

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." which comprise the Statement of Financial Position as at December 31, 2012 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 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 control 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 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 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 verified that the contents of the Board of Directors' Report are consistent and correspond with the accompanying Financial Statements within the context defined by articles 37 and 43a of Codified Law 2190/1920.

Athens, April 9, 2013

The Certified Public Accountant

OLYMPIA G. BARZOU
SOEL Reg. N. 21371
INTERNATIONAL AUDITORS Certified / Registered Auditors & Accountants S.A,
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 2012

(Amounts in Euro)

	2012	2011
Total Revenue	1,219,380	1,809,083
Cost of goods sold before depreciation/amortization	-1,619,749	-2,035,617
Gross loss before depreciation/amortization	-400,369	-226,534
Other operating income	136,923	211,903
Administrative expenses	-286,310	-410,759
Selling expenses	-115,961	-345,074
Other operating expenses	-641,849	-158,127
Operating loss -EBITDA	-1,307,566	-928,591
Depreciation related to cost of sales	-214,020	-231,503
Depreciation related to administrative&selling expenses	-43,613	-29,215
Operating loss-EBIT	-1,565,199	-1,189,309
Finance income	22	14
Finance costs	-207,447	-142,019
Loss before income tax-(EBT)	-1,772,624	-1,331,314
Income tax effect	339,725	258,225
Loss for the year	-1,432,899	-1,073,089

TANAGRA QUARRIES S.A.**STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 31 DECEMBER 2012****(Amounts in Euro)**

	2012	2011
<u>ASSETS</u>		
Property, plant and equipment	3,140,925	2,443,930
Deferred tax assets	893,300	553,575
Other non-current assets	910	50
Total Non-Current Assets	4,035,135	2,997,555
Inventories	723,715	569,459
Receivables and Prepayments	1,209,867	1,764,657
Cash and cash equivalents	5,854	1,077
Total Current Assets	1,939,436	2,335,193
TOTAL ASSETS	5,974,571	5,332,748
<u>EQUITY AND LIABILITIES</u>		
Share capital (440.208 shares at € 1,00)	440,208	440,208
Tax exempt reserve	851,064	851,064
Retained losses	-2,916,430	-1,483,531
Total equity (a)	-1,625,158	-192,259
Other provisions	9,800	9,800
Retirement benefit obligations	2,569	3,633
Rehabilitation of quarries-provision	609,514	257,480
Total non-current liabilities	621,883	270,913
Trade and other payables	3,082,907	2,428,548
Short-term borrowings	3,894,939	2,825,546
Total current liabilities	6,977,846	5,254,094
Total liabilities (b)	7,599,729	5,525,007
TOTAL EQUITY AND LIABILITIES (a)+(b)	5,974,571	5,332,748

TANAGRA QUARRIES S.A.
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2012

(Amounts in Euro)

	Share Capital	Tax exempt reserve under special law	Retained losses	Total equity
Balance as at 1 January 2011	440,208	851,064	-410,442	880,830
Loss for the year	-	-	-1,073,089	-1,073,089
Balance as at 31 December 2011	440,208	851,064	-1,483,531	-192,259
Balance as at 1 January 2012	440,208	851,064	-1,483,531	-192,259
Loss for the year	-	-	-1,432,899	-1,432,899
Balance as at 31 December 2012	440,208	851,064	-2,916,430	-1,625,158

TANAGRA QUARRIES 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	98,298	-1,255,543
Income tax paid	-	-76,387
Net cash flows from/(used in) operating activities (a)	<u>98,298</u>	<u>-1,331,930</u>
Cash flows from investing activities		
Purchase of tangible and intangible assets	-970,462	-573,564
Interest received	22	14
Impairment losses relating to tangible assets	15,833	-
Increase of other long-term receivables	-860	-
Net cash flows (used in) investing activities (b)	<u>-955,467</u>	<u>-573,550</u>
Cash flows from financing activities		
Interest paid	-207,447	-130,667
Proceeds from borrowings	1,071,308	2,081,615
Repayment of borrowings	-1,915	-60,306
Net cash flows from financing activities (c)	<u>861,946</u>	<u>1,890,642</u>
Net increase/(decrease) in cash and cash equivalents (a)+(b)+(c)	4,777	-14,838
Cash and cash equivalents at the beginning of the year	1,077	15,915
Cash and cash equivalents at the year end	<u>5,854</u>	<u>1,077</u>