Annual Report 2001

MYTILINEOS
HOLDINGS S.A.

BOARD OF DIRECTORS - MANAGEMENT

Board of Directors

EVANGELOS MYTILINEOS	Chairman and CEO
IOANNIS MYTILINEOS	Vice-President and Managing Director
SOPHIE MYTILINEOU - DASKALAKI	Member of the Board - Corporate Affairs Director
GEORGIOS KONTOUZOGLOU	Executive Director

Management

In alphabetical order

ARABATZIS ELEFTHERIOS	Ioannina Branch Manager
GAVALAS CHRISTOS	Group Treasurer
GIANNAKOPOULOS STAMATIS	Business Developement Advisor
DESYPRIS IOANNIS	Energy Projects Manager
DONTA KATE	Head - Steel Product Department
DOUMANOGLOU ANTONIS	General Manager, Commercial Department - Metallurgies & Intrenational Trade
KAZANIS ALEXIS	Head Information & Technology Department
KAKOULIDOU IRENE	Head - Corporate Communication
KELAIDIS GEORGIOS	Defence Programs Manager
KONTOS NIKOLAOS	Head - Shareholders Department
KOURAKI IRENE	Head - Shipping Department
MITSOVOLEAS APOSTOLOS	Chief Financial Officer
RAPTIS CHRISTOS	Corporate Communication Manager
SAMARA CLAIRE	Head - Chairman's Executive Officer
TZANOGLOU NIKOS	Head - Accounting Department
TSAMPELOGLOU STAVROS	Chief Audit Executive

Company Profile

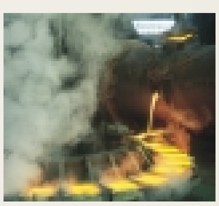
MYTILINEOS HOLDINGS S.A. was established as a holding company which has grown to become a firm with international trading activities in the sectors of metals (copper, aluminium, zinc, lead, steel and wires), ores and minerals, raw materials as well as mine and metallurgy machinery and developed into one of the biggest Hellenic business groups active in the fields of Defence, Energy and Metallurgy. The company is a member of the Athens Stock Exchange since 1995 and has evolved from the former family business, founded in 1908.

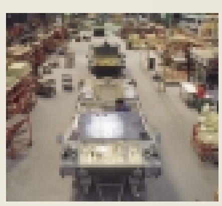
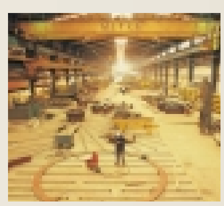
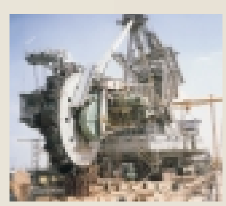
Turning points for Mytilineos Group have been:

In the **metallurgy** sector, the acquisition of the Romanian metallurgy complex of SOMETRA S.A. and a 39% stake of the Cyprus based Hellenic Copper Mines Ltd.

In the **Energy and Defence** sectors the acquisition of a 65% stake of the leading Greek electromechanical and metallic construction company, METKA S.A.

In the **Defence** sector, the purchase of the 47,5% and the take over of the management of ELVO S.A. major defence industry in the production of all types of vehicles for military and commercial use.



Chairman's Statement

Dear Shareholders,

2001 has been a very important year for Mytilineos Group and is characterised as a landmark for the development of our activities.

With successful long-term strategic moves we have managed to establish our presence in the extremely competitive field of **metallurgies,** despite the adverse conditions of the international metals market. Within the framework of the materialisation of our strategic target to diversify our activities, the Group has also developed a dynamic presence in the important sectors of **defence and energy industry** aiming at exploiting the business opportunities which arise, on one hand from the government's policy to support the Greek co-productions and on the other from the energy market deregulation. The activities in the above sectors have been spearheaded by the subsidiary companies of the Group, **METKA S.A.** and **ELVO S.A.**

Following the company's partial privatization in 2000, the company has managed, as from its first year of operations under Mytilineos' private management, to show profits and thus turn around a long period of negative results.

THE DEFENCE SECTOR holds a strategic position in Mytilineos Group of companies. This is evident by the fact that 30% of the group's activities, derives from programs that our subsidiaries METKA and ELVO have been assigned to implement for or on behalf of the Hellenic Armed Forces.

Year 2001 has been exceptional for **ELVO**. Following the company's partial privatization in 2000, the company has managed, as from its first year of operations under Mytilineos' private management, to show profits and thus turn around a long period of negative results. The company's net profits has reached f 2,3 mln, compared to losses of f 16.4 mln of the previous fiscal year. This has been the result of better and more efficient management as well as adequate administration practices applied by the Group. We feel certain that in the years to come, further capital investment, efficient human resources management and development and most importantly the overall modernization of management practices, should all contribute towards enhancing company's financial performance. Such a fact could allow future floating of company's shares into the Athens Stock Exchange and consequently would secure ELVO' s future growth.

Following the first trunch of ELVO' s share capital increase, which was completed in December 2001 with the participation of the Greek State, the Group's participation reached 47,5%. This capital increase was based on the revised business plan for the period 2002 -2006, which foresees a budget of a f 1.8 bln turnover, pertinent to production programs and repair schemes for military and other civilian vehicles. The Group maintains a call option (and the first refusal right) for the purchase of an additional 17% of the company's shares, upon its full privatization.

Defence

ELVO has already undertaken a number of projects to cover the defence needs of the Hellenic Armed Forces such as the production of 2.480 jeep type vehicles, in collaboration with Daimler Chrysler, as well as other smaller projects for the production of trucks of various types. ELVO is also the major supplier of spare parts required for the maintenance of the Hellenic Army vehicles. The co - production of the 170 Leopard battle tanks is expected to be materialized soon, parallel to the execution of the overhauling program, in relation to 15.000 vehicles of the Hellenic Army and the supply of the chain-tracks of the Armored Personnel Carrier 'LEONIDAS'. Furthermore, the assignment for the production of the 'KENTAVROS' Armored Infantry Fighting Vehicle could could proceed with ELVO within 2002, as the Ministry of National Defence has approved the necessary funds of f 7,3 mln for the relevant research study, focusing to the development of this vehicle.

Finally, ELVO has undertaken the production of 243 jeep type vehicles for the Cypriot Army, following an international bidding. In the sector of civilian vehicles, ELVO has been either in the process of bidding for, or has been awarded, projects related to specialized jeeps for various state services, trolley-busses for ILPAP (Athens Electric Busses), various types of busses for OSE (Greek Railways) and other services of Hellenic Army General Staff, as well as the production of various trucks and tank carrying trailers for the Hellenic Army and last the production of Fire-fighting vehicles for the fire brigate.

METKA on the other hand, a highly equipped company, with adequate technical know how, certified with an ISO 9001, has been actively involved in defence programs, in collaboration with large industrial conglomerates, which hold a top position in the field of defence armaments, such as Raytheon, Lockheed Martin and Howaldtswerke Deutshe Werft A.G. (HDW). Hence, METKA is now considered among the largest industrial units in Southeastern Europe, with a great specialization in complex and high quality metal constructions for industrial co productions pertinent to defence systems and armaments.

The co-production program related to the launchers and trailers of the Patriot missile system, in cooperation with the US firms Raytheon and Lockheed Martin, is in the final stages of completion and is expected to be finished within 2002. The steel pressure hulls of the two new submarines of the Hellenic Navy are now under construction with the cooperation of the German Shipyards HDW and should be completed by 2005, while, given the acquired technical expertise, it is now possible that METKA can procced with the assignment for the construction of two additional submarines.

Further to the agreement with the German Krauss Maffei Weggman (KMW), that has been the lowest bidder in the relevant international bidding of the Ministry of National Defence, the Group, has undertaken the sub-contract for the production of a large part, the final assembly and testing of the 170 new Leopard main battle tanks for the Hellenic Army. This project has an estimated budget of about f 240 mln.

METKA is now considered among the largest industrial units in Southeastern Europe, with a great specialization in complex and high quality metal constructions for industrial co productions pertinent to defence systems and armaments.

We believe that our active business involvement in the Defence Industry will steadily increase in the years to come, given that the Greek State's policy in arms procurement encourages the Greek co–production. This will increase our profitability and extend our know-how in the field, allowing us to penetrate other markets governed by free competition.

Energy

THE ENERGY SECTOR is the second strategic platform for the development of the Group. By taking advantage of the extensive experience of our subsidiary METKA, we have initiated a broad plan of investments in Greece amounting to f 400 mln, with a goal to exploit business opportunities arising from the Energy and Natural Gas Market deregulation.

To this effect, we have established two new subsidiaries, **«Mytilineos Power Generation and Supplies S.A.» (MPGS)**, and **«Mytilineos Hellenic Wind Power S.A.» (MHWP)**. MPGS has already acquired a license for the construction of a 400 MW Natural Gas fired Power Production Plant in the industrial area of Volos, as well as a license for the co production of the Natural Gas fired CHP Plant for the town of Serres. Through MPGS we have also bid in an international tender called by RAE for two more licenses for the engineering, erection and operation of electrical energy power plants in Crete and in Rhodes, which will be tendered under the BOO scheme. MHWP on the other has obtained the license to build two wind farms of a total power capacity of 27 MW at Sidirokastro in Serres and Platanos in Crete.

The energy sector is the second strategic platform for the development of the Group.

The Group is now in the process of establishing strategic partnerships with foreign companies, that posses a high level of technical expertise in the production and trading of energy.

For the power station in the area of Volos, the joint venture Fichter – Exergia has been selected as consultant. They have performed the feasibility study for the thermoelectric power station, which includes the technical and economic analysis as well as the market research. The second half of 2002, provided that the legislation for energy deregulation is ratified, the construction works for the power plant, budgeted to a 240 mln are scheduled to start.

The Group is now in the process of establishing strategic partnerships with foreign companies, that posses a high level of technical expertise in the production and trading of energy. At the same time, the Group seeks the right partnerships with financial institutions, in order to secure the financing of such a large investment program. It is firmly believed that these projects will have been completed by the year 2005.

In view of the above, it is expected that the energy sector may deliver high mid-term profit margins for the Group.

METKA, by being the main constructor and maintenance contractor of nearly all the electrical power stations in the country, has dramatically improved its turnover and profitability. As a result, METKA is today one of the most dynamic industries, with a very wide field of activities in the assembly, construction, maintenance and rehabilitation of energy producing and refinery facilities.

Finally, **METALLURGY AND INTERNATIONAL METALS TRADING** constitute the Group's traditional field of business operations. Although during 2001 metal prices have reached historically low levels since the thirties, the Group has managed to hold its domestic and international position.

Consequently, we continue with the investment program, which will secure and strengthen the Group's primary production basis, and will enable as to take advantage of opportunities that will arise from the expected market recovery.

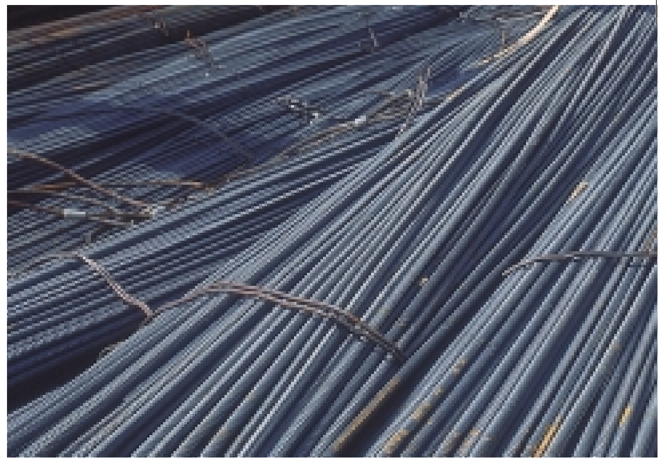
The Group is scheduling a long-term investment program, expected to reach $ 30 mln, regarding the modernization of the SOMETRA complex in Romania. The target is to increase the factory's annual production capacity from 65.000 to 120.000 tones of lead and zinc. This means that we will reach the full production capacity of the factory and secure its long term profitable operation.

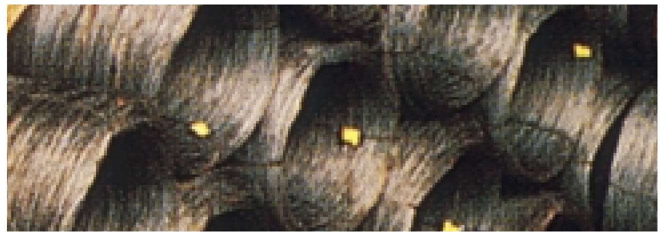
Metallurgy

In this framework, the Group is scheduling a long-term investment program, expected to reach $ 30 mln, regarding the modernization of the **SOMETRA** complex in Romania. The target is to increase the factory's annual production capacity from 65.000 to 120.000 tones of lead and zinc. This means that we will reach the full production capacity of the factory and secure its long term profitable operation.

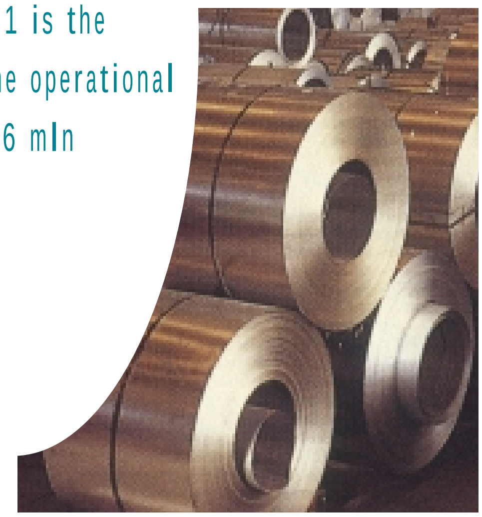
In addition, the long term plans of the Group include the acquisition of metallurgy plants, which will strengthen its position in the international basic metals markets.

In Cyprus the Group holds a major stake of 39% of **HELLENIC COPPER MINES LTD.** HCM Ltd is active in the mining and processing of high quality copper, applying the environmental friendly and economical method of hydrometallourgy. The group is constantly seeking to further reinforce its position in the copper production industry, searching and studying new investment opportunities in the greater Balkan region.





The main characteristic of the consolidated balance sheet of the Group for 2001 is the maintenance of the operational profit at a l 29,6 mln



The financial results of the Group, as well as of our affiliated companies, moving in parallel with the previously discussed developments, show improved operational profitability and mainly evidence improvement of the financial structure of the Group.

The main **characteristic of the consolidated balance sheet** of the Group for 2001 is the maintenance of the operational profit at a 29,6 mln (noting that the 2000 profit of a 40,7 mln included an amount of extra ordinary profit of a 10 mln from sale of stocks) despite the reduction of the turnover by about 7% from a 412,8 mln to about a 383,6 mln, which is entirely due to the fall of the international price of raw materials.)

Regarding the **balance sheet structure** the following should be noted:

- The 55 million USD, 5 year syndicated loan agreement signed in November 2001 resulted in:
  - the restructuring of the bank debt from short term to long term at a proportion of 70% to 30%.
  - the reduction of the interest cost and similar income expense.
  - the improvement of the Group's liquidity (about f 75 mln) allowing for the financing of the investment programs of the Group.
- The leverage index (own to foreign funds) was brought to 1.1:1
- As for the participation in the subsidiary company METKA, this has gradually increased from 59,7% on 30.12.2000 to 63,8% on 31.12.2001 and today is about 65%.

The development of an Investor Relations Department (IR) constitutes a priority of our communications policy and aims at providing, timely, constant and sincere information to investors and analysts.

Since 2001, the management of the Group has adopted and implemented most of the new **Corporate Governance rules**, as these were ratified in the recent law, allowing only for minor gradual adjustments until next autumn. These aim at achieving more efficient internal control, enhanced business transparency and protection of the interests of all that are associated with the company, as well as the addition of value to the business and its long-term development.

In this context, within the year 2002, the composition of the Board of Directors will be changed and non-executive, independent members of international esteem and recognition will be added.

An **Internal Audit Department**, which constitutes the basis for the efficient management of the company, has been established and operates since September 2001. The Department of Internal Audit constitutes of an independently organized team, which reports to the Board of Directors. Its responsibilities include compliance with the enacted policies and rules of operation as they are expressed by the Rules of Internal Operations.

The development of an **Investor Relations Department (IR)** constitutes a priority of our communications policy and aims at providing, timely, constant and sincere information to investors and analysts. In this context, we have organized company presentations to institutional investors during 2001 and, at the same time, we have preserved and enhanced the regular information and contact with our shareholders, trying to communicate to them the proper image, fair assessment and realistic estimations regarding the developemnt of the Group's activities.

DURING 2001 Mytilineos Group, within the context of its **sponsoring strategy** has had an active presence in the **Cultural** and **Social activities** of the country.

In January 2001 the Group sponsored the musical performance of Dionisis Savopoulos «Savorama», at the THESSALONIKI CONCERT HALL and later, in December 2001, with the co operation of the painter Alexis Kyritsopoulos, the Group published the album «Paintings of the Savorama».

Furthermore, supporting for yet another year the programme of the ATHENS CONCERT HALL, the Group contributed to the presentation – for the first time in Greece – of G.Verdi's opera «Corsair».

For the third year in a row, the Group supported the organizing of «PRESPES 2001» in the city of Florina, where all the Balkan countries took part in the athletic, visual, intellectual and orchestral events.

For the fourth year in a row, the Group supported a **scholarship program** for the Department of Finance and Bank Administration of the University of Piraeus.

Finally, the Group contributed to the operation of a **Nursery Station** in Menidi, Attica, which has been built by the donation of the Group through the municipal authorities, offered to the households hit by the earthquake of November 1999.

Evangelos Mytilineos
Chairman of the Board

Annual Bulletin 2001

MYTILINEOS
HOLDINGS S.A.

1 Company Profile

1.1 BACKGROUND

MYTILINEOS HOLDINGS S.A. was established as a holding company, which has grown to become a firm with international activities in the sectors of metals (copper, aluminum, zinc, lead, steel and wires), ores and minerals, raw materials as well as mine and metallurgy machinery. Mytilineos has evolved from the former family business, founded in 1908 and is now managed by the third generation of Mytilineos family, with activities, both in the Greek and international markets of metals and metal products.

Through a series of takeovers and acquisitions in the period between 1991 and 1994, the Group consolidated all the activities of its subsidiaries into the parent firm, which was subsequently listed on the Athens Stock Exchange's Parallel Market, in 1995. Since the second half of 1997, Mytilineos Holdings S.A. has moved from the Parallel Market to be listed on ASE's Main Market.

A number of strategic cooperation agreements that the Group signed in 1996-1997 with copper, zinc, lead and aluminum metallurgical plants in Balkan states, has strengthened its position in the international markets. In 1998, Mytilineos Holdings S.A. took over the Romanian metallurgy complex of SOMETRA S.A., and a year later acquired a 30% stake in the Cyprus-based Hellenic Copper Mines Ltd, a move which placed the Group among the leading companies in European metal markets. Further more, the acquisition of metal constructions group of METKA S.A. which was concluded in 1999, has paved the way to the Group's entry to the areas of energy, major infrastructure, specialised industrial metal constuctions, defence systems and equipment and major projects in foreign countries along with Greece. In year 2000, the Group consolidated further its presence in defence programmes and equipment following the successful acquisition of a 43% stake in Hellenic Vehicle Industry (ELVO), a formerly state-owned company, now managed by Mytilineos Holdings S.A.

Finally in year 2001 through the establishment of two new subsidiaries «MYTILINEOS POWER GENERATION AND SUPPLIES S.A.» and «MYTILINEOS HELLENIC WIND POWER S.A.» the Group activities have expanded further in electricity production and trading. As a result, Mytilineos Holdings S.A. activities have now been gradually and steadily diversified from the traditional areas of global metal trading, ores and metallurgy to areas such as energy and defence equipment.

1.2. SERVICES AND PRODUCTS

The Group has become one of Greece's largest metal traders, while after a number of partnership agreements and takeovers, it has evolved from a commercial partner and intermediary into a coordinator and manager in some of Europe's most important operation in mineral deposits.

The Group's main trading activities focus on:

• Non-ferrous basic metals: copper, lead, zinc, aluminum and their alloys. Trading in non-ferrous metals has gradually become the Group's primary activity. Apart from aluminium, 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 basic metals. The Group supplies copper, lead and zinc to a number of plants in Greece, with affiliated mines having a surplus production capacity.

• Steel products: materials used in construction projects and metal manufacturing industries. Is used to be the Group's primary business for a number of years. However, even though sales of the steel products are steadily declining, sales in absolute figures have moved upwards, driven primarily by a strong recovery in Greece's domestic building activity, as well as by the expansion of exports to Balkan markets, mainly Albania.

• Wires: products used as raw materials in the manufacturing of wire ropes, wire-netting and construction grids, with the main consumer being the construction sector.

1.3 INTERNATIONAL ACTIVITIES-ALLIANCES

The Group's expansion to global metal trading has been the result of a new strategy planning that the company has opted to map out in order to offset declining sales in the domestic market, where it held a leading position for a number of years. Despite certain difficulties in international markets, these were chosen as the sole area with a potential to achieving continued high growth rates. Such a change in the Group's orientation was inaugurated in 1995 with the signing of a number of alliances with mines and metallurgy industries based in Balkan states, which went far beyond ordinary commecial deals. In the framework of such partnerships, MYTILINEOS HOLDINGS S.A. has undertaken the following activities:

1. To partially finance mining and metal processing production.

2. To obtain and supply raw materials to metal processing plants.

3. To provide the necessary mechanical equipment to modernise production processes.

4. To provide the required know-how for the effective operation of such plants.

In return, the contracting parties have undertaken to supply the equivalent value of their finished products to 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), which is the largest international commodity market. The above agreements are executed exclusively by MYTILINEOS HOLDINGS S.A., with supervision for good performance by subsidiaries MYTILINEOS BELGRADE (EX SERMETRADE) in Serbia and MYVEKT DOO in the Former Yugoslav Republic of Macedonia

(FYROM). Such commercial agreements are likely to be signed with companies in Southeastern European countries, to better serve the needs of local producers. Even though producers in these countries usually have large output, they lack both working capital and the required know-how needed to operate in a global competitive enviroment.

Having identified such problems, the Group has adopted a long-term cooperation policy with such local producers, thereby enjoing special privileges and exclusive rights which further consolidate its position in these markets.

Some of the major agreements are:

- A seven-year cooperation agreement signed with Serbia's mining and metallurgy complex RTB-BOR, effective until 2004. RTB-BOR is the largest vertically integrated copper processing plant in Western Europe, providing Mytilineos with exclusive distribution rights of the largest part of its output in electrolytic copper, gold and silver. In return for such rights, Mytilineos provides working capital required for the plant to meet its ore requirements.
- An agreement with FYROM's SASA plant, worth US $ 86 million, giving Mytilineos the exclusive right to exploit sulphurous zinc and lead minerals. In return Mytilineos provides finance for the plant's production operations. The contract expires in 2004.
- An agreement with the Kosovo mining group RMHK TREPCA. The agreement has now been suspended after RMHK TREPCA gradually delayed the fulfilment of the terms of its contract with Mytilineos. As a result, Mytilineos's contractual claims up to August 1999 amounted to approximately US $ 47 million. Mytilineos has taken legal action against the guarantor state bank JUGOBANKA A.D., and a recent rulling by the Financial Court of Belgrade (Decision RZ 4990/2000) has ordered the bank to pay Mytilineos Holdings S.A. the amount of US $ 46,927,962.19, bearing legal interest as of August 1999. Mytilineos has revised its earnings forecast downwards by GRD 4.5 billion (taking a provision) as a result of its claims of damages from Export Credit Insurance Organisation (OAEP) and the Belgrade Court decision, would have to further impact on the Group's financial position.
- A five-year, US $ 150 million cooperation agreement with Hungary's DUNAFER group, providing for the exclusive sales of its products, through Mytilineos, to Balkan states and Egypt, without excluding the potential of sales of DUNAFER products to other countries, as well.
- A cooperation agreement with the copper mining company Hellenic Copper Mines Ltd. operating in Cyprus. At its initial stage, the agreement was valued at US $ 16 million annually.

Mytilineos Holdings S.A. sales network in foreign countries, has seen a rapid growth and has been serviced by subsidiaries and commercial agents. The table below shows the Group's turnover in 1996-2001 in domestic and foreign markets.

DEVELOPEMENT OF TURNOVER

(amounts in GRD million)

TURNOVER (value)	1996	1997	1998	1999	2000	2001
Domestic sales from:						
● Commercial activities	15.829	25.035	18.054	20.664	32.304	28.985
● Construction activities	169	476	525	396	3.929	1.281
● Services	14	20	121	38	2.584	173
● Industrial activities				15.204	19.574	33.377
	16.012	25.531	18.700	36.302	58.391	63.816
Sales in foreign markets from:						
● Commercial activities	9.998	9.040	50.223	56.582	79.245	63.083
● Industrial activities				123	718	751
● Services	14	20	121		2.331	3.084
	9.998	29.040	50.223	56.705	82.294	66.919
Grand Total Services	**26.010**	**54.571**	**68.933**	**93.007**	**140.685**	**130.735**

As shown in the table, sales in foreign markets account for a steadily increasing part of the Group's turnover. The expansion of Mytilineos activities in global trading has been a natural consequence of both its leading position in the Greek market and its affiliations in international markets. In 2001, global trading alone accounted for 72.29% of Group sales.

Mytilineos Holdings S.A. has developed an exceptionally flexible and effective operation structure allowing the Group to provide high-quality services. The company's organisation is divided into four (4) main departments (Administration, Finance, Commercial Operators and Transport), which are staffed with highly qualified personnel.

In addition, the Group has state-of-the-art telecommunications and information technology equipment to enable an uninterrupted flow of information on market developments and conditions, client's requirements, merchandise availability and transportation capacity to meet the needs of its entire sales network.

As mentioned above, the partnership that the group has signed with a number of foreign companies, go far beyond more business alliances, as the Group has effectively assumed the joint management of cooperating plants, even though at present it holds no share in those firms' equity. However, in most cases, it retains the right of priority in a future privatisation of these businesses, which safeguards its interests in the event of takeover bids by competitors.

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

1.4 SALES AND DISTRIBUTION NETWORK

Mytilineos Holdings S.A. sales network consists of three (3) distribution centres in Greece and an extensive network of commercial agents in foreign countries.

1.4.1 Sales Network in Foreign Countries

The Group has set up a rapidly expanding sales network in many countries, and activities are supported by subsidiaries and commercial agents in the following cities and states:

Subsidiaries	Agencies
Luxemburg	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 have to be highly familiar with market conditions and particularities so as to be able to provide the Group with accurate information in order to allow precise estimates of the expected demand in each market. In addition, their contribution to monitoring and good execution of orders is regarded essential. The primary international markets for Mytilineos Holdings S.A. products are Italy, Egypt, Turkey and Balkan and Eastern European states. Cooperation models with commercial agents vary per country and are based on commission rates agreed in advance.

A large part of international sales is also undertaken by the Group itself, direct contact of its Commercial Department with clients.

1.4.2 Domestic Sales and Distribution Network

Mytilineos Holdings S.A. has three (3) privately owned distribution centres in Greece:

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

The following table shows Mytilineos Holdings S.A. sales per geographic region:

Sales per region	
Greece	34,87%
Cyprus	21,15%
Italy	14,50%
Romania	6,97%
Switzerland	5,56%
Egypt	3,16%
UK	2,42%
Poland	1,93%
Chech Republic	0,94%
Turkey	0,90%
Israel	0,66%
Misc.	6,94%
TOTAL	**100%**

1.5 MARKET OVERVIEW

"MYTILINEOS HOLDINGS S.A." belongs to brunch code 515.2 'wholesale trade of metals and minerals of the statistical class of the economic activity branch of ESYE.

The primary activity of MYTILINEOS HOLDINGS S.A. today is the international trade of metals and minerals, as well as the participation into other companies' share capital.

Non ferrous metal trade represents 84,10% of the Company's turnover. The international non ferrous trade is noted for the presence of many international trading houses. These trading houses are not import or export houses as such, since, what they mainly engage, is to buy the product from one foreign country and resell it to other foreign countries. What constitutes an important strategic advantage is the access to competitive sources of supply of the product. The majority of these products are the subject of stock exchange dealings and their prices are determined in the international metals exchanges , the most important of which is the L.M.E. MYTILINEOS HOLDINGS S.A. considers that because of the strategic agreements that have been signed in Serbia and FYROM, as well as the acquisition of the Romanian metallurgical unit SOMETRA S.A., has developed into the biggest copper, lead and zinc trading company in the Balkans and into one of the top companies in the greater region of East Mediterranean and Middle East.

The prices of basic metals at the London Metals Exchange (LME) in 2001, have followed the course of the global economy and, on average, fluctuated at substantially lower levels compared to 2000. The growth rates of the global economy, which have been falling during the whole of the year, have had a negative impact upon the demand of metals, and, in combination with the weakness of supply (mining/production) to come to the required level, have consequently led the prices lower. The relevant index of the London Metals Exchange (LME) suffered a fall of 17,04%.

The two important metals most influencing the index (weighting), copper and aluminum, had a considerable fall, as their average prices lost a 13% and 6,8% respectively of their value, compared to prices of the previous year.

Specifically, the price of copper, has had a constant downward course, which resulted in an average 12 month price USD 1.577,77/ton, closing at USD 1.462/ton whereas at the global production and consumption level, the estimated surplus for 2001 was about 687.000 tons. Indicative of the imbalance between supply and demand is that only the LME stocks increased by about 450.000 tons and reached 799.000 tons. The average price fluctuations of each quarter, compared to the previous one, were, -4,5% the 1st quarter, -2,7% the 2nd quarter, -3,9% the 3rd quarter and -2,7% the 4th quarter, whereas the price range was USD 1.837 - USD 1.319.

The price of aluminum has also had a remarkable fall during the year, with the exception of the first quarter when the average price increased by 4,4 %, reflecting the market reaction to the continuous production stoppages at important production centers in North America - in California - due to cost increases, from the excessive rise in the price of electrical energy. With an average yearly price of USD1.443,78/ton. and closing price of USD1.335/ton., the average price of the metal (-6,8%) does not fully reflect the perceived state of supply and demand during the year since, the estimated production surplus, only for the West, was about 310.000 tons and the increase in production, in one of the most dynamic markets in the field (China), was, until November, about 22,8%, thus totally balancing even the production stoppages in European production units, during the 4th quarter of the year. The average price variations of each quarter compared with the previous one were 4,4% the 1st quarter, -2,1% the 2nd quarter, -2,9% the 3rd quarter and -2,4% the 4th quarter whereas the price range was USD 1.737 - 1.243.

Zinc had the biggest fall of all basic metals, since on average it has lost about 21,4% of its value in comparison to 2000. The continual increase of global production in refined product since 1999, especially in China, and the fall in demand, especially at the second half of the year, have led to a dramatic fall in prices. The estimated surplus for the West only, (Europe, America, Oceania) was 260.000 tons and the certified stocks about 918.000 tons. The average price was USD 886,27 and the annual closing price USD 767,5. The average price of the metal per quarter was steadily downward, whereas the percentage price variations were -4,9% at the 1st quarter, -3,6% at the 2nd quarter, -4,3% at the 3rd quarter and -3,8% at the fourth quarter. The price range was USD1.053-732,5

Finally, lead moved against the course of the market, registering a 4,8% average increase compared to the previous year. The main reason has been the tightness at the supply level of the mineral as well as in production, which fully countered the fall in demand worldwide. As an indication, data from the Western world show, even after imports, mainly from China, the gap between supply and demand has almost been closed (+10.000 tons), whereas the stocks of lead at LME were the only ones to register a fall (-33.000 tons). The average price was USD 476 and the closing price for the year was USD 504. The average price variations per quarter compared to the previous one were 4,3% at the 1st quarter, -2,6% at the 2nd quarter, -0,6% at the 3rd quarter and 0,1% at the 4th quarter. The price range was USD522,5- 430,5

1.6 MAIN EVENTS

1.6.1. Energy

MYTILINEOS HOLDINGS S.A., taking advantage of the opportunities arising in the Energy and Natural Gas Market deregulation, invests in electricity generation and trading both in Greece and in the Balkan Countries. To this end two subsidiary companies, MYTILINEOS POWER GENERATION AND SUPPLIES S.A. (MPGS) and MYTILINEOS HELLENIC WIND POWER S.A. (MHWP) have been established and have successfully participated in the power generation licensing procedure applying for Power Generation Licences to the Regulatory Authority for Energy (RAE) in February 2001.

MPGS has already been granted a license for the construction of a 400 MW Natural Gas fired Power Production Plant in the industrial area of Volos as well as a license for the co production of a Natural Gas fired CHP Plant for the town of Serres (16 MWe / 91 MWth).

For the power station in the area of Volos, the joint venture Fichter – Exergia has been selected as engineering consultant. They have performed the feasibility study of the thermoelectric power station, which includes the technical and economic analysis as well as the market analysis, which was concluded in March 2002. Moreover the EPC tender documents were undertaken.

After granting the generation license from RAE MPGS applied for and has been granted the first phase of the installation permit. In order to grand the final installation permit the environmental impact assessment study for the plant has been undertaken.

A geotechnical study in the Servisteel 's land plot has also been undertaken.

The group has now reached the stage and is in the process of establishing strategic partnerships with foreign companies, who posses a high level of know-how in the production and trading of energy. At the same time, the Group seeks the right partnerships with financial institutions, in order to secure the financing of such a large investment program.

Discussions with the Natural Gas Company (DEPA) have taken place in the second half of 2001 and ended with a first draft of a gas sales agreement between DEPA and the independent power producers.

The construction of the Natural Gas fired CHP Plant for the town of Serres has began since the installation permit had already been obtained. A 40% subsidy from Ministry of Economics has already been approved since December 2001.

The consortium ASPROFOS – CARL BRO has been selected as the project management team for a bidding preparation regarding the erection of the plant and the procurement of the materials.

The heat sales agreement with the Municipality of Serres has also been finalised. Negotiations with the Hellenic Transmission System Operator (HTSO) for the plant's connection to the electrical grid has also taken place.

MHWP on the other hand has obtained the license to build two wind farms of a total power of 27 MW at Sidirocastro in Serres and at Platanos in Crete. For this reason MHWP submitted applications to the Ministry of Development for granting the installation permits for the above wind farms which are expected to be taken on the second half of 2002. Moreover MHWP has been awarded a 30% subsidy from the Ministry of Development for the construction of the wind farms.

During the second half of 2001 two new subsidiaries have been established CRETE and RHODES POWER GENERATION AND SUPPLIES S.A. which together with Rolls Royce Power Ventures Limited and Domiki Kritis S.A., have participated to a tender called by RAE (Regulatory Authority for Energy), acting on behalf of the Ministry of Development regarding the engineering, erection and operation of two Power Plants of 250MW and 120MW in the islands of Crete and Rhodes respectively. These plants will be tendered under a BOO scheme.

The BOO contest is at a pre-qualification stage and the final results are expected to be notified during the first half of 2002.

1.6.2. Defence

With the acquisition of a 43% share in ELVO, the biggest Hellenic Vehicle Industry, MYTILINEOS S.A. has managed since August 2000 to strengthen the industrial profile of the Group, especially in the field of defence systems and armaments, parallel but also complementary to the rest of Group's activities related to the sector of electromechanical equipment, as well as to the mineral /metallurgical sector.

Year 2001 can be characterized as a crucial one, for the Hellenic Vehicle Industry (ELVO). During the last year, the following very important developments took place:

- Return to profitability after several years of negative results.
- Company's share capital increase by GRD 5,6 mln, with Group's participation in ELVO increasing from 43% to 47,5%
- Revision and approval of company's enhanced business plan covering the time period 2001 - 2006.

It should be mentioned also that the new form of cooperation between the State and a private enterprise in ELVO's management, has contributed positively to the company's performance and thus has reversed the negative climate of the previous years.

Year 2001 has essentially been the first full year of operations of the privatised ELVO with the following noteworthy results on the balance sheet:

- ELVO returned to profitability after several years. Net profit reached GRD 778 mln as compared to losses of GRD 5,6 bln drs of the previous year 2000. It should be noted that the turnaround in the results has been the outcome of more efficient and rationalised management, the improvement in the financial management, as well as the essential improvement in the supervision and management of current contracts.

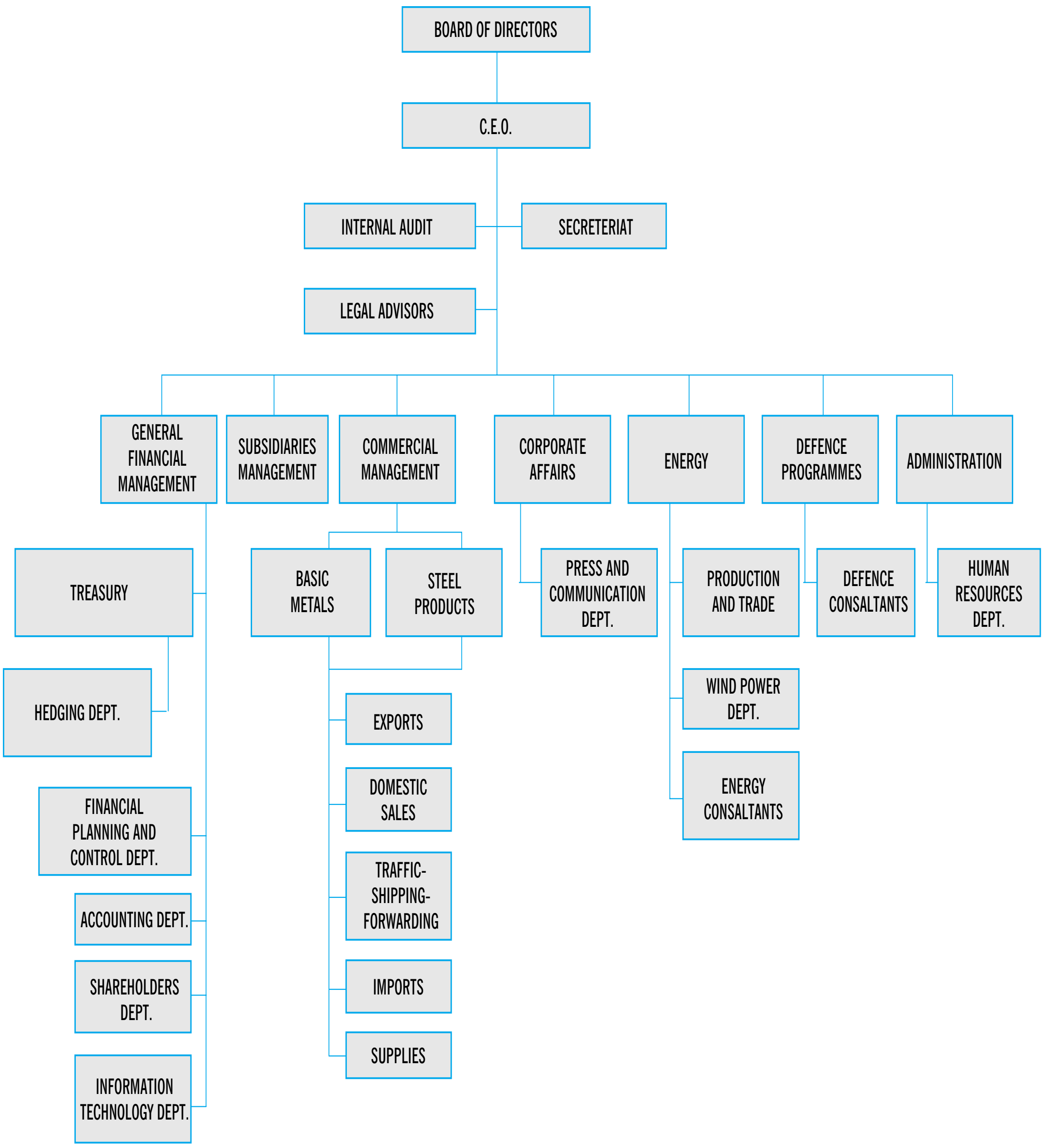
- Reversal of the company's net worth from negative (GRD -3,5 bln) to positive (GRD 5,4 bln).
- Total operational CAPEX for the current fiscal year reached GRD 2,157 mln, of which GRD 1.910 mln (approx 90%), went into the modernization of the technological and mechanical equipment.

In addition to the above, the Greek Defence Ministry has finally decided to award ELVO with the supply projects pertinent to the vehicles stocks and other relevant work to covering all the defence requirements of the Hellenic Armed Forces, which have been included in the already approved medium term procurement program (EMPAE) for 2001 - 2005. It has also been decided by the same Ministry that ELVO will undertake to covering the supply requirements and maintenance of all vehicles and mobile stock of the Armed Forces. These decisions either take the form of specific contracts or will be included to a special "Framework Agreement" with the Ministry of Defence.

METKA has always had a dynamic presence in the armament programs with the prospect and the goal to become one of the top defence industries in Greece. METKA has already acquired the know how in various defence programs, given that it has, in the past, successfully completed the construction of the armored vehicles, the AIV truck LEONIDAS, in collaboration with ELVO, the construction of a torpedo loading system during the upgrading of the Hellenic 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 etc.

Currently, METKA S.A. has undertaken to producing some essential parts (launchers and trailers) of the PATRIOT missile system, in collaboration with the American companies Raytheon and Lockheed Martin, worth GRD 7,6 bln, the construction of the pressure hull of the new submarines of the Hellenic Navy, worth GRD 5,5 bln, in collaboration with the German Shipyards FS/HDW, while recently METKA has signed a contract for the production of parts of the self propelled tracked gun HOWITZER, worth f 1.0 mln, as well as some other construction programs of various defence armament parts of a smaller scale.

1.7 CORPORATE ORGANISATIONAL CHART



1. 8 HUMAN RESOURCES

Mytilineos Holdings S.A. personnel consists of mainly carefully selected administrative officers and employees. The table below shows the allocation of personnel in the past three years.

PERSONNEL	1999	2000	2001
Administrative Officers	56	65	78
Employees/Workers	4	5	5
TOTAL	**60**	**70**	**83**

EDUCATIONAL LEVEL			
Higher Education-University Degree	32	39	45
Higher Education-Technology Institutes Degree	22	25	32
Secondary Education	6	6	6
TOTAL	**60**	**70**	**83**

During 2001, the Company employed a number of new staff, to meet the needs arising from the expansion of its activities, especially in the Balkan states. Mytilineos Holdings S.A. takes good care for constant personnel training, while it provides additional insurance to all of its staff. Specifically, all employees are covered by a group policy for life, accidents and health care. Policies signed with the insurance company of Agrotiki Zois can be as high as 10 monthly salaries per employee. Relations between the Group's Administration and employees are excellent.

A total of 3,500 people are employeed by Mytilineos Group both in Greece and abroad.

1.9 INVESTMENTS

The following list shows the Group's largest investment in the three-year period 1998-2000.

1998

- Acquisition of a 27.54% stake in the listed company METKAS.A., an investment valued at GRD 10.743 million.
- Acquisition of a 60% stake in Romanian metallurgy SOMETRAS.A. from Romania's State Ownership Fund, for the amount of GRD 1.176 million.
- Construction of a privately-owned office building of a total area of 1.500 m2, on a 761 m2 land plot in Paradisos Amarousiou, Athens, to house the Company's head offices. Value: GRD 1,0 billion.

1999

- Acquisition of a 20.06% stake in listed METKA S.A., an investment costing the Group GRD 9.200 million.
- Partnership agreement signed with Hellenic Cooper Mines Ltd.
- Acquisition ot the US Consulate building in Thessaloniki, of a total value of GRD 2,9 billion.
- Conclusion of the first investment phase in S.C. SOMETRA S.A., Romania, worth US $ 3 million (GRD 1,2 billion).

2000

- Acquisition of a 22.53% stake in Hellenic Vehicle Industry S.A. (ELVO), valued at GRD 2.174 million (plus 12.04% through METKA S.A.).
- Acquisition of an additional 12% stake in listed METKA S.A., costing the Group GRD 15,8 billion.
- Acquisition of a 27% stake in Romania's SOMETRA S.A., though an increase in share capital, valued at GRD 5,14 billion.
- Acquisition of a 30% stake in Hellenic Copper Mines Ltd., valued at GRD 2.027 million.

2001

- Acquisition of an adittional 4.5% stake in Hellenic Vehicle Industry S.A. (ELVO) through an increase in share capital, valued at GRD 1.431 million.
- Acquisition of an adittional 4% stake in listed METKA S.A. costing the Group GRD 3.368 million.
- Beginning of the construction of a privately owned building of a total area of 673,24 m^2 in Thessaloniki.

INVESTMENTS - FIXED ASSETS

In GRD	2001	2000	1999	Total
Land		41.424.819	837.500.530	878.925.349
Building & Construction Projects	28.300.000	91.057.991	3.312.788.163	3.432.146.154
Machinery & other Equipment	1.800.000	0	8.428.000	10.228.000
Transportation Means	-24.195.723	30.874.335	88.658.833	95.337.445
Furniture & other fixtures	-20.741.066	65.698.085	149.543.704	194.500.723
Payments on Accounts				
& Tangible Assets under Construction	194.817.266	49.646.703	0	244.463.969
TOTAL	**179.980.477**	**278.701.933**	**4.396.919.230**	**4.855.601.640**

2 Balance Sheet

2.1 OPERATIONS - RESULTS

The table below shows the developement of the Group's turnover and results for the three - year period 1999-2001.

TABLE OF RESULTS

(amounts in GRD)

	2001	2000	1999
Turnover from:			
Industrial-Construction Activity	35.408.819.632	24.220.698.122	15.722.817.199
Commercial Activity	92.069.044.819	111.549.501.228	77.246.345.554
Services	3.257.463.654	4.915.170.285	38.614.145
Total Turnover	**130.735.328.105**	**140.685.369.635**	**93.007.776.898**
Less: Cost of Sales (before Depreciation)	109.089.729.592	118.721.226.947	78.685.495.077
Gross Operating Results (Profit)	21.645.598.513	21.964.142.688	14.322.281.281
(% of Turnover)	16,56%	15,61%	15,40%
Plus: Other Operating Income	198.476.498	1.561.397.858	258.199.530
Total	**21.844.075.011**	**23.525.540.546**	**14.580.481.351**
Less: Administrative Expenses (before Depreciation)	4.819.635.446	4.014.707.750	3.060.463.589
Distribution Expenses (before Depreciation)	4.785.465.542	4.554.896.251	2.418.789.179
Total Expenses	9.605.100.988	8.569.604.001	5.479.252.768
(% of Turnover)	7,35%	6,09%	5,89%
Operating Results (Profit)	12.238.974.023	14.955.936.545	9.101.228.583
(% of Turnover)	9,36%	10,63%	9,79%
Plus:			
Revenue from Participations & Securities	458.703.084	10.229.802.312	17.452.029.308
Extraordinary & Non-Operating Revenue	5.733.451.586	5.514.252.851	2.003.280.563
Extraordinary Income & Revenue from Prior Fiscal Years	37.812.596	11.834.105	2.646.836
Revenue from Provisions of Prior Years	878.195	2.185.080	0
Less:			
Expenses & Losses from Participations & Securities	36.576.755	6.116.296.225	242.447.361
Extraordinary & Non-Operating Expenses	2.016.836.902	5.495.891.215	3.025.103.545
Extraordinary Loss	8.559.896	8.383.547	17.479.385
Expenses from Prior Years	565.515.220	169.558.421	180.261.754
Provisions for Emergencies	9.394.287	9.712.122	4.500.000.000
Income before Interest & Depreciation	**15.832.936.424**	**18.914.169.363**	**20.593.893.245**
(% of Turnover)	12,11%	13,44%	22,14%
Plus: Credit Interest & Related Revenue	479.488.346	1.466.769.584	306.681.349
Less: Debit Interest & Related Expenses	3.929.212.110	4.206.021.561	3.819.050.560
Income before Depreciation &Tax	**12.383.212.660**	**16.174.917.386**	**17.081.524.034**
(% of Turnover)	9,47%	11,50%	18,36%
Less:Depreciation (total)	2.271.053.725	2.289.374.662	1.488.896.843
Profits before tax	10.112.158.935	13.885.542.724	15.592.627.191
(% of Turnover)	7,73%	9,87%	16,76%
Less: Taxes	3.466.312.902	4.203.066.610	3.432.004.396
Less:Distribution of Profits to Staff	-	-	-
Profits after Taxes and Distribution of Profits	**6.645.846.033**	**9.682.476.114**	**12.160.622.795**
(% of Turnover)	5,08%	6,88%	13,07%
Less: Additional Taxes	-	-	-
Profits after Taxes, Distribution of Profits & Additional Taxes	**3.585.530.460**	**5.630.442.114**	**8.108.588.795**
Revised Profits before Tax	1.223.766.460	3.972.450.268	6.671.523.329

Turnover

The Group's turnover is mainly attributed to its commercial activities. Revenues from Industrial-Construction activity derives from subsidiaries ELEMKA S.A. and METKA S.A. and their own subsidiaries. Revenues from the provision of services come from other additional operations and commissions. The Company's turnover has shown considerable growth in the last three-year period, which is attributed primarily to the Group's higher activity in international markets, as well as to the acquisition of new companies, while the main reason for the company's turnover developement in 2001 was the adverse conditions of the international metals market.

Cost of Sales - Gross Profits

The Group's gross profit margin should be regarded to be satisfactory, given that the Company is mainly involved in commercial activities, but also due to partnerships it has access to inexpensive sources for the supply of raw materials and products, despite the adverse conditions of the international metals market.

Administration-Distribution Expenses

Operational expenses have risen due to the Group's entrance into the Energy and Defence sectors while the volume sales remained in the same levels at the year before. The operational expenses ratio on sales remained steady, which in turn improved operational results.

Revenue-Expenses from Participations and Securities

The Group posted considerable income from participation in affiliated companies due to dividends received, as well as from profits made on sales of participations and securities held in the Group's portfolio. Expenses on participations are made exclusively from sales of participations and securities, as stock exchange conditions in 2001 were negative.

Extraordinary and Non-Operating Revenue-Expenses

Extraordinary and non-operating revenues and expenses are largely related to exchange parities, driven by the more expensive US dollar against the Greek drachma.

Credit-Debit Interest

The Group has recorded increased revenue from credit interest, coming to GRD 479 million in 2001, due to its high cash amounts in hand. On the contrary, financial expenses fell as a result of the convention of the short-term debt to long-term.

Depreciation

The following table shows the allocation of depreciations for the fiscal years 1999-2001.

ALLOCATION OF DEPRECIATION

(amounts in GRD million)

COST CENTRES	1999	2000	2001
Administrative Expences	462	708	594
Distribution Expences	298	453	158
Cost of Sales	729	1.128	1.519
TOTAL	**1.489**	**2.289**	**2.271**

TURNOVER, GROSS PROFIT MARGIN

ITEM	TURNOVER	GROSS PROFIT
	(amounts in GRD million)	%
Copper	12.866	11,90
Lead	2.378	20,48
Zinc	19.130	11,26
Aluminium	3.193	3,63
Steel	9.179	11,30
Wires	842	10,21
Ores & Minerals	13.579	9,82
Raw Materials	3.296	10,62
Misc.	1.714	25,32
Total	**66.177**	**11,40**

ANALYSIS OF ADMINISTRATIVE AND DISTRIBUTION EXPENSES TO COST SERVICES (amounts in GRD million)

EXPENSE	ADMINISTRATION	DISRIBUTION	FINANCE	TOTAL
Personnel Expense	370	648	-	1.018
Third Party Fees	267	199	-	466
Third Party Benefits	123	112	-	235
Taxes / Duties	30	5	-	35
Overheads	354	1.239	37	1.630
Interest & Fin Expenses	-	-	2.175	2.175
Depreciation	315	90	-	405
Total	**1.459**	**2.293**	**2.212**	**5.964**

2.2 APPROPRIATION OF PROFITS BEFORE TAX AND DEPRECIATION

Appropriation of profits before depreciation and taxes for the fiscal years 1999-2001 is shown in the table below.

APPROPRIATION ACCOUNT

(amounts in GRD million)

	2001	2000	1999	1999-2000	%
Profits before taxes and depreciation	12.383	16.175	17.082	45.640	
Results Brought Forward	1.695	4.654	2.981	9.330	
TOTAL	**14.078**	**20.831**	**20.063**	**54.972**	
Appropriated as under:					
Total depreciation	2.271	2.287	1.489	6.047	11,00
Legal Reserve	124	506	428	1.058	1,93
Other Reserve	916	5.904	5.627	12.447	22,64
Taxes - Tax Differences	6.527	4.328	3.406	14.261	25,94
Provision for Minorities	1.762	2.668	613	5.043	9,17
Dividends	828	4.052	4.052	8.932	16,25
Profits Distributed to Employees	-	-	-		
Results carried Forward	1.650	1.082	4.448	7.180	13,06
TOTAL	**14.078**	**20.831**	**20.063**	**54.972**	

As shown in the table above, 35.57% of 1999-2001 profits was retained by the Company (reserve and depreciation), while 25.94% and 16.25% was used to pay taxes and dividends, respectively.

2.3 ANALYSIS OF FINANCIAL POSITION 1999-2001

The course of the Company's basic indices in the three-year period 1999-2001 is shown in the table below.

BALANCE SHEET

(amounts in GRD)

ASSETS	1999	2000	20001
NON-DEPRECIATED INTANGIBLE FIXED ASSETS	**667.801.929**	**2.751.925.055**	**2.302.348.503**
Tangible Fixed Assets	31.201.731.375	35.016.225.184	56.946.697.968
(Less: Accumulated Depreciation)	15.291.570.293	18.045.949.815	36.783.723.875
NON-DEPRECIATED TANGIBLE FIXED ASSETS	**15.919.161.082**	**20.203.220.039**	**20.162.974.093**
Participating Interest & Affiliated Undertakings	2.371.555.797	5.553.627.285	8.581.469.465
TOTAL FIXED ASSETS	**18.290.716.879**	**25.756.847.324**	**28.744.443.558**
Stocks	21.927.106.400	21.821.751.287	29.312.633.667
Trade Debtors	27.029.201.926	50.810.360.890	42.439.749.680
Receivable Checks - overdue	3.599.030.667	2.886.086.998	2.167.462.748
Term Deposits	1.600.000	1.600.000	3.884.094
Other Assets	2.254.646.804	3.176.705.506	2.279.007.261
Securities	22.886.466.777	8.872.385.162	13.566.014.460
Cash at Bank and in Hand	41.922.171.055	10.471.608.414	11.825.379.904
TOTAL CURRENT ASSETS	**119.620.223.629**	**98.039.498.257**	**101.590.247.720**
PREPAYMENTS AND ACCRUED INCOME	87.128.514	224.507.623	666.257.593
TOTAL ASSETS	**138.665.870.951**	**126.772.778.259**	**133.303.297.374**

LIABILITIES			
Share Capital	8.104.068.000	8.104.068.000	8.284.383.513
Share Premium Account	62.666.284.955	62.666.284.955	62.666.284.955
Reserves from value adjustments of other assets	-	616.590.967	429.867.041
Reserves	7.512.313.359	13.714.967.998	14.968.195.022
Reserves carried forward	4.447.756.672	1.082.055.584	1.650.382.591
Consolidation balance - minority rights - currency consolidation balance	1.600.932.685	33.318.397.326	32.689.540.638
TOTAL CAPITAL AND RESERVES	**84.947.946.638**	**52.865.570.178**	**55.309.572.484**
PROVISIONS	**2.432.528.538**	**699.799.903**	**758.622.226**
Bank Loans	14.867.821.920	16.479.043.523	37.744.503.639
Other Long-Term Debt	-	75.719.235	429.902.313
TOTAL LONG-TERM DEBT	**14.867.821.920**	**16.554.762.758**	**38.174.405.952**
Suppliers	6.421.463.389	14.638.182.838	9.601.662.862
Notes payable	31.674.925	145.365.285	133.365.699
Banks	10.572.069.062	22.155.935.712	17.591.344.618
Advances from trade debtors	5.995.860.632	7.383.932.014	4.831.919.450
Social Security	296.956.734	430.958.324	443.050.419
Taxes - Duties - Social Insurance Funds	6.856.853.218	6.162.892.023	4.461.547.486
Current Portion of Long-Term debt	4.177.925.480	4.180.852.851	1.057.675.271
Sundry Creditors	2.478.279.774	1.068.320.755	884.882.178
TOTAL SHORT-TERM CREDITORS	**36.831.083.214**	**56.166.439.802**	**39.005.447.983**
ACCRUALS AND DEFERRED INCOME	203.081.608	486.205.618	55.248.729
TOTAL LIABILITIES	**139.282.461.918**	**126.772.778.259**	**133.303.297.374**

Stock and Estimation Method

The Group maintains a considerable amount of stock, owing to increased stock kept by SOMETRA in finished products, and METKA's signed contracts for projects to be constructed in the future. Of the total stock held as of 31.12.2001, merchandise accounted for GRD 15,569,742,002.

Payable Dividends

As of 31.12.2001, the account «payable dividends» stood at GRD 1,057,675,271, corresponding to dividends for 2001 totalling GRD 828,438,351 and dividend balance form prior years amounting to GRD 229,236,920.

2.4 BASIC FINANCIAL RATIOS

The most important ratios referring to development, performance, capital structure and activities are shown in the table below.

BASIC FINANCIAL RATIOS

	1999	2000	2001
DEVELOPEMENT RATIOS (%)			
Turnover	34,92	51,26	(7,07)
Profits before Tax	270,97	(10,94)	(27,17)
Profits after Tax and Directors Remuneration	227,91	(20,36)	(31,35)
Tangible Assets (acquisition value)	1.715,6	12,19	48,89
Total employed capital	199,79	40,66	6,13
PROFIT MARGIN RATIOS (%)			
Gross Profit Margin	13,1	14,8	15,39
Net Profit Margin (before tax)	26,0	9,87	7,73
PERFORMANCE RATIOS (BEFORE TAX)(%)			
Return of Total Capital Employed	11,24	10,95	7,58
VELOCITY OF CIRCULATION RATIOS (DAYS)			
Assets	120	138	124
Suppliers	26	45	32
Stock	15	67	87
DEBT RATIOS (:1)			
Ratio of Total Liabilities / Owners Equity	0,64	1,39	1,39
Bank Debt / Owners Equity	0,13	0,42	0,32
LIQUIDITY RATIOS (:1)			
Current Liquidity	2,31	1,35	1.32
Liquidity	-	-	-
FINANCIAL LIABILITY RATIOS (:1)			
Financial Expences / Gross Profit	0,30	0,20	0,20
Financial Expences / Results before tax and interest	0,20	0,23	0,28

Performance

Performance of both owner's equity and total assets moved slightly up during the three-year period 1999-2001.

Inventory Turnover

The relatively high stock kept by the Group resulted in all the ratios recording a gradual rise in the period 1999-2001.

Liquidity

In the three-year period in question, the Group recorded an exceptionally high ratio of liquidity due to the share increases in capital both by Mytilineos Holdings S.A. and subsidiary METKA S.A. and due to the 55 million USD, 5 year syndicated loan agreement signed in November 2001.

Financial Liability

Even though total liabilities recorded an increase during the period 1998-2001 (139% of equity capital in 2001), the Group has kept interest expense to relatively low levels compared to results, having gradually converted short-term borrowing to long-term.

2.5 FINANCIAL SOURCES AND USE OF CAPITAL

FINANCIAL SOURCES AND USE OF CAPITAL

(amounts in GRD million)

	1999	2000	2001
FINANCE SOURCES			
Profit before Tax	12.061	12.554	3.243
Depreciation	261	381	405
Increase of Bank Loans	6.300	5.293	-
Long-Term Loans	-	-	21.265
Other Long-Term Debt	-	6	(6)
Short-Term Loans	6.300	5.287	-
Provisions	1.987	(1.527)	(203)
Cash Payable Share Capital Increase	50.650	-	-
TOTAL	**71.259**	**16.701**	**24.704**
USE OF CAPITAL			
Increase in Formation Expenses	568	310	252
Increase in Tangible Fixed Assets	4.389	484	180
Increase in Holdings and other Financial Assets	32.277	26.473	14.340
Reduction in Short-Term Loans	-	-	11.080
Dividends	1.170	3.979	3.141
Taxes	-	3.314	1.498
Change in Cash at Bank and in Hand	19.344	(18.828)	2.714
Change in Working Capital	13.511	(969)	(8.501)
TOTAL	**71.259**	**16.701**	**24.704**

3 Affiliated Companies

3.1 MYTILINEOS HOLDINGS S.A. AND AFFILIATED COMPANIES

3.1.1 Subsidiaries

The following table shows Mytilineos Holdings S.A. stakes in subsidiaries, as well as acquisition and net value as of 31.12.2001.

(amounts in GRD)

COMPANY	TOTAL NO. OF SHARES	NUMBER OF SHARES HELD BY MYTILINEOS	% OF STAKE	ACQUISITION VALUE 31.12.01	NET VALUE 31.12.01
MYTILINEOS FINANCE S.A.	3.500	3.500	100	101.530.850	1.224.517.674
ELEMKA S.A.	3.600	2.520	70	260.000.000	620.871.510
G.SIDIROMETALLICA S.A.	2.178	1.089	50	20.890.000	14.611.15
METKA S.A.	51.950.600	31.040.090	59,75	61.654.999.851	52.343.834.969
SOMETRA S.A.	15.909.435	13.993.358	87,96	6.252.726.754	1.525.835.756
ELVO S.A.	373.560	92.578	24.78	3.605.375.648	1.356.760.800
DEFENCE MATERIAL INDUSTRY S.A.	-	-	52,4	157.200	157.200
MYTILINEOS HELLENIC WIND POWER S.A.	900.000	504.000	56	171.738.000	171.738.000
MYTILINEOS POWER GENERATION & SUPPLIES S.A.	200.000	134.000	67	136.981.500	136.981.500
INDUSTRIAL RESEARCH PROGRAMS «BEAT»	120.000	42.000	35	14.311.500	14.311.500
HELLENIC COPPER MINES L.T.D.	7.971.276	2.366.667	29.69	2.413.652.966	698.902.912

For all of the companies presented in the table above, Mytilineos Holdings S.A. has compiled consolidated financial statements, excluding a) HELLENIC COPPER MINES L.T.D. and ELVO S.A. due to deficiency of financial statements for fiscal year 2001 and b) DEFENCE MATERIAL INDUSTRY S.A., MYTILINEOS HELLENIC WIND POWER S.A., MYTILINEOS POWER GENERATION & SUPPLIES S.A. and BEAT since they are in their founding stage. All other holdings were estimated at their acquisition values.

METKA S.A.

METKA S.A., Greece's leading metal constructions group with a long and successful activity in both domestic and international markets, was founded in 1973 and is based in Nea Ionia, Volos, Greece. METKA is a prime contractor and collaborator to the Public Power Corporation (PPC) in a large number of power generation projects, and has specialised know-how in a broad range of areas, such as mine facilities and equipment, advanced industrial constructions, heavy-duty metal constructions and defence systems. Its current backlog stands at GRD 50 billion. The company employs 489 people and its mechanical equipment is worth over GRD 4,7 billion. Mytilineos Holdings S.A. plans to develop and extend the group's activities into the energy sector (as a natural part of its cooperation with PPC), as well as in major infrastructure projects, specialised industrial construction projects, defence systems and materials and projects constructed outside of Greece (including projects to modernize and upgrade a number of mines controlled by Mytilineos Group). During 2000, METKA acquired majority stakes in as many as four (4) companies: EKME (40%), 3KP (40%), Rodax (80%) and TCB (40%). Counting on synergies by these four companies, METKA plans to go ahead with investments in power stations from renewable sources (hydroelectric stations, wind farms, waste treatment facilities), as well as in utilisation of lignite deposits through government concession contracts. The business plan of METKA include also its participation in joint ventures for the construction and operation of thermal power stations under a Built-Operate-Transfer (BOT) system both in Greece and the Balkans. Today Mytilineos Holdings S.A. holds a 65% stake in METKA S.A.

SOMETRA S.A.

Sometra S.A. is a large industrial smelter based in the Transylvanian region of Copsa Mica-Sibiu, Romania, employing a staff of 1,500. Mytilineos Holdings S.A. owns a 88% stake in the company.

SOMETRA is Romania's largest zinc and lead producer. Products are supplied to the domestic market, with a large portion exported to markets in Eastern Europe and Central and Eastern Mediterranean. Main metals produced include SHG (purity rate 99,995%) and GOB quality zinc, electrolytic lead (purity rate 99,99%), gold and silver alloys, bismuth, cadmium and antimony. Annual zinc and lead production output amounts to 50,000 MT and 40,000 MT, respectively.

HELLENIC VEHICLE INDUSTRY S.A. (ELVO)

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

Following a partial privatisation process Mytilineos Holdings S.A. acquired in August 2000 a 43% stake in ELVO, reserving the right to purchase a further stake of 17% currently held by the Hellenic Industrial Developments Bank (ETVA). In December 2001 through a succesfull increase in share capital Mytilineos acquired an additional 4.5% stake thus, its participation increased from 43% to 47.5%. Mytilineos has also assumed the company's management, while maintaining the right of produce first refusal for any share disposal by the State.

ELVO possesses the industrial infrastructure to produce all types of heavy vehicles for military and commercial use, and is the Greek Army's largest supplier of various types of armoured and other vehicles. The firm's extensive know-how has been developed in cooperation with major foreign companies, such as SNF, Mercedes, Scania, Neoplan, etc.

Future vehicle building programmes expected to be assigned to ELVO, include the assembly of Main Battle Tanks (MBT) under the procurement programms of the Greek Armed Forces, the «Kentavros» Armoured Infantry Fighting Vehicle (AIFV), the modernisation of existing tanks and of other Hellenic Army vehicles. The company is also expected to have a share in various defence programmes included in the Approved Mid-Term Defence Procurement Programme for 2001-2008.

HELLENIC COPPER MINES LTD

Hellenic Copper Mines Ltd, in which Mytilineos holds a 29.69% stake since January 2000, was established in 1994. Its main activities are copper mining in Cyprus and production of high quality copper cathodes (99.999%) using the hydrometallurgy method. Mytilineos has the exclusive sales rights of HCM products to international markets. The acquisition of HCM is expected to further boost the Group's activities in the metallurgy sector.

ELEMKA S.A.

Athens-based ELEMKA S.A. has been established since 1990 and its main sub-contracting focus on the provision of specialised know-how in construction projects, such as lake-reservoirs on Aegean islands. In addition, the company is involved in pilot and research projects, such as an investigation project on the effectiveness of bioactive stabilising systems in the region of Thrace and the upgrading of the upper Chalastra Crossing, Thessaloniki. ELEMKA also carries out trading in advanced-technology materials for complex construction projects, such as 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. founded in 1977 and its main offices are now located in Mytilineos's head offices building, 5-7 Patroklou St., Paradisos Amarousiou, Athens.

The company carries out trading of galvanised wires and polypropylene products, which are sold to clients after they have undergone appropriate processing. Mytilineos Holdings S.A., holds a 50% stake in Geniki Sidirometalliki and supplies the firm with raw materials, undertaking the sale and distribution of its finished products.

MYTILINEOS FINANCE S.A.

Luxemburg-based MYTILINEOS FINANCE S.A. was founded in 1996 as a sub holding company, with main goal to establish subsidiaries in countries were the company itself operates, as well as to facilitate access to global capital markets, thus securing finance for the operations of its 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 Guernsey Islands with a representative office in Romania (RDA Trading, 1998). The establishment of individual companies was necessitated by the large number and the high value of Mytilineos Holdings S.A. contracts, as well as by the need for on-site supervision of many essential operations, such as delivery of materials, loading, weighing, quality, control, etc. Mytilineos Finance S.A. is fully owned by Mytilineos Holdings S.A.

4 Share Price Movement And Dividend Policy

4.1 DIVIDEND POLICY

The dividend policy effected by the company during the last three years is presented in the following table:

DIVIDEND POLICY (amounts in GRD million)

	1999	2000	2001
Profit after taxes	9.726	10.133	876,5
Total dividend	4.052	4.052	828
% on profit	41,66%	39,98%	94,52%

In the fiscal year 2001, the total dividend distributed was GRD 828 million. The Company's fixed policy is to pay dividend that corresponds to at least 35% of the profits for distribution. In mapping out its dividend policy, and in addition to securing a reasonable amount of dividends to shareholders, the Group takes into account the expected growth in financial indices, as well as the requirements for working capital.

4.2. PROFITS PER SHARE

Profits per share for the period 1996-2001 are presented in the following table:

PARENT COMPANY (amounts in GRD million)

YEAR	NET PROFIT			PROFIT PER SHARE	
	BEFORE TAXES	AFTER TAXES	WEIGHTED NUMBER OF SHARES	BEFORE TAXES	AFTER TAXES
1996	952	627	10.048.880	95	62
1997	1.635	1.095	17.774.847	92	62
1998	2.105	1.729	40.520.340	52	43
1999	12.062	9.726	48.445.806	249	201
2000	12.554	10.133	66.457.810	189	152
2001	3.242	876,5	40.520.340	80	22

CONSOLIDATED FIGURES (amounts in GRD million)

YEAR	NET PROFIT			PROFIT PER SHARE	
	BEFORE TAXES	AFTER TAXES & MINORITY TAXES	WEIGHTED NUMBER OF SHARES	BEFORE TAXES	AFTER TAXES & MINORITY TAXES
1996	1.245	840	10.048.880	124	84
1997	2.425	1.741	17.774.847	136	98
1998	4.203	3.672	40.520.340	104	91
1999	15.593	11.548	57.403.815	322	238
2000	13.886	7.015	63.616.934	209	106
2001	10.112	2.297	40.520.340	250	57

Note: Profits per stock 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 initiallly 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 offer and its shares have been transferred to ASE's Main Market. The Company's shares are subject to free trading on the ASE, and are highly marketable. The closing price on 31.12.2001 was f 5.18 per share.

Notably, the average trading volume for the fiscal year 2001 reached 137,888 shares per day (01.01.2001-31.12.2001).

At the same time, it should be noted that yields since the stock's listing (28.07.1995) until the end of 2001 skyrocketed by a spectacular 1.383%, one of the highest rates on the ASE in that period.

The summarized statistical data regarding the share price movement during 01.01.2001-31.12.2001 are shown in the following table and charts.

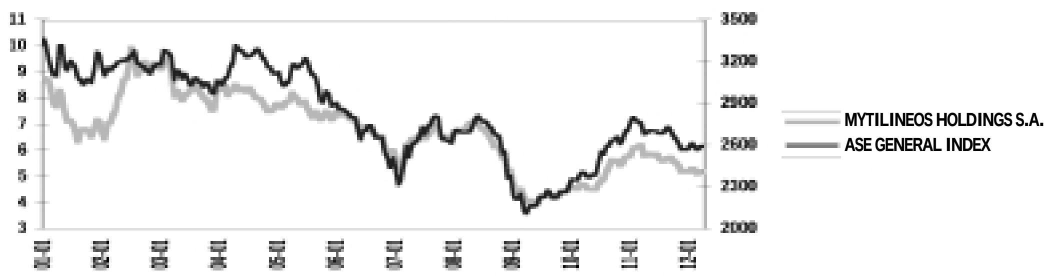
STOCK MARKET DATA

Average price	f	6.71
Minimum price	f	3.98
Maximum price	f	9.92
Average daily trading volume	pieces	137,888
Net dividend per share (1999)	f	0.29

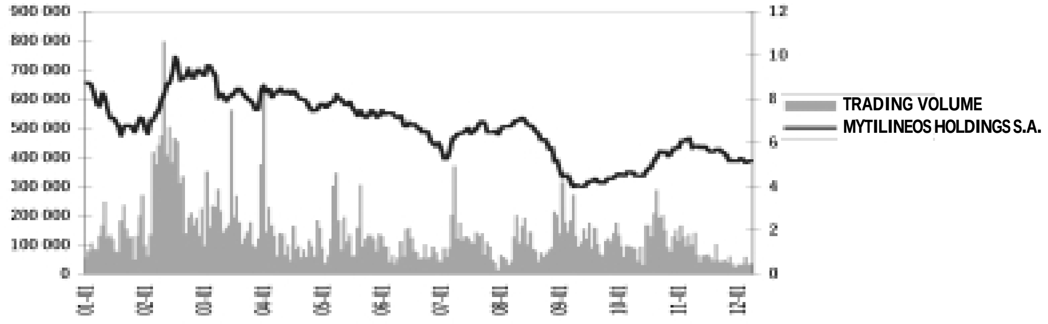
STATISTICAL SHARE DATA

Listing price	‰ 0,34
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
Yield since listing	1.383%
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%
Highest price (31/12/2000 – 31/12/2001)	‰ 9,92
Lowest price (31/12/2000 – 31/12/2001)	‰ 3,98
Average price (31/12/2000 – 31/12/2001)	‰ 6,71
Average trading volume (31/12/2000 – 31/12/2001)	137.888 pieces

ASE GENERAL STOCK INDEX DEVELOPEMENT
01.01.2001 - 31.12.2001



SHARE PRICE MOVEMENT AND TRADING VOLUME DEVELOPEMENT
01.01.2001 - 31.12.2001



5 Company Prospects

5.1 COMPANY PROSPECTS

Today, the activities of "MYTILINEOS HOLDINGS S.A." are substantially diversified as they have gradually, during the recent years, expanded from the traditional field of international metals trading, mining and metallurgy, to the fields of energy and defence armament systems. In particular:

Metallurgy and International Trade of Metals and Ores:

In the field of metallurgy, the Group has, since 1999, acquired, SOMETRA S.A., the largest zinc and lead smelter in Romania. Following its privatisation and through a series of investments, combined with a broad restructuring program, this company has doubled its production and substantially improved its financial performance. As a result, today it is considered as one of the healthiest businesses in Romania and a model of a successful privatisation. Lead and zinc production in 2001, reached 65.000 tons. In 1997, last year before the privatisation of the company, the annual production hardly reached 40.000 tons.

The Group plans to carry out a long-term investment program, of USD 30 mln, for the modernisation of SOMETRA factory, with an aim to bringing annual production to 120.000 tons of lead, zinc, thus reaching the full production capacity of the factory and at the same time securing its long-term and profitable operation.

Also the Group, through long-term commercial agreements, controls a substantial part of the production of the mining group RTB-BOR in Serbia, which is one of the biggest vertically integrated group for processing and manufacturing copper in west Europe. Similarly the Group has a commercial agreement controlling part of production of the biggest metallurgy of sulphurous zinc and lead metals, ZLETOVO in FYROM. The goal of the Group has been to strengthening its position in the international metals markets; thus its immediate plans include the acquisition of both of the above metallurgical groups, provided progress is achieved in the privatisation process.

Finally the Group has a substantial participation in the Hellenic Copper Mines Ltd in Cyprus, with a 39% share. HCM is active in high quality copper mining (99,999%) with the environmental friendly technology of hydrometallurgy. The Group's goal is to further strengthening of its position in the field of copper production, as well as to continue exploring other investment opportunities in the greater region of the Balkans.

In the field of international metals and ores trading, which constitutes the traditional field of operation of the Group, the aim is to achieve further geographical expansion of these activities, as well as the enlargement of the synergies that already exist in the greater region of Southeastern Europe. Although metals prices have hovered in 2001 at the lowest levels ever since the 30's, the Group has managed to maintain its domestic and international position.

Energy

According to Group’s plans the final decision for the implementation of the Volos project (400 MW CCGT plant) is anticipated for the second half of 2002. The construction of the plant will start at the first half of 2003 while its operation is anticipated in early 2005. The estimated total project cost would be in the region of f 250 mln.

Moreover the combined heat and power (CHP) plant in the town of Serres is scheduled to be in full operation in the fourth quarter of 2003. The estimated total project cost is f 30 mln.

The wind farms of Sidirocastro (23.8 MW) and Platanos (3.3 MW) should be in operation in early 2004. The total investment is about f 30 mln.

Finally in 2002 the tender regarding the engineering erection and operation of two Power Plants of 250 MW and 120 MW in the islands of Crete and Rhodes respectively, will be completed. The construction is estimated to start in 2003.

Defence.

The Defence Industry is a strategic sector, in which the Group plans to develop dynamically its activities and establish a dominant position, for the time being primarily through METKA S.A. and ELVO, but also in the future, through other companies and relative activities in which the Group plans to expand. Given that Defence expenditure in Greece is considered substantial, the Greek government has adopted a new policy to achieve a higher Greek value added from 10-15% to 25%, representing the involvement of Greek industries in the procurement programs respectively. This policy has drastically affected the relevant business of the defence armament sector, but aims to further increasing the percentage of the Greek value added in the future.

Already the Ministry of Defence, following a relevant proposal of the Group, has been considering the obligatory participation of the Greek Industry with a 40% minimum local value added to any procurement program.

Following the government's approval of the Five-year medium-term Armaments Procurement Program, the Group plans, on the basis of its present and future construction capacity, to claim a substantial share of the total number of programs, estimated at total value of EUR 8.8 bln. The Group's participation to these specific programs is estimated at 20% approx. or about EUR 1,76 bln.

Currently, for many of these Defence Programs, Mytilineos Group has been in contact with foreign main defence systems and armament producers, who have been suppliers of the Hellenic Armed Forces, in order to succeed to undertake either a large subcontracted project or the co-production of armament systems, within the framework of the offset benefits, for both companies (METKA - ELVO).

Mytilineos Group, as part of its strategy to increase its participation in local arms procurement programs, plans to diversify and expand its activities in the defence sector, not only through the participation of METKA and ELVO, by making the necessary investments, but also via the acquisition of other, private or state controlled companies engaged in the defence field, which present good synergies potential.

The Group will also participate as a sub-contractor and has already signed a very important agreement of over EUR 300 mln value with KMW, which has been selected by the Greek government to undertake the supply project of 170 main battle tanks. Parallelly, the Group has been negotiating with prospective suppliers of the Hellenic Armed Forces, its participation in other new programs, included in the new EMPAE, pertinent to the supply of amphibious armored vehicles, mobile hospitals, torpedos, various air defence systems etc. It will also undertake a substantial part of the construction of the AIF Vehicle KENTAVROS, made by ELVO.

Further to the above, it has bid as sub-contactor for a substantial part of a contract work from Raytheon and Lockheed - Martin companies, regarding the PATRIOT programs for other foreign countries.

The Hellenic Vehicle Industry (ELVO) is a company of strategic importance with an operational and commercial mission concerning the supply of services and products of Military use for the Hellenic Armed Forces, as well as the production of commercial type of products. Through the acquisition of ELVO, the Group has increased its capacity in the production of Defence products, given that the synergies of the two companies METKA S.A. and ELVO are extensive and therefore very favourable conditions have been created allowing both to undertake substantial subcontracts work in the procurement programs of the Hellenic Armed Forces.

Specifically, the Group has substantially increased its participation share in the supply project of 170 main battle tanks, taking into account the capacity and experience of ELVO in the final assembly and systems Integration procedures in similar types of equipment.

It is estimated that the prospects for a large percentage co-production in favor of the Mytilineos Group are very favorable, considering the rest of similar programs such as the production of the Armored Infantry Fighting Vehicle (AIFV) "KENTAVROS", which is going to be decided by the Defence Ministry, the supply programs for amphibious armored vehicles, trucks, mobile bridges, various army vehicles, upgrading of existing battle tanks and other vehicles etc, as well as other projects included in the already approved new EMPAE, of the Hellenic Armed Forces. For all these programs the Group has already been in negotiations with a number of foreign producing firms.

ELVO considers the inclusion of a high Greek Added Value in its products as very important to achieve and therefore aims at the development of modern technology which will allow to increase further its production capacity and to reduce its dependence to foreign suppliers and constant loss of foreign exchange.

For fiscal year 2002 ELVO has projected an improved performance, but the substantial positive change in company's performance and its overall profile should be expected as of fiscal year 2003.

As a result of ELVO's growth and better performance operating as a privately run company, it could be expected that very soon ELVO will fulfil the criteria for listing in the Athens Stock Exchange, aiming to raise the necessary funds for carrying out required investments and secure its further growth.

5.2 INVESTMENT POLICY

In order to achieve its strategic goals, the Group follows an investment policy, which is somehow inter-related to the developments in the markets of the metals international trade and metallurgy, while at the same time, it focuses in the diversification of its activities, in the new specialised sectors of energy and defence armament programs.

MYTILINEOS HOLDINGS S.A. invests primarily in the scientific human resources, necessary to meet the substantially increased turnover, and secondarily, into new fields of business and activities in energy and armament programs, through its affiliates. During 2001, the Group has substantially increased its participation in the subsidiary companies METKA S.A. and ELVO S.A., aiming at improving its overall profitability.

The Company also invests to the improvement of its communication policy, as well as in office automation and computing, aiming at a more efficient telecommunications systems, thus preserving a constant flow of information pertinent to the market developments and conditions, the needs of the clients, the availability of products and the transport capability, covering the entire sales network.

Finally, within the framework of upgrading of the production units (SOMETRA - HELLENIC COPPER MINES), the Group invests in planned improvements of its mechanical equipment in order to reaching its full production capacity and to securing their long-term profitable operation.

Undoubtedly, the Group on a pro-activ basis, prepares and invests into the resources required to face new challenges and to exploit new business opportunities, flourishing both in Greece and the Balkans, in order to take advantage of the potential synergies and to improve its overall market position.

Appendix

MYTILINEOS HOLDINGS S.A.

BALANCE SHEET AS AT 31st DECEMBER 2001

MYTILINEOS HOLDINGS S.A.

CONSOLIDATED BALANCE SHEET AS AT 31st DECEMBER 2001

MYTILINEOS S.A.

GROUP OF COMPANIES

BALANCE SHEET AS AT 31st DECEMBER 2001 - 11th YEAR OF OPERATION (1 JANUARY - 31 DECEMBER 2001) (Amounts in GRD) Reg. Number 23103/06/B/90/26

ASSETS	Closing year 2001				Previous Year 2000			
	Acquisition Cost	Depreciation	Remain Value	Remain Value in Euro	Acquisition Cost	Depreciation	Remain Value	Remain Value in Euro
B. FORMATION EXPENSES								
1. Formation Expenses & Intangible Assets	1.745.606.186	916.246.804	829.359.382	2.433.923,35	1.494.066.982	710.713.654	783.353.328	2.298.909,26
Total Formation Expenses	**1.745.606.186**	**916.246.804**	**829.359.382**	**2.433.923,35**	**1.494.066.982**	**710.713.654**	**783.353.328**	**2.298.909,26**
C. FIXED ASSETS								
II. Tangible assets								
1. Land	1.502.193.042	0	1.502.193.042	4.408.490,22	1.502.193.042	0	1.502.193.042	4.408.490,22
3. Buildings and Technical Works	2.072.933.049	329.838.185	1.743.094.864	5.115.465,48	2.044.633.049	227.123.140	1.817.509.909	5.333.851,53
4. Machinery & Technical Equipment	118.632.636	81.272.025	37.360.611	109.642,29	116.832.636	63.849.441	52.983.195	155.489,93
5. Transportation Equipment	183.863.322	90.550.250	93.313.072	273.846,14	208.059.045	76.565.472	131.493.573	385.894,56
6. Furniture and fixtures	303.415.879	187.869.551	115.546.328	339.094,14	324.156.945	191.714.002	132.442.943	388.680,68
7. Construction in progress	2.386.463.969	0	2.386.463.969	7.003.562,64	2.191.646.703	0	2.191.646.703	6.431.831,85
TOTAL (CII)	6.567.501.897	689.530.011	5.877.971.886	17.250.100,91	6.387.521.420	559.252.055	5.828.269.365	17.104.238,77
III. Financial Assets								
1. Participating interests in affiliated undertakings			74.644.914.269	219.060.643,49			60.308.509.361	176.987.554,98
7. Other financial assets			9.359.453	27.467,22			5.445.453	15.980,78
Total (CIII)			74.654.273.722	219.088.110,71			60.313.954.814	177.003.535,76
Total Fixed Assets (CII + CIII)			80.532.245.608	236.338.211,62			66.142.224.179	194.107.774,53
D. CURRENT ASSETS								
I. Stocks								
1. Merchandise			706.251.205	2.072.637,43			1.365.940.738	4.008.630,19
4. Raw Materials - Consumables			438.680	1.287,40			438.680	1.287,40
5. Payments on account for imports			9.333.431.394	27.390.847,82			10.064.971.494	29.537.700,64
			10.040.121.279	29.464.772,65			11.431.350.912	33.547.618,23
II. Debtors								
1. Trade Debtors			20.282.930.670	59.524.374,67			21.642.570.213	63.514.512,73
2. Notes Receivable								
In Portfolio			4.387.893	12.877,16			4.387.893	12.877,16
3a. Cheques Receivable			1.305.970.658	3.832.635,83			18.599.035.494	54.582.642,69
3b. Cheques Overdue			339.322.478	995.810,65			326.730.523	958.857,00
8. Reserved Accounts			3.784.094	11.105,19			1.600.000	4.695,52
11.Sundry Debtors			8.561.688.348	25.126.011,29			1.508.534.572	4.427.100,73
12. Advances to account for			43.342.224	127.196,55			29.077.596	85.334,10
			30.541.426.365	89.630.011,34			42.111.936.291	123.586.019,93
III. Investments								
1. Stocks		2.379.943.906				2.252.392.406		
3. Other Investments		39.344.308	2.419.288.214	7.099.892,04		39.344.308	2.291.736.714	6.725.566,29
IV. Cash at bank and in hand								
1.Cash in hand		9.145.606				7.331.350		
3. Sight and time deposits		3.646.026.838	3.655.172.444	10.726.845,03		933.905.692	941.237.042	2.762.251,04
Total Current Assets (DI+DII+DIII+DIV)			46.656.008.302	136.921.521,06			56.776.260.959	166.621.455,49
E.Prepayments.and.Accrued.Income								
1. Deferred.Charges		430.167.798				653.243		
3. Other Prepayments and Accrued Income		-	430.167.798	1.262.414,67		-	653.243	1.917,07
GRAND TOTAL ASSETS (B + C + D + E)			128.447.781.090	376.956.070,70			123.702.491.709	363.030.056,37
MEMO ACCOUNTS								
2. Guarantees and Real Securities			22.918.630.530	67.259.370,59			22.749.260.811	66.762.320,80
4. Other Memo Accounts			444.458.216	1.304.352,80			1.705.760.826	5.005.901,17
Total			23.363.088.746	68.563.723,39			24.455.021.637	71.768.221,97

LIABILITIES	Closing year 2001		Previous year 2000	
A. Capital and Reserves		Value in Euro		Value in Euro
I. Share Capital				
(40.520.340 shares of 0.6 Euro each)				
1. Paid - Up Capital	8.284.383.513	24.312.204,00	8.104.068.000	23.783.031,55
II. Share Premium Account	62.666.284.955	183.906.925,77	62.666.284.955	183.906.925,77
III. Revaluation Reserves				
2. Reserves from value adjustments of other assets	45.396.026	133.223,85	225.711.539	662.396,30
IV. Reserves				
1. Legal reserve	998.000.769	2.928.835,71	989.129.779	2.902.801,99
3. Special reserves	174.935.504	513.383,72	166.321.890	488.105,33
4. Extraordinary reserves	35.070.560	102.921,67	35.070.560	102.921,67
5.Tax - free reserves under special laws	11.773.148.255	34.550.691,87	11.780.191.326	34.571.361,19
	12.981.155.088	38.095.832,97	12.970.713.555	38.065.190,18
V. Results carried forward				
Profit carried forward	12.444.109	36.519,76	464.616.182	1.363.510,44
TOTAL CAPITAL AND RESERVES (AI+AII+ AIII+AIV+AV)	**83.989.663.691**	**246.484.706,34**	**84.431.394.231**	**247.781.054,24**
B. PROVISIONS FOR LIABILITIES AND CHARGES				
1. Provisions for retirement benefits	645.262	1.893,65	645.262	1.893,65
2. Other Provisions	357.834.076	1.050.136,69	560.897.561	1.646.067,67
	358.479.338	**1.052.030,34**	**561.542.823**	**1.647.961,32**
C. CREDITORS				
I. Long - term Debt				
2. Bank Loans	37.744.503.639	110.768.902,83	16.479.043.523	48.361.096,18
8. Other long - term liabilities	0	0,00	6.507.252	19.096,85
	37.744.503.639	**110.768.902,83**	**16.485.550.775**	**48.380.193,03**
II. Current Liabilities				
1. Suppliers	3.142.502.166	9.222.310,10	2.970.777.039	8.718.347,88
3. Banks	716.590.287	2.102.979,57	11.796.561.935	34.619.404,07
4. Advances from trade debtors	20.709.927	60.777,48	45.265.792.	132.841,65
5. Taxes - Duties	1.042.252.001	3.058.699,93	2.576.821.829	7.562.206,39
6. Social Security	29.505.035	86.588,51	28.814.744	84.562,71
10. Dividends	1.057.675.271	3.103.962,64	4.180.852.850	12.269.560,82
11. Sundry creditors	337.186.150	989.541,16	429.020.409	1.259.047,42
	6.346.420.837	**18.624.859,39**	**22.028.114.598**	**64.645.970,94**
TOTAL CREDITORS (CI+CII)	**44.090.924.476**	**129.393.762,22**	**38.513.665.373**	**113.026.163,97**
D. ACCRUAL AND DEFERRED				
2. Accrued Expenses	8.713.585	25.571,78	195.889.282	574.876,84
GRAND TOTAL LIABILITIES (A+B+C+D)	**128.447.781.090**	**376.956.070,70**	**123.702.491.709**	**363.030.056,37**
MEMO ACCOUNTS				
2. Guarantees and real securities	22.918.630.530	67.259.370,59	22.749.260.811	66.762.320,80
4. Other Memo Accounts	444.458.216	1.304.352,80	1.705.760.826	5.005.901,17
Total	**23.363.088.746**	**68.563.723,39**	**24.455.021.637**	**71.768.221,97**

PROFIT AND LOSS ACCOUNT AS AT 31st December 2001 (1 January - 31 December 2001)

	Closing year 2001				Previous year 2000			
I. Operating Results								
Net Turnover (Sales)			66.177.192.585	194.210.396,43			84.941.234.579	249.277.284,16
Less: Cost of Sales			58.637.051.022	172.082.321,41			75.854.871.592	222.611.508,70
Gross Operating Results (Profit)			7.540.141.563	22.128.075,02			9.086.362.987	26.665.775,46
Plus: Other Operating Income			61.838.186	181.476,70			73.231.667	214.913,18
Total			**7.601.979.749**	**22.309.551,72**			**9.159.594.654**	**26.880.688,64**
LESS: 1. Administrative expenses		1.458.996.302		4.281.720,62		1.637.144.179		4.804.531,70
LESS: 3. Distribution costs		2.292.977.168	3.751.973.470	6.729.207		2.529.446.775	4.166.590.954	7.423.174,69
Sub - Total			**3.850.006.279**	**11.298.624,44**			**4.993.003.700**	**14.652.982,25**
PLUS (or less)								
1. Income from participations		789.904.962		2.318.136,35		508.825.485		1.493.251,61
2. Income from securities		6.361.770		18.669,90		6.206.000		18.212,77
3. Gains from sale of participating interests and other investments		230.013.689		675.021,83		9.779.302.312		28.699.346,48
4. Credit interest and similar income		35.868.117		105.262,27		86.817.427		254.783,35
		1.062.148.538				10.381.151.224		
Less:								
2. Expenses and losses of participation and securities	36.576.755			107.341,91	303.110.824			889.540,21
3. Debit interest and similar charges	2.175.108.631	2.211.685.386	-1.149.536.848	6.383.297,52	3.026.972.128	3.330.082.952	7.051.068.272	8.883.263,77
Total Operating Results (Profit)			**2.700.469.431**	**7.925.075,37**			**12.044.071.972**	**35.345.772,48**
II. PLUS (or less): Extraordinary Results								
1. Extraordinary and non-operating income		919.983.057		2.699.876,91		4.499.959.955		13.206.045,36
2. Extraordinary profits		87.642		257,20		458.375		1.345,19
3. Prior year's income		7.869.921		23.095,88		7.710.654		22.628,48
		927.940.620				4.508.128.984		
Less:								
1. Extraordinary and non-operating expenses	357.075.482			1.047.910,44	3.966.390.333			11.640.177,06
2. Extraordinary losses	1.854.196			5.441,51	3.402			9,98
3. Prior year's expenses	26.764.153			78.544,84	31.332.448			91.951,43
4. Provisions for extraordinary liabilities	0	385.693.831	542.246.789		0	3.997.726.183	510.402.801	
Operating and Extraordinary results (profit)			**3.242.716.220**	**9.516.408,57**			**12.554.474.773**	**36.843.653,04**
LESS:								
Total value adjustments of fixed assets		405.322.417		1.189.500,86		381.122.370		1.118.480,91
Less: Charged to the operating cost		405.322.417		1.189.500,86		381.122.370		1.118.480,91
NET RESULTS (PROFIT) FOR THE YEAR BEFORE TAXES			3.242.716.220	9.516.408,57			12.554.474.773	36.843.653,04

APPROPRIATION ACCOUNT

	Closing year 2001		Previous year 2000	
		Value in Euro		**Value in Euro**
Net Results (Profit) for the year	3.242.716.220	9.516.408,57	12.554.474.773	36.843.653,04
(+): Profit brought forward	464.616.182	1.363.510,44	80.880.556	237.360,40
(-): Prior year's tax differences	-1.930.345.753	-5.664.991,21	0	0,00
Total	1.776.986.649	5.214.927,80	12.635.355.329	37.081.013,44
LESS: 1. Income tax	-900.428.209	-2.642.489,24	-2.421.170.569	-7.105.416,20
Profit for appropriation	876.558.440	2.572.438,56	10.214.184.760	29.975.597,24
Appropriated as under:				
1. Legal reserve	8.870.990	26.033,72	408.020.430	1.197.418,72
2. First dividend	364.683.060	1.070.236,42	486.244.080	1.426.981,89
3. Added dividend	463.755.291	1.360.983,98	3.565.789.920	10.464.533,88
6. Tax-free reserve	0	0,00	0	0,00
Reserve L.148/67	0	0,00	5.200.000.000	15.260.454,88
Reserve L.1892/90	8.613.614	25.278,40	54.005.725	158.490,76
6a. Reserves from tax-free incomes	1.500.715	4.404,15	24.690.897	72.460,45
6b. Reserves from income taxed at special provisions	16.690.661	48.982,13	10.817.526	31.746,22
8. Profits carried forward	12.444.109	36.519,76	464.616.182	1.363.510,44
	876.558.440	2.572.438,56	10.214.184.760	29.975.597,24

MAROUSSI, 11 MARCH 2002

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

AUDITORS' REPORT

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 2001.

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 audi ting standards promulgated by the Institute of Certified Auditors 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 Nation al 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. We have confirmed that the contents of the Directors' Report to the Annual General Meeting of the Shareholders is 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 Drs 6,000,000,000 (f 17.608.217) approximately which are included in the "Inventories" under Assets and in addition there is an outstanding balance amounting to Drs 5,000,000,000 (f 14.673.514) 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. 2. During the previous years, the Company signed trade agreements with the metal c ompounds, RTB – BOR the mines of which are located in Servia and ZLETOVO-SASA the mines of which are located in FYROM. Based on these agreements, the Company has already financed the operations of the above compounds. Following the current unstable political and economic situation which exists in the above menti oned countries, we could not verify the collectibility of the outstanding balances, amounting to Drs 6,700,000,000 (f 19.622.509) approximately, which are included in "Inventories" and "Trade Debtors" under Assets. The Company's management is relying upon 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 Drs 1,045,000,000 (f 3.066.765) approximately should have been charged to the Company's results, while exchange gains amounting to Drs 383,000,000 (f 1.123.991) approximately, credited to the Company's results, should have been included in "Other Provisions" under Liabilities. 4. The collectibility of debtors' balances, amounting to Drs 346,000,000 (f 1.015.407), included in "Receivables" under Assets, is considered uncertain, while no provision for a possible loss has been made. 5. Included in the assets of the Company, disclosed under account "Participations and other long term receivables" and "Securities" is a total amount of Drs 75,988,885,829 (f 223.004.801) approximately, which represents the cost of investments in the companies METKA S.A., ALKO S.A., ELVO S.A., SOMETRA S.A., which is registered in Romania, MYTILINEOS FINANCE, which is registered in Luxembourg and HELLENIC COPPER MINES LTD, which is registered in Cyprus. Had the Company accounted for its investments at the lower of cost and market value, according to the provisions of Cod Law 2190/1920, the total value of these invest ments would be Drs 55,127,954,717 (f 161,784,166). 6. The Company's books and tax returns for the years ended 1999 and 2000 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 Holdin gs S.A. as at 31 December 2001 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 the revaluation of the fixed assets, do not differ from those applied in the preceding year.

Athens, 11 March 2002
The Certified Auditor
Antonis Papageorgiou
Reg. No. 11691

MYTILINEOS S.A.

GROUP OF COMPANIES

CONSOLIDATED BALANCE SHEET AS AT 31st DECEMBER 2001 - 11th YEAR OF OPERATION (1 JANUARY - 31 DECEMBER 2001)

Reg. Number 23103/06/B/90/26

ASSETS	Closing year 2001				Previous Year 2000			
	Acquisition Cost	Depreciation	Remain Value	Remain Value in Euro	Acquisition Cost	Depreciation	Remain Value	Remain Value in Euro
B. FORMATION EXPENSES								
4. Other formation expenses	4.205.513.003	1.903.164.500	2.302.348.503	6.756.708,74	3.953.803.644	1.201.878.589	2.751.925.055	8.076.082,33
TOTAL FORMATION EXPENSES(B)	**4.205.513.003**	**1.903.164.500**	**2.302.348.503**	**6.756.708,74**	**3.953.803.644**	**1.201.878.589**	**2.751.925.055**	**8.076.082,33**
C. FIXED ASSETS								
II. Tangible Assets								
1.Land	5.357.638.797	0	5.357.638.797	15.723.077,91	5.862.563.609	0	5.862.563.609	17.204.882,20
3. Buildings and Technical Works	23.125.868.152	16.167.563.812	6.958.304.340	20.420.555,66	11.461.742.897	5.151.250.693	6.310.492.204	18.519.419,53
4. Machinery & Technical Equipment	20.660.636.543	16.941.411.855	3.719.224.688	10.914.819,33	14.338.158.643	10.668.037.966	3.670.120.677	10.770.713,65
5. Transportation equipment	2.841.664.207	2.433.321.438	408.342.769	1.198.364,69	1.686.799.788	1.120.791.256	566.008.532	1.661.066,86
6. Furniture & fixtures	1.743.784.852	1.241.426.770	502.358.082	1.474.271,70	1.666.960.247	1.105.869.900	561.090.347	1.646.633,45
7. Payments on account and tangible assets in course of construction	3.217.105.417	0	3.217.105.417	9.441.248,47	3.232.944.670	0	3.232.944.670	9.487.731,97
TOTAL TANGIBLE ASSETS (CII)	**56.946.697.968**	**36.783.723.875**	**20.162.974.093**	**59.172.337,76**	**38.249.169.854**	**18.045.949.815**	**20.203.220.039**	**59.290.447,66**
III. FINANCIAL ASSETS								
1. Participating interests in affiliated undertakings			8.479.502.208	24.884.819,39			5.456.632.754	16.013.595,76
2. Other participating interests			54.415.202	159.692,45			56.915.200	167.029,20
7. Other financial assets			47.552.055	139.551,15			40.079.331	117.620,93
TOTAL (CIII)			**8.581.469.465**	**25.184.062,99**			**5.553.627.285.**	**16.298.245,89**
TOTAL FIXED ASSETS (CI+CII+CIII)			**28.744.443.558**	**84.356.400,75**			**25.756.847.324**	**75.588.693,55**
D. CURRENT ASSETS								
I. Stocks								
1. Merchandise			2.973.431.642	8.726.138,35			3.650.756.100	10.713.884,37
2. Products complete - incomplete-By-products			507.084.362	1.488.141,93			278.047.657	815.987,25
3. Production in progress			3.418.846.486	10.033.298,56			3.611.040.166	10.597.329,91
4. Raw materials - Consumables			8.670.379.512	25.444.987,56			3.211.200.333	9.423.918,81
5. Payment on account for imports			13.742.891.665	40.331.303,49			11.069.707.031	32.486.300,90
TOTAL (DI)			**29.312.633.667**	**86.023.869,89**			**21.820.751.287**	**64.037.421,24**
II. Debtors								
1. Trade debtors			42.439.749.680	124.548.054,82			50.810.360.890	149.113.311,49
2. Notes receivable in Portfolio			4.387.893	12.877,16			4.387.893	12.877,16
3. Notes overdue			1.300.000	3.815,11			1.300.000	3.815,11
3a. Cheques receivable			1.828.140.270	5.365.048,48			2.559.356.475	7.510.950,77
3b. Cheques overdue			339.322.478	995.810,65			326.730.523	958.857,00
5. Short-Term debt of affiliates			11.419.657	33.513,30			110.691.674	324.847,17
6. Short-term debt of other undertakings			14.485.678	42.511,16			14.485.678	42.511,16
8. Reserved Accounts			3.884.094	11.398,66			1.600.000	4.695,52
10. Doubtful - contested trade and other debtors		21.779.694				21.779.688		
Less: Provisions		1.044.644	20.735.050	60.851,21		1.044.643	20.735.045	60.851,20
11. Sundry debtors			1.967.784.732	5.774.863,48			2.923.127.532	8.578.510,73
12. Advances to account for			255.010.157	748.379,04			101.977.684	299.274,20
			46.886.219.689	137.597.123,08			56.874.753.394	166.910.501,51
III. Investments								
1. Shares		11.436.420.730				6.584.919.070		
3. Other investments		2.129.593.730	13.566.014.460	39.812.221,45		2.287.466.092	8.872.385.162	26.037.814,12
IV. Cash at bank and in hand								
1. Cash in hand		58.958.832				74.174.197		
3. Sight and time deposits		11.766.421.072	11.825.379.904	34.703.976,24		10.397.434.217	10.471.608.414	30.731.059,18
TOTAL CURRENT ASSETS (DI+DII+DIII+DIV)			**101.590.247.720**	**298.137.190,67**			**98.039.498.257**	**287.716.796,05**
E. PREPAYMENTS AND ACCRUED INCOME								
1. Deferred charges		453.334.115				29.549.613		
3. Other prepayments and accrued income		212.923.478	666.257.593	1.955.268,07		194.958.010	224.507.623	658.863,17
GRANT TOTAL - ASSETS (B+C+D+E)			**133.303.297.374**	**391.205.568,24**			**126.772.778.259**	**372.040.435,10**
MEMO ACCOUNTS								
1. Third party asset items			1.797.032.844	5.273.757,43			32.822.455	96.324,15
2. Guarantees and real securities			66.210.058.139	194.306.847,07			44.781.676.126	131.420.913,06
3. Bilateral agreements			12.049.468.431	35.361.609,48			10.000.000	29.347,03
4. Other memo accounts			553.477.688	1.624.292,55			3.398.209.261	9.972.734,44
TOTAL			**80.610.037.102**	**236.566.506,54**			**48.222.707.842**	**141.519.318,69**

LIABILITIES	Closing year 2001		Previous year 2000	
A. Capital and Reserves		Value in Euro		Value in Euro
I. Share Capital				
(40.520.340 shares of 0.6 Euro each)				
1.Paid - Up capital	8.284.383.513	24.312.204,00	8.104.068.000	23.783.031,55
II. Share premium account	62.666.284.955	183.906.925,77	62.666.284.955	183.906.925,77
III. Revaluation reserves				
2. Reserves from value adjustments of other assets	429.867.041	1.261.532,04	616.590.967	1.809.511,28
	429.867.041	1.261.532,04	616.590.967	1.809.511,28
IV. Reserves				
1. Legal reserve	1.257.435.796	3.690.200,43	1.133.409.834	3.326.221,08
3. Special reserves	370.593.924	1.087.583,05	1.759.211.324	5.162.762,51
5. Tax free reserves under special laws	13.340.165.302	39.149.421,28	10.822.346.840	31.760.372,24
	14.968.195.022	43.927.204,77	13.714.967.998	40.249.355,83
V. Results carried forward				
Profit carried forward	1.650.382.591	4.843.382,51	1.082.055.584	3.175.511,62
VII. Differences of consolidation	-52.588.602.971	-154.331.923,61	-52.126.455.311	-152.975.657,55
VIII. Minority interests	18.052.614.365	52.979.059,03	17.372.496.714	50.983.115,82
VIV. Consolidation F/X differences	1.846.447.968	5.418.776,13	1.435.561.271	4.212.945,77
TOTAL CAPITAL AND RESERVES (AI+AII+AIII+AIV+AVIII+AVIV)	**55.309.572.484**	**162.317.160,64**	**52.865.570.178**	**155.144.740,09**
B. PROVISIONS FOR LIABILITIES AND CHARGES				
1. Provisions for retirement benefits	80.824.927	237.197,14	52.632.277	154.460,09
2. Other provisions	677.797.299	1.989.133,67	647.167.626	1.899.244,68
	758.622.226	2.226.330,81	699.799.903	2.053.704,77
C. CREDITORS				
I. Long-term debt				
2. Bank loans	37.744.503.639	110.768.902,83	16.479.043.523	48.361.096,18
8. Other long-term liabilities	429.902.313	1.261.635,55	75.719.235	222.213,46
	38.174.405.952	112.030.538,38	16.554.762.758	48.583.309,64
II. Current liabilities				
1. Suppliers	9.601.662.862	28.178.027,47	14.638.182.838	42.958.717,06
2. Notes payable	50.948.589	149.518,97	145.365.285	426.603,92
2α. Cheques payable	82.417.110	241.869,73	-	-
3. Banks	17.591.344.618	51.625.369,39	22.155.935.712	65.021.087,93
4. Advance from trade debtors	4.831.919.450	14.180.247,84	7.383.932.014	21.669.646,41
5. Taxes - Duties	4.461.547.486	13.093.316,17	6.162.892.023	18.086.256,85
6. Social security	443.050.419	1.300.221,33	430.958.324	1.264.734,63
10. Dividends	1.057.675.271	3.103.962,64	4.180.852.851	12.269.560,82
11. Sundry creditors	884.882.178	2.596.866,26	1.068.320.755	3.135.203,98
	39.005.447.983	114.469.399,81	56.166.439.802	164.831.811,60
TOTAL CREDITORS (CI+CII)	**77.179.853.935**	**226.499.938,19**	**72.721.202.560**	**213.415.121,24**
D. ACCRUALS AND DEFERRED				
1. Deferred income	-	-	1.087.189	3.190,57
2. Accrued expenses	55.248.729	162.138,59	485.118.429	1.423.678,43
	55.248.729	162.138,59	486.205.618	1.426.869,00
GRANT TOTAL - LIABILITIES (A+B+C+D)	**133.303.297.374**	**391.205.568,23**	**126.772.778.259**	**372.040.435,10**
MEMO ACCOUNTS				
1. Third party beneficiaries	1.797.032.844	5.273.757,43	32.822.455	96.324,15
2. Guarantees and other securities	66.210.058.139	194.306.847,07	44.781.676.126	131.420.913,06
3. Bilateral agreements	12.049.468.431	35.361.609,48	10.000.000	29.347,03
4. Other memo accounts	553.477.688	1.624.292,55	3.398.209.261	9.972.734,44
Total	**80.610.037.102**	**236.566.506,54**	**48.222.707.842**	**141.519.318,69**

PROFIT AND LOSS ACCOUNT AS AT 31st December 2001 (1 January - 31 December 2001)

	Closing year 2001			Value in Euro	Previous year 2000			Value in Euro
I. Operating Results								
Net turnover (sales)			130.735.328.105	383.669.341,47			140.685.369.635	412.869.756,82
Less : Cost of sales			110.609.228.681	324.605.219,90			119.849.646.918	351.723.101,74
Gross operating results (Profit)			20.126.099.424	59.064.121,57			20.835.722.717	61.146.655,08
Plus: Other operating income			198.476.498	582.469,55			1.561.397.858	4.582.238,76
Total			**20.324.575.922**	**59.646.591,12**			**22.397.120.575**	**65.728.893,84**
Less : 1. Administrative expenses		5.413.338.499		15.886.539,98		4.722.797.337		13.860.006,86
Less : 3. Distribution costs		4.943.317.125	10.356.655.624	14.507.166,91		5.007.761.355	9.730.558.692	14.696.291,58
Sub - Total			**9.967.920.298**	**29.252.884,23**			**12.666.561.883**	**37.172.595,40**
Plus (or less)								
1.Income from Participations		123.084.222		361.215,62		214.874.620		630.593,16
2.Income from Securities		105.605.173		309.919,80		157.605.717		462.525,95
3.Gains from sale of participating interests and other investments		230.013.689		675.021,83		9.857.321.975		28.928.311,01
4.Credit Interest and similar income		479.488.346		1.407.155,82		1.466.769.584		4.304.532,90
		938.191.430				11.696.571.896		
Less:								
2.Expenses and losses of participation and securities	36.576.755			107.341,91	6.116.296.225			17.949.512,03
3.Debit Interest and similar charges	3.929.212.110	3.965.788.865	-3.027.597.435	11.531.070,02	4.206.021.561	10.322.317.786	1.374.254.110	12.343.423,51
Total Operating Results (Profit)			**6.940.322.863**	**20.367.785,37**			**14.040.815.993**	**41.205.622,88**
II.PLUS : EXTRAORDINARY results								
1.Extraordinary and non-operating income		5.733.451.586		16.825.976,77		5.514.252.851		16.182.693,62
2.Extraordinary profits		29.441.338		86.401,58		1.423.742		4.178,26
3.Prior year's income		8.371.258		24.567,15		10.410.363		30.551,32
4.Provisions for extra-ordinary liabilities		878.195		2.577,24		2.185.080		6.412,56
		5.772.142.377				5.528.272.036		
Less:								
1.Extraordinary and non-operating expenses	2.016.836.902			5.918.817,03	5.495.891.215			16.128.807,67
2.Extraordinary losses	8.559.896			25.120,75	8.383.547			24.603,22
3.Prior year's expenses	565.515.220			1.659.619,13	169.558.421			497.603,58
4.Provisions for extra-ordinary liabilities	9.394.287	2.600.306.305	3.171.836.072	27.569,44	9.712.122	5.683.545.305	-155.273.269	28.502,19
Operating and Extraordinary results (profit)			**10.112.158.935**	**29.676.181,76**			**13.885.542.724**	**40.749.941,98**
Less:								
Total value adjustments of fixed assets		2.271.053.725		6.664.867,87		2.289.374.662		6.718.634,37
Less: Charged to the operating cost		2.271.053.725		6.664.867,87		2.289.374.662		6.718.634,37
NET RESULTS (PROFIT) FOR THE YEAR BEFORE TAXES			**10.112.158.935**	**29.676.181,76**			**13.885.542.724**	**40.749.941,98**

APPROPRIATION ACCOUNT

	Closing year 2001	Value in Euro	Previous year 2000	Value in Euro
Net Results (Profit) for the year	10.112.158.935	29.676.181,76	13.885.542.724	40.749.941,98
(+): Profit brought forward	1.082.055.584	3.175.511,62	4.447.756.672	13.052.844,23
(+): Tax-free profit (N. 2579/98)	41.381.102	121.441,24	206.698.635	606.599,08
(+): Tax-free profit (N. 2954/01)	106.825.298	313.500,51	-	-
(+): Taxed reserves for appropriation	464.666.549	1.363.658,25	-	-
(-): Previous years Tax differences	3.060.315.573	8.981.116,87	-125.304.764	-367.732,25
Total	8.746.771.895	25.669.176,51	18.414.693.267	54.041.653,04
Less : 1.Income Tax	2.994.284.252	8.787.334,56	4.200.307.316	12.326.653,90
1a. Tax on special reserves (N.2579/98)	16.552.441	48.576,50	2.759.294	8.097,71
1b. Tax on special reserves (N.2954/01)	18.694.427	54.862,59		
Tax on reserves appropriated	430.300.500	1.262.804,11		
Other taxes	6.481.282	19.020,64		
Minority interest	1.761.567.197	5.169.676,29	2.668.183.799	7.830.326,63
Profits for appropriation	3.518.891.796	10.326.901,82	11.543.442.858	33.876.574,80
APPROPRIATED AS UNDER:				
1. Legal reserve	124.028.090	363.985,59	505.704.829	1.484.093,41
2. First dividend	364.683.060	1.070.236,42	498.863.004	1.464.014,69
3. Added dividend	463.755.291	1.360.983,98	3.553.170.996	10.427.501,09
5: Tax-free reserve N2579/98	128.273.335	376.444,12	103.108.940	302.594,10
6. Tax-free reserve				
Reserve L.148/67			5 200 000 000	15 260 454,88
Reserve L.2601/98	288.163.881	845.675,37	20.010.470	58.724,78
Reserve L.1892/90	8.613.614	25.278,40	54.005.725	158.490,76
6a.Tax-free reserve E.L. 148/67	105.157.461	308.605,90	187.181.799	549.322,96
6b.Reserve from income taxed at special provisions	30.675.619	90.023,83	92.594.822	271.738,29
6c.Tax-free reserves of construction company profits	355.158.854	1.042.285,71	246.746.689	724.128,21
8.Profits carried forward	1.650.382.591	4.843.382,51	1.082.055.584	3.175.511,63
	3.518.891.796	10.326.901,82	11.543.442.858	33.876.574,80

MAROUSSI, 11 MARCH 2002

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

AUDITORS' REPORT

To the Shareholders of Mytilineos Holdings S.A.

We have audited the above consolidated Financial Statements and the related consolidated Notes thereon of Mytilineos Holdings S.A. for the year ended 31 December 2001. The consolidated subsidiaries are Sidirometallica S.A., Elemka S.A., Metka S.A., Mytil ineos Finance (Luxembourg) S.A., and Sometra (Romania) S.A. Our audit has been performed on the basis of the provisions of article 108 of Codified Law 2190/1920 «Re: Corporations» and in accordance with the auditing standards promulgated by the Institute of Certified Auditors in Greece. The books and records kep t by the Companies 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. We have confirmed that the contents of the Consolidated Directors Report to the Annual General Meeting of the Shareholders is in agreement with the r elated consolidated Financial Statements. The Notes to the Consolidated Financial Statements reflect all the information stipulated in article 107 of Codified Law 2190/1920.

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 alre ady financed the operations of the above compound with advances amounting to Drs 6,000,000,000 (f 17.608.217) approximately which are included in the "Inventories" under Assets and in addition there is an outstanding balance amounting to Drs 5,000,000,000 (f 14.673.514) 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. 2. During the previous years, the parent Company signed trade agreements with the metal compounds, RTB – BOR the mines of which are located in Servia and ZLETOVO-SASA the mines of wh ich are located in FYROM. Based on these agreements, the Company has already financed the operations of the above compounds. Following the current unstable political and economic situation which exists in the above mentioned countries, we could not verify the collectibility of the outstanding balances, am ounting to Drs 10,255,000,000 (f 30.095.378) approximately, which are included in "Inventories" and "Trade Debtors" under Assets. The Company's management is relying upon certain bank letters of guarantee, received from banks registered on these countries, and considers that the amounts referred to above are col lectible. 3. Exchange losses amounting to Drs 1,045,000,000 (f 3.066.765) approximately should have been charged to the consolidated results, while exchange gains amounting to Drs 383,000,000 (f 1.123.991) approximately, credited to the consolidated results, should have been included in "Other Provisions" under Liabilities. 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 amortised over a five year period , beginning from the year 2000. Because of the aforementioned accounting treatment, the above mentioned account has been increased by the amount of Drs 1,225,047,703 (f 3.595.151), whereas the consolidated results of the period have been charged with the amount of Drs 408,349,278 (f 1.198.384), which relates to the amortisation of such losses and is included in the account "Prior years' expenses". 5. The above consolidated financial statements do not include provision for overdue debtors' balances, amounting to Drs 881,000,000 (f 2.585.473) approximately, which should have been charged to the consolidated results. 6. Included in the assets of the Company, disclosed under account "Participations and other long term receivables" and "Securities" is a total amount of Drs 22,045,516,668 (f 64.697.041) 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 Drs 11,120,589,941 (f 32.635.627) and the difference would have reduced the consolidated equity. 7. Included in "Inventories" under Assets, an amount of Drs 5,100,000,000 (f 14.966.985) 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 Drs 906,250,000 (f 2.659.575) approximately, of which Drs 52,764,000 (f 154.847) should have been charged to current period's results and Drs 853,486,000 (f 2.504.728) to prior year's consolidated results. 9. 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 our notes above, the consolidated Financial Statements have been prepared in acco rdance with the provisions of Cod Law 2190/1920 and present, together with the Consolidated Notes thereon, the consolidated asset structure and financial position of Mytilineos Holdings S.A. and its subsidiaries as of 31 December 2001 and the consolidated results of its operations for the year then ended.

Athens, 11 March 2002
The Certified Auditor
Antonis Papageorgiou
Reg. No. 11691