



GOODY'S S.A.

**PRELIMINARY FINANCIAL STATEMENTS
FOR THE 3RD QUARTER OF 2005
IN ACCORDANCE WITH INTERNATIONAL
FINANCIAL REPORTING STANDARDS (IFRS**

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STATEMENT OF INCOME
FOR THE PERIOD ENDED SEPTEMBER 30, 2005 AND 2004
 (All amounts in thousands of Euro)



	Notes	Group			Company		
		30 September 2005	30 September 2004	3 rd Quarter 2005	3 rd Quarter 2004	30 September 2004	3 rd Quarter 2004
REVENUES:							
Net sales		108.931	111.695	40.727	39.531	15.936	5.476
Cost of sales		(51.115)	(52.321)	(19.534)	(18.359)	(1.621)	(523)
Gross profit		57.816	59.374	21.193	21.173	14.315	4.953
Selling, general and administrative expenses	6	(48.109)	(48.067)	(16.731)	(15.513)	(13.526)	(4.756)
Other income		4.082	3.189	909	1.187	2.735	941
Financial income/(expenses), net	7	439	202	72	(57)	9.325	68
Share of profit/(losses) of associates		(126)	(124)	(95)	62	8.513	29
PROFIT BEFORE INCOME TAXES		14.102	14.574	5.348	6.852	13.588	2.150
Income taxes	8	(5.494)	(5.416)	(1.811)	(2.657)	(1.746)	(930)
NET PROFIT		8.608	9.158	3.536	4.194	12.273	1.221
Attributable to:							
Equity holders of the parent		6.677	6.875	2.345	2.897	12.273	996
Minority interests		1.931	2.282	1.192	1.297		
		8.608	9.158	3.536	4.194	12.271	1.221
Earnings per share (in full amount)							
Basic	9	0,41	0,42	0,14	0,18	0,75	0,06
Weighted average number of shares, basic and diluted							
Basic		16.281.000	16.281.000	16.281.000	16.281.000	16.281.000	16.281.000

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



	Notes	Group		Company	
		30 September 2005	31 December 2004	30 September 2005	31 December 2004
ASSETS					
Non-Current Assets:					
Property, plant and equipment		70.070	71.385	6.325	10.084
Goodwill	10	5.375	4.306		
Investments in associates				29.197	28.265
Investments in associates accounted for using the equity method	11	242	584	1.087	1.330
Financial assets available for sale	12	748	748		
Guarantee deposits		1.051	1.036	178	157
Deferred income taxes	8	2.758	2.596	711	651
Total non-current assets		80.245	80.655	37.498	40.486
Current Assets:					
Inventories	13	8.229	9.236	37	39
Trade accounts receivable	14	23.430	17.168	4.160	4.620
Prepayments and other receivables	15	10.555	9.547	3.933	1.493
Financial assets at fair value through profit and loss		206	875		271
Cash and cash equivalents	16	27.750	28.399	9.057	5.044
Total current assets		70.170	65.225	17.187	11.468
TOTAL ASSETS		150.416	145.880	54.685	51.954
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent					
Share capital	18	6.187	6.187	6.187	6.187
Paid-in surplus		22.563	22.563	22.563	22.563
Retained earnings		12.733	12.618	4.264	131
Legal, tax free and special reserves		22.483	22.773	4.657	4.657
Other reserves		9.903	9.736	9.802	9.802
		73.869	73.877	47.473	43.340
Minority interest		18.217	17.458		
Total Equity		92.086	91.336	47.473	43.340
Non-Current Liabilities:					
Interest bearing loans and borrowings	19	1.365	504		
Government grants	21	2.055	1.078		
Deferred income taxes	8	4.259	3.997	347	408
Reserve for staff retirement indemnities	20	2.057	2.097	338	430
Provisions		2.870	2.870		
Total non-current liabilities		12.605	10.546	685	838
Current Liabilities:					
Trade accounts payable	22	20.442	19.669	1.992	2.933
Accrued and other current liabilities	23	5.576	6.036	1.146	1.093
Short-term borrowings	24	9.082	7.190		
Income taxes payable		10.625	11.104	3.388	3.750
Total current liabilities		45.724	43.999	6.526	7.775
TOTAL LIABILITIES AND EQUITY		150.416	145.880	54.685	51.954

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

GOODY'S S.A.

STATEMENT OF CHANGES IN EQUITY
SEPTEMBER 30, 2005

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



	Group						
	Attributable to equity holders of the parent					Minority interests	Total equity
		Legal, tax free and special reserves	Other reserves	Retained earnings	Total		
Share capital							

	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
Profit for the year					12.273
Dividends declared from 2004 statutory profits					(8.140)
Balance September 30, 2005	6.187	22.563	4.657	9.802	47.473

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

GOODY'S S.A.

STATEMENT OF CHANGES IN EQUITY
SEPTEMBER 30, 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		
Balance, January 1, 2004	6.187	22.563	21.720	10.569	7.436	68.475	85.933
Profit for the year					6.875	6.875	9.158
Dividends declared from 2003 statutory profits					(6.512)	(6.512)	(6.512)
Balance September 30, 2004	6.187	22.563	21.720	10.569	7.799	68.838	88.578

	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					11.111	11.111
Dividends declared from 2003 statutory profits					(6.512)	(6.512)
Balance September 30, 2004	6.187	22.563	4.964	9.802	(812)	42.704

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

CASH FLOW STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2005 AND 2004
(All amounts in thousands of Euro, unless otherwise stated)



	Group		Company	
	30 September 2005	30 September 2004	30 September 2005	30 September 2004
Cash flows from operating activities				
Profit before income taxes	14.102	14.574	13.588	12.858
Depreciation and amortisation	4.635	4.065	387	367
Provisions	(55)	88	(92)	20
Interest and other related income	(356)	(314)	(329)	(148)
Interest expense and related expense	322	215	4	37
Impairment	303		264	
Valuation of investments	(6)			
Income from investments	(4)		(9.000)	8.402
Profit/(loss) on disposal of investments	(392)			
Profit/(Loss) on disposal of property, plant and equipment	(642)	(14)	(666)	
Losses on equity investees	126	125		
Amortization of government grants	(74)	(60)		
Operating profit before working capital changes	17.960	18.677	4.155	4.732
(Increase)/Decrease in:				
Inventories	1.032	(1.782)	2	3
Trade accounts receivable	(2.066)	(472)	108	155
Trade accounts payable	(5.172)	(172)	(888)	(1.713)
Interest paid	(322)	(215)	(4)	(37)
Income taxes paid	(5.856)	(3.874)	(1.798)	(1.283)
Net Cash from Operating Activities	5.576	12.162	1.576	1.856
Cash Flows from Investing Activities:				
Capital expenditure for property, plant and equipment	(5.843)	(5.685)	(189)	(269)
Proceeds from disposal of property, plant and equipment	4.376	424	4.027	
Interest and other related income received	356	314	107	42
Investments	(168)	(118)	(2.675)	(330)
Long term guarantees paid		87	(21)	(19)
Income from investments	1.606	867	2.236	867
Dividends received from subsidiaries		132	7.061	6.782
Net Cash used in Investing Activities	327	(3.978)	10.546	7.073
Cash Flows from Financing Activities:				
Proceeds of government grants				
Net change in short-term borrowings	1.051	9		
Proceeds of long-term debt	1.398	(1.964)		(3.000)
Repayment of long-term debt	858	(111)		
Payments of leasing	(4)	(1)		
Dividends paid	(8.109)	(4.595)	(8.109)	(6.477)
Dividends paid by subsidiary to minority shareholders	(2.106)	(384)		
Minority interests	360	25		
Net Cash used in Financing Activities	(6.552)	(7.021)	(8.109)	(9.477)
Effect of exchange rates changes on cash				
Net increase (decrease) in cash and cash equivalents				
Cash and cash equivalents at beginning of year	(649)	1.163	4.013	(548)
Cash and cash equivalents at year-end	28.399	22.312	5.044	3.353
	27.750	23.475	9.057	2.805

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



**NOTES TO THE PRELIMINARY FINANCIAL
STATEMENTS AS OF SEPTEMBER 30, 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 ASE.

The Group's average number of employees for the period September 30, 2005 was approximately 1,748 employees and the Company's was 181.

2. BASIS OF PRESENTATION:

(a) Basis of Preparation of Financial Statements: The accompanying preliminary/provisional consolidated financial statements (thereon referred to as consolidated financial statements) have been prepared under the historical cost convention, except for land, buildings and machinery and equipment, which at the date of transition to IFRS, (January 1, 2004), were measured at fair value and those fair values were used as deemed cost as of the above date and the investments available for sale and the financial assets at fair value through profit and loss which by the January 1st, 2005 (date that the Group adopted IAS 39) which were valued in fair value. As more fully discussed in Note 2(c), the accompanying consolidated financial statements have been prepared in accordance with IFRS for the first time, by applying IFRS 1 "First-time Adoption of International Financial Reporting Standards" with the transition date being January 1, 2004, specifically, according to IAS 34 " Interim Financial Statements".

(b) Statutory Financial Statements: GOODY'S S.A and its Greek subsidiaries maintain their accounting records and prepare financial statements for statutory purposes in accordance with Greek Corporate Law 2190/1920 and the applicable tax legislation. : GOODY'S S.A.' s foreign subsidiaries maintain their accounting records and prepare financial statements for statutory purposes in accordance with the applicable laws and regulations of the countries in which they operate. From January 1st, 2005 and thereafter, GOODY'S S.A. and its Greek subsidiaries are required to prepare their financial statements in accordance with IFRS which have been adopted by the European Union. They have also the right to maintain their accounting records and prepare financial statements for statutory purposes in accordance with Greek Tax Legislation. For the preparation of the statutory consolidated financial statements, the foreign subsidiaries' financial statements are adjusted to conform Greek Corporate Law 2190/1920. The accompanying consolidated financial statements have been based on the statutory consolidated financial statements, appropriately adjusted and reclassified by certain out-of-book memorandum adjustments for conformity with the IFRS.



**NOTES TO THE PRELIMINARY FINANCIAL
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(Amounts in all tables and notes are presented in thousands of Euro unless otherwise stated)

The basic out-of-book memorandum adjustments that were implemented on Equity in January 1, 2004 and June 30, 2004 and December 31, 2004 in order to be adjusted in accordance with IFRS are described in the attached Appendix I.

- (c) ***First Time Adoption of International Financial Reporting Standards:*** Pursuant to EU regulation 1606/2002 and according to Law 3229/04 (as amended by Law 3301/04) Greek entities listed on any Stock Exchange (foreign or domestic) are required to prepare their statutory financial statements from fiscal years beginning on January 1, 2005, onwards, in accordance with IFRS. Based on IFRS 1 and the above mentioned Greek legislation, such entities are obliged to prepare their financial statements (standalone and consolidated) in accordance with IFRS, being the year started January 31, 2005

Goody's applied IFRS 1 "First Time Adoption of IFRS" in the preparation of the accompanying financial statements.

According to the articles of IFRS 1 "First Time Adoption of IFRS", companies that prepare their first full set of IFRS financial statements should use the IFRS, which are effective at the closing date of the first IFRS financial statements for all the accounting periods that are included as well as for the transition balance sheet.

Also, according to IFRS 1 "First Time Adoption of IFRS" and the aforementioned Greek law, the above companies are required to prepare comparative IFRS financial statements for at least one accounting period.

Goody's intends to prepare and publish its first full set of IFRS financial statements within the statutory time framework and the reporting date of above financial statements will be December 31, 2005.

Consequently, all the revised or newly-published Standards applying for Goody's and are effective for the periods ending on December 31, 2005 were used for the preparation of these preliminary financial statements.

Accordingly, the major part of the first time adopters of IFRS as referred to above, will have reporting date December 31, 2005 and transition date January 1, 2004. The Company intends to prepare and publish its first full set of IFRS financial statements within the statutory time framework and the reporting date of above financial statements will be December 31, 2005.

IFRS 1 "First Time Adoption of IFRS", especially during the transition to IFRS, provides the right to apply exceptions from the general articles.

Based on the respective provisions of IFRS 1 "First Time Adoption of IFRS", the following exemptions were applied:

- GOODY'S elected not to apply IFRS 3 "Business Combinations" retrospectively, to business combinations which occurred prior to the transition date to IFRS (January 1, 2004).



**NOTES TO THE PRELIMINARY FINANCIAL
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Consequently, and according to IFRS 1 regarding past business combinations the Company:

- (i) maintained the same classification as in its previous GAAP financial statements,
 - (ii) GOODY'S elected to measure its land, buildings and machinery and equipment at the date of transition to IFRS at fair value and used those fair values as deemed cost at that date. The goodwill occurred was recorded to the retained earnings at January 1st, 2004.
 - (ii) With respect to the reserve for staff retirement indemnities, all cumulative actuarial gains and losses were recognized at the date of transition to IFRS, while for actuarial gains and losses which were incurred during 2004, the "corridor approach" was used. This exemption was used for all plans existing at the transition date.
 - (iii) The Company's estimates 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.
- (e) **Approval of Financial Statements:** The Board of Directors of GOODY'S S.A approved the Company's preliminary/ provisional (standalone and consolidated) financial statements for the period ended September 30, 2005, on November 25, 2005.
- (f) **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.



**NOTES TO THE PRELIMINARY FINANCIAL
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(Amounts in all tables and notes are presented in thousands of Euro unless otherwise stated)

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 transferred to the Company and cease to be consolidated from the date in which control is transferred out of the Company.

All intercompany balances and transactions have been eliminated in the accompanying 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 III.

The consolidated financial statements include the financial statements of a subsidiary (S. Nendos S.A) in which even though the direct parent possess less than the 50% of the voting rights, exerts control through the ability of appointing the majority of the Board of Directors members.

- (b) **Investments in subsidiaries (standalone):** The Company's investments in other entities in which GOODY'S exercises significant influence are recognized at cost and subsequently decreased to recognize any impairment in value.

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

-**Consolidated financial statements:** The Company's investments in other entities in which GOODY'S exercises significant influence are accounted for using the equity method. Under this method the investment in associates is recognized at cost and subsequently increased or decreased to recognize the investor's share of the profit or loss of the associate, changes in the investor's share of other changes in the associate's equity, distributions received and any impairment in value. The consolidated statement of income reflects the Company's share of the results of operations of the associate.

-**Standalone financial statements:** Company's investments in other entities are recognized at cost and subsequently decreased to recognize any impairment in value.



**NOTES TO THE PRELIMINARY FINANCIAL
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(Amounts in all tables and notes are presented in thousands of Euro unless otherwise stated)

(d) *Functional and Presentation Currency and Foreign Currency Translation:*

The functional and presentation currency of Delta Holding 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 recognized in the consolidated statement of income

(e) *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. Transaction gains or losses are also reported in the statement of income.

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.

(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.



**NOTES TO THE PRELIMINARY FINANCIAL
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(Amounts in all tables and notes are presented in thousands of Euro unless otherwise stated)

- (f) **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.

- (g) **Property, Plant and Equipment:** Land, buildings and machinery and equipment are measured at historical cost (deemed cost according to IFRS 1) less accumulated depreciation and any impairment in value. Transportation equipment and furniture and fixtures are stated at cost less accumulated depreciation and any impairment in value.

As more fully described in Note 10 the Company 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.



**NOTES TO THE PRELIMINARY FINANCIAL
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(Amounts in all tables and notes are presented in thousands of Euro unless otherwise stated)

- (h) **Depreciation:** Depreciation is computed based on the straight-line method at rates, which approximate average useful lives.

The rates used are as follows:

<u>Classification</u>	<u>Useful lives</u>
	50 years
Buildings	20 years
Machinery and equipment	6-9 years
Transportation equipment	3-6 years
Furniture and fixtures	

- (i) **Goodwill:** As more fully described in Notes 2 and 11, goodwill on business combinations which occurred prior to the date of transition to IFRS, was accounted for based on the provision of IFRS 1, "First Time Adoption of IFRS". Goodwill on acquisitions is initially measured at cost being the excess 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. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill on acquisitions after March 31, 2004, is not amortized and goodwill already carried in the consolidated balance sheet is not amortized after January 1, 2004. Goodwill 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.

- (ia) **Impairment of 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



**NOTES TO THE PRELIMINARY FINANCIAL
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(Amounts in all tables and notes are presented in thousands of Euro unless otherwise stated)

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.

(ib) Inventories: Inventories are stated at the lower of cost and net realisable 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 realisable 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 realisable value for raw materials is the estimated replacement cost in the ordinary course of business.

(ic) Accounts Receivable Credit and Collection: 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 by recording a charge to the consolidated statement of income of the reporting period. Any amount written-off with respect to customer account balances is charged against the existing allowance for doubtful accounts. It is the Company's policy not to write-off an account until all possible legal action has been exhausted.

(ic) Concentrations of Credit Risks: Concentrations of credit risks are limited with respect to receivables due to the large number of customers' balances

(id) Cash and Cash Equivalents: The Company 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 consolidated cash flow statement, cash and cash equivalents consist of cash at hand and in banks and of cash and cash equivalents as defined above.

(ie) Interest Bearing Loans and Borrowings: All loans and borrowings are initially recognized at cost. After initial recognition, loans and borrowings denominated in foreign currency are remeasured using the spot rate at each reporting date. Interest expense is recognized on the accrual basis.

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



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

(ig) 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 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 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 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, it exceeds 10% of the projected benefit obligation. The retirement benefit obligations are not funded.

(ih) 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.

(ii) Income Taxes (Current and Deferred): Current and deferred income taxes are computed based on the standalone 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 the entities operate. Income tax expense consists of income taxes for the current year based on each entity's profits as adjusted in its tax returns, additional income taxes resulting from tax audits by the tax authorities and deferred income taxes, using substantively enacted tax rates.

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 and their carrying amounts for financial reporting purposes. 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.



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Deferred income tax assets are recognized for all deductible temporary differences, carry-forward of unused tax assets and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax assets and unused tax losses can be utilized:

- Except where the deferred income tax asset relating to the deductible temporary difference arises from 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 deductible temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, deferred tax assets are only recognized to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

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.

(ik)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 term.

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 term.



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(il) **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. When the grant relates to an expense item, it is recognized as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

(im) **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 embodying economic benefits 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. If 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.

(in) **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.

(io) **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 'Flocafé'.

The food segment includes the activities of subsidiaries companies Hellenic Ctering and its subsidiary Greenfood, 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.



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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.

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

(ip) Effect of new accounting pronouncements: The International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) has published following new accounting standards and interpretations with effective dates of application being the financial periods starting from January 1, 2006. The Group's assessment of the effect of the future adoption of these new accounting standards and interpretations, is summarized below:

IFRS 6: Exploration for and Evaluation of Mineral Resources

This is not applicable to the Group and will have no effect on the Group's financial statements.

IFRIC 4: Determining whether an Arrangement contains a Lease

This is not applicable to the Group and will have no effect on the Group's financial statements.

IFRIC 5: Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds

This is not applicable to the Group and will have no effect on the Group's financial statements.



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4. PAYROLL COST:

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

	<u>Group</u>		<u>Company</u>	
	<u>30/9/2005</u>	<u>30/9/2004</u>	<u>30/9/2005</u>	<u>30/9/2004</u>
Wages and salaries	18.835	20.747	3.702	3.820
Social security costs	4.751	5.168	717	716
Staff retirement indemnities	308	361	59	133
Total payroll	23.894	26.276	4.478	4.669
Less: amounts charged to cost of production	(3.969)	(3.997)	(382)	(386)
Payroll expensed (Note 6)	19.925	22.279	4.096	4.283

5. DEPRECIATION AND AMORTISATION:

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

	<u>Group</u>		<u>Company</u>	
	<u>30/9/2005</u>	<u>30/9/2004</u>	<u>30/9/2005</u>	<u>30/9/2004</u>
Depreciation on property, plant and equipment	4.635	4.065	387	367
Amortization of intangible assets				
Amortization of subsidies (Note 21)	(74)	(60)		-
Less: amounts charged to cost of production	(1.637)	(1.110)	-	-
Depreciation and amortization expensed (Note 6)	2.924	2.895	387	367

6. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES:

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

	<u>Group</u>		<u>Company</u>	
	<u>30/9/2005</u>	<u>30/9/2004</u>	<u>30/9/2005</u>	<u>30/9/2004</u>
Payroll (Note 4)	19.925	22.279	4.096	4.283
Advertising and promotion costs	6.499	5.730	6.295	5.427
Third party fees	7.525	6.394	1.330	1.111
Depreciation and amortization (Note 5)	2.924	2.895	387	367
Shipping and transportation expenses	1.341	1.356	57	50
Rent expense	5.246	5.384	627	564
Provision for bad debts	684	80	123	
Repairs and maintenance	794	829	67	109
Other	3.171	3.120	544	746
Total	48.109	48.067	13.526	12.657



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

7. FINANCIAL INCOME/(EXPENSES), NET:

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

	<u>Group</u>		<u>Company</u>	
	<u>30/9/2005</u>	<u>30/9/2004</u>	<u>30/9/2005</u>	<u>30/9/2004</u>
Interest on loans and borrowings	(291)	(178)		
Loss on disposal investments		(7)		
Other financial charges	(31)	(86)	(4)	(37)
Total financial expenses	(322)	(271)	(4)	(37)
Income from investments	392	105	222	105
Interest earned on cash at banks and on time deposits	356	314	107	42
Dividends		31	9.000	8.403
Other financial income	13	23		
Total financial income	761	473	9.329	8.550
Total financial income/ (expense), net	439	202	9.325	8.513

8. 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:

	<u>Group</u>		<u>Company</u>	
	<u>30/9/2005</u>	<u>30/9/2004</u>	<u>30/9/2005</u>	<u>30/9/2004</u>
Current income taxes:				
- current income tax charge	4.909	5.396	1.437	1.599
- adjustments in respect of current income tax of previous years	528	134		79
Deferred income taxes	57	(114)	(121)	68
Total provision for income taxes reported in the consolidated statement of income	5.494	5.416	1.316	1.746



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GOODY'S has been audited by the tax authorities through December 31, 2001. . With respect to GOODY'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 GOODY'S '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.

	<u>Group</u>	<u>Company</u>
Beginning balance, January 1, 2004	(934)	552
Directly charged against equity	-	-
Charge to the consolidated statement of income	(467)	(309)
Ending balance, December 31, 2004	(1.401)	243
	<u>Ο Όμιλος</u>	<u>Η Εταιρεία</u>
Beginning balance, January 1, 2005	(1.401)	243
Directly charged against equity	(43)	
Charge to the consolidated statement of income	(57)	121
Ending balance, September 30, 2005	(1.501)	364



**NOTES TO THE PRELIMINARY FINANCIAL
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(Amounts in all tables and notes are presented in thousands of Euro unless otherwise stated)

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

	<u>Group</u> <u>30/9/2005</u>	<u>Group</u> <u>31/12/2004</u>	<u>Company</u> <u>30/9/2005</u>	<u>Company</u> <u>31/12/2004</u>
Deferred income tax liabilities				
- Property, plant and equipment	(3.854)	(3.670)	33	(93)
- Other				
Gross deferred income tax liabilities	<u>(3.854)</u>	<u>(3.670)</u>	<u>33</u>	<u>(93)</u>
Deferred income tax assets				
- Property, plant and equipment	70		66	
- Accounts receivable	549	491	38	36
- Accrued and other current liabilities	1.088	1.093	142	192
- Staff retirement indemnities	514	523	85	108
- Subsidiaries tax loss carry-forwards	131	102		
- Financial assets		40		
- Other		19		
Gross deferred income tax assets	<u>2.353</u>	<u>2.269</u>	<u>331</u>	<u>336</u>
Less: deferred income tax assets separately classified				
	<u>2.503</u>	<u>2.269</u>	<u>331</u>	<u>336</u>
Net deferred tax liabilities	<u>(1.501)</u>	<u>(1.401)</u>	<u>364</u>	<u>243</u>

9. EARNINGS PER SHARE:

The calculation of basic and diluted earnings per share at June 30, 2005 and 2004 is as follows:

	<u>Group</u> <u>30/9/2005</u>	<u>Group</u> <u>30/9/2004</u>	<u>Company</u> <u>30/9/2005</u>	<u>Company</u> <u>30/9/2004</u>
Net profit attributable to the equity holders of the parent	6.677	6.875	12.273	11.111
Weighted average number of shares outstanding	16.281	16.281	16.281	16.281
Basic Earnings per share				
Net profit attributable to equity holders of the parent	0,41	0,42	0,75	0,68



NOTES TO THE PRELIMINARY FINANCIAL
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10. GOODWILL

Goodwill in the consolidated financial statements for the period ended September 30, 2005, amounted to € 5.375.367 does not present any movement.

On February 18, 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, acquisitions and joint ventures) occurred 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.

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

Key assumptions used in value in use calculation of above impairment tests for January 1, and December 31, 2004.

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. Values assigned to key assumptions reflect past experience.



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**11. INVESTMENTS IN ASSOCIATES ACCOUNTED FOR UNDER THE
EQUITY METHOD:**

The Company has the following interest in investments which due to significant influence are accounted for under the equity method:

The Company:	% Ownership	Carrying amounts	Principal Activities	Country of Incorporation
Arma Investments S.A.	25%	15	Restaurant/Café bar	Greece
Volos Restaurants S.A.	30%	20	Restaurant/Café bar	Greece
Nea Makri Restaurants S.A.	30%	75	Restaurant/Café bar	Greece
Aristotelous 27 Restaurants Patisseries S.A.	48,85%	97	Restaurant/Café bar	Greece
Desmos Developments S.A.	30%	308	Restaurant/Café bar	Greece
Marina Zea Restaurants S.A.	50%	225	Restaurant/Café bar	Greece
Alkyoni Cafe S.A.	35%	245	Restaurant/Café bar	Greece
FARAS FOOD S.A.	20%	102	Restaurant/Café bar	Greece
Total		1.087		

The Company:	% Ownership	Carrying amounts	Principal Activities	Country of Incorporation
Arma Investments S.A.	25%	15	Restaurant/Café bar	Greece
Volos Restaurants S.A.	30%	20	Restaurant/Café bar	Greece
Nea Makri Restaurants S.A.	30%	75	Restaurant/Café bar	Greece
Aristotelous 27 Restaurants Patisseries S.A.	48,85%	97	Restaurant/Café bar	Greece
Desmos Developments S.A.	30%	307	Restaurant/Café bar	Greece
Marina Zea Restaurants S.A.	50%	225	Restaurant/Café bar	Greece
Traditional Café Thisio	35%	95	Restaurant/Café bar	Greece
Alkyoni Cafe	35%	245	Restaurant/Café bar	Greece
FARAS FOOD	20%	102	Restaurant/Café bar	Greece
Kordelio Restaurants S.A.		149	Restaurant/Café bar	Greece
Total		1.330		

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.



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**12 INVESTMENTS AVAILABLE FOR SALE AND FINANCIAL ASSETS AT
FAIR VALUE THROUGH PROFIT AND LOSS:**

Analyzed as follows:

Investments available for sale:

Group:

	<u>% Ownership</u>	<u>Carrying amounts</u>	<u>Principal Activities</u>	<u>Country of Incorporation</u>
FARA FOODS	20%	102	Restaurant/Café bar	Greece
C. Zagarelos	19,32%	18	Restaurant/Café bar	Greece
Ioniki Sfoliata	9,42%	587	Food industry	Greece
E. Panakaki	17,82%	12	Food industry	Greece
Togias	17,82%	29	Food industry	Greece
Total		748		

	<u>% Ownership</u>	<u>Carrying amounts</u>	<u>Principal Activities</u>	<u>Country of Incorporation</u>
FARA FOODS	20%	102	Restaurant/Café bar	Greece
C. Zagarelos	19,32%	18	Restaurant/Café bar	Greece
Ioniki Sfoliata	9,42%	587	Food industry	Greece
E. Panakaki	17,82%	12	Food industry	Greece
Togias	17,82%	29	Food industry	Greece
Total		748		

Financial Assets at Fair Value through profit & loss:

	<u>Group</u>		<u>Company</u>	
	<u>30/9/05</u>	<u>31/12/04</u>	<u>30/9/05</u>	<u>31/12/04</u>
Opening balance	875	1.278	271	664
Additions				
Disposals	(691)		(271)	
Valuation differences	22	(403)		(393)
Total	206	875		271



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13. INVENTORIES:

Inventories are analyzed as follows:

	<u>Group</u>		<u>Company</u>	
	<u>30/9/2005</u>	<u>31/12/2004</u>	<u>30/9/2005</u>	<u>31/12/2004</u>
Finished and semi-finished products	1.284	1.412	-	
Raw materials and supplies	3.402	3.554	13	13
Merchandise	3.543	4.270	24	26
Total	8.229	9.236	37	39

14. TRADE ACCOUNTS RECEIVABLE:

Trade accounts receivable are analyzed as follows:

	<u>Group</u>		<u>Company</u>	
	<u>30/9/2005</u>	<u>31/12/2004</u>	<u>30/9/2005</u>	<u>31/12/2004</u>
Trade:				
Domestic accounts receivable	16.464	15.341	3.464	3.775
Post-dated cheques receivable				
Foreign accounts receivable	9.209	3.421	819	958
Drafts receivable	144	182		
- Less: allowance for doubtful accounts receivable	(2.386)	(1.776)	(123)	(113)
Total	23.430	17.168	4.160	4.620

15. PREPAYMENTS AND OTHER RECEIVABLES

Prepayments and other receivables are analyzed

	<u>Group</u>		<u>Company</u>	
	<u>30/9/2005</u>	<u>31/12/2004</u>	<u>30/9/2005</u>	<u>31/12/2004</u>
Prepaid and withholding taxes	3.875	4.187	1.323	1.269
Advances for inventory purchases	2.948	1.845	6	6
VAT receivable	643	589		
Accrued income	60	44	29	
Prepaid expenses	751	1.234	56	15
Prepayments	49	37	25	
Other	2.229	1.611	2.494	203
Total	10.555	9.547	3.933	1.493



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16. CASH AND CASH EQUIVALENTS:

Cash and cash equivalents are analysed as follows:

	<u>Group</u>		<u>Company</u>	
	<u>30/9/2005</u>	<u>31/12/2004</u>	<u>30/9/2005</u>	<u>31/12/2004</u>
Cash in hand	649	381	49	32
Cash at banks				
- sight accounts and time deposits	27.101	28.018	9.008	5.012
Total	27.750	28.399	9.057	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 €356 for the preliminary period that ended at September 30, 2005 (€314 at September 30, 2005) and is included in financial income/(expense), net in the accompanying statement of income.

17. SHARE CAPITAL:

At September 30, 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.



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18. LEGAL, TAX FREE AND SPECIAL RESERVES:

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

	<u>Group</u>		<u>Company</u>	
	<u>30/9/2005</u>	<u>31/12/2004</u>	<u>30/9/2005</u>	<u>31/12/2004</u>
Legal reserve	3.816	3.816	1.344	1.344
Tax free and special reserves	18.817	19.107	3.308	3.308
Special reserves				
- Law 1892/1990 (Art. 23b)	16	16		
- Other	(166)	(166)	5	5
	<u>22.483</u>	<u>22.773</u>	<u>4.657</u>	<u>4.657</u>

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 which is either free of tax or a 15% tax has been withheld at source. 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 that would be required in the event the reserve is distributed.

Special Reserves: Other tax free reserves have been recorded under various Greek laws. A.0

According to the Greek tax regulations, these reserves are exempt from income tax, provided they are not distributed to the shareholders. The Company has no intention of distributing these reserves and, accordingly, has not provided for deferred income tax that would be required in the event these reserves are distributed.



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19. INTEREST BEARING LOANS AND BORROWINGS:

Interest bearing loans and borrowings outstanding at September 30, 2005 and December 31, 2004, are analyzed as follows:

	<u>Group</u>		<u>Company</u>	
	<u>30/9/2005</u>	<u>31/12/2004</u>	<u>30/9/2005</u>	<u>31/12/2004</u>
Interest bearing loans and borrowings	1.365	504		

The above loan is in Euro and the average interest rate at September 30, 2005 and at December 31, 2004 is 4,13%.

20. PENSION AND STAFF RETIREMENT INDEMNITIES:

(a) *State Pension:* The Company's contributions to the pension funds for the year ended September 30, 2005, have been recorded to expenses and were € 3.218.

(b) *Staff Retirement Indemnities:* Under Greek labour law, employees and workers are entitled to termination payments in the event of dismissal or retirement with the amount of payment varying in relation to the employee's or worker's compensation, length of service and manner of termination (dismissed or retired). 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 pension plans are not funded. In accordance with this practice, the Company does not fund these plans. The Company charges operations for benefits earned in each period with a corresponding increase in pension liability. Benefits payments made each period to retirees are charged against this liability.

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

	<u>Group</u>		<u>Company</u>	
	<u>30/9/2005</u>	<u>31/12/2004</u>	<u>30/9/2005</u>	<u>31/12/2004</u>
Net liability at beginning of the year	2.096	1.920	430	404
Actual benefits paid by the Company	(347)	(129)	(151)	(83)
Expense recognised in the consolidated statements of income (Note 4)	308	305	59	109
Net liability at end of the year	2.057	2.096	338	430



**NOTES TO THE PRELIMINARY FINANCIAL
STATEMENTS AS OF SEPTEMBER 30, 2005**

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

21. GOVERNMENT GRANTS:

The movement of government grants during the preliminary period that ended at September 30, 2005 and of the year-end December 31, 2004 was as follows:

	<u>Group</u>	<u>Company</u>
Balance January 1, 2005	1.078	-
Additions	1.051	-
Amortization	(74)	-
Balance, June 30, 2005	2.055	-

	<u>Group</u>	<u>Company</u>
Balance January 1, 2004	1.089	-
Additions	-	-
Amortization	(11)	-
Balance, December 31, 2004	1.078	-

22. TRADE ACCOUNTS PAYABLE:

Trade accounts payable are analyzed as follows:

	<u>Group</u>		<u>Company</u>	
	<u>30/9/2005</u>	<u>31/12/2004</u>	<u>30/9/2005</u>	<u>31/12/2004</u>
Domestic suppliers	10.706	10.083	1.986	2.929
Foreign suppliers	8.865	9.585	6	4
Post-dated cheques payable		1		
Notes Payable	871			
Total	20.442	19.669	1.992	2.933

23. ACCRUED AND OTHER CURRENT LIABILITIES:

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

	<u>Group</u>		<u>Company</u>	
	<u>30/9/2005</u>	<u>31/12/2004</u>	<u>30/9/2005</u>	<u>31/12/2004</u>
Social security payable	838	1.577	112	222
Accrued expenses	2.153	3.665	301	245
Dividends payable	31	20	31	19
Deferred income	487	343	487	343
Other	2.067	431	990	264
Σύνολο	5.576	6.036	1.921	1.093



**NOTES TO THE PRELIMINARY FINANCIAL
STATEMENTS AS OF SEPTEMBER 30, 2005**

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

24. SHORT TERM BORROWINGS:

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:

	<u>Group</u>		<u>Company</u>	
	30/9/2005	31/12/2004	30/9/2005	31/12/2004
Short term borrowings	9.082	7.103		
Overdrafts		87		
	<u>9.082</u>	<u>7.190</u>		

Short-term borrowings throughout the period were denominated in Euros.

The weighted average interest rate on short-term borrowings as of September 30, 2005, was 4.46% (4.64% as of December 31, 2004).

Interest on short-term borrowings for the period ended June 30, 2005, totaled € 164 and is included in interest expense in the accompanying consolidated statement of income.

25. 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 € 387.
- It has provided guarantees for repayment of bank overdrafts and commercial liabilities of various subsidiaries and associates aggregating to € 4.690.
- It has provided guarantees for good performance of subsidized investment programs aggregating to € 285.
- It has provided guarantees for its participation in various competitions aggregating to € 13.



**NOTES TO THE PRELIMINARY FINANCIAL
STATEMENTS AS OF SEPTEMBER 30, 2005**

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

26. RELATED PARTY DISCLOSURES:

Account balances with associates are as follows:

	Group	Company
	30/9/2005	30/9/2005
<u>Due from:</u>		
BALKAN RESTAURANTS S.A		16
KIFISIAS AV. RESTAURANTS S.A.		1
ENDEKA S.A		21
NAFPLIOS S.A.		2
GEFSIPLOIA RESTAURANTS S.A.		27
ESPRESSO CAFÉ SA		25
ARISTOPHANES RESTAURANTS SA		9
VRILISSIA RESTAURANTS SA		6
ATHINAICA RESTAURANTS S.A.		
EXARCHIA RESTAURANTS S.A.		1
VOLOS BEACH RESTAURANTS SA		15
PAGRATI RESTAURANTS S.A.		7
EAST CRETE RESTAURANTS SA		5
TEMPI RESTAURANTS S.A.		21
KIFISIA RESTAURANT CAFÉ S.A.		33
SEA PEANIAS		74
GENIKI TROFIMON S.A.	207	
DELTA DAIRY S.A	270	
CHARALAMBIDES LIMITED	54	
ARMA INVESTMENTS	29	
VOLOS RESTAURANTS S.A.	38	
NEA MAKRI RESTAURANTS S.A.	41	
ARISTOTELOUS 27 RESTAURANT S.A	27	10
DESMOS DEVELOPMENT S.A.	16	
CAFÉ ALKIONI S.A.	13	3
MARINA ZEAS RESTAURANT S.A	102	53
Total	797	329
	Group	Company
	30/9/2005	30/9/2005
<u>Due to:</u>		
HELLENIC CATERING SA		459
NENDOS SA		7
GENERAL FOOD S.A.	24	
DELTA ICE-CREAM S.A.	15	
DELTA DAIRY S.A	234	
DELTA HOLDINGS S.A	17	17
VIGLA S.A.	266	
ALESIS ZACHAROPLASTIKI S.A.	15	
Total	571	483



**NOTES TO THE PRELIMINARY FINANCIAL
STATEMENTS AS OF SEPTEMBER 30, 2005**

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

Transactions with associates for the year ended September 30, 2005, are analyzed as follows:

	Group		Company	
	Purchases	Sales	Purchases	Sales
Inventories, materials and supplies				
HELLENIC CATERING A.E			1.448	
NENDOS SA			57	
ENDEKA S.A.			13	
PEIRAIOS RESTAURANTS SA			1	
PANORAMA RESTAURANTS SA			10	
HOLLYWOOD SA			1	
VRILISSIA RESTAURANTS SA			1	
ATHINAICA RESTAURANTS S.A.			1	
EXARCHIA RESTAURANTS SA			1	
PAGRATI RESTAURANTS SA			4	
ARMA INVESTMENTS		221		
VOLOS RESTAURANTS S.A.		330		
NEA MAKRI RESTAURANTS S.A.		148		
ARISTOTELOUS 27 RESTAURANT S.A		25		
DESMOS DEVELOPMENT S.A.		56		
CAFÉ ALKIONI S.A.		44		
MARINA ZEAS RESTAURANT S.A		44		
GENERAL FOOD S.A.	231	375		
ALESIS ZACHAROPLASTIKI S.A.	119	6		
DELTA ICE-CREAM S.A.	195	33		
DELTA DAIRY S.A	573	248		
VIGLA S.A.	486			
Total	1.604	1.530	1.537	



**NOTES TO THE PRELIMINARY FINANCIAL
STATEMENTS AS OF SEPTEMBER 30, 2005**

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

	Group		Company	
	Purchases	Sales	Purchases	Sales
Commercial services				
HELLENIC CATERING SA				7.818
NENDOS SA				88
BALKAN RESTAURANTS SA				8
KIFISIAS AV. RESTAURANTS SA				7
ENDEKA SA				97
PARALIA RESTAURANTS CAFÉ SA				29
PEIRAIOS RESTAURANTS SA				83
EFKARPIA RESTAURANTS SA				91
MEGARA RESTAURANTS SA				792
PANORAMA RESTAURANTS SA				91
ZEFXI RESTAURANTS SA				205
SERRES RESTAURANTS SA				95
DRAMA RESTAURANTS SA				116
KAVALA RESTAURANTS SA				196
HARILAOU RESTAURANTS SA				178
NAFPLIOS SA				37
SARANTA SA				90
AMAROUSIOU RESTAURANTS SA				119
DIASTATHMOS RESTAURANTS CAFÉ SA				115
GEFSIPLOIA RESTAURANTS CAFÉ SA				894
HOLLYWOOD SA				199
LARISA RESTAURANTS SA				137
MALIAKOS RESTAURANTS SA				71
ESPRESSO CAFÉ SA				13
ARISTOFANIS RESTAURANTS SA				18
VRILISSIA RESTAURANTS SA				52
ATHINAICA RESTAURANTS SA				61
EXARHIA RESTAURANTS SA				15
VOLOS BEACH RESTAURANTS SA				112
PAGRATI RESTAURANTS SA				206
EAST CRETE RESTAURANTS SA				13
VERIA RESTAURANTS SA				36
TEMPI RESTAURANTS S.A.				25
DYMEON BEACH SA				63
SEA PAANIAS				17
ARMA INVESTMENT SA	32	60	32	60
VOLOS RESTAURANTS SA	29	84	29	84
N. MAKRI RESTAURANTS SA		42		42
ARISTOTELOUS 27 RESTAURANTS SA		18		18
DESMOS DEVELOPMENT SA		52		52
MARINA ZEAS RESTAURANT S.A.		25		25
ALKYONI CAFÉ SA	1	35	1	35
DELTA FOOD HOLDINGS LTD	146		146	
DELTA HOLDINGS S.A	486			
DELTA ICE-CREAM S.A.	10			
Total	704	462	208	12.503



**NOTES TO THE PRELIMINARY FINANCIAL
STATEMENTS AS OF SEPTEMBER 30, 2005**

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

27. SEGMENT INFORMATION:

Segment Information

September 30, 2005	Food	Restaurants and Café bars	Eliminations	Consolidated
Revenue Segment				
Net sales to external customers	65.582	57.826	(14.477)	108.931
Operating result	7.816	5.973		13.789
Financial income/(expense), net	77	9.842	(9.606)	313
Profit before income taxes	7.893	15.815	(9.606)	14.102

September 30, 2004	Food	Restaurants and Café bars	Elimination s	Consolidated
Revenue Segment				
Net sales to external customers	67.841	58.355	(14.501)	111.695
Operating result	9.333	5.162		14.496
Financial income/(expense), net	709	4.853	(5.484)	78
Profit before income taxes	10.042	10.015	(5.484)	14.574

Assets and Liabilities

September 30, 2005	Food	Restaurants and Café bars	Eliminations	Consolidated
Tangible fixed assets	48.586	76.011	(44.352)	80.245
Other assets	44.516	80.425	(54.770)	70.171
Total assets	93.102	156.436	(99.122)	150.416
Total liabilities	30.398	33.890	(5.958)	58.330

December 31, 2004	Food	Restaurants and Café bars	Eliminations	Consolidated
Tangible fixed assets	52.645	65.661	(37.651)	80.655
Other assets	46.673	22.061	(3.510)	65.224
Total assets	99.318	87.722	(41.161)	145.879
Total liabilities	21.216	24.182	(853)	54.545



**NOTES TO THE PRELIMINARY FINANCIAL
STATEMENTS AS OF SEPTEMBER 30, 2005**

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

28. SUBSEQUENT EVENTS:

There are no subsequent events as of September 30, 2005 that could have materially affected the financial position and statement of income of the Company and Group as of September 30, 2005.



TOTAL EQUITY RECONCILIATION BETWEEN GREEK GAAP AND IFRS AS OF 1/1/2004 AND 1/1/2005

(amounts are expressed in thousands of Euro)

	GROUP		COMPANY	
	1/1/2005	1/1/2004	1/1/2005	1/1/2004
Total equity as previously presented in accordance with Greek GAAP	90.020	85.717	43.474	44.472
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) (1)
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)
Total adjustments	1.316	216	(134)	(6.367)
Total equity in accordance with IFRS	91.336	85.933	43.340	38.105

(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

(amounts are expressed in thousands of Euro)

	GROUP	COMPANY
	30/9/2004	30/9/2004
Net profit as as previously presented in accordance with Greek GAAP	14.628	8.973
Derecognition of intangible assets	(481)	180
Provision for employees' termination benefits	(75)	(20)
Adjustment to depreciation based on the assets's useful lives	535	33
Adjustment to grants' depreciation	(33)	
Impairment of investments in associates	(7)	3.564
Provision for doubtful debts	(80)	
Provision for income tax for the period	(5.531)	(1.679)
Effect of deferred taxation	114	(68)
Impairment of goodwill	52	127
Additional elimination entries on consolidation		
Other adjustments	34	
Total adjustments	(5.470)	2.139
Net profit in accordance with IFRS	9.158	11.111



APPENDIX II
SUBSIDIARIES OF GOODY'S S.A. AND
TAX UNAUDITED YEARS BY ENTITY

	<u>Interest at September 30, 2005</u>	<u>Country of Incorporation</u>	<u>Unaudited Periods</u>
(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-Pâtisseries 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
12. Diastathmos Restaurants-Pâtisseries S.A.	99.25%	Greece	1999-2004
13. Endeika S.A.	100.00%	Greece	2003-2004
14. Kavala Restaurants S.A.	51.00%	Greece	2003-2004
15. Eftharpia Restaurants S.A.	51.00%	Greece	2003-2004
16. Panorama Restaurants S.A.	51.00%	Greece	2003-2004
17. Drama Restaurants-Pâtisseries S.A.	50.05%	Greece	2003-2004
18. Serres Restaurants-Pâtisseries S.A.	50.05%	Greece	2003-2004
19. Megara Restaurants-Pâtisseries S.A.	54.14%	Greece	2003-2004
20. Saranda S.A.	92.17%	Greece	2003-2004
21. Larissis Restaurants S.A.	50.10%	Greece	2003-2004
22. Maliakos Restaurants S.A.	75.00%	Greece	2003-2004
23. Café Espresso S.A.	65.00%	Greece	2003-2004
24. Aristophanes Restaurants-Pâtisseries S.A.	90.00%	Greece	2003-2004
25. Vrillisia Café-Pâtisseries S.A.	50.70%	Greece	2003-2004
26. Kifisia Café-Pâtisseries S.A.	50.10%	Greece	2004
27. Athenian Café-Pâtisseries S.A.	100.00%	Greece	2003-2004
28. Exarchia Café-Pâtisseries 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
31. Eastern Crete Restaurants-Pâtisseries S.A.	60.00%	Greece	2004
32. Veria Café-Pâtisseries S.A.	70.00%	Greece	2004
33. Tembi Café-Pâtisseries S.A.	62.50%	Greece	2004
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
(b) Subsidiaries of HELLENIC FOOD INVESTMENTS S.A.			
1. Pallini Beach Restaurants-Pâtisseries S.A.	90.00%	Greece	2004
2. Pieraeus Restaurants S.A.	100.00%	Greece	2003-2004
3. Hollywood Restaurants-Pâtisseries S.A.	92.00%	Greece	2003-2004
4. Zefxi Restaurants-Pâtisseries S.A.	94.45%	Greece	2003-2004
5. Dymeon Beach Restaurants-Pâtisseries S.A.	100.00%	Greece	2002-2004
 Investments in associates accounted for using the equity method			
	<u>Interest at June 30, 2005</u>	<u>Country of Incorporation</u>	
1. Arma Investments S.A.	25.00%	Greece	
2. Volos Restaurants S.A.	30.00%	Greece	
3. FAST FOOD N. Makri S.A. Restaurants	30.00%	Greece	
4. Aristotelous 27 Restaurants-Pâtisseries 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. Pâtisseries S.A.	50.00%	Greece	