

11. Property, plant and equipment

(all amounts in Euro thousands)

Group	Quarries	Land	Buildings	Plant & equipment	Motor vehicles	fixtures and equipment	Assets under construction	Total
Year ended 31 December 2011								
Opening balance	109.067	295.937	233.407	1.127.830	80.816	17.823	86.389	1.951.269
Additions	1.737	7.607	1.646	4.497	842	582	37.937	54.848
Disposals (NBV) (note 29)	-	-5.654	-918	-574	-869	-178	-1.332	-9.525
Reclassification of assets from/to other PPE categories	19.831	-2.287	4.850	29.937	1.735	1.504	-55.570	-
Transfers from inventories (note 19)	-	-	-	420	-	-	-	420
Transfers to investment properties (note 12)	-	-1.230	-4.280	-	-	-	-	-5.510
Interest capitalized (note 6)	-	-	41	-	42	-	71	154
Depreciation charge (note 29)	-1.944	-2.617	-10.405	-65.538	-16.807	-3.521	-	-100.832
Impairment of PPE (note 29)	-13.756	-	-	-1.168	-	-	-	-14.924
Exchange differences	2.990	1.642	-756	127	694	218	161	5.076
Ending balance	117.925	293.398	223.585	1.095.531	66.453	16.428	67.656	1.880.976
Leased assets under finance leases								
Opening balance	-	-	-	5.378	642	-	-	6.020
Additions	-	-	-	479	22	-	-	501
Reclassification of assets to other categories	-	-	-	394	-	-	-	394
Depreciation charge (note 29)	-	-	-	-432	-102	-	-	-534
Exchange differences	-	-	-	167	-36	-	-	131
Ending balance	-	-	-	5.986	526	-	-	6.512
At 31 December 2011								
Cost	157.754	310.395	367.090	1.679.745	209.963	54.202	67.656	2.846.805
Accumulated depreciation	-26.073	-16.997	-143.505	-575.010	-142.976	-37.544	-	-942.105
Accumulated losses of impairment of PPE	-13.756	-	-	-3.218	-8	-230	-	-17.212
Net book value	117.925	293.398	223.585	1.101.517	66.979	16.428	67.656	1.887.488

11. Property, plant and equipment (continued)

(all amounts in Euro thousands)

Group	Quarries	Land	Buildings	Plant & equipment	Motor vehicles	fixtures and equipment	Assets under construction	Total
Year ended 31 December 2012								
Opening balance	117.925	293.398	223.585	1.095.531	66.453	16.428	67.656	1.880.976
Additions	627	3.597	1.296	5.211	-	384	33.536	44.651
Addition due to consolidation of new subsidiary	-	1.001	-	-	-	-	-	1.001
Disposals (NBV) (note 29)	-	-139	-5	-18.453	-6.906	-18	-278	-25.799
Reclassification of assets to/from other PPE categories	-190	-119	25.075	32.074	5.485	762	-57.913	5.174
Transfers from inventories (note 19)	-	-	-	1.131	-	-	-	1.131
Transfers from investment properties (note 12)	-	-	2.849	-	-	-	-	2.849
Depreciation charge (note 29)	-1.978	-2.802	-12.718	-68.331	-15.256	-3.371	-	-104.456
Reversal of impairment of PPE (note 29)	-	-129	-	1.042	-	-	-	913
Exchange differences	-2.122	-6.661	-7.146	-30.037	-967	-269	-1.275	-48.477
Ending balance	114.262	288.146	232.936	1.018.168	48.809	13.916	41.726	1.757.963
Leased assets under finance leases								
Opening balance	-	-	-	5.986	526	-	-	6.512
Additions	-	-	-	12	-	-	-	12
Reclassification of assets to other PPE categories	-	-	-	-5.174	-	-	-	-5.174
Depreciation charge (note 29)	-	-	-	-234	-99	-	-	-333
Exchange differences	-	-	-	49	7	-	-	56
Ending balance	-	-	-	639	434	-	-	1.073
At 31 December 2012								
Cost	156.303	307.574	386.983	1.645.385	197.510	54.391	41.726	2.789.872
Accumulated depreciation	-27.529	-19.428	-154.047	-624.404	-148.262	-40.245	-	-1.013.915
Accumulated losses of impairment of PPE	-14.512	-	-	-2.174	-5	-230	-	-16.921
Net book value	114.262	288.146	232.936	1.018.807	49.243	13.916	41.726	1.759.036

11. Property, plant and equipment (continued)

(all amounts in Euro thousands)

<i>Company</i>	Quarries	Land	Buildings	Plant & equipment	Motor vehicles	fixtures and equipment	Assets under construction	Total
<u>Year ended 31 December 2011</u>								
Opening balance	941	5.548	54.195	169.429	1.161	9.776	20.488	261.538
Additions	118	-	59	678	41	227	5.191	6.314
Disposals (NBV) (note 29)	-	-32	-	-48	-16	-112	-	-208
Reclassification of assets to other PPE categories	-	-	2.180	5.281	-	-	-7.461	-
Transfers to investment properties (note 12)	-	-1.821	-2.077	-	-	-	-	-3.898
Transfers from inventories (note 19)	-	-	-	420	-	-	-	420
Depreciation charge (note 29)	-64	-	-1.576	-8.935	-179	-1.157	-	-11.911
Impairment of PPE (note 29)	-	-	-	-1.383	8	231	-	-1.144
Ending balance	995	3.695	52.781	165.442	1.015	8.965	18.218	251.111
At 31 December 2011								
Cost	1.587	3.695	88.747	310.739	4.552	25.870	18.218	453.408
Accumulated depreciation	-592	-	-35.966	-141.843	-3.537	-16.903	-	-198.841
Accumulated losses of impairment of PPE	-	-	-	-3.454	-	-2	-	-3.456
Net book value	995	3.695	52.781	165.442	1.015	8.965	18.218	251.111
<u>Year ended 31 December 2012</u>								
Opening balance	995	3.695	52.781	165.442	1.015	8.965	18.218	251.111
Additions	21	-	386	962	84	265	3.951	5.669
Disposals (NBV) (note 29)	-	-	-	-6.648	-	-23	-	-6.671
Reclassification of assets to other PPE categories	-	-	4.096	14.803	-	77	-18.976	-
Transfers from inventories (note 19)	-	-	-	89	-	-	-	89
Depreciation charge (note 29)	-66	-	-2.495	-9.744	-187	-1.078	-	-13.570
Reversal of impairment of PPE due to disposal (note 29)	-	-	-	1.042	1	1	-	1.044
Ending balance	950	3.695	54.768	165.946	913	8.207	3.193	237.672
At 31 December 2012								
Cost	1.608	3.695	93.013	316.710	4.258	26.369	3.193	448.846
Accumulated depreciation	-658	-	-38.245	-148.589	-3.339	-17.931	-	-208.762
Accumulated losses of impairment of PPE	-	-	-	-2.175	-6	-231	-	-2.412
Net book value	950	3.695	54.768	165.946	913	8.207	3.193	237.672

11. Property, plant and equipment (continued)

Disposal of assets

During 2012, the Group has received the amount of €28.6 mil. from the disposal of tangible assets with total net book value of €25.8 mil. Thus, the Group recognized the gain of €2.8 mil. on disposal of PPE in the consolidated income statement.

The Group's subsidiary in U.S.A. made the majority of the disposals and it received the amount of €27.0 mil. from the disposal of machinery and railcars. The net book value of these assets totaled €23.6 mil., so the gains on the disposals were €3.4 mil.

Impairment of property, plant and equipment:

Assets that have an indefinite useful life (land) are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised, as an expense immediately in other expenses, for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

During 2012, the Group has recorded a reversal of impairment amounted to €0.9 mil. mainly due to the reversal of machinery's impairment of the Company, as the reasons for such an impairment were changed.

The total cost of impairment of property, plant and equipment that the Group posted in 2011 was €14.9 mil. The amount of €13.8 mil. was due to the impairment in an investment of an aggregate mining site in USA and the amount of €1.1 mil. was due to the impairment of white cement production line and other machinery of the Company.

Pledge of assets

The assets of the Company have not been pledged. The assets of the Group have a pledge for the amount of €72.5 m (2011: €68.4 m). The pledge relates to the Group's joint venture Adocim Cimento Beton Sanayi ve Ticaret A.S. in Turkey, as a security of its bank credit facilities for an amount up to €48.9 m (2011: €46.3 m) and is on the assets of this entity. As of 31.12.2012, utilization under these credit facilities amounted to €33.6m..

12. Investment property

Group's investment property does not include certain investment property of the Company, since it is leased to Group's subsidiaries and as a result in Group level, it is transferred to property, plant and equipment. Investment property is measured at fair values based on external, independent, certified valuator, member of the institute of the certified valuers and certified from the European Group of Valuers' Associations (TEGoVA).

(all amounts in Euro thousands)

	Group		Company	
	2012	2011	2012	2011
Opening balance	9.804	2.053	11.312	5.974
Additions	98	801	-	-
Net gain/(loss) from measurement at fair value	620	-199	-226	-199
Transfer from own-used property after revaluation	873	1.639	873	1.639
Transfer from/to property, plant and equipment	-2.849	5.510	-	3.898
Ending balance	8.546	9.804	11.959	11.312

	Group		Company	
	2012	2011	2012	2011
Rental income derived from investment property	119	78	55	72
Direct operating expenses (including repair and maintenance) generating rental income	-	-	-	-43
Direct operating expenses (including repair and maintenance) that did not generate rental income	-151	-133	-151	-118
Net profit/(loss) arising from investment properties carried at fair value	-32	-55	-96	-89

The estimation of the fair value of investment property that is located in urban areas, was made in accordance with the current market values of similar properties. The estimation of fair value for land located in rural areas as well as quarries, was made taking into consideration local valuations.