

**Independent Auditor's Report**  
**(Translated from the original in Greek)**  
**To the Shareholders of TANAGRA QUARRIES S.A**

**Report on the Financial Statements**

We have audited the accompanying Financial Statements of TANAGRA QUARRIES S.A (the "Company") which comprise the Statement of Financial Position as of 31 December 2010 and the Statements of Comprehensive Income, Changes in Equity and Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

**Management's responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these Financial Statements in accordance with International Financial Reporting Standards as adopted by the European Union. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

**Auditor's responsibility**

Our responsibility is to express an opinion on these Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the Financial Statements give a true and fair view of the financial position of the Company as of 31 December 2010 and of its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the European Union.

**Report on other legal and regulatory requirements**

We verified that the contents of the Board of Directors' Report are consistent and correspond with the accompanying Financial Statements within the scope set by articles 37 and 43a of C.L. 2190/1920.

Athens, April 8, 2011

**Olympia G. Barzou**

**Certified and Registered Auditor**

**SOEL Reg. Number 21371**

**BDO Certified and Registered Auditors AE**

81 Patission str. & 8 Heyden str., Athens, Greece, 104-34  
SOEL Reg. Number: 111

**TANAGRA QUARRIES S.A.**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2010**

*Amounts in Euro*

	<b>2010</b>	<b>2009</b>
Revenue	3,919,407	6,185,462
Cost of sales	-3,508,093	-3,395,953
<b>Gross profit before depreciation</b>	<b>411,314</b>	<b>2,789,509</b>
Other operating income	576,358	227,414
Administrative expenses	-431,851	-462,184
Selling expenses	-100,877	-73,478
Other operating expenses	-1,215,962	-246,052
<b>Profit before interest, taxes and depreciation</b>	<b>-761,018</b>	<b>2,235,209</b>
Depreciation corresponding to cost of sales	-137,284	-255,995
Depreciation corresponding to administrative expenses	-27,544	-391,336
<b>(Losses)/ Profit before interest and taxes</b>	<b>-925,846</b>	<b>1,587,878</b>
Finance income	336	460
Finance expense	-45,987	-100,219
<b>(Losses)/Profit before taxes</b>	<b>-971,497</b>	<b>1,488,119</b>
Less: Corporate income tax expense	31,287	-433,812
<b>Profit after taxes</b>	<b>-940,210</b>	<b>1,054,307</b>

TANAGRA QUARRIES S.A

STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 DECEMBER 2010

*Amounts in Euro*

	2010	2009
<b><u>Assets</u></b>		
Tangible assets	2,131,084	857,258
Long-term receivables	50	50
Deferred tax assets	295,350	-
<b>Non current assets</b>	<b>2,426,484</b>	<b>857,308</b>
Inventories	577,666	605,769
Receivables and prepayments	2,276,672	5,400,317
Cash and cash equivalents	15,915	408,540
<b>Current assets</b>	<b>2,870,253</b>	<b>6,414,626</b>
<b>TOTAL ASSETS</b>	<b>5,296,737</b>	<b>7,271,934</b>
<b><u>EQUITY AND LIABILITIES</u></b>		
Share capital (440,205 shares of € 1.00 )	440,208	440,208
Reserves	851,064	851,064
Retained (losses)/ earnings	-410,442	529,768
<b>TOTAL EQUITY (a)</b>	<b>880,830</b>	<b>1,821,040</b>
Other long-term provisions	9,800	-
Retirement benefit obligations	5,218	18,580
Provision of environmental rehabilitation	298,811	253,226
Deferred tax liabilities	-	148,225
Long-term borrowings	62,221	65,034
<b>Non-current liabilities</b>	<b>376,050</b>	<b>485,065</b>
Trade creditors and other payables	3,221,454	2,857,348
Corporate income tax liabilities	76387	297,917
Borrowings liabilities	742,016	1,810,564
<b>Current liabilities</b>	<b>4,039,857</b>	<b>4,965,829</b>
<b>Total liabilities (b)</b>	<b>4,415,907</b>	<b>5,450,894</b>
<b>TOTAL EQUITY AND LIABILITES (a+b)</b>	<b>5,296,737</b>	<b>7,271,934</b>

**TANAGRA QUARRIES S.A.**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2010**

*Amounts in Euro*

	<b>Share Capital</b>	<b>Tax exempt reserve under special law</b>	<b>Retained earnings/ (losses)</b>	<b>Total</b>
<b>Year ended 31 December 2009</b>				
<b>Balance as of 1 January 2009</b>	<b>440,205</b>	<b>851,064</b>	<b>-524,539</b>	<b>766,730</b>
Profit of the year	-	-	1,054,307	1,054,307
Share Capital Increase	3	-	-	3
<b>Balance as of 31 December 2009</b>	<b>440,208</b>	<b>851,064</b>	<b>529,768</b>	<b>1,821,040</b>
<b>Year ended 31 December 2010</b>				
<b>Balance as of 1 January 2010</b>	<b>440,208</b>	<b>851,064</b>	<b>529,768</b>	<b>1,821,040</b>
Losses of the year	-	-	-940,210	-940,210
<b>Balance as of 31 December 2010</b>	<b>440,208</b>	<b>851,064</b>	<b>-410,442</b>	<b>880,833</b>

**TANAGRA QUARRIES S.A.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2010**

*Amounts in Euro*

	<b>2010</b>	<b>2009</b>
<b>Cash flows from operating activities</b>		
Cash generated from operation	2,225,642	793,769
Taxes paid	-447,050	-340,253
<b>Net cash from operating activities</b>	<b>1,778,592</b>	<b>453,516</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible and intangible assets	-1,483,543	-397,711
Interest received	336	460
Proceeds from the sale of tangible assets	481,279	54,403
(Increase) in other long-term receivables	-	-49
<b>Net cash outflows from investing activities</b>	<b>-1,001,928</b>	<b>-342,897</b>
<b>Cash flows from financing activities</b>		
Proceeds from share capital increase	-	3
Interest paid	-36,570	-100,219
Decrease in short-term borrowings	-1,068,548	-232,031
(Decrease)/Increase in long-term borrowings	-2,813	65,034
Dividends paid	-93,188	0
<b>Net cash outflows from financing activities</b>	<b>-1,201,119</b>	<b>-267,213</b>
Net (decrease) in cash and cash equivalents	-424,455	-156,594
Cash and cash equivalents at the beginning of the year	408,540	565,134
<b>Cash and cash equivalents at the year end</b>	<b>-15,915</b>	<b>408,540</b>