25. Retirement and termination benefit obligations

Greece

Greek labor legislation requires that the payment of retirement and termination indemnities be based on the number of years of service to the Company by the employees and taking into consideration their final remuneration. The Group grants retirement indemnities which exceed the legal requirements. These retirement indemnities are unfunded and the liabilities arising from such obligations are actuarially valued by an independent firm of actuaries. The last actuarial valuation was undertaken in December 2012. The principal actuarial assumptions used were a discount rate of 3.8% (2011:4.8%), future salary increases of between 3% and 4% (2011: 3%-4%) and no change in future pension.

USA

The Group's U.S. subsidiaries operate defined benefit plans and other post-retirement benefit plans. The method of accounting for the latter, as well as the valuation assumptions and the frequency of valuations are similar to those used for defined benefit plans.

Multi-employer plan

Certain employees participate in a union sponsored, defined benefit multi-employer pension plan. This plan is not administered by the Group's U.S. subsidiary and contributions are determined in accordance with the provisions of the negotiated labor contract. These contributions are affected by the funded status of the plan.

Excess benefit plan

This plan is intended to constitute an unfunded plan of deferred compensation for a selected group of highly compensated employees under the Employee Income Security Act of 1974 ("ERISA"). For this purpose the Group's U.S. subsidiary created an irrevocable trust to facilitate the payment of deferred compensation to participants under this plan (note 17). Under this plan, the participants are eligible to defer a certain percentage of eligible compensation for the applicable plan year. The Company matches 50% of the participants' contributions to the plan. Again, the Company's contributions are affected by the funded status of the plan.

All of the Group's U.S. subsidiary's defined benefit pension plans and all but one of its other post-retirement plans have been frozen as to new participants and credited service. These plans do not materially impact the Group. One post-retirement benefit plan exists (for certain active and former employees) whereby eligible retirees receive benefits consisting primarily of assistance with medical insurance costs between the dates of early retirement and Medicare eligibility. The Company operates a defined contribution plan for it's employees.

Some of the plan assets of the Group's subsidiaries in US have invested approximately 54% in equity investments and 46% in fixed investments. The main assumptions that have been adopted for the study of the pension plans of the Group's subsidiaries in the U.S. were a discount rate of 3.5% (2011: 4.25%).

Amendment of IAS 19

On 1.1.2013, the policy of the employee benefits' recognition will change based on the adoption of the revised International Accounting Standard (IAS) 19, as it endorsed by the EU during the fourth quarter of 2012. The revised IAS 19 includes changes that range from fundamental ones, such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and re-wording. The adoption of the revised standard will not significantly affect the Group's financial position for the fiscal year 2013, as the Group recognises fully all actuarial gains and losses in the statement of comprehensive income when they occur, since 2010. The Group changed its accounting policy in order to better present its financial position and thus facilitate the transition to the revised IAS 19.

25. Retirement and termination benefit obligations (continued)

The amounts relating to defined benefit pension plans and other post retirement and termination benefits (defined benefit plans) recognized in the statement of comprehensive income in the account other expenses are as follows:

	Group		Company	
(all amounts in Euro thousands)	**2012**	**2011**	**2012**	**2011**
Current service cost	-622	3.622	-1.576	1.729
Interest cost	1.875	1.747	693	1.276
Return on plan assets	-789	96	-	-
	464	**5.465**	**-883**	**3.005**
Additional post retirement and termination benefits paid out, not provided for	1.376	9.310	651	7.022
	1.840	**14.775**	**-232**	**10.027**
Amounts recognised in the other operating income and other expenses (note 4)	754	12.932	-925	8.751
Amounts recognised in finance cost (note 6)	1.086	1.843	693	1.276
Amounts recognised in the income statement	**1.840**	**14.775**	**-232**	**10.027**
Actuarial losses/(gains) immediate recognized in equity through other comprehensive income	43	-8.141	-746	-8.231
Amount charged to statement of total comprehensive income	**1.883**	**6.634**	**-978**	**1.796**
Present value of the liability at the end of the period	**35.113**	**37.105**	**11.299**	**14.442**
Minus US benefit plans assets	-8.205	-7.384	-	-
	26.908	**29.721**	**11.299**	**14.442**

Liabilities' movement recognized in the statement of financial position:

	Group		Company	
(all amounts in Euro thousands)	**2012**	**2011**	**2012**	**2011**
Opening balance	**29.721**	**45.278**	**14.442**	**27.734**
Total expense	1.840	14.775	-232	10.027
Actuarial gains	43	-8.141	-746	-8.231
Other (*)	143	-	-	-
Exchange differences	-181	371	-	-
Benefits paid during the year	-4.658	-22.562	-2.165	-15.088
Ending balance	**26.908**	**29.721**	**11.299**	**14.442**

(*) The amount of €143 thousand concerns the incorporation of the subsidiary, Transbeton-Domiki S.A., in the Group's financial statements with the proportional method from the 1st of October 2012. Until that date the subsidiary was consolidated with the equity method (note 15, 31).

	Group	
Analysis of the US benefit plan assets' movement	**2012**	**2011**
Fair value of plan assets at the beginning of the period	7.384	7.288
Expected return	789	-96
Company contributions	866	579
Benefits paid	-666	-615
Exchange difference	-168	228
Fair value of plan assets at the end of the period	**8.205**	**7.384**