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Our success is based on the systematic cultivation of mutual respect and trust with our clients, dealers & suppliers as well as among our staff.

Thus we achieve our high market share, customer and supplier satisfaction and excellent return on capital

PETROS PETROPOULOS ASSEMBLES, MANUFACTURES, MODIFIES, DISTRIBUTES AND SUPPORTS VEHICLES AND OTHER AUTOMOTIVE MACHINERY IN THE GREEK MARKET

Thermos • Stefanos Vaitsis • Christina Koukoulaki • Anna Levogianni • Theodoros Panagiotidis • Eleftherios Dalkitzis • Andreas Mavronikolas • Maria Raptou • Efthimia Argyratou • Panagiota Karahaliou • Georgios Giakoubinis • Charalabos Antonetsis • Lazaros Pialoglou • Georgios Moschatos • Dimitrios Charalabopoulos • Ioanna Margaroni • Vasiliki Mitraki • Panagiotis Kiriatis • Panagiotis Avramidis • Athanasios Chrisanthopoulos • Athina Tsiaga • Eleftherios Katramado • Fotis Galanos • Nikolaos Garganourakis • Valianos Paschalis • Dionisios Petropoulos • Emmanuel Kalogerakis • Georgios Plaggos • Nikolaos Kokoretsis • Nikolaos Leodaridis • Anastasios Manolis • Christos kokonoglou • Nikolaos Charmantzis • Panagiotis Papamakarios • Stilianos Riad • Sriridon karras • Nikolaos Kourtis • Michalis Andirkopoulos • Maria Papadimitriou • Maria Kamaridi • Christina Kipreou • Spiridon Veloudos • Christos Xygakis • Ioannis Georgiadis • Charilaos Katinakis • Alexis Kapelos • Athanasios Malanezos • Christos Takoulas • Antonios Adelfidis • Thomas Konstas • Athanasios Lazaridis • Emilia Folia • Ploumisti Stavrianou • Athanasios Nakos • Elias Tsifilitakos • Evaggelia Karle • Panagiotis Kapoukinis • Ioannis Bonatsos • Petros Polyzoidis • Eleni Papageorgiou • Marios Balopitas • Petros Plakakis • Stavros Kalavros • Dionisios Petropoulos • Athanasia Louka • Emmanuel Kandaneoleon • Nikolaos Zagorakis • Elias Vakouras • Aristidis Tousas • Panagiotis Dimou • Sarantis Kopadis • Emmanuel Athanasakis • Ioannis Kamma • Eleni Anastasiou • Dimitrios Nikolakopoulos • Dimitrios Kirakis • Ioannis Angelis • Ioannis Abatis • Ourania Poulakida • Panagiotis Kodolemos • Avraam Fitoklis • Dimitrios Vlachos • Spiridon Valianatos • Pavlos Saganis • Vasiliki Pappa • Antonios Sarakakis • Fragiskos Dakaris • Georgios Papadopoulos • Michalis Lougiakis • Ioannis Kioukis • Vassilios Trakadis • Evaggelia Strataki • Ioannis Papagiannis • Georgios Salagiannis • Michalis Kanderakis • Nikolaos Tsiromenidis • Anastasios Argiros • Dionisios Barret • Christos Vaizoglou • Stavros Stefanos • Petros Kravaritis • Nikolaos Sotiropoulos • Dimosthenis Dimomeletis • Chrsi Sabani • Loukas Liakos • Aristidis Baiais • Alexandros Pangrakiotis • Alexander Chernishof • Petros Asimakidis • Marios Katsatsos • Georgios Kalogeropoulos • Athinodoros Moralidis • Elias Ninis • Charalabos Paschalis • Nikolaos Zafiroopoulos • Vasiliios Karpodinis • Alkiviadis Kritikos • Georgios Tsipas • Athanasios Kollias • Anastasios Mertzanis • Constantinos Petropoulos • Ioannis Panagakis • Panagiotis Margonis • Ioannis Petropoulos • Michalis Michaloutsos • Theofanis Dimopoulos • Kosmas Perantinos • Georgios Sofronis • Michalis Passas • Theodoros Polichronis • Constantinos Giannakos • Nikolaos Kalivas • Simeon Argiros • Nikolaos Demertzis • Evaggelos Charmantas • Ekaterini Tobouloglou • Pantelis Pantelatos • Athanasia Tsalmanoglou • Sofia Xagorari • Aristidis Boulamatsis • Georgios Theodorou • Georgios Eleftheriou • Omorfonios Apostolakopoulos • Anastasia Karvela • Alekos Argiris • Kiriakos Moukas • Nikolaos Kioukis • Athanasios Karasakalis • Spiridon Moulia • Emmanuel Dialinas • Nikolaos Tziallas • Sotirios Toulis • Emmanuel Thermos • Stefanos Vaitsis • Christina Koukoulaki • Anna Levogianni • Theodoros Panagiotidis • Eleftherios Dalkitzis • Andreas Mavronikolas • Maria Raptou • Efthimia Argyratou • Panagiota Karahaliou • Georgios Giakoubinis • Charalabos Antonetsis • Lazaros Pialoglou • Georgios Moschatos • Dimitrios Charalabopoulos • Ioanna Margaroni • Vasiliki Mitraki • Panagiotis Kiriatis • Panagiotis Avramidis • Athanasios Chrisanthopoulos • Athina Tsiaga • Eleftherios Katramado • Fotis Galanos • Nikolaos Garganourakis • Valianos Paschalis • Dionisios Petropoulos • Emmanuel Kalogerakis • Georgios Plaggos • Nikolaos Kokoretsis • Nikolaos Leodaridis • Anastasios Manolis • Christos kokonoglou • Nikolaos Charmantzis • Panagiotis Papamakarios • Stilianos Riad • Sriridon karras • Nikolaos Kourtis • Michalis Andirkopoulos • Maria Papadimitriou • Maria Kamaridi • Christina Kipreou • Spiridon Veloudos • Christos Xygakis • Ioannis Georgiadis • Charilaos Katinakis • Alexis Kapelos

The year 2002 marks the 80th birthday of our Company.

The flywheel* on the cover of this year’s Annual Report symbolizes the automotive machinery sector which we have been serving with dedication and enthusiasm all these years. But it also symbolizes a notional corporate flywheel, accumulating every day the energy all of us are imparting to it by pushing it, always in the same direction, using as our compass the same uniform metric of performance, that of Economic Value Added. This energy, as it grows continuously, is the basis of our optimism for our next 80 years.

FINANCIAL HIGHLIGHTS

Group sales amounted to 15.9 bio GRD (16.1 in 2000). Invoiced sales were 14.2 bio GRD (13.8). Consolidated profit before tax amounted to 1,144 mio GRD (1,206), including a once-off profit of about 180 mio GRD from the sale of redundant real estate acquired together with Mecmotors S.A. early in the year. A similar profit of 240 mio GRD was included in the year 2000 profit figure, resulting from the sale of another piece of real estate which the Company no longer used. Without these extra-ordinary items, profit before tax was unchanged compared to 2000. This good performance was due to the Group's strong strategic position in the markets which it serves and to its ability to adapt quickly to opportunities and threats on all fronts. Above all, it is due to the momentum acquired by our corporate flywheel.

MAJOR EVENTS

The major event of 2001 was the strategic alliance concluded with McCormick Tractors International Limited for the exclusive distribution of this Company’s agricultural equipment in Greece. Thus, the Company re-enters this industry at a favourable time, marked by the commencement of the grants for the modernization of Greek farming under the Third Support Package of the European Union. This activity will add about 6-8 million Euro to our 2002 sales, without increasing our overhead. Another important event was the acquisition by Canadian Bombardier of the Johnson and Evinrude outboard motors business and the conclusion of a strategic alliance with this outstanding corporation for the distribution in Greece of the full range of their recreational products. This agreement includes Sea-Doo Personal Watercraft, a leading product in this sector commanding a 50% share of the worldwide market. The conclusion of a distribution agreement with O&K Mining, a world leader in very large excavators, enhances our Company’s presence in the mining equipment sector. Other significant developments in the Business Units are covered elsewhere in this report.

PROSPECTS FOR 2002

Group profits are expected to increase by about 10%.

A new sales and service office will operate in Thessaloniki, to cover the needs of the new agricultural equipment activity in the region of Northern Greece. Other Business Units will also use these facilities.

An important change in the Company’s structure is that, as of January 2002 the Outboards & Boats Business Unit will be merged with the Light Vehicles & Diesel Business Unit. At the same time, responsibility for marketing Isuzu Trooper vehicles will be transferred to the Truck & Bus Business Unit.

In spite of the sales increase forecasted for 2002, our bank debt will remain very low, and the solvency ratio will continue to be high. For this reason the Company will continue to seek to expand into new activities of substantial size, especially in the field of automotive products, always taking care not to over-extend its organizational resources.

The Board of Directors extends congratulations and thanks to all our colleagues and associates who successfully pushed our corporate flywheel for yet another year.

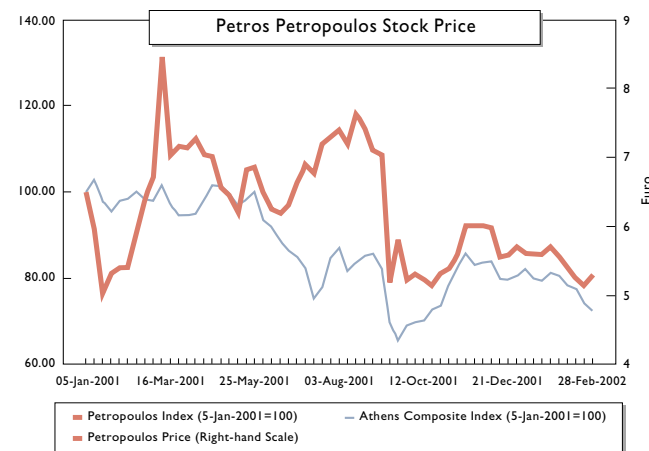
**A flywheel is a heavy metal wheel attached to the drive shaft of a motor, which stores up and evens out the energy produced by the reciprocating pistons.*



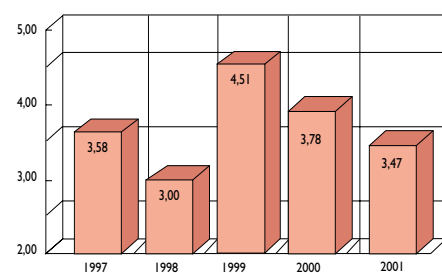
Board of Directors

Constantine P. Petropoulos President & C.E.O.
John P. Petropoulos Vice President & C.O.O.
George A. David Member
Efstathios E. Papageorgiou Member & Chairman of the Audit Committee
John N. Filiotis Member & Chairman of the Executive Compensation Committee

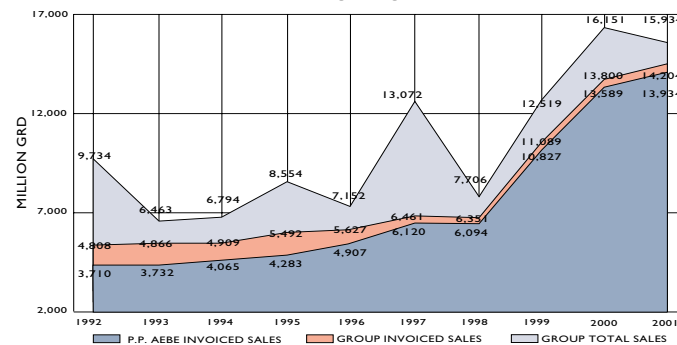
The Board of Directors holds four major meetings per year. The December meeting is devoted to approve the Business plan, and the Company's strategy for the next year. The April, July, and October meetings deal with the progress of the Business Plan and other long-term issues.



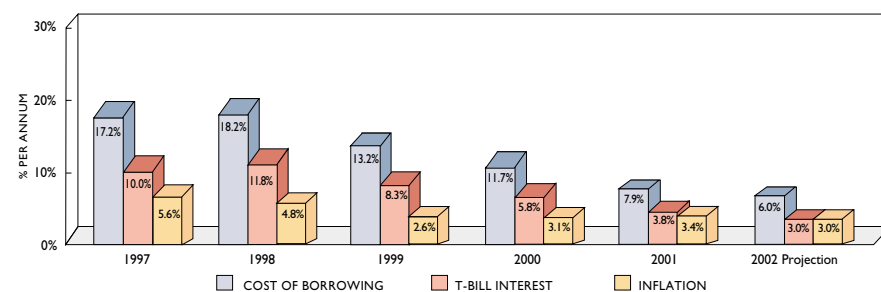
SALES TO AVERAGE OPERATING CURRENT ASSETS



SALES



GREEK ECONOMY: COST OF CAPITAL & INFLATION



PETROS PETROPOULOS GROUP

FINANCIAL HISTORY MILLION GRD

	2001	2000	1999	1998	1997
Total Sales	15,934	16,151	12,519	7,706	13,072
Invoiced Sales	14,204	13,800	11,051	6,317	6,426
Gross Profit	2,698	2,764	2,036	1,557	1,433
(Percent of Invoiced Sales)	(19%)	(20,0%)	(18,4%)	(24,7%)	(22,3%)
Other Income	327	290	302	226	563
Marketing & Administrative Expenses	(1,929)	(1,863)	(1,418)	(1,143)	(1,232)
Depreciation Included	127	100	89	63	96
Operating Profit	1,096	1,191	921	641	764
(Percent of Invoiced Sales)	(7,7%)	(8,6%)	(8,3%)	(10,1%)	(11,9%)
Net Financial Expense	(46)	(11)	(55)	(79)	(76)
Foreign Exchange Loss	(7)	(55)	(192)	(183)	(145)
Net Profit Before Extra-ordinary Items	1,044	1,125	674	378	543
Extra-ordinary Profit (Loss)	132	112	(79)	(24)	(56)
Amortization Not Included in Costs	32	32			
Net Profit Before Income Tax	1,144	1,206	595	354	487
(Percent of Invoiced Sales)	(8,1%)	(8,7%)	(5,4%)	(5,6%)	(7,6%)
Income Tax*	(417)	(350)	(208)	(153)	(219)
Net Profit After Income Tax	728	856	387	201	268

BALANCE SHEET ITEMS (As at 31 December)

	2001	2000	1999	1998	1997
Fixed & Long - Term Assets	1,933	1,875	1,567	1,459	1,427
Current Assets	7,036	6,822	6,087	2,806	2,962
Cash & Securities	1,644	841	2,227	390	623
Total Assets	8,969	8,696	7,654	4,265	4,389
Current Liabilities	4,459	4,436	4,019	2,207	2,089
Long - Term Debt	0	93	331	465	481
Net Worth & Provisions	4,510	4,167	3,303	1,592	1,820

EMPLOYMENT ITEMS

	2001	2000	1999	1998	1997
Average Number of Employees	121	113	95	100	97
Total Cost	1,054	997	747	688	700
Redundancy Compensation	16	76	30	14	39
Net Total Cost	1,038	921	717	674	661
Company Social Security Payments	196	170	136	125	126

KEY RATIOS

	2001	2000	1999	1998	1997
Solvency (Equity to Total Assets w/o Cash & Securities)	62%	53,0%	60,9%	41,1%	48,3%
Current Ratio	1,6	1,5	1,5	1,3	1,4
Total Employment Cost per Person	8,6	8,2	7,5	6,7	6,8
Sales per Employee	132	143	132	77	135
Number of Shares Outstanding as at 31 December	5,892,000	5,892,000	5,892,000	5,052,000	4,560,000
Earnings per Share (After Income Tax) GRD	123	145	66	40	59
Dividend per Share	50	50	20	13	13

*During 2001 the Company was audited for the years up to 1999. Additional taxes of 105 million GRD were assessed and are included in this data.



Petrogen Business Unit



The year 2001 has been the best of this Business Unit since its inception. Both market share and return on capital employed increased. Special specification generating sets were successfully supplied for cable and cellular telephone applications in Greece and other Balkan countries. Sales of generating

sets and delivery of technical support services to companies in the private sector increased. The Petrogen Business Unit offers the best organized service support in the industry, guaranteeing the operational readiness of a large number of generating sets under service contracts. The Petrogen



international operations also performed well. In Nigeria the Leventis Power Systems Ltd. had a profitable year as well as substantial [40%] increase of activities. In Turkey, TEKNOJEN Ltd. was founded, to represent F. G. Wilson.

Demand in 2002 is forecast to remain high, as the works for the 2004 Olympic Games are accelerated and private and public investment projects in both the commercial and defense sectors are implemented.



ACTIVITIES

Manufacturing, marketing, distribution, technical support: Generating sets from 2 to 2,000 KVA. Marketing, distribution, conversions, technical support: Industrial and agricultural Lombardini motors.

CUSTOMERS

Manufacturing and construction companies, retailers, banks, telecommunication companies, shipping, hotels, armed forces, consumers.



Light Vehicles and Diesel Engines Business Unit



Diesel Engines

The integration of Mecmotors, which was acquired by the Business Unit in 2000, was completed. Mecmotors holds a leading position in the Greek diesel engine (under 35 HP) market. The Mecmotors operation was improved by the acceleration of inventory and receivables turnover and by discontinuation of

unprofitable lines. During 2002 the new Ruggerini diesels, which have exceptional contemporary design and impressive new technology, will be launched in the Greek market.

Marine Engines

In the marine engine sector the Business Unit targets the clients demanding high quality products and services. Scania diesel engines for both high speed fishing and traditional pleasure boats have been very well received. Perkins and Lombardini engines managed to retain a good market share even though the construction of new fishing boats declined, as



a result of delayed European Union subsidies.

Sport Utility Vehicles

Sales of Isuzu Trooper vehicles, which cater to demanding "off-road" applications, increased compared to 2000. As of 2002 this activity will be transferred to the Truck & Bus Business Unit, which also handles Isuzu light trucks.

Parts and Service

Sales of spare parts were on target, with high customer satisfaction and return on capital

employed. Perkins conducted a "mystery shopper" project through an independent market research organization to determine customer satisfaction in parts and service support. The Company excelled on an international level.

As of 2002 the Business Unit will be merged with the Outboards and Boats Business Unit, to form the new Engines and Boats Business Unit. Substantial economies of scale will result from this merger.



ISUZU

Perkins

LOMBARDINI
Marine

SCANIA



ACTIVITIES

Marketing, distribution, conversions and technical support: Marine engines, marine generating sets, industrial engines and small generators.
Marketing, distribution, technical support: Isuzu Trooper 4x4.

CUSTOMERS

Fishermen, fish farms, pleasure craft owners, equipment manufacturers and dealers, farmers, consumers, distribution companies.



Truck and Bus Business Unit



Trucks

Scania's share of the Greek market increased to 22% (20% in 2000). This is due to the increase of sales of long-haul trucks, where Scania holds the highest market share. Scania also held its market share in the dump trucks, refuse trucks and distribution trucks segments. Scania serves the market of heavy trucks (over 16 tons GVW). During 2001 this market slowed down due to the decrease in the number of trucks bought by the public sector and by construction companies.

Buses

The overall Greek market of intercity and tourist buses of over 49 seats

remained at the same level as in 2000 (90 units). The strategic alliance between Scania and Hispano Carrocera aiming to offer to the Greek market tourist and intercity buses of high quality and technology, was completed. During the year 2002 two new models of Scania-Hispano will be introduced in Greece. One of them is designed by the well



known designer Pininfarina. Cooperation with ELVO has started in order to introduce to the Greek market by summer Scania tourist buses with ELVO body-work.

Trailers

Kogel market share in trailers and semi-trailers was maintained despite intense price competition. During 2001 aluminum semi-trailers for the transport of aggregate materials began to be sold. These vehicles allow clients to transport larger quantities of materials compared to more traditional vehicles.

Automatic Transmissions

During 2001 30% of refuse trucks registered in Greece were equipped with Allison automatic transmission.



The superiority of Allison automatic transmissions compared to manual transmissions in city traffic conditions as well as off-road has led large Municipalities as well as the Fire Department to specify automatic transmissions in refuse and fire trucks.

Dumpers and Excavators

The delivery of 6 100-ton payload Terex dumpers was successfully completed. Since 1990 the Business Unit has delivered over 50 dumpers in Greece, making Terex the market leader during this decade.

Since 2001 the Business Unit represents O&K Mining, who is the premier manufacturer in the world of large excavators and shovels.

Light Trucks

The market of 3.5-8.0 ton GVW trucks, in which Isuzu participates, grew by 6% reaching 750 units per annum. In its debut in this market, Isuzu achieved over 2% market share. Isuzu is the largest manufacturer in the world of vehicles in this category.

SEMKA Ltd.

SEMKA is one of the largest Scania authorized workshops in Europe. It is certified to the ISO9002 standard. The higher quality of services offered during 2001 has been responsible for the increase of sales by 10%.



ACTIVITIES

Marketing, distribution, modification, super-structures, technical support: Scania trucks and buses, Terex & O&K earth-moving equipment, Allison automatic transmissions, Kögel trailer and semi-trailer vehicles and Isuzu trucks.

SEMKA: Authorized repairs workshop for Scania trucks and buses.

CUSTOMERS

International and national transport companies, public utilities, local authorities, distribution companies, public works contractors, mines, quarries and armed forces.



Outboards and Boats Business Unit

During 2001 the Business Unit's main supplier, of Johnson and Evinrude outboard engines, was acquired by the well known Canadian manufacturer Bombardier. The extensive restructuring which followed (new factories, new designs, new organization and strategy) resulted in the interruption of the normal supply of engines to the Business Unit. The consequence was that there was not sufficient inventory in Greece to satisfy demand. Despite these setbacks, the Business Unit managed to maintain its dealer network and high customer satisfaction. Profitability was also maintained, albeit at a low level, by the timely



reduction in expenses. Sales and market share fell both in outboards and boats, which sell together with engines. The Company concluded a new, wide ranging strategic alliance with Bombardier which, together with Johnson and Evinrude, includes Sea-Doo personal watercraft and all-terrain vehicles manufactured by this Company. Bombardier, with 79,000 employees and factories in many parts of the world, is an international leader in the aircraft, train and



personal watercraft industries. Based on its high technology and product quality, its goal is to also become the leader in the outboard motor market. This effort has already started in Greece and will begin to show results in 2002. The new Zodiac models as well as the Bombard and Avon boats which

have started to penetrate the Greek market will benefit the Business Unit. Sales of outboards and boats are expected to increase substantially. To achieve economies of scale, as of 2002 the Outboards and Boats Business Unit will merge with that of Light Vehicles and Diesel into one new Business Unit which will be called Engines and Boats Business Unit. The Isuzu Trooper vehicles will be transferred to the Truck & Bus Business Unit.



ACTIVITIES

Distribution, modification and technical support: Johnson and Evinrude outboard motors, Sea-Doo personal watercraft, Zodiac, Avon and Bombard boats.

CUSTOMERS

Consumers, boatyards, importers of power boats, public sector.





Industrial and Construction Equipment Business Unit



During 2001 the performance of the Business Unit remained stable.

Industrial Compressors

Sales of Ingersoll Rand industrial compressors increased by 40%. The overall Greek market for compressed air systems did not grow.



During 2002 the new Ingersoll Rand Nirvana range of compressors will be introduced to the Greek market. Nirvana compressors incorporate new, revolutionary technology which results in high energy savings, and they will contribute substantially to the increase in sales.

Construction & Mining Equipment

In collaboration with Ingersoll Rand, the ICE Business Unit will concentrate its effort on the new road construction and road maintenance projects, which are expected to accelerate.

Fork Lift Trucks

Even though the fork lift truck market was flat, sales of the ICE Business Unit in this sector increased by 55%. In the Spring of 2002 a new series of Hyster narrow aisle warehousing trucks will be launched in the Greek market.



Floor Care Equipment

Sales and market share of floor care equipment

remained at the same level as 2000. Increase in sales is forecast for 2002.



ACTIVITIES

Marketing, distribution, modifications, technical support: Air compressors, air tools, road-building equipment manufactured by Ingersoll-Rand and ABG. Tennant floor cleaning machines and Hyster forklift trucks.

CUSTOMERS

Manufacturing industry, public works contractors, mines, quarries, retailers, hospitals, shipping companies, shipyards, public sector.



PETROS PETROPOULOS AEBE
SUMMARY CONSOLIDATED BALANCE SHEET IN 000 GRD

ASSETS	31.12.01	31.12.00
I. FIXED	1,821,254	1,863,551
II. LONG TERM ASSETS		
Other long term assets	111,596	10,973
TOTAL LONG TERM ASSETS	111,596	10,973
III. CURRENT		
Inventory	1,822,683	2,393,250
Accounts receivable	2,963,790	3,292,392
Notes receivable	166,648	98,387
Less: Unaccrued interest	(4,931)	(120)
Notes receivable overdue	9,189	11,291
Sundry debit accounts	434,117	185,495
Bonds & Shares	697,947	124,77
Cash & Sight deposits	946,422	716,199
TOTAL CURRENT ASSETS	7,035,865	6,821,666
TOTAL ASSETS	8,968,715	8,696,190

PROFIT & LOSS STATEMENT IN 000 GRD

	2001	2000
NET SALES	14,203,823	13,799,517
Less: Cost of goods sold	(11,505,984)	(11,035,887)
Gross margin	2,697,839	2,763,630
Plus: Other operating income	327,129	289,977
TOTAL GROSS PROFIT	3,024,968	3,053,607
Less: General expenses	(814,880)	(770,784)
Sales expenses	(1,113,990)	(1,091,762)
TOTAL OPERATING EXPENSES	(1,928,870)	(1,862,546)
OPERATING PROFIT	1,096,098	1,191,061

LIABILITIES	31.12.01	31.12.00
I. NET WORTH		
Share capital	1,767,600	1,767,600
Reserves	1,719,936	1,650,230
Profit carried forward	785,575	539,417
Consolidation differences	157	145
Minority rights	32,442	32,442
Provisions	204,165	177,344
TOTAL NET WORTH	4,509,875	4,167,178
II. LONG TERM DEBT		
Other long term liabilities	–	92,700
TOTAL LONG TERM DEBT	–	92,700
III. CURRENT LIABILITIES		
Suppliers	2,892,353	2,786,189
Less: Unaccrued interest	(11,547)	(18,158)
Notes payable	4,050	4,442
Bank credits	153,057	113,158
Customers' advances	201,878	154,096
Taxes payable	751,695	771,156
Short term portion of long term liabilities	–	193,750
Sundry credit accounts	167,408	134,663
Dividends payable	299,946	297,016
TOTAL CURRENT LIABILITIES	4,458,840	4,436,31
TOTAL LIABILITIES	8,968,715	8,696,190

	2001	2000
Plus: Financial income	62,898	115,041
Less: Financial charges	(108,617)	(125,602)
NET FINANCIAL CHARGES	(45,719)	(10,561)
NET PROFIT BEFORE EXTRAORDINARY ITEMS	1,050,379	1,180,500
Plus: Non-operating income	283,982	348,103
Less: Non-operating expenses	(158,059)	(290,841)
NON OPERATING PROFIT (LOSS)	125,923	57,262
OPERATING & EXTRAORDINARY PROFIT	1,176,302	1,237,762
Less: Amortization not included in operating cost	(32,061)	(32,061)
NET GROUP PROFIT BEFORE TAXES	1,144,241	1,205,701
Less profit of minority	(14)	(11)
NET CONSOLIDATED PROFIT BEFORE TAXES	1,144,227	1,205,690



NOTES ON THE 2001 FINANCIAL STATEMENTS

PETROS PETROPOULOS GROUP

1. The consolidated financial statements of the Group of Companies led by Petros Petropoulos AEBE include the following companies:

- a. LYPA INTERNATIONAL AE, based in Athens
- b. SEMKA EPE, based in Athens

2. VALUATION OF ASSETS

A. Fixed assets were assessed at their acquisition value or the cost of their construction or at the value set by special law, increased by the value of additions and improvements and reduced by the depreciation provided for by law.

B. Inventories (purchased goods and raw materials) were assessed at their average purchase price by item. Non-moving inventories valued approximately 133 million GRD were reduced to 115 million GRD, for a total reduction of approximately 18 million GRD.

C. Production inventories (finished goods) were assessed per item at their historical production cost.

D. Foreign currency liabilities except those that were used to acquire fixed assets were appraised based on the official exchange rate as at 31/12/01 (last working date) or at the value of forward contracts, resulting in a foreign exchange debit of 14 million GRD which entered the Annual Profit and Loss Statement.

E. Cash deposits in foreign currency were appraised based on the official exchange rates as at 31/12/01 resulting in a foreign exchange debit of 3,3 million GRD which was entered into the Annual Profit and Loss Statement.

3. MEMO ACCOUNTS

These accounts deal with guarantees and real collateral and are broken down as follows (in 000 GRD):

-Securities (Bills - Checks) to secure receivables	65,500
-Letters of guarantee to secure liabilities	1,659,905
-Guaranties in favor of third parties	302,825
-Other Memo Accounts	263,969
TOTAL	2,292,199

4. There are no liabilities maturing after five years.

5. The average number of employees in fiscal year 2001 was 121.

Salaries and personnel expenses are broken down as follows (in 000 GRD):

a. Salaries	734,771
Social security	164,705
	895,476
c. Wages	111,054
Social security	31,662
	142,716
TOTAL	1,038,192

AUDITOR'S REPORT

TO THE SHAREHOLDERS OF PETROS PETROPOULOS A.E.B.E.

We have audited according to the provisions of art. 108 of L. 2190/1920 the 11th Consolidated Financial Statements as well as the related Notes on the Accounts of "PETROS PETROPOULOS A.E.B.E." and its subsidiary undertakings, for the year ended December 31, 2001. Our examination included such auditing procedures as we considered necessary in the circumstances for the purpose of our audit, which are in conformity with the standards of auditing followed by the Institute of Certified Auditors-Accountants in Greece and lastly we verified that the Directors' Consolidated Report is consistent with the related Consolidated Financial Statements. It is noted that the Financial Statements of the subsidiary undertakings are not audited by Certified Auditors. In our opinion, taking into consideration the company's notes under the Balance Sheet, the above Consolidated Financial Statements have been prepared according to the provisions of L. 2190/1920, and give a true and fair view of the assets, liabilities and financial position and of the results of operations of all the companies which are included in the consolidation, as at December 31, 2001.

Athens, 25 February 2002

CONSTANTINOS AESSIOPoulos, SOEL Reg. No. 10051

SOL, S.A. - Certified Auditors -Accountants

Charalabos Paschalis • Nikolaos Zafiropoulos • Vasilios Karpodinis • Alkiviadis Kritikos • Georgios Tsipas • Athanasios Kollias • Anastasios Mertzanis • Constantinos Petropoulos • Ioannis Panagakis • Panagiotis Margonis • Ioannis Petropoulos • Michalis Michaloutsos • Theofanis Dimopoulos • Kosmas Perantinos • Georgios Sofronis • Michalis Passas • Theodoros Polichronis • Constantinos Giannakos • Nikolaos Kalivas • Simeon Argiros • Nikolaos Demertzis • Evaggelos Charmantas • Ekaterini Tobouloglou • Pantelis Pantelatos • Athanasia Tsalmanoglou • Sofia Xagorari • Aristidis Boulamatsis • Georgios Theodorou • Georgios Eleftheriou • Omorfonios Apostolakopoulos • Anastasia Karvela • Alekos Argiris • Kiriakos Moukas • Nikolaos Kioukis • Athanasios Karasakalis • Spiridon Moulia • Emmanuel Dialinas • Nikolaos Tziallas • Sotirios Toulis • Emmanuel Thermos • Stefanos Vaitsis • Christina Koukoulaki • Anna Levogianni • Theodoros Panagiotidis • Eleftherios Dalkitzis • Andreas Mavronikolas • Maria Raptou • Eftimia Argyratou • Panagiota Karahaliou • Georgios Giakoubinis • Charalabos Antonetsis • Lazaros Pialoglou • Georgios Moschatos • Dimitrios Charalabopoulos • Ioanna Margaroni • Vasiliki Mitraki • Panagiotis Kiriatis • Panagiotis Avramidis • Athanasios Chrisanthopoulos • Athina Tsiaga • Eleftherios Katramado • Fotis Galanos • Nikolaos Garganourakis • Valianos Paschalis • Dionisios Petropoulos • Emmanuel Kalogerakis • Georgios Plaggos • Nikolaos Kokoretsis • Nikolaos Leodaridis • Anastasios Manolis • Christos kokonoglou • Nikolaos Charmantzis • Panagiotis Papamakarios • Stilianos Riad • Sriridon karras • Nikolaos Kourtis • Michalis Andirkopoulos • Maria Papadimitriou • Maria Kamaridi • Christina Kipreou • Spiridon Veloudos • Christos Xygakis • Ioannis Georgiadis • Charilaos Katinakis • Alexis Kapelos • Athanasios Malanezos • Christos Takoulas • Antonios Adelfidis • Thomas Konstas • Athanasios Lazaridis • Emilia Folia • Ploumisti Stavrianou • Athanasios Nakos • Elias Tsifilitakos • Evaggelia Karle • Panagiotis Kapoukinis • Ioannis Bonatsos • Petros Polyzoidis • Eleni Papageorgiou • Marios Balopitas • Petros Plakakis • Stavros Kalavros • Dionisios Petropoulos • Athanasia Louka • Emmanuel Kandaneoleon • Nikolaos Zagorakis • Elias Vakouras • Aristidis Tousas • Panagiotis Dimou • Sarantis Kopadis • Emmanuel Athanasakis • Ioannis Kammass • Eleni Anastasiou • Dimitrios Nikolakopoulos • Dimitrios Kirakis • Ioannis Angelis • Ioannis Abatis • Ourania Poulakida • Panagiotis Kodolemos • Avraam Fitoklis • Dimitrios Vlachos • Spiridon Valianatos • Pavlos Saganis • Vasiliki Pappa • Antonios Sarakakis • Fragiskos Dakaris • Georgios Papadopoulos • Michalis Lougiakis • Ioannis Kioukis • Vassilios Trakadis • Evaggelia Strataki • Ioannis Papagiannis • Georgios Salagiannis • Michalis Kanderakis • Nikolaos Tsiromenidis • Anastasios Argiros • Dionisios Barret • Christos Vaizoglou • Stavros Stefanos • Petros Kravaritis • Nikolaos Sotiropoulos • Dimosthenis Dimomeletis • Chrsi Sabani • Loukas Liakos • Aristidis Baiais • Alexandros Pangrakiotis • Alexander Chernishof • Petros Asimakidis • Marios Katsatsos • Georgios Kalogeropoulos • Athinodoros Moralidis • Elias Ninos • Charalabos Paschalis • Nikolaos Zafiropoulos • Vasilios Karpodinis • Alkiviadis Kritikos • Georgios Tsipas • Athanasios Kollias • Anastasios Mertzanis • Constantinos Petropoulos • Ioannis Panagakis • Panagiotis Margonis • Ioannis Petropoulos • Michalis Michaloutsos • Theofanis Dimopoulos • Kosmas Perantinos • Georgios Sofronis • Michalis Passas • Theodoros Polichronis • Constantinos Giannakos • Nikolaos Kalivas • Simeon Argiros • Nikolaos Demertzis • Evaggelos Charmantas • Ekaterini Tobouloglou • Pantelis Pantelatos • Athanasia Tsalmanoglou • Sofia Xagorari • Aristidis Boulamatsis • Georgios Theodorou • Georgios Eleftheriou • Omorfonios Apostolakopoulos • Anastasia Karvela • Alekos Argiris • Kiriakos Moukas • Nikolaos Kioukis • Athanasios Karasakalis • Spiridon Moulia • Emmanuel Dialinas 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• Alexis Kapelos