

**INTERBETON CONSTRUCTIONS MATERIALS S.A.**

**ATHENS, NO. 2927/01/B/86/2926 IN THE REGISTER OF SOCIETES ANONYMES**

**BALANCE SHEET AS AT 31 DECEMBER 2004**

**27th FISCAL YEAR (1 JANUARY - 31 DECEMBER 2004)**

(AMOUNTS IN EURO)

**ASSETS**

	Amounts of current fiscal year 2004			Amounts of previous fiscal year 2003		
	At cost	Depreciation	Balance	At cost	Depreciation	Balance
<b>B. FORMATION EXPENSES</b>						
1. Formation and first installation expenses	52,965.11	52,381.81	583.30	18,994.33	17,769.45	1,224.88
4. Other formation expenses	984,413.80	924,599.47	59,814.33	803,395.33	734,643.35	68,751.98
	<u>1,037,378.91</u>	<u>976,981.28</u>	<u>60,397.63</u>	<u>822,389.66</u>	<u>752,412.80</u>	<u>69,976.86</u>
<b>C. FIXED ASSETS</b>						
<b>I. Intangible Assets</b>						
1. Research and development costs	25,380.00	25,380.00	0.00	25,380.00	25,379.98	0.02
2. Licenses and industrial property rights	418,585.54	42,986.45	375,599.09	418,585.54	27,710.05	390,875.49
3. Goodwill	1,823,971.94	1,483,084.66	340,887.28	1,541,321.94	1,396,582.39	144,739.55
5. Other	58,694.06	9,048.66	49,645.40	58,694.06	6,358.52	52,335.54
	<u>2,326,631.54</u>	<u>1,560,499.77</u>	<u>766,131.77</u>	<u>2,043,981.54</u>	<u>1,456,030.94</u>	<u>587,950.60</u>
<b>II. Tangible Assets</b>						
1. Land	8,890,054.00	0.00	8,890,054.00	7,677,177.87	0.00	7,677,177.87
2. Mines- Quarries	1,414,347.64	947,262.76	467,084.88	1,457,663.85	896,746.98	560,916.87
3. Buildings and installations	10,449,473.50	6,976,613.46	3,472,860.04	9,111,864.88	5,432,573.88	3,679,291.00
4. Plant and machinery	19,273,465.78	13,578,865.97	5,694,599.81	14,779,156.14	8,793,400.96	5,985,755.18
5. Transportation equipment	16,125,881.12	10,137,417.04	5,988,464.08	13,357,957.06	9,171,403.65	4,186,553.41
6. Furniture and fixtures	3,033,779.95	2,624,999.23	408,780.72	2,445,037.45	2,240,585.39	204,452.06
7. Construction in progress	2,376,933.83	0.00	2,376,933.83	128,157.31	0.00	128,157.31
	<u>61,563,935.82</u>	<u>34,265,158.46</u>	<u>27,298,777.36</u>	<u>48,957,014.56</u>	<u>26,534,710.86</u>	<u>22,422,303.70</u>
Total (CI+CII)	<u>63,890,567.36</u>	<u>35,825,658.23</u>	<u>28,064,909.13</u>	<u>51,000,996.10</u>	<u>27,990,741.80</u>	<u>23,010,254.30</u>
<b>III. Investments and Long-term receivables</b>						
1. Equity participations in subsidiaries and affiliates			4,259,549.96			4,263,518.79
2. Equity participations			300.00			300.00
7. Other long-term receivables			176,206.23			117,621.84
			<u>4,436,056.19</u>			<u>4,381,440.63</u>
Total Fixed Assets and Investments (CI+CII+CIII)			<u>32,500,965.32</u>			<u>27,391,694.93</u>
<b>D. CURRENT ASSETS</b>						
<b>I. Inventories</b>						
2. Finished and semi-finished products			2,293,931.72			1,755,221.89
4. Raw materials, consumables, spare parts, other			983,449.82			1,071,169.46
5. Advances for the purchase of inventories			16,409.19			80,983.72
			<u>3,293,790.73</u>			<u>2,907,375.07</u>
<b>II. Accounts receivable</b>						

**LIABILITIES**

	Amounts of current fiscal year 2004	Amounts of previous fiscal year 2003
<b>A. SHAREHOLDER'S EQUITY</b>		
<b>I. Share Capital</b> (7,252,159 common shares at € 3,37 each)		
1. Paid up	24,439,775.83	23,367,111.57
<b>II. Share Premium Account</b>	2,308,960.84	2,308,960.84
<b>III. Revaluation reserve - Investment grants</b>		
1. Reserve from revaluation of affiliated companies	407,083.47	407,083.47
2. Reserve from revaluation of fixed assets	479,186.81	0.00
3. Investment grants for fixed assets	0.00	0.00
	<u>886,270.28</u>	<u>407,083.47</u>
<b>IV. Reserves</b>		
1. Legal reserve	4,063,092.02	2,604,938.13
3. Special reserve	39,558.53	230.44
4. Contingency reserve	10,548,338.88	5,388,990.14
5. Tax exempt reserves under special laws	6,162,750.23	2,402,311.31
	<u>20,813,739.66</u>	<u>10,396,470.02</u>
<b>V. Retained earnings</b>		
Retained earnings (Deficit)	37,854.61	7,802.80
Total Shareholder's Equity (AI+AII+AIII+AIV+AV)	<u>48,486,601.22</u>	<u>36,487,428.70</u>
<b>B. PROVISIONS FOR ACCRUED LIABILITIES AND CHARGES</b>		
1. Provision for staff leaving indemnities	853,903.55	742,338.92
2. Other provisions	0.00	14,416.53
	<u>853,903.55</u>	<u>756,755.45</u>
<b>C. LIABILITIES</b>		
<b>II. Short term liabilities</b>		
1. Suppliers	11,531,596.69	12,563,850.43
3. Short term bank liabilities	1,356.93	3,860.63
4. Trade creditors	2,954,053.09	1,377,194.78
5. Taxes payable	7,807,827.25	5,098,445.28
6. Social insurance contributions	912,130.36	720,340.01
8. Amounts due to affiliated companies	0.00	3,404,122.50
10. Dividends payable	12,272,756.97	9,997,851.13
11. Sundry creditors	700,868.02	593,611.41
Total Liabilities (CI+CII)	<u>36,180,589.31</u>	<u>33,759,276.17</u>

1. Trade receivables		14,892,755.59		12,947,017.10
2. Notes receivable				
*In hand	43,185.48		155,323.91	
*At banks for collection	200,137.33	243,322.81	90,311.70	245,635.61
3. Notes receivable overdue		4,721.54		2,202.05
3a. Cheques in hand (postdated)		28,322,409.05		23,428,494.73
3b. Cheques overdue		77,712.27		11,000.00
5. Short term receivables from affiliated companies		1,103,877.61		204,752.68
10. Doubtful accounts receivable		605,808.65		929,473.29
11. Sundry receivables		5,268,714.78		2,553,125.37
12. Sundry advances				
		190,566.84		153,492.00
		<u>50,709,889.14</u>		<u>40,475,192.83</u>
III. Securities				
3. Other securities held		<u>586.94</u>		<u>586.94</u>
IV. Cash				
1. In hand		213,283.47		86,116.92
3. Demand and time deposit accounts		75,413.18		19,218.98
		<u>288,696.65</u>		<u>105,335.90</u>
<b>Total Current Assets (DI+DII+DIII+DIV)</b>		<u>54,292,963.46</u>		<u>43,488,490.74</u>
<b>E. TRANSITORY ACCOUNTS</b>				
1. Deferred charges		184,853.99		149,531.01
2. Accrued income		23,134.91		49,973.72
		<u>207,988.90</u>		<u>199,504.73</u>
<b>TOTAL ASSETS (B+C+D+E)</b>		<u>87,062,315.31</u>		<u>71,149,667.26</u>
<b>MEMO ACCOUNTS</b>				
1. Third parties' assets		2.03		0.00
2. Guarantees and collateral securities		2,552,547.80		3,132,226.60
4. Other		1,469,583.22		1,433,402.58
		<u>4,022,133.05</u>		<u>4,565,629.18</u>
<b>D. TRANSITORY ACCOUNTS</b>				
2. Accrued liabilities				<u>1,541,221.23</u>
				<u>146,206.94</u>
<b>TOTAL LIABILITIES (A+B+C+D)</b>				<u>87,062,315.31</u>
				<u>71,149,667.26</u>
<b>MEMO ACCOUNTS</b>				
1. Third parties' assets				2.03
2. Beneficiary of guarantees and collateral security				0.00
4. Other				3,132,226.60
				1,469,583.22
				<u>1,433,402.58</u>
				<u>4,022,133.05</u>
				<u>4,565,629.18</u>

**Company Notes:**

- 1) In accordance with the mandatory provisions of law 2065/1992 as amended, the land and buildings' cost and the accumulated depreciation of buildings were revalued at 31.12.2004 by € 495,755,27 and € 16,568,46 respectively.
- 2) The Company has been audited by the tax authorities until the year 1999.
- 3) In the year 2004, the Company and the company ERGOBETON S.A. merged, in accordance with the provisions of law 2166/93.

**STATEMENT OF INCOME**

**31 DECEMBER 2004 (1 JANUARY 2004 - 31 DECEMBER 2004)**

	<u>Amounts of current fiscal year 2004</u>		<u>Amounts of previous fiscal year 2003</u>	
I. Operating income				
Turnover (net sales)		140,903,809.81		107,277,779.10
Cost of sales		<u>108,079,810.43</u>		<u>88,443,245.66</u>
Gross operating income		32,823,999.38		18,834,533.44
Other operating income		<u>223,475.91</u>		<u>157,380.98</u>
Total		33,047,475.29		18,991,914.42
General and Administrative costs	6,426,731.30		5,380,943.00	
Research and Development costs	23,882.23		5,916.70	
Sales and Distribution costs	<u>5,833,574.83</u>	<u>12,284,188.36</u>	<u>2,983,806.22</u>	<u>8,370,665.92</u>
		20,763,286.93		10,621,248.50
Income from equity participations	481,494.77		589,622.00	
Income from securities	31,599.15		10,369.38	
Income from equity participations and securities	19.89		0.00	
Interest and related income	<u>193,975.38</u>		<u>96,175.89</u>	
		707,089.19		696,167.27
Interest expenses and bank charges	<u>40,690.31</u>	<u>666,398.88</u>	<u>29,576.23</u>	<u>666,591.04</u>
Total operating income		21,429,685.81		11,287,839.54
II. Extraordinary income/expenses				
Extraordinary and non-operating income		45,948.22		202,559.41
Extraordinary gains		1,469,640.20		216,486.64
Income of previous years		32,196.40		34,114.27
Income from provisions of previous years		<u>0.00</u>		<u>0.00</u>
		1,547,784.82		453,160.32
Extraordinary and non-operating costs	90,149.82		165,337.89	
Extraordinary losses	161,375.12		95,629.95	
Expenses of previous years	90,122.62		31,476.55	
Provisions for doubtful receivable and other risk	<u>0.00</u>	<u>341,647.56</u>	<u>0.00</u>	<u>292,444.39</u>
Total operating and extraordinary income		22,635,823.07		11,448,555.47
Depreciation of fixed assets		4,422,800.00		4,412,927.22
Minus : Depreciation included in operating cost		<u>4,422,800.00</u>	0.00	<u>4,412,927.22</u>
NET EARNINGS BEFORE TAXES		<u><u>22,635,823.07</u></u>		<u><u>11,448,555.47</u></u>

**STATEMENT OF APPROPRIATION OF EARNINGS**

	<u>Amounts of current fiscal year 2004</u>	<u>Amounts of previous fiscal year 2003</u>
Net earnings before taxes	22,635,823.07	11,448,555.47
Deduct :		
Retained earnings of prior year	5,775,107.69	5,837.64
Taxes paid relating to prior years	-57,374.16	-850,398.00
Distribution of reserves	3,674,086.54	0.00
Total	<u>32,027,643.14</u>	<u>10,603,995.11</u>
Deduct :		
1. Income tax	5,361,068.30	3,824,757.71
2. Other taxes	55,815.57	50,703.57
Net earnings after taxes	<u>26,610,759.27</u>	<u>6,728,533.83</u>
Proposed distribution:		
Legal reserve	858,153.89	336,426.69
Dividends	12,272,756.97	6,309,813.51
Extraordinary reserves taxed	8,800,000.00	0.00
Tax exempt reserves L.3220/04	4,500,000.00	0.00
Reserves from non-taxable income	141,993.80	74,490.83
Reserves from income taxed under special laws	0.00	0.00
Retained earnings	<u>37,854.61</u>	<u>7,802.80</u>
	<u>26,610,759.27</u>	<u>6,728,533.83</u>

Athens, 16 February 2005

Chairman of the Board of Directors

Managing Director

Chief Accountant

ELIAS PANIARAS  
I.D. NO. 0297060

SOCRATES BALTZIS  
I.D. NO. 1013831

LUCAS GOUPIOS  
LICENCE NO. 14929 - A' CLASS

**REPORT OF THE AUDITOR**

**To the Shareholders of INTERBETON CONSTRUCTION MATERIALS S.A.**

We have audited the Financial Statements and the related Notes thereon of INTERBETON CONSTRUCTION MATERIALS S.A., for the year ended 31 December 2004. Our audit, which included the activities of the Company's branches, has been conducted in accordance with the provisions of article 37 of the Companies Act 2190/1920 and those auditing procedures, which we considered necessary based on the auditing standards and principles adopted by the Institute of Certified Auditors Accountants in Greece. The books and records maintained by the Company have been made available to us and we have obtained the relevant information and explanations, which were deemed necessary for the purposes of our audit. The Company has properly applied the General Chart of Accounts "Re: Greek Accounting Standards". There have been no changes in the valuation methods used by the Company compared to those used in the preceding year and the cost of production, which has been derived from the accounting records, has been determined in accordance with generally accepted costing principles. We have confirmed that the content of the Directors' Report to the Annual General Meeting of the Shareholders is consistent with the related Financial Statements. The Notes to the Financial Statements disclose the information stipulated in paragraph 1 of article 43a of the Companies Act 2190/1920.

Our Audit revealed the following:

1. Included in the assets of the company, disclosed under Γ-III-1 "Investments in related companies" is an amount of € 4.259.850, representing investments in group companies valued at cost. Had those investments been valued at the lower of cost and net asset value, as per article 43 paragraph 6 of Companies Act 2190/1920, their value would have been reduced by € 2.745.000 approximately, and the resulting difference should have been charged against current year's earnings by € 2.089.000 and against prior years' earnings (shareholders' equity) by € 656.000 approximately.
2. The provision for employee retirement indemnities is understated by € 2.420.000 approximately if compared to the present value of the total future related liability. The current year's earnings and prior year earnings should have been reduced by € 65.000 and € 2.355.000 respectively for this shortfall.
3. An additional bad debt provision of approximately € 1.796.000 should have been charged against current year's earnings.

In our opinion, except for the matters referred to above, the aforementioned Financial Statements have been derived from the books and records of the Company and present, together with the Notes thereto, the assets, liabilities and financial position of the Company as at 31 December 2004 as well as the results of its operations for the year then ended, in accordance with prevailing legislation and generally accepted accounting principles, which do not differ from those applied by the Company in the preceding year.

**PRICEWATERHOUSECOOPERS**   
ΠραξιογονοτεργουσΚούπερς  
Ανόνημη Ελεγκτική Εταιρεία  
Ορκωτοί Ελεγκτές Λογιστές

Athens, 22 March 2005  
The Certified Auditor Accountant

Kyriakos Riris  
SOEL Reg. No 12111