



**GOODY'S®**

ANNUAL REPORT 2005

MAY 2006





## Annual Report 2005



THESSALONIKI, MAY 2006

## CONTENTS

<b>1. INFORMATION ABOUT THE ANNUAL REPORT .....</b>	<b>3</b>
1.1. General Information .....	3
<b>2. INFORMATION ABOUT THE COMPANY .....</b>	<b>4</b>
2.1. General Information .....	4
2.2. Background .....	4
2.3. Business Activities .....	5
2.4. Products – Production Process .....	8
2.5. Sales Network.....	8
2.6. Social Policy.....	9
2.7. International Activities .....	10
2.8. Shareholders .....	10
2.9. Board of Directors- Management .....	10
2.10. Corporate Governance Internal Audit .....	11
2.11. Organisational Chart .....	14
2.12. Personnel .....	15
<b>3. DEVELOPMENT OF THE SHARE PRICE .....</b>	<b>16</b>
<b>4. INFORMATION TO INVESTORS.....</b>	<b>18</b>
<b>5. FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31.12.2005 ACCORDING TO IFRS .....</b>	<b>23</b>
<b>6. DATA AND INFORMATION OF FINANCIAL STATEMENTS .....</b>	<b>81</b>
Financial Statement 31-12-2005 .....	82
Financial Statement 31-3-2005 .....	85
Financial Statement 30-6-2005 .....	86
Financial Statement 30-9-2005 .....	87
<b>7. REPORT OF TRANSACTIONS WITH RELATED COMPANIES.....</b>	<b>88</b>

## 1. INFORMATION ABOUT THE ANNUAL REPORT

This Annual Report contains all the necessary information and financial data for the valuation of the assets, the financial position, the results and perspectives of GOODY'S S.A. by the investors and analysts for their investments.

Investors and anyone who is interested in further information may contact during working days and hours the offices of GOODY'S S.A. at Lida -Maria Buildings, Themi Thessaloniki, 570 01, telephone 2310-476236 and e-mail ztsi@goodys.com (Investor Relations Officer Ms. Zoi Tsimpouki).

The persons responsible for drawing up the Annual Report and for the validity and precision of the information included in it are :

1. Mr. Nikolaos Markopoulos, General Manager
2. Mrs. Kassandra Gasparidou, Finance Manager
3. Mrs. Pelagia Polimenopoulou, Accounting Manager
4. Ms. Zoi Tsimpouki, Investor Relations Officer

## 2. INFORMATION ABOUT THE COMPANY

### 2.1. General Information

The Company was founded in 1977 and took the form of a Societe Anonyme in 1984. Its registered offices are located in the Municipality of Thermi, Thessaloniki and its address is: Leda - Maria Building, Thermi, Thessaloniki, 570 01, telephone: 2310-476236. The Company's duration has been set to 50 years upon publication of its articles of association, that is, until 2035.

In accordance with article 3 of its articles of association that was amended upon approval of the General Meeting dated 4 June 2003, the Company's scope is the following:

- Organization and exploitation of restaurants, provision of services to catering units, development of a franchisees network through franchising, organization, servicing and provision of consultation to food stuff units, organization and servicing of receptions, dinners, restaurants, hotel and industrial units, as well as tourist complexes and development and exploitation of trademarks.
- Establishment, organization, and operation of tourist units.
- Representation and trading of equipment for restaurants and catering units and generally of mechanical equipment for foodstuff units.
- Representation and trading of articles of clothing, electronic or conventional children's games, and several types of accessories and decorative items with the aim of advertising and generally promoting the Company's trademarks and products.
- Establishment and participation in companies or activities of the same or similar scope under any corporate type, merging with other companies or absorbing other similar companies - personal or corporate, of any corporate type, domestic or foreign - establishment of subsidiaries, branches or agencies nationwide or abroad.
- Provision of any kind of guarantees, third party guarantees, etc. in favor of third party natural or legal entities, provided that the guarantee serves the corporate objective.

The initial capital stock of the Company, established by means of decision 6549-20/12/1984 of the Prefect of Thessaloniki, was set to 10,000,000 drachmas divided in 1000 shares, of nominal value of 10,000 drachmas each. After consecutive increases, the capital stock amounted to euro 6,186,590.38, divided in 16,280,501 shares of nominal value of euro 0.38 each.

### 2.2. Background

The Company was founded in 1977 under the trading name IOANNIS DIONISIADIS & PARTNERS UNLIMITED COMPANY - ORGANIZATION OF CATERING AND RESTAURANT SERVICES and in 1979 it was changed in a private limited company under the same corporate name. In 1984, it took the form of a Societe Anonyme while under the present trade name it has been operating since 1991.

The Company is the mother Company of all companies comprising the GOODY'S Group. The GOODY'S Group was gradually formed by the participation of the Company's major shareholders in other supplementary enterprises. Since 1990, these holdings began to gradually accrue to GOODY'S S.A. and its affiliated Company HELLENIC CATERING S.A., which was controlled by 85% by the shareholders of GOODY'S S.A. The Group's consolidation was completed in 1992, when the Company increased its capital stock, an increase that was covered by the contribution of almost the total of HELLENIC CATERING S.A. shares and by cash.

The subsidiaries retain an independent entity mainly for organizational and administrative reasons, but they are in fact an integral part of the Group. The Group's consolidated accounts include the direct holding companies providing an overall picture of its financial position.

In the current period, GOODY'S has been established as the largest chain of catering services provider in the Greek market, while it is one of the largest chains at a European level in terms of turnover in the industry of fast food restaurant chains (American chains are excluded). With the support of its subsidiaries' production units, GOODY'S S.A. provides a wide range of catering products and services through the chains of GOODY'S restaurants and FLOCAFE ESPRESSO BARS.

Upon completion of 2005 accounting period, GOODY'S chain stores numbered 187 restaurants (180 in Greece and 7 abroad) and 71 FLOCAFE ESPRESSO BARS chain stores cafes (68 in Greece and 3 abroad).

### 2.3. Business Activities

The Company together with the other companies of the Group is the largest complex in the catering industry in Greece and one of the largest and most powerful in Europe. The GOODY'S Group's activities consist of the production and disposal of catering products via the operation of restaurant and cafe chain stores as well as via the provision of catering services.

Development of sales (thousand euros)			
	2003	2004	2005
<b>Revenues from services</b>			
Domestic	17,430.6	18,533.2	18,210.8
Foreign	260.2	233.7	297.5
Sales of Branches' merchandise	2,712.6	2,823.3	2,895.9
<b>Sales Total</b>	<b>20,403.4</b>	<b>21,590.1</b>	<b>21,404.3</b>

The main services provided by the Company either directly or via the other companies of the Group which it controls are the following:

- provision of franchises to GOODY'S restaurants and FLOCAFE ESPRESSO BARS. The Company collects monthly fee of 7.5% on the sales of GOODY'S and FLOCAFE ESPRESSO BARS of which up to 3.5% is spent as marketing fees. Moreover, it receives a lump sum varying from euro 25,000 to euro 30,000 -depending on the geographical area- as know how revenues for granting the user license of GOODY'S and FLOCAFE ESPRESSO BARS trademarks (start-up fees).
- planning, development, organization and control of GOODY'S restaurants and FLOCAFE ESPRESSO BARS, by providing consulting and auditing services via 27 Regional Managers.
- supplying of GOODY'S stores and FLOCAFE ESPRESSO BARS with the main products included in its lists and recommendation of other products suppliers.
- production of the main products included in its lists at the production units of HELLENIC CATERING S.A. and S. NENDOS S.A.
- effective support of the stores network via owned or controlled companies and provision of financial consulting services.
- implementation of absolute quality standards which empower the corporate brand name among consumers.
- development of new products. All products that are available in GOODY'S stores, are designed, developed and promoted by the Company.
- advertisement and communication services regarding the Company's advertising policy in mass media.
- central agreements with suppliers regarding the procurement of raw materials or products that are not manufactured by subsidiaries (mainly soft drinks, beers).
- training of GOODY'S staff which is implemented at the two model Staff Training and Development Centers in Athens and Thessaloniki respectively as well as at thirteen model chain stores. The annual training programme of the Goody's System aims at:
  - training the new employees to work in the restaurants.
  - educating the staff on issues related to the operation of Goody's restaurants and the catering services in general.

### Training the new employees

Every new store to commence operations should have trained staff and each new employee to be introduced in the system should have been appropriately trained both in the kitchen operation and management of a Goody's restaurant and in the main hygiene principles.

The first training phase is implemented at the "training kitchen" and lasts one week. Afterwards, training is continued at the Model Training Centers which are stores that operate properly. Duration of this training varies from 30 days to 4 months depending on the trainee's specialization.

### Programme of continuing training of the Goody's employees

The continuous education and training of the employees at Goody's restaurants has been a very significant activity for the Company as it contributes greatly to the effective operation of our restaurants. In 2005 more than half the employees at Goody's restaurants were trained on HACCP and food hygiene issues as well as on issues of restaurant operations management.

- training of the staff of FLOCAFE ESPRESSO BARS at the Model Training Centers.
- kitchen and store design. The Company has architects who design the new store, recommend engineers, kitchen and equipment standards and provide advice about the look of the store in accordance with the Company's requirements and standards.

GOODY'S trademarks' development procedure at the GOODY'S and FLOCAFE ESPRESSO BARS chain stores is presented in summary as follows:

The candidate investor who wants to operate a new GOODY'S or FLOCAFE Espresso Bar store gets in touch with the Company and recommends the specific store which should be either privately-owned or rented for a long term duration in accordance with the provisions in force concerning "commercial leasing".

The corporate scheme is agreed and afterwards the respective business unit's services of the Company (GOODY'S or FLOCAFE ESPRESSO BARS) visit the store, make their own assessment and decide if the store fulfills the requirements (location, size, market etc.). If the respective unit deems that it should proceed in the store's development then it should take the approval of GOODY'S S.A. Management and if a final agreement is reached, the franchising contract is signed whose duration is set for ten years with the right of renewal for 10 more years (under the terms that are in effect on the renewal date).

The Company's policy is to grow via the franchising system. At the same time, it aims at holding a share of approximately 30% in the chain stores.

Within the framework of bilateral and effective communication with the franchisees, the Company organizes Strategic Meetings both for GOODY'S and FLOCAFE ESPRESSO BARS chain stores.

## 2.4. Products - Production Process

The Group via its production units, manufactures selectively several kinds of foodstuff which it disposes to GOODY'S chain restaurants and FLOCAFE ESPRESSO BARS chain cafes, as well as to third parties of the mass catering service sector.

More specifically, HELLENIC CATERING S.A. produces meat products, salads, sauces and ready meals and trades frozen food. Moreover, through the absorbed company FLOCA S.A. it produces standardized ice creams, sweets and pastry products for the supplying of GOODY'S and FLOCAFE ESPRESSO BARS chain stores, as well as for customers outside the Group's activities. 69% of its manufactured products is absorbed by GOODY'S and FLOCAFE ESPRESSO BARS chain stores while the remaining 31% by other restaurants and catering areas. In addition, it supplies products to passenger ships and supermarket chains. The production of meat products, salads, sauces and ready meals is made at the central plant of the company located in Sindos, Industrial Area of Thessaloniki while the production of sweets, ice creams and pastry products at the company's branch in Pallini, Attica.

S. NENDOS S.A. produces bakery products, 50% of which is absorbed by GOODY'S and FLOCAFE ESPRESSO BARS chain stores while the remaining 50% by third parties among which other chain restaurants are included.

In year 2005 GREENFOOD S.A. had its first active business activities. Specifically, in May the constructive stage of the company was mostly completed, with building installations of about 4.000 s.m., on a privately owned real estate of 16 thousands s.m. at VIPETH Sindou, with two contemporary lines of processing and standardization of fruits and vegetables.

So, since June 2005 and during the whole year the company produced processed –standardized vegetables of 107.251 kg, which were completely disposed for covering the needs of the GOODY'S stores network.

It is noted that the company does not have its own sales- distribution network for its products. Therefore, sales are made to Hellenic Catering S.A., which is its mother company with 60% participation in its capital share.

## 2.5. Sales Network

The main backbone of the Company's sales network is the chain of GOODY'S restaurants which continues to be its major activity. The chain consists of stores that operate as independent business units to which the Company has conceded the exclusive franchises of GOODY'S trademark under the terms of a franchising system.

During the period 2000-2005 the chain of GOODY'S restaurants was expanded from 157 to 187 (nationwide-abroad) stores.

During the period 2000-2005, the chain of FLOCAFE ESPRESSO BARS cafes-patisseries, was expanded from 30 to 71 (nationwide-abroad) stores.

Development of stores			
	2003	2004	2005
GOODY'S restaurants	177	183	187
FLOCAFE ESPRESSO BARS cafes	63	62	71
<b>Total</b>	<b>240</b>	<b>245</b>	<b>258</b>

For 2006, an increase of the network is planned with the establishment of approximately 8 stores in the network of GOODY'S restaurants and FLOCAFE ESPRESSO BARS cafes-patisseries as well as the relocation and renovation of approximately 20 existing stores.

The Company has been the first to implement the franchising system, to which it owes the spectacular and constant growth of its network since a large team of associates - franchisees has been developed who contribute a great deal to the Company's development and profile thanks to this team's business sense and professional training.

## 2.6. Social Policy

The GOODY'S Group of Companies offered during 2005- through its program "ArGOODaki" which has been implemented since 2002 every December at the goody's restaurants in cooperation with the Confederation of Institutes "Together for the child"- a total of 500 thousand euros for the implementation of a significant social project : the foundation and completion of the "Care House", where psychological support is provided to children, teenagers and their families who suffer from serious diseases or family losses.

At the same time, among other things the company supported the following Institutes :

- ▶ Kendavros – athletic basketball union on wheelchairs
- ▶ Greek Anticancer Company
- ▶ Panhellenic Union of Blind People
- ▶ Greek Association of Homeless
- ▶ Anticancer Fundraiser
- ▶ AIESEC
- ▶ Victims of natural disasters (tsunami) in the Indonesia area
- ▶ Museum of Byzantine Civilization
- ▶ Archaeologic Museum of Thessaloniki



## 2.7. International Activities

In total, 7 GOODY'S stores operate abroad, 6 of which in Cyprus and one in Bulgaria. Currently, 3 FLOCAFE chain stores operate in Cyprus (2 in Nicosia and one in Limassol).

## 2.8. Shareholders

The shareholders' composition of the Company in the Ordinary General Meeting of Shareholders dated 31/05/2005 with a share of more than 3% was the following:

Shareholders	No. of shares	%
DELTA HOLDINGS S.A.	10.234.592	62,86
UNION BANCAIRE PRIVEE	1.124.790	6,91
Achilleas Folias	566.527	3,48
Other Investors	4.354.592	26,74
<b>TOTAL</b>	<b>16.280.501</b>	<b>100,00</b>

It is noted that on 31/12/2005 DELTA HOLDINGS S.A. owned 11,567,582 shares, that is, a share of 71.05% of the share capital of GOODY'S S.A.

There are no other Shareholders that own a share of over 3% of the share capital of whom the Company is aware.

## 2.9. Board of Directors - Management

The Company is managed by a **9-member Board of Directors** whose term of office expires in year 2009 and includes the following members:

Achilleas Sotiriou Folias	Chairman
Sotirios Charalambou Seimanidis	Vice Chairman & Chief Executive Officer
Dimitrios Aristeidi Daskalopoulos	Member & Honorary President
Nikolaos Gabriel Markopoulos	Member
Pantelis Ioanni Economou	Member, non-executive
Nicolaos Philippou Pappas	Member, non-executive
Dimitrios Nicolaou Takas	Member, non-executive
Stavros Nicolaou Linardakis	Member, independent non-executive
Constantinos Georgiou Louropoulos	Member, independent non-executive

The **Company's Managers** are the following:

General Manager	Nikolaos Markopoulos
Operations & Quality Manager Goody's	George Vasilaras
Operations & Quality Manager Flocafe	Ioannis Tetas
Technical Services Manager	Theocharis Kanatsas
Network Development Manager	Zaharias Liousas
Finance Manager	Kassandra Gasparidou
Financial Planning & Participations Manager	George Goulas
Information & Technology Manager	Dimitrios Valindras
People & Culture Manager	Spyros Avgerinos
Procurement & Special Projects Manager	Leontios Papadopoulos
Marketing & Business Development Manager Goody's	Niki Smirni
Marketing & Business Development Manager Flocafe	Michael Petrodaskalakis
New Product & Development Manager	Theodoros Kallitsis

It is noted that neither any of the BoD members of the company nor any managerial staff has been convicted for dishonorable actions or financial crimes or is involved in judicial abeyances concerning bankruptcy, criminal action or prohibition of exercising:

- business activities
- stock exchange transactions
- the profession of investment consultant, bank or insurance manager, underwriter, executive in brokerage companies etc.

## 2.10. Corporate Governance - Internal Audit

The Corporate Governance principles and their implementation and observance procedures are commitments of the company in accordance with the law in force on Societes Anonymes, the stock market legislation and regulatory regulations of Athens Stock Exchange and supervisory authorities.

The Management of GOODY'S S.A. promotes and develops the corporate governance principles beyond the orders of the institutional framework. Its belief is that the transparency in information, independence in management and the dynamic support of a modern and effective governance system contribute to the maintenance and improvement of the Company's credibility. They add value to the Company in a manner that constitutes it as a model company in the modern business environment.

In this light, the Company is organized, administered and operates in such a way that the lawful interests of all those who associate with the Company are protected and satisfied within the framework of the overall corporate interest.

The corporate governance principles and procedures are diffused in the whole structure and operation of the Company and relate to its management executives and the manner according to which they are graded and operate such as:

#### Internal Audit System

The activities of GOODY'S S.A., its subsidiaries and other associated companies are supported by a sufficient internal audit system which is in line with the corporate governance principles as defined by the institutional framework (decision 5204/2000 of the Capital Market Committee and Law 3016/2002) and the Company's needs so as the overall framework's best operation is ensured for the achievement of both goals.

Both management and employees are responsible for confirming at all times that all actions under their authorization are implemented with responsibility and transparency in order for all objective goals of the internal audit system to be fulfilled.

#### Internal Audit Department

The organization and operation of Internal Audit is in line with general organization principles of the mother company DELTA HOLDINGS. Internal audits are carried out by a special service of the Company.

Regular meetings between all internal auditors of the DELTA HOLDINGS Group are held and therefore opportunities of scale economies are achieved under the promotion of partnership and know-how transfer. At the same time collaboration with specialized external associates is implemented.

The senior management is characterized by its voluntary commitment to make the best of the internal audit services in a series of projects in progress.

There is a harmonious and fruitful collaboration with the Auditing Committee which plays an important role in ensuring the corporate governance principles.

There is an excellent cooperation between internal auditors and chartered auditors and the goal is to achieve a satisfactory degree of supplementary operation between one another.

More specifically, the major activities of internal audit are the following:

- Control of the Internal Audit System by monitoring the observance of Internal Operation Regulation, articles of association of every company of the Group as well as the general legislation on companies and particularly of the legislation on Societes Anonymes and Capital Market.

- Control of the Accounting System by monitoring the upright keeping of accounting books in accordance with the provisions of Books and Data Code, Community Law 2190/20 and other tax clauses.

- Control of the Observance and Enforcement of the Management's Orders by monitoring the observance of the Company's approved policies and procedures.

- Control of the Achievement degree of all Business Coals by monitoring the budget and report systems.

- Identification of the credibility of the Administrative Information System and conservative disposal of information to the wider public.

We believe in GOODY'S Group that the achievement of all aforementioned goals is feasible by means of:

- Developing a corporate culture and team spirit
- Constantly analyzing and assessing business risks
- Observing the Internal Operations Regulation and Employment Regulation.
- Timely and honestly informing and communicating with the staff of all departments and companies.
- Monitoring systematically all activities of the Company and their review for their successful implementation.

#### Corporate Announcements and Investors Relations Services

The Corporate Governance seeks for full transparency in the Company's overall administration, so as all vital information is provided to the wider public in order for them to have the opportunity to play an active role in the Company's activities in accordance with the law in force and also to protect and promote their interests equally and lawfully within the framework of the long-term and balanced development of the Company.

The **Corporate Announcements Service** is responsible for observing the legislation in force and communicating on behalf of the Company with the competent authorities of the Capital Market and Athens Stock Exchange as well as with other competent bodies. Both corporate announcements as well as periodic and annual financial statements are dispatched to Athens Stock Exchange via the "HERMES" electronic system.

The **Investors Relations Service** has the responsibility of timely and equally informing the shareholders as well as of providing services to them regarding exercise of their rights in accordance with the law and company's articles of association such as provision of information with respect to shares, dividends, General Meetings, Financial Statements, consumption and variation of raised funds, etc. The aforementioned information is available on line in our web site ([www.goody's.com](http://www.goody's.com)).



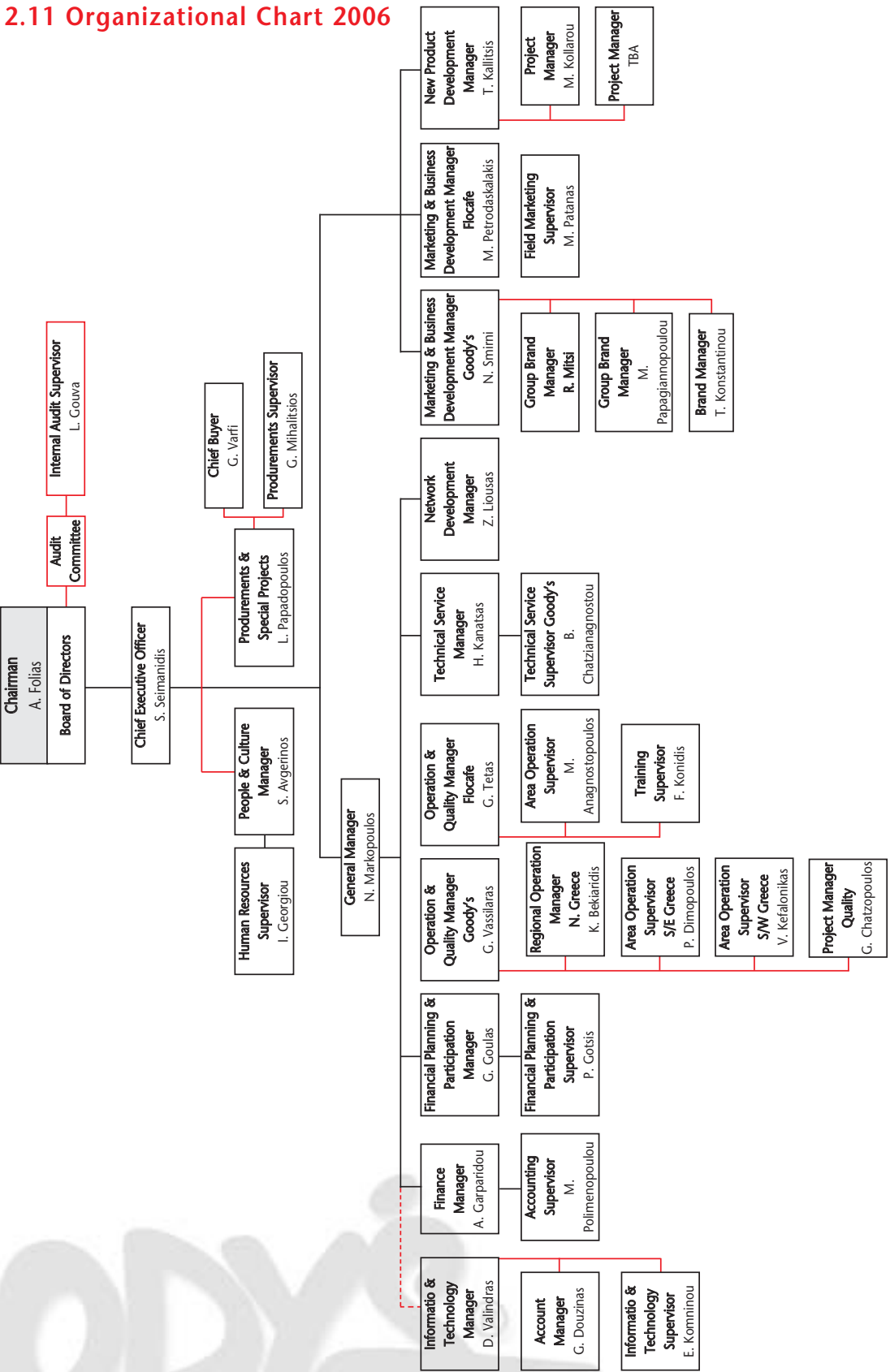
## 2.12. Personnel

During 2005 the Goody's Group of Companies employed 1.799 persons, of which about 180 at GOODY'S S.A., 325 at HELLENIC CATERING S.A. and its subsidiaries and the rest at stores of both chains in which GOODY'S S.A. has majority participation.

	2003	2004	2005
GOODY'S S.A.	189	187	180
GOODY'S GROUP	1,866	1,846	1,799

GOODY'S S.A. in 2005 spent in total for benefits (group insurance program, meals, training, celebrations and gifts to employees, cell phones) more than 880 thousand euros.

At the same time, during 2005 at the GOODY'S and FLOCAFE stores network were employed more than 5.500 employees. More than 1.200 employees at the FLOCAFE chain attended training programs including the pioneer institution of "Grande Barista" with a total of 7.600 training hours, while the training of 2.700 employees at the GOODY'S chain was mostly focused on the quality and hygiene control program "GOODY'S HACCP" with a total of 1.830 training hours.



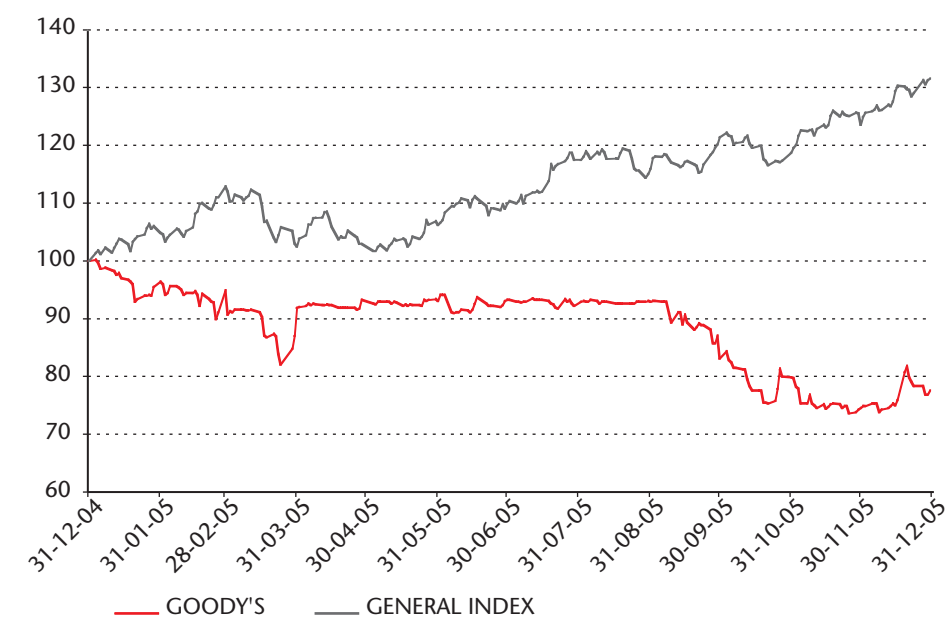
### 3. DEVELOPMENT OF THE SHARE PRICE

The shares of GOODY'S S.A. have been negotiated in the Main Market of Athens Stock Exchange (ASE) since 29/12/1994.

In the following table the evolution of the price of GOODY'S share is shown per month (on the last day of each month when transactions took place) as well as the monthly volume of transactions for all months of 2005.

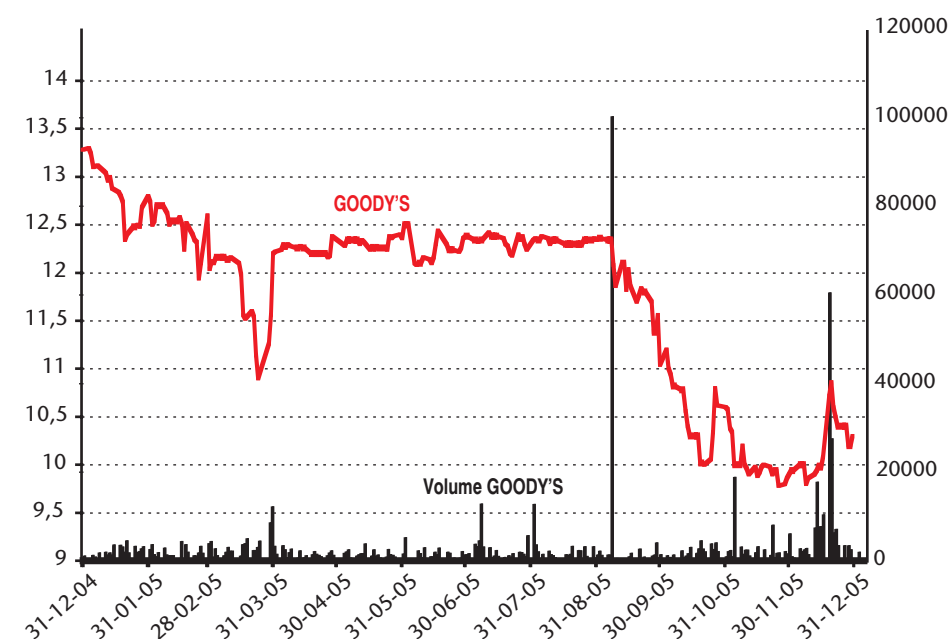
Date	Closing Price €	Monthly Volume (pieces)	Transaction Value €
31-1-2005	12.8	132,302	1,735.379
28-2-2005	12.6	34,989	435,477
31-3-2005	12.2	64,760	745,467
28-4-2005	12.38	26,946	327,286
31-5-2005	12.36	27,060	330,674
30-6-2005	12.38	26,772	327,050
29-7-2005	12.24	49,353	603,265
31-8-2005	12.34	42,734	522,433
30-9-2005	11.04	227,303	2,794.728
31-10-2005	10.6	35,819	371,763
30-11-2005	9.9	61,594	617,130
30-12-2005	10.3	174,135	1,808.449

COMPARISON OF GOODY'S S.A. SHARE'S PERFORMANCE AT ATHENS STOCK EXCHANGE AND THE STOCK EXCHANGE'S INDEX PERFORMANCE



It is noted that the Goody's S.A. share is registered in the sector "RESTAURANTS" of ASE's Daily Price List about which the respective sectoral index is not issued.

DEVELOPMENT OF THE GOODY'S S.A. SHARE AND THE VOLUME OF TRANSACTIONS



#### 4. INFORMATION TO INVESTORS

According to article 10 of law 3401/2005, during fiscal year 2005 the Company published and made available to the public the following information and announcements, which are posted on the company's website (www.goodys.com) in the section "Investor Relations" :

##### 11/1/2005

GOODY'S S.A. is announcing herewith that sold 35% of its equity stake in the company "ESTIATORIA DIAVATON S.A.", which operates a GOODY'S franchise in Diavata, Thessaloniki.

##### 11/1/05

GOODY'S S.A. is announcing herewith the transfer of 19% from its holding to the company "ESTIATORIA PIRAEUS S.A." (GOODY's store). Consequently, the equity stake of GOODY'S is henceforth 51% versus 70%.

##### 17/1/05

The company announces that Mr. Filipos Makris is the FLOCAFE ESPRESSO BARS Business unit Director.

##### 7/3/05

The sales of GOODY'S S.A. amounted to euros 21.6 million and the pre-tax profits reached euros 9 million, thus increased by 5.7% and 14%, respectively compared to 2003. On consolidated level, the turnover of GOODY'S Group equaled euros 148.4 million, presenting an increase of 5.3% in relation to 2003. EBITDA amounted to euros 25.9 million and the net profits before tax and after minority interests reached euros 14.9 million, up by 7.4% and 7.6%, respectively, compared to 2003.

##### 7/3/05

The company GOODY'S S.A., pursuant to Article 277, paragraph 2(c) of the ATHEX Regulation is announcing herewith the following corporate actions: The Annual Ordinary Shareholders General Meeting will be held in the period between 23/5/2005 - 30/5/2005. Dividend for the fiscal year 2004 will be paid in the period from 1/7/2005 until 31/7/2005.

##### 17/3/05

The company GOODY'S S.A. announces herewith that it has sold its equity stake of 46.18% in the company N.KORDELIOU RESTAURANTS S.A., which operates a GOODY'S restaurant in N.Kordelio, Thessaloniki, Greece.

##### 7/4/05

The company GOODY'S S.A. is announcing herewith that it has transferred 25.04% from its equity stake, to the company 'KAFEZAHAROPLASTIA MARINAS ZEAS S.A'. Consequently, GOODY'S current holding from 75.04% reaches 50%. The company in question is about to operate a FLOCAFE store in Piraeus, Greece.

##### 11/5/05

Ordinary General Meeting is called for 31.5.2005

##### 1/6/05

The company GOODY'S S.A. announces that its Ordinary Shareholders General Meeting, which convened on 31/05/2005, approved the distribution of a dividend amounting euros 0.50 per share for the fiscal year 2004. Beneficiaries of the said dividend are shareholders of the company, whose names will have been registered in the company's Shareholders' Register on June 1, 2005, after the close of the trading session of the ATHEX. Also, on the following date, the Holder-of-Record Date (June 2, 2005), the shares of the company will be traded ex-dividend on the ATHEX. The payment of the said dividend will be carried out from 1/7/2005 until 30/9/2005. It is reminded that Goody's S.A. continues the payment of the dividends for the fiscal years 1999, 2000, 2001, 2002 and 2003 together with the respective Dividend Beneficiaries Certificates in its registered offices in Thessaloniki.

##### 3/6/2005

Replying to ASE's request dated 1/6/2005 regarding the article published with title "Dynamic entry of Goody's in shipping", GOODY'S announces the following : «1. Our company is discussing with company NEL to cooperate for providing services at its 6 ships, through installation and utilization in them of the Goody's and Flocafe brands. 2. Provided the collaboration is agreed, the company offering the services will be "GEFSIPOLOIA S.A.", a subsidiary of Goody's, which has already a similar cooperation with "Blue Star Ferries" since 2000. 3. The complete implementation of the collaboration is estimated to take 6 to 12 months, and on annual basis will increase the turnover of the Group by 5-6 mil. Euros. 4. In its developments context, Goody's S.A., also through its subsidiary "GEFSIPOLOIA S.A.", is expanding its activity in two new flyboats of the company C-Link (owned by Mr. Ventouris) and will offer catering services to a ship in Adriatic line (Ionian Queen), owned by Mr. Tzanetatos.»

##### 16/6/05

GOODY'S S.A. announced today that it decreased its holding percentage in the company "TEMPI RESTAURANTS & CONFECTIONERY S.A.". As a result, GOODY'S equity stake currently stands at 62.47% from 99.95%.

#### 17/6/05

The company GOODY'S S.A. announced today that the relevant cooperation agreement for the acquisition of the majority stake of GOODY'S S.A. in Hellenic Food Investments S.A. was consummated on 22/07/2004.

#### 9/9/2005

GOODY'S S.A. announces that according to announcement of the basic shareholder DELTA HOLDINGS S.A. on September 7, 2005, the participation percentage of DELTA in GOODY'S changed from 69.77% and number of shares 11,359,382 to 71.05% and number of shares 11,667,682.

#### 15/9/05

The company GOODY'S S.A. announced today its participation by 73.333% in the share capital of the newly established company "NERATZIOTISSA RESTAURANTS S.A.". The latter will operate a GOODY'S store in the commercial mall "THE MALL ATHENS" in the municipality of Amaroussion in Athens, Greece. No financial information is available as the aforesaid is a newly established company.

#### 27/9/2005

GOODY'S S.A. announced that for the period ended June 30, 2005, on consolidated level, the turnover of GOODY'S Group equaled euros 68,2 million, presenting a decrease of 5.5% in relation to the same period of 2004. EBITDA amounted to euros 11.5 million and the net profits before tax and after minority interests reached euros 8 million, up by 12.1% and 19%, respectively, compared to 2004.

#### 6/10/05

GOODY'S S.A. and DELTA HOLDINGS agreed with Investment Bank of Greece the dissolution of the Market Maker contract on the shares of GOODY'S S.A. Therefore, the market making process of the shares of GOODY'S S.A. ends on 14.10.2005

#### 18/10/05

GOODY'S sells part of its participation in the companies NERATZIOTISSA RESTAURANTS S.A. and MALIAKOS RESTAURANTS S.A. A/ The company announces the selling of 13.3% of its participation in the company NERATZIOTISSA RESTAURANTS S.A. (under construction GOODY'S restaurant in Maroussi). As a result the participation of GOODY'S S.A. becomes 60% from 73.3%. B/ The company announces the selling of 24% of its participation in the company MALIAKOS RESTAURANTS S.A. (GOODY'S restaurant). As a result the participation of GOODY'S S.A. becomes 51% from 75%.

#### 18/11/05

GOODY'S S.A. announced today that it acquired 10% in the company ""ARISTOFANIS RESTAURANTS-PASTRY SHOP S.A." (GOODY'S store within the American College -DEREE- in Agia Paraskevi, Athens, Greece). As a result, the holding of GOODY'S S.A. is increased from 90% to 100%.

#### 24/11/05

The company GOODY'S S.A. announced today the sale of 9.747% of its holding to the company "ATHINAICA KAFESTIATORIA S.A." (FLOCAFE store in Kolonaki, Athens, Greece). Consequently, GOODY'S holding is changed from 99.998% to 90.251%.

#### 30/11/05

GOODY'S S.A. announces the sale of 30% (its total participation) of its holding to the company "ESTIATORIA VOLOU S.A.", which operates a GOODY'S store at Volos.

#### 19/12/05

GOODY'S S.A. participates in the creation of the largest food company in Greece, a house of leading food brands, with significant scale in the European market. Following its assembly on the 17th of December 2005, the Board of Directors of GOODY'S S.A., announces, according to the provisions of L. 3371/2005 and ATHEX Regulations, that it approved, taking into account the data of the valuation of the merged companies and the strategic synergies, the respective proposal of DELTA HOLDINGS S.A. and decided to proceed with the proposal to the General Assembly of the Shareholders for its merger by absorption by DELTA HOLDING S.A.. The absorption of GOODY'S S.A. will take place at the same time with the absorption by DELTA HOLDING S.A. of the companies CHIPITA INTERNATIONAL S.A., DELTA DAIRY S.A. and GENERAL FROZEN FOODS S.A. ('Uncle Stathis), aiming to create the largest food company in Greece, a power-house of leading food brands, with significant scale in the European market. An organization, financially strong, wealthy in human resources, knowledge and infrastructure, with international experience, modern professional management and strong corporate governance foundations committed to continue and increase its being a positive force to the Greek economy and society. The top trademarks "GOODY'S" and "FLOCAFE" with leading presence in the catering and cafe sectors respectively, are even more strengthened in the framework of the combined company and continue to provide ultimate value to the customers, associates and businessmen that trust them. At the same meeting the Board of Directors of GOODY'S S.A. decided to propose as fair and reasonable the following exchange ratio of shares between companies: The shareholders of GOODY'S S.A. will exchange each GOODY'S S.A. share held today, with 1.05 newly issued shares from the share capital increase of DELTA HOLDINGS S.A. due to the mergers. According to the proposed share exchange ratio GOODY'S S.A. minority shareholders will hold approximately 7.4% shares in the combined company. It is noted that the calculation of

the proposed exchange ratios, in view of the mergers, takes into consideration that the DELTA HOLDING S.A. convertible bonds will be converted into 3,926,046 newly issued common shares of the latter prior to publication of the Merger Agreement Plan. DELTA HOLDING S.A.'s current participation in GOODY'S S.A. share capital amounts to 71.05%. The total number of shares already held by DELTA HOLDING S.A. in the two companies will be cancelled due to the merger. The Board of Directors of GOODY'S S.A. has appointed the internationally acknowledged auditing firm KPMG, to issue a fairness opinion on the proposed merger share exchange ratio. The merger is subject to clearance from the Competition Commission and the necessary licensing and other approvals by the designated authorities as well as the General Assembly of Shareholders of GOODY'S S.A. The merger is expected to be completed by July 2006. Regarding the above announcement, a press conference will be held today at 11:30 at the Goudi Equestrian Center (Olympic Complex) at Goudi. A presentation to the financial and investment community will follow at the same place at 17:00. Information regarding the merger is provided on [www.brandco.info](http://www.brandco.info) and on the dedicated toll-free shareholders helpline: 800 11 75 800.

Moreover, the annual financial statements, the audit reports and the management reports of the BoDs of the companies that are included in the Company's consolidated financial statements are posted on the company's website.



## GOODY'S A.E.

### 5. FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2005 IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)



## CONTENTS

MANAGEMENT REPORT OF GOODY'S BOARD OF DIRECTORS ON THE COMPANY'S FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS FOR FISCAL YEAR 2005 .....	26
AUDITOR'S REPORT To the Shareholders' of GOODY'S A. ....	31
STATEMENT OF INCOME FOR THE YEAR ENDED DECEMBER 31, 2005 AND 2004 .....	32
BALANCE SHEETS AS OF DECEMBER 31, 2005 AND 2004 .....	33
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2005 .....	34
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED DECEMBER 31, 2004 .....	35
CASH FLOW STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2005 AND 2004 .....	36
NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2005 .....	38

## MANAGEMENT REPORT OF GOODY'S BOARD OF DIRECTORS ON THE COMPANY'S FINANCIAL STATEMENTS AND CONSOLIDATED FINANCIAL STATEMENTS FOR FISCAL YEAR 2005

### Dear Shareholders,

We have the honor to submit for approval, according to law and the company's articles of association, the Company's Financial Statements as well as the Group's Consolidated Financial Statements for fiscal year 2005, which have been compiled for the first time according to the International Financial Reporting Standards, and to present you the following information concerning the company's activities during this year, its financial position and its anticipated by the Board of Directors course of action for the following years.

### General Notes

The Consolidated Balance Sheet and Income Statement resulted from the consolidation of the relevant data of the Balance Sheets and Income Statements of mother company GOODY'S S.A. and its subsidiaries Hellenic Catering SA based in Thessaloniki, Stavros Nendos SA based in Thessaloniki, Hellenic Food Service SA based in Thessaloniki, Balkan Restaurants SA based in Sofia, Nafplios SA based in Athens, Paralia Café SA based in Thessaloniki, Harilaou Rest. SA based in Thessaloniki, Amarousiou Rest. SA based in Athens, Endeka SA based in Athens, Kavala Rest. SA based in Kavala, Zefxi Rest. SA based in Patras, Efkarpi Rest SA based in Thessaloniki, Panorama Rest SA based in Thessaloniki, Drama Rest. SA based in Drama, Serres Rest. - Café SA based in Serres, Megara Rest. - Café SA based in 40th km N.R. Korinthos- Athens, Saranta SA based in Athens, Gefsiplioia Rest. Café SA based in Athens, Hollywood Rest. - Café SA based in Athens, Maliakos Rest. SA based in Lamia, Café Espresso SA based in Athens, Vrilissia Café SA based in Athens, Athinaika Kafestiatoria SA based in Athens, Paralia Volou Rest. SA based in Volos, Exarheia Café SA based in Athens, Veroia Café SA based in Veroia, Anatoliki Kriti Rest. - Café SA based in Heraklion, Kifisias Café SA based in Athens, Pagrati Rest SA based in Athens, Tembi Rest.- Café SA based in Thessaloniki based in 26th km. N.R. Larissa- Thessaloniki, Green Food SA based in Thessaloniki, HFI SA based in Athens, Paiania Rest.- Café SA based in Athens, Neratziotissa Rest. SA based in Athens, Christos Toggias and Co based in Patras, Syggrou Rest. SA based in Athens.

The relationship that dictated the consolidation is the relationship between mother company – subsidiary.

Moreover, in the consolidated financial statements were incorporated by the equity method the related companies Arma Ependytiki SA, Fast Food Restaurants N. Makri SA, Aristotelous 27 Rest.- Café SA. Desmos Anapryxiaki SA, Alkyoni Café SA, Marina Zeas Café SA.

The companies Floca Club Service Chr. Zagarelos & Sia E.E., Ioniki Sfoliata S.A., Faras Food Services S.A. and Emmanouel Panakakis AEBEE were incorporated at acquisition cost.

There are no stocks of the mother company held either by the company or by any other company included in the consolidation.

The basic information of the Consolidated Financial Statements as well as the accounting principles adopted by the Group are profoundly described in the notes to the financial statements that comprise an integral part of the annual financial statements.

### Financial Position - Results

Net sales (system sales) of GOODY'S chain amounted to 212,2 million euro showing a marginal decrease by 0,34% comparing to 2004 and net sales of FLOCAFE chain amounted to 48,2 million euro, decreased by 0,74% comparing to the previous year. The marginal decline that was noted was due to the general depression that prevails in the greek market, and moreover, to the drop of consumption that was noted in the mass catering market.

However, the company comes first in terms of visits and consumption share in the branded fast food market and branded cafe market (based on the estimations of Prisma Options, which conducts market research for the Group).

In the total mass catering market, no name (souvlaki) and brand name, the company holds in terms of number of visits a share of 15.1% in Athens, 20.2% in Thessaloniki and 14.0% in the rest of the cities.

In the total cafe market (no name and brand name) the company holds a share of 14.5% in Athens, 5.6% in Thessaloniki and 4.4% in the rest of the cities.

As it comes up from the financial statements the Company had net after tax earnings of 12.662 thousand euro versus 11.273 thousand euro the previous year, which is an increase of 12,3%. Turnover amounted to 21.404 thousand euro versus 21.590 thousand euro the previous year marginally decreased by 0,9%.

The Group's turnover amounted to 146.256 thousand euro versus 148.467 thousand euro the previous year, demonstrating a decrease of 1,4%. This decline was due to the drop of raw materials and products to the GOODY'S chain for supporting the competitiveness of stores, as well as due to the unfavorable conditions that prevailed in the Greek market. The consolidated earnings after tax and minority interest amounted to 9.703 thousand euro versus 8.340 thousand euro the previous year, which is an increase of 16,34%. EBITDA amounted to 23.932 thousand euro versus 23.802 thousand euro, increased by 0,55%.

The increase in profitability is mainly due to the improvement of the operating

profitability of GOODY'S and FLOCAFE stores in which the Group has participation, and to the profitable sale of a property (GOODY'S store) owned by the Company.

#### Significant events during the year

- During 2005 the Group focused on the improvement of its profitability and effectiveness, continuing at the same time its developmental course, despite the drop of the total catering market by 8% in terms of customer visits and by 1% in terms of consumption expenditure (based on the estimations of Prisma Options, which conducts market research for the Group).
- A total of 14 new stores were added to the stores network (5 Goody's and 9 Flocafe). The Group's total network on 31/12/2005 amounted to 258 stores (187 Goody's and 71 Flocafe), 248 stores of which in Greece and 10 stores abroad (9 in Cyprus and 1 in Bulgaria).
- The provision of services by the stores network evolved through multiple new products (12 new Goody's products and 9 - 24 different flavors - new Flocafe products), through renovations of 16 Goody's stores and 10 Flocafe stores, while 2 restaurants were relocated.
- During 2005 the Group invested 8,6 million euro for the expansion and the modernization of the industrial facilities, as well as the expansion of the stores network and specifically :
  - a) The amount of 900 thousand euro in HELLENIC CATERING S.A. for improvements and additions of the production and distribution equipment.
  - b) The amount of 1 million euro in SELECT S.A. for improvements and additions of the bakery production equipment.
  - c) The amount of 400 thousand euro in GOODY'S S.A. for the improvement of information systems.
  - d) The amount of 1,9 million euro in GREEN FOOD S.A. for the completion of the construction of the fresh standardized salads unit.
  - e) The amount of 4,4 million euro for the expansion of the network of GOODY'S restaurants and FLOCAFE ESPRESSO BARS, in which the Group has a direct participation.
- For further improvement of the effectiveness of Goody's and Flocafe chains, the Group moved to the reconstruction of its participations portfolio through mergers and specifically :

The company Est. Larissis S.A. was merged by absorption by the company EST. Tempon S.A.

The company Est. Aristofanis S.A. was merged by absorption by the company Est. Pagratiou S.A.

The company Est. Peiraios was merged by absorption by the company Est. Hollywood S.A. The company Est. Diastathmos S.A. was merged by absorption by the company Est. Megaron S.A.

The company Est. Akti Dimaion S.A. was merged by absorption by the company Est. Zefksi S.A.

The procedure has started for the secession for two Branches of Goody's S.A. by their absorption by company owned restaurants and specifically :

The Athens Branch will be absorbed by Endeka S.A. (100% participation) and the Larissa Branch will be absorbed by Est. Tempon S.A. (52,10% participation).

The above secession will be completed during the 2nd quarter of the current fiscal year.

The Company's Board of Directors decided on 17/12/2005 to start the procedure of the Company's merger by absorption by the company DELTA HOLDINGS S.A.

The absorption of GOODY'S S.A. will take place at the same time with the absorption by DELTA HOLDING S.A. of the companies CHIPITA INTERNATIONAL S.A., DELTA DAIRY S.A. and GENERAL FROZEN FOODS S.A. ("Uncle Stathis"),

With the completion of the above mergers the Company will participate in the largest food company in Greece and in a house of leading food brands, with significant scale in the European market.

#### Conclusions/Projections

During 2005 the company demonstrated a successful course despite the unfavorable conditions of the Greek market and aims at continuing this way also in 2006. The short-term goals of the company are :

- Continuing the upgrading of customer service by the stores, through innovations of products and services rendered.
- Expansion of the network of GOODY'S restaurants and FLOCAFE ESPRESSO BARS by opening approximately 8 new stores and continuing the stores modernization plan, through renovations and relocations of at least 20 existing stores.
- Investments of 7,9 million euros, 3,7 million of which will be allocated for expanding the GOODY'S restaurants and FLOCAFE ESPRESSO BARS network and 4,2 million will be allocated for the modernization and expansion of industrial infrastructures, production facilities and information systems.

- Through its subsidiary HELLENIC CATERING S.A. the developmental commercial strategy in the market HOTELS, RESTAURANTS & CATERING (HORECA), for the expansion of activities to third parties (apart from the two chains of the group) will be continued.

#### Dividend policy

The Company's Board of Directors, taking into account the financial results for fiscal year 2005, will propose to the Shareholders Annual General Meeting, to be held on May 25th 2006, according to the announced schedule of planned corporate actions, total dividend of 8,14 mil. euros, that is a dividend of 0,50 euro per share.

It is reminded that the company's dividend policy is directly connected to its strategic expansion and therefore to its capital needs.

Thessaloniki , March 4th 2006

The Board of Directors

The President  
Achilleas Folias

#### AUDITOR'S REPORT

##### To the Shareholders' of GOODY'S A.

We have audited the accompanying financial statements as well as the consolidated financial statements of GOODY'S A., as of and for the year ended 31 December 2005. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the Greek Auditing Standards, which are based on the International Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the account principles used and significant estimates made by management, evaluating the overall financial statement presentation as well as assessing the consistency of the Board of Directors' report with the aforementioned financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the aforementioned financial statements give a true and fair view of the financial position of the Company and that of the Group as of 31 December 2005 and of the results of its operations and those of the Group and their cash flows and changes in shareholders' equity for the year then ended in accordance with the International Financial Reporting Standards that have been adopted by the European Union and the Board of Directors' Report is consistent with the aforementioned financial statements.

Athens, 7 March 2006

Andreas D. Tsamakis  
Certified Auditor Accountant  
Reg. No. 17101

BKR Protipos Elegktiki SA  
An independent member of BKR INTERNATIONAL



GOODY'S S.A.

STATEMENT OF INCOME

FOR THE YEAR ENDED DECEMBER 31, 2005 AND 2004

(All amounts are expressed in thousands of Euro)

		Group		Company	
	Notes	31 December 2005	31 December 2004	31 December 2005	31 December 2004
<b>REVENUES:</b>					
Net sales		146.256	148.367	21.404	21.590
Cost of sales		(68.225)	(70.019)	(2.219)	(2.379)
<b>Gross profit</b>		<b>78.031</b>	<b>78.348</b>	<b>19.185</b>	<b>19.211</b>
Selling, general and administrative expenses	8	(65.033)	(64.999)	(18.150)	(17.934)
Other income	9	4.867	4.599	4.559	4.093
Impairment of goodwill		435	(353)		
Financial income/(expenses), net	10	578	507	6.813	8.411
Share of profit/(losses) of associates		(146)	(113)		
Gains/(losses) on valuation of investments				1.398	240
<b>PROFIT BEFORE INCOME TAXES</b>		<b>18.731</b>	<b>17.988</b>	<b>13.805</b>	<b>14.021</b>
Income taxes	11	(6.521)	(7.157)	(1.142)	(2.748)
<b>NET PROFIT</b>		<b>12.210</b>	<b>10.831</b>	<b>12.662</b>	<b>11.273</b>
<b>Attributable to:</b>					
Equity holders of the parent		9.703	8.340		
Minority interests		2.507	2.491		
		<b>12.210</b>	<b>10.831</b>		
<b>Earnings per share (in full amount)</b>					
Basic	12	0,60	0,51	0,78	0,69
<b>Weighted average number of shares, basic and diluted:</b>					
		16.280.501	16.280.501	16.280.501	16.280.501

The accompanying notes and appendices are an integral part of these consolidated financial statements.



GOODY'S S.A.

BALANCE SHEETS

AS OF DECEMBER 31, 2005 AND 2004

(All amounts are expressed in thousands of Euro)

	Σημειώσεις	Group		Company	
		2005	2004	2005	2004
ASSETS					
Non-Current Assets:					
Property, plant and equipment	13	69.602	71.385	6.495	10.084
Goodwill	14	6.122	4.306		
Investments in associates				28.170	28.180
Investments in associates accounted for using the equity method	15	198	584	842	1.415
Other investments	16		748		
Financial assets available for sale	16	719			
Guarantee deposits		1.033	1.036	215	157
Deferred income taxes	11	2.655	2.596	811	777
Total non-current assets		80.329	80.655	36.532	40.612
Current Assets:					
Inventories	17	9.631	9.236	45	39
Trade accounts receivable	18	18.722	17.168	5.363	4.732
Prepayments and other receivables	19	8.210	9.547	1.553	1.381
Financial assets at fair value through profit and loss	20	188	875		271
Cash and cash equivalents	21	33.833	28.399	10.105	5.044
Total current assets		70.585	65.225	17.067	11.468
TOTAL ASSETS		150.913	145.880	53.599	52.080
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent					
Share capital	22	6.187	6.187	6.187	6.187
Paid-in surplus		22.563	22.563	22.563	22.563
Retained earnings		14.744	12.618	4.061	131
Legal, tax free and special reserves	23	23.546	22.773	5.250	4.657
Other reserves		9.731	9.736	9.802	9.802
		76.770	73.877	47.863	43.340
Minority interest		18.752	17.458		
Total Equity		95.521	91.336	47.863	43.340
Non-Current Liabilities:					
Interest bearing loans and borrowings	25	1.306	504		
Government grants	27	2.880	1.078		
Deferred income taxes	11	3.950	3.997	388	534
Reserve for staff retirement indemnities	26	2.276	2.097	430	430
Provisions		2.036	2.870		
Other long term liabilities		14			
Total non-current liabilities		12.463	10.546	819	964
Current Liabilities:					
Trade accounts payable	28	23.297	19.607	2.441	2.933
Accrued and other current liabilities	29	7.593	8.611	1.478	2.099
Short-term borrowings	30	5.743	7.190		
Income taxes payable		6.296	8.591	999	2.744
Total current liabilities		42.929	43.999	4.918	7.775
TOTAL LIABILITIES AND EQUITY		150.913	145.880	53.599	52.080

The accompanying notes and appendices are an integral part of these consolidated financial statements.





## GOODY'S S.A.

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2005

(All amounts in thousands of Euro, unless otherwise stated)

	Group							
	Attributable to equity holders of the parent						Minority interests	Total equity
	Share capital	Paid-in surplus	Legal, tax free and special reserves	Other reserves	Retained earnings	Total		
Balance, January 1, 2005	6.187	22.563	22.774	9.736	12.618	73.877	17.459	91.336
Profit for the year					9.703	9.703	2.507	12.210
Dividends declared from 2004 statutory profits					(8.140)	(8.140)		(8.140)
Reserve transfers			723	164	(887)			
Effect of adopting IAS 39				(170)	170			
Acquisition			49		1.280	1.329	(1.213)	116
Balance December 31, 2005	6.187	22.563	23.546	9.730	14.744	76.769	18.752	95.522

	Company							
	Share capital	Paid-in surplus	Legal, tax free and special reserves	Other reserves	Retained earnings	Total		
Balance, January 1, 2005	6.187	22.563	4.657	9.802	131	43.340		
Profit for the year					12.662	12.662		
Reserve transfers			593		(593)			
Dividends declared from 2004 statutory profits					(8.140)	(8.140)		
Balance December 31, 2005	6.187	22.563	5.250	9.802	4.061	47.863		

The accompanying notes and appendices are an integral part of these consolidated financial statements.



## GOODY'S A.E.

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2004

(All amounts in thousands of Euro, unless otherwise stated)

	Group							
	Attributable to equity holders of the parent						Minority interests	Total equity
	Share capital	Paid-in surplus	Legal, tax free and special reserves	Other reserves	Retained earnings	Total		
Balance, January 1, 2004	6.187	22.563	21.720	10.462	10.269	71.200	14.733	85.933
Profit for the year					8.340	8.340	2.491	10.831
Transfer to reserves			(2.027)	(726)	3.602	849	235	1.084
Reserves' appropriation			3.081		(3.081)			
Dividends declared from 2003 statutory profits					(6.512)	(6.512)		(6.512)
Balance December 31, 2004	6.187	22.563	22.774	9.736	12.618	73.877	17.459	91.336

	Company							
	Share capital	Paid-in surplus	Legal, tax free and special reserves	Other reserves	Retained earnings	Total		
Balance, January 1, 2004	6.187	22.563	4.964	9.802	(5.412)	38.105		
Profit for the year					11.273	11.273		
Transfer to reserves			(646)		1.120	474		
Reserves' appropriation			338		(338)			
Dividends declared from 2003 statutory profits					(6.512)	(6.512)		
Balance December 31, 2004	6.187	22.563	4.656	9.802	131	43.340		

The accompanying notes and appendices are an integral part of these consolidated financial statements.



## GOODY'S S.A.

## CASH FLOW STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2005 AND 2004

(All amounts in thousands of Euro, unless otherwise stated)

	Group		Company	
	31 - 12 2005	31 - 12 2004	31 - 12 2005	31 - 12 2004
<b>Cash flows from operating activities</b>				
<b>Profit before income taxes</b>	<b>18.731</b>	<b>17.988</b>	<b>13.805</b>	<b>14.021</b>
Depreciation and amortisation	6.067	5.854	613	463
Amortization of government grants	(199)	(83)		
Provisions	586	169	200	26
Povision for bad debts	1.057	(4)	155	
Interest and related income	(539)	(445)	(171)	(124)
Interest and related costs	469	375	5	40
Impairment charge	(833)	362		
Investments valuation adjustment	115	14	1.398	240
Income from investments	(37)	(9)	(8.999)	(8.341)
Profit/(loss) on disposal of investments	(617)	(466)	(444)	(466)
Profit/(Loss) on disposal of property, plant and equipment	(564)	41	(668)	(5)
Losses on equity investees	146	113		
<b>Operating profit before working capital changes</b>	<b>24.381</b>	<b>23.909</b>	<b>5.894</b>	<b>5.853</b>
<b>(Increase)/Decrease in:</b>				
Inventories	(395)	(1.063)	(0)	3
Trade accounts receivable	(2.993)	4.464	(786)	(1.450)
Other receivables and prepayments	1.590	(1.860)	(178)	(138)
<b>(Increase)/Decrease in:</b>				
Trade payables	3.165	(1.415)	(492)	(467)
Other and accrued liabilities	(1.018)	5.039	(661)	1.014
Interest paid	(469)	(375)	(5)	(40)
Income tax paid	(9.143)	(6.458)	(3.067)	(2.608)
Payments for employees' indemnities	(404)		(200)	
Changes in long term liabilities	(534)	107	(59)	(13)
	<b>14.180</b>	<b>22.348</b>	<b>446</b>	<b>2.155</b>
<b>Cash Flows from Investing Activities:</b>				
Capital expenditure for property, plant and equipment	(8.597)	(9.380)	(393)	(450)
Proceeds from disposal of property, plant and equipment	6.410	638	4.101	38
Interest and other related income received	539	445	171	62
Acquisition of investments	(761)		(1.331)	
Disposals of investments	1.081	1.290	765	975
Dividends received from subsidiaries	37	40		
Dividends received from associates			8.999	8.403
Proceeds from disposal of securities	1.041			435
<b>Net Cash used in Investing Activities</b>	<b>(249)</b>	<b>(6.967)</b>	<b>12.746</b>	<b>9.029</b>



## GOODY'S S.A.

## CASH FLOW STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2005 AND 2004

(All amounts in thousands of Euro, unless otherwise stated)

	Group		Company	
	31 - 12 2005	31 - 12 2004	31 - 12 2005	31 - 12 2004
<b>Cash Flows from Financing Activities:</b>				
Proceeds of government grants	2.002			
Net change in short-term borrowings	(1.452)	(1.449)		(3.000)
Proceeds of long-term debt	802	504		
Dividends paid by subsidiary to minority shareholders	(2.078)	(1.983)		
Dividends paid	(8.131)	(6.493)	(8.131)	(6.493)
Minority interest contributions	360	444		
<b>Net Cash used in Financing Activities</b>	<b>(8.497)</b>	<b>(8.978)</b>	<b>(8.131)</b>	<b>(9.493)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>5.434</b>	<b>6.404</b>	<b>5.062</b>	<b>1.690</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>28.399</b>	<b>21.995</b>	<b>5.044</b>	<b>3.353</b>
<b>Cash and cash equivalents at year-end</b>	<b>33.833</b>	<b>28.399</b>	<b>10.105</b>	<b>5.044</b>

The accompanying notes and appendices are an integral part of these consolidated financial statements.

## NOTES TO THE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2005

(Amounts in all tables and notes are presented in thousands of Euro unless otherwise stated)

### 1. CORPORATE INFORMATION:

Goody's Group ("the Group") constitutes a powerful Group that provides products and services in Greece and Europe in the field of restaurant and bars.

The Parent Company ('the Company') of the Group is GOODY'S S.A, which is a societe anonyme that was founded and located in Greece at the address: Settlement Lida-Maria, Thermi Thessaloniki, 570 01.

The Company's shares are subject to trade in the Athens Stock Exchange (ASE).

The Group's average number of employees for the period December 31, 2005 was approximately 1.799 employees and the Company's was 180.

### 2. BASIS OF PRESENTATION:

(a) Basis of Preparation of Financial Statements: The accompanying separate and consolidated financial statements (thereon referred to as financial statements) have been prepared under the historical cost convention, except for derivative financial instruments, available for sale investments and financial assets at fair value through profit and loss which were measured at fair values as of January 1, 2005, (date at which the Group adopted IAS 32/39) and certain categories of Property, Plant and Equipment, which at the date of transition to International Financial Reporting Standards (IFRS), (January 1, 2004), were measured at fair value, and this fair value was used as deemed cost as of the above date. As more fully discussed in Note 2(c), the accompanying financial statements have been prepared in accordance with IFRS (as they have been adopted by European Union) for the first time, by applying IFRS 1 "First-time Adoption of International Financial Reporting Standards" with the transition date being January 1, 2004.

(b) Statutory Financial Statements: GOODY'S S.A. and its Greek subsidiaries through to December 31, 2004 maintained their accounting records and prepared financial statements for statutory purposes in accordance with Greek Corporate Law 2190/1920 and the applicable tax legislation. GOODY'S S.A.'s foreign subsidiary maintains its accounting records and prepares financial statements for statutory purposes in accordance with the applicable laws and regulations of Bulgaria. From

January 1, 2005, onwards the parent Company and its Greek subsidiaries, based on the provisions of applicable legislation are obliged to prepare their statutory financial statements in accordance with the International Financial Reporting Standards that have been adopted by the European Union. However, these entities have the right to continue to maintain their accounting books and records based on the provisions of the Greek tax legislation. Consequently, with respect to the preparation of the consolidated financial statements, the financial statements of the foreign subsidiaries as well as the tax financial statements of the parent and its Greek subsidiaries are appropriately adjusted and reclassified by certain out-of-book adjustments in order to be in conformity with IFRS.

The main out-of-book entries recorded for IFRS purposes on the balance sheet as of January 1, 2004 and the financial statements as of December 31, 2004 are presented in Appendix I.

- (c) First Time Adoption of International Financial Reporting Standards: Pursuant to EU regulation 1606/2002 and according to Law 3229/2004 (as amended by Law 3301/2004) Greek entities listed on any Stock Exchange (foreign or domestic) are required to prepare their statutory financial statements (stand-alone and consolidated) from fiscal years beginning on January 1, 2005, onwards, in accordance with IFRS.

The Group applied IFRS 1 "First Time Adoption of IFRS" in the preparation of the accompanying financial statements, which is the first full set of financial statements IFRS, as the quarterly financial statements of the fiscal year 2005 prepared and published up to now are interim financial statements that were prepared on the basis of IFRS 34 and were in essence provisional in the context that the final assessment and determination of the items was in the accompanying financial statements.

Based on IFRS 1 "First Time Adoption of IFRS", for the preparation of the first financial statements in accordance with IFRS, an entity should apply the IFRS that are in effect at the year end date of the first full financial statements and for all the periods presented along with the transition balance sheet.

Based on the provisions of IFRS 1 "First Time Adoption of IFRS" and, the above mentioned Greek legislation, above entities are obliged to present at least one year of comparative financial statements in accordance with IFRS.

Consequently, all revised or newly issued Standards applicable to the Group and are in effect as at December 31, 2005, were used for the preparation of the current financial statements, the comparative financial statements as of December 31, 2004 as well as the transition balance sheet as of January 1, 2004.

The IFRS 1 "First Time Adoption of IFRS" allows for certain exceptions alternative from the general provisions of the IFRS during the transition period.

The alternatives-exemptions that were used at the transition are the following:

- (i) The Company elected not to apply IFRS 3 "Business Combinations" retrospectively, to business combinations which occurred prior to the transition date to IFRS (January 1, 2004). Consequently, and according to IFRS 1, regarding past business combinations the Group:
  - maintained the same classification as in Greek GAAP financial statements,
  - recognized all assets and liabilities at the date of transition to IFRS that were acquired or assumed in past business combinations other than:
    - certain financial assets and financial liabilities derecognized under previous GAAP and,
    - assets, including goodwill, and liabilities that were not recognized in the consolidated balance sheet under previous GAAP and would also not qualify for recognition under IFRS in the separate balance sheet of the acquiree. These assets and liabilities were measured according with IFRS requirements.
  - Excluded from its opening IFRS consolidated balance sheet any item recognized under previous GAAP that does not qualify for recognition as an asset or liability under IFRS.
  - Preserved the carrying amount of goodwill that was recognized under the previous GAAP.

At the date of transition to IFRS, the Group tested the carrying amounts of goodwill under previous GAAP for impairment, based on the provisions of IAS 36 "Impairment of Assets" and the resulting impairment losses were recognized in retained earnings/(accumulated deficit) as of the above date.

The impairment test was made after the allocation of goodwill in cash generating units, and was based on the conditions existing at the date of transition to IFRS.

- (ii) The group elected to measure its tangible assets the date of transition to IFRS at fair value and used those fair values as deemed cost at that date. The resulted revaluation surplus was recognized in retained earnings/accumulated deficit as of January 1, 2004.
- (iii) with respect to the reserve for staff retirement indemnities, all cumulative actuarial gains and losses were recognized at the date of transition to IFRS. The "corridor approach" was used for the actuarial gains or losses which were incurred during 2004 and subsequently. This exemption was used for all plans existing at the transition date.

- (iv) the cumulative translation differences from the currency translation for all foreign operations were deemed to be zero at the date of transition to IFRS (they were included in retained earnings/(accumulated deficit). The gain or loss on a subsequent disposal of any foreign operation, shall exclude translation differences that arose before the date of transition to IFRS and shall include subsequent translation differences.
- (v) elected to apply the provisions of IAS 32 "Financial Instruments: Disclosure and Presentation and IAS 39 "Financial Instruments: Recognition and Measurement" from January 1, 2005 and not at the IFRS transition date and at the same time maintained the same classification and valuation for instruments included in this standard with the financial statements that were prepared based on Greek GAAP in its comparative financial statements.
- (vi) the estimates made by the Management under IFRS at the date of transition to IFRS were consistent with estimates made for the same date under previous GAAP (after adjustments to reflect any difference in accounting policies), unless there was objective evidence that those estimates were in error.
- (vii) The assets and liabilities of certain foreign subsidiaries which had adopted the IFRS before the parent, have been included in the accompanying consolidated financial statements at the same carrying amounts as that reflected in their separate IFRS financial statements after accounting for consolidation and equity adjustments.
- (d) Approval of Financial Statements: The Board of Directors of GOODY'S S.A.. approved the accompanying stand-alone and consolidated financial statements for the year ended December 31, 2005 on March 9, 2006.
- (e) Use of Estimates: The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results may ultimately differ from those estimates. With respect to significant estimates and judgments made by management in the preparation of the accompanying financial statements please refer to Note 4.

### 3. PRINCIPAL ACCOUNTING POLICIES:

The principal accounting policies adopted in the preparation of the accompanying financial statements, are as follows:

- (a) **Basis of Consolidation:** The accompanying consolidated financial statements of the Company include the accounts of GOODY'S S.A. and all subsidiaries where GOODY'S S.A. has control. Control is presumed to exist when GOODY'S S.A. through direct or indirect ownership retains the majority of voting interest or has the power to control the Board of the investee. Subsidiaries are consolidated from the date on which effective control is acquired by the parent and cease to be consolidated from the date in which control is transferred out of the Group.

All intercompany balances and transactions have been eliminated in the accompanying interim consolidated financial statements. Where necessary, accounting policies for subsidiaries have been revised to ensure consistency with the policies adopted by the Company. A full list of the consolidated subsidiaries together with the related ownership interests is provided in Appendix II.

The consolidated financial statements include the financial statements of a subsidiary (S. Nendos S.A.), in which, although the direct parent owns less than 50% of the voting power, it exercises control through the power to control and appoint the majority of the Board of Directors' members.

- (b) **Investments in Subsidiaries (separate financial statements):** The investments of the parent Company in its consolidated subsidiaries are measured at acquisition cost less any cumulative impairment losses.

- (c) **Investments in Associates:**

- i) **Consolidated financial statements:** The Company's investments in other entities in which GOODY'S exercises significant influence and are not subsidiaries or joint-ventures are accounted for using the equity method. Under this method the investment in associates is recognized at cost in addition to the changes in the percentage of the Company in the associate's equity after the initial date of acquisition less possible provisions for impairment in value. The consolidated statement of income reflects the Company's share of the results of operations of the associate.

- ii) **Separate financial statements:** Investments in associates in the stand-alone financial statements are measured at acquisition cost less any cumulative impairment losses.

- (d) **Functional and Presentation Currency and Foreign Currency Translation:** The functional and presentation currency of GOODY'S S.A. and its Greek subsidiaries is the Euro. Transactions involving other currencies are converted into Euro using the exchange rates which are in effect at the time of the transactions. At the balance sheet dates, monetary assets and liabilities, which are denominated in other currencies, are adjusted to reflect the current exchange rates.

Gains or losses resulting from year-end foreign currency remeasurements are reflected in the accompanying statement of income excluding the transactions that correspond to conditions of compensating cash flows presented in equity.

The functional currency of the Company's foreign subsidiaries is the official currency of the related country in which each subsidiary operates. Accordingly, at each reporting date all balance sheet accounts of these subsidiaries are translated into Euro using the exchange rate in effect at the balance sheet date. Revenues and expenses are translated at the weighted average rate of exchange prevailing during the year/period. The cumulative difference from the above translation is recognized directly in equity until the disposal or derecognition of a subsidiary in which case it is transferred to the consolidated statement of income

- (e) **Intangible Assets:** Intangible assets mainly consist of rights and trademarks that are amortized over their estimated useful lives which are set to five years.

- (f) **Research and Product Development Costs:** Research costs are expensed as incurred. Development expenditure is mainly incurred for developing products. Costs incurred for the development of an individual project are recognized as an intangible asset only when the requirements of IAS 38 "Intangible Assets" are met.

- (g) **Revenue Recognition:** Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognized.

#### Sale of goods

Revenue, net of trade discounts sales incentives and the related VAT, is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer and can be reliably measured.

#### Franchise fees

Franchise fees relate to a subsidiary which establishes and develops quick service restaurants and café bars through the use of franchisees. These fees are recognized to income in the period to which they relate.

#### Interest

Revenue is recognized on the accrual basis of accounting.

- (h) **Property, Plant and Equipment:** Land, buildings and machinery and equipment were measured at their fair value, which was used at the date of transition to IFRS as deemed cost based on the provisions of IFRS 1. Consequently, such items of PPE are stated at historical cost (deemed cost based on the provisions of IFRS 1) less



accumulated depreciation and any impairment in value. Transportation equipment and furniture and fixtures are stated at historical cost less accumulated depreciation and any impairment in value.

As more fully described in Note 13 the Group proceeded to a fair valuation of its land, buildings and machinery and equipment as at January 1, 2004 and these fair values were used as deemed cost at the date of transition to IFRS. The resulted revaluation surplus was credited to retained earnings.

Repairs and maintenance are charged to expenses as incurred. Major improvements are capitalized to the cost of the asset to which they relate when they extend the life, increase the earnings capacity or improve the efficiency of the respective assets.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on derecognition of the asset, is included in the consolidated statement of income in the year the item is derecognized.

- (i) Depreciation: Depreciation is computed based on the straight-line method at rates, which approximately reflect the average useful lives of relative assets.

The useful lives used are as follows:

Classification	Useful Life
Buildings	50 years
Machinery and equipment	20 years
Transportation equipment	6-9 years
Furniture and fixtures	3-6 years

- (j) Goodwill: As more fully described in Notes 2 and 15, goodwill on business combinations which occurred prior to the date of transition to IFRS, was accounted for based on the provisions of IFRS 1, "First Time Adoption of IFRS". Goodwill on acquisitions subsequent to the date of transition to IFRS is initially measured at cost being the excess value of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities assumed. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortized, but it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

As at the acquisition date, any goodwill acquired is allocated to each of the cash-generating units expected to benefit from the combination's synergies. Impairment is determined by assessing the recoverable amount of the cash-generating unit, to which the goodwill relates. Where the recoverable amount of the cash-generating

unit is less than the carrying amount, an impairment loss is recognized. Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

- (k) Impairment of Assets:

**(i) Non Financial Assets:**

With the exception of goodwill and intangibles with indefinite life which are reviewed for impairment at least annually, the carrying values of other non - current assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Whenever the carrying value of an asset exceeds its recoverable amount an impairment loss is recognized in the consolidated statement of income. The recoverable amount is measured as the higher of net selling price and value in use. Net selling price is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, after deducting any direct incremental selling costs, while value in use is the present value of estimated future cash flows expected to arise from continuing use of the asset and from its disposal at the end of its useful life. For the purpose of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows.

**(ii) Financial Assets:**

At each reporting date the Group assesses any potential indicative factor reagrding whether a financial asset or group of financial assets has been impaired.

The financial assets that are reviewed for impairment (provided that the relative indications exist) are assets stated at cost (investments in subsidiaries and associates in stand-alone balance sheet), assets measured at amortized cost based on the effective interest rate method (non current receivables) and available for sale investments.

- (l) Inventories: Inventories are stated at the lower of cost and net realizable value. Cost of finished and semi-finished products includes all costs incurred in bringing inventories to their current location and state of manufacture and comprises raw materials, labour, an applicable amount of production overhead (based on normal operating capacity, but excluding borrowing costs) and packaging. The cost of raw

materials and finished goods are determined based on the weighted average basis. Net realizable value for finished goods is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The net realizable value for raw materials is the estimated replacement cost in the ordinary course of business. Provision for slow moving or obsolete inventories is made when necessary. As at December 31, 2005 and December 31, 2004, there were no inventories measured in their net realizable value.

(m) Accounts Receivable (Credit and Collection): Short term receivables are presented in their nominal value, net of provisions for potential non collectible accounts, while long-term receivables (balances that deviate from the normal credit terms) are measured at amortized cost based on the effective interest rate method. The Company has established criteria for granting credit to customers which are generally based upon the size of the customer's operations and consideration of relevant financial data. Business is generally conducted with such customers under normal terms with collection expected within sixty days after shipment. At each balance sheet date all potentially uncollectible accounts are assessed individually for purposes of determining the appropriate allowance for doubtful accounts. The balance of such allowance for doubtful accounts is appropriately adjusted at each balance sheet date in order to reflect the possible risks. Any amount written-off with respect to customer account balances is charged against the existing allowance for doubtful accounts. It is the Group's policy not to write-off an account until all possible legal action has been exhausted.

(n) Cash and Cash Equivalents: The Group considers time deposits and other highly liquid investments with original maturity of three months or less, to be cash equivalents.

For the purpose of the cash flow statements, cash and cash equivalents consist of cash at hand and in banks and of cash and cash equivalents as defined above.

(o) Interest Bearing Loans and Borrowings: All loans and borrowings are initially recognized at the fair value of the consideration received less directly attributable transaction cost. After initial recognition, loans and borrowings are measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the income statement when the liabilities are derecognized as well as through the amortization process.

(p) Borrowing Costs: Borrowing costs are recognized as an expense in the period in which they are incurred.

(q) Reserve for Staff Retirement Indemnities: Staff retirement obligations are calculated at the discounted value of the future retirement benefits deemed to have accrued at year-end, based on the employees earning retirement benefit rights steadily throughout the working period. Retirement obligations are calculated on the basis of financial and actuarial assumptions detailed in Note 31 and are determined using the projected unit credit actuarial valuation method. Net pension costs for the period are included in payroll in the accompanying consolidated statement of income and consist of the present value of benefits earned in the year, interest cost on the benefit obligation, past service cost, actuarial gains or losses recognized in the fiscal year and any additional pension charges. Past service costs are recognized on a straight-line basis over the average period until the benefits under the plan become vested. Unrecognized actuarial gains or losses that exceed 10% of the projected benefit obligation at the beginning of each period are recognized over the average remaining service period of active employees and included as a component of net pension cost for a year if, as of the beginning of the year. The retirement benefit obligations are not funded.

(r) State Pension: The Company's employees are covered by one of several Greek State sponsored pension funds covering post-retirement pensions and healthcare benefits. Each employee is required to contribute a portion of their monthly salary to the fund, with the Company also contributing a portion. Upon retirement, the pension fund is responsible for paying the employees retirement benefits. As such, the Company has no legal or constructive obligation to pay future benefits under this plan.

(s) Income Taxes (Current and Deferred):

#### (i) Current Income Taxes

Current income taxes are computed based on the separate financial statements of each of the entities included in the consolidated financial statements, in accordance with the tax rules in force in Greece or other tax jurisdictions in which foreign subsidiaries operate. Current income tax expense consists of income taxes for the current year based on each entity's profits as adjusted in its tax returns and, additional income taxes to cover potential tax assessments which are likely to occur from tax audits by the tax authorities, using the enacted or substantively enacted tax rates.

#### (ii) Deferred Income Taxes

Deferred income tax is provided, using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities. Deferred income tax liabilities are recognized for all taxable temporary differences:

- Except where the deferred income tax liability arises from goodwill amortization or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all discounted temporary differences and transferred tax assets and losses, at the time where it is possible that taxable profit will be available which will be used against the discounted temporary differences and the transferred unused taxable assets and losses.

- Except where the deferred income tax liability arises from goodwill amortization or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, except where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future and there will be available taxable profit which will be used against temporary differences.

The deferred tax assets are reviewed at each balance sheet date and reduced at the time where it is not considered as possible that enough taxable profits will be presented against which, a part or the total of assets can be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Income tax relating to items recognized directly in equity is recognized in equity and not in the consolidated statement of income.

- (t) Leases: Finance leases, which transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate

of interest on the remaining balance of the liability. Finance charges are charged directly to income. Capitalized leased assets are depreciated over the shorter of the estimated useful life of the asset or the lease period.

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as an expense in the consolidated statement of income on the straight line basis over the lease period.

- (u) Government Grants: Government grants which primarily relate to the subsidization of property, plant and equipment are recognized where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the consolidated statement of income over the expected useful life of the relevant asset by equal annual installments, against corresponding amortization expense.

When the grant relates to an expense item, it is recognized against these expenses over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

- (v) Provisions and Contingencies: Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle this obligation and a reliable estimate of the amount of the obligation can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the present value of the expenditure expected to be required to settle the obligation. Regarding the provisions that are expected to be settled in the long term when the effect of time value of money is material, provisions are determined by discounting the expected future cash flows at a pretax rate that reflects current market assessments of the time value of money and, where appropriate the risks specific to the liability. Contingent liabilities are not recognized in the consolidated financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the consolidated financial statements but are disclosed when an inflow of economic benefits is probable.

- (w) Treasury shares: Treasury shares are presented at cost as a separate component in equity. On the purchase, sale, issue or cancellation of the treasury shares, the relevant amounts and the result of each act / settlement are recognized directly in equity.

- (x) Earnings per Share: Basic earnings per share (EPS) are computed by dividing net

income by the weighted average number of common shares outstanding during each year, excluding the average number of common shares purchased by the group as treasury shares.

Diluted earnings per share are calculated by dividing the net profit attributable to equity holders of the parent (after deducting interest on convertible shares, net of tax), by the weighted average number of shares outstanding during the year (adjusted for the effect of dilutive convertible shares).

- (y) Segment Reporting: The Group's primary reporting format is business segments and its secondary is geographical segments. The operating businesses are organized and managed separately according to the nature of the products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets.

The Group has two main segments, foods and restaurants and bars segment.

The restaurant and bars segment includes the Company's chain of quick service restaurants, 'Goody's' and its chain of café bars 'Flocafe'.

The food segment includes the activities of subsidiaries companies Hellenic Catering and its subsidiaries Greenfood S.A. and Togias Co., S. Nendos S.A and Hellenic Food Services. The parent Company «GOODY'S S.A» provides services mainly to the other companies of the Group.

Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. The Company's geographical segments are determined by the location of the Company's assets and operations. Given that GOODY'S is activating in abroad as well, the respective sizes are not capable of constituting a segment, therefore the presentation of relative information is not required.

- (z) Investments and other financial assets:

Financial assets in the scope of IAS 39 are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets, as appropriate. When financial assets are recognised initially, they are measured at fair value, plus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs. The Group determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end. All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Group commits to purchase the asset. Regular way

purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

#### (i) Financial assets at fair value through profit or loss

Financial assets classified as held for trading are included in the category 'financial assets at fair value through profit or loss'. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivatives are also classified as held for trading unless they are designated and effective hedging instruments. Gains or losses on investments held for trading are recognised in income.

#### (ii) Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the Group has the positive intention and ability to hold to maturity. Investments intended to be held for an undefined period are not included in this classification. Other long-term investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost. This cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. For investments carried at amortised cost, gains and losses are recognised in income when the investments are derecognised or impaired, as well as through the amortisation process.

#### (iii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in income when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

#### (iv) Available-for-sale financial assets

Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale or are not classified in any of the three preceding categories. After initial recognition available-for-sale financial assets are measured at fair value with gains or losses being recognised as a separate component of equity



until the investment is derecognised or until the investment is determined to be impaired at which time the cumulative gain or loss previously reported in equity is included in the income statement. The fair value of investments that are actively traded in organised financial markets is determined by reference to quoted market bid prices at the close of business on the balance sheet date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument, which is substantially the same; discounted cash flow analysis and option pricing models.

Based on prior GAAP (which the Company applied until December 31, 2004) other investments (except for investments in subsidiaries, affiliates and joint ventures, which would fall into this category of financial assets) need not be classified in the above mentioned groups, and thus are presented in the comparative 2004 balance sheet as "other investments" or "investments available for sale" and they were measured at the lower of cost or current value with the current value defined as follows:

- For the listed entities, the average market value during the last month of each reporting period,
- For non-listed entities, the portion of net equity attributable to the Group's percentage of ownership.

(aa) Derivative Financial Instruments: The Group does not use any derivative financial instruments.

(ab) New Standards and Interpretations: The International Accounting Standards Board, as well as the IFRIC, have already issued a number of new accounting standards and interpretations whose application is mandatory for the periods beginning January 1, 2006 onwards (except if mentioned otherwise below). The Group's assessment regarding the effect of these new standards and interpretations is as follows:

- **IFRS 6: Explorations and Evaluation of mineral reserves:** Not applicable for the Group and will not affect the financial statements.
- **IFRS 7: Financial Instruments: Disclosures:** This standard is in mandatory force for the periods starting from January 1, 2007 and onwards. It is not expected to affect significantly the Group's financial statements. The standard requires mainly additional disclosures regarding financial instruments.
- **IFRIC 3: Emission Rights:** This interpretation was later withdrawn by the International Accounting Standards Board. It does not apply to the Group and will not affect the financial statements.

- **IFRIC 4: Determining whether an arrangement contains a lease:** the application of the Interpretation 4 is not expected to alter the accounting treatment of any of the Group's contracts in force.

- **IFRIC 5: Right to Interest arising from Decommissioning, Restoration and Environmental Rehabilitation Funds:** Not applicable for the Group and will not affect the financial statements.

- **IFRIC 6: Liabilities arising from participating in a specific market – waste electrical and electronic equipment:** Not applicable for the Group and will not affect the financial statements.

- **IFRIC 7:** Applying the restatement approach under IAS 29 financial reporting hyperinflationary economies: Not applicable for the Group and will not affect the financial statements.

- **IFRIC 8: Scope of IFRS 2:** Will not affect the financial statements.

(ac) Effect of first time adoption of IAS 39 "Financial Instruments: Recognition and Measurement": The Company using the provisions of IFRS 1 "First time adoption of IFRS" applied IAS 39 "Financial Instruments: Recognition and Measurement" from January 1, 2005 onwards and not from the transitional date to IFRS.

The cumulative effect of the initial application of IAS 39 was recognized directly in equity as of January 1, 2005 and is reflected separately in the accompanying statement of changes in equity.

(ah) Reclassifications: Certain line items of the previous year's financial statements were reclassified in order to conform to the current year's presentation.

#### 4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The Group proceeds to judgments and estimates in order either to apply the most representative accounting methods and policies or in connection with the future development of transactions and events. Such judgments and estimates are periodically reviewed by management in order to reflect current condition and correspond to anticipation of current risks and are based on prior experience in conjunction to the volume / level of such transactions and events.

The principle judgments and estimates referring to events the development of which could significantly affect the items of the financial statements during the forthcoming twelve months period are as follows:



i) **Goodwill impairment test**

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 December 2005 was €1,700,000 (2004: €200,000). More details are given in Note 15.

ii) **Provisions for income taxes**

Income (current) tax liabilities for the current and prior periods are measured at the amounts expected to be paid to the taxation authorities, using the tax rates that have been enacted by the balance sheet date. Provision for income taxes reported in the respective income tax returns and the potential additional tax assessments that may be imposed by the tax authorities upon settlement of the open tax years. Accordingly, the financial settlement of the income taxes might differ from the income taxes that have been accounted for in the financial statements. Further details are provided in Note 11.

**5. SEGMENT INFORMATION:**

**Information by sector**

	Restaurants and Café bars	Food	Eliminations	Consolidated
<b>2005</b>				
<b>Revenue Segment</b>				
Net sales to external customers	77.370	88.722	(19.836)	146.256
Operating result	8.359	9.261	245	17.865
Financial income/(expense), net	9.253	389	(8.776)	866
Profit before income taxes	17.612	9.651	(8.531)	18.731
Income taxes	(3.111)	(3.410)		(6.521)
<b>Net profit after tax</b>	<b>14.501</b>	<b>6.241</b>	<b>(8.531)</b>	<b>12.210</b>

	Restaurants and Café bars	Food	Eliminations	Consolidated
<b>2004</b>				
<b>Revenue Segment</b>				
Net sales to external customers	76.581	90.797	(19.011)	148.367
Operating result	6.426	11.718	(195)	17.948
Financial income/(expense), net	8.500	768	(9.228)	40
Profit before income taxes	14.925	12.486	(9.423)	17.988
Income taxes	(4.182)	(2.974)		(7.157)
<b>Net profit after tax</b>	<b>10.743</b>	<b>9.512</b>	<b>(9.423)</b>	<b>10.831</b>

**Assets and Liabilities**

	Restaurants and Café bars	Food	Eliminations	Consolidated
<b>31 December 2005</b>				
Tangible fixed assets	26.600	47.593	5.218	79.411
Investments	40.439	5.534	(45.056)	917
Other assets	84.089	45.469	(58.974)	70.585
<b>Total assets</b>	<b>151.129</b>	<b>98.596</b>	<b>(98.811)</b>	<b>150.913</b>
<b>Total liabilities</b>	<b>24.841</b>	<b>35.105</b>	<b>(4.554)</b>	<b>55.392</b>

	Restaurants and Café bars	Food	Eliminations	Consolidated
<b>31 December 2004</b>				
Tangible fixed assets	22.589	46.400	10.259	79.247
Investments	45.445	6.192	(50.305)	1.333
Other assets	22.300	46.673	(3.820)	65.153
<b>Total assets</b>	<b>90.334</b>	<b>99.265</b>	<b>(43.572)</b>	<b>145.880</b>
<b>Total liabilities</b>	<b>24.355</b>	<b>31.169</b>	<b>(831)</b>	<b>54.692</b>

**Other segment information**

	Restaurants and Café bars	Food	Eliminations	Consolidated
<b>2005</b>				
<b>Capital expenditure</b>				
Tangible fixed assets	4.738	3.859		8.597
<b>Depreciation</b>	<b>3.431</b>	<b>2.636</b>		<b>6.067</b>

	Restaurants and Café bars	Food	Eliminations	Consolidated
<b>2004</b>				
<b>Capital expenditure</b>				
Tangible fixed assets	2.193	7.187		9.380
<b>Depreciation</b>	<b>3.178</b>	<b>2.676</b>		<b>5.854</b>

## 6. PAYROLL COST:

Payroll cost in the accompanying financial statements is analyzed as follows:

	The group		The company	
	2005	2004	2005	2004
Wages and salaries	26.186	26.375	4.922	5.080
Social security costs	6.515	7.315	996	998
Staff retirement indemnities	653	471	200	145
<b>Total payroll</b>	<b>33.354</b>	<b>34.161</b>	<b>6.118</b>	<b>6.222</b>
Less: amounts charged to cost of production	(5.354)	(5.266)	(508)	(510)
<b>Payroll expensed (Note 8)</b>	<b>28.000</b>	<b>28.895</b>	<b>5.610</b>	<b>5.712</b>

## 7. DEPRECIATION AND AMORTISATION:

Depreciation and amortization in the accompanying financial statements is analyzed as follows:

	The group		The company	
	2005	2004	2005	2004
Depreciation on property, plant and equipment	6.067	5.854	613	463
Amortization of subsidies (Note 27)	(199)	(83)		
	5.868	5.771	613	463
Less: amounts charged to cost of production	(1.471)	(1.871)		
<b>Depreciation and amortization expensed (Note 8)</b>	<b>4.397</b>	<b>3.900</b>	<b>613</b>	<b>463</b>

## 8. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES:

Selling, general and administrative expenses in the accompanying statement of income are analyzed as follows:

	The group		The company	
	2005	2004	2005	2004
Payroll (Note 6)	28.000	28.895	5.610	5.712
Advertising and promotion costs	8.854	8.661	8.695	8.422
Third party fees	10.302	7.765	1.140	1.169
Depreciation and amortization (Note 7)	4.397	3.900	613	463
Rent expense	6.797	6.482	884	758
Shipping and transportation expenses	1.632	762	71	65
Provision for bad debts	1.057	63	155	
Repairs and maintenance	1.258	1.790	249	132
Third parties costs	1.807	1.818	269	450
Consumables	878	1.259	28	163
Write offs		539		
Other	50	3.064	436	600
<b>Total</b>	<b>65.032</b>	<b>64.999</b>	<b>18.150</b>	<b>17.934</b>

## 9. OTHER INCOME / EXPENSE:

These are analysed as follows:

	The group		The company	
	2005	2004	2005	2004
Services rendered	3.564	4.252	3.786	4.067
Grant amortization	199	83		
Subsidies received	75	92	15	15
Profit /(loss) on disposal of fixed assets	679	(41)	668	(5)
Rents received	93	31	51	
Reversals of prior year provisions	20		19	
Insurance claims	48	34	4	4
Other	189	150	15	12
<b>Total</b>	<b>4.867</b>	<b>4.599</b>	<b>4.559</b>	<b>4.093</b>

## 10. FINANCIAL INCOME/(EXPENSES), NET:

Financial income/(expense), net in the accompanying consolidated statement of income is analyzed as follows:

	The group		The company	
	2005	2004	2005	2004
Interest on loans and borrowings	(47)	(271)		(35)
Loss on valuation / disposal investments	(256)	(21)	(1.398)	(240)
Other financial charges	(1.230)	(106)	(5)	(5)
<b>Total financial expenses</b>	<b>(1.533)</b>	<b>(398)</b>	<b>(1.403)</b>	<b>(280)</b>
Income from investments	617	430	444	466
Interest earned on cash at banks and on time deposits	184	95	164	47
Dividends	1.296	7	8.999	8.402
Other financial income	14	373	7	16
<b>Total financial income</b>	<b>2.111</b>	<b>905</b>	<b>9.614</b>	<b>8.931</b>
<b>Total financial income/ (expense), net</b>	<b>578</b>	<b>507</b>	<b>8.211</b>	<b>8.651</b>

## 11. INCOME TAXES:

According to the tax law, the income tax rate applicable to companies for the year-end 2005 is 32% (35% through December 31, 2004).

In November 2004, a new tax act was approved whereby the corporate tax rate for companies will be gradually reduced from 35% to 25%. Specifically, for fiscal years 2005 and 2006 the tax rate is reduced to 32% and 29%, respectively and from fiscal year 2007 and onwards it is further reduced to 25%.

The provision for income taxes reflected in the accompanying statement of income is analyzed as follows:

	The group		The company	
	2005	2004	2005	2004
<b>Current income taxes:</b>				
- current income tax charge	6.300	8.183	1.319	2.691
- adjustments in respect of current income tax of previous years	370	157	2	
Deferred income taxes	(149)	(1.183)	(179)	57
<b>Total provision for income taxes reported in the consolidated statement of income</b>	<b>6.521</b>	<b>7.157</b>	<b>1.142</b>	<b>2.748</b>

The reconciliation of the provision for income taxes to the amount determined by the

application of the Greek statutory tax rate to pretax income is summarized as follows:

	The group		The company	
	2005	2004	2005	2004
<b>Profit before income taxes</b>	<b>18.731</b>	<b>17.988</b>	<b>13.805</b>	<b>14.021</b>
Income taxes calculated at the nominal applicable tax rate (32% and 35%)	5.994	6.296	4.417	4.907
Additional tax assessments	370	157	2	
Tax effects of non-taxable income and expenses not deductible for tax purposes	319	3.642	(3.255)	(301)
Tax effects of losses from subsidiaries for which no deferred tax asset was recognized	(104)			
Tax effects of profits from subsidiaries taxed at different rates				
Tax effects of deferred tax from change in statutory tax rate	(58)	(2.938)	(23)	(1.859)
<b>Income taxes reported in the statements of income</b>	<b>6.521</b>	<b>7.157</b>	<b>1.142</b>	<b>2.748</b>

Greek tax laws and related regulations are subject to interpretations by the tax authorities. Tax returns are filed annually but the profits or losses declared for tax purposes remain provisional until such time, as the tax authorities examine the returns and the records of the taxpayer and a final assessment is issued. Tax losses, to the extent accepted by the tax authorities, can be used to offset profits of the five fiscal years following the fiscal year to which they relate.

GOODY'S S.A has been audited by the tax authorities through December 31, 2003. With respect to Group 's subsidiaries, their books and records have not been audited by the tax authorities for the certain periods as analyzed in Appendix II.

In a future tax examination of the related unaudited years, additional taxes and penalties may be assessed to Delta Holding S.A. and to its subsidiaries. Pending the outcome of these future tax examinations, the Company, based upon previous years' tax examinations and past interpretations of the tax laws, believes they have provided adequate provisions for probable future tax assessments.

The deferred income taxes relate to the temporary differences between the book values and the tax bases of assets and liabilities and are calculated using the applicable statutory income tax rate.

	The group	The company
Beginning balance , January 1, 2004	(2.584)	300
Charged to the statement of income	1.183	(57)
<b>Ending balance, December 31, 2004</b>	<b>(1,401)</b>	<b>243</b>

	Ο Όμιλος	Η Εταιρεία
Beginning balance , January 1, 2005	(1.401)	243
Credited directly to equity (from the first time adoption of IAS 32 and IAS 39)	(42)	-
Charged to the statement of income	149	179
<b>Ending balance, December 31, 2005</b>	<b>(1.295)</b>	<b>422</b>

Deferred income tax assets and liabilities are disclosed in the accompanying balance sheets as follows:

	The group		The company	
	2005	2004	2005	2004
Property, plant and equipment	(3.432)	(3.670)	148	(93)
Accounts receivable	581	491	39	36
Deferred costs	964	1.092	127	192
Staff retirement indemnities	564	522	108	108
Subsidiaries tax loss carry-forwards	31	99		
Provisions and accrued liabilities	40	64		
Financial assets	(43)			
<b>Gross deferred income tax (liability)</b>	<b>(1.295)</b>	<b>(1.401)</b>	<b>422</b>	<b>243</b>
Less: deferred income tax assets separately classified	(2.655)	(2.596)	(811)	(777)
<b>Net deferred tax liabilities</b>	<b>(3.950)</b>	<b>(3.997)</b>	<b>(389)</b>	<b>(534)</b>

Deferred tax income / (charge) to income statement is analysed as follows:

	The group		The company	
	2005	2004	2005	2004
Property, plant and equipment	238	1.442	241	114
Deferred costs	(128)	(31)	(65)	(134)
Financial assets		(18)		
Staff retirement indemnities	42	(141)		(34)
Subsidiaries tax loss carry-forwards	(68)	102		
Accounts receivable	90	(122)	3	(3)
Provisions and accrued liabilities	(25)	(49)		
<b>Deferred tax income / (charge)</b>	<b>149</b>	<b>1.183</b>	<b>179</b>	<b>(57)</b>

## 12. EARNINGS PER SHARE:

The calculation of basic earnings per share as of December 31, 2005 και 2004, is as follows:

	The group		The company	
	2005	2004	2005	2004
Net profit attributable to equity holders of the parent	9.703	8.340	12.662	11.273
Weighted average number of shares outstanding	16.281	16.281	16.281	16.281
<b>Basic Earnings per share</b>				
<b>Net profit attributable to equity holders of the parent</b>	<b>0,60</b>	<b>0,51</b>	<b>0,78</b>	<b>0,69</b>

## 13. PROPERTY, PLANT AND EQUIPMENT:

Property, plant and equipment is analyzed as follows:

The Group							
	Land	Buildings and installations	Machinery and equipment	Transportation equipment	Furniture and fixtures	Construction in progress (CIP)	Total
<b>COST</b>							
<b>At January 1, 2004</b>	<b>12.323</b>	<b>38.011</b>	<b>14.674</b>	<b>6.664</b>	<b>19.367</b>	<b>4.895</b>	<b>95.935</b>
Additions	6	3.819	3.492	401	2.841	464	11.023
Transfers from CIP	9	2.630	115	(11)	50	(2.792)	
Disposals	(3.161)	(2.760)	(117)	(105)	(694)	(2.426)	(9.264)
Other transfers		(1.377)	(5)		(1.476)	(10)	(2.868)
New consolidated subsidiary		2.705	124	97	2.394		5.319
<b>At December 31, 2005</b>	<b>9.177</b>	<b>43.027</b>	<b>18.284</b>	<b>7.046</b>	<b>22.481</b>	<b>130</b>	<b>100.145</b>
<b>ACCUMULATED DEPRECIATION</b>							
<b>At January 1, 2004</b>		<b>5.227</b>	<b>1.578</b>	<b>4.518</b>	<b>13.227</b>		<b>24.550</b>
Depreciation expense		1.796	1.186	670	2.416		6.067
Disposals		(69)	(54)	(91)	(612)		(826)
Other transfers		(416)			(813)		(1.229)
New consolidated subsidiary		564	71	28	1.318		1.981
<b>At December 31, 2005</b>		<b>7.102</b>	<b>2.781</b>	<b>5.124</b>	<b>15.536</b>		<b>30.543</b>
<b>NET BOOK VALUE</b>							
<b>At December 31, 2005</b>	<b>9.177</b>	<b>35.925</b>	<b>15.503</b>	<b>1.922</b>	<b>6.946</b>	<b>130</b>	<b>69.602</b>

	Land	Buildings and installations	Machinery and equipment	Transportation equipment	Furniture and fixtures	Construction in progress (CIP)	Total
<b>COST</b>							
At January 1, 2004	12.323	36.753	11.561	5.982	18.300	4.502	89.421
Additions		1.318	998	883	1.978	1.186	6.363
Transfers from CIP		1.078	1.250	29	184	(2.541)	
Disposals	(400)	(1.138)	(4)	(230)	(1.095)		(2.866)
New subsidiary	401		869			1.748	3.017
At December 31, 2004	12.323	38.011	14.674	6.664	19.367	4.895	95.935
<b>ACCUMULATED DEPRECIATION</b>							
At January 1, 2004		4.867	466	3.978	11.644		20.955
Depreciation expense		1.268	1.114	726	2.422		5.530
Disposals		(910)	(2)	(187)	(840)		(1.938)
New consolidated subsidiary		1			1		2
At December 31, 2004		5.227	1.578	4.518	13.227		24.550
<b>NET BOOK VALUE</b>							
At December 31, 2004	12.323	32.784	13.096	2.147	6.140	4.895	71.385

<b>The Company</b>							
	Land	Buildings and installations	Machinery and equipment	Transportation equipment	Furniture and fixtures	Construction in progress (CIP)	Total
<b>COST</b>							
At January 1, 2005	3.350	5.940	53	6	3.213	264	12.824
Additions		4		50	339		393
Transfers from CIP		264				(264)	
Disposals	(1.500)	(1.839)			(362)		(3.702)
At December 31, 2005	1.850	4.368	53	56	3.190	0	9.516
<b>ACCUMULATED DEPRECIATION</b>							
At January 1, 2005	-	(501)	(53)	(1)	(2.186)	0	(2.741)
Depreciation expense		(196)		(5)	(413)		(613)
Disposals		44		0	289		332
At December 31, 2005		(653)	(53)	(5)	(2.310)	0	(3.021)
<b>NET BOOK VALUE</b>							
At December 31, 2005	1.850	3.714		50	880	0	6.495

	Land	Buildings and installations	Machinery and equipment	Transportation equipment	Furniture and fixtures	Construction in progress (CIP)	Total
<b>COST</b>							
At January 1, 2004	3.350	5.859	53	0	3.008	144	12.414
Additions		80		6	244	120	450
Transfers from CIP					(40)		(40)
Disposals	3.350	5.940	53	6	3.213	264	12.824
At December 31, 2004							
ACCUMULATED DEPRECIATION	-	(384)	(53)	0	(1.849)		(2.285)
At January 1, 2004		(118)		(1)	(344)		(463)
Depreciation expense					7		7
Disposals		(501)	(53)	(1)	(2.186)		(2.741)
At December 31, 2004							
NET BOOK VALUE	3.350	5.438		5	1.027	264	10.084

Use of fair value as deemed cost: Within 2004, the Company engaged an independent firm of appraisers to conduct a valuation of its plots of land, buildings and machinery and equipment as of January 1, 2004 (transition date of IFRS). The valuations were performed based on various appropriate valuation techniques depending on the nature and usage of the valued items.

The main valuation techniques used were as follows:

- The market approach for the plots of land,
- The market approach and/or income approach for the urban buildings and,
- The depreciated replacement cost method for the industrial buildings and the machinery and equipment.

In addition, the appraisers provided the economic useful lives of the items of property, plant and equipment from the date of acquisition or construction which are set forth in Note 3. Depreciation in the accompanying statements of income has been determined after abstracting from the economic useful life of each fixed asset the years elapsed from the date of acquisition or construction through to the IFRS transition date.

Delta used the fair values determined as above in its opening IFRS balance sheet as deemed cost based on the exemption provided in IFRS 1.

The aggregate adjustments to the respective carrying amounts reported under previous GAAP, by category of fixed assets, are as follows:

	The group	The company
Land	4.371	352
Buildings and installations	5.809	240
Machinery and equipment	5.161	
<b>Total</b>	<b>15.340</b>	<b>592</b>



Tax revaluation of land and buildings: In accordance with Greek tax legislation, land and buildings are revalued every four years based on non industry specific indices that were announced through respective Ministerial Decisions. The latest of these revaluations which was applied in December 31, 2004, was reversed for IFRS reporting purposes on the basis of not meeting the criteria set forth in IAS 16, however, it resulted to an increase of the tax base of the related assets. The net surplus on land and buildings was taxed at 2% and 8%, respectively.

There are no restrictions on title or transfer or other encumbrances on the Company's property. In addition, no item of property, plant and equipment has been pledged as security for liabilities.

As at December 31, 2005 the Group had no contractual commitments for the acquisition of property, plant and equipment (€ 0 as at December 31, 2004).

#### 14. GOODWILL:

The movement of goodwill for the year ended December 31, 2005 in the consolidated financial statements has as follows:

	2005	2004
Beginning balance, January 1	4.306	4.487
Additions	1.795	167
Impairment charge	(11)	(353)
Written of to equity		5
Other	32	
<b>Ending balance, December 31</b>	<b>6.122</b>	<b>4.306</b>

On February 23, 2005, the Company restated its prior GAAP statutory consolidated financial statements for the year ended December 31, 2004, with respect to the reclassification of goodwill on business combinations (mergers and acquisitions) prior to the transition date to IFRS. The total amount of goodwill which initially had been deducted from equity was reclassified to intangible assets in order for the Company to benefit from the provisions of IFRS 1.

The following table illustrates the restatements made to goodwill in the statutory consolidated financial statements as well as the correcting entries made and, the impairment losses recognized against retained earnings on transition date.

With respect to above goodwill and the related business acquisitions and impairment testings the following are reported:

#### Key assumptions used in value in use of calculation of above impairment tests:

Budgeted gross margins: The basis used to determine the value assigned to the budgeted gross margins is the average actual gross margins achieved by each cash-generating unit in the preceding five years period. Specific weight was given to the gross margins of the last two years, as they were estimated to be more representative of the current conditions.

Capital Needs: All the necessary estimated acquisitions of fixed as well as working capital needs were taken into account, based on the latest five years actual needs, in order for the cash-generating units to maintain their production capacity and market share.

Bond rates: The yield on a 10 year Greek government bond rate at the beginning of the budgeted year is utilized and the value assigned to the key assumption is consistent with the external information sources.

#### 15. INVESTMENTS IN ASSOCIATES:

The Company has the following interest in related companies, which due to significant influence are classified as associates and accounted for under the equity method in the consolidated financial statements and cost of acquisition less possible accumulated impairment losses in the separate financial statements:

	% of ownership	Carrying Amount	Principal Activity	Country of Incorporation
Arma Investments S.A.	25%	86	Restaurant/Café bar	Greece
Aristotelous 27 Restaurants Patisseries S.A.	48,85%	71	Restaurant/Café bar	Greece
Café Alcyoni S.A.	35%	41	Restaurant/Café bar	Greece
		<b>198</b>		

The financial data that were taken into account at the valuation of the above participations based on the equity method are :

	% of ownership	Net assets as of 31 December 2005	Net assets attributed to group	Net income/ (loss) for the year
Arma Investments S.A.	25%	345	86	31
Aristotelous 27 Restaurants Patisseries S.A.	48,85%	146	71	(22)
Café Alcyoni S.A.	35%	116	41	(38)
		<b>607</b>	<b>198</b>	<b>(29)</b>

None of the above associates is listed on any Stock Exchange and accordingly, there are no published price quotations for the fair value of these investments.

#### 16. INVESTMENTS AVAILABLE FOR SALE:

Available for sale investments consist of equity participations in unlisted entities which are analyzed below. The available for sale investments are accounted for at cost due to the fact that they are not traded in an active market and their fair value cannot be reliably measured.

	% of ownership	Carrying Amount	Principal Activity	Country of Incorporation
FARA FOODS	20%	102	Restaurant/Café bar	Greece
Ch. Zagarelos & cie	19,32%	18	Restaurant/Café bar	Greece
Ioniki Sfoliata S.A	9,42%	587	Food industry	Greece
Em. Panakaki S.A.	17,82%	12	Food industry	Greece
		<b>719</b>		

	% of ownership	Carrying Amount	Principal Activity	Country of Incorporation
FARA FOODS	20%	102	Restaurant/Café bar	Greece
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Ioniki Sfoliata S.A	9,42%	587	Food industry	Greece
Em. Panakaki S.A.	17,82%	12	Food industry	Greece
Togias & Co.	17,82%	29	Food industry	Greece
		<b>748</b>		

Togias & Co. acquired by the group's subsidiary Hellenic Catering S.A.within the last quarter of 2005 and has been fully consolidated as of 31 December 2005.

#### 17. INVENTORIES:

Inventories are analyzed as follows:

	The group		The company	
	2005	2004	2005	2004
Finished and semi-finished products	1.226	1.412		
Raw materials and supplies	3.708	3.549	16	13
Merchandise	4.697	4.276	29	26
	<b>9.631</b>	<b>9.236</b>	<b>45</b>	<b>39</b>

#### 18. TRADE ACCOUNTS RECEIVABLE:

Trade accounts receivable are analyzed as follows:

	The group		The company	
	2005	2004	2005	2004
Domestic accounts receivable	17.102	16.561	3.835	3.888
Post-dated cheques receivable	4.242	2.185	1.796	958
Drafts receivable	151	179	0	
Less: allowance for doubtful accounts receivable	(2.773)	(1.758)	(268)	(113)
	<b>18.722</b>	<b>17.168</b>	<b>5.363</b>	<b>4.732</b>

#### 19. PREPAYMENTS AND OTHER RECEIVABLES:

Prepayments and other receivables are analyzed as follows:

	The group		The company	
	2005	2004	2005	2004
Prepaid and withholding taxes	3.645	4.187	834	1.269
Advances for inventory purchases	561	1.845	6	
VAT receivable	1.004	589		
Accrued income	37	44	7	
Prepaid expenses	757	1.234	47	15
Other advances and prepayments	303	37	25	
Sundry debtors	1.523	1004	634	90
Other	381	608		7
	<b>8.211</b>	<b>9.547</b>	<b>1.553</b>	<b>1.381</b>

#### 20. FINANCIAL ASSETS AT FAIR VALUES THROUGH PROFIT AND LOSS:

Financial instruments at fair values through profit and loss consist of investments in mutual funds and equity participations which are analyzed as follows:

	The group		The company	
	2005	2004	2005	2004
Opening balance, January 1	552	1.278	272	664
Additions	(1)			
Disposals	(382)		(272)	
Fair value adjustments	20	(403)		(392)
	<b>188</b>	<b>875</b>		<b>272</b>

## 21. CASH AND CASH EQUIVALENTS:

Cash and cash equivalents are analyzed as follows:

	The group		The company	
	2005	2004	2005	2004
Cash in hand	4.155	381	891	32
Cash at banks	29.679	28.018	9.214	5.012
	33.833	28.399	10.105	5.044

Cash at banks interest at floating rates based on monthly bank deposits rates. Interest earned on cash at banks and time deposits is accounted for on an accrual basis and amounted to €184 for the year ended at December 31, 2005 (2004: €164) and is included in financial income/(expense), net in the accompanying statement of income.

## 22. SHARE CAPITAL:

At December 31, 2005 and at December 31, 2004, the Company's share capital amounted to € 6,187 and comprised of 16,280,501 bearer shares of € 0.38 per value each.

## 23. LEGAL, TAX FREE AND SPECIAL RESERVES:

Legal, tax free and special reserves are analyzed as follows:

	The group		The company	
	2005	2004	2005	2004
Legal reserve	4.731	3.898	1.814	1.344
Tax free and special reserves	18.902	18.864	3.432	3.308
Fair value reserve	(167)			
Other reserves	80	11	5	5
	23.546	22.773	5.250	4.657

**Legal Reserve:** Under Greek corporate law, corporations are required to transfer a minimum of 5% of their annual net profit as reflected in their statutory books to a legal reserve, until such reserve equals one-third of the outstanding share capital. The above reserve cannot be distributed during the existence of the Company.

**Tax Free and Specially Taxed Reserves:** Tax free and specially taxed reserves represent interest income and investments sales of non listed entities in the stock exchange which

are non taxable or has been specially taxed at source. Except for the prepaid taxes, these reserves are subject to taxation in case of their distribution. This income is not taxable, assuming there are adequate profits from which the respective tax free reserves can be established. According to the Greek tax regulations, this reserve is exempt from income tax, provided it is not distributed to shareholders. The Company has no intention of distributing this reserve and, accordingly, has not provided for deferred income tax.

**Special Reserves:** Special reserves are not distributed to the shareholders based on the special provisions of laws (under the condition that there are enough profits for their formation). These reserves relate mainly to investments and are not distributed and, accordingly, the Company, has not provided for deferred income tax.

## 24. DIVIDENDS:

Under Greek corporate law, companies are required each year to declare from their statutory profits, dividends of at least 35% of after-tax statutory profit, after allowing for legal reserve, or a minimum of 6% of the paid-in share capital, whichever is greater. With the unanimous consent of all shareholders, a company may not declare any dividend.

Furthermore, Greek corporate law requires certain conditions to be met before dividends can be distributed, which are as follows:

- No dividends can be distributed to the shareholders as long as the company's net equity, as reflected in the statutory financial statements, is, or after such distribution, will be less than the outstanding capital plus non-distributable reserves and,
- No dividends can be distributed to the shareholders as long as the unamortized balance of "Preoperating Expenses," as reflected in the statutory financial statements exceeds the aggregate of distributable reserves plus retained earnings.

On March 4, 2006, the Company's Board of Directors proposed a dividend distribution of € 8.140 (€ 0.50 per share). The proposal of the Board of Directors is subject to the approval of the Annual General Assembly meeting.

## 25. LONG-TERM LOANS:

The long-term loans of December 31, 2005 and 2004 are analyzed as follows :

	The group		The company	
	2005	2004	2005	2004
Bank long term loan	1.306	504		
	<b>1.306</b>	<b>504</b>		

The above loan is in Euro and the average interest rate at December 31, 2005 and at December 31, 2004 is 4,13% (2004: 4,10%).

## 26. PENSION AND STAFF RETIREMENT INDEMNITIES:

- (a) State Pension: The Group's and the parent's contributions to the state pension funds for the year ended December 31, 2005, that have been charged to the income statement recorded to expenses and were € 6.515 and € 996 respectively, for the Group and the Company (€ 7.315 and € 998 respectively for the period ended December 31, 2004).
- (b) Staff Retirement Indemnities: Under the labour law of the countries in which the Group operates, employees and workers are entitled to various types of termination payments in the event of dismissal or retirement. In respect with the Greek subsidiaries (that consist the largest part of the Group's activities) the amount of compensation varies according to the salary, the years of services and the manner of termination (dismissal or retirement) of the employee. Employees or workers who resign or are dismissed with cause are not entitled to termination payments. The indemnity payable in case of retirement is equal to 40% of the amount which would be payable upon dismissal without cause. In Greece, local practice is that such termination schemes are not funded and they represent defined benefit plans according to IAS 19. In accordance with this practice, the Company does not fund these plans. The Group charges operations for benefits earned in each period with a corresponding increase in the respective actuarial liability. Benefits payments made during each period to retirees are charged against this liability.

The movement in the net liability in the accompanying consolidated balance sheets has as follows:

	The group		The company	
	2005	2004	2005	2004
<b>Net liability at beginning of the year/period</b>	<b>2.097</b>	<b>1.920</b>	<b>430</b>	<b>404</b>
Actual benefits paid - continuing operations	(473)	(294)	(200)	(119)
Total expenses recognised in the consolidated statement of income	653	471	200	145
<b>Total actual benefits paid</b>	<b>2.276</b>	<b>2.097</b>	<b>430</b>	<b>430</b>

An independent international actuary firm assessed the Group's liabilities arising from the obligation to pay termination indemnities. The details and principal assumptions of the actuarial study as at December 31, 2005 and 2004 have as follows:

	The group		The company	
	2005	2004	2005	2004
Present value of unfunded obligations	2.598	2.018	551	433
Unrecognised actuarial net loss	-321	79	-121	-3
<b>Net liability in balance sheet</b>	<b>2.276</b>	<b>2.097</b>	<b>430</b>	<b>430</b>
<b>Components of net periodic pension cost:</b>				
Service cost	232	235	56	53
Interest cost	100	94	22	20
<b>Regular charge to operations</b>	<b>332</b>	<b>329</b>	<b>78</b>	<b>73</b>
Additional cost of extra benefits	254	120	122	36
<b>Total charge to operations</b>	<b>585</b>	<b>448</b>	<b>200</b>	<b>109</b>
<b>Reconciliation of benefit obligation:</b>				
Net liability at start of period	2.045	1.920	433	404
Service cost	232	235	56	53
Interest cost	100	94	22	20
Benefits paid	-444	-258	-200	-83
Additional cost of extra benefits	254	120	122	36
Actuarial loss	412	-92	119	3
<b>Present value of obligation at the end of the year</b>	<b>2.598</b>	<b>2.018</b>	<b>551</b>	<b>433</b>

<b>Principal Assumptions:</b>	<b>2005</b>	<b>2004</b>
Discount rate	4.0%	5.0%
Rate of compensation increase	4.5%	4.5%
<b>Increase in consumer price index</b>	<b>2.5%</b>	<b>2.5%</b>

The additional cost of extra benefits relate to benefits paid to employees who became redundant. Most of these benefits were not expected within the terms of this plan and, accordingly, the excess of benefit payments over existing reserves has been treated as an additional pension charge. The additional pension charge for the continuing operations as at December 31, 2005, amounted to € 254 for the Group and to € 122 for the parent.

## 27. GOVERNMENT GRANTS:

The movement of government grants during for the year ended December 31, 2005 and 2004, was as follows:

	The group	The company
Balance January 1, 2005	1.078	-
Additions	2.002	-
Amortization (Note 7)	(199)	-
<b>Balance December 31, 2005</b>	<b>2.880</b>	<b>-</b>
Balance January 1, 2004	1.089	-
Additions	72	-
Amortization (note 7)	(83)	-
<b>Balance December 31, 2004</b>	<b>1.078</b>	<b>-</b>

## 28. TRADE ACCOUNTS PAYABLE:

Trade accounts payable are analyzed as follows:

	The group		The company	
	2005	2004	2005	2004
Suppliers	13.658	10.614	2.438	2.928
Post-dated cheques payable	9.638	8.993	2	4
<b>Total</b>	<b>23.297</b>	<b>19.607</b>	<b>2.441</b>	<b>2.933</b>

## 29. ACCRUED AND OTHER CURRENT LIABILITIES:

The amount reflected in the accompanying balance sheets is analyzed as follows:

	The group		The company	
	2005	2004	2005	2004
Social security payable	1.649	1.577	223	223
Accrued expenses	899	1.131	117	245
VAT payable	959	943	570	568
Withholding taxes	1.428	1.570	207	438
Dividends payable	29	19	29	19
Deferred income	218	343	213	343
Sundry creditors	1.817	2.169	119	263
Other	630	869	-	-
	<b>7.628</b>	<b>8.622</b>	<b>1.478</b>	<b>2.099</b>

## 30. SHORT-TERM LOANS:

Short-term borrowings are draw-downs under various lines of credit maintained by the Company with several banks. The use of these facilities is presented below:

	The group		The company	
	2005	2004	2005	2004
Short term borrowings	5.708	7.179	-	-
Overdrafts	35	11	-	-
	<b>5.743</b>	<b>7.190</b>		

Short-term borrowings throughout the period were denominated in Euros. The weighted average interest rate on short-term borrowings as of December 31 2005, was 4.46% (4.64% as of December 31, 2004).

Interest on short-term borrowings for the period ended June 30, 2005, totaled € 152 and is included in interest expense in the accompanying consolidated statement of income.

## 31. RELATED PARTY DISCLOSURES:

### i) Transactions with related parties:

The consolidated financial statements include the financial statements of GOODY'S S.A. and its subsidiaries listed in Appendix II. The Company has also investments in associates which are presented in Note 15. GOODY'S S.A. is a subsidiary of Delta Holding S.A., as the majority of the share capital (71,05% of its common shares as of December 31, 2005) is owned by Delta Holding S.A.

GOODY'S S.A. purchases goods and services from and makes sales of goods to certain related companies in the ordinary course of business. Such related companies consist of associates or companies, which have common ownership and/or management with Delta Holdings S.A..



Account balances with associates are as follows:

The company		
<b>Due from group companies:</b>	<b>2005</b>	<b>2004</b>
S. NENDOS S.A.	33	36
BALKAN RESTAURANTS S.A	19	9
ENDEKA S.A	64	9
PARALIA RESTAURANTS	3	3
EUKARPIA RESTAURANTS	10	10
MEGARA RESTAURANTS	52	50
PANORAMA RESTAURANTS	8	8
ZEUXI RESTAURANTS	46	30
SERRES RESTAURANTS	17	18
DRAMA RESTAURANTS	12	12
KAVALA RESTAURANTS	13	14
HARILAOU RESTAURANTS	11	11
NAFPLIOS S.A.	7	7
SARANTA RESTAURANTS	13	35
MAROUSSI RESTAURANTS	14	14
GEFSIPLOIA RESTAURANTS S.A.	32	20
HOLLYWOOD S.A.	37	36
MALIAKOS RESTAURANTS	11	11
ESPRESSO CAFÉ SA	33	12
VRILISSIA RESTAURANTS SA	14	45
ATHINAICA RESTAURANTS S.A.	12	11
EXARCHIA RESTAURANTS S.A.	4	21
VOLOS BEACH RESTAURANTS SA	15	14
PAGRATI RESTAURANTS S.A.	46	16
VEROIA RESTAURANTS	4	5
TEMPI RESTAURANTS S.A.	96	
KIFISIAS AV. RESTAURANTS S.A.	0	84
KIFISIA RESTAURANT CAFÉ S.A.	505	33
LARISSA RESTAURANTS		17
ARISTOPHANES RESTAURANTS SA		14
DIASTATHMOS RESTAURANTS		18
EAST CRETE RESTAURANTS SA		2
PEIRAEUS RESTAURANTS		13
SEA PEANIAS	49	
	<b>1.209</b>	<b>639</b>
<b>Due to group companies:</b>	<b>2005</b>	<b>2004</b>
HELLENIC CATERING A.E	148	104
S. NENDOS S.A.	10	9
ENDEKA S.A.	2	
PARALIA RESTAURANTS		12
TEMPI RESTAURANTS S.A.		7
	<b>160</b>	<b>140</b>

<b>Due/received from related companies:</b>	<b>2005</b>	<b>2004</b>
DELTA HOLDING S.A.	(23)	(8)
ARMA INVESTMENTS	7	8
VOLOS RESTAURANTS S.A.		14
NEA MAKRI RESTAURANTS S.A.	5	5
ARISTOTELOUS 27 RESTAURANT S.A	9	8
DESMOS DEVELOPMENT S.A.	7	
MARINA ZEAS RESTAURANT S.A	35	30
AKTI DIMAION RESTAURANTS		13
CAFÉ ALKIONI S.A.	10	5
CAFÉ THISIO		3
KORTHELIO RESTAURANTS		6
KILKIS RESTAURANTS		15
	<b>50</b>	<b>99</b>

Transactions of the company and the GOODY'S group of companies with associates for the years ended December 31, 2005 and 2004 are analyzed as follows:

#### 2005:

	Goods	Services	Other
<b>Sales to / revenues from:</b>			
ARMA INVESTMENTS		81	
NEA MAKRI RESTAURANTS S.A.		54	
ARISTOTELOUS 27 RESTAURANT S.A		25	
DESMOS DEVELOPMENT S.A.		70	
CAFÉ ALKIONI S.A.		48	
		<b>278</b>	

	Goods	Services	Other
<b>Purchases from:</b>			
DELTA HOLDING S.A.			193

#### 2004:

	Goods	Services	Other
<b>Sales to / revenues from:</b>			
ARMA INVESTMENTS		84	
VOLOS RESTAURANTS S.A.		111	
NEA MAKRI RESTAURANTS S.A.		50	
ARISTOTELOUS 27 RESTAURANT S.A		32	
DESMOS DEVELOPMENT S.A.			
AKTI DIMAION RESTAURANTS		100	
CAFÉ ALKIONI S.A.		49	
CAFÉ THISIO		46	
KORTHELIO RESTAURANTS		55	
KILKIS RESTAURANTS		39	
		<b>564</b>	

	Goods	Services	Other
<b>Purchases from:</b>			
DELTA HOLDING S.A.		131	
ARMA INVESTMENTS	1		
CAFÉ ALKIONI S.A.	1		
	<u>2</u>	<u>131</u>	

Sales and services rendered to related parties are made at normal market prices. Outstanding balances at year-end are unsecured and settlement occurs in cash. No related guarantees have been provided or received for the above receivables. For the period ended December 31, 2005 and 2004, the Company has not raised any provision for doubtful debts relating to amounts owed by related parties.

## 32. MANAGEMENT OF FINANCIAL RISKS

- i) **Concentration of credit risk:** The Company does not have significant concentration of credit risk with any of its counterparties.

The major exposure on credit risk is reflected from the amount of each asset, including derivative financial instruments.

With respect to derivative financial instruments, the Group monitors its positions, the credit classification of the contractors and the amounts of the contracts that it signs with each of them.

The Group's policy is to sign agreements with contractors that satisfy high criteria, while, considering the high level of credibility of the counterparties, does not believe that the issuance of any guarantee is required.

- (ii) **Fair Value:** The amounts presented in the accompanying balance sheets for cash, assets and short-term liabilities, approach their respective fair values due to their short-term maturities.

The fair values of the investments that are listed in stock exchanges are based on stock prices at the date of the preparation of the balance sheet. The fair values of derivatives are based on market valuation.

For all derivatives, the fair values are confirmed by the credit institutions with which the Group has signed the relevant agreements.

- (iii) **Interest rate and Foreign Exchange Risk:** With respect to long-term loans, Management monitors on a constant basis the variances of the currency exchange rates and the interest rates and evaluates the need for assuming certain positions for the hedging of such risks.

Under this scope, it signs agreements of cross currency and interest rate swaps and other agreements ("derivatives") in order to minimize the extent of its exposure to the fluctuation in interest rates and currency exchange rates.

## 33. CONTINGENCIES AND COMMITMENTS:

- (a) **Litigation and claims:**

There are no lawsuits or arbitration proceedings that have material effect on the Company's and its subsidiaries consolidated financial position or results of operations.

- (b) **Commitments:**

### Guarantees:

The Company has the following contingent liabilities at September 30, 2005:

- It has issued letters of guarantee for good performance for a total amount of € 271.
- It has provided guarantees for repayment of bank overdrafts and commercial liabilities of various subsidiaries and associates aggregating to € 4.546.
- It has provided guarantees for good performance of subsidized investment programs aggregating to € 285.

### (ii) Operating Lease Commitments:

As of December 31, 2005, the Company has entered into a number of operating lease agreements relating to the rental of buildings and transportation equipment which expire on various dates.

Rental expense included in the accompanying consolidated statement of income for the year ended December 31, 2005, amounted to € 6.797 and € 884 for the group and the Company respectively (€ 6.482 and € 758 as at December 31, 2004 for the group and the company respectively).

Future minimum rentals payable under non-cancelable operating leases as at December 31, 2005, are as follows:

	Group	Company
Within one year	6.906	764
2-5 years	31.722	3.410
After 5 years	32.830	4.015
<b>Total</b>	<b>71.458</b>	<b>8.119</b>

### (iii) Capital Commitments:

As at December 31, 2005 the Group had no capital commitments (€ 0 as at December 31, 2004).

### 34. Subsequent events:

Merger through absorption Delta Holding S.A.

On December 17, 2005 the BOD of GOODY'S S.A. announced the decision to merge by absorption with its parent Delta Holdings S.A. according to the provisions of Law 2166/1993. The date of December 31, 2005 was determined as the conversion date of Balance Sheets. The shareholders of the company will exchange one share (1) of their shares by 1,05 shares of Delta Holding S.A.

The merger is estimated to be completed by July 2006 and is not expected to affect to the consolidated equity and Group's results.

Thessaloniki, 4/3/2006

THE PRESIDENT	THE MANAGING DIRECTOR	THE CHIEF FINANCIAL MANAGER
ACHILLEAS FOLLIAS I.D.CART NO. AA 252907	SOTIRIOS SEIMANIDIS I.D.CART NO. T 094305	NIKOLAOS MARKOPOULOS I.D.CART NO. Φ 090423
THE FINANCE MANAGER	THE CHIEF ACCOUNTANT	
CASSANDRA GASPARIDOU LIC. NO. 0005772	PELAGIA POLYMENOPOULOU LIC. NO. 0005645	



GOODY'S S.A.

### APPENDIX I

### IFRS TO GREEK GAAP RECONCILIATION TABLES

TOTAL EQUITY RECONCILIATION BETWEEN GREEK GAAP AND IFRS AS OF 1/1/2004 AND 1/1/2005				
	GROUP		COMPANY	
(amounts are expressed in thousands of Euro)	1-01-05	1-01-04	1-01-05	1-01-04
<b>Total equity as previously presented in accordance with Greek GAAP</b>	<b>90.020</b>	<b>85.717</b>	<b>43.474</b>	<b>44.472</b>
Derecognition of previously recognised intangible assets	(4.309)	(4.084)	(706)	(932)
Provision for employees' termination benefits	(2.097)	(1.918)	(430)	(404)
Revaluation surplus from land and buildings	15.142	15.340	372	592
Impairment charge on investments in associates	(541)	(537)	(5.024)	(9.617)
Provisions and accrued expenses	(1.758)	656	(113)	(113)
Adjustment to minority interest	(542)	(2.474)	0	0
Reclassification of grants to deferred income	(1.078)	(1.161)	0	0
Effect of deferred taxation	(1.442)	(2.584)	243	300
Reversal of proposed dividend	8.140	6.512	8.140	6.512
Impairment of goodwill	(8.927)	(8.573)	(2.375)	(2.545)
Other adjustments	(1.274)	(961)	(240)	(160)
<b>Total adjustments</b>	<b>1.316</b>	<b>216</b>	<b>(134)</b>	<b>(6.367)</b>
<b>Total equity in accordance with IFRS</b>	<b>91.336</b>	<b>85.933</b>	<b>43.340</b>	<b>38.105</b>

- (1) Within the second quarter of 2005, the Company accounted for in its standalone financial statements the accumulated impairment losses with respect to its investments in associates, in accordance with the provisions of IAS 27, which requires such investments to be presented at cost less any impairment loss. The resulted valuation adjustment was made, in accordance with IAS 8 "Accounting policies, change in accounting estimates and errors", with correcting the prior year retained earnings.

The cumulative effect from this valuation adjustment which was related to periods before 1 January 2004 -the transition date- deducted from the opening retained earnings as of that date, whereas subsequent corrections were accounted for in the years/periods as they occurred.

As a result, the Company's balance sheets as of 1 January 2004 and as of 31 January 2004 were modified in comparison with those that were previously presented in the published financial statements of the first quarter 2005.

The effect of the above explained adjustments to the Company's net equity amounts to the attached standalone balance sheets as of 1 January 2004 and as of 31 January 2004, was the deduction from the respective amounts of the first quarter 2005 of € 9.617 and € 5.024 respectively.

RECONCILIATION OF THE NET PROFITS FOR THE NINE MONTH PERIOD ENDED AS OF 30/06/2004 BETWEEN GREEK GAAP AND IFRS		
	GROUP	COMPANY
(amounts are expressed in thousands of Euro)	2004	2004
<b>Net profit as as previously presented in accordance with Greek GAAP</b>	<b>10.113</b>	<b>6.403</b>
Derecognition of intangible assets	(767)	226
Provision for employees' termination benefits	(169)	(26)
Adjustment to depreciation based on the assets's useful lives	717	45
Adjustment to grants' depreciation	(42)	
Impairment of investments in associates	(353)	4.593
Provision for doubtful debts	(6)	
Provision for income tax for the period	(130)	(80)
Effect of deferred taxation	1.324	(57)
Impairment of goodwill	170	170
Additional elimination entries on consolidation		
Other adjustments	(26)	
<b>Total adjustments</b>	<b>718</b>	<b>4.870</b>
<b>Net profit in accordance with IFRS</b>	<b>10.831</b>	<b>11.273</b>



GOODY'S S.A.  
APPENDIX II

SUBSIDIARIES OF GOODY'S S.A. AND TAX UNAUDITED YEARS BY ENTITY			
	% holding	Country of Incorporation	Unaudited Periods
(a)Subsidiaries of GOODY'S S.A.			
1. GOODY'S S.A.(parent company)		Greece	2002-2004
2. HELLENIC CATERING A.E.	98.15%	Greece	2001-2004
3. HELLENIC FOOD SERVICE A.E.	89.12%	Greece	2001-2004
4. Kifisias Ave. Restaurants S.A.	100,00%	Greece	2003-2004
5. S. Nendos S.A.	31.41%	Greece	2000-2004
6. BALKAN RESTAURANTS S.A.	100,00%	Bulgaria	1999-2004
7. Naflios S.A.	94.70%	Greece	1999-2004
8. Gefsiplioia S.A.	51.00%	Greece	2003-2004
9. Paralia Café-Patisseries S.A.	82.59%	Greece	1999-2004
10. Harilaou Restaurants S.A.	51.00%	Greece	2003-2004
11. Marousi Restaurants S.A.	60.00%	Greece	2003-2004
13. Endeka S.A.	100,00%	Greece	2003-2004
14. Kavala Restaurants S.A.	51.00%	Greece	2003-2004
15. Efharpia Restaurants S.A.	51.00%	Greece	2003-2004
16. Panorama Restaurants S.A.	51.00%	Greece	2003-2004
17. Drama Restaurants-Patisseries S.A.	50.05%	Greece	2003-2004
18. Serres Restaurants-Patisseries S.A.	50.05%	Greece	2003-2004
19. Megara Restaurants-Patisseries S.A.	59.05%	Greece	2003-2004
Diastathmos Restaurants-Patisseries S.A. (merged by absorption with Megara S.A.)			
20. Saranda S.A.	92.17%	Greece	2003-2004
22. Maliakos Restaurants S.A.	75.00%	Greece	2003-2004
23. Café Espresso S.A.	65.00%	Greece	2003-2004
25. Vrilisia Café-Patisseries S.A.	50,70%	Greece	2003-2004
26. Kifisia Café-Patisseries S.A.	50.10%	Greece	2004
27. Athenian Café-Patisseries S.A.	100,00%	Greece	2003-2004
28. Exarchia Café-Patisseries S.A.	90,60%	Greece	2003-2004
29. Volos Coast Restaurants S.A.	50.01%	Greece	2003-2004
30. Pagrati Technical and Catering Company	100,00%	Greece	2002-2004
Aristophanes Restaurants-Patisseries S.A. (merged by absorption with Pangrati S.A.)			
31. Eastern Crete Restaurants-Patisseries S.A.	60,00%	Greece	2004
32. Veria Café-Patisseries S.A.	70,00%	Greece	2004
33. Tembi Café-Patisseries S.A.	52.10%	Greece	2004
Larissis Restaurants S.A. (merged by absorption with Tempi S.A.)			
34. Greenfood S.A.	58.89%	Greece	2003-2004
35. Hellenic Food Investments S.A	50,10%	Greece	2003-2004
36. Neratziotissa Restaurant S.A.	73,33%	Greece	Incorporated 2005
33. Ch. Togias & cie Co.	72,50%	Greece	2003-2004
(b) Subsidiaries of HELLENIC FOOD INVESTMENTS S.A.			
1. Paiania Restaurants-Patisseries S.A.	90,00%	Greece	2004
2. Pieraeus Restaurants S.A. (merged by absorption with Hollywood S.A.)	100,00%	Greece	2003-2004
3. Hollywood Restaurants-Patisseries S.A.	92,00%	Greece	2003-2004
4. Zefxi Restaurants-Patisseries S.A.	94,45%	Greece	2003-2004
5. Dymeon Beach Restaurants-Patisseries S.A. (merged by absorption with Zefxi S.A.)	100,00%	Greece	2002-2004
6. Syngrou Restaurants S.A.	70,00%	Greece	Incorporated 2005
The following companies are consolidated through the equity method:			
1. Arma Investments S.A.	25,00%	Greece	
3. FAST FOOD N. Makri S.A. Restaurants	30,00%	Greece	
4. Aristotelous 27 Restaurants Patisseries S.A.	48,85%	Greece	
5. Desmos Development S.A.	30,00%	Greece	
6. Alkioni Café/ Restaurants S.A.	35,00%	Greece	
7. Marina Zeas Café. Patisseries S.A.	50,00%	Greece	



GOODY'S A.E.

6. DATA AND INFORMATION OF FINANCIAL STATEMENTS



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Note 8 of the Annual Financial Statement "Data & Information 1-1-05 to 31-12-05", as it was published on 14-3-06, has been amended as follows :

8. The amounts of sales and purchases from the beginning of the fiscal year and the balances of receivables and payables of the Group and the company at the end of the current year from its transactions with its related parties, as they are defined by IAS 24 (which are the subsidiaries of Goody's Group, the companies of Goody's Group which are consolidated with the equity method, as well as the companies of DELTA Group, since the majority of 71,05% of Goody's common shares belong to DELTA HOLDINGS S.A.) are the following :

Group : i) Sales of goods and services 2.120.193,58 euro, ii) Purchases of goods and services 3.586.163,70 euro, iii) Receivables from related parties 919.397,53 euro, iv) Payables to related parties 932.653,64 euro.

Company : i) Sales of goods and services 4.592.468,43 euro, ii) Purchases of goods and services 1.957.196,91 euro, iii) Receivables from related parties 1.285.294,41 euro, iv) Payables to related parties 182.918,91 euro.

GOODY'S S.A. DELTAS HOLDINGS S.A. Consolidated Financial Statements Amounts are expressed in the Million Euro currency for 2005 10 months data					The Group The Company				
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GOODY'S A.E.

7. REPORT OF TRANSACTIONS WITH RELATED COMPANIES

REPORT OF THE BOARD OF DIRECTORS  
GOODY' S RESTAURANTS AND CATERING SERVICES S.A.

FOR THE TRANSACTIONS OF THE COMPANY OF YEAR 2005  
WITH ITS RELATED COMPANIES  
of art. 42e par. 5 of law 2190/1920

ACCORDING TO LAW 3016, ARTICLE 2, PARAGRAPH 4, WE PRESENT YOU THE ACTIVITY  
OF COMPANY "GOODY'S RESTAURANT AND CATERING SERVICES S.A." WITH ITS  
RELATED COMPANIES.

- The company «GOODY' S S.A.» made sales of services of euro 4,279,181.85 to its  
following subsidiaries according to signed franchising contracts :

COMPANY	PARTICIPATION PERCENTAGE	INCOME
1 BALKAN RESTAURANTS S.A.	100,000%	11.121,95
2 NAFPLIOS S.A.	45,511%	39.125,87
3 KAFEZAX. PARALIAS S.A.	25,000%	39.203,40
4 EST. HARILAOU S.A.	51,002%	97.897,85
5 EST. AMAROUSIOU S.A.	60,000%	118.774,60
6 ENDEKA S.A.	100,000%	68.703,24
7 EST. KAVALAS S.A.	51,000%	123.738,13
8 EST. ZAX. ZEFKSI S.A.*	50,101%	324.055,05
9 EST. EFKARPIAS S.A.	51,000%	73.895,17
10 EST. PANORAMATOS S.A.	51,000%	76.883,43
11 EST. ZAX. DRAMAS S.A.	50,050%	91.693,49
12 EST. ZAX. SERRON S.A.	50,050%	129.045,40
13 EST. ZAX. L. KIFISIAS S.A.	100,000%	6.904,60
14 EST. ZAX. MEGARON S.A.	56,249%	628.767,93
15 SARANTA S.A.	95,263%	118.620,76
16 EST. ZAX. GEFSIPLOIA S.A.	51,000%	669.069,69
17 EST. ZAX.HOLLYWOOD SA*	52,000%	380.827,69
18 EST. MALIAKOU S.A.	51,000%	93.823,17
19 KAFE ESPRESSO S.A.	65,001%	17.805,73
20 KAFEZAX. VRILISSION S.A.	50,075%	69.800,99
21 ATHINAIKA KAFESTIATORIA AEVE	90,251%	87.028,08
22 EST. PARALIAS VOLOU S.A.	50,010%	147.185,19
23 KAFEZAX. EXARCHEION S.A.**	75,675%	20.974,72
24 KAFEZAX VEROIAS S.A.	70,000%	45.692,52
25 EST. KAFEZAX. ANAT. KRITIS S.A.	60,000%	14.837,08
26 EST. PAGRATIOU S.A.	100,000%	134.926,82
27 EST. ZAX/TEIA TEMPON S.A.	52,101%	214.535,05
28 ARMA EPENDITIKI S.A.	25,000%	81.343,85

COMPANY	PARTICIPATION	
	PERCENTAGE	INCOME
29 KAFEZAX. MARINAS ZEAS S.A.	50,000%	45.089,12
30 EST. N. MAKRIS S.A.	30,000%	53.857,90
31 DESMOS ANAPTIKSIKI S.A.	30,000%	69.853,78
32 TOUR. EPIX. ARIST. 27 S.A.	48,853%	25.089,80
33 EST. ZAX. AKTI DIMAION S.A.*	35,000%	54.320,49
34 EST. ZAX. SEA PAIANIAS S.A.*	50,101%	31.525,95
35 KAFE ALKIONI S.A.	35,000%	48.009,40
36 ESTIATORIA NERANTZIOTISSAS S.A.	60,002%	25.154,00
<b>TOTAL</b>		<b>4.279.181,89</b>

\* The participation percentage of the companies arises through its participation in company H.F.I. AE (HELL.FOOD INV.).

\*\* The participation percentage of the company arises through its participation in company HELLENIC CATERING S.A..

- Moreover, it made Other Income as "rent of intangible assets" of euro 172,500 by its subsidiaries based on franchising contract.

COMPANY	PARTICIPATION	
	PERCENTAGE	INCOME
1 EST. ZAX. GEFSIPLOIA S.A.	51,000%	122.500,00
2 EST. NERANTZIOTISSAS S.A.	60,000%	25.000,00
3 EST. ZAX. SIGROU S.A.*	50,101%	25.000,00
<b>TOTAL</b>		<b>172.500,00</b>

\* The participation percentage of the company arises through its participation in company H.F.I. S.A.

- Other miscellaneous income from its subsidiaries:

COMPANY	PARTICIPATION	
	PERCENTAGE	INCOME
1 EST. ZAX. GEFSIPLOIA S.A.	51,000%	1.218,47
2 EST. PAGRATIOU S.A.	100,000%	457,38
3 ENDEKA S.A.	100,000%	7.649,73
4 EST. ZAX. SERRON S.A.	50,050%	396,48
5 EST. ZAX. MEGARON S.A.	56,249%	463,68
6 EST. ZAX. TEMPON S.A.	52,101%	73.557,12
7 SARANTA S.A.	95,263%	387,33
8 EST. AMAROUSIOU S.A.	60,000%	1,76
9 ATHINAICA KAFESTIATORIA S.A.	90,251%	3.401,82
<b>TOTAL</b>		<b>84.130,19</b>

- With the subsidiary "NENDOS BAKERY S.A." based on the Private Agreement dated 1/1/2005, other income of euro 114,336.58.

- Purchases of merchandise and services of euro 1,763,869.17 by its following related companies :

COMPANY	PARTICIPATION	
	PERCENTAGE	INCOME
1 HELLENIC CATERING S.A.	97,884%	1.631.293,71
2 NENDOS BAKERY S.A.***	31,410%	75.641,80
3 KAFEZAX. PARALIAS S.A.	25,000%	1.302,23
4 EST. AMAROUSIOU S.A.	60,000%	11,52
5 ENDEKA S.A.	100,000%	27.424,52
6 EST. KAVALAS S.A.	51,000%	792,00
7 EST. PANORAMATOS S.A.	51,000%	15.829,91
8 EST. ZAX. MEGARON S.A.	56,249%	233,49
9 SARANTA S.A.	95,263%	46,79
10 KAFEZAX. VRILISSION S.A.	50,075%	968,16
11 ATHINAICA KAFESTIATORIA S.A.	90,251%	873,11
12 EST. ZAX. AKTI DIMAION S.A.*	50,101%	1.160,12
13 EST. ZAX. SEA PAIANIAS S.A.*	50,101%	2.023,40
14 EST. ZAX. HOLLYWOOD S.A.	52,000%	914,49
15 KAFEZAX. EXARCION S.A.**	75,675%	318,79
16 EST. PAGRATIOU S.A.	100,000%	5.035,13
<b>TOTAL</b>		<b>1.763.869,17</b>

\* The participation percentage of the companies arises through its participation in company H.F.I. AE (HELL.FOOD INV.).

\*\* The participation percentage of the company arises through its participation in company HELLENIC CATERING S.A..

\*\*\* The participation percentage of the company arises through its participation in company HELLENIC CATERING S.A..

- Rent income from company ENDEKA S.A. of euro 51,450.
- The company made income from dividends by the following related companies :



COMPANY	PARTICIPATION	
	PERCENTAGE	INCOME
1 HELLENIC CATERING S.A.	97,884%	7.818.009,72
2 EST. AMAROUSIOU S.A.	60,000%	31.239,28
3 EST. HARILAOU S.A.	51,002%	105.064,08
4 EST. EFKARPIAS S.A.	51,000%	36.516,00
5 ARMA EPENDITIKI S.A.	25,000%	32.170,00
6 EST. ZAX. DRAMAS S.A.	50,050%	48.548,50
7 EST VOLOU S.A.	30,000%	29.400,00
8 EST. PANORAMATOS S.A.	51,000%	33.150,00
9 EST. ZAX. MEGARON S.A.	56,249%	420.750,00
10 EST. ZAX. GEFSIPLOIA S.A.	51,000%	204.000,00
11 EST. PAGRATIOU S.A.	100,000%	129.415,00
12 EST. KAVALAS S.A.	51,000%	102.000,00
13 NAFPLIOS S.A.	45,511%	8.896,45
TOTAL		8.999.159,03

With the companies belonging to DELTA Group (the company DELTA HOLDINGS S.A. holds the majority shares of the company) made the following transactions :

- Services (support services) by the company "DELTA HOLDINGS S.A." of euro 193,327.74 based on contract dated 1/6/2004 & 1/6/2005.

Thessaloniki, 4 March 2006

The Chairman

A. Folias

The Managing Director

S. Seimanidis

The Chief Financial Officer

N. Markopoulos

The Finance Manager

K. Gasparidou

The Accounting Manager

P. Polymenopoulou