2002 CHAIRMAN' S STATEMENT

For the Mytilineos Group, 2002 was a constructive and fruitful year. Led by its subsidiaries METKA S.A. and ELVO S.A., the Group consolidated its overall position and enhanced its prospects in the defense and energy sectors, while MYTILINEOS S.A. maintained and improved its standing in the exceptionally competitive sector of metallurgy, despite the unfavorable conditions of the international metal market.

The Defense Sector has become a primary pillar of the Group. Today, 38% of its activities are devoted to armament programs undertaken by METKA and ELVO, and we expect this percentage to increase in the next few years as we participate in a government policy of co-production supporting Greek industrial productivity in the defense sector.

Our expansion in the defense industry has created prospects for significant increases in profits, as our ever-growing base of technical knowledge in this sector allows us access to new markets. This potential for growth has become evident based on the performance and results of ELVO and METKA which—demonstrating the benefits of synergies—profit considerably by complementing each other.

For ELVO, 2002 was a particularly significant year—it quadrupled its profits to €8.7 million. Beginning in 2004 ELVO is planning the manufacturing of 150 'Kentavros' armored vehicles (TOMA) and will participate in an important program manufacturing 170 'Leopard' tanks, which includes final assembly, reliability tests, and certification. These major contracts, which will require an investment of around €40 million during the next three years, will add to current contracts that ELVO has with the Hellenic Armed Forces and other public authorities. Between 40% and 50% of ELVO's output is geared toward the production of armored vehicles through contracts won in international tenders.

In the sector of Defense Systems, METKA worked in partnership with distinguished U.S. producers such as 'Raytheon' and 'Lockheed Martin' in 2002 to complete the production of launchers and carriers for Patriot Missiles. In addition, METKA is now working in collaboration with the German shipyard 'Howaldtswerke Deutsche Werft A.G' (HDW) to manufacture the pressure hull of the new 214-Type submarine for the Hellenic Navy, a project which is progressing at full steam and it is expected to be completed by 2005.

In collaboration with ELVO, METKA is undertaking part of the subcontracting work for the 170 "Leopard" tanks, and will participate in the manufacturing program for the 150 TOMA "Kentavros" armored vehicles. We are pleased to note that METKA, due to its advanced technical capabilities and cutting-edge equipment, is now among the leading European enterprises highly specialized in complex and high-quality metal productions for industrial armament co-production programs.

The Energy Sector is the second strategic pillar in our growth strategy. METKA's extensive experience in this sector, and the growth potential arising from deregulation in electricity and natural gas markets, have propelled us to initiate an investment program of €400 million that focuses on building a new 400 MW, natural gas-fired, power production plant in Volos.

More specifically in 2002, through our new subsidiary, Mytilineos Power Generation and Supplies S. A. (MPGS), we completed preparations to develop a new power plant in Volos. The project met all terms of the environmental impact study, was approved by the Ministry of Environment, Planning and Public Works, and also was granted connection to the National Grid by the Hellenic Transmission System Operator. For the financing of this ambitious project a number of banks and international corporations of the sector have shown interest and with whom we are in advanced discussions.

Mytilineos Group, Rolls Royce Power Ventures, and Domiki Crete are joint shareholders of the newly-created company Rhodes Power Generation and Supplies S.A., which was selected in the first phase of the tendering process held by the Regulating Authority for Energy (RAE) for the development of electrical energy plant in Rhodes (120 MW) under the BOO scheme.

Still in the Energy Sector we are active in alternative forms of energy through Group's subsidiary Mytilineos Hellenic Wind Power (MHWP). MHWP received the production license for four wind parks in the area of Evia, in addition to the two that had been previously licensed for the area of Sidirokastro and Platano. The company proceeds to the construction of the two wind parks at Sidirokastro and Platano after securing a subsidy from the Ministry of Development. We expect construction to begin in the second half of 2003.

MHWP began procedures to acquire the installation permit for the four new parks in Evia and to include them under a new development law in the future. We estimate this process will be completed by the end of 2003. Construction and connection to the National Grid is expected to follow shortly thereafter.

It is expected that this multiple and well supported technologically and financially, activity in the Energy Sector, will ensure substantial medium term profit for the Group.

METKA enjoyed large increases in turnover and profitability, retaining its leading position in Greece in contracting, construction, and maintenance services for power generation plants. Today METKA is one of the most dynamic and comprehensive industrial companies in the country, with enormous scope in the assembly, construction, maintenance, and renovation of energy and refinery plants. METKA has also shown impressive growth in the construction sector, of highly specialized projects such as the Santiago Calatrava's Olympic Velodrome for the 2004 Olympic Games, in Athens.

Finally, regarding Metallurgy and the International Metal Trade, the Mytilineos Group maintained its strong domestic and international standing, despite low metal prices throughout 2002. We continue to invest in the metallurgy sector, at one time the core activity of the group, so that we may take full advantage of the expected upswing in the markets. One of our priorities is to reinforce our production base by investing in the modernization of our metallurgical complex subsidiary Sometra, the biggest of its kind in Romania.

Turning to the financial aspect, figures are positive, both for the Mytilineos Group and its subsidiaries. The figures show an improvement in operational profitability and, most important, an improvement in the financial structure of the Group.

The primary characteristic of the consolidated Balance Sheet for 2002 is that, despite a lower turnover—from €383.6 million to €259.6 million, due mainly to a steady drop in international prices in raw materials and a weak dollar—operational profitability was maintained at high levels, reaching €17.6 million. This was the combined effect of an increase in profit margins from 15.4% to 18.5% and a reduction in expenditure, leading to increases in the net profit margin from 5.3% to roughly 7.3%. Financial expenses show decreases from €8.9 million to €4.7 million. However, exchange fluctuations had a significant negative effect on profits before taxes, which dropped from €29.6 million to €17.6 million (and from 7.7% to 6.8% in turnover respectively).

CHAIRMAN' S STATEMENT

Allow me to highlight the following balance-sheet statistics:

n A reduction in loans by roughly €28 million.

n The leverage index is at a ratio of 1:07 (own funds, €304 million before consolidation, to foreign funds).

n The significant cash flow of the Group (roughly €52 million).

Regarding Corporate Governance practices, the Group is progressively adopting the regulations set by Greek law aligning with the European status, a process that will be completed until June 2003. These practices aim at transparency and safeguarding the interests of all those associated with the company, adding value to the company, and contributing to its long-term growth. Within this philosophy, the companies of the Group have been altering the composition of their Boards of Directors, adding independent members. Since 2002, METKA has also added members of international repute to its Board of Directors.

Valued shareholders,

In 2002, despite the difficult international economic environment, the low dollar, and persistently low metal prices, the Mytilineos Group managed to improve productivity and economic efficiency. At the same time, the Group steadily continued to pursue its strategic objectives, so that in the future it will grow to be a stronger and an even more competitive European "heavy industry" group in the defense, energy, and metallurgy sectors.

Evangelos Mytilineos
Chairman of the Board

ANNUAL REPORT 2002

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I. Summary of Financial Figures (amounts in €)

	2000	2001	2002
TURNOVER (SALES)	249.277.284,16	194.210.396,43	154.293.901,56
GROSS OPERATING PROFITS	26.665.775,46	22.128.075,02	14.783.063,97
OPERATING EXPENSES	12.227.706,39	11.010.927,28	8.521.029,44
FINANCIAL RESULTS	20.692.790,23	(3.373.549,08)	(875.337,15)
OPERATING RESULTS	35.345.772,48	7.925.075,37	5.464.024,09
NET INCOME	36.843.653,04	9.516.408,57	6.107.713,25
NET INCOME FOR APPROPRIATION	29.975.597,24	2.572.438,56	5.012.578,68
DIVIDENDS	11.891.515,77	2.431.220,40	2.026.017,00
PROFIT CARRIED FORWARD	1.363.510,44	36.519,76	2.737.758,68
TOTAL GROSS FIXED CAPITAL	18.745.477,39	19.273.666,61	20.349.098,32
DEPRECIATION	1.641.238,60	2.023.565,70	2.437.319,17
TOTAL NET FIXED CAPITAL	17.104.238,77	17.250.100,91	17.911.779,15
TOTAL CURRENT ASSETS	166.621.455,49	136.921.521,06	114.089.127,70
TOTAL ASSETS	363.030.056,37	376.956.070,70	377.030.304,64
TOTAL EQUITY	247.781.054,24	246.484.706,34	244.413.676,04
TOTAL LIABILITIES	113.026.163,97	129.393.762,22	122.241.413,18

II. Summary of Consolidated Financial Figures (amounts in €)

	2000	2001	2002
TURNOVER (SALES)	412.869.756,82	383.669.341,47	259.554.311,88
GROSS OPERATING PROFITS	61.146.655,08	59.064.121,57	48.237.490,88
OPERATING EXPENSES	28.556.298,43	30.393.706,89	25.041.237,21
FINANCIAL RESULTS	4.033.027,47	(8.885.098,85)	(4.737.105,25)
OPERATING RESULTS	41.205.622,88	20.367.785,37	18.856.053,23
NET INCOME	40.749.941,98	29.676.181,76	17.595.716,02
NET INCOME FOR APPROPRIATION	33.876.574,80	10.326.901,82	10.891.370,43
DIVIDENDS	11.891.515,77	2.431.220,40	2.026.017,00
PROFIT CARRIED FORWARD	3.175.511,62	4.843.382,51	6.285.960,19
TOTAL GROSS FIXED CAPITAL	112.249.948,21	167.121.637,47	163.514.234,37
DEPRECIATION	52.959.500,56	107.949.299,71	101.767.758,06
TOTAL NET FIXED CAPITAL	59.290.447,66	59.172.337,76	61.746.476,31
TOTAL CURRENT ASSETS	287.716.796,05	298.137.190,67	268.016.292,72
TOTAL ASSETS	372.040.435,10	391.205.568,24	362.193.586,44
TOTAL EQUITY	155.144.740,09	162.317.160,64	149.545.262,67
TOTAL LIABILITIES	213.415.121,24	226.499.938,19	201.571.212,04

1. Company Profile

1.1 Background

Mytilineos Holdings S.A. is a holding company involved in metals, mining, metallurgy, energy, defense, vehicle manufacturing, and construction. The Mytilineos Group is active internationally and has, through the creation of strategic alliances throughout the greater Southeast European region, taken a lead in many of these sectors in the Balkans and beyond.

Mytilineos Holdings S.A. evolved from a family business that was founded in 1908. Today, the third-generation Mytilineos family manages the Group with a team of internationally trained professionals.

Through a series of takeovers and acquisitions from 1991 to 1994, the Group consolidated all activities of its subsidiary firms into the parent company, which in 1995 was listed on the Athens Stock Exchange Parallel Market. Since 1997 Mytilineos Holdings S.A. has been listed on the Athens Stock Exchange Main Market.

The Group's international position was strengthened significantly through a number of strategic agreements signed with metal, mining, and mineral companies of Southeast Europe from 1996 to 1999. The 1998 takeover of Romania's Sometra S.A. and the 1999 acquisition of Cyprus-based Hellenic Copper Mines placed the Group at the forefront of the European metal market.

The Group entered the sectors of energy, defense, infrastructure, and specialized industrial metal construction with the 1999 acquisition of METKA S.A., a major metal construction company.

In 2000, the Group further consolidated its presence in defense and manufacturing through the acquisition of a 43% stake in the formerly state-owned Hellenic Vehicle Industry (ELVO). The Group subsequently increased its stake to 47.5% through a share capital increase and now manages ELVO.

The Group's entry to the energy sector was realized with the establishment of two new subsidiaries in 2002: Mytilineos Power Generation and Supplies S.A. and Mytilineos Hellenic Wind Power S.A.

As a result of these strategic actions, Mytilineos Holdings S.A. has steadily diversified its interests from its traditional activity of global metal trading, ores, and metallurgy, into the promising sectors of energy and defense.

Today the Mytilineos Group is comprised of Mytilineos S.A, METKA S.A., ELVO S.A., Sometra S.A., Mytilineos Finance S.A., Elemka S.A., Hellenic Copper Mines L.T.D, G. Sidirometallki S.A., Mytilineos Power Generation and Supplies S.A., and Mytilineos Hellenic Wind Power S.A.

1.2 Services and Products

The Group has become one of Greece's largest metal traders, primarily through Mytilineos S.A. In addition, through its partnership agreements and takeovers, the Group has evolved from being a commercial partner and intermediary into a manager of some of Europe's most commercially important mineral deposits.

The Group's main trading activities focus on:

- Non-ferrous base metals: copper, lead, zinc, aluminum and their alloys. Apart from aluminum, which is sold mainly to Greece's rapidly-developing rolling and sheeting industries, all other products are supplied to international markets.
- Ores and minerals: raw materials processed to obtain base metals. The Group supplies copper, lead, and zinc to a number of plants in Greece. Affiliated mines have a surplus production capacity.
- Steel products: materials used in construction projects and metal manufacturing industries. Steel was the Group's primary business for a number of years. Although sales of steel products are declining, sales in absolute figures have moved upward, driven primarily by a strong recovery in Greece's domestic building market and by the increase of exports to Balkan markets, mainly Albania.

- Wires: raw materials in the manufacturing of wire ropes, wire netting, and construction grids. The main consumer of wire is the construction sector.

1.3 International Activities-Alliances

The Group's expansion to global metal trading was designed to offset declining sales in the domestic market, where Mytilineos held a leading position for a number of years. Despite challenges, international metal markets were identified as the sole area with the potential to maintain continued high growth rates. The Group's orientation toward global markets was inaugurated in 1995 when it signed a number of agreements with Balkan mining and metallurgy industries. These agreements, which extend beyond ordinary commercial contracts, have allowed Mytilineos Holdings S.A.:

- To partially finance mining and metal processing
- To obtain from, and supply raw materials to, metal processing plants
- To provide mechanical equipment to modernize production processes
- To provide know-how for the effective operation of such plants

In return, the contracting parties supply to Mytilineos Holdings S.A. finished products, of value equivalent to goods and services provided by Mytilineos Holdings S.A., which then trades on its own account. The price of the finished products is fixed on the London Metal Exchange (LME), the largest international commodities market. These agreements are executed exclusively with Mytilineos Holdings S.A., and allow for the supervision for good performance by subsidiaries Mytilineos Belgrade (formerly Sermetrade) in Serbia and MYVEKT DOO in the Former Yugoslav Republic of Macedonia (FYROM).

Commercial agreements of this nature are likely to be signed with more companies in Southeast Europe to better serve the needs of local producers and Mytilineos Holdings S.A. Producers in these countries usually have large output. What they lack is both working capital and the know-how to operate in a competitive global environment. The Group, by adopting such long-term partnerships with local producers, enjoys special privileges and exclusive rights, which further consolidate its position in these markets.

Some of the major agreements:

- A seven-year agreement with Serbia's mining and metallurgy complex RTB-BOR, effective until 2004. RTB-BOR is the largest vertically integrated copper processing plant in Europe and provides Mytilineos with exclusive distribution rights for the largest part of its output in electrolytic copper, gold, and silver. In return for such rights, Mytilineos provides working capital to RTB-BOR for the plant to meet its ore requirements.

- An agreement effective until 2004 with FYROM's SASA, worth U.S.$86 million, giving Mytilineos the exclusive right to exploit sulphurous zinc and lead minerals. In return, Mytilineos provides financing for the plant's production operations. A letter of guarantee amounting to U.S.$6 million by Stopanska Banka, a subsidiary of the National Bank of Greece, covers the production financing of the ZLETOVO-SASA metallurgy group and the commercial agreement with the Group. Part of this amount was repaid in 2002, and the balance will be paid by the end of 2003 since the agreement with the abovementioned group was suspended.

- An agreement with the Kosovo mining group RMHK TREPCA. The agreement has been suspended following RMHK TREPCA's failure to fulfill the terms of its contract with Mytilineos. Mytilineos' contractual claims up to August 1999 amounted to approximately U.S.$47 million. Mytilineos has taken legal action against the guarantor state bank Jugobanka A.D., and a recent ruling by the Financial Court of Belgrade (Decision RZ 4990/2000) has ordered the bank to pay Mytilineos Holdings S.A. the amount of U.S.$46.9 million, bearing legal interest as of August 1999. Moreover, the company signed insurance contract no.003/22-9-1997 with the Legal Entity named "Export Credit Insurance Organization" (OAEP), the insured object being the abovementioned industrial and commercial collaboration between the insured company Mytilineos S.A. and foreign companies RMHK TREPCA, and General Export, with a maximum insured amount of U.S.$26.5 million at the rate of exchange prevailing at the time (281.43 drachmas /U.S. dollar), totaling 7.45 billion Greek drachmas (€21.8 million). As maximum insurance coverage of the investment, 80% of the insured amount was agreed (i.e., 7.4 billion X 80% = 5.9 billion drachmas, or €17.5 million. On January 16, 2000, Mytilineos S.A. made a claim to OAEP according to the terms of the insurance contract through a notice of damage, an insurance damage statement, and a demand of compensation. OAEP unjustifiably held back payment for the compensation owed. For this reason, Mytilineos S.A. brought charges against OAEP by a legal suit on May 27, 2002 at the Court of Athens, asking it to grant judgment in favor of the company for the full amount of the abovementioned insured compensation, i.e., €17.5 million. The initial date of the hearing was set for October 2, 2002 and postponed to November 26, 2002. On June 21, 2002, Mytilineos S.A. made a second claim against OAEP for the provisional payment of part of the insurance compensation, amounting to €1.67 million, the amount that OEAP had recognized as minimum estimated compensation owed, without prejudice for the balance. The application was accepted with decision no. 65391/2002 by the Court of Athens and Mytilineos S.A. did collect the sum of €1.67 million. Mytilineos has revised its earnings forecast downward by €13.2 million, taking a provision in 1999. No further impact on the Group's financial position is expected.

- A five-year, U.S. $50 million cooperation agreement with Hungary's Dunafer group, providing for the exclusive sales of its products, through Mytilineos, to the Balkan states and Egypt, without excluding the potential sales of Dunafer products, through Mytilineos, to other countries.

The Mytilineos Holdings S.A. sales network in foreign countries has grown rapidly and is been serviced by subsidiaries and commercial agents.

Group Turnover Development from 1996-2001 in Domestic and Foreign Markets

(amounts in ths €)

TURNOVER (VALUE)	1997	1998	1999	2000	2001	2002
Domestic Sales from:						
• Commercial Activities	73.471	52.983	60.643	94.803	85.063	78.356
• Construction Activities	1.397	1.541	1.162	11.530	3.759	2.516
• Services	58	355	111	7.583	508	1.419
• Industrial Activities			44.619	57.444	97.952	100.145
Total	**74.926**	**54.879**	**106.535**	**171.360**	**187.282**	**182.436**
Sales in Foreign Markets from:						
• Commercial Activities	85.165	147.389	166.051	232.561	185.130	74.173
• Services	58	32		6.841	9.051	2.519
• Industrial Activities			361	2.107	2.204	425
Total	**85.223**	**147.421**	**166.412**	**241.509**	**196.385**	**77.117**
Grand Total	**160.149**	**202.300**	**272.947**	**412.869**	**383.667**	**259.553**

The expansion of Mytilineos' activities in global trading is a natural development, due to its leading position in the Greek market and its affiliations in international markets.
Mytilineos Holdings S.A. has developed an exceptionally flexible and effective operational structure, allowing the Group to consistently provide high-quality services. The company is organized into four (4) main departments (Administration, Finance, Commercial Operators, and Transport) that are staffed by highly qualified personnel.

The Group has a state-of-the-art telecommunications and information technology infrastructure that provides for an uninterrupted flow of information on market developments and conditions, client requirements, merchandise availability, and transportation capacity. This advanced ICT infrastructure meets the demanding needs of its entire sales network.

As stated, certain unique aspects characterize the partnerships that the Group has created with a number of foreign companies. The Group has effectively assumed joint management of the plants with which it cooperates, although it holds no share in any of the firms' equity. However, in most cases, the Group retains the right of priority in any future privatization of these businesses, a right that safeguards its interests in the event of take-over bids.

Similar business alliances are likely to be signed with companies in East European states to better serve the requirements of local producers and to provide value added to the Group. Even though producers in these countries can usually realize large output, they lack both working capital and the required know-how needed to operate in a competitive global environment.

1.4 Sales and Distribution Network

The Mytilineos Holdings S.A. sales and distribution network includes three (3) distribution centers in Greece and an extensive network of commercial agents in other countries.

1.4.1 Sales Network in Foreign Countries

The Group has established in many countries a rapidly expanding sales network, whose activities are supported by subsidiaries and commercial agents.

Subsidiaries	Agencies
Luxembourg	Milan, Italy
Nicosia, Cyprus	Trieste, Italy
Belgrade, Serbia	Budapest, Hungary
Skopje, FYROM	Tel Aviv, Israel
Bucharest, Romania	Cairo, Egypt
Copsa Mica, Romania	Istanbul, Turkey
	Durres, Albania

Commercial agents working with Mytilineos Holdings S.A. have been carefully selected. They must be highly familiar with market conditions and provide the Group with accurate information and precise estimates of expected demand in their markets. In addition, their contribution to monitoring and good execution of orders is deemed essential.

The primary international markets for Mytilineos Holdings S.A. products are Italy, Egypt, Turkey, and the countries of the Balkans and Eastern Europe. Cooperation agreements with commercial agents vary from country to country and commission rates are agreed upon at the time the contract is signed.

A large part of international sales is negotiated directly by the Group through the Commercial Department's direct contact with clients.

1.4.2 Domestic Sales and Distribution Network

Mytilineos Holdings S.A. has three (3) company-owned distribution centers in Greece:

In Aspropyrgos in Attica, serving the greater Athens region
In the Ioannina Industrial Region, serving Western Greece and Albania
In the Industrial Region of Sindos, Thessaloniki, serving Northern Greece

Mytilineos Holdings S.A. Sales per Geographic Region	
Greece	42.95%
Cyprus	4.48%
Italy	11.24%
Romania	22.13%
Switzerland	3.16%
Egypt	2.32%
Poland	1.39%
Czech Republic	1.14%
Turkey	1.90%
Germany	1.14%
Bulgaria	1.38%
USA	1.96%
Others	4.81%
TOTAL	**100%**

1.5 Market Overview

Mytilineos Holdings S.A. belongs to brunch code 515.2 "wholesale trade of metals and minerals" according to the National Statistic Service of Greece (ESYE). The primary activity of Mytilineos S.A. today is the international trade of metals and minerals, as well as having equity stakes in other companies.

Non-ferrous metal trade represents 80.50% of the company's turnover. Many international trading houses are active in international non-ferrous trade. What these trading houses primarily do is buy product in one foreign country and resell it in another foreign country. An important strategic advantage is access to sources of product on competitively favorable terms. The majority of these products are traded on stock exchanges whose prices are determined in the international metals exchanges, the most important of which is the London Metals Exchange (LME).
Mytilineos Holdings S.A. believes that its strategic agreements in Serbia and FYROM, as well as its acquisition of the Romanian metallurgical complex Sometra S.A., have enabled it to become the largest copper, lead, and zinc trading company in the Balkans and a leading player in the East Mediterranean and Middle East.

Prices of base metals which the Group trades (copper, aluminum, lead, zinc) stabilized during 2002 on the London Metal Exchange, as did the overall LME index (–3.44%) compared with the previous financial year. The stabilization was evidenced by the significant reduction in the range of price fluctuations (from 47% up to 67% for these metals) and the estimated higher increase in demand (2.0-2.5% in western markets and roughly 3.5% worldwide) compared with the growth rate of the economy worldwide (2.0-2.5%). Increased production capability, reserves, and yield in product played an important role in dropping average prices slightly.

Copper and aluminum, the two metals most influencing metal indicators, moved in a parallel direction but at a different pace. Copper lost 1.3% and aluminum 6.5% in value compared with prices of the previous financial year.

On average, the price of copper maintained a steady course during the whole of 2002 (–1.3%) with the exception of the 3rd quarter (–5.9%) when there were false expectations for the first half growth rate, leading to a fall in stock exchange indicators and a correction in metal market prices in comparison with high levels in June. Factors that contributed to copper's market movements were: the relatively high flexibility in supply; significant reductions in mining levels (–3.0% - –3.5%) and production (–2% worldwide); China and former Eastern-bloc countries changing from being net exporters to becoming net importers of raw materials and final product ; the fully balanced production (–178,000 tons) that maintained net recorded reserves roughly at the same levels (1.3 million tons) as those of 2001. The average price for the year was $1,557.50/ton; the closing price for the year was $1,536.00/ton; average changes per quarter (compared with the previous quarter) were 9.2% for the first quarter; 3.5% for the second quarter; –5.9% for the third quarter, and 2.5% for the fourth quarter. The range of fluctuation was $1,689.50–$1,421.00.

The price of aluminum fared better during the year (–6.5%) in relation to the basic parameters that affect the price (production, consumption, level of reserves). The price of aluminum followed the general direction of the market in each quarter. With an estimated increase in demand of roughly 4% worldwide, a significant increase of 4% in production capability (mainly because of China), and a rise of 7.2% in production, the estimated surplus was roughly 1 million tons for 2002 (625,000 tons recorded). The average price for the year was $1,349.34/ton; the closing price for the year was $1,344.50/ton; average changes per quarter (compared with the previous quarter) were 4.8% for the first quarter; –1,8% for the second quarter; –3,3% for the third quarter, and 3.2% for the fourth quarter. The range of fluctuation was $1,438.00–$.1,275.50

With surpluses in supply (+ 577,000 tons worldwide), zinc continued its downward course during 2002, marking the largest average price drop (–12.2%) in the metals of this group. Despite the fact that for first time since 1993 total mining production worldwide decreased by 1%, mainly due to reductions in production in China, and total consumption increased (+ 1.55%) compared with 2001 (–1.06%), the rigidity of relative price /production of final product was an important factor contributing to the overall figure. The average price for the year was $778.56/ton; the closing price for the year was $749.50/ton; average changes per quarter (compared with the previous quarter) were 4.1% for the first quarter; –1,6% for the second quarter; –2,0% for the third quarter, and 0.8% for the fourth quarter. The range of fluctuation was $842.50–$725.50.

Finally, the average price of lead also dropped in 2002 (–4.9%) compared with 2001 (+ 4.8%), when it fared exceptionally well in the generally negative climate of the market. Demand continued to drop in 2002 (–1.47% worldwide), although less than the previous year, because of a reduction in investments by "new economy" businesses and a reduction in the use of industrial batteries. On the other hand, the continuous increased use of recyclable materials and secondary products as primary input in metallurgy, and cuts in production (mainly in Europe) that resulted in historical lows in total mining product (–8.53% worldwide), did not impact the slight increase in total production (+ 0.87% worldwide). The final balance of production remained positive by far (+191,000 tons) and the recorded reserves reached roughly 550,000 tons. The average price for the year was $452.58/ton; the closing price for the year was $421.50/ton; average changes per quarter (compared with the previous quarter) were 2.5% for the first quarter; –7.4% for the second quarter; –5.4% for the third quarter, and 1.0% for the fourth quarter. The range of fluctuation was $538.00–$402.50.

1.6 Main Events During 2002

1.6.1 Energy

Mytilineos Holdings S.A., taking advantage of opportunities arising from deregulation in the Electricity and Natural Gas Markets, continued investing during 2002 in electricity generation and trading, both in Greece and in Balkan countries.

Mytilineos Power Generation And Supplies S.A. (MPGS) completed all procedures to develop a 400 MW natural gas-fired power production plant in the industrial area of Volos.

Status of the Volos power plant:

The Environmental Impact Assessment Study has been completed.
The Hellenic Transmission System Operator has issued the specific terms and conditions for the connection and the interconnection with the electrical grid.
Fichter–Exergia, a joint venture company, has performed the feasibility study of the thermoelectric power station, a study that includes the technical, economic, and market analyses.
The geotechnical study of the Servisteel's land plot has been completed.

During this period, the Group has been seeking partnerships with financial institutions to secure the financing of this large investment program.

New Mytilineos subsidiary Rhodes Power Generation and Supplies S.A., together with Rolls Royce Power Ventures Limited and Domiki Kritis S.A., participated in a tender issued by RAE (Regulatory Authority for Energy), acting on behalf of the Ministry of Development, for the engineering, construction, and operation of a power plant, of 120MW on the island of Rhodes. The Rhodes plant was tendered under a BOO scheme, and the final results of the tender are expected to be announced in 2003.

Also during 2002, Mytilineos Hellenic Wind Power S.A. (MHWP) was granted power generation licenses from RAE for four (4) wind farms in Evia.

Plans for the wind farms in Sidirokastro, Serres, and in Platanos, Crete have reached a very advanced stage, and construction is expected to begin in the second half of 2003. Both farms have been granted a subsidy from the Ministry of Development.

Concurrently, MHWP has begun the studies necessary to be granted installation licenses and subsidies for the four wind farms in Evia.

1.6.2 Defense

With the acquisition of a 43% share in ELVO (Hellenic Vehicle Industry), the largest enterprise of its kind in Greece, (the equity was raised to 47.5% through a capital increase in December 2001), Mytilineos S.A. has significantly strengthened the industrial profile of the Group, especially in the field of defense systems and armaments. This acquisition complements the Group's activities in electromechanical equipment, and in minerals and metallurgy.

During 2002, which can be characterized as a crucial year for ELVO, the company's turnover decreased by almost 14% (from €144 million to €123.6 million) due to a significant decrease of Ministry of Defense contracts. The company's profitability, however, almost quadrupled, due to more efficient and rationalized management, an improvement in financial management, and a marked improvement in the supervision and management of current contracts.

In relation to fiscal year 2002 financial results, a number of developments must be stressed:

- Financial results have been satisfactory without decreasing the company's personnel, fulfilling an agreement, which expires in August 2003, between the State and the Mytilineos Group.
- A significant increase in gross margins (from 10% to 20%) has been achieved due to improved cost controls and a reduction in production costs.
- The company has significant liquidity and zero short-term bank loans. Cash on hand equals €15.5 million, due to the reduction of financial expenses from €5.3 million to €1.8 million in fiscal year 2002.
- Depreciation increased by 50%, to €4.7 million from €3.1 million in 2001.

In addition, the Ministry of National Defense selected ELVO to produce 150 Kentavros (AIFV) Armored Infantry Fighting Vehicles for the Hellenic Armed Forces. Apart from the initial order for the 150 vehicles, the Greek State has the option to request production of an additional 130 vehicles. The initial order is valued at approximately €410 million.

The Ministry of National Defense signed a contract for 170 Leopard «A2» Main Battle Tanks with Germany's Krauss Maffei Weggman. ELVO was selected to carry out the final assembly of the tanks. This contract is particularly important for a number of reasons. In addition to the significant revenue from the project (roughly €60 million), ELVO will gain valuable know-how and prestige. Leopard tanks rolling out of ELVO's factory will be a first for a Greek company and will mark a new era in our capabilities to produce world-class products in a highly demanding sector.

In addition to the final assembly of the Leopard «A2» Main Battle Tanks, ELVO will conduct reliability tests and final certification of the 170 Leopard «A2» Main Battle Tanks. The project will require:

- The construction of new buildings and a new production line at ELVO in Thessaloniki.
- The construction of a new track for testing the battle tank and for checking the reliability of its weapon systems.
- The installation of a new control system to test the electromagnetic compatibility of the electronic elements of the tank, an installation that will be unique in the country.

This investment, in combination with the advanced know-how ELVO will acquire from the construction and assembly of the main battle tank, will form the base leading to the further construction of similar vehicles. This project will employ 100 highly-skilled persons.

ELVO's participation in the Leopard tank project will commence one year after initial tank construction by Krauss Maffei Weggman and will terminate in 2009.

It should be noted that ELVO subcontracts to roughly 500 companies in Northern Greece and ELVO's total investment in the project during the next three years will exceed €40 million.

METKA's objective, through its long and dynamic presence in armaments programs, is to become one of the top defense contractors in Greece. METKA's advances in technical capabilities and know-how are ensuring that this goal will soon become realized. Collaborations in the construction of armored vehicles, the AIV truck Leonidas (in cooperation with ELVO), the construction of a torpedo loading system for submarines (in collaboration with the Greek Navy), and the construction of the metal subsystems for MEKO class frigates (in collaboration with Hellenic Shipyards and Blohm + Voss) are rapidly propelling the company to the top ranks of armaments producers. In addition, METKA recently completed the production of 42 Patriot missile system platforms (trailers and launchers), in collaboration with the American companies Raytheon and Lockheed Martin, in a project valued at €22 million.

Recently, METKA has contracted to produce and construct the pressure hull of the new submarines for the Hellenic Navy, a project carried out in collaboration with the German Shipyards FS/HDW, and valued at €18.5 million. In addition, METKA has signed a €1 million contract to produce parts for the Howitzer self-propelled tracked gun, and various other contracts in the defense sector.

1.7 Main Shareholders

At the end of fiscal year 2002, the main shareholders of the company Mytilineos Holdings S.A. were:

SHAREHOLDER (S)	NO. OF SHARES	(%)
EVANGELOS MYTILINEOS	8.314,188	20.52
IOANNIS MYTILINEOS	8.129,425	20.06
METAL CONSTRUCTION OF GREECE (METKA)	934,630	2.31
OTHER	23.142,197	57.11
TOTAL	**40.520.340**	**100**

The company's shares has a significant free float. No "other" shareholder holds a stake of more than 1.5%.

1.8. Board of Directors – Management

Board of Directors

Evangelos Mytilineos: Chairman and Managing Director: He graduated from the Athens University of Economics and Business (AUEB) with a degree in Economics while he holds a M(Sc) degree in Economics from London School of Economics and Political Sciences.

Ioannis Mytilineos: Vice President and Managing Director: He graduated from the Aristotele University of Thessaloniki with a Civil Engineering degree.

Sofi Mytilineou Daskalaki: Member of the Board – Corporate Affairs Director: She graduated from the London School of Economics and Political Sciences with a degree in Economics.

George Kontouzoglou: Executive Director: He graduated from the Athens University of Economics and Business (AUEB) with a degree in Economics.

Management

Arampatzis Elefterios: Ioannina Branch Manager. He graduated from the Aristotele University of Thessaloniki with a degree in Marketing.

Desypris Ioannis: Energy Projects Manager. Chemical Engineer. B(Sc) South Bank University, UK, PHD Leeds University, Leeds, UK.

Doumanoglou Antonis: General Manager, Commercial Department Metallurgies & International Trade: He graduated form the University of Illinois with a degree in Electrical Engineering.

Gavalas Christos: Group Treasurer: He graduated from the Athens University of Economics and Business (AUEB) with a degree in Business Administration.

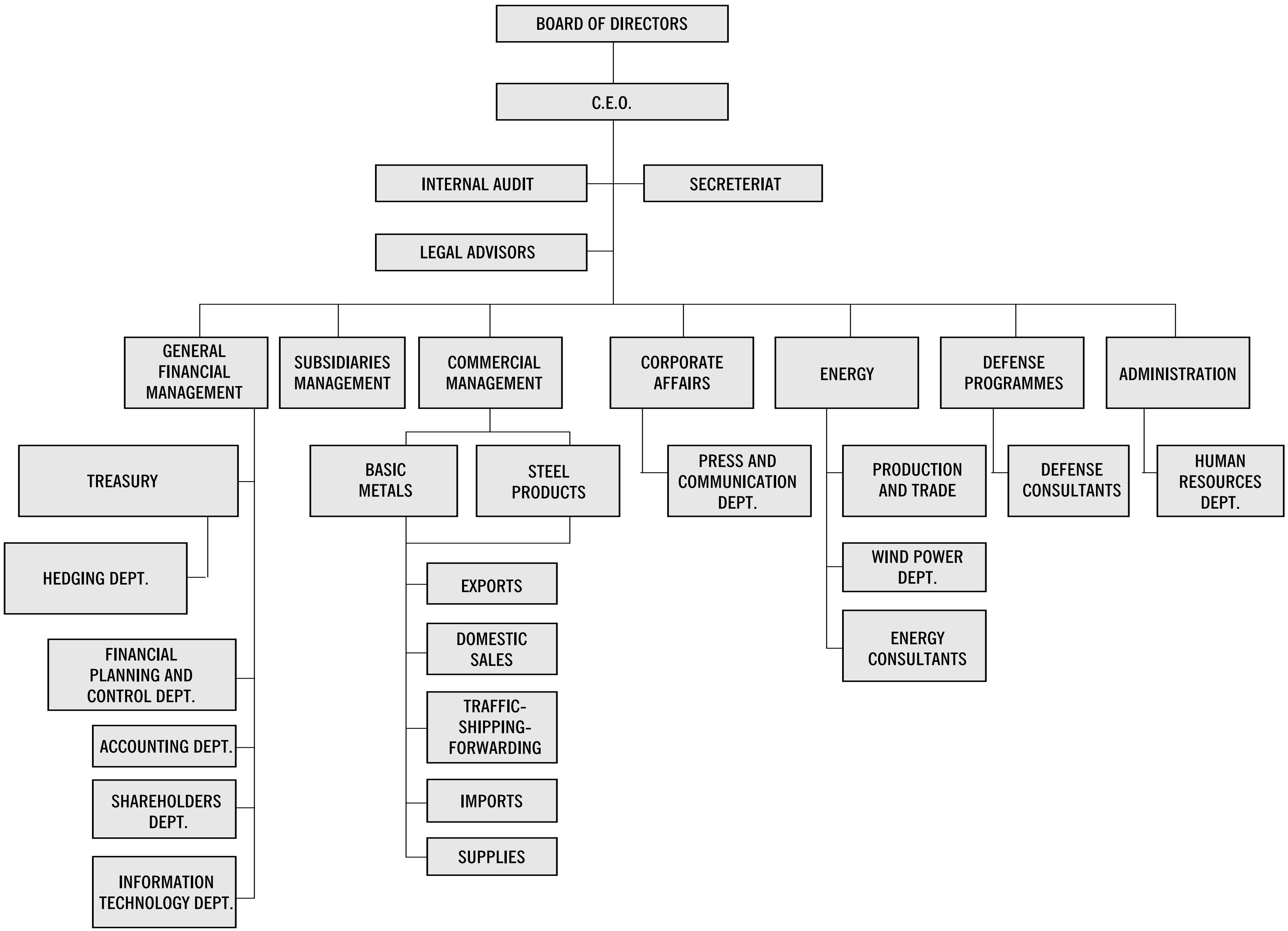
Giannakopoulos Stamatis: Business Developer Advisor: He graduated from the National Technical University of Athens (NTUA) with a degree in Mining Engineering and Metallurgy.

Kelaidis George: Defense Programs Manager: Aeronautical Engineer of the Hellenic Air Force

Mitsovoleas Apostolos: Chief Financial Officer: B (Econ), Aristotele University of Thessaloniki, P.G.Dipl. in Accounding and Finance, Heriot-Watt University, Scotland, Mphil in Financial Planning, University of Edinburgh.

Tsampeloglou Stavros: Chief Audit Executive: He graduated from the University of Piraeus with a Business Administration degree.

1.9 Corporate Organizational Chart



1.10 Corporate Governance – Internal Audit

The company has adopted Corporate Governance Principles in line with those established by Greek legislation and by international best practices. These principles, on which the organization and management of the company are ultimately based, strive for transparency in investor relations and the indemnity of shareholders' interest. Internal Auditing is a basic and essential element of corporate governance. The Internal Audit department of Mytilineos S.A. is an independent organizational unit that reports to the company's Board of Directors.

The mission of the unit is to provide objective assurance and consulting services designed to add value and improve the organization's operations. Its responsibilities include the evaluation and improvement of risk management and internal auditing methodology. The unit also verifies compliance with legislated policies and with procedures set by the company's Internal Regulation of Operations since 2001. The Internal Auditing Unit of Mytilineos S.A. is headed by Mr. Stavros Tsampeloglou.

1.11 Human Resources

Mytilineos Holdings S.A. personnel—administrative officers and other employees—are carefully selected.

ALLOCATION AND EDUCATION LEVEL OF PERSONNEL

PERSONNEL	2000	2001	2002
ADMINISTRATIVE OFFICERS	65	78	74
OTHER EMPLOYEES/WORKERS	5	5	3
TOTAL	**70**	**83**	**77**
EDUCATION LEVEL			
HIGHER EDUCATION – UNIVERSITY DEGREE	39	45	44
HIGHER EDUCATION – TECHNOLOGY INSTITUTE DEGREE	25	32	27
SECONDARY EDUCATION	6	6	6
TOTAL	**70**	**83**	**77**

Mytilineos Holdings S.A. provides continuous training for its personnel and is in full compliance with all worker safety and health regulations.

In addition to mandatory state insurance coverage, the company offers all staff supplementary insurance through the Agrotiki Life Insurance company. Agrotiki Life's group policy provides employees with coverage for accidents, health care, and life insurance and provides for compensation of up to 10 monthly salaries per employee. Relations between the Group's administration and employees are excellent.

A total of 3,500 persons are employed by Mytilineos Group in and outside Greece.

1.12 Investments

The Group's largest investments in the period 1998-2002:

1998

- Acquisition of a 27.54% stake in METKA S.A. (listed on the Athens Stock Exchange), an investment totaling €31.5 million

- Acquisition of a 60% stake in the Romanian metallurgy firm Sometra S.A. from Romania's State Ownership Fund, an investment totaling €3.45 million

- Construction of a company-owned office building totaling 1,500m^2 , on a 761 m^2 plot of land in Paradisos Amarousiou, Athens, to house the company's head offices. Value: €2.93 million

1999

- Acquisition of a 20.06% stake in listed METKA S.A., an investment totaling €26.9 million
- Acquisition of the U.S. Consulate building in Thessaloniki, an investment totaling €8.5 million
- Conclusion of the first investment phase to modernize S.C. Sometra S.A., Romania, an investment totaling €3.5 million

2000

- Acquisition of a 22.53% stake in Hellenic Vehicle Industry S.A. (ELVO), an investment totaling €6.3 million
- Acquisition of an additional 12% stake in METKA S.A., an investment totaling €46.3 million
- Acquisition of an additional 27% stake in Romania's Sometra S.A., though an increase in share capital, an investment totaling €15.08 million
- Acquisition of a 30% stake in Hellenic Copper Mines Ltd., an investment totaling €5.9 million

2001

- Acquisition of an additional 4.5% stake in Hellenic Vehicle Industry S.A. (ELVO) through an increase in share capital, an investment totaling €4.19 million
- Acquisition of an additional 4% stake in METKA S.A., an investment totaling €9.9 million
- Beginning of phase A of the construction of a company-owned building totaling 673,24 m^2 in Thessaloniki.

2002

- Acquisition of an additional 5.82% stake in METKA S.A. an investment totaling €23.9 million
- Beginning of phase B of the construction of a company-owned building in Thessaloniki.

INVESTMENTS – FIXED ASSETS (amounts in €)

	2000	2001	2002	TOTAL
Land	121.569,53	-	3.675.157,74	3.796.727,27
Building & Construction Projects	267.228,15	83.052,09	-	350.280,24
Machinery and Other Equipment	-	5.282,47	70.505,00	75.787,47
Transportation	90.607,00	-71.007,26	-157.926,75	-138.327,01
Furniture and Other Fixtures	192.804,36	-60.868,87	-15.706,48	116.229,01
Payments on Accounts & Tangible Under Construction	145.698,32	571.730,79	-2.528.010,89	-1.810.581,78
TOTAL	**817.907,36**	**528.189,22**	**1.044.018,62**	**2.390.115,20**

2. Balance Sheet

2.1 Operations - Results

TURNOVER AND RESULTS: 2000-2002 (amounts in €)

	2000	2001	2002
Total Turnover	**249.277.284,16**	**194.210.396,43**	**154.293.901,56**
Less: Cost of Sales (before Depreciation)	222.611.508,70	172.082.321,41	139.510.837,59
Gross Operating Results (Profit)	26.665.775,46	22.128.075,02	14.783.063,97
(% of Turnover)	10,70%	11,39%	9,58%
Plus: Other Operating Income	214.913,18	181.476,70	77.326,71
Total	**26.880.688,64**	**22.309.551,72**	**14.860.390,68**
Less: Administrative Expenses (before Depreciation)	3.934.577,25	3.356.166,46	2.436.584,09
Distribution Expenses (before Depreciation)	7.174.648,23	6.465.259,96	4.818.019,00
Total Expenses	11.109.225,48	9.821.426,42	7.254.603,09
(% of Turnover)	4,46%	5,06%	4,70%
Operating Results	15.771.433,16	12.488.125,30	7.605.787,59
(% of Turnover)	6,33%	6,43%	4,93%
Plus:			
Revenue from Equity Shares & Securities	30.210.810,86	3.011.828,08	3.464.063,80
Extraordinary & Non-Operating Revenue	13.206.045,36	2.699.876,91	5.448.366,50
Extraordinary Income & Revenue from Prior Fiscal Years	23.973,67	23.353,08	54.235,37
Revenue from Provisions of Prior Years	-	-	-
Less:			
Expenses & Losses from Equity Shares & Securities	889.540,21	107.341,91	32.996,81
Extraordinary & Non-Operating Expenses	11.640.177,06	1.047.910,44	4.383.947,33
Extraordinary Loss	9,98	5.441,51	27.409,88
Expenses from Prior Years	91.951,43	78,544,84	392.255,50
Provisions from Emergencies	-	-	55.300,00
Income before Interest and Depreciation	**46.590.614,37**	**16.983.944,68**	**11.680.543,74**
(% of Turnover)	18,69%	8,74%	7,57%
Plus: Credit Interest & Related Revenue	254.783,35	105.262,27	385.420,11
Less: Debit Interest & Related Expenses	8.883.263,76	6.383.297,52	4.691.824,25
Income before Depreciation & Tax	**37.962.133,96**	**10.705.909,43**	**7.374.139,60**
(% of Turnover)	15,23%	5,51%	4,78%
Less: Depreciation (Total)	1.118.480,91	1.189.500,86	1.266.426,35
Profits Before Tax	36.843.653,04	9.516.408,57	6.107.713,25
(% of Turnover)	14.78%	4,90%	3,96
Less: Taxes	7.105.416,20	2.642.489,24	1.131.654,33
Less: Distribution of Profits to Staff	-	-	-
Profits After Taxes and Distribution of Profits	**29.738.236,84**	**6.873.919,33**	**4.976.058,92**
(% of Turnover)	11,93%	3,54%	3,23%
Less: Additional Taxes	-	5.664.991,21	-
Profits after Taxes, Distribution of Profits & Additional Taxes	**29.738.236,84**	**1.208.928,12**	**4.976.058,92**
Revised Profits before Taxes	29.738.236,84	(4.986.741,88)	3.687.631,92

Turnover

The Company's turnover has shown a minimal decrease in the last three-year period, due primarily to the adverse conditions of the international metals market and to the U.S. dollar and euro exchange rate.

Cost of Sales–Gross Profits

The Company's gross profit margin should be regarded as satisfactory, given the nature of the Company's commercial activities. The Company's partnership agreements, providing it with inexpensive raw materials, have been a major benefit in maintaining satisfactory gross profits, especially at a time of adverse conditions in the international metals market.

Administration–Distribution Expenses

Operational expenses have decreased in line with a decrease in the company's turnover. The ratio of operational expenses to sales remained unchanged.

Revenue-Expenses from Equity Participation and Securities

The Company posted considerable income from dividends received due to equity stakes in affiliated companies. Expenses are derived exclusively from sales of shares and securities. Due to the adverse conditions of the Greek stock exchange in 2001 and 2002, revenues from securities were significantly reduced.

Extraordinary and Non-Operating Revenues–Expenses

Extraordinary and non-operating revenues and expenses are largely related to exchange rates, caused by significant fluctuations of the U.S. dollar against the euro.

Credit-Debit Interest

The Company has recorded increased revenue from credit interest due to its high cash position. In addition, financial expenses fell as a result of the conversion of short-term debt to long-term debt.

Depreciation

ALLOCATION OF DEPRECIATION: 2000-2002 (amounts in €)

Cost Centers	2000	2001	2002
Administrative Expenses	869.954,45	925.554,16	985.026,41
Distribution Expenses	248.526,46	263.946,70	281.399,94
Cost of Sales	-	-	-
Total	**1.118.480,91**	**1.189.500,86**	**1.266.426,35**

TURNOVER – GROSS PROFIT MARGIN ANALYSIS (amounts in €)

Item	Turnover (amounts in €)	Gross Profit % (change)
Copper	29.738.307,00	7,40
Lead	6.343.421,22	14,41
Zinc	33.755.511,68	9,07
Aluminium	11.381.340,61	4,10
Steel Products	26.280.093,98	11,76
Wires	3.770.657,58	5,26
Ores & Minerals	24.902.506,37	7,86
Raw Materials	12.580.939,09	11,42
Other	5.541.124,03	10,54
Total	**154.293.901,56**	**9,58**

ADMINISTRATIVE AND DISTRIBUTION EXPENSES TO COST SERVICES (amounts in €)

Expense	Administration	Distribution	Finance	Total
Personnel Expense	1.108.601,91	1.984.863,29	-	3.093.465,20
Third Party Fees	408.423,99	666.375,98	-	1.074.799,97
Third Party Benefits	259.703,68	482.306,82	-	742.010,50
Taxes / Duties	52.917,27	94.075,14	-	146.992,41
Overhead	606.937,24	1.590.397,77	32.996,81	2.230.331,82
Interest & Financial Expenses	-	-	4.691.824,25	4.691.824,25
Depreciation	985.026,41	281.399,94	-	1.266.426,35
Total	**3.421.610,50**	**5.099.418,94**	**4.724.821,06**	**13.245.850,50**

2.2 Appropriation of Profits before Depreciation and Taxes: 2000-2002

APPROPRIATION ACCOUNT (amounts in €)

	2000	2001	2002	2000-2002	%
Profits Before Taxes and Depreciation	37.962.133,95	10.705.909,43	7.374.139,60	56.042.182,98	
Results Brought Forward	237.360,40	1.363.510,44	36.519,76	1.637.390,60	
Total	**38.199.494,35**	**12.069.419,87**	**7.410.659,36**	**57.679.573,58**	
Appropriated as under					
Total Depreciation	1.118.480,91	1.189.500,86	1.266.426,35	3.574.408,12	6,20%
Legal Reserve	1.197.418,72	26.033,72	248.803,00	1.472.255,44	2,55%
Other Reserve	15.523.152,31	78.664,68	-	15.601.816,99	27,05%
Taxes – Tax Differences	7.105.416,20	8.307.480,45	1.131.654,33	16.544.550,98	28,69%
Provision for Minorities	-	-	-	-	-
Dividends	11.891.515,77	2.431.220,40	2.026.017,00	16.348.753,17	28,34%
Profits Distributed to Employees	-	-	-	-	-
Results Carried Forward	1.363.510,44	36.519,76	2.737.758,68	4.137.788,88	7,17%
Total	**38.199.494,35**	**12.069.419,87**	**7.410.659,36**	**57.679.573,58**	**100%**

As shown in the table above, 29.6% of 2000-2002 profits was retained by the company (reserve and depreciation), while 28.69% was used to pay taxes and 28.34% was used to pay dividends.

2.3 Analysis of Financial Position 2000-2002

The course of the Company's basic indices in the three-year period 2000-2002 is shown in the table below.

BALANCE SHEET RESULTS: 2000-2002 (amounts in €)

Assets	2000	2001	2002
Non–Depreciated Intangible Fixed Assets	2.298.909,26	2.433.923,35	1.686.289,78
Tangible Fixed Assets	18.745.477,38	19.273.666,60	20.349.098,32
(Less: Accumulated Depreciation)	1.641.238,61	2.023.565,70	2.437.319,17
Non-Depreciated Tangible Fixed Assets	17.104.238,77	17.250.100,91	17.911.779,15
Equity Interest & Affiliated Undertakings	177.003.535,76	219.088.110,71	243.269.465,14
Total Fixed Assets	**194.107.774,53**	**236.338.211,62**	**261.181.244,29**
Stocks	33.547.618,23	29.464.772,65	30.893.967,65
Trade Debtors	63.514.512,73	59.524.374,67	56.831.032,37
Receivable Checks - Overdue	55.541.499,69	4.828.446,48	10.237.629,34
Term Deposits	4.695,52	11.105,19	-
Other Assets	4.525.311,99	25.266.085,00	10.208.192,98
Securities	6.725.566,29	7.099.892,04	2.681.939,80
Cash in Bank and on Hand	2.762.251,04	10.726.845,03	3.236.365,56
Total Current Assets	**166.621.455,49**	**136.921.521,06**	**114.089.127,70**
Prepayments and Accrued Income	1.917,07	1.262.414,67	73.642,87
Total Assets	**363.030.056,37**	**376.956.070,70**	**377.030.304,64**

Liabilities			
Share Capital	23.783.031,55	24.312.204,00	24.312.204.00
Share Premium Account	183.906.925,77	183.906.925,77	183.906.925,77
Reserves from Value Adjustments of Other Assets	662.396,30	133.223,85	133.223,85
Reserves	38.065.190,18	38.095.832,97	33.323.563,74
Reserves Carried Forward	1.363.510,44	36.519,76	2.737.758,68
Consolidation Balance – Minority Rights – Currency Consolidation Balance	-	-	-
Total Capital and Reserves	**247.781.054,24**	**246.484.706,34**	**244.413.676,04**
Provisions	1.647.961,32	1.052.030,34	10.252.741,26
Bank Loans	48.361.096,18	110.768.902,83	52.445.885,38
Other Long–Term Debt	19.096,85	-	-
Total Long–Term Debt	**48.380.193,03**	**110.768.902,83**	**52.445.885,38**
Suppliers	8.718.347,88	9.222.310,10	7.642.642,42
Notes Payable	-	-	-
Banks	34.619.404,07	2.102.979,57	56.886.116,21
Advances from Trade Debtors	132.841,65	60.777,48	746.931,93
Social Security	84.562,71	86.588,51	93.492,31
Taxes – Duties – Social Insurance Funds	7.562.206,39	3.058.699,93	916.462,69
Dividends Payable	12.269.560,82	3.103.962,64	2.696.387,16
Sundry Creditors	1.259.047,42	989.541,16	813.495,08
Total Short-Term Creditors	**64.645.970,94**	**18.624.859,39**	**69.795.527,80**
Accruals and Deferred Income	574.876,84	25.571,78	122.474,16
Total Liabilities	**363.030.056,37**	**376.956.070,70**	**377.030.304,64**

Stock and Estimation Method

Value of total stock on hand as of 31.12.2001 amounted to €2.55 million.

Payable Dividends

As of 31.12.2002, account "payable dividends" stood at €2.69 million, corresponding to dividends for 2002 totalling €2.02 million, and a dividend balance from prior years amounting to €670,370.00.

2.4 Basic Financial Ratios

BASIC FINANCIAL RATIOS: 2000-2002

	2000	2001	2002
DEVELOPMENT RATIOS (%)			
Turnover	83,22	(22,09)	(20,55)
Profits Before Tax	4,08	(74,17)	(35,82)
Profits After Tax and Directors Remuneration	4,48	(98,61)	279,84
Tangible Assets (Acquisition Value)	8,18	2,81	5,58
Total Employed Capital	17,36	3,83	0,02
PROFIT MARGIN RATIOS (%)			
Gross Profit Margin	10,70	11,39	9,58
Net Profit Margin (Before Tax)	14,78	4,90	3,95
PERFORMANCE RATIOS (BEFORE TAX) (%)			
Return of Total Capital Employed	10,15	2,52	1,62
VELOCITY OF CIRCULATION RATIOS (DAYS)			
Assets	173	119	156
Suppliers	15	20	20
Stock	3,5	6,5	6,06
DEBT RATIOS (:1)			
Total Liabilities / Owners' Equity	0,46	0,52	0,50
Bank Debt / Owners' Equity	33,48	45,79	44,73
LIQUIDITY RATIOS (:1)			
Current Liquidity	1,35	1,32	1,34
Liquidity	-	-	-
FINANCIAL LIABILITY RATIOS (:1)			
Financial Expenses / Gross Profit	0,37	0,29	0,32
Financial Expenses / Results Before Tax and Interest	0,26	0,68	0,77

Performance

Performance of both owners' equity and total assets moved downward during the three-year period 2000-2002 due to the adverse conditions of the Greek stock exchange in 2001 and 2002, during which time revenues were not generated from sales of securities.

Inventory Turnover

The relatively low inventory maintained by the Company resulted in the stability of all the ratios in the period 2000-2002.

Liquidity

In the last three-year period, the Company recorded a high ratio of liquidity due to the share increase in capital by Mytilineos Holdings S.A. and due to the U.S. $55 million 5-year syndicated loan secured in November 2001.

Financial Liability

Although total liabilities increased from 2000-2002 (0.50% of equity capital in 2002), the Company has kept interest expense at relatively low levels compared to results by gradually converting short-term borrowing to long-term borrowing.

2.5 Financial Sources and Use of Capital

TABLE OF FINANCE SOURCES AND USE OF CAPITAL (amounts in ths. €)

	2000	2001	2002
Finance Sources			
Profit Before Tax	36.842	9.517	(3.409)
Depreciation	1.118	1.189	1.266
Long-Term Loans	-	62.406	(58.323)
Other Long-Term Debts	17	(17)	-
Short-Term Loans	15.516	-	54.783
Provisions	(4.481)	(596)	9.200
Cash Payable Share Capital Increase	-	-	-
Total	**49.012**	**72.499**	**3.517**
Use of Capital			
Increase in Formation Expenses	910	740	-
Increase in Tangible Fixed Assets	1.420	528	1.295
Increase in Holdings and Other Financial Assets	83.378	42.084	24.133
Reduction in Short–Term Loans	-	32.517	-
Dividends	11.677	9.218	2.433
Taxes	9.726	4.396	2.900
Change in Cash in Bank and on Hand	(55.255)	7.964	(7.490)
Change in Working Capital	(2.844)	(24.948)	(19.754)
Total	**49.012**	**72.499**	**3.517**

2.6 Consolidated Results

TABLE OF CONSOLIDATED RESULTS: 2000-2002 (amounts in €)

	2000	2001	2002
Turnover from:			
Industrial – Construction Activity	71.081.213,54	103.915.876,36	103.086.425,31
Commercial Activity	327.364.514,89	270.193.154,78	152.529.325,47
Services	14.424.028,39	9.560.310,33	3.938.561,10
Total Turnover	**412.869.756,82**	**383.669.341,47**	**259.554.311,88**
Less: Cost of Sales (Before Depreciation)	348.411.524,42	320.145.941,58	206.816.444,20
Gross Operating Results (Profit)	64.458.232,40	63.523.399,89	52.737.867,68
(% of Turnover)	15,61%	16,56%	20,32%
Plus: Other Operating Income	4.582.238,76	582.469,55	396.904,81
Total Turnover	**69.040.471,16**	**64.105.869,44**	**53.134.772,49**
Less: Administrative Expenses (Before Depreciation)	11.781.974,32	14.144.197,93	11.244.968,18
Distribution Expenses (Before Depreciation)	13.367.267,06	14.043.919,41	11.692.575,77
Total Expenses	**25.149.241,38**	**28.188.117,34**	**22.937.543,95**
(% of Turnover)	6,09%	7,35%	8,84%
Operating Results	43.891.229,78	35.917.752,10	30.197.228,54
(% of Turnover)	10,63%	9,36%	11,63%
Plus:			
Revenue from Equity Shares & Securities	30.021.430,12	1.346.157,25	824.469,33
Extraordinary & Non-Operating Revenue	16.182.693,62	16.825.976,77	8.023.032,71
Extraordinary Income & Revenue from Prior Fiscal Years	34.729,58	110.968,73	66.851,81
Revenue from Provisions of Prior Years	6.412,56	2.577,24	-
Less:			
Expenses & Losses from Equity Shares & Securities	17.949.512,03	107.341,91	32.996,81
Extraordinary & Non-Operating Expenses	16.128.807,67	5.918.817,03	7.689.955,46
Extraordinary Loss	24.603,22	25.120,75	51.266,50
Expenses from Prior Years	497.603,58	1.659.619,13	1.529.882,76
Provisions from Emergencies	28.502,19	27.569,44	79.117,01
Income Before Interest and Depreciation	**55.507.466,96**	**46.464.963,84**	**29.728.361,51**
(% of Turnover)	13,44%	12,11%	11,45%
Plus: Credit Interest & Related Revenue	4.304.532,90	1.407.155,82	1.786,270,38
Less: Debit Interest & Related Expenses	12.343.423,51	11.531.070,02	7.314.848,75
Income Before Depreciation & Tax	**47.468.576,35**	**36.341.049,64**	**24.199.783,14**
(% of Turnover)	11,49%	9,47%	9,32%
Less: Depreciation (Total)	6.718.634,37	6.664.867,87	6.604.070,12
Profits Before Tax	40.749.941,98	29.676.181,77	17.595.716,02
(% of Turnover)	9,87%	7,73%	6,78%
Less: Taxes	11.728.152,53	8.373.998,40	6.329.440,93
Less: Distribution of Profits to Staff	-	-	-
Profits After Taxes and Distribution of Profits	**29.021.789,45**	**21.302.183,37**	**9.240.258,09**
(% of Turnover)	7,03	5,55	3,56%
Less: Additional Taxes	367.732,25	8.981.116,87	199.812,93
Profits After Taxes, Distribution of Profits & Additional Taxes	**16.762.541,43**	**9.889.846,10**	**9.040.445,16**
Revised Profits Before Taxes	16.398.189,27	4.537.243,10	2.184.075,16

TABLE OF CONSOLIDATED BALANCE SHEET RESULTS: 2000-2002 (amounts in €)

Assets	2000	2001	2002
Non–Depreciated Intangible Fixed Assets	8.076.082,33	6.756.708,74	5.171.337,89
Tangible Fixed Assets	112.249.948,21	167.121.637,47	163.514.234,37
(Less: Accumulated Depreciation)	52.959.500,56	107.949.299,71	101.767.758,06
Non-Depreciated Tangible Fixed Assets	59.290.447,66	59.172.337,76	61.746.476,31
Equity Interest & Affiliated Undertakings	16.298.245,89	25.184.062,99	26.225.632,60
Total Fixed Assets	**75.588.693,55**	**84.356.400,75**	**87.972.109,91**
Stocks	64.037.421,24	86.023.869,89	78.337.939,18
Accounts Receivable	149.113.311,49	124.548.054,82	103.451.091,27
Receivable Checks - Overdue	8.469.807,77	6.360.859,13	12.230.575,56
Term Deposits	4.695,52	11.398,66	293,47
Other Assets	9.322.686,74	6.676.810,47	21.339.621,12
Securities	26.037.814,12	39.812.221,45	33.322.831,80
Cash in Bank and on Hand	30.731.059,18	34.703.976,24	19.333.940,32
Total Current Assets	287.716.796,05	298.137.190,67	268.016.292,72
Prepayments and Accrued Income	658.863,17	1.955.268,06	1.033.846,92
Total Assets	**372.040.435,10**	**391.205.568,24**	**362.193.586,44**

Liabilities			
Share Capital	23.783.031,55	24.312.204,00	24.312.204,00
Share Premium Account	183.906.925,77	183.906.925,77	183.906.925,77
Reserves from Value Adjustments of Other Assets	1.809.511,28	1.261.532,04	1.518.495,93
Reserves	40.249.355,83	43.927.204,77	36.295.342,47
Reserves Carried Forward	3.175.511,62	4.843.382,51	6.285.960,19
Consolidation Balance – Minority Rights			
Currency Consolidation Balance	(97.779.595,96)	(95.934.088,45)	(102.773.665,69)
Total Capital and Reserves	**155.144.740,09**	**162.317.160,65**	**149.545.262,67**
Provisions	2.053.704,77	2.226.330,81	10.746.298,02
Bank Loans	48.361.096,18	110.768.902,83	52.445.885,38
Other Long–Term Debt	222.213,46	1.261.635,55	172.446,33
Total Long–Term Debt	**48.583.309,64**	**112.030.538,38**	**52.618.331,71**
Suppliers	42.958.717,06	28.178.027,47	43.319.851,18
Notes Payable	426.603,92	391.388,70	189.695,10
Banks	65.021.087,93	51.625.369,39	81.447.953,34
Advances from Trade Debtors	21.669.646,41	14.180.247,84	7.120.379,73
Social Security	1.264.734,63	1.300.221,33	1.309.521,29
Taxes – Duties – Social Insurance Funds	18.086.256,85	13.093.316,17	9.705.821,48
Dividends Payable	12.269.560,82	3.103.962,64	2.696.387,16
Sundry Creditors	3.135.203,98	2.596.866,26	3.163.271,05
Total Short-Term Creditors	**164.831.811,60**	**114.469.399,81**	**148.952.880,33**
Accruals and Deferred Income	1.426.869,00	162.138,59	330.813,71
Total Liabilities	**372.040.435,10**	**391.205.568,24**	**362.193.586,44**

3. Affiliated Companies

3.1 Mytilineos Holdings S.A. and Affiliated Companies

3.1.1 Subsidiaries

ACQUISITION COST AND NET VALUE OF AFFILIATED COMPANIES AS OF 31.12.2002
(amounts in €)

COMPANY	TOTAL NO. OF SUBSIDIARY'S SHARES	NO. OF SHARES HELD BY MYTILINEOS	% OF STAKE	ACQUISITION VALUE 31.12.02	NET VALUE 31.12.02
MYTILINEOS FINANCE S.A	3.500	3.500	100,00	297.962,88	297.962,88
ELEMKA S.A.	3.600	2.520	70,00	763.030,23	2.214.186,12
G. SIDIROMETALLICA S.A.	4.356	2.178	50,00	61.305,94	7.040,59
METKA S.A.	51.950.600	34.063.300	65,57	204.899.448,98	113.090.156,00
SOMETRA S.A.	15.909.435	13.993.358	87,96	18.349.895,09	11.292.453,35
HELLENIC VEHICLE INDUSTRY S.A. (ELVO)	373.560	92.578	24,78	10.580.706,23	7.130.777,80
DEFENSE MATERIAL INDUSTRY S.A.	-	-	52,40	461,34	461,34
MYTILINEOS HELLENIC WIND POWER S.A.	900.000	504.000	56,00	504.000,00	504.000,00
MYTILINEOS POWER GENERATION AND SUPPLIES S.A.	286.000	191.620	67,00	574.860,00	574.860,00
INDUSTRIAL RESEARCH PROGRAMS "BEAT"	120.000	42.000	35,00	42.000,00	42.000,00
EBETAM	5.814	500	8,60	36.830,52	36.830,52
HELLENIC COPPER MINES LTD	7.971.276	2.366.667	29,69	7.083.354,27	1.127.257,15

Mytilineos Holdings S.A. has compiled consolidated financial statements for the companies presented in the table above, with the exception of Hellenic Copper Mines L.T.D., ELVO S.A., Defense Material Industry S.A., Mytilineos Hellenic Wind Power S.A., Mytilineos Power Generation & Supplies S.A., BEAT and EBETAM. due to incomplete financial information about these companies for fiscal year 2002. The value of these holdings is estimated at their acquisition cost.

METKA S.A.

METKA S.A., Greece's leading metal construction group, has had a long and successful presence in domestic and international markets. The company was founded in 1973 and is based in Nea Ionia, Volos, Greece. METKA is a prime contractor for and collaborator with the Public Power Corporation (PPC) in a large number of power generation projects, and has specialized know-how in a broad range of areas, including mining facilities and equipment, advanced industrial construction, heavy-duty metal construction, and defense systems. Its current backlog stands at €320 million. The company employs 489 people, and its mechanical equipment has a value of more than €13.8 million. Mytilineos Holdings S.A. intends to further develop and extend the group's activities into the energy sector (a natural extension of its collaboration with PPC), and intends to further develop and extend the group's activities in major infrastructure projects, specialized industrial construction projects, defense systems, and in a variety of other projects outside Greece.

During 2000, METKA acquired majority stakes in four (4) companies: EKME (40%), 3KP (40%), Rodax (80%), and TCB (40%). By utilizing the synergies of the four companies, METKA will invest in power stations relying on renewable energy sources—hydroelectric stations, wind farms, waste treatment facilities—and will exploit lignite deposits through government concession contracts.

METKA's business plan also includes participation in joint ventures to construct and operate thermal power stations under the Build-Operate-Transfer (BOT) scheme in Greece and the Balkans. Mytilineos Holdings S.A. holds a 65.57% stake in METKA S.A.

SOMETRA S.A.

Sometra S.A. is a large industrial smelter based in the Transylvania region of Copsa Mica-Sibiu, Romania, and employs a staff of 1,100. Mytilineos Holdings S.A. holds an 87.96% stake in the company.

Sometra is Romania's largest zinc and lead producer. It supplies its products to the domestic market, and exports a large portion to East European and Central and Eastern Mediterranean markets. The main metals Sometra produces are SHG (99.995% purity) and GOB quality zinc, electrolytic lead (99.99% purity), gold and silver alloys, bismuth, cadmium and antimony. Annual zinc production is 50,000 MT and annual lead production is 40,000 MT.

Hellenic Vehicle Industry S.A. (ELVO)

Established in 1972 as Stayer Hellas S.A., Hellenic Vehicle Industry was taken over in 1986 by the Hellenic State through a share capital increase and was subsequently renamed Hellenic Vehicle Industry S.A. (ELVO).

Following a partial privatization process, Mytilineos Holdings S.A. acquired a 43% stake in ELVO in August 2000, and reserved the right to purchase an additional 17% stake held by the Hellenic government. In December 2001, through a successful increase in share capital, Mytilineos acquired an additional 4.5% stake, increasing its share from 43% to 47.5%. Mytilineos has also taken over management of the company and reserved the right of first refusal for any share disposal by the State.

ELVO has the industrial infrastructure and capability to produce many types of heavy vehicles for military and commercial use, and is the largest supplier of armored and other vehicles to the Hellenic Armed Forces. ELVO's extensive industrial expertise has been developed with the close cooperation of some of the world's leading companies, including SNF, Mercedes, Scania, and Neoplan.

Vehicle programs assigned to ELVO in 2002 include the assembly of Main Battle Tank (MBT), a contract secured under the procurement program of the Hellenic Armed Forces; the assembly of the Kentavros Armored Infantry Fighting Vehicle (AIFV); and the modernization of existing tanks and other vehicles of the Hellenic Army. ELVO also expects to participate in other defense programs included in the Approved Mid-Term Defense Procurement Program for 2001-2008.

Hellenic Copper Mines Ltd

Hellenic Copper Mines Ltd. (HCM), in which Mytilineos holds a 29.69% stake, was established in 1994. Its main activities are copper mining in Cyprus and the production of high-quality copper cathodes (99.999% purity) using the hydrometallurgy method. Mytilineos holds the exclusive sales rights of HCM products to international markets. The acquisition of HCM is expected to further boost the Group's activities and success in the metallurgy sector.

ELEMKA S.A.

Athens-based ELEMKA S.A. was established in 1990. Its primary focus, as a subcontractor, is providing specialized know-how for construction projects such as lake-reservoirs on Aegean islands. The company also conducts pilot and research projects. It has completed a study on the effectiveness of bioactive stabilizing systems in Thrace, and a project to determine the best method to upgrade the upper Chalastra Crossing in Thessaloniki.

ELEMKA also trades in advanced-technology materials for complex construction projects. These materials include bridge bearings and contraction and expansion joints. Mytilineos holds a 70% stake in ELEMKA's share capital.

Geniki Sidirometalliki S.A.

Geniki Sidirometalliki S.A. was founded in 1977. Geniki Sidirometalliki trades in galvanized wires and polypropylene products, which are sold to clients after they have been processed according to need. Mytilineos Holdings S.A., which holds a 50% stake in Geniki Sidirometalliki, supplies the firm with raw materials and sells and distributes the finished products.

Mytilineos Finance S.A.

Luxembourg-based Mytilineos Finance S.A. was founded in 1996 as a sub-holding company. Its main goals are to establish subsidiaries in countries where the Group operates and to facilitate access to global capital markets in order to secure financing for the operation of the subsidiaries. Being a holding company, Mytilineos Finance does not itself carry out commercial activity; its turnover derives from sales of its subsidiaries.

Mytilineos Finance S.A. has fully-owned (100%) subsidiaries operating in Cyprus (STANMED Trading Ltd., 1996), Serbia (Mytilineos Belgrade D.O.O., 1997), FYROM (MYVECT International Skopje, 1997), and the Guernsey Islands (RDA Trading, 1998, which has a representative office in Romania). The establishment of these subsidiary companies was necessitated by the large number and the high value of Mytilineos Holdings S.A. contracts, and by the need for on-site supervision of essential operations, such as delivery of materials, loading, weighing, and quality control. Mytilineos Finance S.A. is fully owned by Mytilineos Holdings S.A.

MYTILINEOS HELLENIC WIND POWER S.A.

Mytilineos Hellenic Wind Power S.A. (MHWP) was founded in February 2001 to become a player in the newly deregulated electricity market in Greece. Its main objective is to produce electricity by investing in, developing, and operating wind parks and to sell the electricity to the national grid. Shareholders of MHWP are Mytilineos Holdings S.A. (56%), METKA S.A. (24%), and ITA (20%).

Since its inception, MHWP has been active in the application process to obtain power production licenses for ten (10) wind parks in Greece with a total capacity of 145 MW. These applications were submitted to the Regulatory Authority for Energy (RAE) in Greece in February 2001.

Approval has been granted for the following projects:
1. Wind Park of 9.35 MW in Evia (Chelona site)
2. Wind Park of 11.05 MW in Evia (Pounta site)
3. Wind Park of 15.30 MW in Evia (Pyrgos site)
4. Wind Park of 11.05 MW in Evia (Diakoftis site)
5. Wind Park of 23.08 MW in Serres – N. Greece (Sidirokastro site)
6. Wind Park of 29.75 MW in Andros Island (Xirokompi site)
7. Wind Park of 4.25 MW in Crete (Platanos site)

Approval is pending for the following projects:
1. Wind Park of 1.7 MW in Crete (Platanos site) – Application for extension
2. Wind Park of 8.50 MW in Lakonia, Peloponnese
3. Wind Park of 12.0 MW in Crete (Mochoi site)

Up to 2001, ITA initiated the process to develop the majority of these wind parks.
This process was in accord with the interests of Mytilineos Group and led to the establishment of MHWP. Most of these projects have now reached a mature stage of development and are awaiting an installation permit. The investment budget for all the wind parks is roughly €165 million. It is important to note that due to the nature of the energy produced—renewable—the projects are subsidized by the state. This subsidy represents 30% of the declared cost of each project.

MYTILINEOS – POWER GENERATION AND SUPPLIES S.A

Mytilineos Power Generation And Supplies (MPGS) was founded in February 2001 to become a player in the newly deregulated electricity market in Greece. Its main objective is to produce electricity by investing in, developing, and operating Thermal Power Plants and to trade in energy to eligible clients and to the national grid. Shareholders of MPGS are Mytilineos Holdings S.A. (67%) and METKA S.A. (33%).

Since its inception, MPGS has been active in the application process to obtain power production licenses for two major projects in Greece. The applications were submitted to the Regulatory Authority for Energy (RAE) in Greece on February 19, 2001. One permit has since been granted and the other is expected to be granted within 2003.

Projects for which applications have been submitted:

VOLOS THERMAL POWER PLANT (IPP)

This project has been granted an Operation License. It is estimated that the IPP will supply an average hourly net power of 400MW to the grid. The plant comprises a single shaft unit with a net power of 350 MW plus supplementary firing. The proposed site of the plant is the Industrial Area of Volos (Central Greece) at the premises of SERVISTEEL S.A., a subsidiary of Mytilineos Holdings.

MPGS is currently discussing with prominent international companies the transfer of know-how for the operation of the Volos plant. In addition, MPGS is seeking a reputable international partner to develop the Electricity Trading Sector. MPGS fulfills all the criteria for electricity trading.

4. Share Price Movement and Dividend Policy

4.1 Dividend Policy

DIVIDEND POLICY: MYTILINEOS S.A.: 2000-2002 (amounts in €)

	2000	2001	2002
Profit after Taxes	29.975.597,24	2.572.438,56	5.012.578,68
Total Dividend	**11.891.515,77**	**2.431.220,40**	**2.026.017.00**
% on Profit	39,67	94,51	40,42

In fiscal year 2002, the total dividend distributed was €2.02 million. The company's fixed policy is to pay a dividend that corresponds to at least 35% of the profits for distribution. In mapping out its dividend policy, the Group plans a reasonable amount of dividends for shareholders, and takes into account the expected growth in financial indices and the requirements for working capital.

Taxation on Dividends

Greek law (2238/1994 art.109) states that companies whose shares are listed on the Athens Stock Exchange, with the exception of banks, are subject to income tax amounting to 35% of their taxable profits before any earnings distribution.

Hence, Mytilineos' dividends are distributed after the deduction of income taxes from the company's profits. There is no tax obligation pending for shareholders from the respective total amount of earnings arising from dividend payments. The date for the acquisition of income from dividend payments is taken to be the date of the acceptance of the company's financial statements at its shareholders' annual general meeting. According to Greek law, the dividend arising from subsidiary companies' earnings that is to be paid to their parent company will be paid during the following fiscal period and hence will be included in the parent company's earnings of the following fiscal period, with the exception of pre-dividends payments in the actual fiscal period.
Dividends arising form the parent company's earnings, which are partly formed from the distributed earnings of companies in which the parent company has an interest, are paid during the fiscal period following the period of receipt.

Earnings of the parent company arising from dividend payments are subject to tax of up to 5%, which are taxed at a rate of 35% since they were already taxed.

4.2 Profits per Share

EARNINGS PER SHARE: 1996-2002 (amounts in €)

Parent Company

YEAR	NET PROFIT BEFORE TAXES	WEIGHTED NUMBER OF SHARES	PROFIT PER SHARE BEFORE TAXES
1996	2.794.520,98	10.048.880	0,28
1997	4.797.452,36	17.774.847	0,27
1998	6.178.885,49	40.520.340	0,15
1999	35.397.376,60	57.403.815	0,61
2000	36.843.653,04	63.616.934	0,61
2001	9.516.408,57	40.520.340	0,23
2002	6.107.713,25	40.520.340	0,15

EARNINGS PER SHARE: 1996-2002 (amounts in €)

Consolidated Figures

YEAR	NET PROFIT BEFORE TAXES	WEIGHTED NUMBER OF SHARES	PROFIT PER SHARE BEFORE TAXES
1996	3.653.112,32	10.048.880	0,36
1997	7.116.567,04	17.774.847	0,40
1998	12.335.704,33	40.520.340	0,30
1999	45.759.727,63	57.403.815	0,79
2000	40.749.941,98	63.616.934	0,64
2001	29.676.181,77	40.520.340	0,73
2002	17.595.716,02	40.520.340	0,43

Note: Profits per share have been calculated on the basis of the weighted number of stocks. In determining the weighted number of stocks, the share capital increases paid in cash and the capitalization of reserves are taken into account.

4.3 Stock Price Movement

The company was initially listed on the Parallel Market of the Athens Stock Exchange (ASE) in July 1995. In August 1997 the company proceeded with a share capital increase through a public offering, and its shares have been transferred to the ASE Main Market. The company's shares are subject to free trading on the ASE, and are highly marketable. The closing price on 31.12.2002 was €2.08 per share.

The average trading volume for fiscal year 2002 reached 57,435 shares per day (01.01.2002-31.12.2002).

Mytilineos common stock is included in the following indices:
Composite, Wholesale Commerce, FTSE/ASE Mid-40, FTSE/ASE 140, FTSE Med 100.

Each Mytilineos common share has a nominal value of €0.30 per share. The identification code for online financial information systems is: ISIN GRS393503008.

The summarized statistical data regarding the share price movement during 01.01.2002 - 31.12.2002 are shown in the following table and charts.

STOCK MARKET DATA

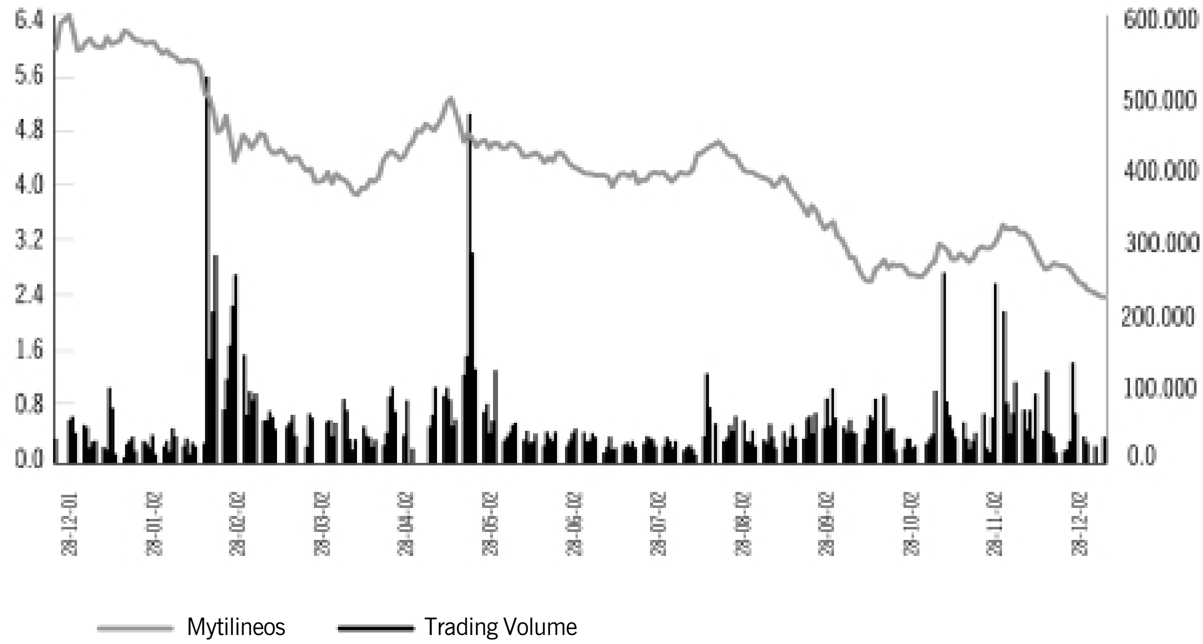
Average price	€3.65
Minimum price	€2.08
Maximum price	€5.60
Average daily trading volume	57.435 shares
Net dividend per share (2002)	€0.05

Statistical Share Data

Listing Price	€3.52
Closing Price 31/12/1997	€3.74
Closing Price 31/12/1998	€11.10
Closing Price 31/12/1999	€8.10
Closing Price 31/12/2000	€8.94
Closing Price 31/12/2001	€5.18
Closing Price 31/12/2002	€2.08

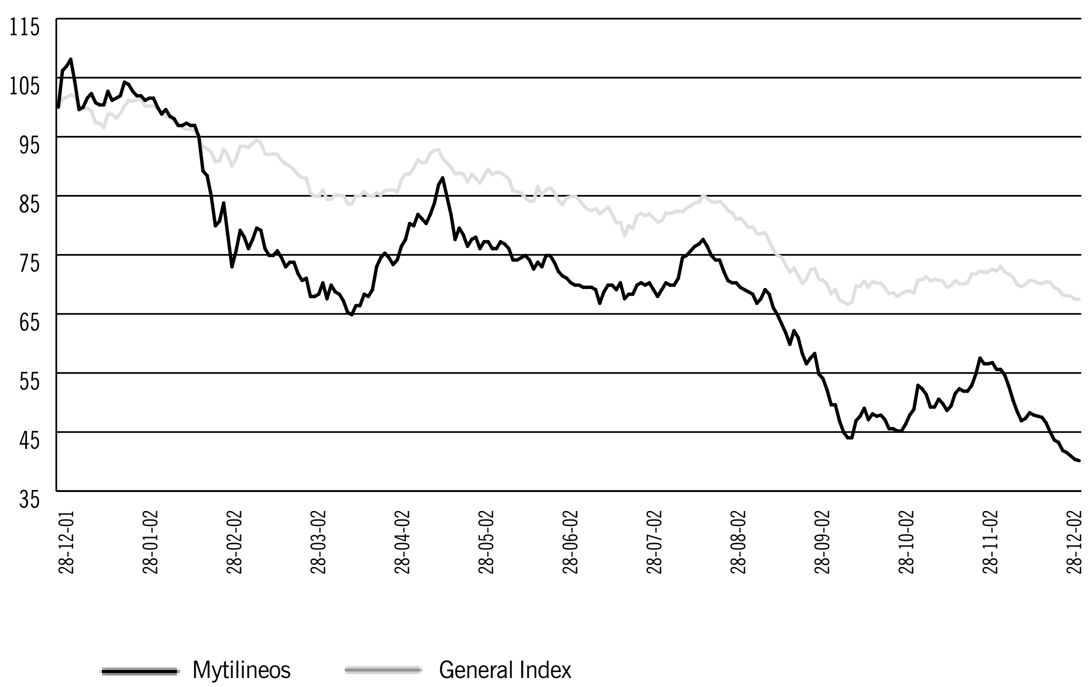
Yield 31/12/1997 – 31/12/1998	197,1%
Yield 31/12/1998 – 31/12/1999	237,03%
Yield 31/12/1999 – 31/12/2000	-77,01%
Yield 31/12/2000 – 31/12/2001	-42,05%
Yield 31/12/2001 – 31/12/2002	-59,84%

Share Price Movement and Trading Volume Development
01.01.2002 - 31.12.2002



Share Price Movement and ASE General Stock Index Development

01.01.2002 - 31.12.2002



5. Prospects

5.1 Prospects

Today, through a strategic growth and expansion program, the activities of Mytilineos Holdings S.A. have become significantly diversified. From its traditional sector of international metals trading, mining and metallurgy, the company has expanded to the dynamic and promising fields of energy and defense armament systems.

Metallurgy and International Trade of Metals and Ores

Since 1999 the Group has acquired Sometra S.A., the largest zinc and lead smelter in Romania, and plans a long-term investment of U.S. $20 million to modernize the Sometra factory. Our aim is to achieve an annual production of 120,000 tons of lead and zinc, reaching the full production capacity of the factory and at the same time securing its long-term and profitable operation.

Through long-term commercial agreements, the Group controls a substantial part of the production of the Serbian mining group RTB-BOR, one of the largest vertically integrated groups for processing and manufacturing copper in Europe.

The Group's immediate plan is to acquire RTB-BOR in Serbia and will do so provided progress is achieved in the privatization process. This acquisition will significantly strengthen the Group's position in the international metals market.

Finally, with a 29.69% share, the Group has a substantial interest in Hellenic Copper Mines Ltd in Cyprus. HCM is active in high-quality copper mining (99.999% purity) with the environmental friendly technology of hydrometallurgy.

The Group's goals are to further strengthen its position in copper production and to continue exploring other investment opportunities in the Balkans.

In the field of international metals and ores trading, the traditional operation of the Group, the aim is to achieve further geographical expansion of these activities and to enlarge the synergies that exist in Southeast Europe.

Energy

The Group intends to begin construction of the Volos power plant (400 MW CCGT) in the first half of 2004, and commercial operation is anticipated 2.5 years thereafter. The estimated cost for the project is to be in the region of €250 million.

Construction of the wind farms in Sidirocastro, Serres (23.8 MW) and in Platanos, Crete (3.3 MW) is set to begin in 2003, and their operation should commence in 2004. The total investment is about €30 million.

In addition, MHWP will execute all studies in order that the four wind farms in Evia, with a total capacity 50 MW, and the wind farm on Andros island (15 MW) will be fully licensed in 2004.

Defense

The defense industry is a strategic sector in which the Group plans to develop its activities significantly and establish a dominant position, primarily through METKA and ELVO at the present time, and in the future through other companies. Defense expenditure in Greece is substantial, and the Greek government has adopted a new policy to achieve a higher Greek value added, (from 10% to 25%) by involving Greek companies in procurement programs. This policy is having a favorable effect on the domestic armaments sector and aims to further increase the percentage of the Greek value added.

Following a proposal of the Group, the Ministry of Defense is considering the obligatory participation of Greek companies in every procurement program and that they have 40% minimum local value added.

Following the government's approval of a five-year medium-term armaments procurement program, the Group intends, on the basis of its present and future construction capacity, to claim a substantial share of the contracts, that will have a total estimated value of € 8.8 billion. The Group expects to participate in roughly 20% of these programs, totalling about €1.75 billion.

The Mytilineos Group has been in contact with foreign defense system and armament producers, many of whom have been past suppliers to the Hellenic Armed Forces, with the aim of establishing major subcontracting or co-production agreements with METKA and ELVO.

In fact, as a result of the Group's efforts to secure foreign partnerships, METKA will participate as a sub-contractor, in a contract valued at more than €110 million, with KMW, selected by the Greek government to supply 170 main battle tanks and their Armored Recovery Vehicles (ARV). METKA has also signed a major agreement with the German company Howaldswerke – Deutsche Werft AG (HDW) to construct the pressure hull for 209 – type submarines, in which will be installed the Air Independent Propulsion (AIP) system.

In parallel, the Group has been negotiating with other prospective suppliers of the Hellenic Armed Forces to participate in projects included in the new five-year procurement program, including those for amphibious armored vehicles, mobile hospitals, torpedoes, combat engineering vehicles, and various air defense systems. Through ELVO, the Group will also undertake a substantial part of the construction of the Kentavros AIF vehicle.

The Group has also bid, as sub-contractor, for a substantial part of a contract from Raytheon and Lockheed Martin for Patriot missile programs for other countries.

The Hellenic Vehicle Industry (ELVO) is strategically important to supply military services and products to the Hellenic Armed Forces, and to produce products for non-military use.

Through the acquisition of ELVO, the Group has increased its capacity to produce defense products. The synergies of METKA and ELVO are extensive, creating very favorable conditions for both to undertake substantial subcontracting work in the procurement program of the Hellenic Armed Forces.

The Group has substantially increased its participation in the supply of 170 main battle tanks. ELVO's experience in the final assembly of the tanks and systems integration procedures in similar types of equipment has been a major advantage for the Group.

Prospects for major co-production agreements for the Group are very favorable, based on its success in programs for amphibious armored vehicles, trucks, mobile bridges, other army vehicles, and in upgrading existing battle tanks and other vehicles.
ELVO considers the inclusion of a high Greek added value in its products as an important goal and strives to develop new technologies to further its production capacity and to reduce its dependence on foreign suppliers.

Fiscal year 2003 should show a significant increase in turnover, an increase in profitability, and a further improvement in financial indices.

In fiscal year 2004 these trends will continue. With the production of the Kentavros Armored Infantry Fighting Vehicle (AIFV) and other programs, ELVO is expected to secure its competitive position and its bright future.

As a result of its growth and improved performance as a privately-run company, ELVO should soon fulfill the criteria to be listed on the Athens Stock Exchange, in order to secure funds for investment and to ensure its continued growth.

6. Appendix

MYTILINEOS
HOLDINGS S.A.

MYTILINEOS S.A.
GROUP OF COMPANIES
REG. NUMBER 23103/06/B/90/26

CONSOLIDATED BALANCE SEET AS AT 31st DECEMBER 2002 - (1 JANUARY - 31 DECEMBER 2002)

ASSETS	CLOSING YEAR 2002			PREVIOUS YEAR 2001		
	ACQISITION COST	DEPRECIATION	REMAIN VALUE	ACQISITION COST	DEPRECIATION	REMAIN VALUE
B. FORMATION EXPENSES						
4. Other formation expenses	12.962.499,78	7.791.161,89	5.171.337,89	12.341.931,04	5.585.222,30	6.756.708,74
TOTAL FORMATION EXPENSES(B)	12.962.499,78	7.791.161,89	5.171.337,89	12.341.931,04	5.585.222,30	6.756.708,74
C. FIXED ASSETS						
II. Tangible Assets						
1. Land	19 193 216.84	-	19.193.216,84	15.723.077,91	-	15.723.077,91
3. Buildings and Technical Works	57.143.725,05	40.763.445,41	16.380.279,64	67.867.551,44	47.446.995,78	20.420.555,66
4. Machinery & Technical Equipment	64.615.292,05	50.675.758,21	13.939.533,84	60.632.829,18	49.718.009,85	10.914.819,33
5. Transportation equipment	7.298.866,99	6.387.259,54	911.607,45	8.339.440,08	7.141.075,39	1.198 364,69
6. Furniture & fixtures	5.135.534,34	3.941.294,90	1.194.239,44	5.117.490,39	3.643.218,69	1.474.271,70
7. Payments on account and tangible assets in course of construction	10.127.599,10	-	10.127.599,10	9.441.248,47	-	9.441.248,47
TOTAL TANGIBLE ASSETS (CII)	163.514.234,37	101.767.758,06	61.746.476,31	167.121.637,47	107.949.299,71	59.172.337,76
III. FINANCIAL ASSETS						
1. Participating interests in affiliated undertakings			25.142.819,39			24.884.819,39
2. Other participating interests			160.602,44			159.692,45
7. Other financial assets			922.210,77			139.551,15
TOTAL (CIII)			26.225.632,60			25.184.062,99
TOTAL FIXED ASSETS (CII+CIII)			87.972.108,91			84.356.400,75
D. CURRENT ASSETS						
I. Stocks						
1. Merchandise			3.705.356,11			8.726.138,35
2. Products complete - incomplete-By-products			4.479.450,31			1.488.141,93
3. Production in progress			12.984.068,24			10.033.298,56
4. Raw materials - Consumables			27.785.400,61			25.444.987,56
5. Payment on account for imports			29.383.663,91			40.331.303,49
TOTAL (DI)			78.337.939,18			86.023.869,89
II. Debtors						
1. Trade debtors			103.451.091,27			124.548.054,82
2. Notes receivable in Portfolio			188.424,01			12.877,16
3. Notes overdue			3.815,11			3.815,11
3a. Cheques receivable			11.223.026,13			5.365.048,48
3b. Cheques overdue			1.007.549,43			995.810,65
5. Short-Term debt of affiliates			2.461,92			33.513,30
6. Short-term debt of other undertakings			42.511,17			42.511,16
8. Reserved Accounts			293,47			11.398,66
10. Doubtful - contested trade and other debtors		187.926,43			63.916,93	
Less: Provisions		3.065,72	184.860,71		3.065,72	60.851,21
11. Sundry debtors			20.665.250,88			5.774.863,48
12. Advances to account for			252.297,32			748.379,04
			137.021.581,42			137.597.123,08
III. Investments						
1. Shares		24.136.886,11			33.562.496,64	
3. Other investments		9.185.945,69	33.322.831,80		6.249.724,81	39.812.221,45
IV. Cash at bank and in hand						
1. Cash in hand		88.695,49			173.026,65	
3. Sight and time deposits		19.245.244,83	19.333.940,32		34.530.949,59	34.703.976,24
TOTAL CURRENT ASSETS (DI+DII+DIII+DIV)			268.016.292,72			298.137.190,67
E. PREPAYMENTS AND ACCRUED INCOME						
1. Deferred charges		162.596,61			1.330.400,92	
3. Other prepayments and accrued income		871.250,31	1.033.846,92		624.867,14	1.955.268,06
GRANT TOTAL - ASSETS (B+C+D+E)			362.193 586,44			391.205.568,24
MEMO ACCOUNTS						
1. Third party asset items			5.626.552,55			5.273.757,44
2. Guarantees and real securities			121.805.007,02			194.306.847,07
3. Bilateral agreements			7.151.012,27			35.361.609,48
4. Other memo accounts			35.620.456,21			1.626.933,79
TOTAL			170.203.028,05			236.569.147,78

LIABILITIES	CLOSING YEAR 2002	PREVIOUS YEAR 2001
A. Capital and Reserves		
I. Share Capital		
(40.520.340 shares of 0.6 Euro each)		
1. Paid - Up capital	24.312.204,00	24.312.204,00
II. Share premium account	183.906.925,77	183.906.925,77
III. Revaluation reserves		
2. Reserves from value adjustments of other assets	1.518.495,93	1.261.532,04
	1.518.495,93	1.261.532,04
IV. Reserves		
1. Legal reserve	4.294.477,97	3.690.200,43
3. Special reserves	1.087.583,05	1.087.583,05
5. Tax free reserves under special laws	30.913.281,45	39.149.421,28
	36.295.342,47	43.927.204,77
V. Results carried forward		
Profit carried forward	6.499.980,22	4.843.382,51
VII. Differences of consolidation	(154.401.993,04)	(154.331.923,61)
VIII. Minority interests	48.098.071,41	52.979.059,03
VIV. Consolidation F/X differences	3.500.720.,35	5.418.776,13
TOTAL CAPITAL AND RESERVES (AI+AII+AIII+AIV+AV+AVII+AVIII+AVIV)	149.729.747,11	162.317.160,65
B. PROVISIONS FOR LIABILITIES AND CHARGES		
1. Provisions for retirement benefits	241.566,98	237.197,14
2. Other provisions	10.504.731,04	1.989.133,67
	10.746.298,02	2.226.330,81
C. CREDITORS		
I. Long-term debt		
2.Bank loans	52.445.885,38	110.768.902,83
8.Other long-term liabilities	172.446,33	1.261.635,55
	52.618.331,71	112.030.538,38
II. Current liabilities		
1. Suppliers	43.319.851,18	28.178.027,47
2. Notes payable	142.485,12	149.518,97
2a. Cheques payable	47.209,98	241.869,73
3. Banks	81.630.278,99	51.625.369,39
4. Advances from trade debtors	7.120.379,73	14.180.247,84
5. Taxes - Duties	9.705.821,48	13.093.316,17
6. Social security	1.309.521,29	1.300.221,33
10. Dividends	2.696.387,16	3.103.962,64
11. Sundry creditors	2.796.460,96	2.596.866,26
	148.768.395,89	114.469.399,81
TOTAL CREDITORS (CI+CII)	201.386.727,60	226.499.938,19
D. ACCRUALS AND DEFERRED		
2. Accrued expenses	330.813,71	162.138,59
	330.813,71	162.138,59
GRANT TOTAL - LIABILITIES (A+B+C+D)	362.193.586,44	391.205.568,24
MEMO ACCOUNTS		
1. Third party beneficiaries	5.626.552,55	5.273.757,44
2. Guarantees and other securities	121.805.007,02	194.306.847,07
3. Bilateral agreements	7.151.012,27	35.361.609,48
4. Other memo accounts	35.620.456,21	1.626.933,79
Total	170.203.028,05	236.569.147,78

PROFIT AND ACCOUNT AS AT 31st December 2002 (1 JANUARY - 31 DECEMBER 2002)

	CLOSING YEAR 2002			PREVIOUS YEAR 2001		
I. Operating Results						
Net turnover (sales)			259.554.311,88			383.669.341,47
Less : Cost of sales			211.316.821,00			324.605.219,90
Gross operating results (Profit)			48.237.490,88			59.064.121,57
Plus: Other operating income			396.904,81			582.469,55
Total			48.634.395,69			59.646.591,12
Less : 1. Administrative expenses		12.976.944,61			15.886.539,98	
Less : 3. Distribution costs		12.064.292,60	25.041.237,21		14.507.166,91	30.393.706,89
Sub - Total			23.593.158,48			29.252.884,22
Plus (or less)						
1. Income from Participations		440.183,96			361.215,62	
2. Income from Securities		383.215,37			309.919,80	
3. Gains from sale of participating interests and other investments		1.070,00			675.021,83	
4. Credit Interest and similar income		1.786.270,38			1.407.155,82	
		2.610.739,71			2.753.313,08	
Less:						
2. Expenses and losses of participation and securities	32.996,81			107.341,91		
3. Debit Interest and similar charges	7.314.848,15	7.347.844,96	(4.737.105,25)	11.531.070,02	11.638.411,93	(8.885.098,85)
Total Operating Results (Profit)			18.856.053,23			20.367.785,37
II.PLUS : EXTRAORDINARY results						
1. Extraordinary and non-operating income		8.023.032,71			16.825.976,77	
2. Extraordinary profits		10.494,89			86.401,58	
3. Prior year's income		56.356,92			24.567,15	
4. Provisions for extra-ordinary liabilities		-			2.577,24	
		8.089.884,52			16.939.522,75	
Less:						
1. Extraordinary and non-operating expenses	7.689.955,46			5.918.817,03		
2. Extraordinary losses	51.266,50			25.120,75		
3. Prior year's expenses	1.529.882,76			1.659.619,13		
4. Provisions for extra-ordinary liabilities	79.117,01	9.350.221,73	(1.260.337,21)	27.569,44	7.631.126,35	9.308.396,40
Operating and Extraordinary results (profit)			17.595.716,02			29.676.181,77
Less:						
Total value adjustments of fixed assets		6.604.070,12			6.664.867,87	
Less: Charged to the operating cost		6.604.070,12			6.664.867,87	
NET RESULTS (PROFIT) FOR THE YEAR BEFORE TAXES			17.595.716,02			29.676.181,77

APPROPRIATION ACCOUNT

	CLOSING YEAR 2002	PREVIOUS YEAR 2001
Net Results (Profit) for the year	17.595.716,02	29.676.181,76
(+): Profit brought forward	4.843.382,50	3.175.511,62
(+): Tax-free profit (L.2579/98)	177.807,51	121.441,24
(+): Tax-free profit (L.2954/01)	-	313.500,51
(+): Taxed reserves for appropriation	965.532,28	1.363.658,25
(-): Previous years Tax differences	199.812,93	8.981.116,87
Total	23.382.625,38	25.669.176,51
Less : 1.Income Tax	7.023.013,93	8.787.334,56
1a. Tax on special reserves (L.2579/98)	66.677,82	48.576,50
1b. Tax on special reserves (L.2954/01)	-	54.862,59
Tax on reserves appropriated	297.674,82	1.262.804,11
Other taxes	25.414,15	19.020,64
Minority interest	5.337.621,40	5.169.676,29
Profits for appropriation	10.632.223,26	10.326.901,82
APPROPRIATED AS UNDER:		
1. Legal reserve	604.277,52	363.985,59
2. First dividend	1.741.620,62	1.070.236,42
3. Added dividend	284.396,38	1.360.983,98
5: Tax-free reserve L.2579/98	796.060,41	376.444,12
6. Tax-free reserve		
Reserve L.2601/98	-	845.675,37
Reserve L.1892/90	-	25.278,40
6a. Tax-free reserve E.L.148/67	-	308.605,90
6b. Reserve from income taxed at special provisions	527.748,11	90.023,83
6c. Tax-free reserves of construction company profits	178.140,00	1.042.285,71
8. Profits carried forward	6.499.980,22	4.843.382,50
	10.632.223,26	10.326.901,82

MAROUSSI, 20 FEBRUARY 2003

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE VICE-PRESIDENT OF THE BOARD DIRECTORS	THE CHIEF FINANCIAL OFFICER	THE CHIEF ACCOUNTANT
MYTILINEOS EVANGELOS	**MYTILINEOS IOANNIS**	**MITSOVOLEAS APOSTOLOS**	**TZANOGLOY NIKOLAOS**
ID No I 082392	ID No Σ 683930	ID No K 346673	ID No M 195608

CERTIFIED AUDITOR'S AUDIT CERTIFICATE
To the Shareholders of Mytilineos Holdings S.A.

On the basis of the requirements of article 108 of Codified Law 2190/1920 «Re: Corporations» we have audited the Consolidated Financial Statements and the related Notes thereon of Mytilineos Holdings and its subsidiaries S.A for the year ended 31 Decembr 2002. Our audit has been performed in accordance with the auditing procedures we considered appropriate for the purpose of our audit, on the basis of the auditing standards and regulations promulgated by the Institute of Certified Auditors-Accountants in Greece and we have confirmed that the content of the Directors' consolidated report to the Shareholders' meeting is in agreement with the related Consolidated Financial Statements. Our audit revealed the following: 1. On 5 May 1997 the parent Company signed a trade agreement with the metal compound RMHK TREPCA the mines of which are located in the northern part of Kosovo in Yugoslavia. Based on this agreement, the Company has already financed the operations of the above compound with advances amounting to € 17,800,000 approximately, which are included in the «Inventories» under Assets and in addition there is an outstanding balance amounting to € 16,075,000 approximately, which is included in «Trade debtors» under Assets. Following the current situation in Kosovo, the agreement has been revoked on behalf of RMHK TREPCA. The Company considers the conduct of the other party as acting against the provisions of the agreement and therefore has already started the process of claiming its legitimate rights, while no provision has been made for a possible loss that the Company will suffer due to the above-mentioned doubtful debts. During the year under examination, the Company received from Exports Trust Insurance Organisation the amount of € 1,679,368, as part of insurance compensation against the above receivables, which was included in the results for the year, disclosed under «Extraordinary and Non Operating Income». 2. During the previous years, the Company signed a trade agreement withthe metal compound RTB – BOR, which is located in Servia. Based on this agreement, the Company has already financed the operations of the above compound. Following the current situation which exists in the above mentioned country, we could not verify the collectibility of the outstanding balances, amounting to € 24,157,000 (2001: € 30,095,000) approximately, which are included in «Inventories» and «Trade Debtors» under Assets. The Company's management is relying upon the reactivation of the agreement and the transactions with the metal compound RTB-BOR during 2002, the decrease of the outstanding balances by € 5,938,000 and certain bank letters of guarantee, received from banks registered on these countries, and considers that the amounts referred to above are collectible. 3. Exchange losses amounting to € 4,308,341 approximately should have been charged to the current year's consolidated results. 4. During the previous year and based on the tax legislation (art 37 L 2874/2000), the balance sheet account «Other Intangible Assets» included losses derived from the valuation of short term investments in companies listed in the Athens Stock Exchange, which are being amortized over a five year period, beginning from the year 2000. Because of the aforementioned accounting treatment, the net book value of the above mentioned account and the consolidated equity have been increased by the amount of € 2,396,767, whereas the consolidated results of the year have been charged with the amount of € 1,198,384, which relates to the amortization of such losses and is included in the account «Prior years' expenses». 5. The above consolidated financial statements do not include a provision for overdue debtors' balances, amounting to € 22,794,000 approximately, which should have been charged to the consolidated results. 6. Included in the assets of the Group, disclosed under account «Participations and other long term receivables» and «Securities» is a total amount of € 39,595,852 approximately, which represents the cost of investments in other companies. Had the Company accounted for its investments at the lower of cost and market value, according to the provision of Cod Law 2190/1920, the total value of these investments would be € 14,481,772 and the resulting difference should have been deducted from the consolidated shareholders' equity. 7. Included in «Inventories» under Assets, an amount of € 9,505,000 relates to inventories of the subsidiary company Sometra S.A., which is registered in Romania, for which we could not verify the accuracy of the quantities during the year end stock count, due to the absence of technical expertise. 8. On the basis of the State Legal Council's opinion No. 205/1998, the above consolidated financial statements do not include provision for retirement indemnity of the Group's personnel amounting to € 2,577,681 approximately, which should have been charged to prior year's consolidated results. 9. Depreciation amounting to € 1,550,871 approximately, relating to the net book value of a demolished building owned by the parent Company, has not been provided. From the above amount, € 516,957 should have been charged to the current year's consolidated results and € 1,033,914 should have been charged to prior years consolidated results. 10. The Group's statutory books and tax returns have not been examined by the Tax Authorities for different periods. Consequently, the results and the taxes to be paid have not been finally determined. In our opinion, except for ournotes above and the Company's note 8 following the Consolidated Balance Sheet, the above Consolidated Financial Statements have been prepared in accordance with the provisions of Codified Law 2190/1920 and present in conformity with legal requirements and generally accepted accounting principles applied by the parent company, which do not differ, except for the Company's note 8, from those applied in the preceding year, the consolidated financial position as of 31 December 2002 and the results of its consolidated operations for the year then ended.

Athens, 27 February 2003
The Certified Auditor Accountant
Constantinos Cotsilinis
Reg. No. 12711

PRICEWATERHOUSECOOPERS

MYTILINEOS S.A.
GROUP OF COMPANIES
REG. NUMBER 23103/06/B/90/26

BALANCE SHEET AS AT 31st DECEMBER 2002 - 12th YEAR OF OPERATION (1 JANUARY - 31 DECEMBER 2002)

ASSETS	CLOSING YEAR 2002			PREVIOUS YEAR 2001		
	ACQISITION COST	DEPRECIATION	REMAIN VALUE	ACQISITION COST	DEPRECIATION	REMAIN VALUE
B. FORMATION EXPENSES						
1. Formation Expenses & Intangible Assets	5.122.835,48	3.436.545,70	1.686.289,78	5.122.835,47	2.688.912,12	2.433.923,35
Total Formation Expenses	5.122.835,48	3.436.545,70	1.686.289,78	5.122.835,47	2.688.912,12	2.433.923,35
C. FIXED ASSETS						
II. Tangible assets						
1. Land	8.083.647,96	-	8.083.647,96	4.408.490,22	-	4.408.490,22
3. Buildings and Technical Works	6.083.442,54	1.272.149,14	4.811.293,40	6.083.442,55	967.977,07	5.115.465,48
4. Machinery & Technical Equipment	418.656,54	290.573,36	128.083,18	348.151,54	238.509,24	109.642,29
5. Transportation Equipment	381.657,49	221.147,44	160.510,05	539.584,22	265.738,08	273.846,14
6. Furniture and fixtures	906.142,04	653.449.23	252.692,81	890.435,45	551.341,31	339.094,14
7. Construction in progress	4.475.551,75	-	4.475.551,75	7.003.562,64	-	7.003.562,64
TOTAL (CII)	20.349.098,32	2.437.319,17	17.911.779,15	19.273.666,61	2.023.565,70	17.250.100,91
III. Financial Assets						
1. Participating interests in affiliated undertakings			243.193.855,48			219.060.643,49
7. Other financial assets			75.609,66			27.467,21
Total (CIII)			243.269.465,14			219.088.110,70
Total Fixed Assets (CII+CIII)			261.181.244,29			236.338.211,62
D. CURRENT ASSETS						
I. Stocks						
1. Merchandise			2.559.811,49			2.072.637,43
4. Raw Materials - Consumables			-			1.287,40
5. Payments on account for imports			28.334.156,16			27.390.847,82
			30.893.967,65			29.464.772,65
II. Debtors						
1. Trade Debtors			56.831.032,37			59.524.374,67
2. Notes Receivable						
In Portfolio			188.424,01			12.877,16
3a. Cheques Receivable			9.230.079,91			3.832.635,83
3b. Cheques Overdue			1.007.549,43			995.810,65
5. Short-Term debt of affiliates			8.574.875,25			22.026.206,33
8. Reserved Accounts			-			11.105,19
10. Doubtful-contested trade and other debtors			124.009,50			-
11. Sundry Debtors			1.229.020,82			3.099.804,96
12. Advances to account for			91.863,40			127.196,55
			77.276.854,69			89.630.011,34
III. Investments						
1. Stocks		1.633.827,38			6.984.428,19	
3. Other Investments		1.048.112,42	2.681.939,80		115.463,85	7.099.892,04
IV. Cash at bank and in hand						
1. Cash in hand		26.345,59			26.839,64	
3. Sight and time deposits		3.210.019,97	3.236.365,56		10.700.005,39	10.726.845,03
Total Current Assets (DI+DII+DIII+DIV)			114.089.127,70			136.921.521,06
E. PREPAYMENTS AND ACCRUED INCOME						
1. Deferred Charges		73.642,87			1.262.414,67	
3. Other Prepayments and Accrued Income		-	73.642,87		-	1.262.414,67
GRAND TOTAL ASSETS (B+C+D+E)			377.030.304,64			376.956.070,70
MEMO ACCOUNTS						
2. Guarantees and Real Securities			64.292.662,76			67.259.370,59
4. Other Memo Accounts			15.713.229,84			1.304.352,80
Total			80.005.892,60			68.563.723,39

LIABILITIES	CLOSING YEAR 2002	PREVIOUS YEAR 2001
A. Capital and Reserves		
I. Share Capital		
(40.520.340 shares of 0.6 Euro each)		
1. Paid - Up Capital	24.312.204,00	24.312.204,00
II. Share Premium Account	183.906.925,77	183.906.925,77
III. Revaluation Reserves		
2. Reserves from value adjustments of other assets	133.223,85	133.223,85
IV. Reserves		
1. Legal reserve	3.177.638,71	2.928.835,71
3. Special reserves	513.383,73	513.383,72
4. Extraordinary reserves	102.921,67	102.921,67
5. Tax - free reserves under special laws	29.529.619,63	34.550.691,87
	33.323.563,74	38.095.832,97
V. Results carried forward		
Profit carried forward	2.737.758,68	36.519,76
TOTAL CAPITAL AND RESERVES (AI+AII+AIII+AIV+AV)	244.413.676,04	246.484.706,34
B. PROVISIONS FOR LIABILITIES AND CHARGES		
1. Provisions for retirement benefits	1.893,65	1.893,65
2. Other Provisions	10.250.847,61	1.050.136,69
	10.252.741,26	1.052.030,34
C. CREDITORS		
I. Long - term Debt		
2. Bank Loans	52.445.885,38	110.768.902,83
II. Current Liabilities		
1. Suppliers	7.642.642,42	9.222.310,10
3. Banks	56.886.116,21	2.102.979,57
4. Advances from trade debtors	746.931,93	60.777,48
5. Taxes - Duties	916.462,69	3.058.699,93
6. Social Security	93.492,31	86.588,51
10. Dividends	2.696.387,16	3.103.962,64
11. Sundry creditors	813.495,08	989.541,16
	69.795.527,80	18.624.859,39
TOTAL CREDITORS (CI+CII)	122.241.413,18	129.393.762,22
D. ACCRUAL AND DEFERRED		
2. Accrued Expenses	122.474,16	25.571,78
GRAND TOTAL LIABILITIES (A+B+C+D)	377.030.304,64	376.956.070,70
MEMO ACCOUNTS		
2. Guarantees and real securities	64.292.662,76	67.259.370,59
4. Other Memo Accounts	15.713.229,84	1.304.352,80
Total	80.005.892,60	68.563.723,39

PROFIT AND ACCOUNT AS AT 31st December 2002 (1 JANUARY - 31 DECEMBER 2002)

	CLOSING YEAR 2002			PREVIOUS YEAR 2001		
I. Operating Results						
Net Turnover (Sales)			154.293.901,56			194.210.396,43
Less: Cost of Sales			139.510.837,59			172.082.321,41
Gross Operating Results (Profit)			14.783.063,97			22.128.075,02
Plus: Other Operating Income			77.326,71			181.476,70
Total			14.860.390,68			22.309.551,72
LESS: 1. Administrative expenses		3.421.610,50			4.281.720,62	
LESS: 3. Distribution costs		5.099.418,94	8.521.029,44		6.729.206,66	11.010.927.28
Sub - Total			6.339.361,24			11.298.624,44
PLUS (or less)						
1. Income from participations		3.405.095,00			2.318.136,35	
2. Income from securities		57.898,80			18.669,90	
3. Gains from sale of participating interests and other investments		1.070,00			675.021,83	
4. Credit interest and similar income		385.420,11			105.262,27	
		3.849.483,91			3.117.090,35	
Less:						
2. Expenses and losses of participation and securities	32.996,81			107.341,91		
3. Debit interest and similar charges	4.691.824,25	4.724.821,06	(875.337,15)	6.383.297,52	6.490.639,43	(3.373.549,08)
Total Operating Results (Profit)			5.464.024,09			7.925.075,37
II. PLUS (or less): Extraordinary Results						
1. Extraordinary and non-operating income		5.448.366,50			2.699.876,91	
2. Extraordinary profits		2.889,30			257,20	
3. Prior year's income		51.346,07			23.095,88	
		5.502.601,87			2.723.229,99	
Less:						
1. Extraordinary and non-operating expenses	4.383.947,33			1.047.910,44		
2. Extraordinary losses	27.409,88			5.441,51		
3. Prior year's expenses	392.255,50			78.544,84		
4. Provisions for extraordinary liabilities	55.300,00	4.858.912,71	643.689,16	-	1.131.896,79	1.591.333,20
Operating and Extraordinary results (profit)			6.107.713,25			9.516.408,57
LESS:						
Total value adjustments of fixed assets		1.266.426,35			1.189.500,86	
Less: Charged to the operating cost		1.266.426,35			1.189.500,86	
NET RESULTS (PROFIT) FOR THE YEAR BEFORE TAXES			6.107.713,25			9.516.408,57

APPROPRIATION ACCOUNT

	CLOSING YEAR 2002	PREVIOUS YEAR 2001
Net Results (Profit) for the year	6.107.713,25	9.516.408,57
(+): Profit brought forward	36.519,76	1.363.510,44
(-) Prior year's tax differences	-	(5.664.991,21)
Total	6.144.233,01	5.214.927,80
LESS: 1. Income tax	(1.131.654,33)	(2.642.489,24)
Profit for appropriation	5.012.578,68	2.572.438,56
Appropriated as under:		
1. Legal reserve	248.803,00	26.033,72
2. First dividend	1.741.620,62	1.070.236,42
3. Added dividend	284.396,38	1.360.983,98
6. Tax-free reserve		
Reserve L.1892/90	-	25.278,40
6a. Reserves from tax-free incomes	-	4.404,15
6b. Reserves from income taxed at special provisions	-	48.982,13
8. Profits carried forward	2.737.758,68	36.519,76
	5.012.578,68	2.572.438,56

MAROUSSI, 10 FEBRUARY 2003

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE VICE-PRESIDENT OF THE BOARD DIRECTORS	THE CHIEF FINANCIAL OFFICER	THE CHIEF ACCOUNTANT
MYTILINEOS EVANGELOS	**MYTILINEOS IOANNIS**	**MITSOVOLEAS APOSTOLOS**	**TZANOGLOY NIKOLAOS**
ID No I 082392	ID No Σ 683930	ID No K 346673	ID No M 195608

CERTIFIED AUDITOR'S AUDIT CERTIFICATE
To the Shareholders of Mytilineos Holdings S.A.

We have audited the above Financial Statements and the related Notes thereon of Mytilineos Holdings S.A for the year ended 31 December 2002. Our audit, in the context of which we have received proper and adequate returns from the branches of the Company, has been performed on the basis of the provisions of article 37 of Codified Law 2190/1920 «Re: Corporations» and in accordance with the auditing standards promulgated by the Institute of Certified Auditors Accountants in Greece. The books and records kept by the Company have been placed at our disposal and we have obtained all the information and explanations, which were deemed necessary for the purposes of our audit. The Company has properly applied the Greek National Chart of Accounts «Re: Greek Accounting Standards». There has been no change in the valuation methods used by the Company compared to those used in the preceding year, except for note 7 following the financial statements. We have confirmed that the contents of the Directors' Report to the Annual General Meeting of the Shareholders are in agreement with the related Financial Statements. The Notes to the financial Statements reflect all the information stipulated in paragraph 1 of article 43a of Codified Law 2190/1920. Our audit revealed the following: 1. On 5 May 1997 the Company signed a trade agreement with the metal compound RMHK TREPCA the mines of which are located in the northern part of Kosovo in Yugoslavia. Based on this agreement, the Company has already financed the operations of the above compound with advances amounting to € 17,800,000 approximately, which are included in the «Inventories» under Assets, and in addition there is an outstanding balance amounting to € 16,075,000 approximately, which is included in «Trade debtors» under Assets. Following the current situation in Kosovo, the agreement has been revoked on behalf of RMHK TREPCA. The Company considers the conduct of the other party as acting against the provisions of the agreement and therefore has already started the process of claiming its legitimate rights, while no provision has been made for a possible loss that the Company will suffer due to the above-mentioned doubtful debts. During the year under examination, the Company received from Exports Trust Insurance Organisation the amount of € 1,679,368, as part of insurance compensation against the above receivables, which was included in the results for the year, disclosed under «Extraordinary and Non Operating Income». 2. During the previous years, the Company signed a trade agreement with the metal compound RTB – BOR, which is located in Servia. Based on this agreement, the Company has already financed the operations of the above compound. Following the current situation which exists in the above mentioned country, we could not verify the collectibility of the outstanding balances, amounting to € 14,992,000 (2001: € 19,663,000) approximately, which are included in «Inventories» and «Trade Debtors» under Assets. The Company's management is relying upon the reactivation of the agreement and the transactions with the metal compound RTB-BOR during 2002, the decrease of the outstanding balances by € 4,671,000 and certain bank letters of guarantee, received from banks registered on these countries, and considers that the amounts referred to above are collectible. 3. The collectibility of debtors' balances, amounting to € 5,763,000 approximately, included in «Receivables» under Assets, is considered uncertain, while no provision for a possible loss has been made. 4. As mentioned in note 8 following the financial statements, included in the assets of the Company, disclosed under account «Participations and other long term receivables» is an amount of € 204,899,449, which represents the cost of investment in the company METKA S.A., the shares of which are listed in the Athens Stock Exchange. Had the Company accounted for this investment at the lower of cost and market value, according to the provisions of Cod Law 2190/1920, the total value of this investment would be € 113,090,156 and the resulting difference should have been deducted from the shareholders' equity. Furthermore, disclosed under the above account is an amount of € 36,373,224, which represents the cost of investments in companies not listed in the Athens Stock Exchange. Had the Company accounted for these investments at the lower of cost and market value, according to the provisions of Cod Law 2190/1920, the total value of these investments would be € 16,408,463 and the resulting difference should have been deducted from the shareholders' equity. 5. Depreciation amounting to € 1,550,871 approximately, relating to the net book value of a demolished building owned by the Company, has not been provided. From the above amount, € 516,957 should have been charged to the current year's results and € 1,033,914 should have been charged to prior years results. 6. The Company's statutory records and tax returns for the years ended 1999 and up to 2002 are subject to an examination by the Tax Authorities. Until the statutory records and tax returns stated above are examined by the Tax Authorities and final tax assessments are raised, the Company's tax position for the open periods cannot be finally determined. In our opinion, except for our notes above, the Financial Statements, which have been derived from the books and records of the Company, present, together with the Notes thereon, the asset structure and financial position of Mytilineos Holdings S.A. as at 31 December 2002 and the results of its operations for the year then ended, in accordance with the related provisions currently in force and generally accepted accounting principles which, except for note 7 following the financial statements, do not differ from those applied in the preceding year.

Athens, 27 February 2003
The Certified Auditor Accountant
Constantinos Cotsilinis
Reg. No. 12711