



HERACLES
GROUP OF COMPANIES

A member of  **LAFARGE**

**INTERIM CONDENSED FINANCIAL STATEMENTS
FOR THE PERIOD 1 JANUARY – 30 SEPTEMBER 2014**

OF THE GROUP AND THE COMPANY HERACLES G.C.C.

**IN ACCORDANCE WITH L. 3556/2007 AND THE
RELATED DECISIONS OF THE BOARD OF DIRECTORS
OF THE CAPITAL MARKET COMMITTEE**

HERACLES G.C.C.
Company's Reg. No. : 224201000
19, 3 km Markopoulou Avenue
19002 Paiania - Attica

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CONDENSED INCOME STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2014

Amounts in thousands of Euro

	NOTE	GROUP		COMPANY	
		1/1- 30/9/2014	1/1- 30/9/2013	1/1- 30/9/2014	1/1- 30/9/2013
Operating results					
Turnover	5	177.256	177.578	157.150	159.890
Cost of sales		<u>(158.812)</u>	<u>(191.558)</u>	<u>(140.407)</u>	<u>(174.826)</u>
Gross profit / (loss)		18.444	(13.980)	16.743	(14.936)
Administrative & distribution expenses		(27.613)	(28.021)	(18.494)	(17.962)
Other operating income / (expenses)	6	(2.072)	(103.600)	(2.221)	(103.854)
Impairment of investments in subsidiaries		0	0	0	(1.726)
Operating profit / (loss)		(11.241)	(145.601)	(3.972)	(138.478)
Finance income / (expenses)	5	(3.772)	(2.815)	(804)	(122)
Profit / (loss) for the period before tax		(15.013)	(148.416)	(4.776)	(138.600)
Income tax	8	(103)	30.347	(625)	30.616
Net profit / (loss) for the period after tax	5,9	<u>(15.116)</u>	<u>(118.069)</u>	<u>(5.401)</u>	<u>(107.984)</u>
Allocated to:					
Non controlling interest		(11)	(11)	0	0
Company's Shareholders		<u>(15.105)</u>	<u>(118.058)</u>	<u>(5.401)</u>	<u>(107.984)</u>
		<u>(15.116)</u>	<u>(118.069)</u>	<u>(5.401)</u>	<u>(107.984)</u>
Number of shares		71.082.707	71.082.707	71.082.707	71.082.707
Earnings / (losses) per share (in €)	9	(0,21)	(1,66)	(0,08)	(1,52)

Amounts in thousands of Euro

	GROUP		COMPANY	
	1/7/2014- 30/9/2014	1/7/2013- 30/9/2013	1/7/2014- 30/9/2014	1/7/2013- 30/9/2013
Operating results				
Turnover	53.786	64.625	46.703	57.670
Cost of sales	<u>(38.021)</u>	<u>(67.628)</u>	<u>(32.068)</u>	<u>(60.629)</u>
Gross profit / (loss)	15.765	(3.003)	14.635	(2.959)
Administrative & distribution expenses	(8.505)	(7.165)	(5.048)	(4.436)
Other operating income/(expense)	<u>(408)</u>	<u>(81)</u>	<u>(946)</u>	<u>(469)</u>
Operating profit / (loss)	6.852	(10.249)	8.641	(7.864)
Finance income / (expense)	<u>(1.589)</u>	<u>(1.218)</u>	<u>(635)</u>	<u>(219)</u>
Profit / (loss) for the period before tax	5.263	(11.467)	8.006	(8.083)
Income tax	<u>(2.837)</u>	<u>2.264</u>	<u>(2.892)</u>	<u>2.635</u>
Net profit / (loss) for the period after tax	<u>2.426</u>	<u>(9.203)</u>	<u>5.114</u>	<u>(5.448)</u>
Allocated to:				
Non controlling interest	(5)	0	0	0
Company's Shareholders	<u>2.431</u>	<u>(9.203)</u>	<u>5.114</u>	<u>(5.448)</u>
	<u>2.426</u>	<u>(9.203)</u>	<u>5.114</u>	<u>(5.448)</u>
Number of shares	71.082.707	71.082.707	71.082.707	71.082.707
Earnings / (losses) per share (in €)	0,03	(0,13)	0,07	(0,08)

Notes from page 8 to page 25 form an integral part of the Group and Company interim Financial Statements.

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

Amounts in thousands of Euro

	GROUP		COMPANY	
	30/9/2014	30/9/2013	30/9/2014	30/9/2013
Net profit / (loss) for the period after tax	(15.116)	(118.069)	(5.401)	(107.984)
<i>Amounts that will not be reclassified to the Income Statement in the future</i>				
Actuarial gain / (loss) recognised directly in equity, net of deferred tax	(1.213)	1.899	(1.097)	1.900
Other equity movements	82	0	0	0
Total amounts that will not be reclassified to the Income Statement in the future	(1.131)	1.899	(1.097)	1.900
<i>Amounts that will be possibly reclassified to the Income Statement in the future</i>				
Profit / (loss) from derivative financial instruments recognised directly in equity, net of deferred tax	(408)	145	(408)	145
Total amounts that will be possibly reclassified to the Income Statement in the future	(408)	145	(408)	145
Other comprehensive income for the period, after tax	(1.539)	2.044	(1.505)	2.045
Total comprehensive income for the period, after tax	(16.655)	(116.025)	(6.906)	(105.939)

Amounts in thousands of Euro

	GROUP		COMPANY	
	1/7/2014- 30/9/2014	1/7/2013- 30/9/2013	1/7/2014- 30/9/2014	1/7/2013- 30/9/2013
Net profit / (loss) for the period after tax	2.426	(9.203)	5.114	(5.448)
<i>Amounts that will not be reclassified to the Income Statement in the future</i>				
Other equity movements	82	0	0	0
Total amounts that will not be reclassified to the Income Statement in the future	82	0	0	0
<i>Amounts that will be possibly reclassified to the Income Statement in the future</i>				
Profit / (loss) from derivative financial instruments recognised directly in equity, net of deferred tax	(366)	331	(366)	331
Total amounts that will be possibly reclassified to the Income Statement in the future	(366)	331	(366)	331
Other comprehensive income for the period, after tax	(284)	331	(366)	331
Total comprehensive income for the period, after tax	2.142	(8.872)	4.748	(5.117)

Notes from page 8 to page 25 form an integral part of the interim Group and Company Financial Statements.

CONDENSED STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2014

Amounts in thousands of Euro	NOTE	GROUP		COMPANY	
		30/9/2014	31/12/2013	30/9/2014	31/12/2013
Fixed assets or non-current assets					
Goodwill		29.480	29.480	0	0
Intangible assets	11	2.016	2.267	307	349
Tangible assets	11	307.303	327.336	280.806	296.790
Investment property	12	1.803	0	0	0
Investments in subsidiaries and associates	13	0	0	45.815	45.768
Other investments	13	57	57	57	57
Other non-current receivables		6.665	6.829	34.877	34.053
Deferred tax assets	8	47.185	45.624	44.782	44.164
Total fixed assets or non-current assets		394.509	411.593	406.644	421.181
Current assets					
Inventories		50.215	48.810	46.458	45.335
Trade receivables	15	50.057	44.500	42.174	37.890
Other receivables	15	17.335	15.408	14.625	12.559
Derivative financial instruments	15	0	42	0	42
Cash and cash equivalents	15	45.555	27.792	40.083	22.786
Income tax receivables		1.329	1.191	584	477
Total current assets		164.491	137.743	143.924	119.089
Total assets		559.000	549.336	550.568	540.270
Non-current liabilities					
Provision for staff termination indemnity		21.386	25.438	19.538	23.693
Other non-current provisions		19.593	20.982	39.690	40.472
Long-term debt	14,15,17	30.000	0	30.000	0
Finance lease liabilities		29	53	0	0
Total non-current liabilities		71.008	46.473	89.228	64.165
Current liabilities					
Provision for staff termination indemnity		6.627	7.150	6.542	7.079
Trade payables	15	71.043	78.003	62.223	66.772
Other payables		17.976	20.244	16.368	17.512
Income tax liabilities		963	275	712	0
Finance lease liabilities		44	118	0	24
Other current provisions		3.720	8.017	3.309	7.627
Derivative financial instruments	15	504	3	504	3
Short-term debt	14,15	90.394	75.677	10.500	9.000
Total current liabilities		191.271	189.487	100.158	108.017
Total liabilities		262.279	235.960	189.386	172.182
Equity					
Share capital		120.841	120.841	120.841	120.841
Share premium		1.279	1.279	1.279	1.279
Reserves		174.696	174.696	162.170	162.170
Derivatives valuation reserve		(374)	34	(374)	34
Retained earnings		350	16.668	77.266	83.764
Total Shareholders' equity		296.792	313.518	361.182	368.088
Non controlling interest		(71)	(142)	0	0
Total equity		296.721	313.376	361.182	368.088
Total liabilities and equity		559.000	549.336	550.568	540.270

Notes from page 8 to page 25 form an integral part of the interim Group and Company Financial Statements.

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

Amounts in thousands of Euro

GROUP	Share capital	Share premium	Reserves	Derivatives valuation reserve	Retained earnings / (losses)	Non controlling interest	Total
Balance at 1/1/2014	120.841	1.279	174.696	34	16.668	(142)	313.376
Profit / (loss) for the period	0	0	0	0	(15.105)	(11)	(15.116)
Profit / (loss) from derivative financial instruments recognised directly in equity, net of deferred tax	0	0	0	(408)	0	0	(408)
Actuarial gain / (loss) recognised directly in equity, net of deferred tax	0	0	0	0	(1.213)	0	(1.213)
Other equity movements	0	0	0	0	0	82	82
Balance at 30/9/2014	120.841	1.279	174.696	(374)	350	(71)	296.721
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	(118.058)	(11)	(118.069)
Profit / (loss) from derivative financial instruments recognised directly in equity, net of deferred tax	0	0	0	145	0	0	145
Actuarial gain / (loss) recognised directly in equity and respective change in rate effect	0	0	0	0	1.899	0	1.899
Balance at 30/9/2013	120.841	1.279	174.696	145	34.020	(142)	330.839

Amounts in thousands of Euro

COMPANY	Share capital	Share premium	Reserves	Derivatives valuation reserve	Retained earnings / (losses)	Total
Balance at 1/1/2014	120.841	1.279	162.170	34	83.764	368.088
Profit / (loss) for the period	0	0	0	0	(5.401)	(5.401)
Profit / (loss) from derivative financial instruments recognised directly in equity, net of deferred tax	0	0	0	(408)	0	(408)
Actuarial gain / (loss) recognised directly in equity, net of deferred tax	0	0	0	0	(1.097)	(1.097)
Balance at 30/9/2014	120.841	1.279	162.170	(374)	77.266	361.182
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	(107.984)	(107.984)
Profit / (loss) from derivative financial instruments recognised directly in equity, net of deferred tax	0	0	0	145	0	145
Actuarial gain / (loss) recognised directly in equity and respective change in rate effect	0	0	0	0	1.900	1.900
Balance at 30/9/2013	120.841	1.279	162.170	145	93.522	377.957

Notes from page 8 to page 25 form an integral part of the interim Group and Company Financial Statements.

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

Amounts in thousands of Euro

	GROUP		COMPANY	
	1/1- 30/9/2014	1/1- 30/9/2013	1/1- 30/9/2014	1/1- 30/9/2013
<u>Operating activities</u>				
Profit / (loss) of the period before tax	(15.013)	(148.416)	(4.776)	(138.600)
Plus / less adjustments for:				
Depreciation	20.522	24.277	18.495	22.059
Impairment of tangible and intangible fixed assets	(732)	75.343	0	75.343
Provisions	(9.453)	15.431	(10.638)	17.854
Foreign exchange differences	(509)	119	(522)	95
Gain / (loss) from derivatives valuation	(8)	60	(8)	60
Income / (expenses), profit / (loss) from investing activities	(137)	(179)	(963)	(1.011)
Interest and related expenses	4.053	3.335	1.798	1.454
Plus/ less adjustments for changes in working capital accounts or relevant with operating activities:				
Decrease / (increase) in inventories	(890)	1.671	(608)	984
Decrease / (increase) in receivables	(8.223)	(8.169)	(6.771)	(7.756)
(Decrease) / increase in liabilities (excl. bank loans)	(7.741)	(4.896)	(4.418)	(6.467)
Less :				
Interest and related expenses paid	(4.041)	(2.524)	(1.353)	(621)
Taxes paid	(379)	(663)	0	(547)
Total inflow / (outflow) from operating activities (a)	<u>(22.551)</u>	<u>(44.611)</u>	<u>(9.764)</u>	<u>(37.153)</u>
<u>Investing activities</u>				
Acquisition of subsidiaries, affiliates, joint-ventures and other investments	0	0	(47)	0
Intercompany loans	0	0	(950)	(1.500)
Purchases of tangible and intangible fixed assets	(4.695)	(4.572)	(4.332)	(3.977)
Proceeds from disposals of tangible and intangible assets	387	430	200	288
Interest received	3	37	714	881
Total inflow / (outflow) from investing activities (b)	<u>(4.305)</u>	<u>(4.105)</u>	<u>(4.415)</u>	<u>(4.308)</u>
<u>Financing activities</u>				
Loan proceeds	59.717	17.526	38.500	9.000
Loan repayments	(15.000)	(4)	(7.000)	0
Payments of obligations under finance leases	(98)	(173)	(24)	(73)
Dividends paid	0	(129)	0	(129)
Total inflow / (outflow) from financing activities (c)	<u>44.619</u>	<u>17.220</u>	<u>31.476</u>	<u>8.798</u>
Net increase / (decrease) in cash and cash equivalents (a)+(b)+(c)	<u>17.763</u>	<u>(31.496)</u>	<u>17.297</u>	<u>(32.663)</u>
Cash and cash equivalents at the beginning of the period	<u>27.792</u>	<u>61.598</u>	<u>22.786</u>	<u>58.130</u>
Cash and cash equivalents at the end of the period	<u>45.555</u>	<u>30.102</u>	<u>40.083</u>	<u>25.467</u>

Notes from page 8 to page 25 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 Municipality of Paiania, Attica, 19,3 km Markopoulou Avenue and the majority shareholding (88,99% as at 30 September 2014) 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 condensed Financial Statements (IFRS) are presented in thousands of Euro, which is the currency of the primary economic environment where the Group operates, unless otherwise stated.

2. 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

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

IAS 32 (Amendment) "Financial Instruments: Presentation"

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

Group of standards on consolidation and joint arrangements

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

IFRS 10 "Consolidated Financial Statements"

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

IFRS 11 "Joint Arrangements"

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

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

IFRS 12 “Disclosure of interests in Other Entities”

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

IAS 27 (Amendment) “Separate Financial Statements”

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

IFRS 2 “Share-based payment”

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

IFRS 3 “Business combinations”

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

IFRS 8 “Operating segments”

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

IFRS 13 “Fair value measurement”

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

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

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

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

IAS 24 “Related party disclosures”

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

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

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

IFRS 3 “Business combinations”

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

IFRS 13 “Fair value measurement”

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

IAS 40 “Investment property”

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

Project of Annual Improvements to IFRSs 2012 - 2014 (effective for annual periods beginning on or after 1 January 2016)

The amendments set out below describe the key changes to four IFRSs.

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

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

IFRS 7 “Financial instruments: Disclosures”

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

IAS 19 “Employee benefits”

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

IAS 34 “Interim financial reporting”

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

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

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

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

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

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

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

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

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

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

IFRS 10 and IAS 28 (Amendments) “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture” (effective for annual periods beginning on or after 1 January 2016)

These amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.

4. ACCOUNTING PRINCIPLES

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

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

5. OPERATING SEGMENTS

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

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

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

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

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

1/1-30/9/2014					
Amounts in thousands of Euro					
	Cement Division	Concrete Division	Aggregates Division	Eliminations	Total Group
Turnover	159.437	21.140	6.752	(9.542)	177.787
Gross operating income / (loss) before depreciation	18.068	(2.443)	(186)	0	15.439
Operating income / (loss)	(6.210)	(4.255)	(1.348)	0	(11.813)

1/1-30/9/2013					
Amounts in thousands of Euro					
	Cement Division	Concrete Division	Aggregates Division	Eliminations	Total Group
Turnover	163.899	15.817	4.551	(6.316)	177.951
Gross operating income / (loss) before depreciation	(7.056)	(3.282)	(1.789)	0	(12.127)
Operating income / (loss)	(135.580)	(5.129)	(3.075)	0	(143.784)

Amounts in thousands of Euro

Total Assets as per Management Reporting	Cement Division	Concrete Division	Aggregates Division	Eliminations	Total Group
30/9/2014	593.547	69.152	42.430	(146.552)	558.577
31/12/2013	585.417	64.833	42.215	(140.339)	552.126

5. OPERATING SEGMENTS – continued

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

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

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

Amounts in thousands of Euro

	<u>1/1-30/9/2014</u>	<u>1/1-30/9/2013</u>
Turnover per Management Reporting	177.787	177.951
Timing difference on expenses / (revenue) recognition	0	73
Discount and transportation cost reclassification between Turnover and Cost of Sales	(531)	(446)
Turnover per Published Statement of Profit or Loss	<u>177.256</u>	<u>177.578</u>

Amounts in thousands of Euro

	<u>1/1-30/9/2014</u>	<u>1/1-30/9/2013</u>
Management Reporting		
Gross operating income/ (loss) before depreciation	15.439	(12.127)
Depreciation	(19.692)	(23.639)
Non-recurring income / (expenses)	(7.560)	(108.018)
Operating Income / (loss) per Management Reporting	<u>(11.813)</u>	<u>(143.784)</u>
Reconciliation to Published Statement of Profit or Loss		
Timing difference on expenses / (revenue) recognition	0	73
Reversal of journal entry concerning deemed cost of fixed assets	0	(3.760)
Provisions and liabilities recognised in different periods	388	3.486
Cost allocation between administrative and finance expenses	(480)	(740)
Difference in fixed assets depreciation	(492)	352
Other timing differences	1.156	(1.228)
Operating Income / (loss)	<u>(11.241)</u>	<u>(145.601)</u>
Net financial income /(expenses)	(3.772)	(2.815)
Profit / (loss) before tax	<u>(15.013)</u>	<u>(148.416)</u>
Income tax	(103)	30.347
Net profit / (loss) for the period after tax	<u>(15.116)</u>	<u>(118.069)</u>

Amounts in thousands of Euro

	<u>1/1-30/9/2014</u>	<u>1/1-30/9/2013</u>
Total Financial Income / (Expenses) per Management Reporting	(4.254)	(3.499)
Cost allocation between administrative and finance expenses	480	740
Other	2	(56)
Total Financial Income / (Expenses) per Published Statement of Profit or Loss	<u>(3.772)</u>	<u>(2.815)</u>

5. OPERATING SEGMENTS – continued

Amounts in thousands of Euro

	<u>30/9/2014</u>	<u>31/12/2013</u>
Total Assets per Management Reporting	558.577	552.126
Difference in deemed cost of fixed assets	9.449	9.837
Total assets of non consolidated entity	(3.705)	(3.673)
Recognition of provision in different periods	(306)	(2.355)
Deferred tax difference	(3.111)	(6.064)
Other	(1.904)	(535)
Total Assets per Published Statement of Financial Position	<u>559.000</u>	<u>549.336</u>

6. OTHER OPERATING INCOME / (EXPENSES)

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

Amounts in thousands of Euro

	GROUP		COMPANY	
	<u>1/1- 30/9/2014</u>	<u>1/1- 30/9/2013</u>	<u>1/1- 30/9/2014</u>	<u>1/1- 30/9/2013</u>
Profit / (loss) from fixed asset disposals	(137)	(3)	(17)	9
(Impairment) / Reversal of impairment of fixed assets	(732)	(75.343)	0	(75.343)
(Provision) / Reversal of provision for obsolescence of spare parts	0	(5.185)	0	(5.185)
(Provision) / Reversal of provision for share in losses of subsidiaries	0	0	(972)	(1.107)
(Provision) / Reversal of provision for staff indemnities due to restructuring	(50)	(2.869)	(50)	(2.869)
Special termination benefits offered to employees due to restructuring	(248)	(16.649)	(248)	(16.649)
Other restructuring expenses	0	(2.710)	0	(2.710)
Other income / (expenses)	(905)	(841)	(934)	0
	<u>(2.072)</u>	<u>(103.600)</u>	<u>(2.221)</u>	<u>(103.854)</u>

The comparative data for the nine-month period of 2013 have been reclassified for presentation purposes, as it is analysed in Note 19 of the Financial Statements.

7. FINANCIAL RESULTS OF THE PERIOD

The Group's turnover amounted to €177.256 thousand for the nine-month period ended 30 September 2014, decreased by 0,2% compared to the corresponding period of the prior year. The Company's turnover, for the same period in 2014, amounted to €157.150 thousand, decreased by 1,7% compared to the corresponding period of the prior year.

The decrease of the turnover in the nine-month period of 2014, compared to the corresponding period of 2013, is attributed to the significant negative impact of the exchange rate euro / dollar, despite the slight improvement of the domestic market. In specific, the construction activity in Greece shows some signs of improvement, translated into volume growth for the different product lines of the Group. The Group's Cement and A&C business was supported by several infrastructure projects launched in early 2014. However, this positive domestic trend was offset by adverse foreign exchange rates in the Group's export sales.

7. FINANCIAL RESULTS OF THE PERIOD - continued

The Group recognized a net loss after taxes of amount €15.116 thousand for the nine-month period of 2014 while in the same period of 2013 it recognized a net loss after taxes of amount €118.069 thousand. The Company's net loss after taxes for the nine-month period of 2014 amounted to €5.401 thousand while in the corresponding period in 2013 the net loss after taxes amounted to €107.984 thousand. The Financial Statements in 2013 were negatively affected by extraordinary and one off items caused by the permanent cease of activity in the Halkis plant, announced as of 26 March 2013.

The Group and the Company continue their efforts to reduce operating costs, as well as optimize the production and supply chain processes supporting the improvement of the gross profit which turned to positive as of September 2014.

8. INCOME TAX

The income tax expense of the period represents mainly real estate tax. The deferred tax asset increased in the nine-month period of 2014, compared to the corresponding period of 2013, mainly due to recognition of deferred tax asset on losses for the period ended 30 September 2014.

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

9. EARNINGS / (LOSSES) PER SHARE

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

Amounts in thousands of Euro	GROUP		COMPANY	
	1/1- 30/9/2014	1/1- 30/9/2013	1/1- 30/9/2014	1/1- 30/9/2013
Net profit / (loss) for the period after tax	(15.116)	(118.069)	(5.401)	(107.984)
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	(0,21)	(1,66)	(0,08)	(1,52)

10. DIVIDENDS

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

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

11. INTANGIBLE AND TANGIBLE ASSETS

The Group's capital expenditure for the nine-month period ended 30 September 2014 amounted to €3.102 thousand, while Company's capital expenditure amounted to €2.576 thousand. The carrying amount of the fixed assets written off or disposed in the period by the Group and the Company amounted to €328 thousand and €107 thousand correspondingly.

Amounts in thousands of Euro

Intangible Assets	GROUP	COMPANY
Opening net book value as at 31 December 2013	2.267	349
Additions	90	90
Amortization	(341)	(132)
Closing net book value as at 30 September 2014	2.016	307

Tangible Assets	GROUP	COMPANY
Opening net book value as at 31 December 2013	327.336	296.790
Additions	3.012	2.486
Disposals / Write-offs	(328)	(107)
Transfer to investment property	(1.856)	0
Depreciation	(20.234)	(18.363)
Impairment of tangible assets	(732)	0
Closing net book value as at 30 September 2014	307.198	280.806

The impairment of amount €732 thousand relates to tangible assets of the subsidiary company of the Group, Lafarge Beton.

12. INVESTMENT PROPERTY

Investment property is defined as property held to earn rentals or for capital appreciation or both. For the nine-month period ended 30 September 2014, an amount of €1.856 thousand concerning the tangible assets of the Group's subsidiary company, EVIESK S.A. was reclassified to Investment property. The movement of the Group's investment property for the nine-month period ended 30 September 2014 is presented in the following table:

Amounts in thousands of Euro

GROUP	Land	Buildings	Total
Transfer from fixed assets	633	1.223	1.856
Depreciation charge	0	(53)	(53)
Closing net book value as at 30 September 2014	633	1.170	1.803

13. INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

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

Companies consolidated by full consolidation:

Name of Subsidiary	Registered office	30/09/2014			31/12/2013			Main business activity
		Direct participation	Indirect participation	Total	Direct participation	Indirect participation	Total	
HERACLES G.C.C.	Greece, Paiania, Attica			Parent			Parent	Cement production & trade
LAFARGE BETON S.A.	Greece, Paiania, Attica	98,64%	1,36%	100,00%	98,64%	1,36%	100,00%	Concrete and aggregates production & trade
EVIESK S.A.	Greece, Paiania, Attica	95,76%	4,24%	100,00%	95,76%	4,24%	100,00%	Dormant
HERACLES MARITIME CO.	Greece, Paiania, Attica	99,99%	0,01%	100,00%	99,99%	0,01%	100,00%	Sea transports and ship management
LAVA S.A.	Greece, Paiania, Attica	44,16%	55,84%	100,00%	44,16%	55,84%	100,00%	Building materials and aggregates production & trade
AEGEAN TERMINALS S.A.	Greece, Paiania, Attica	100,00%		100,00%	100,00%		100,00%	Dormant
BIOMASS S.A. (ex E.D.A.K.E. S.A.)	Greece, Paiania, Attica	51,00%		51,00%	100,00%		100,00%	Biomass exploitation and trade
G. HATZIKYRIAKOS SOC. NAV.	Greece, Paiania, Attica		100,00%	100,00%		100,00%	100,00%	Under liquidation
A. HATZIKYRIAKOS SOC. NAV.	Greece, Paiania, Attica		100,00%	100,00%		100,00%	100,00%	Under liquidation
DYSTOS SOC. NAV.	Greece, Paiania, Attica		100,00%	100,00%		100,00%	100,00%	Dormant
MARATHOS QUARRIES S.A.	Greece, Heraclion, Crete		100,00%	100,00%		99,15%	99,15%	Merging
PORT SAID SILO INVESTMENT COMPANY S.A.	Panama		100,00%	100,00%		100,00%	100,00%	Dormant
LEADER BETON S.A.	Tirana, Albania		51,00%	51,00%		51,00%	51,00%	Dormant

For the subsidiaries G. HATZIKYRIAKOS SOC. NAV. and A. HATZIKYRIAKOS SOC. NAV., in which the Group's indirect participation is 100%, following the decisions of the Extraordinary General Meetings of the Shareholders as of 30 June 2014 and 30 September 2014 respectively, the companies' dissolution and winding-up has been decided. The respective financial statements have already been edited and published.

On September 30, 2014, the Group's subsidiary LAFARGE BETON S.A. acquired 0,85% of the share capital of another Group's subsidiary, MARATHOS QUARRIES S.A., at the price of €13 thousand and now holds 50,17% of this company. Consequently, the share of indirect participation of the Group in the company MARATHOS QUARRIES S.A. was also increased from 99,15% to 100%.

By private contract on July 25, 2014, the increase of the share capital of the Group's subsidiary E.D.A.K.E. S.A. by €150 thousand was decided through the issue of new shares. The capital increase was covered by both the Company (which until then held the total of shares of E.D.A.K.E. S.A.) with a payment of €47 thousand, as well as a third party with a payment of €103 thousand. Therefore, after the above-mentioned increase, the Company participates in the share capital of E.D.A.K.E. S.A. with a percentage of 51% while the new shareholder participates with the rest 49%. In addition, on September 18, 2014 the change of the company name E.D.A.K.E. S.A. to BIOMASS S.A. was registered to the General Registry of Commerce. The company BIOMASS S.A. aims at the exploitation and trade of biomass, while it is still consolidated using the full consolidation method with minority interest being recognized in the profit or loss and equity of the Group.

Company consolidated using the equity method:

Name of Associate	Registered Office	30/09/2014			31/12/2013			Main business activity
		Direct participation	Indirect participation	Total	Direct participation	Indirect participation	Total	
MIDDLE EAST CEMENT SHIPPING & HANDLING COMPANY S.A.	Greece, Paiania, Attica	1,00%	49,00%	50,00%	1,00%	49,00%	50,00%	Dormant

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

14. LONG-TERM AND SHORT-TERM DEBT

In Long-term debt, an amount of €30.000 thousand is included, relating to a loan granted to the Company in June 2014 from the Lafarge Group entity SABELFI FRANCE, as depicted in the related parties transactions (Note 17).

The short term bank loans and overdrafts of the Group during the nine-month period of 2014 have an average interest rate of 3,79% (nine-month period of 2013: 3,69%). All bank loans are denominated in Euro.

As at 30 September 2014 the total short-term bank loans amounted to €90.394 thousand, of which €10.500 thousand concern the Company, €79.650 thousand concern subsidiary LAFARGE BETON S.A. and €244 thousand concern subsidiary LEADER BETON S.A.

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

15. FINANCIAL ASSETS AND LIABILITIES

Fair value measurement and valuation process

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

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

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

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

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

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

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

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

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

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

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

16. CONTINGENT LIABILITIES AND COMMITMENTS

Company disputes under litigation or arbitration

As at 30 September 2014, there were pending lawsuits against the Group, the outcome of which is uncertain, amounting to €109.105 thousand (31 December 2013: €127.687 thousand), out of which the pending lawsuits against the Company amount to €96.191 thousand (31 December 2013: €117.251 thousand). The maximum risk for the Group from the final decisions on the above cases is estimated at €33.417 thousand, out of which the maximum risk from the final decisions on the cases of the Company is estimated at €27.473 thousand. No provision has been made in the Financial Statements for these claims as it is unlikely that such risk will eventually occur.

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

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

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

This new appellate judgment was served to the Company on 13.10.2014. It is noted that no related provision has been recorded until today in the books of the Company, due to the duly established view of the Company that the final outcome of such litigation will be positive further to a relevant legal opinion of the Company's legal advisors. On 4.11.2014 the Company filed a petition of annulment before the Supreme Administrative Court challenging vigorously the recent appellate judgment and reviews other actions to challenge the possible execution of this judgment.

Unaudited tax years

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

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

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

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

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

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

The letters of guarantee that have been provided to secure liabilities of the Group and the Company and were in force as at 30 September 2014 and 31 December 2013 are analysed as follows:

Amounts in thousands of Euro	GROUP		COMPANY	
	30/9/2014	31/12/2013	30/9/2014	31/12/2013
Granted guarantees	7.575	4.364	4.535	3.896
	<u>7.575</u>	<u>4.364</u>	<u>4.535</u>	<u>3.896</u>

Commitments for purchases and capital expenditure

Commitments for purchases and capital expenditure which were in force as at 30 September 2014 and 31 December 2013 are analysed below:

Amounts in thousands of Euro	GROUP		COMPANY	
	30/9/2014	31/12/2013	30/9/2014	31/12/2013
Purchase contracts	11.278	11.398	40.891	48.930
Capital expenditure contracts	864	704	864	704
	<u>12.142</u>	<u>12.102</u>	<u>41.755</u>	<u>49.634</u>

Operating leases contracts

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

Amounts in thousands of Euro	GROUP		COMPANY	
	30/9/2014	31/12/2013	30/9/2014	31/12/2013
Within one year	10.208	10.898	57	10
Within two and up to five years	20.159	27.228	268	441
Over five years	276	226	240	226
	<u>30.643</u>	<u>38.352</u>	<u>565</u>	<u>677</u>

17. RELATED PARTY TRANSACTIONS

Trading transactions and balances with related parties

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

GROUP		<u>30/9/2014</u>			<u>30/9/2013</u>		
Amounts in thousands of Euro							
Related Parties	Sales of goods and services	Purchases of goods and services	Royalties	Sales of goods and services	Purchases of goods and services	Royalties	
<u>LAFARGE GROUP COMPANIES</u>							
LAFARGE S.A.	11.993	703	6.438	305	98	4.571	
CEMENTIA TRADING S.A.	55.301	443	0	59.138	462	0	
OTHER LAFARGE GROUP COMPANIES	8.650	20.229	0	15.880	4.522	0	
Total	75.944	21.375	6.438	75.323	5.082	4.571	

GROUP		<u>30/9/2014</u>		<u>31/12/2013</u>	
Amounts in thousands of Euro					
Related Parties	Receivables	Payables	Receivables	Payables	
<u>LAFARGE GROUP COMPANIES</u>					
PERICLES S.A.	498	0	430	0	
LAFARGE S.A.	108	2.617	0	3.866	
CEMENTIA TRADING S.A.	7.834	0	5.105	0	
OTHER LAFARGE GROUP COMPANIES	2.109	35.508	2.959	1.710	
Total	10.549	38.125	8.494	5.576	

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

COMPANY		<u>30/9/2014</u>				<u>30/9/2013</u>			
Amounts in thousands of Euro									
Related Parties	Sales of goods and services	Purchases of goods and services	Royalties	Interest income	Sales of goods and services	Purchases of goods and services	Royalties	Interest income	
<u>HERACLES G.C.C. SUBSIDIARIES</u>									
HERACLES MARITIME CO.	23	10.022	0	0	13	14.693	0	0	
LAFARGE BETON S.A.	11.236	469	0	0	7.504	342	0	0	
EVIESK S.A.	0	0	0	740	0	0	0	873	
LAVA S.A.	198	957	0	0	208	1.252	0	0	
AEGEAN TERMINALS S.A.	0	0	0	1	0	0	0	1	
BIOMASS S.A. (ex E.D.A.K.E. S.A.)	1	0	0	0	1	0	0	0	
<u>LAFARGE GROUP COMPANIES</u>									
LAFARGE S.A.	11.993	703	5.571	0	305	98	3.845	0	
CEMENTIA TRADING S.A.	54.171	443	0	0	58.889	462	0	0	
OTHER LAFARGE GROUP COMPANIES	7.296	20.217	0	0	14.073	4.485	0	0	
Total	84.918	32.811	5.571	741	80.993	21.332	3.845	874	

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

COMPANY					
Amounts in thousands of Euro		<u>30/9/2014</u>		<u>31/12/2013</u>	
Related Parties	Receivables	Payables	Receivables	Payables	
<u>HERACLES G.C.C. SUBSIDIARIES</u>					
HERACLES MARITIME CO.	0	3.162	0	3.756	
LAFARGE BETON S.A.	4.724	0	4.212	0	
EVIESK S.A.	29.125	6.527	27.525	6.527	
LAVA S.A.	0	248	0	408	
AEGEAN TERMINALS S.A.	32	0	31	0	
BIOMASS S.A. (ex E.D.A.K.E. S.A.)	58	0	7	0	
A. XATZHKYPIAKOS N.E.	3	0	3	0	
G. HATZIKYRIAKOS SOC. NAV.	0	22	0	21	
ΔΥΣΤΟΣ N.E.	3	0	3	0	
<u>LAFARGE GROUP COMPANIES</u>					
LAFARGE S.A.	108	2.314	0	2.891	
CEMENTIA TRADING S.A.	6.939	0	5.105	0	
OTHER LAFARGE GROUP COMPANIES	1.721	35.492	2.550	1.653	
Total	<u>42.713</u>	<u>47.765</u>	<u>39.436</u>	<u>15.256</u>	

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

Remuneration to management and members of the BoD

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

Amounts in thousands of Euro

	GROUP		COMPANY	
	1/1- 30/9/2014	1/1- 30/9/2013	1/1- 30/9/2014	1/1- 30/9/2013
Fees and other benefits	2.421	2.642	1.601	1.939
Provision for retirement compensation and paid compensations	159	833	33	425
BoD members attendance fees	155	163	125	125
	<u>2.735</u>	<u>3.638</u>	<u>1.759</u>	<u>2.489</u>

Amounts in thousands of Euro

	GROUP		COMPANY	
	1/1- 30/9/2014	1/1- 30/9/2013	1/1- 30/9/2014	1/1- 30/9/2013
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>

18. PERSONNEL

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

	GROUP		COMPANY	
	30/9/2014	30/9/2013	30/9/2014	30/9/2013
Number of employees	875	1.044	703	853

19. RECLASSIFICATIONS

In the condensed Income Statement, for the nine-month period of 2013, an expense amount of €763 thousand for the Group and of €559 thousand for the Company respectively, concerning provision for doubtful debts, have been reclassified from “Other Operating income / (expenses)” to the “Administrative & Distribution Expenses” for presentation purposes. Similarly, in the condensed Income Statement, for the third quarter of 2013, an expense amount of €5 thousand for the Group and of €59 thousand for the Company respectively, concerning provision for doubtful debts, have been reclassified from “Other Operating income / (expenses)” to the “Administrative & Distribution Expenses” for presentation purposes.

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

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

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

The Group and Company interim condensed Financial Statements on page 3 to page 25 were approved by the Company's Board of Directors on 27 November 2014. The Board of Directors authorised the following directors and officers to sign the Financial Statements on its behalf:

**THE CHAIRMAN OF
THE BOARD OF
DIRECTORS**

**THE MANAGING
DIRECTOR**

**THE CHIEF
FINANCIAL OFFICER**

**THE FINANCIAL
SERVICES
MANAGER**

**PANAGIOTIS (TAKIS)
ATHANASOPOULOS**

**PIERRE
DELEPLANQUE**

**GREGORY
LOVICH**

**PANTELIS
TOURNIS**

I.D. No. AB 779530

**PASSPORT No.
13DA09097**

**PASSPORT No.
10AT92468**

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