



— Statutory financial  
statements 2000

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ASSETS	31.12.00		31.12.99	
	Partial	Total	Partial	Total
A Receivables from shareholders			-	24,999,697,000
B Assets				
<i>Intangible fixed assets</i>				
Start-up expenses		78,906,800		157,851,868
Research, development and advertising		214,269,119		-
Industrial and other patent rights		2,592,056,432		2,298,828,543
Concessions, licenses, trademarks and similar rights		171,637,213,986		190,749,162,435
Goodwill		374,516,006		436,935,341
Others		1,062,367,292		393,137,783
Total intangible fixed assets		175,959,329,635		194,035,915,970
<i>Tangible fixed assets</i>				
Land and buildings		119,017,694,510		124,109,469,049
Plant and machinery		56,230,969,061		65,598,578,664
Industrial and commercial equipment		17,414,985,355		20,532,581,778
Other assets		3,738,150,905		4,419,525,836
Assets under construction and advances to suppliers		919,609,831		476,357,471
Total tangible fixed assets		197,321,409,662		215,136,512,798
<i>Financial assets</i>				
Equity investments in:				
subsidiaries	91,577,720,919		36,888,900,976	
associated companies	11,904,334,055		11,904,336,032	
other companies	295,390,482	103,777,445,456	380,953,913	49,174,190,921
Accounts receivable due from:				
subsidiaries				
within 1 year	20,694,579,542		1,800,000,000	
more than 1 year	120,461,358,233	141,155,937,775	3,461,358,233	5,261,358,233
parents			-	8,000,000,000
other companies:				
within 1 year	101,710,447		188,721,369	
more than 1 year	1,421,205,558	1,522,916,005	19,995,509,819	20,184,231,188
Total accounts receivable		142,678,853,780		33,445,589,421
Total financial assets		246,456,299,236		82,619,780,342
Total fixed assets		619,737,038,533		491,792,209,110
C Current assets				
<i>Inventory</i>				
Raw materials and consumables		67,452,049,120		50,202,235,656
Work in progress		13,820,115,009		10,300,922,522
Finished goods		95,465,085,290		67,160,934,160
Total inventory		176,737,249,419		127,664,092,338
<i>Receivables</i>				
From customers:				
From subsidiaries		270,090,293,346		279,130,953,474
From associated companies		208,965,238,990		163,680,645,093
From parent companies		2,528,647,402		1,924,552,555
Other receivables		400,962,329		31,150,000
within 1 year	41,263,523,188		81,580,223,344	
more than 1 year	2,965,440,325	44,228,963,513	-	81,580,223,344
Total receivables		526,214,105,580		526,347,524,466
<i>Short term financial assets</i>				
Equity investments		1,753,600,000		1,753,600,000
Other securities		250,390,073		2,597,420,000
Total short term financial assets		2,003,990,073		4,351,020,000
<i>Liquid funds</i>				
Cash in bank		42,436,642,803		94,053,915,653
Cheques		957,915,000		50
Cash in hand		303,860,178		248,225,703
Total liquid funds		43,698,417,981		94,302,141,406
Total current assets		748,653,763,053		752,664,778,210
D Prepayments and accrued income				
Accrued income		3,244,486,938		1,903,049,086
Prepayments		2,751,994,015		820,973,647
Total prepayments and accrued income		5,996,480,953		2,724,022,733
Total assets		1,374,387,282,539		1,272,180,707,053

## LIABILITIES

	31.12.00		31.12.99	
	Partial	Total	Partial	Total
<b>A Shareholders' equity</b>				
<i>Share capital</i>		400,000,000,000		400,000,000,000
<i>Additional paid-in capital</i>		-		-
<i>Revaluation reserve</i>		-		-
<i>Legal reserve</i>		4,565,022,373		1,820,448,203
<i>Reserve for treasury stock on hand</i>		-		-
<i>Statutory reserve</i>		-		-
<i>Other reserves</i>		34,240,868,370		26,168,723,100
<i>Net income (loss) for the year</i>		34,466,961,394		54,891,483,396
<b>Total shareholders equity</b>		473,272,852,137		482,880,654,699
<b>B Provision for contingencies and obligations</b>				
Provisions for agents leaving indemnity and similar obligations		2,658,072,816		2,652,411,948
Other provisions		13,224,000,000		17,365,998,228
<b>Total</b>		15,882,072,816		20,018,410,176
<b>C Staff leaving indemnity</b>		19,083,012,846		18,193,388,802
<b>D Payables</b>				
<b>Debentures</b>				
more than 1 year	-	-	92,711,000,000	92,711,000,000
<b>Bank loans and overdrafts</b>				
within 1 year	60,433,447,382		10,313,758,500	
more than 1 year	177,036,358,911	237,469,806,293	226,853,464,222	237,167,222,722
<b>Other financing payables</b>				23,272,012,856
Advances		4,562,366,064		2,148,107,449
<b>Trade payables</b>		171,781,858,224		153,285,344,172
<b>Payables due to subsidiaries</b>				
within 1 year	53,031,515,155		50,353,970,540	
more than 1 year	317,085,416,310	370,116,931,465	-	50,353,970,540
<b>Payables due to associated companies</b>		1,369,155,365		275,750,119
<b>Payables due to parent companies</b>				
within 1 year	21,095,423		150,506,223,981	
more than 1 year	-	21,095,423	450,000,000	150,956,223,981
<b>Payables due to tax authorities</b>				
within 1 year	25,231,421,914		19,282,342,939	
more than 1 year	29,383,175,971	54,614,597,885	-	19,282,342,939
<b>Social security payables</b>		4,170,821,279		3,999,876,574
<b>Other payables</b>		16,697,392,350		15,583,144,858
<b>Total payables</b>		860,804,024,348		749,034,996,210
<b>E Accrued liabilities and deferred income</b>				
Accrued liabilities		5,345,320,392		2,053,257,166
<b>Total accrued liabilities and deferred income</b>		5,345,320,392		2,053,257,166
<b>Total liabilities</b>		901,114,430,402		789,300,052,354
<b>Total liabilities and shareholders' equity</b>		1,374,387,282,539		1,272,180,707,053
<b>Memorandum accounts</b>		487,382,582,176		283,475,922,618

INCOME STATEMENT	31.12.00		31.12.99	
	Partial	Total	Partial	Total
<b>A Income</b>				
Net revenues from the sale of goods and services		924,229,044,578		822,493,463,600
Changes in work in progress and finished goods (inventory)		31,823,343,617		(19,208,785,112)
Increases in fixed assets for internal work		3,870,372,271		2,345,850,610
Other income		27,150,819,208		21,711,962,359
Value of production (revenues)		987,073,579,674		827,342,491,457
<b>B Expenses</b>				
Raw and subsidiary material and goods		529,147,487,864		400,561,087,087
Services		196,081,289,920		157,632,450,302
Leases		4,330,072,558		3,036,473,570
Personnel costs:				
salaries and wages	69,804,303,772		66,413,948,971	
social security costs	23,918,680,743		22,632,638,867	
severance payments	5,096,403,606		4,397,340,929	
other costs	545,434,175	99,364,822,296	386,594,323	93,830,523,090
Amortisation, depreciation and writedowns:				
amortisation of intangible fixed assets	21,460,994,607		14,114,078,903	
depreciation of tangible fixed assets	41,392,113,365		31,805,356,673	
writedowns of trade receivables	5,824,605,852	68,677,713,824	6,322,814,061	52,242,249,637
Changes in stock of raw materials and consumables		(17,249,813,464)		(2,919,378,471)
Provision for risks		6,497,881,099		5,581,601,866
Sundry operating expenses		7,136,004,310		6,324,751,004
Total production costs (expenses)		893,985,458,407		716,289,758,085
Difference between revenues and expenses (A - B)		93,088,121,267		111,052,733,372
<b>C Financial income and expenses</b>				
Income from equity investments:				
Dividends	-		7,686,512,364	
others		21,333,286,404	78,158,350	7,764,670,714
Other financial income:				
from securities included in financial assets other than participations	3,096,989,161		2,807,814,539	
other income:				
from subsidiaries	198,447,415		279,080,672	
from parents	400,962,329		2,271,136,644	
others	28,501,298,033	32,197,696,938	15,255,662,396	20,613,694,251
Interest and other financial expenses:				
from subsidiaries	(3,109,593,920)		(144,911,665)	
from parents	(6,640,902,601)		(13,041,857,399)	
others	(47,852,110,274)	(57,602,606,795)	(36,164,390,261)	(49,351,159,325)
Total financial income and expenses		(4,071,623,453)		(20,972,794,360)
<b>D Adjustment to financial assets</b>				
Revaluations of equity investments		1,359,974,108		
Writedowns of equity investments		(565,169,029)		(20,888,931,439)
Total adjustments to financial assets		794,805,079		(20,888,931,439)
<b>E Extraordinary income and expenses</b>				
Income		2,452,963,612	-	-
Expenses		(22,058,116,111)		(2,467,207,177)
Total extraordinary income and expenses		(19,605,152,499)		(2,467,207,177)
Net income (loss) before income tax		70,206,150,394		66,723,800,396
Income taxes		(35,739,189,000)		(11,832,317,000)
Net income (loss) for the year		34,466,961,394		54,891,483,396

	2000	1999
<b>Cash flows provided (used) by operating activities</b>		
Net income (loss) for the year	34,467	54,891
Depreciation - Amortisation	62,853	45,919
Staff and agents leaving indemnity	890	(104)
Losses on financial assets disposal (net of gain)	(6,432)	22,643
(Increase) decrease in deferred taxes provision	11,147	1,655
Other provisions (net of use)	5,460	3,401
<b>Total</b>	<b>108,385</b>	<b>128,405</b>
<b>Changes in Working Capital:</b>		
Trade receivables	9,042	19,490
Net inventory	(49,073)	15,289
Trade payables	20,908	27,940
Other payables, receivables, accrued liabilities and deferred income	18,771	(6,744)
Receivables and payables with subsidiaries, associated companies and parents	(16,703)	42,680
<b>Total</b>	<b>(17,055)</b>	<b>98,655</b>
<b>Cash flows used in investing activities</b>		
Fixed assets additions	(23,576)	(20,110)
Sale (purchase) of investments	(57,774)	(6,547)
Increase in intangible assets	(3,384)	(974)
Other receivables	18,661	(828)
<b>Total</b>	<b>(66,073)</b>	<b>(28,459)</b>
<b>Cash flows provided (used) by changes in shareholders' equity</b>		
Increase in share capital	-	100,000
<b>Total</b>	<b>-</b>	<b>100,000</b>
<b>Change in financial net position</b>	<b>25,257</b>	<b>298,601</b>
Financial net position at the beginning of the financial year	(394,928)	(693,529)
Financial net position at the end of the financial year	(369,671)	(394,928)
<b>Change in extraordinary reserve</b>		
for substitution tax compensation	(44,077)	
<b>Change in other payables for substitution tax</b>	<b>44,077</b>	

Statements of cash flows for years ended December 31<sup>st</sup>, 2000 and 1999

Summary of consolidated net financial position for the years ended December 31 <sup>st</sup> , 2000 and 1999	2000	1999
Liquid funds	43,698	94,302
Short-term bank loans and overdrafts	(10,149)	(6,238)
Short-term investments and securities	2,003	4,351
Financing payables (within 1 year)	(50,285)	(4,075)
Short term net financial position	(14,733)	88,340
Financing payables (more than 1 year)	(177,036)	(226,854)
Debenture loans	-	(92,711)
Total (partial)	(191,769)	(231,225)
Financing receivables (net of payables) due from subsidiaries and parent companies	(177,902)	(140,431)
Financing receivables due from others	-	(23,272)
Total net financial position	(369,671)	(394,928)

Statement of changes in shareholders' equity for fiscal year at December 31 <sup>st</sup> 2000	Share capital	Legal reserve	Extraordinary reserve	Net income (loss)	Total
Balance at 1 January 2000	400,000	1,820	26,169	54,892	482,881
Appropriation of result for 1999 as per Shareholders Assembly of June 20 <sup>th</sup> , 2000		2,745	52,147	(54,892)	-
Withdrawal, for accounting purposes, of the substitution tax payable due to the realignment of the fiscal values to the book values			(44,075)		(44,075)
Net income (loss)				34,467	34,467
Balance at 31 December 2000	400,000	4,565	34,241	34,467	473,273