



HERACLES
GROUP OF COMPANIES

A member of **LAFARGE**

**CONDENSED INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY – 31 MARCH 2013**

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 31 MARCH 2013

Amounts in Euro thousand

	NOTE	GROUP		COMPANY	
		1/1- 31/3/2013	1/1- 31/3/2012	1/1- 31/3/2013	1/1- 31/3/2012
Operating results					
Turnover	5	50.531	43.897	46.484	36.795
Cost of sales		<u>(60.618)</u>	<u>(54.569)</u>	<u>(56.755)</u>	<u>(48.286)</u>
Gross profit / (loss)		<u>(10.087)</u>	<u>(10.672)</u>	<u>(10.271)</u>	<u>(11.491)</u>
Administrative & distribution expenses		(11.829)	(14.645)	(8.304)	(10.720)
Other operating income / (expenses)	7	<u>(88.991)</u>	<u>(812)</u>	<u>(89.152)</u>	<u>(828)</u>
Operating profit / (loss)		<u>(110.907)</u>	<u>(26.129)</u>	<u>(107.727)</u>	<u>(23.039)</u>
Finance income / (expenses)	5	<u>(460)</u>	<u>(1.567)</u>	<u>336</u>	<u>(744)</u>
Profit / (loss) for the period before tax		<u>(111.367)</u>	<u>(27.696)</u>	<u>(107.391)</u>	<u>(23.783)</u>
Income tax	9	<u>25.195</u>	<u>4.391</u>	<u>25.100</u>	<u>4.436</u>
Net profit / (loss) for the period after tax	5,10	<u>(86.172)</u>	<u>(23.305)</u>	<u>(82.291)</u>	<u>(19.347)</u>
Allocated to:					
Non controlling interest		(11)	(24)	0	0
Company's Shareholders		<u>(86.161)</u>	<u>(23.281)</u>	<u>(82.291)</u>	<u>(19.347)</u>
		<u>(86.172)</u>	<u>(23.305)</u>	<u>(82.291)</u>	<u>(19.347)</u>
Number of shares		71.082.707	71.082.707	71.082.707	71.082.707
Earnings / (losses) per share (in €)	10	(1,21)	(0,33)	(1,16)	(0,27)

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

**CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2013**

Amounts in Euro thousand

	GROUP		COMPANY	
	<u>31/3/2013</u>	<u>31/3/2012</u>	<u>31/3/2013</u>	<u>31/3/2012</u>
Net profit / (loss) for the period after tax	(86.172)	(23.305)	(82.291)	(19.347)
Profit / (loss) from derivative financial instruments recognised directly in equity, net of deferred tax	(540)	58	(540)	58
Change in rate effect in actuarial gain / (loss) recognised directly in equity	1.362	0	1.362	0
Other equity movements	<u>0</u>	<u>(14)</u>	<u>0</u>	<u>0</u>
Other comprehensive income for the period, after tax	822	44	822	58
Total comprehensive income for the period, after tax	<u>(85.350)</u>	<u>(23.261)</u>	<u>(81.469)</u>	<u>(19.289)</u>

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

CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2013

Amounts in Euro thousand	NOTE	GROUP		COMPANY	
		31/3/2013	31/12/2012	31/3/2013	31/12/2012
Fixed assets or non-current assets					
Goodwill		29.480	29.480	0	0
Intangible assets	12	2.327	2.533	357	500
Tangible assets	12	345.740	430.038	313.268	396.881
Investments in associates and subsidiaries	13	0	0	47.472	47.472
Other investments	13	56	56	56	56
Other non-current receivables		7.101	7.102	8.090	6.561
Deferred tax assets		40.256	13.426	39.121	12.469
Total fixed assets or non-current assets		424.960	482.635	408.364	463.939
Current assets					
Inventories		50.571	57.462	45.053	52.011
Trade receivables		46.998	49.271	40.333	41.701
Other receivables		11.331	9.764	35.523	33.158
Derivative financial instruments		0	38	0	38
Cash and cash equivalents		41.586	61.598	36.604	58.130
Income tax receivables		1.253	2.698	296	1.768
Total current assets		151.739	180.831	157.809	186.806
Total assets		576.699	663.466	566.173	650.745
Non-current liabilities					
Provision for staff termination indemnity		35.952	36.698	34.049	34.817
Other non-current provisions		19.518	19.027	38.626	37.809
Finance lease liabilities		153	152	4	9
Total non-current liabilities		55.623	55.877	72.679	72.635
Current liabilities					
Provision for staff termination indemnity		7.228	3.493	7.007	3.217
Trade payables		68.428	80.872	61.077	73.208
Other payables		21.586	17.584	21.168	16.743
Income tax liabilities		139	68	0	0
Finance lease liabilities		127	220	46	94
Other current provisions		1.181	1.204	823	823
Derivative financial instruments		817	0	817	0
Dividends payable		129	129	129	129
Bank loans	14	59.927	57.155	0	0
Total current liabilities		159.562	160.725	91.067	94.214
Total liabilities		215.185	216.602	163.746	166.849
Equity					
Share capital		120.841	120.841	120.841	120.841
Share premium		1.279	1.279	1.279	1.279
Reserves		174.696	174.696	162.170	162.170
Derivatives valuation reserve		(540)	0	(540)	0
Retained earnings		65.380	150.179	118.677	199.606
Total Shareholders' equity		361.656	446.995	402.427	483.896
Non controlling interest		(142)	(131)	0	0
Total equity		361.514	446.864	402.427	483.896
Total liabilities and equity		576.699	663.466	566.173	650.745

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

CONDENSED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MARCH 2013

Amounts in Euro thousand

GROUP	Share capital	Share premium	Reserves	Derivatives valuation reserve	Retained earnings / (losses)	Non controlling interest	Total
Balance at 1/1/2013	120.841	1.279	174.696	0	150.179	(131)	446.864
Profit / (loss) for the period	0	0	0	0	(86.161)	(11)	(86.172)
Profit / (loss) from derivative financial instruments recognised directly in equity	0	0	0	(540)	0	0	(540)
Change in rate effect in actuarial gain / (loss) recognised directly in equity	0	0	0	0	1.362	0	1.362
Balance at 31/3/2013	<u>120.841</u>	<u>1.279</u>	<u>174.696</u>	<u>(540)</u>	<u>65.380</u>	<u>(142)</u>	<u>361.514</u>
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>

Amounts in Euro thousand

COMPANY	Share capital	Share premium	Reserves	Derivatives valuation reserve	Retained earnings / (losses)	Total
Balance at 1/1/2013	120.841	1.279	162.170	0	199.606	483.896
Profit / (loss) for the period	0	0	0	0	(82.291)	(82.291)
Profit / (loss) from derivative financial instruments recognised directly in equity	0	0	0	(540)	0	(540)
Change in rate effect in actuarial gain / (loss) recognised directly in equity	0	0	0	0	1.362	1.362
Balance at 31/3/2013	<u>120.841</u>	<u>1.279</u>	<u>162.170</u>	<u>(540)</u>	<u>118.677</u>	<u>402.427</u>
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>

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

**CONDENSED STATEMENT OF CASH FLOWS
(INDIRECT METHOD) FOR THE PERIOD ENDED 31
MARCH 2013**

Amounts in Euro thousand

	GROUP		COMPANY	
	1/1- 31/3/2013	1/1- 31/3/2012	1/1- 31/3/2013	1/1- 31/3/2012
<u>Operating activities</u>				
Profit / (loss) of the period before tax	(111.367)	(27.696)	(107.391)	(23.783)
Plus / less adjustments for:				
Depreciation	9.545	10.143	8.796	9.296
Impairment of tangible and intangible fixed assets	75.343	0	75.343	0
Provisions	14.717	(8.341)	14.579	(8.449)
Foreign exchange differences	114	(22)	90	(69)
Gain /(loss) from derivatives valuation	56	1	56	1
Income / (expenses), profit / (losses) from investing activities	(25)	(241)	(283)	(515)
Interest and related expenses	872	1.358	320	853
Plus/ less adjustments for changes in working capital accounts or relevant with operating activities:				
Decrease / (increase) in inventories	(1.699)	(3.950)	(1.630)	(3.938)
Decrease / (increase) in receivables	357	(7.785)	(1.134)	(10.208)
(Decrease) / increase in liabilities (excl. bank loans)	(8.793)	(23.514)	(7.913)	(20.126)
Less :				
Interest and related expenses paid	(1.059)	(576)	(305)	(109)
Taxes paid	(31)	(103)	0	0
Total inflow / (outflow) from operating activities (a)	<u>(21.970)</u>	<u>(60.726)</u>	<u>(19.472)</u>	<u>(57.047)</u>
<u>Investing activities</u>				
Intercompany loans	0	0	(1.500)	0
Purchases of tangible and intangible fixed assets	(991)	(3.092)	(927)	(2.975)
Proceeds from disposals of tangible and intangible assets	263	590	153	300
Interest received	6	100	273	376
Total inflow / (outflow) from investing activities (b)	<u>(722)</u>	<u>(2.402)</u>	<u>(2.001)</u>	<u>(2.299)</u>
<u>Financing activities</u>				
Loan proceeds	2.773	2.060	0	0
Loan repayments	(1)	(90)	0	0
Payments of obligations under finance leases	(92)	(71)	(53)	(9)
Total inflow / (outflow) from financing activities (c)	<u>2.680</u>	<u>1.899</u>	<u>(53)</u>	<u>(9)</u>
Net increase / (decrease) in cash and cash equivalents (a)+(b)+(c)	<u>(20.012)</u>	<u>(61.229)</u>	<u>(21.526)</u>	<u>(59.355)</u>
Cash and cash equivalents at the beginning of the period	<u>61.598</u>	<u>145.924</u>	<u>58.130</u>	<u>131.380</u>
Cash and cash equivalents at the end of the period	<u>41.586</u>	<u>84.695</u>	<u>36.604</u>	<u>72.025</u>

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

1. GENERAL INFORMATION

HERACLES GENERAL CEMENT COMPANY (the Company) has been incorporated in Greece under the Companies Act 2190/1920, with its registered office located in the 19,3 km Markopoulou Avenue, Municipality of Paiania, Attica and the majority shareholding (88,99% as at 31/3/2013) 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 which is the currency of the primary economic environment in which the Group operates, unless otherwise stated.

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 TO EXISTING STANDARDS

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

Standards and Interpretations effective for the current financial year

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.

IAS 12 (Amendment) "Income Taxes" (effective for annual periods beginning on or after 1 January 2013)

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 is not applicable for the Group.

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.

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

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 no effect in the Group’s financial statements.

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.

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.

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”.

Standards and Interpretations effective for periods beginning on or after 1 January 2014

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. Only once approved will the Group decide if IFRS 9 will be adopted prior to 1 January 2015.

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.

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 2014)

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 2014. Earlier application is permitted only if the entire “package” of five standards is adopted at the same time. 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.

IFRS 10, IFRS 11 and IFRS 12 (Amendment) “Consolidated financial statements, joint arrangements and disclosure of interests in other entities: Transition guidance” (effective for annual periods beginning on or after 1 January 2013)

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. These amendments have not yet been endorsed by the EU.

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.

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 2012. However, the condensed three-month period Financial Statements should be examined along with the annual Financial Statements of 31 December 2012 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, gross operating income / (loss) before depreciation, operating income / (loss), financial income and expenses and total assets.

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

31/3/2013					
Amounts in Euro thousand					
	Cement Division	Concrete Division	Aggregates Division	Eliminations	Total Group
Turnover	47.329	3.096	1.115	(985)	50.555
Gross operating income / (loss) before depreciation	(9.742)	(1.071)	(656)	0	(11.469)
Operating income / (loss)	(107.431)	(1.939)	(1.120)	0	(110.490)
31/3/2012					
	Cement Division	Concrete Division	Aggregates Division	Eliminations	Total Group
Turnover	39.036	6.244	1.617	(2.401)	44.496
Gross operating income / (loss) before depreciation	473	(1.175)	(617)	0	(1.319)
Operating income / (loss)	(21.346)	(1.667)	(984)	0	(23.997)

The comparative data of the first three-month period of 2012 has been adjusted for presentation purposes.

5. OPERATING SEGMENTS – continued

Amounts in Euro thousand

Total Assets as per Management Reporting	Cement Division	Concrete Division	Aggregates Division	Eliminations	Total Group
31/3/2013	604.807	58.845	44.315	(134.483)	573.484
31/12/2012	686.418	62.441	44.994	(135.967)	657.886

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.

Amounts in Euro thousand

	<u>31/3/2013</u>	<u>31/3/2012</u>
Turnover per Management Reporting	50.555	44.496
Timing difference on expenses / (revenue) recognition	73	(530)
Discount reclassification between Turnover and Cost of Sales	(97)	(69)
Turnover per Published Income Statement	<u>50.531</u>	<u>43.897</u>

Amounts in Euro thousand

	<u>31/3/2013</u>	<u>31/3/2012</u>
Management Reporting		
Gross operating income before depreciation	(11.469)	(1.319)
Depreciation	(9.236)	(9.918)
Non-recurring income / (expenses)	(89.785)	(12.760)
Operating Income / (loss) per Management Reporting	<u>(110.490)</u>	<u>(23.997)</u>
Reconciliation to Published Income Statement		
Timing difference on expenses / (revenue) recognition	73	(530)
Provisions and liabilities recognised in different periods	(308)	(1.259)
Cost allocation between administrative and finance expenses	(93)	(213)
Difference in fixed assets depreciation	(214)	(223)
Other timing differences	125	93
Operating Income / (loss)	<u>(110.907)</u>	<u>(26.129)</u>
Net financial income /(expenses)	(460)	(1.567)
Profit / (loss) before tax	<u>(111.367)</u>	<u>(27.696)</u>
Income tax	25.195	4.391
Net profit / (loss) for the period after tax	<u>(86.172)</u>	<u>(23.305)</u>

5. OPERATING SEGMENTS – continued

Amounts in Euro thousand

	<u>31/3/2013</u>	<u>31/3/2012</u>
Total Financial Income / (Expenses) per Management Reporting	(558)	(4.913)
Cost allocation between administrative and finance expenses	93	213
Difference in exchange rate differences	0	(160)
Long-term receivables discounting effect recognised in different period	0	3.304
Other	5	(11)
Total Financial Income / (Expenses) per Published Income Statement	<u>(460)</u>	<u>(1.567)</u>

The comparative data of the first three-month period of 2012 has been adjusted for presentation purposes.

Amounts in Euro thousand

	<u>31/3/2013</u>	<u>31/12/2012</u>
Total Assets per Management Reporting	573.484	657.886
Difference in deemed cost of fixed assets	14.248	14.224
Total assets of non consolidated entity	(3.839)	(3.839)
Long-term receivables discounting effect	79	79
Deferred tax difference	(5.558)	(4.096)
Other	(1.715)	(788)
Total Assets per Published Statement of Financial Position	<u>576.699</u>	<u>663.466</u>

6. REORGANIZATION OF HERACLES G.C.C. PRODUCTION STRUCTURE

The Company announced on 26 March 2013, following the decision of the Company's Board of Directors on 25 March 2013, the reorganization of its cement production structure. In the frame of this reorganization, the permanent cease of Halkis plant operation was announced, among others. On the same day, with an invitation to the Union of Halkis plant employees, the consultation process started according to the provisions on the Law 1387/1983 "Control of Collective Dismissals and other provisions", as in force.

The above mentioned process concluded on 26 April 2013, with the issuance of the decision no 13449/246 of the Minister of Labor, with which, he rejected the planned collective redundancies as requested by the Company. Further to this, the Company proceeded in April and May 2013 with dismissals up to the limit of 5%, according to the provisions of the relevant law.

The Company, as a result of the above decision on the permanent cease of Halkis plant operation, proceeded with total impairment of fixed and current assets of the plant and relative provisions. The total nonrecurring impact in the interim Financial Statements of the Company and the Group, amounts to 88.571 Euro thousand, before deferred tax and 69.510 Euro thousand, after deferred tax. This impact is analytically presented in notes 7 and 9 of in the interim Financial Statements.

7. OTHER OPERATING INCOME / (EXPENSES)

Other operating income / (expenses) of the Group and the Company for period 1/1 – 31/3/2013 are analysed as follows:

Amounts in Euro thousand	GROUP		COMPANY	
	1/1- 31/3/2013	1/1- 31/3/2012	1/1- 31/3/2013	1/1- 31/3/2012
Profit / (loss) from fixed asset disposals	8	(1)	12	0
(Impairment) / Reversal of impairment of fixed assets	(75.343)	0	(75.343)	0
(Provision) / Reversal of provision for obsolescence of spare parts	(7.988)	0	(7.988)	0
(Provision) / Reversal of provision for share in losses of subsidiaries	0	0	(343)	(329)
(Provision) / Reversal of provision for doubtful receivables	(378)	(770)	(250)	(499)
(Provision) / Reversal of provision for staff indemnities due to restructuring	(2.538)	0	(2.538)	0
Other restructuring expenses	(2.702)	0	(2.702)	0
Other income / (expenses)	(50)	(41)	0	0
	<u>(88.991)</u>	<u>(812)</u>	<u>(89.152)</u>	<u>(828)</u>

In other operating expenses of the Group and the Company, it is included, among others, based on the Board of Director's decision of 25/3/2013 on the reorganization of the cement production structure, the impairment of fixed assets and the relative provision for obsolescence of spare parts, which were closely related to the particular fixed assets, at Halkis plant, amounting to 75.343 and 7.988 Euro thousand respectively, a provision for staff indemnities, due to restructuring, of amount 2.538 Euro thousand as well as other restructuring expenses of amount 2.702 Euro thousand.

8. FINANCIAL RESULTS OF THE PERIOD

The Group's turnover amounted to 50.531 Euro thousand for the first three-month period of 2013 increased by 15,1% compared to the corresponding period of the prior year. The Company's turnover, for the same period in 2013, amounted to 46.484 Euro thousand, increased by 26,3% compared to the corresponding period of the prior year.

The increase of the turnover in the first three-month period of 2013, compared to the corresponding period of 2012, is wholly attributed to the increase of exports.

The Group presented net loss after taxes of amount 86.172 Euro thousand for the first three-month period of 2013 while in the same period of 2012 it presented net loss after taxes of amount 23.305 Euro thousand. The Company's net loss after taxes for the first three-month period of 2013 amounted to 82.291 Euro thousand while in the corresponding period in 2012 the net loss after taxes amounted to 19.347 Euro thousand.

The net loss of the Group and the Company in the three-month period of 2013 was significantly affected by the reorganization of the cement production structure plan as analytically mentioned in notes 6, 7 and 9 of the Financial Statements. The total after taxes nonrecurring charge is 69.510 Euro thousand.

Both the Group and the Company intensify their activity in the foreign markets in order to offset the domestic market losses. At the same time, they continue implementing the program of operating costs reduction and optimization of performance in production, supply chain and administration activities which aims to address effectively the impact of the recession in the construction sector to support the company's viability and to ensure conditions for the business development of the Heracles Group, both in domestic and export markets.

9. INCOME TAX

The income tax benefit of the period represents deferred tax revenue. The deferred tax asset increased in the first three-month period of 2013, compared to the corresponding period of 2012, because of the change in tax rate from 20% to 26%, as well as because of the impairment of the fixed assets and the closely related to them spare parts of Halkis plant. The total deferred tax asset that occurred from the reorganization of the production structure of the Company is 19.061 Euro thousand.

The current income tax rate for year 2013 is 26% (2012: 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- 31/3/2013	1/1- 31/3/2012	1/1- 31/3/2013	1/1- 31/3/2012
Net profit / (loss) for the period after tax	(86.172)	(23.305)	(82.291)	(19.347)
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	(1,21)	(0,33)	(1,16)	(0,27)

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 recognised losses, thus no dividends will be distributed for the year 2012.

12. INTANGIBLE AND TANGIBLE ASSETS

The Group's capital expenditure for the period 1/1-31/3/2013 amounted to 398 Euro thousand, while Company's capital expenditure amounted to 393 Euro thousand. The carrying amount of the fixed assets written off or disposed in the period by the Group and the Company amounted to 14 and 10 Euro thousand correspondingly.

Amounts in Euro thousand

	GROUP	COMPANY
Intangible Assets		
Opening net book value as at 31/12/2012	2.533	500
Amortisation	(197)	(134)
Impairment of intangible assets	(9)	(9)
Closing net book value as at 31/3/2013	2.327	357
Tangible Assets		
Opening net book value as at 31/12/2012	430.038	396.881
Additions	398	393
Disposals / Write-offs	(14)	(10)
Depreciation	(9.348)	(8.662)
Impairment of tangible assets	(75.334)	(75.334)
Closing net book value as at 31/3/2013	345.740	313.268

12. INTANGIBLE AND TANGIBLE ASSETS - continued

The impairment of tangible and intangible assets, of total amount 75.343 Euro thousand, relates to the cease of the operation of the Halkis plant, as mentioned in note 7 of the Financial Statements.

13. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

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

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 business activity</u>
HERACLES G.C.C.	Greece, Paiania, Attica			Parent	Cement production & 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 neither been recognised in the period losses nor in its negative net equity due to its minor significance.

Company consolidated using the proportionate method:

<u>Name of Associate</u>	<u>Registered Office</u>	<u>Direct participation</u>	<u>Indirect participation</u>	<u>Total</u>	<u>Main business 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 business 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 the Group's shareholding and their financial position are of minor significance.

14. BANK LOANS

The short term bank loans and overdrafts of the Group during the first three-month period of 2013 have an average interest rate of 3,05% (first three-month period of 2012: 2,78%). All bank loans are denominated in Euro.

As at 31/3/2013 the total short-term bank loans amounted to 59.927 Euro thousand of which 59.700 Euro thousand concern subsidiary LAFARGE BETON S.A. and 227 Euro thousand concern subsidiary LEADER BETON S.A.

As at 31/12/2012, the total short-term bank loans amounted to 57.155 Euro thousand, of which 56.950 Euro thousand concern subsidiary LAFARGE BETON S.A. and 205 Euro thousand concern subsidiary LEADER BETON S.A.

15. CONTINGENT LIABILITIES AND COMMITMENTS

Company disputes under litigation or arbitration

As at 31/12/2013, there were pending lawsuits against the Group, the outcome of which is uncertain, amounting to 60.691 Euro thousand (31/12/2012: 59.848 Euro thousand), out of which the pending lawsuits against the Company amount to 45.190 Euro thousand (31/12/2012: 44.560 Euro thousand). The maximum risk for the Group from the final decisions on the above cases is estimated at 22.818 Euro thousand, out of which the maximum risk from the final decisions on the cases of the Company is estimated at 17.830 Euro thousand. No provision has been made in the Financial Statements for the pending cases, as it is unlikely that such risk will eventually occur.

Various plots of land of the Group and the Company have been declared as forests, sea shores and archaeological sites and their ownership is disputed by the Greek State and various third parties. The maximum risk from such claims is estimated at 1.747 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 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. The current period 1/1/2013-31/3/2013 is also considered as unaudited. Additional taxes and charges may arise, as a result of such tax audits, which are not estimated to have significant effect in the Group and the Company.

<u>Company</u>	<u>Registered Office</u>	<u>Unaudited tax years</u>
HERACLES GCC	Greece, Paiania, Attica	2012
LAFARGE BETON S.A.	Greece, Paiania, Attica	2009-2010, 2012
EVIESK S.A.	Greece, Paiania, Attica	2010, 2012
HERACLES MARITIME CO.	Greece, Paiania, Attica	2010, 2012
LAVA S.A.	Greece, Paiania, Attica	2010, 2012
AEGEAN TERMINALS S.A.	Greece, Paiania, Attica	2010, 2012
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	1998-2012
A. HATZIKYRIAKOS SOC. NAV. (dormant)	Greece, Paiania, Attica	1998-2012
DYSTOS SOC. NAV. (dormant)	Greece, Paiania, Attica	1996-2012
NAFSIKA SOC. NAV. (liquidated)	Greece, Paiania, Attica	1998-2011
HERACLES GLORY SOC. NAV. (liquidated)	Greece, Paiania, Attica	1998-2009
SUPER BETON S.A. I MARKOULAKIS (absorbed by LAFARGE BETON S.A.)	Greece, Heraclion, Crete	2010
MIDDLE EAST CEMENT SHIPPING & HANDLING CO. S.A.	Greece, Paiania, Attica	2010-2012
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, 2012
PORT SAID SILO INVESTMENT COMPANY S.A. (dormant)	Panama	*
LEADER BETON S.A.	Albania	*

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

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

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 Certified Public Accountant for the financial year 2011 according to the article 21 of L. 3943/2011. After the completion of the tax audit, the companies received a tax certificate, upon the receipt of 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.

It is noted that the tax audit for the Group companies by the certified auditors, according to POL.1159/22.7.2011, for the financial year 2012, is in process, however it is estimated that no significant liabilities will occur.

Granted guarantees

The letters of guarantee that have been provided to secure liabilities of the Group and the Company and were in force as at 31/3/2013 and 31/12/2012 are analysed as follows:

Amounts in Euro thousand	GROUP		COMPANY	
	31/3/2013	31/12/2012	31/3/2013	31/12/2012
Granted guarantees	4.781	4.540	3.835	3.594
	<u>4.781</u>	<u>4.540</u>	<u>3.835</u>	<u>3.594</u>

Commitments for purchases and capital expenditure

Commitments for purchases and capital expenditure which were in force as at 31/3/2013 and 31/12/2012 are analysed below:

Amounts in Euro thousand	GROUP		COMPANY	
	31/3/2013	31/12/2012	31/3/2013	31/12/2012
Purchase contracts	16.248	7.427	61.141	58.027
Capital expenditure contracts	449	301	148	0
	<u>16.697</u>	<u>7.728</u>	<u>61.289</u>	<u>58.027</u>

Operating leases contracts

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

Amounts in Euro thousand	GROUP		COMPANY	
	31/3/2013	31/12/2012	31/3/2013	31/12/2012
Within one year	12.915	15.200	29	6
Within two and up to five years	37.673	39.348	685	884
Over five years	2.401	3.183	564	564
	<u>52.989</u>	<u>57.731</u>	<u>1.278</u>	<u>1.454</u>

16. RELATED PARTY TRANSACTIONS***Transactions with related parties***

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

GROUP	INCOME		EXPENSES		RECEIVABLES		LIABILITIES	
	1/1- 31/3/2013	1/1- 31/3/2012	1/1- 31/3/2013	1/1- 31/3/2012	31/3/2013	31/12/2012	31/3/2013	31/12/2012
Parent company LAFARGE S.A.	133	9.346	1.845	242	120	0	809	627
LAFARGE Group associates	25.939	8.248	745	373	11.423	7.394	69	630
Royalties to LAFARGE S.A.	0	0	1.672	2.244	0	0	2.327	3.014
Total	26.072	17.594	4.262	2.859	11.543	7.394	3.205	4.271

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

Amounts in Euro thousand

COMPANY	INCOME		EXPENSES		RECEIVABLES		LIABILITIES	
	1/1- 31/3/2013	1/1- 31/3/2012	1/1- 31/3/2013	1/1- 31/3/2012	31/3/2013	31/12/2012	31/3/2013	31/12/2012
HERACLES G.C.C Group Companies	1.472	3.149	4.443	3.278	27.318	29.213	8.977	9.604
Parent company LAFARGE S.A.	133	9.346	994	242	120	0	0	426
LAFARGE Group associates	25.747	7.327	658	315	10.970	6.742	45	554
Royalties to LAFARGE S.A.	0	0	1.475	2.244	0	0	1.476	2.163
Total	27.352	19.822	7.570	6.079	38.408	35.955	10.498	12.747

16. RELATED PARTIES TRANSACTIONS - continued***Benefits to BoD Members and Members of the Executive Committee of Heracles G.C.C.***

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- 31/3/2013	1/1- 31/3/2012	1/1- 31/3/2013	1/1- 31/3/2012
Fees and other current benefits	1.061	938	749	637
Provision for retirement compensation and paid compensations	23	33	13	16
BoD members attendance fees	54	72	42	49
	<u>1.138</u>	<u>1.043</u>	<u>804</u>	<u>702</u>

Amounts in Euro thousand

	GROUP		COMPANY	
	1/1- 31/3/2013	1/1- 31/3/2012	1/1- 31/3/2013	1/1- 31/3/2012
Prepayments of expenses to be refunded to Management and BoD members	0	0	0	0
Obligations to Management and BoD members	0	0	0	0
Net receivables / (obligations) to Management and BoD members	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

The increase in fees and other benefits of the Company is due to the change in the structure of the Executive Committee.

17. PERSONNEL

Group and Company employees as at 31/3/2013 are as follows:

	GROUP		COMPANY	
	31/3/2013	31/3/2012	31/3/2013	31/3/2012
Number of personnel	1.184	1.307	978	1.033

18. RECLASSIFICATIONS

In the condensed Income Statement, for the period ended 31 March 2012, for the Company and the Group, an amount of 612 Euro thousand was reclassified from "Cost of Sales" by 502 Euro thousand and from "Administrative & Distribution Expenses" by 110 Euro thousand to the account "Finance income / (expenses)", for presentation purposes.

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

According to the Company's Management best knowledge, no subsequent events, other than those mentioned in note 6 of the Financial Statements, exist that may have a significant impact on the Group's and the Company's financial position.

The Group and Company interim Financial Statements on page 3 through to page 21 were approved by the Company's Board of Directors on 29 May of 2013. 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**