>	<b>0</b>	<b>0</b>

## 14. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

The Group companies included in the consolidated Financial Statements, with their respective registered offices, the Group's interest therein and the main scope of activity, are as follows:

Companies consolidated by full consolidation:

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

For the subsidiary company MARATHOS QUARRIES S.A. in which the Group's participation is 99,15%, non-controlling interest has not been recognised either in the period losses or in its negative net equity based on its insignificance.

Company consolidated using the proportional method:

<u>Name of Associate</u>	<u>Registered Office</u>	<u>Direct participation</u>	<u>Indirect participation</u>	<u>Total</u>	<u>Main scope of activity</u>
E.D.A.K.E. S.A.	Greece, Avlida, Evia	50,00%		50,00%	Building waste management

Company consolidated using the equity method:

<u>Name of Associate</u>	<u>Registered Office</u>	<u>Direct participation</u>	<u>Indirect participation</u>	<u>Total</u>	<u>Main scope of activity</u>
MIDDLE EAST CEMENT SHIPPING & HANDLING COMPANY S.A.	Greece, Paiania, Attica	1,00%	49,00%	50,00%	Dormant

The Group has a 0,52% 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.

## 15. BANK LOANS

The short term bank loans and overdrafts of the Group during the nine-month period of 2012 have a weighed average interest rate of 2,83% (first nine-month period of 2011: 3,63%). All bank loans are denominated in Euro.

As at 30/9/2012 the total short-term bank loans amounted to 58.405 Euro thousand of which 58.200 Euro thousand concern subsidiary LAFARGE BETON S.A. and 205 Euro thousand concern subsidiary LEADER BETON S.A.

As at 31/12/2011, the total short-term bank loans amounted to 58.035 Euro thousand, of which 55.749 Euro thousand concern subsidiary LAFARGE BETON S.A., 2.090 Euro thousand concern subsidiary EVIESK S.A. and 196 Euro thousand concern subsidiary LEADER BETON S.A.

## 16. CONTINGENT LIABILITIES AND COMMITMENTS

### Company disputes under litigation or arbitration

On 30/9/2012, there were pending lawsuits against the Group, the outcome of which is uncertain, amounting to 61.081 Euro thousand (31/12/2011: 58.206 Euro thousand), out of which the pending lawsuits against the Company amount to 45.825 Euro thousand (31/12/2011: 43.320 Euro thousand). The maximum risk for the Group from the final decisions on the above cases is estimated at 23.337 Euro thousand, out of which the maximum risk from the final decisions on the cases of the Company is estimated at 18.317 Euro thousand. No provision has been made in the Financial Statements for said pending cases, as it is unlikely that such risk will eventually occur.

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

### Unaudited tax years

Tax obligations of the Group's companies in Greece, as presented in the table below, will be finalised after the completion of the relevant regular tax audits by the competent tax authorities or / and after finalisation of all pending court cases on existing previous years' differences with tax authorities. More specifically for the companies HERACLES G.C.C., LAFARGE BETON S.A., HERACLES MARITIME CO., EVIESK S.A., LAVA S.A., MARATHOS QUARRIES S.A. and AEGEAN TERMINALS S.A., the current period will be audited by the regular Certified Public Accountant according to article 21 of L.3943/2011. From these tax audits, additional tax obligations may arise, which are estimated not to have significant effect in the Group and the Company.

**16. CONTINGENT LIABILITIES AND COMMITMENTS - Continued****Unaudited tax years - continued**

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

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

In July of 2012, the tax audit of the companies HERACLES G.C.C., LAFARGE BETON S.A., HERACLES MARITIME CO., EVIESK S.A., LAVA S.A., MARATHOS QUARRIES S.A. and AEGEAN TERMINALS S.A. was completed by the regular Certified Public Accountant for year 2011 according to article 21 of L.3943/2011. After the completion of the tax audit, the companies received a tax certificate with which the tax position of the companies is considered finalized, according to article 6 of POL.1159/22.7.2011, as long as a period of 18 months passes, during which the tax authorities can revert.

At the end of the same month, the tax audit of the company HERACLES G.C.C. for the years 2009-2010 was completed. An amount of 2.606 Euro thousand was charged as additional tax obligation and surcharges. The reversal of tax provision for the above audited years, including 2011, that had been recognised by the Company was 4.820 Euro thousand. These amounts have been recognised in the results of the period.

**16. CONTINGENT LIABILITIES AND COMMITMENTS - Continued****Granted guarantees**

The following letters of guarantee have been provided to secure liabilities of the Group and the Company, and were in force on 30/9/2012 and on 31/12/2011:

Amounts in Euro thousand	GROUP		COMPANY	
	30/9/2012	31/12/2011	30/9/2012	31/12/2011
Granted guarantees	5.243	5.339	3.709	3.799
Intercompany granted guarantees	0	0	1.923	1.923
	<u>5.243</u>	<u>5.339</u>	<u>5.632</u>	<u>5.722</u>

**Commitments for purchases and capital expenditure**

Commitments for purchases and capital expenditure in force on 30/9/2012 and on 31/12/2011 are as follows:

Amounts in Euro thousand	GROUP		COMPANY	
	30/9/2012	31/12/2011	30/9/2012	31/12/2011
Purchase contracts	11.171	24.016	65.334	80.413
Capital expenditure contracts	561	1.211	158	511
	<u>11.732</u>	<u>25.227</u>	<u>65.492</u>	<u>80.924</u>

**Commitments for operating leases**

On the reporting date, the Group and the Company have the following liabilities under operating lease agreements without the option or the intention of cancellation, which are payable as follows:

Amounts in Euro thousand	GROUP		COMPANY	
	30/9/2012	31/12/2011	30/9/2012	31/12/2011
Within one year	16.403	11.693	27	0
Within two and up to five years	40.561	43.496	577	583
Over five years	4.514	10.353	567	248
	<u>61.478</u>	<u>65.542</u>	<u>1.171</u>	<u>831</u>

## 17. RELATED PARTY TRANSACTIONS

### Transactions with related parties

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

Amounts in Euro thousand

GROUP	INCOME		EXPENSES		RECEIVABLES		LIABILITIES	
	1/1- 30/9/2012	1/1- 30/9/2011	1/1- 30/9/2012	1/1- 30/9/2011	30/9/2012	31/12/2011	30/9/2012	31/12/2011
Parent company LAFARGE S.A.	22.936	69.474	839	21.309	29	0	751	302
LAFARGE Group associates	52.415	32.208	3.857	4.613	9.779	4.770	435	526
Royalties to LAFARGE S.A.	0	0	4.193	4.933	0	0	4.225	1.094
<b>Total</b>	<b>75.351</b>	<b>101.682</b>	<b>8.889</b>	<b>30.855</b>	<b>9.808</b>	<b>4.770</b>	<b>5.411</b>	<b>1.922</b>

Transactions between the Company and its subsidiaries, which are related parties, prior to elimination entries, and with the parent company LAFARGE S.A. along with other LAFARGE Group companies, are disclosed below:

Amounts in Euro thousand

COMPANY	INCOME		EXPENSES		RECEIVABLES		LIABILITIES	
	1/1- 30/9/2012	1/1- 30/9/2011	1/1- 30/9/2012	1/1- 30/9/2011	30/9/2012	31/12/2011	30/9/2012	31/12/2011
HERACLES G.C.C Group Companies	9.647	14.898	12.791	10.258	29.071	31.555	7.953	8.831
Parent company LAFARGE S.A.	22.936	69.467	839	21.308	29	0	0	139
LAFARGE Group associates	49.943	30.978	3.669	4.433	9.218	4.183	406	451
Royalties to LAFARGE S.A.	0	0	3.444	4.933	0	0	3.476	1.094
<b>Total</b>	<b>82.526</b>	<b>115.343</b>	<b>20.743</b>	<b>40.932</b>	<b>38.318</b>	<b>35.738</b>	<b>11.835</b>	<b>10.515</b>

## 17. RELATED PARTY TRANSACTIONS - Continued

### Remuneration to management and members of the BoD

The benefits of the Board of Directors members and the members of the Executive Committee of Heracles G.C.C., as well as attendance fees of Group and Company Board of Directors members, are analysed as follows:

Amounts in Euro thousand

	GROUP		COMPANY	
	1/1- 30/9/2012	1/1- 30/9/2011	1/1- 30/9/2012	1/1- 30/9/2011
Current benefits	2.388	2.582	1.570	1.546
Provision for retirement compensation and paid compensations	105	94	57	44
BoD members attendance fees	209	221	139	146
	<b>2.702</b>	<b>2.897</b>	<b>1.766</b>	<b>1.736</b>

Amounts in Euro thousand

	GROUP		COMPANY	
	1/1- 30/9/2012	1/1- 30/9/2011	1/1- 30/9/2012	1/1- 30/9/2011
Prepayments of expenses to be refunded to Management and BoD Members	0	0	0	0
Obligations to Management and BoD members	0	0	0	0
<b>Net receivables/ (obligations) to Management and BoD Members</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 18. PERSONNEL

Group and Company employees as at 30/9/2012 are as follows:

	GROUP		COMPANY	
	30/9/2012	30/9/2011	30/9/2012	30/9/2011
Number of personnel	1.273	1.535	1.010	1.228

## 19. RECLASSIFICATIONS

In the condensed Statement of Financial Position of the Group, for year 2011, an amount of 498 Euro thousand has been reclassified from "Other payables" subtractive to "Income tax receivable" as it concerned liabilities of LAFARGE BETON S.A. arising from its tax audit and the tax settlements of its subsidiaries. Moreover, for the Group, for year 2011, an amount of 154 Euro thousand has been reclassified from "Other receivables" to "Income tax receivable" for presentation purposes.

Moreover, "Trade receivables" and "Other receivables" as well as "Trade payables" and "Other payables" are presented in separate lines in the condensed Statement of Financial Position of the Group and the Company and consequently their comparative data have been adjusted for presentation purposes.

## 20. EVENTS AFTER THE REPORTING DATE OF THE STATEMENT OF FINANCIAL POSITION

According to the Company's Management best knowledge, no other subsequent events after 30/9/2012 exist that may have a significant financial impact on the Group and the Company.

The Group and Company interim Financial Statements on page 3 through to page 23 were approved by the Company's Board of Directors on 26 November of 2012. The Board of Directors authorised the following directors and officers to sign the Financial Statements on its behalf:

**THE CHAIRMAN OF  
THE BOARD OF  
DIRECTORS**

**THE MANAGING  
DIRECTOR**

**THE CHIEF  
FINANCIAL OFFICER**

**MANOLIS CHR.  
KYPRIANIDES**

**PIERRE  
DELEPLANQUE**

**MICHAIL TH.  
MICHELIS**

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

**PASSPORT No.  
07CV39073**

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