

**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, Efkarpia 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