

MYTILINEOS®
HOLDINGS S.A.



2000 Annual Report

MYTILINEOS

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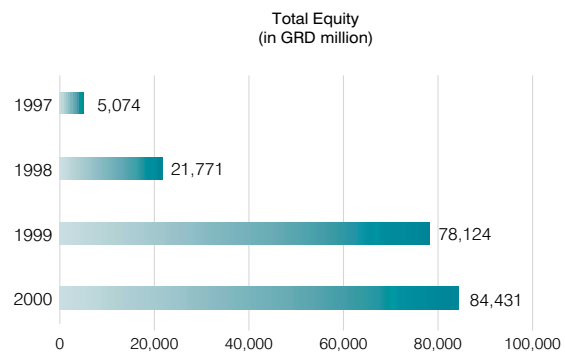
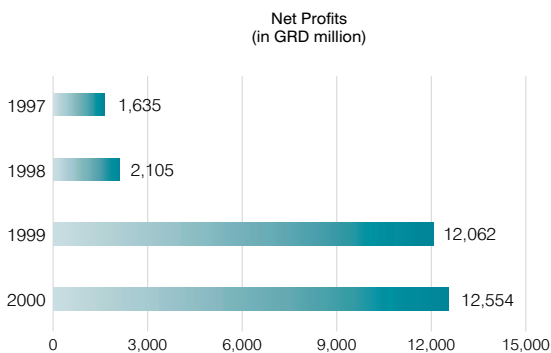
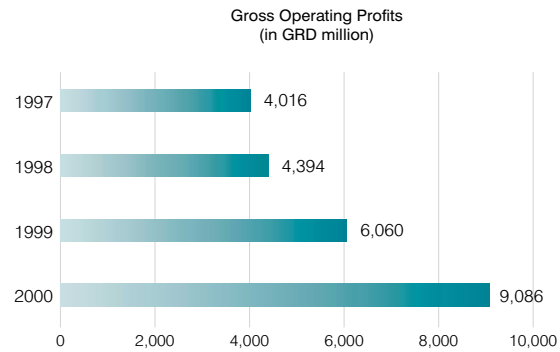
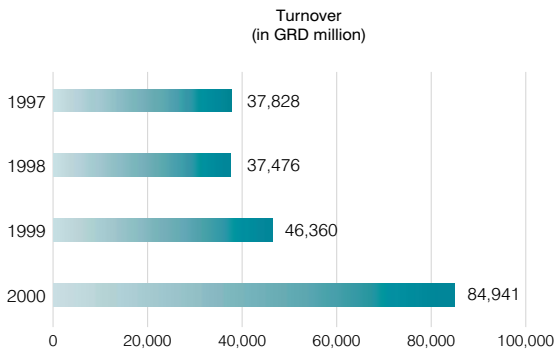
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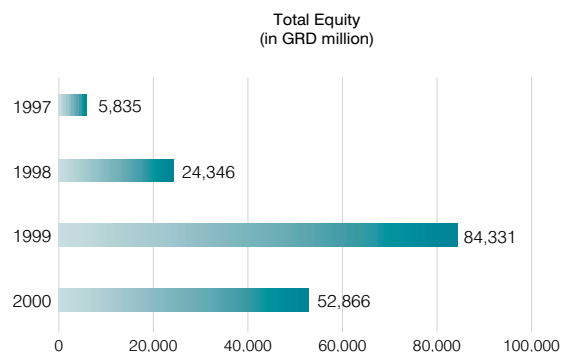
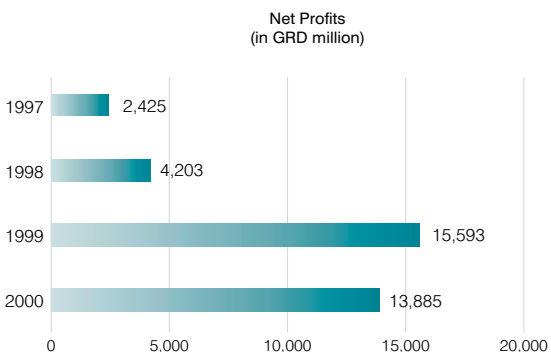
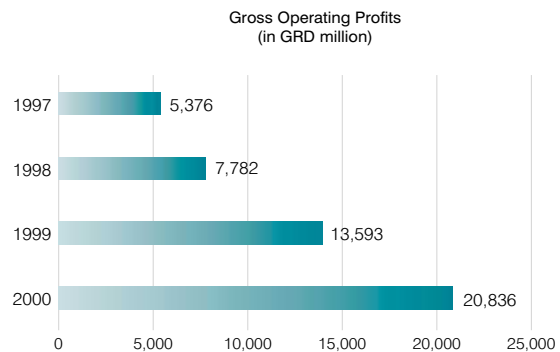
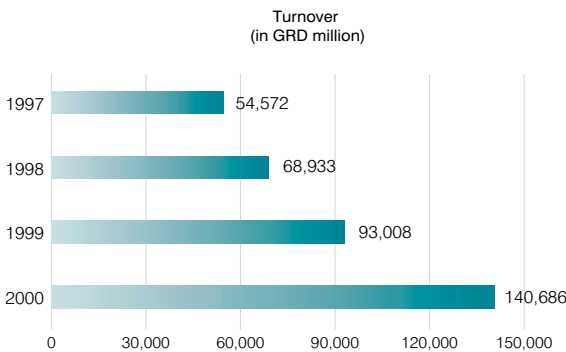
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Financial Highlights



Financial Highlights (Consolidated)



Summary of Financial Figures

Amounts in GRD million	MYTILINEOS S.A.						
	1997	1998	(%) Change	1999	(%) Change	2000	(%) Change
Turnover (Sales)	37,828,536	37,476,234	-0.9	46,359,899	23.7	84,941,234	83.2
Gross Operating Profits	4,016,280	4,394,397	9.4	6,060,302	37.9	9,086,362	49.9
Operating Expenses	1,485,401	2,062,668	38.9	2,807,658	36.1	4,166,590	48.4
Financial Results	-878,388	-179,452	79.6	14,595,514	8,233.4	7,051,068	-51.7
Operating Results	1,658,655	2,191,917	32.2	17,852,037	714.4	12,044,071	-32.5
Net Income	1,634,731	2,105,455	28.8	12,061,656	472.9	12,554,474	4.1
Net Income for Appropriation	1,715,245	2,709,237	58.0	9,999,507	269.1	10,214,184	2.1
Dividends	607,805	1,215,610	100.0	4,052,034	233.3	4,052,034	0.0
Reserve	169,453	1,248,739	636.9	5,866,593	369.8	5,697,534	-2.9
Profit Carried Forward	937,987	244,888	-73.9	80,880	-67.0	464,616	474.5
Total Gross Fixed Capital	1,166,045	1,515,169	29.9	5,904,308	289.7	6,387,521	8.2
Depreciation	110,874	189,539	70.9	388,435	104.9	559,252	44.0
Total Net Fixed Capital	1,055,172	1,325,630	25.6	5,515,872	316.1	5,828,269	5.7
Total Liquidity	13,746,436	35,422,971	157.7	73,085,892	106.3	56,776,260	-22.3
Total Assets	15,155,559	38,477,526	153.9	113,109,804	194.0	123,702,491	9.4
Total Equity	5,074,007	21,771,403	329.1	78,124,412	258.8	84,431,394	8.1
Total Liabilities	9,922,723	16,540,438	66.7	32,814,487	98.4	38,513,665	17.4

Summary of Consolidated Financial Figures

Amounts in GRD million	MYTILINEOS S.A. – GROUP CONSOLIDATED FIGURES						
	1997	1998	(%) Change	1999	(%) Change	2000	(%) Change
Turnover (Sales)	54,572,101	68,932,954	26.3	93,007,776	34.9	140,685,635	51.3
Gross Operating Profits	5,376,142	7,781,650	44.7	13,592,722	79.3	20,835,722	49.3
Operating Expenses	1,748,987	3,196,439	82.8	6,238,590	95.2	9,730,558	56.0
Financial Results	-1,216,702	-331,350	272.2	13,697,212	4,233.8	1,374,254	-90.0
Operating Results	2,453,215	4,306,999	75.6	21,309,544	394.8	14,040,815	-34.1
Net Income	2,424,970	4,203,391	73.3	15,592,627	271.0	13,885,542	-10.9
Net Income for Appropriation	2,563,073	5,461,446	113.1	14,556,467	166.5	11,543,442	-20.7
Dividends	607,805	1,215,610	100.0	4,052,034	233.3	4,052,034	0.0
Reserve	277,026	1,264,487	356.5	6,056,674	379.0	6,409,353	5.8
Profit Carried Forward	1,735,935	2,981,349	71.7	4,447,756	49.2	1,082,055	-75.7
Total Gross Fixed Capital	1,268,241	1,719,041	35.5	31,210,731	1,715.6	35,016,225	12.2
Depreciation	147,079	241,240	64.0	15,291,570	6,238.7	18,045,949	18.0
Total Net Fixed Capital	1,121,163	1,477,801	31.8	15,919,161	977.2	20,203,220	26.9
Total Liquidity	18,977,973	38,939,726	105.2	119,620,224	207.2	98,039,498	-18.0
Total Assets	20,163,150	41,767,261	107.1	138,665,871	232.0	126,772,778	-8.6
Total Equity	5,834,872	24,346,003	317.2	84,331,356	246.4	52,865,570	-37.3
Total Liabilities	14,162,964	17,245,673	21.8	51,698,905	199.8	72,721,202	40.7

ANNUAL REPORT

FISCAL YEAR 2000

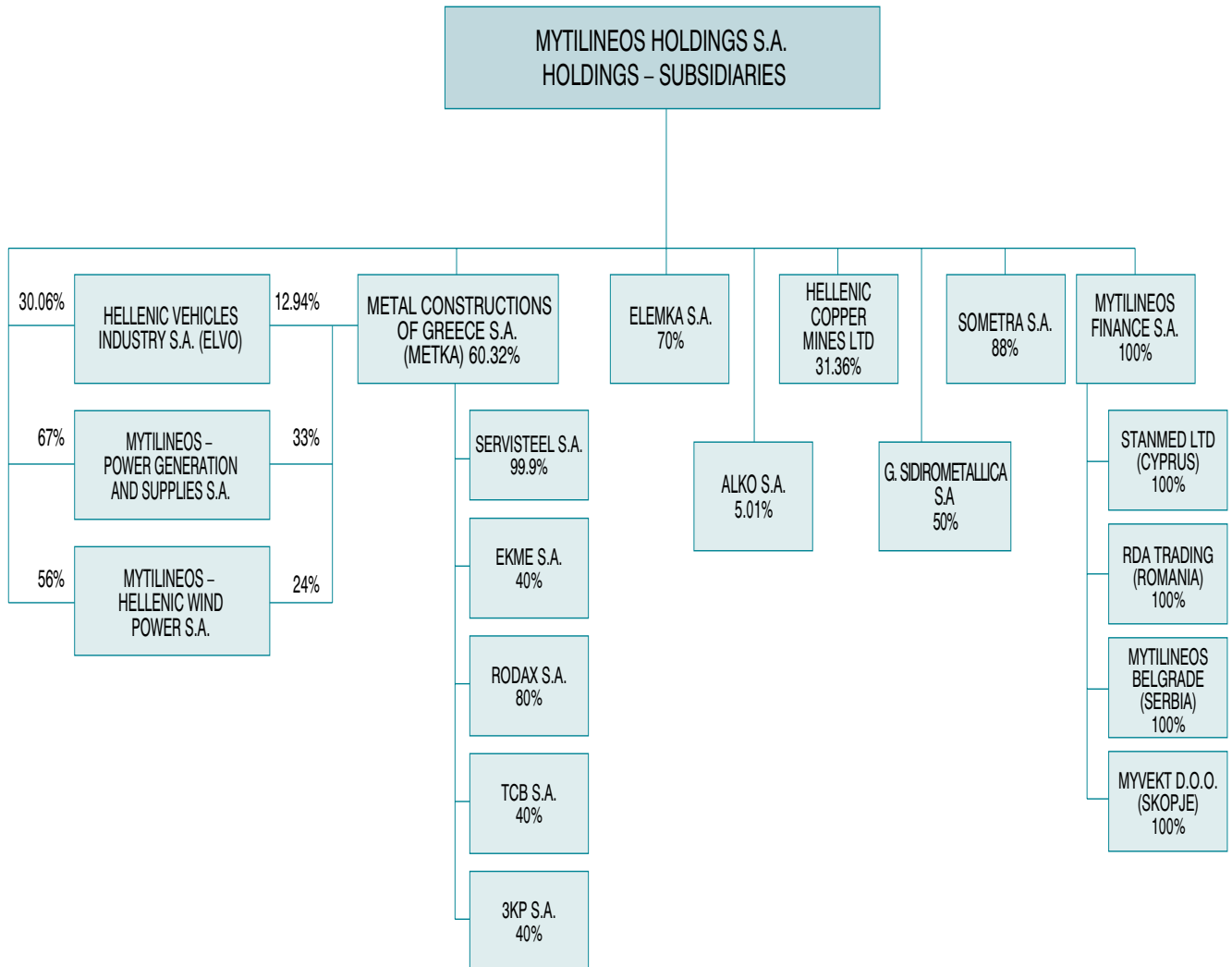
MYTILINEOS[®]
HOLDINGS S.A.



MYTILINEO
CORPORATE HEADQUARTERS

MAROUSSI •
Corporate
Headquarters

S STRUCTURE OF THE GROUP



BOARD OF DIRECTORS – MANAGEMENT



Evangelos
G. Mytilineos



Ioannis
G. Mytilineos



Georgios
S. Kontouzoglou



Sophie
G. Mytilineou - Daskalaki

MYTILINEOS
HOLDINGS S.A.

B Board of Directors

Evangelos G. Mytilineos	Chairman and CEO
Ioannis G. Mytilineos	Vice – President and Managing Director
Sophie G. Mytilineou - Daskalaki	Member of the Board – Corporate Affairs Director
Giorgios S. Kontouzoglou	Executive Director

M Management

(In alphabetical order)

Alexis Casanis	: Head – Information and Technology Department
Christos Gavalas	: Group Treasurer
Stamatis Giannakopoulos	: Business Development Advisor
Ioannis Desypris	: Energy Projects Manager
Kate Donta	: Head – Steel Products Department
Antonis Doumanoglou	: General Manager, Commercial Department – Metallurgies & International Trade
Irene Kakoulidou	: Head – Corporate Communication
Georgios Kelaidis	: Defence Programs Manager
Nikolaos Kontos	: Head – Shareholders Department
Irene Kouraki	: Head – Shipping Department
Apostolos Mitsovoeas	: Chief Financial Officer
Stavros Tsampeloglou	: Internal Auditing Manager
Claire Samara	: Head – Chairman's Executive Office
Nikos Tzanoglou	: Head –Accounting Department

MAIN EVENTS



ELVO • Vehicle
Assembling Line

Acquisition of Hellenic Vehicle Industry S.A. (ELVO)

Mytilineos Group signed an agreement on the 29th of August 2000 through Mytilineos Holdings S.A. and its subsidiary METKA S.A. for the acquisition of a 43% stake in the Hellenic Vehicle Industry S.A. (ELVO). The agreement has also provided the assignment of company's management to Mytilineos Group.

ELVO is Greece's largest vehicle manufacturer with installations expanding over an area of 270,000 m², of which 60,000 m² are covered by plant facilities and office space:

- Mechanical processing facilities 6,250 m²
- Assembly complex 25,500 m²
- Storage area 14,000 m²
- Boiler-rooms 1,350 m²
- Offices 3,700 m²
- Other storage areas (basements, etc.) 8,250 m²

ELVO's state-of-the-art plant equipment is unique in Greece's vehicle industry. Computer-programmed CNC machinery and laser cutters represent the latest technological advancements.

Mechanical equipment also include:

- CNC boring and milling centres
- CNC vertical and horizontal self-tooling lathes
- Computer centre for step calculation and programming of CNC machines
- Metal hardening facilities
- Degreasing, derusting and phosphatizing facilities

- CAD/CAM drawing system
- Installed power 8,660kW, thermal power 17.5 MW



ELVO • Loading of Kentaurus (AIFU) on a C-130

The entire production process is supported by ELVO's quality control department under an international-standard quality assurance programme (AQAP 4), ensuring perfect results for both products and services. ELVO is currently in the process of certification for the AQAP 120 standard, which is equivalent to ISO9002.

The Quality Control Department equipment includes:

- Fully equipped material testing laboratory
- Supersonic and eddy-current quality control instrumentation
- Magnetic particle inspection
- Tensile testing equipment



ELVO •
Industrial and Building
Facilities, Sindos,
Thessaloniki

- Hardening testing equipment under Rockwell and Brinell
 - Metallographic and stereoscopic microscopes
 - Fully equipped chemical laboratory, including spectrophotometer, paint quality control equipment and chemical analysers
 - Fully equipped measuring laboratory, including micro-macroscopic control instruments
 - High technology engine test house
 - All terrain vehicles 4X4 (jeeps)
 - Armed Forces Special Vehicles
 - Fire-Fighting Vehicles
 - Public utility vehicles (garbage trucks, tank-trucks etc.)
 - Buses and Coaches
 - Electric buses (trolley-busses)
 - Mobile cook-shops (for military and civil use)
 - Mobile Hospitals
 - Spare parts and major components for all of the above vehicles
- ELVO's manufacturing programme covers the following products:
- Infantry Fighting Vehicle (AIFV)
 - Armoured Personnel Carriers (APC)
 - Light armoured vehicles ("Leonidas")
 - Trucks for military and civil use

Future contracts that ELVO is expected to sign, include the assembly of Main Battle Tanks (MBT), under procurement programs of the Hellenic Armed Forces, "Kentavros" armoured vehicles and the modernisation of existing MBT and other armoured vehicles. The company is also expected to have a share in various other programmes which are part of the Hellenic Armed Forces Defence procurement Programmes for 2001-2008.

ELVO places great importance on creating a high rate of local Value Added for its products, and aims at developing technology



ELVO • Kentavros Armoured Infantry Fighting Vehicle (AIFV)

to avoiding loss of foreign exchange. In addition, the company provides a stable income to hundreds of households in the greater Thessaloniki area.

Apart from manufacturing integrated vehicle parts and components in its own plant, ELVO's efforts are also directed towards supporting and developing a network of sub-contractors and suppliers in the area. As a result, the company has formed partnerships with a number of small- and medium-sized subcontractors employing a large number of staff.

ELVO's human resources comprise of specialized technicians with long experience in the specific field of work, and administrative staff with advanced skills in handling processes for the joint manufacturing of vehicles with foreign firms.



ELVO • Manufacturing of parts and components

ELVO's allocation of personnel:

- Workers and technicians: 692
- Administrative staff: 245
- Scientific staff: 87
- Trainees

ELVO's know-how in manufacturing a wide range of products, has been developed in cooperation with well-known foreign companies, such as SNF, Mercedes, Scania, Neoplan, etc.

Mytilineos Holdings S.A. consider the acquisition of ELVO as a highly important strategic move boosting the Group's industrial presence in defence systems, both in Greece and internationally.



ELVO • Light armoured vehicle "Leonidas" assembly line



SOMETRA •
*View of Industrial
Plant*

SOMETRA S.A. Doubling of Production and Increased Profitability

Following its privatisation two years ago and a number of investments effected in conjunction to a long term restructuring programme, Sometra S.A. has doubled its

region" encourages for further subsidised investments and is expected to contribute to continue modernising the company.



SOMETRA • ISP Furnace - Zinc Casting

production in 2000 and significantly improved its financial performance, thus being now one of Romania's healthiest companies and a good example of a successful privatisation.

Lead and zinc output in 2000 reached close to 65,000 tons, from 35,000 tons in 1997, a year after its privatisation. Similarly, in year 2000 Sometra S.A. recorded profits for the first time in its history.

A recent decision by Romania's government to declare the Copsa Mica region, where Sometra's plant is located, as a "non-privileged



SOMETRA • Sinter Machine

Mytilineos Holdings S.A. owns an 88% stake in Sometra S.A. which is the largest sulphurous minerals plant in Romania, employing 1500 people.



METKA • Refinery
Maintenance
ELPE- Thessaloniki

G Group Activities in the Energy Sector

On 15th of February 2001, Mytilineos Holdings S.A. announced its entry in energy sector through two new subsidiaries, Mytilineos – Power Generation and Supplies S.A. and Mytilineos – Hellenic Wind Power S.A., with activities in power generation and trading, an area in which its subsidiary METKA has a long and successful record.

During licensing procedures for power generation conducted by the Regulatory Authority of Energy, Mytilineos submitted 14 applications for Power Generation relating to the following:

1. Power station of combined cycle using natural gas, of a 237 MW capacity.
The station will be built in Industrial Area A, in Volos. It will comprise two units of 2 gas turbines and one steam turbine together with its associated equipment.
2. CHP station, of a capacity of 16.5 MW electric and 91.5 MW thermal power, to meet the urban needs of the city of Serres. Stakes in Mytilineos subsidiary Thermie Serres S.A. are held by Denmark's power company ELSAM (the largest power company in Denmark owning a number of large thermoelectric power stations and high technology wind power farms and with great expertise in electric power trading) and ITA S.A. (one of the first Greek companies operating in the wind power sector).
3. Ten wind farms of a total capacity of over 100 MW.
4. Prototype (hybrid) project involving the construction of a 39.7 MW pump storage, operated through wind power, in Iraklio, Crete.

The Group was eventually granted a license by the Regularory Authority of Energy to build a natural gas power station, of a capacity of 237 MW, in Industrial Area A, Volos (proposal 1.).

The above investments are valued at approximately GRD 133.5 billion, and the time scale for construction is five (5) years.



METKA • Construction and commissioning of conveyer belts

In addition, the Group is currently going ahead with the required preliminary procedures for energy investments in thermal power stations using solid fuel (lignite, coal). For this purpose, Mytilineos has entered a number of partnerships with foreign energy investors and utilises the expertise of its subsidiaries (EKME, 3KP, RODAX, TCB) in the specific field.



HELLENIC COPPER
MINES •
Homogenising Pond

ANNUAL BULLETIN

MYTILINEOS[®]
HOLDINGS S.A.

COMPANY PROFILE

1.1 Background

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. 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 trading markets for 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 aluminium 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 for the Group's entry into the areas of energy, major infrastructure projects, specialised industrial metal constructions, 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. As a result, MYTILINEOS HOLDINGS S.A. activities have now been gradually and steadily expanding 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 operations in mineral deposits.

The Group's main trading activities focus on:

- Non-ferrous basic metals: copper, lead, zinc, aluminium 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 strategic 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 commercial 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 them 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 Sermettrade) 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 environment.

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

Some of the major agreements we:

- 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-based 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 ruling 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 against RMHK TREPCA, a development which in conjunction with the expected payment of damages from Export Credit Insurance Organisation (OAEP) and the Belgrade Court decision, would have no 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.
- An alliance with Finland's OUTOKUMPU, a mining and metallurgy company, providing for the supply of raw materials and joint sales of finished products, as well as for upgrading the Group's plants in Balkan states.

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 1995-2000 in domestic and foreign markets.

DEVELOPMENT OF TURNOVER
(in million GRD)

TURNOVER (value)	1995	1996	1997	1998	1999	2000
Domestic Sales from:						
• Commercial activities	17.200	15.829	25.035	18.054	20.664	32.304
• Construction activities	-	169	476	525	396	3.929
• Services	54	14	20	121	38	2.584
• Industrial activities					15.204	19.574
	17.254	16.012	25.531	18.700	36.302	58.391
Sales in foreign markets from:						
• Commercial activities	83	9.998	9.040	50.223	56.582	79.245
• Industrial activities	-	-	-	-	123	718
• Services	-	-	-	-	-	2.331
	83	9.998	29.040	50.223	56.705	82.294
GRAND TOTAL TURNOVER	17.337	26.010	54.571	68.933	93.007	140.685

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 2000, global trading alone accounted for 70.59% 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 Operations and Transport), which are all 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, clients' requirements, merchandise availability and transportation capacity to meet the needs of its entire sales network.

As mentioned above, the partnerships that the Group has signed with a number of foreign companies, go far beyond mere 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

Luxemburg
Nicosia, Cyprus
Belgrade, Serbia
Skopje, FYROM
Bucharest, Romania
Copsa Mica, Romania

Agencies

Milan, Italy
Trieste, Italy
Budapest, Hungary
Tel Aviv, Israel
Cairo, Egypt
Istanbul, Turkey
Durrës, 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 modes 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, through 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
- 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	
Italy	12,17%
Greece	32,47%
Cyprus	19,19%
Romania	8,29%
Egypt	4,26%
UK	4,56%
Switzerland	11,99%
Misc.	7,07%
TOTAL	100%

1.5 Market Overview

Mytilineos Holdings S.A. is a registered company incorporated under the Greek law, classified under the business category "Wholesale Metals and Minerals Trading". Currently, the Group's main activities are global trading in metals and minerals, as well as holdings in other companies' equity.

Business in basic non-ferrous metals accounts for approximately 73.05% of the total turnover of Mytilineos Holdings S.A. The international trade of non-ferrous metals is accomplished via the operation of a large number of commercial firms. Such firms are neither importers nor exporters in the narrow sense, as they buy from one foreign country and sell to others. Access to competitive sources of non-ferrous metals is regarded as a significant strategic advantage. The majority of basic non-ferrous metals are traded in metal exchanges and prices are determined in the international metal exchanges, the most important of them being the London Metal Exchange (LME). Mytilineos Holdings S.A. believe that through strategic business alliances

signed with a number of metal and mining companies in Serbia and FYROM, as well as the acquisition of Romania's metallurgy plant SOMETRA S.A., it has developed into the largest trading company for copper, lead and zinc in the Balkans, and to one of the leading firms in the wider region of South Eastern Europe and the Middle East.

The average price of base metals on the LME in 2000 recorded a considerable increase, compared to 1999. The continuing global economic growth since 1999, in conjunction with the failure of finished product output to follow at the same pace, has led the market to a relatively weak supply, with declining stocks and the index of average prices increasing by approximately 15%.

The two most heavily weighted base metals on the index, i.e. copper and aluminium, moved on the upside in close proximity with the average prices, by 15.4% and 13.8% respectively. However, both metals experienced considerable volatility in their quarterly results.

Copper

Copper recorded significant fluctuations in both reserves and prices, which ranged between US\$ 1,607 and US\$ 2,009, while the shortage was estimated at approximately 400,000 tons. The fluctuations in the average quarterly prices, from 3.1% in the first quarter to -2.8% in the second and from 7.4% in the third to -1.3% in the fourth quarter, are indicative of the global economic conditions which prevailed throughout the year, such as the oil crisis, euro's weakness against the US dollar, changing expectations for global economic growth, especially in the US, etc.

Aluminium

Having achieved a significant average annual price increase of 13.8%, aluminium followed a similar course with copper, but with more obvious and sharp fluctuations in its average quarterly price and with almost steadily declining stocks (excluding the 4th q.), which ended the year at approximately 450,000 tons. Aluminium prices in 2000 ranged between US\$ 1,397 and US\$ 1,745 per ton.

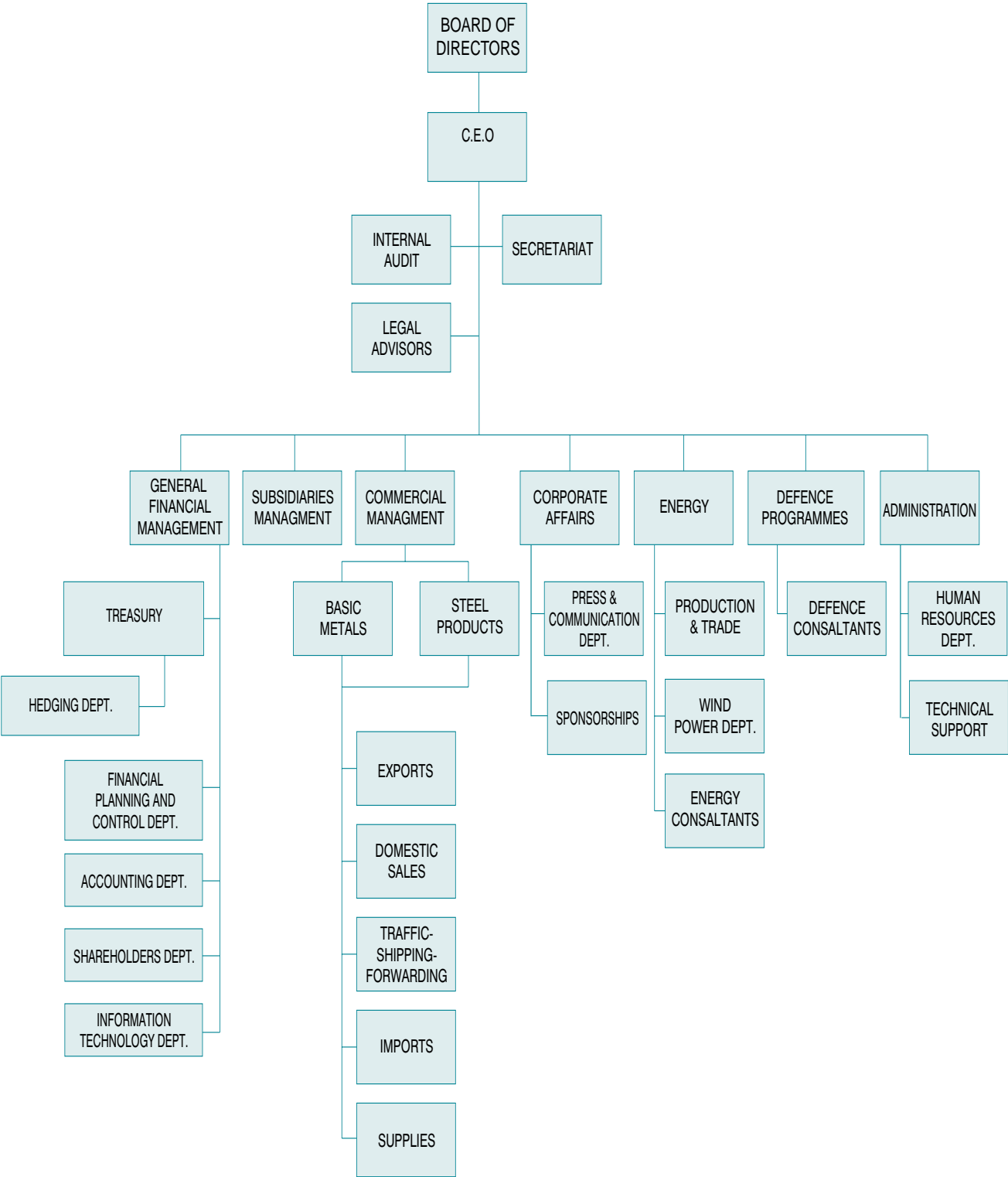
Zinc

Zinc price throughout the year moved relatively independently, reflecting a global rise in production, both at mining and processing levels, which occurred almost simultaneously with a drop in global consumption in the second half of the year. Specifically, zinc price during the third quarter, during which all metals showed their highest price increase, recorded its smallest rise by a mere 3.7%. In the fourth quarter, zinc price fell by 8.9%, the largest drop in the year. Zinc price ranged between US\$ 1,021 and US\$ 1,277 per ton.

Lead

In 2000, lead was the only metal recording a price drop of 9.6%, moving in the opposite direction of zinc. Lead price recorded the largest rise of all metals during the third quarter, moving up 12.8% and remaining slightly up, 0.4%, in the fourth quarter. This development during the second half of the year is seen as expected, both in terms of technical analysis and supply - demand considerations, given that lead price had started declining since the third quarter of 1999, a fact that reflects the failure of global demand to offset the steadily rising supply of lead and the increasing production output of metallurgies. Lead price during 2000 ranged between US\$ 399 and US\$ 519 per ton.

1.6 Corporate Organisational Chart



1.7 Human Resources

Mytilineos 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	1998	1999	2000
Administrative Officers	41	56	65
Employees/Workers	4	4	5
TOTAL	45	60	70
EDUCATION LEVEL			
Higher Education - University Degree	20	32	39
Higher Education - Technology Institutes Degree	15	22	25
Secondary Education	10	6	6
TOTAL	45	60	70

During 2000, the Company employed a number of new staff, to meet the needs arising from the expansion of its activities, especially to 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 Interamerican may be as high as GRD 60 million per employee. Relations between the Group's Administration and employees are excellent.

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

1.8 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 METKA S.A., an investment valued at GRD 10.743 million.
- Acquisition of a 60% stake in Romanian metallurgy SOMETRA S.A. from Romania's State Ownership Fund, for the amount of GRD 1.176 billion.
- 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 9.2 million.
- Partnership agreement signed with Hellenic Copper Mines Ltd.
- Acquisition of 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 billion (plus 12.04% through METKA S.A.).
- Acquisition of an additional 12% stake in listed METKA S.A., costing the Group GRD 15.8 million.
- Acquisition of a 27% stake in Romania's SOMETRA S.A., though an increase in share capital, valued at GRD 5.14 million.
- Acquisition of a 30% stake in Hellenic Copper Mines Ltd., valued at GRD 2.027 million.

INVESTMENTS – FIXED ASSETS

In GRD	2000	1999	1998	Total
Land	41.424.819	837.500.530	29.311.800	908.237.149
Building & Construction Projects	91.057.991	3.312.788.163	258.887.200	3.662.733.354
Machinery & other Equipment	0	8.428.000	17.766.940	26.194.940
Transportation Means	30.874.335	88.658.833	23.135.590	142.668.758
Furniture & other fixtures	65.698.085	149.543.704	20.021.594	235.263.383
Payments on Account & Tangible Assets under Construction	49.646.703	0	0	49.646.703
Total	278.701.933	4.396.919.230	349.123.124	5.024.744.287

BALANCE SHEET

MYTILINEOS®
HOLDINGS S.A.

2.1 Operations - Results

The table below shows the development of the Group's turnover and results for the three-year period 1998-2000.

TABLE OF RESULTS

(amounts in GRD)	2000	1999	1998
Turnover from:			
Industrial-Construction Activity	24.220.698.122	15.722.817.199	524.975.740
Commercial Activity	111.549.501.228	77.246.345.554	68.287.140.434
Services	4.915.170.285	38.614.145	120.837.442
Total Turnover	140.685.369.635	93.007.776.898	68.932.953.616
Less: Cost of Sales (before Depreciation)	118.721.226.947	78.685.495.077	61.151.303.208
Gross Operating Results (Profit)	21.964.142.688	14.322.281.821	7.781.650.408
(% of Turnover)	15,61%	15,40%	11,29%
Plus: Other Operating Income	1.561.397.858	258.199.530	53.137.893
Total	23.525.540.546	14.580.481.351	7.834.788.301
Less: Administrative Expenses (before Depreciation)	4.014.707.750	3.060.463.589	804.824.412
Distribution Expenses (before Depreciation)	4.554.896.251	2.418.789.179	2.056.801.415
Total Expenses	8.569.604.001	5.479.252.768	2.861.625.827
(% of Turnover)	6,09%	5,89%	4,15%
Operating Results (Profit)	14.955.936.545	9.101.228.583	4.973.162.474
(% of Turnover)	10,63%	9,79%	7,21%
Plus:			
Revenue from Participations & Securities	10.229.802.312	17.452.029.308	2.037.218.774
Extraordinary & Non-Operating Revenue	5.514.252.851	2.003.280.563	1.743.016.912
Extraordinary Income & Revenue from Prior Fiscal Years	11.834.105	2.646.836	2.855.262
Revenue from Provisions of Prior Years	2.185.080	0	0
Less:			
Expenses & Losses from Participations & Securities	6.116.296.225	242.447.361	140.251.396
Extraordinary & Non-Operating Expenses	5.495.891.215	3.025.103.545	1.837.139.699
Extraordinary Loss	8.383.547	17.479.385	11.694.962
Expenses from Prior Years	169.558.421	180.261.754	645.881
Provisions for Emergencies	9.712.122	4.500.000.000	0
Income before Interest & Depreciation	18.914.169.363	20.593.893.245	6.766.521.484
(% of Turnover)	13,44%	22,14%	9,82%
Plus: Credit Interest & Related Revenue	1.466.769.584	306.681.349	85.865.438
Less: Debit Interest & Related Expenses	4.206.021.561	3.819.050.560	2.314.182.841
Income before Depreciation & Tax	16.174.917.386	17.081.524.034	4.538.204.081
(% of Turnover)	11,50%	18,36%	6,58%
Less: Depreciation (total)	2.289.374.662	1.488.896.843	334.812.828
Profits before Tax	13.885.542.724	15.592.627.191	4.203.391.253
(% of Turnover)	9,87%	16,76%	6,10%
Less: Taxes	4.203.066.610	3.432.004.396	511.358.529
Less: Distribution of Profits to Staff	-	-	-
Profits after Taxes and Distribution of Profits	9.682.476.114	12.160.622.795	3.692.032.724
(% of Turnover)	6,88%	13,07%	5,36%
Less: Additional Taxes	-	-	-
Profits after Taxes, Distribution of Profits & Additional Taxes	5.630.442.114	8.108.588.795	2.476.422.524
Revised Profits before Tax	6.915.234.286	6.671.523.329	974.412.575
(% of Turnover)	4,91%	7,17%	1,41%

Turnover

The Group's turnover is mainly generated by its commercial activities. Revenues from Industrial – Construction activity derives from subsidiaries ELEMKA S.A. and METKA S.A and their own subsidiaries. Revenue from the provision of services comes 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.

Cost of Sales – Gross Profits

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

Administration – Distribution Expenses

Operational expenses have risen in proportion to a larger volume of sales in terms of megatons, as well as to the increase in the number of staff employed and other administrative expenses. 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 participations 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 2000 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 1.47 billion in 2000, due to its high cash amounts in hand. On the contrary, financial expenses rose as a result of an existing joint-venture loan of US\$ 45 million.

Depreciation

The following table shows the allocation of depreciations for the fiscal years 1998-2000.

ALLOCATION OF DEPRECIATION

(amounts in GRD million)

COST CENTRES	1998	1999	2000
Administrative Expenses	134	462	708
Distribution Expenses	201	298	453
Cost of Sales		729	1128
TOTAL	335	1489	2289

TURNOVER, GROSS PROFIT MARGIN

Item	Turnover (in GRD million)	Gross Profit (%)
Copper	14.445	10,82
Lead	4.929	19,75
Zinc	21.507	8,26
Aluminium	6.091	12,43
Steel	9.182	11,63
Wires	849	14,72
Ores and Minerals	22.630	8,42
Raw Materials	4.032	13,79
Misc.	1.276	7,54
Total	84.941	10,70

ANALYSIS OF ADMINISTRATIVE AND DISTRIBUTION EXPENSES TO COST CENTRES

(in GRD million)

Expense	Administration	Distribution	Finance	Total
Personnel Expense	327	542	-	869
Third Party Fees	410	214	-	624
Third Party Benefits	102	259	-	361
Taxes / Duties	63	-	-	63
Overheads	448	1.420	303	2.171
Interest & Fin Expenses	-	-	3.027	3.027
Depreciation	287	94	-	381
Total	1.637	2.529	3.330	7.496

2.2 Appropriation of profits before tax and depreciation

Appropriation of profits before depreciation and taxes for the fiscal years 1998-2000 is shown in the table below.

Appropriation Account					
(in GRD million)	2000	1999	1998	1998-2000	%
Profits before tax and depreciation	16.175	17.082	4.538	37.795	
Results Brought Forward	4.654	2.981	1.736	9.371	
TOTAL	20.829	20.063	6.274	47.166	
Appropriated as under:					
Total depreciation	2.289	1.489	335	4.113	8.72
Legal Reserve	506	428	70	1.004	2.13
Other Reserve	5.904	5.627	1.194	12.725	26.98
Taxes-Tax Differences	4.328	3.406	458	8.192	17.37
Provision for Minorities	2.668	613	20	3.301	7.00
Dividends	4.052	4.052	1.216	9.320	19.76
Profits Distributed to Employees	-	-	-	-	-
Results carried forward	1.082	4.448	2.981	8.511	18.04
TOTAL	20.829	20.063	6.274	47.166	100.00

As shown in the table above, 37.83% of 1998-2000 profits was retained by the Company (reserve and depreciation), while 17.37% and 19.76% was used to pay taxes and dividends, respectively.

2.3 Analysis of financial Position 1998-2000

The course of the Company's basic indices in the three-year period 1998-2000 is shown in the table below.

BALANCE SHEET 1998-2000 (in GRD)

ASSETS	1998	1999	2000
NON-DEPRECIATED INTANGIBLE FIXED ASSETS	157.017.340	667.801.929	2.751.925.055
Tangible fixed assets	1.719.041.595	31.201.731.375	35.016.225.184
(Less: Accumulated Depreciation)	241.240.376	15.291.570.293	18.045.949.815
NON-DEPRECIATED TANGIBLE FIXED ASSETS	1.477.801.219	15.919.161.082	20.203.220.039
Participating Interest & Affiliated Undertakings	1.181.171.578	2.371.555.797	5.553.627.285
TOTAL FIXED ASSETS	2.658.972.797	18.290.716.879	25.756.847.324
Stocks	10.750.758.479	21.927.106.400	21.821.751.287
Trade Debtors	11.536.890.193	27.029.201.926	50.810.360.890
Receivable Cheques – overdue	1.603.681.480	3.599.030.667	2.886.086.998
Term Deposits	1.600.000	1.600.000	1.600.000
Other Assets	1.098.720.960	2.254.646.804	3.176.705.506
Securities	13.453.308.148	22.886.466.777	8.872.385.162
Cash at Bank and in Hand	494.766.894	41.922.171.055	10.471.608.414
TOTAL CURRENT ASSETS	38.939.726.154	119.620.223.629	98.039.498.257
PREPAYMENTS AND ACCRUED INCOME	11.545.093	87.128.514	224.507.623
TOTAL ASSETS	41.767.261.384	138.665.870.951	126.772.778.259
LIABILITIES			
Share Capital	4.052.034.000	8.104.068.000	8.104.068.000
Share Premium Account	16.067.893.955	62.666.284.955	62.666.284.955
Reserves from value adjustments of other assets	-	-	616.590.967
Reserves	1.449.333.244	7.512.313.359	13.714.967.998
Reserves carried forward	2.981.349.021	4.447.756.672	1.082.055.584
Consolidation balance - minority rights - currency consolidation balance	204.606.999	1.600.932.685	33.318.397.326
TOTAL CAPITAL AND RESERVES	24.346.003.221	84.947.946.638	52.865.570.178
PROVISIONS	108.844.917	2.432.528.538	699.799.903
Bank Loans	12.715.650.001	14.867.821.920	16.479.043.523
Other Long-Term Debt	-	-	75.719.235
TOTAL LONG-TERM DEBT	12.715.650.001	14.867.821.920	16.554.762.758
Suppliers	331.099.568	6.421.463.389	14.638.182.838
Notes payable	1.740.967.033	31.674.925	145.365.285
Banks	254.773.786	10.572.069.062	22.155.935.712
Advances from trade debtors	58.435.718	5.995.860.632	7.383.932.014
Social Security	21.621.823	296.956.734	430.958.324
Taxes – Duties – Social Insurance Funds	451.344.852	6.856.853.218	6.162.892.023
Current Portion of Long-Term debt	1.225.582.400	4.177.925.480	4.180.852.851
Sundry Creditors	446.197.660	2.478.279.774	1.068.320.755
TOTAL SHORT-TERM CREDITORS	4.530.022.840	36.831.083.214	56.166.439.802
ACCRUALS AND DEFERRED INCOME	66.740.405	203.081.608	486.205.618
TOTAL LIABILITIES	41.767.261.384	139.282.461.918	126.772.778.259

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 31.12.2000, merchandise accounted for GRD 10,751,044,256.

Payable Dividends

As of 31.12.2000, the account "payable dividends" stood at GRD 4,180,852,851, corresponding to dividends for 2000 totalling GRD 4,052,034,000 and dividend balance from prior years amounting to GRD 128,818,851.

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

	1998	1999	2000
DEVELOPMENT RATIOS (%)			
Turnover	26,31	34,92	51,26
Profits before Tax	7,33	270,97	(10,94)
Profits after Tax and Directors Remuneration	106,86	227,91	(20,36)
Tangible Assets (acquisition value)	35,56	1.715,6	12,19
Total employed capital	21,76	199,79	40,66
PROFIT MARGIN RATIOS (%)			
Gross Profit Margin	11,7	13,1	10,7
Net Profit Margin (before tax)	5,6	26,0	14,8
PERFORMANCE RATIOS (BEFORE TAX) (%)			
Average Return on Owners Equity	9,7	15,4	14,9
Return on Total Capital Employed	10,06	11,24	10,95
VELOCITY OF CIRCULATION RATIOS (days)			
Assets	74	120	138
Suppliers	26	26	45
Stock	3	15	67
DEBT RATIOS (:1)			
Ratio of Total Liabilities / Owners Equity	0,72	0,64	1,39
Bank Debt / Owners Equity	0,04	0,13	0,42
LIQUIDITY RATIOS (:1)			
Current Liquidity	2,26	2,31	1,35
Liquidity	-	-	-
FINANCIAL LIABILITY RATIOS (:1)			
Financial Expenses / Gross Profit	0,32	0,30	0,20
Financial Expenses / Results before tax and interest	0,37	0,20	0,23

Performance

Performance of both owners' equity and total assets moved slightly up during the three-year period 1998-2000.

Inventory Turnover

The relatively high stock kept by the Group resulted in all the ratios recording a gradual rise in the period 1998-2000.

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 S.A. and subsidiary METKA S.A.

Financial Liability

Even though total liabilities recorded an increase in 1998-2000 (139% of equity capital in 200), 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

(in GRD million)	1998	1999	2000
FINANCE SOURCES			
Profits before Tax	2.106	12.061	12.554
Depreciation	333	261	381
Increase of Bank Loans	12.715	6.300	5.293
Long-Term Loans	12.715	-	-
Other Long-Term Debt	-	-	6
Short-Term Loans	-	6.300	5.287
Provisions		1.987	(1.527)
Cash Payable Share Capital Increase	16.208	50.650	
TOTAL	31.362	71.259	16.701
USE OF CAPITAL			
Increase in Formation Expenses	351	568	310
Increase in Tangible Fixed Assets	349	4.389	484
Increase in Holdings and other Financial Assets	12.287	32.277	26.473
Reduction in Short-Term Loans	7.286	-	-
Dividends	602	1.170	3.979
Taxes	876		3.314
Change in Cash at Bank and in Hand		19.344	(18.828)
Change in Working Capital	9.611	13.511	(969)
TOTAL	31.362	71.259	16.701

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 31.12.2000.

(amounts in GRD)

COMPANY	TOTAL NO. OF SHARES	NUMBER OF SHARES HELD BY MYTILINEOS	% OF STAKE	ACQUISITION VALUE 31/12/00	NET VALUE 31/12/00
MYTILINEOS FINANCE S.A.	3.500	3.500	100%	101.530.850	4.667.964
ELEMKA S.A.	3.600	2.520	70%	260.000.000	628.837.954
G. SIDIROMETALLICA S.A.	2.000	1.000	50%	20.000.000	27.236.821
METKA S.A.	51.950.600	26.698.870	51,39%	49.471.579.409	32.531.039.858
SOMETRA S.A.	15.909.435	13.993.358	87,7%	6.252.726.754	6.476.630.306
ELVO S.A.	93.390	21.043	22,53%	2.174.675.648	536.207.045
HELLENIC COPPER MINES LTD	6.660.000	2.000.000	30,3%	2.027.839.500	726.781.160

For all of the companies showed in the table above, Mytilineos Holdings S.A. has compiled consolidated financial statements, excluding Hellenic Copper Mines S.A. and METKA S.A. owing their non-audited financial statements for 2000. Holdings in HCM and METKA were estimated on 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 45 billion. The company employs 473 people and its mechanical equipment is worth over GRD 8 billion. Mytilineos Holdings S.A. is planning 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 power farms, waste treatment facilities), as well as in utilisation of lignite deposits through government concession contracts. The business plans 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 60.32% 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 and one of Eastern Europe's leading mines. Products are supplied to the domestic market, with a large portion exported to markets in Eastern Europe and Central and Eastern Mediterranean. Main ores mined 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 participation 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). 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 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 that the expected to be assigned to ELVO, include the assembly of Main Battle Tanks (MBT) under the procurement programmes of the Greek Armed Forces, the "Kentavros" Armoured Infantry Fighting Vehicle (AIFV), the modernisation of existing tanks and of other 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 31.36% 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.

ELEKMA S.A.

Athens-based ELEKMA S.A. established in 1990 and its main sub-contracting activities 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. ELEKMA also carries out trade in advanced-technology materials for complex construction projects, such as bridge bearings and contraction and expansion joints. Mytilineos holds a 70% stake in ELEKMA'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 trade in galvanised wires and polypropylene products, which are sold to clients after they have undergone appropriate processing. Mytilineos 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 where 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 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.

4.1 Company Prospects

After a long and successful presence in the traditional areas of international trade of metals and ores and metallurgies, Mytilineos Holdings S.A. activities have now gradually been expanding into the sectors of energy generation and defence systems.

Metallurgy and International Trade of Metals – Ores

In the metallurgy field, the Group acquired in 1999 the Romanian smelter SOMETRA S.A. A former state company, SOMETRA S.A. was privatised and Mytilineos S.A. went ahead with a series of major investments together with a long term reorganisation scheme, which resulted in the doubling of its production and hence improving its financial performance. Today, SOMETRA S.A. is one of the healthiest companies in Romania and constitutes a fine example of a successfully privatised entity. The company's lead and zinc production reached 65,000 tons in 2000, while in 1997, last year before privatisation, its annual production barely reached 40,000 tons. In 2000, the company realised a profit for the first time since its establishment. Through new major investments, which will be entirely financed by the Mytilineos Group, and are going to be realised towards the end of 2001, SOMETRA S.A. aims to reach an annual lead and zinc production output of over 100,000 tons.

Furthermore, through long-term commercial contracts the Group controls a large part of the production from the metal group RTB-BOR in Serbia, the second largest copper processing and manufacturing plant in Western Europe, and from ZLETOVO, the largest metallurgy of sulphurous lead and zinc ores in FYROM. Aiming at strengthening its market share internationally, Mytilineos Group's immediate plans include the acquisition of both of the above metallurgy plants provided that procedures for privatisation go ahead in that countries.

Finally, the Group holds a major stake in the Cyprus-based Hellenic Copper Mines Ltd., a company active in the mining of high quality copper ore (99.999) using hydrometallurgy methods. The Group is constantly seeking to further reinforce its position in the copper production industry, while always targeting for new investment opportunities in the greater Balkan region.

In the international trade of metals-ores and minerals, the Group's traditional field of activity, Mytilineos's goals include a geographic expansion of activities and further development of the existing alliances and cooperation in the greater Eastern European region. Moreover, the Group works towards consolidating its leading position in the Greek and international steel products and non-ferrous basic metals (copper, lead, zinc, aluminium) markets.

Energy

The business prospects opening up following the power market deregulation was the incentive for the establishment of two new subsidiaries by Mytilineos Holdings S.A.: **MYTILINEOS POWER GENERATION** and **SUPPLIES S.A. (MPGS)** and **MYTILINEOS HELLENIC WIND POWER S.A. (MHWP)**.

- **MPGS S.A.** will be involved in the power generation and supply by entering the entire range of activities in this sector, such as developing and operating thermal and hydroelectric power stations, either independently or through strategic partnerships with major international players in the energy market. At the same time the company plans to enter the natural gas sector when that market is liberalised in Greece.

The company's immediate business plans include:

- **Power Station using natural gas in Volos, Greece.**

The project has already been granted a "production licence" by Greece's Regulatory Authority of Energy. When completed and fully operational, the power station will comprise two combined-cycle gas fired plants with a net capacity of 237 MW. Commercial operation of the first unit is expected to commence in the beginning of 2004, while its turbines are estimated to be operational, in an open cycle, by mid of 2003. The total value of the investment is estimated at A135 million.

- **Combined Heat and Power Plant in Serres, Greece.**

- The project will be materialised by THERMIE SERRES S.A., in which MPGS holds a stake of 40%. It will be an independent power and heating generation plant capable of generating 16 MW of electric and 91 MW of thermal power. The entire output will be purchased by the System Administrator, while the generated heat will be used through a "district heating" network to satisfy the heating, cooling and hot water needs of the city of Serres. The project has already obtained an "installation permit" and it is expected to commence operations in 2004. The investment is estimated to cost A 29 million.

- **MHWP** will be involved in the generation of electric power by developing and operating a number of wind farms. During a recent call for licence application by RAE, MHWP submitted 10 applications for electric power "generation permits" in areas with increased wind capacity in Greece, and it is now awaiting the relevant approvals within 2001. The investment for all wind-generated power plants is estimated to reach A 165 million.

At the same time, MHPW has participated to ENERGIKI KRITIS S.A., a company that has conducted all the required studies and has proposed the development of a large prototype (hybrid) project involving the construction of a 39.7 MW pump storage power station, operated through wind power, in Iraklio, Crete.

Defense

The defence industry is a strategic sector in which the Group plans to have a strong presence by developing business through subsidiaries METKA S.A. and ELVO S.A. for the time being and in the future through other partnerships and similar business activities. Given that defence spending is very important to Greece, the government has adopted a new policy greatly influencing the defence systems industry. Up to now, Greek companies had a minor share of 10-15% in programmes in the specific industry, rising up to 25% under this new policy and with the potential to increase even further in the future.

After the recent ratification of the "5-Year Mid-Term Armaments Programme" (EMPAE) by the Greek government, total defence expenditure amount to about GRD 1.6 trillion out of which approximately GRD 800 billion would relate to products relevant to METKA and ELVO business.

Taking into account its present and future manufacturing capacity, the Group is in a position to claim a large portion of the above relevant amount, estimated to reach about 15% - 20%.

In view of the above defence systems programmes, the Group is currently in contact with major foreign manufacturers – suppliers of the Greek Armed Forces – over the possibility to undertake a major sub-contract or to co-manufacture defence systems, as part of the offset benefits "Counterbalance Gains" scheme, on behalf of both companies (METKA and ELVO).

Group's strategic plan to increase its share in the Procurement Programmes includes the development and expansion of activities in the defence sector, not only through METKA S.A. and ELVO S.A., but also through the acquisition of other state-owned or private companies involved in the specific sector.

The participation of METKA S.A. in the Defence Programmes is considered as dynamic development, as the company has the potential to become one of the major defence industries in the country. METKA already possesses extensive know-how in through its previous involvement in the manufacturing of the "LEONIDAS" Armoured Personnel Vehicles through a partnership with ELVO, as well as the manufacturing of torpedo loading systems during the Submarine Upgrading Programme in cooperation with the Hellenic Navy and the construction of subassemblies for MEKO frigates through a partnership with Hellenic Shipyards and Blohm+Voss.

METKA S.A. has also undertaken to manufacture parts of the Patriot missiles system platforms (carrier and launcher) in cooperation with US firms Raytheon and Lockheed Martin (GRD 7.6 billion), while it has recently signed a contract with the German Shipyards FS/HDW for the construction of the new 214-type submarines for the Hellenic Navy, valued at GRD 5.5 billion. METKA S.A. is also a sub-contractor in major deals that it has concluded with the main contenders in the tender for the supply of 250 battle tanks, of a value of over GRD 100 billion. In addition, the company is currently negotiating with potential arms suppliers to the Greek Armed Forces over its participation in the new mid term procurement programmes.

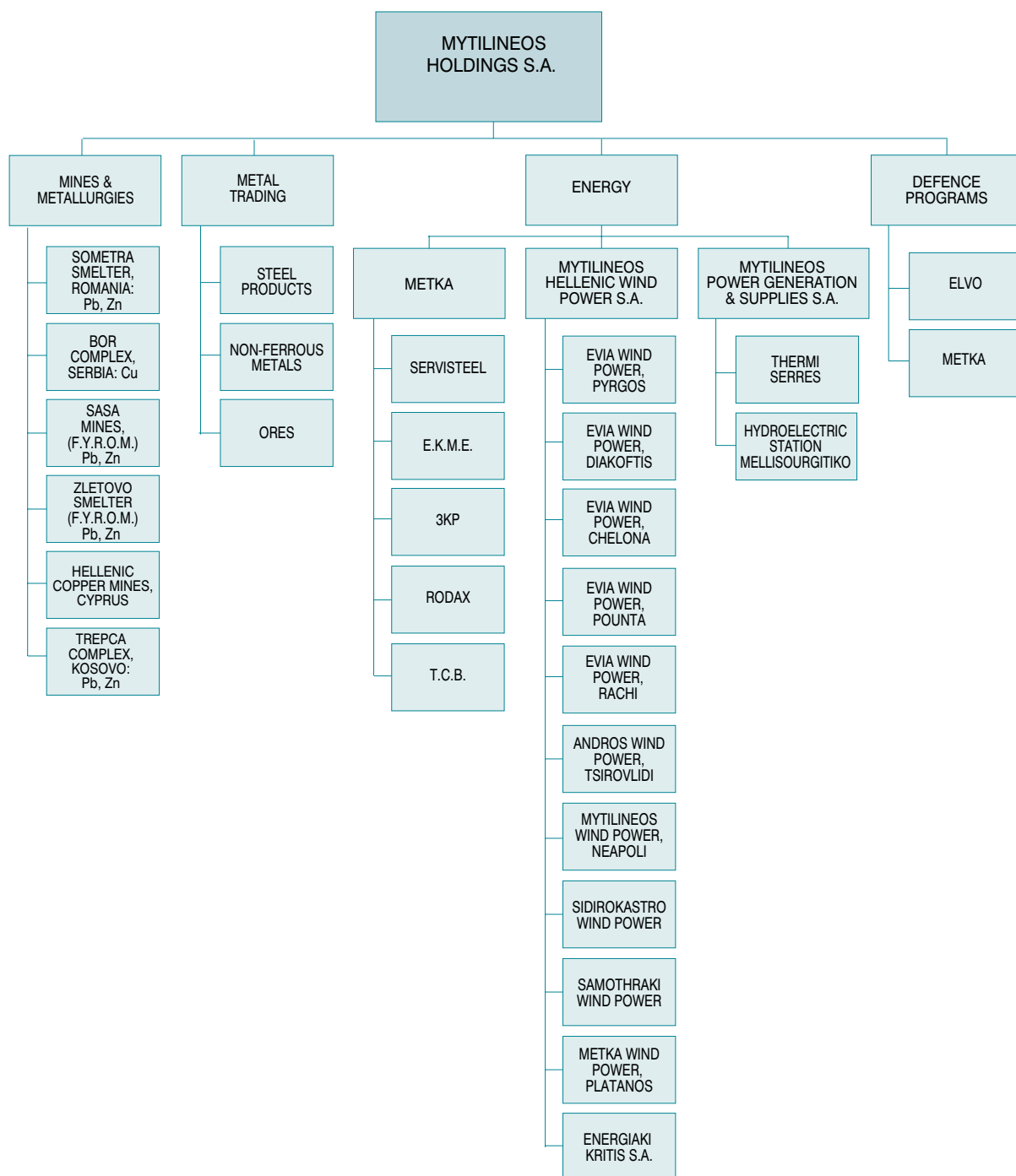
Hellenic Vehicle Industry S.A. (ELVO) is a strategically important company involved in both the supply of military services and products to the Greek Armed Forces, as well as the manufacturing of products for commercial civil use.

It should be emphasised that after the acquisition of a stake in ELVO, Mytilineos's manufacturing capacity in defence systems has seen significantly boosted, as the extensive synergies between METKA and ELVO have created favourable conditions for undertaking major Armed Forces Armament Programmes sub-contracts.

More specifically, Mytilineos has significantly increased its share in the Programme for the supply of 250 Main Battle Tanks, taking into account ELVO's experience and capabilities in the assembly and system integration of similar systems.

Mytilineos Holdings S.A. growth prospects through a large co-manufacturing scheme appear to be very favourable, considering the number of other defence programmes, such as the building of the KENTAVROS Armoured Infantry Fighting Vehicle, currently in the final testing stage by the Greek Army, procurement programmes of Armoured Amphibious Tanks, ordinary vehicles, draw bridges, Engineering Corps vehicles, etc., as well as other programmes included in the new EMPAE, over which the Group has already been in negotiations with foreign manufacturing firms.

Group Activities:



4.2 Investment Policy

In order to achieve its strategic goals, the Company follows an investment policy in line with market developments, focusing on international trade, metallurgy, energy and defence programs.

Mytilineos S.A. invests primarily in highly qualified human resources, an area that it considers necessary for the smooth operation of its increased business activities; the Group also invests in new sectors of activity, such as energy, through its subsidiary METKA, as well as in the defence programmes sector.

Other areas in which the Company invests include the improvement of its communication policy and information technology systems, and in upgrading machinery and equipment within the framework of its planned facilities improvement scheme.

Through its investments, the Company aims at attaining better organisation able to respond to new challenges and exploit new business opportunities emerging in Greece and the wider region of the Balkans, as well as taking advantage of partnerships to improving the Group's market share.

SHARE PRICE MOVEMENT AND DIVIDEND POLICY

5.1 Dividend policy

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

DIVIDEND POLICY

(in GRD million)	1998	1999	2000
Profit after taxes	1.729	9.726	10,133
Total dividend	1.216	4.052	4.052
% on profit	70,30%	41,66%	39,98%

In the fiscal year 2000, the total dividend distributed was equal with that distributed in the previous year (1999: GRD 4,052 million – 2000: GRD 4,052 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.

5.2 Profits per share

Profits per share for the period 1996 – 2000 are presented in the following table:

Parent Company

YEAR	NET PROFIT		WEIGHTED NUMBER OF SHARES	PROFIT PER SHARE	
	BEFORE TAXES	AFTER TAXES		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

Consolidated Figures

ΕΤΟΣ	NET PROFIT		WEIGHTED NUMBER OF SHARES	PROFIT PER SHARE	
	BEFORE TAXES	AFTER TAXES & MINORITY RIGHTS		BEFORE TAXES	AFTER TAXES & MINORITY RIGHTS
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	48.445.806	322	238
2000	13.886	7.015	66.457.810	209	106

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.

5.3 Stock Price Movement

The company was initially listed on the Parallel Market of the Athens Stock Exchange (ASE) in July 1995. In August 1997 the company proceeded with a share capital increase through a public offer and its shares were 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 31.12.2000 was GRD 3,045 per share.

Notably, the average trading volume for the fiscal year 2000 rose to 290,253 shares per day (01.01.2000 – 01.12.2000).

At the same time, it should be noted that yields since the stock's listing (28.07.1995) until the end of 2000 skyrocketed by a spectacular 2,458%, one of the highest rates on the ASE in that period.

The summarized statistical data regarding the share price movement during 01.01.2000 – 01.12.2000 are shown in the following table and charts.

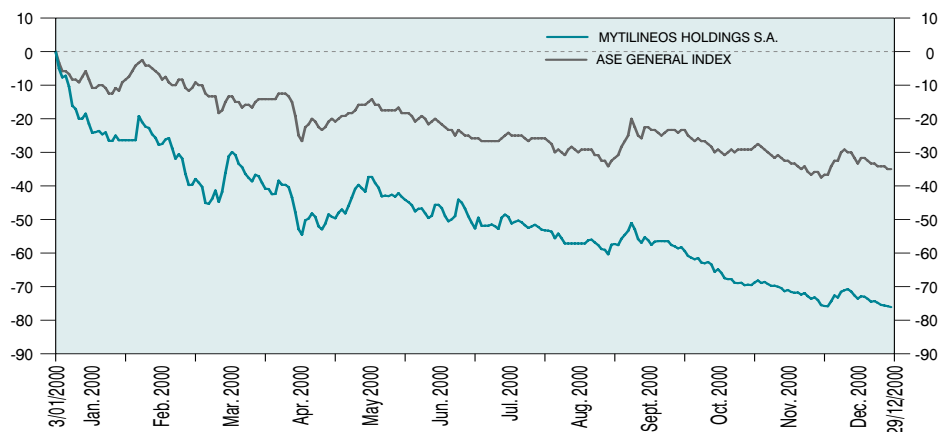
STOCK MARKET DATA

Average price	GRD 4,447
Minimum price	GRD 3,045
Maximum price	GRD 13,235
Average daily trading volume	290,253 pieces
Net dividend per share (1999)	GRD 100

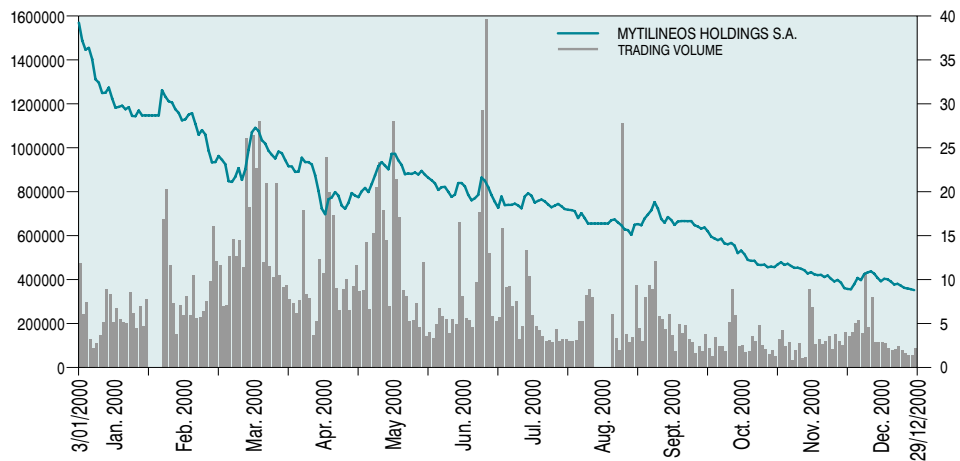
Statistical Share Data

Listing price	GRD	119
Closing price 31.12.1997	GRD	1,274
Closing price 31.12.1998	GRD	3,786
Closing price 31.12.1999	GRD	12,760
Closing price 31.12.2000	GRD	3,045
Yield since listing		2,458%
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%
Highest price (31.12.1999 – 31.12.2000)	GRD	13,235
Lowest price (31.12.1999 – 31.12.2000)	GRD	3,045
Average price (31.12.1999 – 31.12.2000)	GRD	4,447
Average trading volume (31.12.1999 – 31.12.2000)	290.253	pieces

Share price movement and trading volume development



ASE General Stock Index development



BALANCE SHEET AS AT 31ST DECEMBER 2000 – 10TH YEAR OF OPERATION (1 JANUARY - 31 DECEMBER 2000) (Amounts in GRD)									
ASSETS				LIABILITIES					
				Closing year 2000		Previous year 1999			
				Acquisition Cost	Depreciation	Remain Value	Acquisition Cost	Depreciation	Remain Value
B. FORMATION EXPENSES				1,494,066,982	710,713,654	783,353,328	1,184,085,487	516,283,560	667,801,927
4. Other formation expenses				1,494,066,982	710,713,654	783,353,328	1,184,085,487	516,283,560	667,801,927
C. FIXED ASSETS									
<i>I. Tangible assets</i>									
1. Land				1,502,193,042	–	1,502,193,042	1,292,987,626	130,134,761	1,292,987,626
3. Buildings and Technical Works				2,044,633,049	227,123,140	1,817,509,909	4,028,732,921	3,898,598,160	3,898,598,160
4. Machinery & Technical Equipment				116,832,636	63,849,441	52,983,195	116,832,636	46,217,146	70,615,490
5. Transportation Equipment				208,059,045	76,585,472	131,473,573	206,892,710	62,805,462	144,087,248
6. Furniture and fixtures				324,156,945	191,714,002	132,442,943	258,862,226	149,278,178	109,584,048
7. Construction in progress				2,191,646,703	–	2,191,646,703	–	–	–
TOTAL TANGIBLE AND INTANGIBLE ASSETS (CII)				6,387,521,420	559,252,055	5,828,269,365	5,904,308,119	388,435,547	5,515,872,572
<i>III. Financial Assets</i>									
1. Participating interests in affiliated undertakings				60,308,509,361	–	60,308,509,361	33,835,394,829	–	33,835,394,829
7. Other financial assets				5,445,653	–	5,445,653	4,283,514	–	4,283,514
Total (CII)				60,313,954,814	–	60,313,954,814	33,839,688,343	–	33,839,688,343
TOTAL FIXED ASSETS (CII + CIII)				66,142,224,179	–	66,142,224,179	39,355,560,915	–	39,355,560,915
D. CURRENT ASSETS									
<i>I. Stocks</i>									
1. Merchandise				1,365,940,738	–	1,365,940,738	274,945,737	–	274,945,737
4. Raw Materials - Consumables				438,680	–	438,680	498,680	–	498,680
5. Payments on account for imports				10,084,971,494	–	10,084,971,494	10,343,701,458	–	10,343,701,458
				11,431,350,912	–	11,431,350,912	10,619,085,875	–	10,619,085,875
<i>II. Debtors</i>									
1. Trade debtors				21,642,570,213	–	21,642,570,213	19,443,419,242	–	19,443,419,242
2. Notes receivable in Portfolio				4,387,893	–	4,387,893	4,387,893	–	4,387,893
3a. Checks receivable				18,599,035,494	–	18,599,035,494	14,528,791,765	–	14,528,791,765
3b. Checks overdue				326,730,523	–	326,730,523	123,050,000	–	123,050,000
8. Reserved Accounts				1,600,000	–	1,600,000	–	–	–
11. Sundry debtors				1,508,534,572	–	1,508,534,572	1,559,070,913	–	1,559,070,913
12. Advances to account for				23,077,596	–	23,077,596	29,564,880	–	29,564,880
				42,111,936,291	–	42,111,936,291	35,689,884,693	–	35,689,884,693
<i>III. Investments</i>									
1. Shares				2,252,392,406	–	2,252,392,406	6,967,802,618	–	6,967,802,618
3. Other investments				39,344,308	–	39,344,308	39,344,308	–	39,344,308
<i>IV. Cash at bank and in hand</i>									
1. Cash in hand				7,331,350	–	7,331,350	12,613,387	–	12,613,387
3. Sight and time deposits				933,905,692	–	933,905,692	19,757,161,384	–	19,757,161,384
				941,237,042	–	941,237,042	19,769,774,771	–	19,769,774,771
TOTAL CURRENT ASSETS (DI+DIII+DIII+DIV)				56,776,260,959	–	56,776,260,959	73,085,892,265	–	73,085,892,265
E. PREPAYMENTS AND ACCRUED INCOME									
1. Deferred charges				653,243	–	653,243	548,834	–	548,834
3. Other prepayments and accrued income				–	–	–	–	–	–
GRANT TOTAL ASSETS (B+C+D+E)				123,702,491,709	–	123,702,491,709	113,109,803,941	–	113,109,803,941
MEMO ACCOUNTS									
2. Guarantees and real securities				22,749,260,811	–	22,749,260,811	21,426,868,418	–	21,426,868,418
3. Bilateral agreements				1,636,760,826	–	1,636,760,826	1,636,760,826	–	1,636,760,826
Total				24,455,021,637	–	24,455,021,637	23,063,629,244	–	23,063,629,244
GRANT TOTAL LIABILITIES (A+B+C+D)				123,702,491,709	–	123,702,491,709	113,109,803,941	–	113,109,803,941
MEMO ACCOUNTS									
2. Guarantees and real securities				22,749,260,811	–	22,749,260,811	21,426,868,418	–	21,426,868,418
3. Bilateral agreements				1,636,760,826	–	1,636,760,826	1,636,760,826	–	1,636,760,826
Total				24,455,021,637	–	24,455,021,637	23,063,629,244	–	23,063,629,244

PROFIT AND LOSS ACCOUNT AS AT 31st December 2000 (1 January - 31 December 2000)

	Closing year 2000	Previous year 1999	APPROPRIATION ACCOUNT	
I. OPERATING RESULTS				
Net turnover (sales)	84,941,234,579	46,389,889,177	Net Results (Profit) for the year	12,554,474,773
Less: Cost of sales	73,854,871,592	40,289,596,353	(+): Profit brought forward	80,880,556
Gross operating results (Profit)	9,086,362,987	6,060,302,824	(+): Prior year's tax differences	—
Plus: Other operating income	73,231,667	3,878,135	Total	12,635,355,329
Total	9,159,594,654	6,064,180,959	LESS: 1. Income tax	12,334,758,078
LESS: 1. Administrative expenses	1,637,144,179	1,122,585,313	Profit for appropriation	2,421,170,589
LESS: 3. Distribution costs	2,529,446,775	1,685,083,044	Appropriated as under:	10,214,184,760
Sub - Total	4,983,003,700	2,807,668,357	1. Legal reserve	408,020,430
Plus (or less):			2. First dividend	486,244,080
1. Income from participations	508,825,485	127,347,287	3. Added dividend	3,565,789,920
2. Income from securities	6,206,000	224,222,090	6. Tax-free reserve	—
3. Gains from sale of participating interests and other investments	9,779,302,312	17,099,308,197	— Reserve L 148/67	5,200,000,000
4. Credit interest and similar income	86,817,427	66,526,912	— Reserve L 1882/90	54,005,725
Less:	10,381,151,224	17,517,404,486	6a. Reserves from tax-free incomes	24,690,897
2. Expenses and losses of participation and securities	303,110,824		6b. Reserves from income taxed at special provisions	10,817,526
3. Debt interest and similar charges	3,026,972,128		8. Profits carried forward	484,616,162
Total operating results (Profit)	12,044,071,972	14,595,514,876		10,214,184,760
		17,852,037,478		
II. Plus: EXTRAORDINARY RESULTS				
1. Extraordinary and non-operating income	4,499,959,955	1,816,227,264		
2. Extraordinary profit	458,375	997,199		
3. Prior year's income	7,710,654	134,763		
Less:	4,508,126,984	1,817,389,226		
1. Extraordinary and non-operating expenses	3,966,390,333	2,927,775,004		
2. Extraordinary losses	3,402	147,043		
3. Prior year's expenses	31,332,448	179,818,579		
4. Provisions for extraordinary liabilities	—	4,500,000,000		
Operating and Extraordinary results (profits)	3,997,726,183	7,607,740,626		
LESS: Total value adjustments of fixed assets	381,122,370	261,315,499		
Less: Charged to the operating cost	381,122,370	261,315,499		
NET RESULTS (PROFIT) FOR THE YEAR BEFORE TAXES	12,554,474,773	12,061,656,078		

THE CHIEF ACCOUNTANT

TZANOLOU NIKOLAOS
ID No. M 195608

THE CHIEF FINANCIAL OFFICER

MITSIOVLEAS APOSTOLOS
ID No. K-346673AUDITORS' REPORT
To the Shareholders of Mytilineos Holdings S.A.

THE VICE-PRESIDENT OF THE BOARD OF DIRECTORS

MYTILINEOS IOANNIS
ID No. Σ 683930

THE CHARMAN OF THE BOARD OF DIRECTORS

MYTILINEOS EVANGELOS
ID No. I 082392

We have audited the above Financial Statements and the related Notes thereon of Mytilineos Holdings S.A. for the year ended 31 December 2000. Our audit, in the context of which we have received proper and adequate returns from the branches of the Company, has been performed on the basis of the provisions of article 37 of Codified Law 2190/1920 -Re: Corporations- and in accordance with the auditing standards promulgated by the Institute of Certified Auditors in Greece. The books and records kept by the Company have been placed at our disposal and we have obtained all the information and explanations which were deemed necessary for the purposes of our audit. The Company has properly applied the Greek National Chart of Accounts «Re: Greek Accounting Standards». There has been no change in the valuation methods used by the Company compared to those used in the preceding year, except for the matter referred in footnote 1 to the balance sheet. 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. Included in the assets of the Company, disclosed under account C. III.1 "Participations in affiliated companies" and D.III.1 "Shares" is a total amount of Drs 62,560,901,767, 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 provisions of Cod. Law 2190/1920, the total value of these investments would be Drs 57,064,788,610 and the difference should have been charged to the Company's results. 2. The Company's books and tax returns for the fiscal years 1994 - 1999 are currently under examination by the tax authorities. Until the examination is completed, the Company's tax position for the open tax years cannot be finally determined. In our opinion except for 1 and 2 above and the matters referred in footnotes 1 and 2 to the balance sheet, the Financial Statements, which have been derived from the books and records of the Company, present, together with the Notes thereon, the asset structure and financial position of Mytilineos Holdings S.A. as at 31 December 2000 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.

PricewaterhouseCoopers

Athens, 28 February 2001

The Certified Auditor
Antonis Papageorgiou
Reg. No. 11691

ASSETS

[illegible]

PROFIT AND LOSS ACCOUNT AS AT 31st December 2000 (1 January - 31 December 2000)

	Closing year 2000	Previous year 1999		Closing year 2000	Previous year 1999
I. OPERATING RESULTS					
Net turnover (sales)	140,685,369,635	93,007,776,898	Net Results (profits) for the year	13,885,542,724	15,592,627,191
Less: Cost of sales	119,849,646,918	79,415,054,530	(+): Profit brought forward	4,447,756,672	2,981,349,021
Gross operating results (Profit)	20,836,722,717	13,592,722,368	(+): Tax-free profit (N.2579/98)	206,698,635	1,436,861
Plus: Other operating income	1,561,397,858	256,199,530	(+): Prior year's tax differences	-125,304,764	26,180,887
Total	22,397,120,575	13,850,921,898	Total	18,414,893,267	18,601,583,960
Less: 1. Administrative expenses	4,722,797,337	3,522,021,610	LESS: 1. Income Tax	4,200,307,316	3,451,210,033
Less: 3. Distribution costs	5,007,761,355	2,716,668,548	Id. Tax on special reserves N.2579/98	2,759,294	794,363
Sub - Total	12,666,561,883	7,612,331,740	LESS: Minority interests	613,121,995	14,556,467,569
Plus (or less):			Profits for appropriation	11,543,442,858	
1. Income from Participations	214,874,620	128,471,040	APPROPRIATED AS UNDER:		
2. Income from Securities	157,605,717	224,250,071	1. Legal reserve	505,704,829	428,697,904
3. Gains from sale of participating interests and other investments	9,857,321,975	17,099,308,197	2. First dividend	498,863,004	972,488,160
4. Credit Interest and similar income	1,466,769,584	306,681,349	3. Added dividend	3,553,170,996	3,079,545,840
Less: 2. Expenses and losses of participation and securities	11,686,571,896	17,788,710,657	5. Tax-free reserve N.2579/98	103,108,940	81,085,403
3. Debt Interest and similar charges	6,116,296,225	242,447,361	6. Tax-free reserve	5,200,000,000	5,300,000,000
Total Operating Results (Profits)	4,206,021,561	-4,061,497,921	- Reserve L. 1.48/67	20,010,470	44,480,179
II. PLUS: EXTRAORDINARY results			- Reserve L. 1892/90	54,005,725	65,981,390
1. Extraordinary and non-operating expenses	5,514,252,851	2,003,280,563	6a. Reserve from tax-free incomes	187,181,799	46,679,431
2. Extraordinary profits	1,423,742	2,302,292	6b. Reserve from income taxed at special provisions	92,594,822	85,177,051
3. Prior year's expenses	10,430,363	344,544	6c. Tax-free reserves of construction company profits	246,746,689	4,595,539
4. Provisions for extra-ordinary liabilities	2,185,080		8. Profits carried forward	1,082,055,584	4,447,756,672
Less: 1. Extraordinary and non-operating expenses	5,495,891,215	2,005,927,399		11,543,442,858	14,556,467,569
2. Extraordinary losses	8,383,547	3,025,103,545			
3. Prior year's expenses	169,556,421	17,479,385			
4. Provisions for extra-ordinary liabilities	9,732,122	180,261,754			
Operating and Extraordinary results (profits)	5,683,565,305	7,722,844,684			
LESS: Total value adjustments of fixed assets	-155,273,269	4,500,000,000			
Less: Charged to the operating cost	13,885,542,724	15,592,627,191			
NET RESULTS (PROFIT) FOR THE YEAR BEFORE TAXES	2,289,374,682	1,488,896,843			
	-2,289,374,682	1,488,896,843			
	13,885,542,724	15,592,627,191			

THE CHAIRMAN OF THE BOARD OF DIRECTORS	THE VICE-PRESIDENT OF THE BOARD OF DIRECTORS	THE CHIEF FINANCIAL OFFICER	THE CHIEF ACCOUNTANT
MYTILINEOS EVANGELOS ID No. 1 082392	MYTILINEOS IOANNIS ID No. 3 683930	MITSOVOLEAS APOSTOLOS ID No. K 346673	TZANOGLIOU NIKOLAOS 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 2000. The consolidated subsidiaries are Sidirometallika S.A., Eletika S.A., Melika S.A., Mytilineos Finance (Luxembourg) S.A., and Somerita (Romania) S.A. Our audit has been performed on the basis of the provisions of article 108 of Codified Law 2190/1920 -46- Corporations- and in accordance with the auditing standards promulgated by the Institute of Certified Auditors in Greece. The books and records kept 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 related 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. Included in the assets, disclosed under account C.I.I.1 Participations to affiliated companies and D.I.III. Securities is a total amount of Drs 7,704,084,850, which represents the cost of investments in other companies. Had the investments been accounted at the lower of cost and market value, the total value of these investments would be Drs 1,533,636,846 and the difference should have been charged to the consolidated results.. 2. On the basis of the State Legal Council's opinion No. 255/1988, the above consolidated financial statements do not include provision for retirement indemnity of the Group's personnel amounting to Drs 853,486,000 approximately, of which Drs 124,153,000 should have been charged to the consolidated results for the year ended 31 December 2000 and Drs 729,333,000 to prior years consolidated results. 3. The subsidiary METRA S.A. based on tax regulation (art. 37, N. 2874/2000) includes in the assets, disclosed under account B4 "Other intangible assets" an amount of Drs 1,634,000,000 which represents the unamortised value of losses occurred from the valuation of short term investments in companies listed in the Athens Stock Exchange, which should have been charged to the consolidated results. 4. The parent Company's books and tax returns for the fiscal years 1994 - 1999 are currently under examination by the tax authorities. Until the examination is completed, the tax position for the open tax years cannot be finally determined. As explained in the Consolidated Notes, the Group's statutory books and tax returns for the referred to above, present, together with the Consolidated Notes thereon, the consolidated asset structure and financial position of Mytilineos Holdings S.A. as of 31 December 2000 and the consolidated results of its operations for the year then ended, in accordance with the related provisions currently in force and generally accepted accounting principles.

Practising CPAs
Athens, 28 February 2001
The Certified Auditor
Antonis Papageorgiou
Reg. No. 11691

MYTILINEOS[®]
H O L D I N G S S . A .

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