



HERACLES
GROUP OF COMPANIES

A member of  **LAFARGE**

**CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY – 31 MARCH 2012**

OF THE COMPANY AND THE GROUP 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.

Company' s Reg. No. : 13576/06/B/86/096
19,3 km Markopoulou Avenue
19002 Paiania - Attica

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CONDENSED INCOME STATEMENT FOR THE PERIOD ENDED 31 MARCH 2012

Amounts in Euro thousand

	NOTE	GROUP		COMPANY	
		1/1-31/3/2012	1/1-31/3/2011	1/1-31/3/2012	1/1-31/3/2011
Operating results					
Turnover	5	43.897	70.357	36.795	61.054
Cost of sales		<u>(55.071)</u>	<u>(74.868)</u>	<u>(48.788)</u>	<u>(66.867)</u>
Gross profit / (loss)		(11.174)	(4.511)	(11.993)	(5.813)
Administrative & distribution expenses		(14.755)	(15.703)	(10.830)	(11.021)
Other operating income / (expenses)	6	<u>(812)</u>	<u>(909)</u>	<u>(828)</u>	<u>(1.189)</u>
Operating profit / (loss)		(26.741)	(21.123)	(23.651)	(18.023)
Finance income / (expenses)	5	<u>(955)</u>	<u>(1.015)</u>	<u>(132)</u>	<u>132</u>
Profit / (loss) for the period before tax		(27.696)	(22.138)	(23.783)	(17.891)
Income tax	8	4.391	3.358	4.436	3.025
Net profit / (loss) for the period after tax	5,9	<u>(23.305)</u>	<u>(18.780)</u>	<u>(19.347)</u>	<u>(14.866)</u>
Allocated to:					
Non controlling interest		(24)	(361)	0	0
Company's Shareholders		<u>(23.281)</u>	<u>(18.419)</u>	<u>(19.347)</u>	<u>(14.866)</u>
		<u>(23.305)</u>	<u>(18.780)</u>	<u>(19.347)</u>	<u>(14.866)</u>
Number of shares		71.082.707	71.082.707	71.082.707	71.082.707
Earnings/ (losses) per share (in €)	9	(0,33)	(0,26)	(0,27)	(0,21)

Notes from page 8 through to page 21 form an integral part of the Group and Company interim Financial Statements.

**CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2012**

Amounts in Euro thousand

	GROUP		COMPANY	
	<u>31/3/2012</u>	<u>31/3/2011</u>	<u>31/3/2012</u>	<u>31/3/2011</u>
Net profit / (loss) for the period after tax	(23.305)	(18.780)	(19.347)	(14.866)
Profit / (loss) from derivative financial instruments recognised directly in equity, net of deferred tax	58	84	58	84
Other equity movements	(14)	(70)	0	0
Other comprehensive income for the period, net of tax	<u>44</u>	<u>14</u>	<u>58</u>	<u>84</u>
Total comprehensive income for the period, net of tax	<u><u>(23.261)</u></u>	<u><u>(18.766)</u></u>	<u><u>(19.289)</u></u>	<u><u>(14.782)</u></u>

Notes from page 8 through to page 21 form an integral part of the Group and Company interim Financial Statements.

CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2012

Amounts in Euro thousand	NOTE	GROUP		COMPANY	
		31/3/2012	31/12/2011	31/3/2012	31/12/2011
Fixed assets or non-current assets					
Goodwill		29.480	29.480	0	0
Intangible assets	11	3.096	3.305	922	1.056
Tangible assets	11	456.071	456.076	420.941	420.226
Investments in associates and subsidiaries	12	0	0	70.436	70.436
Other investments	12	56	56	56	56
Other non-current receivables		15.453	15.605	42.635	42.772
Deferred tax asset		7.282	2.859	6.494	2.052
Total fixed assets or non-current assets		511.438	507.381	541.484	536.598
Current assets					
Inventories		59.036	57.078	52.667	50.721
Trade and other receivables		112.974	106.730	86.883	77.930
Derivative financial instruments		129	58	129	58
Fixed assets available for sale	11	0	9.044	0	9.044
Cash and cash equivalents		84.695	145.924	72.025	131.380
Income tax receivable		11.200	10.866	10.311	10.247
Total current assets		268.034	329.700	222.015	279.380
Total assets		779.472	837.081	763.499	815.978
Non-current liabilities					
Provision for staff termination indemnity		44.354	56.973	41.455	53.999
Other non-current provisions		18.631	18.886	36.404	36.254
Deferred tax liabilities		875	914	20	0
Finance lease liabilities		182	212	33	49
Total non-current liabilities		64.042	76.985	77.912	90.302
Current liabilities					
Provision for staff termination indemnity		5.599	6.193	5.233	5.854
Trade and other payables		75.336	98.191	65.788	86.028
Income tax liability		49	0	0	0
Finance lease liabilities		291	311	89	79
Other current provisions		5.815	5.971	5.367	5.517
Dividends payable		339	138	339	138
Bank loans	13	60.005	58.035	0	0
Total current liabilities		147.434	168.839	76.816	97.616
Total liabilities		211.476	245.824	154.728	187.918
Equity					
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		58	0	58	0
Retained earnings		201.389	224.684	254.762	274.109
Total Shareholders' equity		567.924	591.161	608.771	628.060
Non controlling interest		72	96	0	0
Total equity		567.996	591.257	608.771	628.060
Total liabilities and equity		779.472	837.081	763.499	815.978

Notes from page 8 through to page 21 form an integral part of the Group and Company interim Financial Statements.

CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2012

Amounts in Euro thousand

GROUP	Share capital	Share premium	Reserves	Derivatives valuation reserve	Retained earnings / (losses)	Non controlling interest	Total
Balance at 1/1/2012	190.502	1.279	174.696	0	224.684	96	591.257
Profit / (loss) for the period	0	0	0	0	(23.281)	(24)	(23.305)
Profit / (loss) from derivative financial instruments recognised directly in equity	0	0	0	58	0	0	58
Other equity movements	0	0	0	0	(14)	0	(14)
Balance at 31/3/2012	<u>190.502</u>	<u>1.279</u>	<u>174.696</u>	<u>58</u>	<u>201.389</u>	<u>72</u>	<u>567.996</u>
Balance at 1/1/2011	190.502	1.279	174.696	(1.041)	280.911	62	646.409
Profit / (loss) for the period	0	0	0	0	(18.419)	(361)	(18.780)
Profit / (loss) from derivative financial instruments recognised directly in equity	0	0	0	84	0	0	84
Other equity movements	0	0	0	0	(70)	0	(70)
Balance at 31/3/2011	<u>190.502</u>	<u>1.279</u>	<u>174.696</u>	<u>(957)</u>	<u>262.422</u>	<u>(299)</u>	<u>627.643</u>

Amounts in Euro thousand

COMPANY	Share capital	Share premium	Reserves	Derivatives valuation reserve	Retained earnings / (losses)	Total
Balance at 1/1/2012	190.502	1.279	162.170	0	274.109	628.060
Profit / (loss) for the period	0	0	0	0	(19.347)	(19.347)
Profit / (loss) from derivative financial instruments recognised directly in equity	0	0	0	58	0	58
Balance at 31/3/2012	<u>190.502</u>	<u>1.279</u>	<u>162.170</u>	<u>58</u>	<u>254.762</u>	<u>608.771</u>
Balance at 1/1/2011	190.502	1.279	162.170	(1.041)	320.709	673.619
Profit / (loss) for the period	0	0	0	0	(14.866)	(14.866)
Profit / (loss) from derivative financial instruments recognised directly in equity	0	0	0	84	0	84
Balance at 31/3/2011	<u>190.502</u>	<u>1.279</u>	<u>162.170</u>	<u>(957)</u>	<u>305.843</u>	<u>658.837</u>

Notes from page 8 through to page 21 form an integral part of the Group and Company interim Financial Statements.

**CONDENSED STATEMENT OF CASH FLOWS
(INDIRECT METHOD) FOR THE PERIOD ENDED 31
MARCH 2012**

Amounts in Euro thousand

	GROUP		COMPANY	
	1/1- 31/3/2012	1/1- 31/3/2011	1/1- 31/3/2012	1/1- 31/3/2011
<u>Operating activities</u>				
Profit / (loss) of the period before tax	(27.696)	(22.138)	(23.783)	(17.891)
Plus / less adjustments for:				
Depreciation	10.143	11.737	9.296	10.832
Provisions	(8.341)	7.333	(8.449)	7.229
Foreign exchange differences	(22)	(369)	(69)	(434)
Gain /(loss) from derivatives valuation	1	1	1	1
Income / (expenses), profit / (losses) from investing activities	(241)	(501)	(515)	(514)
Interest and related expenses	1.358	1.100	853	263
Plus/ less adjustments for changes in working capital accounts or relevant with operating activities:				
Decrease / (increase) in inventories	(3.950)	(5.376)	(3.938)	(5.232)
Decrease / (increase) in receivables	(7.785)	(13.608)	(10.208)	(13.756)
(Decrease) / increase in liabilities (excl. bank loans)	(23.514)	(15.832)	(20.126)	(13.839)
Less :				
Interest and related expenses paid	(576)	(1.147)	(109)	(125)
Taxes paid	(103)	(1.722)	0	(1.548)
<u>Total inflow / (outflow) from operating activities (a)</u>	<u>(60.726)</u>	<u>(40.522)</u>	<u>(57.047)</u>	<u>(35.014)</u>
<u>Investing activities</u>				
Purchases of tangible and intangible fixed assets	(3.092)	(5.007)	(2.975)	(4.779)
Proceeds from disposals of tangible and intangible assets	590	68	300	43
Interest received	100	332	376	549
<u>Total inflow / (outflow) from investing activities (b)</u>	<u>(2.402)</u>	<u>(4.607)</u>	<u>(2.299)</u>	<u>(4.187)</u>
<u>Financing activities</u>				
Loan proceeds	2.060	47.597	0	0
Loan repayments	(90)	(40.197)	0	(800)
Payments of obligations under finance leases	(71)	(69)	(9)	(9)
<u>Total inflow / (outflow) from finance activities (c)</u>	<u>1.899</u>	<u>7.331</u>	<u>(9)</u>	<u>(809)</u>
Net increase / (decrease) in cash and cash equivalents (a)+(b)+(c)	<u>(61.229)</u>	<u>(37.798)</u>	<u>(59.355)</u>	<u>(40.010)</u>
Cash and cash equivalents at the beginning of the period	<u>145.924</u>	<u>138.002</u>	<u>131.380</u>	<u>125.962</u>
Cash and cash equivalents at the end of the period	<u>84.695</u>	<u>100.204</u>	<u>72.025</u>	<u>85.952</u>

Notes from page 8 through to page 21 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 31/3/2012) 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. The Group is currently investigating the impact of IFRS 9 on its financial statements. The Group cannot currently early adopt IFRS 9 as it 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. This amendment has not yet been endorsed by the EU.

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. This amendment has not yet been endorsed by the EU.

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.

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.

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 condensed three-month period 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.

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:

Amounts in Euro thousand	31/3/2012				
	<u>Cement Division</u>	<u>Concrete Division</u>	<u>Aggregates Division</u>	<u>Eliminations</u>	<u>Total Group</u>
Turnover	39.036	6.244	1.617	(2.401)	44.496
Current Operating income	(9.306)	(1.559)	(972)	0	(11.837)
Operating income / (loss)	(21.923)	(1.690)	(984)	0	(24.597)

Amounts in Euro thousand	31/3/2011				
	<u>Cement Division</u>	<u>Concrete Division</u>	<u>Aggregates Division</u>	<u>Eliminations</u>	<u>Total Group</u>
Turnover	61.401	10.047	3.430	(4.112)	70.766
Current Operating income	(18.241)	(1.844)	(289)	0	(20.374)
Operating income / (loss)	(18.151)	(2.931)	(289)	916	(20.455)

The comparative data for the first three-month period of 2011 have been adjusted for presentation purposes.

Amounts in Euro thousand	31/3/2012				
	<u>Cement Division</u>	<u>Concrete Division</u>	<u>Aggregates Division</u>	<u>Eliminations</u>	<u>Total Group</u>
Total Assets as per Management Reporting					
31/3/2012	782.173	74.914	50.390	(133.721)	773.756
31/12/2011	835.152	78.692	51.695	(133.541)	831.998

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>31/3/2012</u>	<u>31/3/2011</u>
Turnover per Management Reporting	44.496	70.766
Timing difference on revenue recognition	(530)	0
Discount reclassification between Turnover and Cost of sales	<u>(69)</u>	<u>(409)</u>
Turnover per Published Income Statement	<u>43.897</u>	<u>70.357</u>

Amounts in Euro thousand

	<u>31/3/2012</u>	<u>31/3/2011</u>
Management Reporting		
Current Operating Income / (loss)	(11.837)	(20.374)
Non-recurring income / (expenses)	<u>(12.760)</u>	<u>(81)</u>
Operating Income / (loss) per Management Reporting	(24.597)	(20.455)
Reconciliation to Published Income Statement		
Timing difference on revenue recognition	(530)	0
Provisions and liabilities recognised in different periods	(1.259)	(475)
Cost allocation between administrative and finance expenses	(213)	300
Difference in fixed assets depreciation	(223)	(163)
Other timing differences	<u>81</u>	<u>(330)</u>
Operating Income / (loss)	(26.741)	(21.123)
Net financial income /(expenses)	<u>(955)</u>	<u>(1.015)</u>
Profit / (loss) before tax	(27.696)	(22.138)
Income tax	4.391	3.358
Net profit / (loss) for the period after tax	<u>(23.305)</u>	<u>(18.780)</u>

Amounts in Euro thousand

	<u>31/3/2012</u>	<u>31/3/2011</u>
Total Finance Income / (Expenses) per Management Reporting	(4.313)	76
Cost allocation between administrative and finance expenses	213	(300)
Timing difference on interest expenses	0	(770)
Difference in exchange rate differences	(160)	0
Long-term receivables discounting effect recognised in different period	3.304	0
Other	<u>1</u>	<u>(21)</u>
Total Finance Income / (Expenses) per Published Income Statement	<u>(955)</u>	<u>(1.015)</u>

Amounts in Euro thousand

	<u>31/3/2012</u>	<u>31/12/2011</u>
Total Assets per Management Reporting	773.756	831.998
Difference in deemed cost of fixed assets	15.093	16.065
Adjustment in stock valuation	0	1.236
Timing difference on revenue recognition	0	530
Additional provision for doubtful debts	0	(307)
Total assets of non consolidated entity	(3.848)	(3.865)
Long-term receivables discounting effect	(696)	(4.089)
Deferred tax difference	(3.055)	(2.773)
Other	<u>(1.778)</u>	<u>(1.714)</u>
Total Assets per Published Statement of Financial Position	<u>779.472</u>	<u>837.081</u>

6. OTHER OPERATING INCOME / (EXPENSES)

Other operating income / (expenses) of the Group and the Company for the period 1/1 – 31/3/2012 are analysed as follows:

Amounts in Euro thousand	GROUP		COMPANY	
	<u>1/1-31/3/2012</u>	<u>1/1-31/3/2011</u>	<u>1/1-31/3/2012</u>	<u>1/1-31/3/2011</u>
Profit / (loss) from fixed asset disposals	(1)	169	0	(35)
(Provision) / Reversal of provision for share in losses of subsidiaries	0	0	(329)	(320)
(Provision) / Reversal of provision for doubtful receivables	(770)	(1.339)	(499)	(834)
Other income / (expenses)	<u>(41)</u>	<u>261</u>	<u>0</u>	<u>0</u>
	<u>(812)</u>	<u>(909)</u>	<u>(828)</u>	<u>(1.189)</u>

The comparative data of the Group for the first three-month period of 2011 have been adjusted for presentation purposes. Specifically, an amount of 68 Euro thousand concerning income from services has been reclassified from other operating income to turnover, while an amount of 15 Euro thousand has been reclassified from other operating expenses to cost of sales by 7 Euro thousand and to administrative & distribution expenses by 8 Euro thousand.

7. FINANCIAL RESULTS OF THE PERIOD

The Group's turnover amounted to 43.897 Euro thousand for the first three-month period of 2012 decreased by 37,6% compared to the corresponding period of 2011. The Company's turnover amounted to 36.795 Euro thousand, for the same period in 2012, decreased by 39,7% compared to the corresponding period of 2011.

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 construction activity for a fourth consecutive year as well as the substantial suspension of the construction activity in public and co-financed infrastructure.

The Group presented net loss after taxes of amount 23.305 Euro thousand for the first three-month period of 2012 while in the same period of 2011 presented net loss after taxes of amount 18.780 Euro thousand. The Company's net loss after taxes for the first three-month period of 2012 amounted to 19.347 Euro thousand while in the corresponding period in 2011 the net loss after taxes amounted to 14.866 Euro thousand.

Both the Group and the Company continue the effort to reduce operating costs and optimise performance in production, supply chain and administration activities which aims to partially offset the consequences of the decline of the domestic and international market.

8. INCOME TAX

The income tax benefit of the period mostly represents deferred tax revenue. The deferred tax asset increased in the first three-month period of 2012 compared to the relative period of 2011 mostly due to the recognition of the relative asset on the tax losses of the first three-month period of 2012.

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

9. 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	
	1/1-31/3/2012	1/1-31/3/2011	1/1-31/3/2012	1/1-31/3/2011
Net profit / (loss) for the period after tax	(23.305)	(18.780)	(19.347)	(14.866)
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	(0,33)	(0,26)	(0,27)	(0,21)

10. DIVIDENDS

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

The company has losses and no dividends will be distributed for the year 2011.

11. INTANGIBLE AND TANGIBLE ASSETS

The Group's capital expenditure for the period 1/1-31/3/2012 amounted to 952 Euro thousand, while Company's capital expenditure amounted to 833 Euro thousand. The carrying amount of the fixed assets written off or disposed in the period by the Group amounted to 67 Euro thousand.

Amounts in Euro thousand

Intangible Assets	GROUP	COMPANY
Opening net book amount as at 31/12/2011	3.305	1.056
Additions	27	27
Amortisation	(236)	(161)
Closing net book amount as at 31/3/2012	3.096	922

Tangible Assets	GROUP	COMPANY
Opening net book amount as at 31/12/2011	456.076	420.226
Additions	925	806
Disposals / Write-offs	(67)	0
Depreciation	(9.907)	(9.135)
Transfer from fixed assets available for sale	9.044	9.044
Closing net book amount as at 31/3/2012	456.071	420.941

Fixed assets available for sale	GROUP	COMPANY
Value as at 31/12/2011	9.044	9.044
Transfer to tangible assets	(9.044)	(9.044)
Value as at 31/3/2012	0	0

12. 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%	Trade of concrete

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

13. BANK LOANS

The short term bank loans and overdrafts of the Group during the first three-month period of 2012 have an average interest rate of 2,78% (first three-month period of 2011: 5,64%). All bank loans are denominated in Euro.

As at 31/3/2012 the total short-term bank loans amounted to 60.005 Euro thousand of which 57.779 Euro thousand concern subsidiary LAFARGE BETON S.A., 2.032 Euro thousand concern subsidiary EVIESK S.A. and 194 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.

14. CONTINGENT LIABILITIES AND COMMITMENTS

Company disputes under litigation or arbitration

On 31/3/2012, there were pending lawsuits against the Group, the outcome of which is uncertain, amounting to 59.645 Euro thousand (31/12/2011: 58.206 Euro thousand), out of which the pending lawsuits against the Company amount to 44.208 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 23.116 Euro thousand, out of which the maximum risk from the final decisions on the cases of the Company is estimated at 17.514 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 1.908 Euro thousand and 1.885 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.

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

Tax obligations of the Group's companies in Greece will be finalised after completion of the relevant regular tax audits by the competent tax authorities or / and after finalisation of all pending court cases on existing previous years' differences with tax authorities. The current period 1/1/2012-31/3/2012 is also considered as unaudited. From these tax audits, additional tax obligations may arise, which are estimated not to have significant effect in the Group and the Company.

Company	Registered Office	Unaudited tax years
HERACLES GCC	Greece, Paiania, Attica	2009-2011
LAFARGE BETON S.A.	Greece, Paiania, Attica	2009-2011
EVIESK S.A.	Greece, Paiania, Attica	2010-2011
HERACLES MARITIME CO.	Greece, Paiania, Attica	2010-2011
LAVA S.A.	Greece, Paiania, Attica	2010-2011
AEGEAN TERMINALS S.A.	Greece, Paiania, Attica	2010-2011
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	2010-2011
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.

The tax audit of the company Heracles G.C.C. for the years 2009 and 2010 is in progress.

For year 2011, 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. is in process by the regular Certified Public Accountant according to article 21 of L.3943/2011. After the completion of the tax audit, the companies will receive 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.

From these tax audits, additional tax obligation may arise, which is estimated not to have significant effect for the Group and the Company.

14. 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 31/3/2012 and on 31/12/2011:

Amounts in Euro thousand	GROUP		COMPANY	
	<u>31/3/2012</u>	<u>31/12/2011</u>	<u>31/3/2012</u>	<u>31/12/2011</u>
Granted guarantees	5.208	5.339	3.709	3.799
Intercompany granted guarantees	<u>0</u>	<u>0</u>	<u>1.923</u>	<u>1.923</u>
	<u>5.208</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 31/3/2012 and on 31/12/2011 are as follows:

Amounts in Euro thousand	GROUP		COMPANY	
	<u>31/3/2012</u>	<u>31/12/2011</u>	<u>31/3/2012</u>	<u>31/12/2011</u>
Purchase contracts	15.462	24.016	69.431	80.413
Capital expenditure contracts	<u>800</u>	<u>1.211</u>	<u>100</u>	<u>511</u>
	<u>16.262</u>	<u>25.227</u>	<u>69.531</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	
	<u>31/3/2012</u>	<u>31/12/2011</u>	<u>31/3/2012</u>	<u>31/12/2011</u>
Within one year	12.014	11.693	267	0
Within two and up to five years	42.869	43.496	583	583
Over five years	<u>8.498</u>	<u>10.353</u>	<u>248</u>	<u>248</u>
	<u>63.381</u>	<u>65.542</u>	<u>1.098</u>	<u>831</u>

15. RELATED PARTY TRANSACTIONS

Trading 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- 31/3/2012	1/1- 31/3/2011	1/1- 31/3/2012	1/1- 31/3/2011	31/3/2012	31/12/2011	31/3/2012	31/12/2011
	Parent company LAFARGE S.A. LAFARGE Group associates Royalties to LAFARGE S.A. Total	9.346 8.248 0 <u>17.594</u>	23 12.512 0 <u>12.535</u>	242 373 2.244 <u>2.859</u>	345 430 2.396 <u>3.171</u>	55 4.013 0 <u>4.068</u>	0 4.770 0 <u>4.770</u>	164 467 2.040 <u>2.671</u>

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- 31/3/2012	1/1- 31/3/2011	1/1- 31/3/2012	1/1- 31/3/2011	31/3/2012	31/12/2011	31/3/2012	31/12/2011
	HERACLES G.C.C Group Companies Parent company LAFARGE S.A. LAFARGE Group associates Royalties to LAFARGE S.A. Total	3.149 9.346 7.327 0 <u>19.822</u>	4.827 0 12.323 0 <u>17.150</u>	3.278 242 315 2.244 <u>6.079</u>	3.632 345 378 2.396 <u>6.751</u>	31.017 55 3.275 0 <u>34.347</u>	31.555 0 4.183 0 <u>35.738</u>	8.417 0 338 2.040 <u>10.795</u>

15. 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	
	1/1-31/3/2012	1/1-31/3/2011	1/1-31/3/2012	1/1-31/3/2011
Current benefits	938	1.039	637	650
Provision for retirement compensation and paid compensations	33	39	16	23
BoD members attendance fees	72	75	49	49
	1.043	1.153	702	722

Amounts in Euro thousand

	GROUP		COMPANY	
	1/1-31/3/2012	1/1-31/3/2011	1/1-31/3/2012	1/1-31/3/2011
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
Net receivables/ (obligations) to Management and BoD Members	0	0	0	0

16. PERSONNEL

Group and Company employees as at 31/3/2012 are as follows:

	GROUP		COMPANY	
	31/3/2012	31/3/2011	31/3/2012	31/3/2011
Number of personnel	1.307	1.572	1.033	1.234

17. RECLASSIFICATIONS

In the condensed Statement of Financial Position of the Group, for year 2011, an amount of 498 Euro thousand has been reclassified from "Trade and 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 "Trade and other receivables" to "Income tax receivable" for presentation purposes.

In the condensed Income Statement of the Group, for the first three-month period of 2011, an amount of 68 Euro thousand concerning income from services has been reclassified from other operating income to turnover, while an amount of 15 Euro thousand has been reclassified from other operating expenses to cost of sales by 7 Euro thousand and to administrative & distribution expenses by 8 Euro thousand.

18. EVENTS AFTER THE REPORTING DATE OF THE CONDENSED STATEMENT OF FINANCIAL POSITION

According to the Company's Management best knowledge, no subsequent events after 31/3/2012 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 21 were approved by the Company's Board of Directors on 25 May 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**