

**THIS REPORT HAS BEEN TRANSLATED FROM THE GREEK ORIGINAL
VERSION**

**Independent Auditor's Report
To the Shareholders of INTERBETON CONSTRUCTION MATERIALS S.A.**

Report on the Financial Statements

We have audited the accompanying financial statements of INTERBETON CONSTRUCTION MATERIALS S.A., which comprise the statement of financial position as at December 31, 2012, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

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 and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 of 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 misstatement.

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 entity'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 accompanying financial statements present fairly, in all material respects, the financial position of INTERBETON CONSTRUCTION MATERIALS S.A. as at December 31, 2012 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 confirm that the information included in the Directors' Report is consistent with the accompanying financial statements and complete in the context of the requirements of articles 43a and 37 of Codified Law 2190/1920.

Athens, April 5, 2013
THE CERTIFIED AUDITOR ACCOUNTANT

CHRIS PELENDRIDIS
S.O.E.L. R.N. 17831
ERNST & YOUNG (HELLAS)
CERTIFIED AUDITORS ACCOUNTANTS S.A.
11th KM NATIONAL ROAD ATHENS-LAMIA
144 51 METAMORFOSI, ATTIKA
SOEL REG. No. 107

INTERBETON CONSTRUCTION MATERIALS S.A.
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2012

Amounts in Euro

| | 2012 | 2011 |
|--|--------------------|--------------------|
| Total revenue | 56,108,735 | 82,917,891 |
| Cost of goods sold before depreciation/amortization | -53,832,346 | -77,953,138 |
| Gross profit before depreciation/amortization | 2,276,389 | 4,964,753 |
| Other operating income | 3,064,358 | 3,541,205 |
| Administrative expenses | -6,577,345 | -7,836,605 |
| Selling expenses | -2,923,195 | -3,604,914 |
| Other operating expenses | -9,319,398 | -10,465,615 |
| Operating loss- EBITDA | -13,479,191 | -13,401,176 |
| Depreciation/amortization related to cost of sales | -4,876,421 | -5,095,245 |
| Depreciation/amortization related to administrative&selling expenses | -286,992 | -281,392 |
| Operating loss-EBIT | -18,642,604 | -18,777,813 |
| Income from participations | 8,881 | 15,672 |
| Finance income | 155,525 | 31,645 |
| Finance costs | -3,252,111 | -3,401,878 |
| Loss before income tax (EBT) | -21,730,309 | -22,132,374 |
| Income tax net | 4,269,274 | 51,467 |
| Loss for the year | -17,461,035 | -22,080,907 |
| Other comprehensive income | | |
| Actuarial gains on defined benefit pension plans | 380,881 | 1,624,654 |
| Income tax effect | -76,176 | -324,931 |
| Other comprehensive income for the year,net of tax | 304,705 | 1,299,723 |
| Total comprehensive loss for the year,net of tax | -17,156,330 | -20,781,184 |

INTERBETON CONSTRUCTION MATERIALS S.A.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2012

Amounts in Euro

| | 2012 | 2011 |
|--|--------------------|--------------------|
| <u>Assets</u> | | |
| Property, plant and & equipment | 70,365,374 | 70,761,731 |
| Intangible assets | 9,701,786 | 15,833,430 |
| Investments (participations) | 21,206,985 | 22,551,865 |
| Other non-current assets | 3,505,461 | 1,207,595 |
| Total non-current assets | 104,779,606 | 110,354,621 |
| Inventories | 6,008,820 | 6,694,970 |
| Receivables and Prepayments | 17,260,233 | 18,973,190 |
| Income taxes receivable | 16,085 | 9,114 |
| Available for sale financial assets | 1,787 | 1,787 |
| Cash and cash equivalents | 3,311,402 | 8,593,244 |
| Total current assets | 26,598,327 | 34,272,305 |
| TOTAL ASSETS | 131,377,933 | 144,626,926 |
| <u>EQUITY AND LIABILITIES</u> | | |
| Share capital (11.512.336 shares of € 3.37) | 38,796,572 | 24,656,713 |
| Share premium | 18,169,100 | 2,308,961 |
| Reserves | 33,988,066 | 33,988,066 |
| Retained (losses) | -24,394,962 | -7,238,632 |
| Total equity (a) | 66,558,776 | 53,715,108 |
| Deferred tax liabilities | 409,775 | 4,602,873 |
| Retirement benefit obligations | 2,673,443 | 2,893,808 |
| Provisions | 1,935,895 | 1,916,274 |
| Long-term borrowings | 20,000,000 | - |
| Other non-current liabilities | 472,554 | 576,970 |
| Total non-current liabilities | 25,491,667 | 9,989,925 |
| Trade and other payables | 28,185,131 | 28,595,028 |
| Short term borrowings | 11,142,359 | 52,326,865 |
| Total current liabilities | 39,327,490 | 80,921,893 |
| Total liabilities (b) | 64,819,157 | 90,911,818 |
| TOTAL EQUITY AND LIABILITIES (a)+(b) | 131,377,933 | 144,626,926 |

**INTERBETON CONSTRUCTION MATERIALS S.A.
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2012**

Amounts in Euro

| | Share Capital | Share Premium | Reserves | Retained(losses) | Total equity |
|--|-------------------|-------------------|-------------------|--------------------|--------------------|
| Balance as at 1 January 2011 | 24,656,713 | 2,308,961 | 33,988,066 | 13,542,552 | 74,496,292 |
| Loss for the year | - | - | - | -22,080,907 | -22,080,907 |
| Other comprehensive income | - | - | - | 1,299,723 | 1,299,723 |
| Total comprehensive loss for the year | - | - | - | -20,781,184 | -20,781,184 |
| Balance as at 31 December 2011 | 24,656,713 | 2,308,961 | 33,988,066 | -7,238,632 | 53,715,108 |
| Year ended 31 December 2012 | | | | | |
| Balance as at 1 January 2012 | 24,656,713 | 2,308,961 | 33,988,066 | -7,238,632 | 53,715,108 |
| Issue of share capital | 14,139,859 | 15,860,139 | - | - | 29,999,998 |
| Loss for the year | - | - | - | -17,461,035 | -17,461,035 |
| Other comprehensive income | - | - | - | 304,705 | 304,705 |
| Total comprehensive loss for the year | - | - | - | -17,156,330 | -17,156,330 |
| Balance as at 31 December 2012 | 38,796,572 | 18,169,100 | 33,988,066 | -24,394,962 | 66,558,776 |

INTERBETON CONSTRUCTION MATERIALS S.A.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2012

Amounts in Euro

| | 2012 | 2011 |
|--|--------------------------|-------------------------|
| Cash flows from operating activities | | |
| Cash generated from operations | -4,460,975 | 1,487,455 |
| Income tax paid | - | -247,092 |
| Net cash flows (used in)/from operating activities (a) | <u>-4,460,975</u> | <u>1,240,363</u> |
| Cash flows from investing activities | | |
| Purchase of tangible and intangible assets | -6,633,466 | -1,654,389 |
| Proceeds from sale of tangible and intangible assets | 1,953,032 | 2,376,483 |
| Dividends received | 8,881 | 15,672 |
| Interest received | 155,525 | 31,645 |
| Aquisition of subsidiaries | -104,000 | -281,505 |
| Liquidation of investment in subsidiary | - | 137,931 |
| Rents received | 97,714 | 101,685 |
| (Increase)/Decrease of other long-term receivables | -2,297,866 | 128,207 |
| Net cash flows (used in)/from investing activities (b) | <u>-6,820,180</u> | <u>855,729</u> |
| Cash flows from financing activities | | |
| Proceeds from issuance of share capital | 29,999,998 | - |
| Interest paid | -2,801,263 | -3,174,013 |
| Repayment of borrowings | -41,199,422 | |
| Proceeds from borrowings | 20,000,000 | 9,633,390 |
| Net cash flows from financing activities (c) | <u>5,999,313</u> | <u>6,459,377</u> |
| Net (decrease)/ increase in cash and cash equivalents (a)+(b)+(c) | -5,281,842 | 8,555,469 |
| Cash and cash equivalents at the beginning of the year | <u>8,593,244</u> | <u>37,775</u> |
| Cash and cash equivalents at the year end | <u>3,311,402</u> | <u>8,593,244</u> |