



DELTA HOLDING S.A.

DELTA HOLDING S.A.

**INTERIM FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED
SEPTEMBER 30, 2005
IN ACCORDANCE WITH INTERNATIONAL
FINANCIAL REPORTING STANDARDS (IFRS)**

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STATEMENT OF INCOME

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2005

(All amounts in thousands of Euro, except per share data)

	Notes	Group		Company	
		1/1-30/9 2005	1/1-30/9 2004	1/1-30/9 2005	1/1-30/9 2004
REVENUES:					
Net sales		548.251	545.586	12.556	13.004
Cost of sales		(309.741)	(314.490)	(8.868)	(7.226)
Gross profit		238.510	231.096	3.688	5.778
Selling, general and administrative expenses	6	(177.975)	(174.382)	(3.711)	(4.388)
Other income	7	26.323	6.026	78	43
Financial income/(expenses), net		(11.979)	(5.066)	8.367	11.970
Foreign exchange gains/(losses), net		1.042	(888)	86	0
Share of profit/(losses) of associates		(126)	(125)	0	0
PROFIT BEFORE INCOME TAXES		75.795	56.661	8.508	13.403
Income taxes	8	(29.254)	(18.897)	(1.115)	(2.831)
NET PROFIT		46.541	37.764	7.393	10.572
Attributable to:					
Equity holders of the parent		36.959	25.040	7.393	10.572
Minority interests		9.582	12.724	-	-
		46.541	37.764	7.393	10.572
Earnings per share (in full amount)					
Basic	9	0,91	0,75	0,18	0,32
Diluted	9	0,83	0,66	0,18	0,28
Weighted average number of shares, basic and diluted					
Basic	9	40.598.268	33.425.978	40.598.268	33.425.978
Diluted	9	45.304.692	38.132.402	45.304.692	38.132.402

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



STATEMENT OF INCOME

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2005

(All amounts in thousands of Euro, except per share data)

	Group		Company	
	1/6-30/9 2005	1/6-30/9 2004	1/6-30/9 2005	1/6-30/9 2004
REVENUES:				
Net sales	196.813	191.979	5.454	4.488
Cost of sales	(107.671)	(107.443)	(3.752)	(1.676)
Gross profit	89.142	84.537	1.702	2.812
Selling, general and administrative expenses	(61.428)	(60.567)	(243)	(1.029)
Other income	2.882	3.919	66	27
Financial income/(expenses), net	(7.109)	(3.685)	(8.212)	(2.243)
Foreign exchange gains/(losses), net	(1.293)	(256)	85	-
Share of profit/(losses) of associates	(95)	- 73	-	-
PROFIT BEFORE INCOME TAXES	22.100	23.875	(6.602)	(433)
Income taxes	(8.764)	(5.696)	1.775	(1.096)
NET PROFIT	13.336	18.179	(4.827)	(1.529)
Attributable to:				
Equity holders of the parent	10.258	14.763	(4.827)	(1.529)
Minority interests	3.078	3.416	-	-
	13.336	18.179	(4.827)	(1.529)

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

**BALANCE SHEET
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2005**

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

	Notes	Group		Company	
		September 30, 2005	December 31, 2004	September 30, 2005	December 31, 2004
ASSETS					
Non-Current Assets:					
Property, plant and equipment	10	487.221	483.585	6.008	5.632
Goodwill	11	210.665	201.904	-	-
Intangible assets	12	498	793	1	2
Investments in subsidiaries		-	-	490.757	474.058
Investments in associates	13	242	584	-	-
Other investments		-	16.142	-	4.826
Investments available for sale	14	8.356	-	7.608	-
Other long term assets		2.128	1.963	23.111	11
Deferred income taxes	8	18.929	3.332	8.493	1.849
Total non-current assets		728.039	708.303	535.978	486.378
Current Assets:					
Inventories	15	75.163	61.553	-	-
Trade accounts receivable	16	152.380	104.304	6.281	2.517
Prepayments and other receivables	17	61.131	46.634	16.942	11.560
Securities		-	4.044	-	3.077
Financial assets at fair value through profit and loss	19	11.084	-	148.888	-
Cash and cash equivalents	20	81.281	78.788	21.004	642
Total current assets		381.039	295.323	193.115	17.796
TOTAL ASSETS		1.109.078	1.003.626	729.093	504.174
EQUITY AND LIABILITIES					
Equity attributable to equity holders of parent					
Share capital	21	119.359	119.359	119.359	119.359
Paid-in surplus		91.452	91.452	91.452	91.452
Treasury shares	22	0	(55.420)	0	-
Accumulated deficit		(20.930)	(24.492)	(51.828)	(38.536)
Foreign exchange differences		(1.376)	-	0	-
Legal, tax free and special reserves	23	82.541	80.006	70.221	70.221
Other reserves		(3.200)	3.153	(4.962)	1.300
		267.846	214.058	224.242	243.796
Minority interests		62.414	130.678	-	-
Total Equity		330.260	344.736	224.242	243.796
Non-Current Liabilities:					
Interest bearing loans and borrowings	25	398.679	262.185	434.065	226.473
Other long-term liabilities	28	10.155	8.887	-	-
Deferred income taxes	8	53.755	42.802	-	-
Reserve for staff retirement indemnities	27	11.366	11.703	1.290	1.573
Derivative financial instruments	29	20.933	-	20.933	-
Other long-term liabilities	26	8.201	8.773	-	-
Total non-current liabilities		503.089	334.350	456.288	228.046
Current Liabilities:					
Trade accounts payable	29	107.758	94.679	1.177	1.792
Short-term borrowings	30	37.802	78.657	24	18.025
Current portion of long-term debt	25	27.850	83.166	26.473	-
Income taxes payable		44.704	21.981	3.638	3.001
Accrued and other current liabilities	31	57.615	46.057	17.251	9.514
Total current liabilities		275.729	324.540	48.563	32.332
TOTAL LIABILITIES AND EQUITY		1.109.078	1.003.626	729.093	504.174
		-	-	-	-

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

DELTA HOLDING S.A AND SUBSIDIARIES

STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2005

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

	Group								Total	Minority interests	Total equity
	Attributable to equity holders of the parent										
	Share capital	Paid-in surplus	Legal, tax free and special reserves	Other reserves	Fair value reserve	Treasury shares	Exchange Differences	Accumulated deficit			
Balance, January 1, 2005	<u>119.359</u>	<u>91.452</u>	<u>80.006</u>	<u>3.153</u>	<u>0</u>	<u>(55.420)</u>	<u>0</u>	<u>(24.492)</u>	<u>214.058</u>	<u>130.678</u>	<u>344.736</u>
First time adoption of IAS 39 (net of deferred tax of €6,201)	-	-	-	-	751	-	-	(12.638)	(11.887)	(53)	(11.940)
Profit for the period	-	-	-	-	-	-	-	36.959	36.959	9.582	46.541
Disposal of treasury shares	-	-	-	-	-	55.420	-	(11.227)	44.193	0	44.193
	-	-	-	-	-	-	-	0	0	0	0
Transfer to legal, tax free and special reserves	-	-	2.535	81	-	-	-	(2.616)	0	0	0
Valuation of financial assets	-	-	-	-	(4.505)	-	-	0	(4.505)	0	(4.505)
Sale of investments available for sale	-	-	-	-	(2.680)	-	-	0	(2.680)	0	(2.680)
Exchange differences	-	-	-	-	-	-	(1.376)	0	(1.376)	0	(1.376)
Disposal of subsidiaries	-	-	-	-	-	-	-	(262)	(262)	0	(262)
Dividends	-	-	-	-	-	-	-	(6.902)	(6.902)	(544)	(7.446)
Dividends paid to minority shareholders	-	-	-	-	-	-	-	0	0	(5.816)	(5.816)
Acquisition of minority interests	-	-	-	-	-	-	-	717	717	(71.433)	(70.716)
Other	-	-	-	-	-	-	-	(469)	(469)	0	(469)
Balance, September 30, 2005	<u>119.359</u>	<u>91.452</u>	<u>82.541</u>	<u>3.234</u>	<u>(6.434)</u>	<u>0</u>	<u>(1.376)</u>	<u>(20.930)</u>	<u>267.846</u>	<u>62.414</u>	<u>330.260</u>

	Company					
	Share capital	Paid-in surplus	Legal, tax free and special reserves	Other reserves	Accumulated deficit	Total equity
Balance, January 1, 2005	<u>119.359</u>	<u>91.452</u>	<u>70.221</u>	<u>1.300</u>	<u>(38.536)</u>	<u>243.796</u>
First time adoption of IAS 32 and 39 (net of deferred tax of €6,649)	-	-	-	(1.757)	(13.783)	(15.540)
Profit for the period	-	-	-	-	7.393	7.393
Dividends	-	-	-	-	(6.902)	(6.902)
Valuation of financial assets	-	-	-	(4.505)	-	(4.505)
Balance, September 30, 2005	<u>119.359</u>	<u>91.452</u>	<u>70.221</u>	<u>(4.962)</u>	<u>(51.828)</u>	<u>224.242</u>

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

DELTA HOLDING S.A AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2004



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

	Group						Minority interests	Total equity	
	Attributable to equity holders of the parent								
	Share capital	Paid-in surplus	Legal, tax free and special reserves	Other reserves	Treasury shares	Accumulated deficit			Total
Balance, January 1, 2004	<u>119.359</u>	<u>91.452</u>	<u>73.210</u>	<u>3.645</u>	<u>(55.420)</u>	<u>(40.720)</u>	<u>191.526</u>	<u>125.303</u>	<u>316.829</u>
Profit for the period	-	-	-	-	-	25.040	25.040	12.724	37.764
Dividends	-	-	-	-	-	(6.234)	(6.234)	(302)	(6.536)
Transfer to legal, tax free and special reserves	-	-	6.796	(492)	-	(6.304)	0	-	0
Balance, September 30, 2004	<u>119.359</u>	<u>91.452</u>	<u>80.006</u>	<u>3.153</u>	<u>(55.420)</u>	<u>(28.218)</u>	<u>210.332</u>	<u>137.725</u>	<u>348.057</u>

	Company					
	Share capital	Paid-in surplus	Legal, tax free and special reserves	Other reserves	Accumulated deficit	Total equity
	Balance, January 1, 2004	<u>119.359</u>	<u>91.452</u>	<u>67.530</u>	<u>1.300</u>	<u>(40.956)</u>
Profit for the period	-	-	-	-	10.572	10.572
Dividends	-	-	-	-	(6.234)	(6.234)
Transfer to legal, tax free and special reserves	-	-	2.691	-	(2.691)	0
Balance, September 30, 2004	<u>119.359</u>	<u>91.452</u>	<u>70.221</u>	<u>1.300</u>	<u>(39.309)</u>	<u>243.023</u>

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DELTA HOLDING S.A. AND SUBSIDIARIES

**CASH FLOW STATEMENT
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2005
(All amounts in thousands of Euro, unless otherwise stated)**

	Group		Company	
	September 30, 2005	September 30, 2004	September 30, 2005	September 30, 2004
Cash flows from operating activities				
Profit before income taxes	75.795	56.661	8.508	13.403
Adjustments to reconcile to net cash provided by				
Depreciation and amortisation	24.718	27.335	668	535
Provisions	2.703	657	(282)	133
Interest and other related income	(8.664)	(8.994)	(25.431)	(17.327)
Interest and other related expenses	22.593	13.595	15.835	6.432
Gain from valuation and disposal of investments, financial assets and derivatives	(1.950)	11	1.229	(1.075)
Gain/ (loss) on disposal of property, plant and equipment	(721)	49	-	-
Losses on equity investees	126	125	-	-
Amortization of government grants	(834)	(1.210)	-	-
Profit before working capital changes	113.766	88.229	527	2.101
(Increase)/Decrease in:				
Inventories	(13.610)	(21.059)	-	-
Short-term and long-term receivables	(64.184)	(28.751)	(24.790)	4.729
(Increase)/Decrease in:				
Short-term and long-term liabilities	31.621	14.142	(5.946)	3.704
Interest paid	(16.622)	(13.157)	(11.274)	(6.058)
Income taxes paid	(17.676)	(13.042)	(1.993)	(2.552)
Receipt of government grants	2.176	170	-	0
Total	35.471	26.532	(43.476)	1.924
Cash Flows from Investing Activities:				
Capital expenditure for property, plant and equipment	(31.571)	(26.690)	(1.044)	(499)
Proceeds from disposal of property, plant and equipment	5.215	983	-	3
Interest and other related income received	7.755	8.105	19.516	13.922
Acquisitions of minority interests	(15.249)	(9.033)	(164.511)	(9.606)
Acquisition of minority in Delta Dairy	(62.000)	0	-	-
Disposal of treasury shares	44.193	0	-	-
(Purchase)/Disposal of short-term investments, net	(10.506)	3.403	1.162	3.403
Cash Flows for Investing Activities:	(62.163)	(23.232)	(144.877)	7.223
Cash Flows from Financing Activities:				
Net change in short-term borrowings	(40.855)	5.448	(18.002)	(3.314)
Net change in long term borrowings	82.803	(973)	234.065	-
Minority interests	360	185	-	-
Dividends paid to minority shareholders	(5.816)	-	-	-
Dividends paid	(7.348)	(8.764)	(7.348)	(6.090)
Net Cash from Financing Activities	29.144	(4.104)	208.715	(9.404)
Effect of exchange rates changes on cash	41	1	0	0
Net increase in cash and cash equivalents	2.493	(803)	20.362	(257)
Cash and cash equivalents at beginning of year	78.788	59.322	642	1.261
Cash and cash equivalents at end of period	81.281	58.519	21.004	1.004

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

DELTA HOLDING S.A. AND SUBSIDIARIES
NOTES TO THE INTERIM 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:

Delta Holding S.A. is a corporation formed under the laws of the Hellenic Republic whose shares are publicly traded on the Athens Stock Exchange. References to the "Group" or "Delta" include, unless the contents indicate otherwise, Delta Holding S.A. and its consolidated subsidiaries. Delta was founded in 1952 by Mr. Aristides Daskalopoulos as a family-run business producing yoghurt and distributing milk. Over more than 50 years, Delta has grown to one of the largest manufacturing groups in Greece. Its main lines of business are (i) the production and distribution of dairy products, such as milk and related products, ice cream, yogurt and fruit juices, (ii) quick service restaurants and café bars and, (iii) the production and distribution of general frozen foods such as vegetables, ready made recipes/meals and pastries.

The Company's registered office is in Athens at 59 Panepistimiou Street, 105 64, while its headquarters are in Athens at 10 Ziridi Street, 151 23 Marousi. The life of Delta Holding S.A., according to its Articles of Association, is eighty (80) years as of December 31, 1968, with a possible extension permitted following a decision of the General Meeting of its Shareholders.

As at September 30, 2005 and December 31, 2004, the Company's average number of employees was approximately 5,957 and 6,054 employees, respectively.

2. BASIS OF PRESENTATION:

(a) *Basis of Preparation of Financial Statements:* The accompanying interim separate and consolidated financial statements (thereon referred to as financial statements) have been prepared under the historical cost convention, except for land, buildings, machinery 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 well as 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 in which the Group adopted IAS 39). As more fully discussed in Note 2(c), the accompanying 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 and, specifically, in accordance with the provisions of IAS 34 "Interim Financial Statements".

DELTA HOLDING S.A. AND SUBSIDIARIES
NOTES TO THE INTERIM FINANCIAL STATEMENTS
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(Amounts in all tables and notes are presented in thousands of Euro unless otherwise stated)

(b) Statutory Financial Statements: Delta Holding 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. Delta Holding 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 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 Greek subsidiaries are appropriately adjusted and reclassified by certain out-of-book adjustments in order to be in conformity with IFRS.

The principle out-of-book entries recorded for IFRS purposes on the balance sheets as of January 1, 2004 and 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 3229/04 (as amended by Law 3301/04) Greek entities listed on any Stock Exchange (foreign or domestic) are required to prepare their statutory financial statements (separate 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..

Based on IFRS 1, for the preparation of the first financial statements in accordance with IFRS, an entity should apply the IFRS that will be in effect at the year end date of the first financial statements and for all the periods presented along with the transitional balance sheet.

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

The Group will be preparing and publishing 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 revised or newly issued Standards applicable to the Group and are in effect for the periods ending December 31, 2005, were used for the preparation of these interim financial statements.

As all Standards and Interpretations that will in effect as of December 31, 2005, are not known at the date of preparation of the accompanying interim financial statements, the Group prepared these interim financial statements based on the Standards and Interpretations which had been issued and adopted by the European Union at the date of their preparation (September 2005).

DELTA HOLDING S.A. AND SUBSIDIARIES
NOTES TO THE INTERIM FINANCIAL STATEMENTS
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(Amounts in all tables and notes are presented in thousands of Euro unless otherwise stated)

The IFRS 1 “First Time Adoption of IFRS” provides the option especially at the transition date to IFRS for the application of some exemptions from the general provisions.

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 its previous 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.
 - 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.

At the date of transition to IFRS, Delta 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) Delta 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 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.

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NOTES TO THE INTERIM FINANCIAL STATEMENTS
AS OF SEPTEMBER 30, 2005



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

- (v) elected to apply the provisions of 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 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 financial statements after accounting for consolidation and equity adjustments.
- (d) **Approval of Financial Statements:** The Board of Directors of Delta Holding S.A. approved the interim separate and consolidated financial statements for the period ended September 30, 2005 on November 26, 2005.
- (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.

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 Delta Holding S.A. and all subsidiaries where Delta Holding S.A. has control. Control is presumed to exist when Delta Holding 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 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.



DELTA HOLDING S.A. AND SUBSIDIARIES
NOTES TO THE INTERIM FINANCIAL STATEMENTS
AS OF SEPTEMBER 30, 2005

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

- (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 Delta 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 separate 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 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) **Intangible Assets:** Intangible assets mainly consist of milk production rights and trademarks. Milk production rights represent fees paid to the Ministry of Agricultural Development every four to five years by certain milk producing subsidiaries in respect of maintaining their milk production capacity based on the quotas issued by the Ministry of Agricultural Development and the European Union. Amortization is made through to the next renewal date. Trademarks 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.

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- (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 are measured 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 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.

- (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:

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



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- (j) **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 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 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.

- (k) **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 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.
- (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 September 30, 2005 and December 31, 2004, there were no inventories measured in their net realizable value.

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- (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 actual 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 cost which reflects their fair value less the relative expenses of the contract date. After initial recognition, loans and borrowings are measured at amortized cost using the effective interest rate method. Loans and borrowings denominated in foreign currency are measured using the spot rate at each reporting date.
- (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 27 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 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.
- (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.

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- (s) **Income Taxes (Current and Deferred):** Current and deferred 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. 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. 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.

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- (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 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.

- (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.

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 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. 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.

- (w) **Treasury shares:** Treasury shares represent shares of the parent which have been acquired and are held by a wholly owned subsidiary based in Cyprus. Such treasury shares are presented at cost as a separate component in the consolidated equity. No gain or loss is recognized in the consolidated statement of income on the purchase, sale, issue or cancellation of the treasury shares. Consideration paid or received is recognized directly in equity.

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- (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 Company presents the required information considering as principal criteria of segment segregation, business segments and, as a second criteria 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 food segment produces dairy products (milk, cheese, yogurt and other related products), fruit juices and frozen vegetables and food products.

The production and supply of ice cream is excluded from the food segment and is monitored as a separate segment as seasonality effects both production and sales.

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

The services segment includes the ultimate parent company "Delta Holding S.A.", which 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.

- (z) **Financial Instruments:** Financial assets and financial liabilities on the balance sheet consist of cash, receivables, investments, available for sale investments, financial assets at fair values, short-term liabilities, long-term liabilities and derivative financial instruments.

The accounting principles for the recognition and measurement of these instruments are described in the respective accounting principles which are presented in this note.

The financial instruments are presented as assets, liabilities or elements of equity based on the substance of the relative contracts from which they derive.

Interest, dividends, gains and losses that derive from the financial instruments which are categorized as assets or liabilities are accounted for as income or expense, respectively.

The distribution of dividends to the shareholders is recognized directly in equity.

Financial instruments are offset when the Group, according to the Law, has the legal right to do so and intends to offset them on a net basis (among them) or to recover the asset and settle the liability at the same time.

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It is noted that the Group applied IAS 39 "Financial Instruments: Recognition and Measurement" from January 1, 2005 and onwards based on the relative provisions of the Standard.

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

With respect to specific types of financial instruments for which the valuation methods based on the previous accounting standards (applied until December 31, 2004) had substantial variations in relation to the ones provided from IAS 32 and 39 the following are noted:

i) Derivative Financial Instruments

The Company uses derivative financial instruments such as cross currency and/or interest rates swaps to hedge its risks associated with interest rate and foreign currency fluctuations

The derivative financial instruments are measured at fair values at each balance sheet date.

Such fair values is based mainly on market prices and is confirmed by the counterparties (financial institutions).

Changes in the fair values of derivatives that are eligible for hedge accounting and hedging is effective, are recognized directly in equity in the case of cash flow hedges. With respect to fair value hedges changes are recognized in the statements of income.

Where the estimated future hedged transactions or liabilities require the recognition of an asset or liability, the gains or losses previously recognized in equity (cash flow hedges) are included in the initial recognition of the cost of these assets or liabilities.

In other cases, the amounts reflected in equity are transferred to the statements of income and are recognized as income or expense in the period in which the estimated hedged transactions affect the statement of income.

Certain derivatives, although characterized as effective hedges based on Group policies, do not meet the criteria for hedge accounting in accordance with the provisions of IAS 39 and, therefore, gains or losses are recognized in the statements of income.

Based on previous GAAP, that were used for the accounting of similar instruments until December 31, 2004, derivatives are not recognized in the balance sheet until their settlement date in which the realized gains or losses are recognized in the statement of income

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ii) Convertible Bonds

The Company has one convertible bond outstanding as of September 30, 2005, which comprise debt investments with an embedded conversion option. According to IAS 32, the liability component should be determined on the basis of the present value of the contractually determined stream of future cash flows discounted at the rate of interest applied at the time by the market to instruments of comparable credit status and providing substantially the same cash flows, on the same terms, but without the conversion option.

The remaining part of the instrument, if any, would be the equity component representing the embedded option to convert the liability into equity of the issuer.

On allocation of the consideration as discussed above, any resulting gain or loss relating to the liability component would be recognized in the consolidated statement of income, while the amount of consideration relating to the equity component would be recognized in equity.

According to the prior GAAP applied until December 31, 2004, convertible bonds are treated as simple debt instruments without any equity component being determined and recognized. They are measured based on nominal amount (after considering foreign currency conversion based on year-end spot rates) plus accrued interest.

iii) Convertible preference shares

The Company has preference shares that under the provisions of IAS 32 would exhibit characteristics of a liability.

The basic right embedded in those preference shares, is priority on distribution of the minimum dividend required by law, which, in the case of absence of adequate profits will be covered from profit distribution of future years.

However, on April 27, 2005, at an extraordinary shareholders' meeting, the preference shareholders waived their rights and the preference shares were converted into common voting shares.

iv) Other investments (until December 31, 2004):

Other investments consist of investments in entities where Delta does not exercise control nor has significant influence over their activities. Their initial recognition is at the acquisition cost which reflects the fair value of the consideration including direct acquisition costs.

Investments, other than investments in subsidiaries, associates and joint ventures should be classified as available-for-sale, financial assets at fair value through profit and loss and held to maturity investments. Generally, available-for-sale investments and financial assets at fair value through profit and loss are measured at fair value, with the resulting gains or losses recognized as a separate component of equity for available for sale investments and in the consolidated statement of income for financial assets at fair value through profit and loss.

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Held to maturity investments are measured at amortized cost using the effective interest rate method with gains or losses recognized in the consolidated statement of income through the amortization process or upon derecognition.

Based on prior GAAP (which the Company applied until December 31, 2004) such investments need not be classified 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 investor.

(aa) New Standards and Interpretations: During 2005, the Interpretation 4 “Determination of a contract to be defined as lease” and Interpretation 5 “Interest from participation in recovery, retirement and environmental restoration funds” were issued and will be applied from January 1, 2006, which are not expected to affect the Group’s financial statements.

Also, the provisions of IFRS 6 “Exploitation and valuation of natural minerals” which is applied from January 1, 2005, has no effect in the Group’s financial statements.

(ab) 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 and not from the transitional date to IFRS.

By the implementation of this standard, the values of the derivative financial instruments (cross currency and exchange rate swaps and time deposits exchange sales) were recognized in the interim financial statements of the nine-months period ended September 30, 2005, which, based on the previous standards applied by the Company, were accounted upon settlement and the value of available for sale investments (which, based on the previous standards applied by the Company, were recognized as securities and long-term assets).

The cumulative effect of the initial implementation of IAS 39 “Financial Instruments: Recognition and Measurement” was recognized in equity as of January 1, 2005 and is reflected separately in the accompanying statement of changes in equity.



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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>1/1- 30/9/2005</u>	<u>1/1- 30/9/2004</u>	<u>1/1- 30/9/2005</u>	<u>1/1- 30/9/2004</u>
Wages and salaries	76.371	78.110	6.559	5.511
Social security costs	16.448	14.294	957	894
Staff retirement indemnities	1,234	2.366	154	541
Other staff costs	<u>871</u>	<u>453</u>	-	-
Total payroll	94.924	95,223	7.670	6.946
Less: amounts charged to cost of production	<u>(41.643)</u>	<u>(39.515)</u>	<u>(6.276)</u>	<u>(4.650)</u>
Payroll expensed (Note 6)	<u>53.281</u>	<u>55.708</u>	<u>1.394</u>	<u>2.296</u>

5. DEPRECIATION AND AMORTIZATION:

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

	<u>Group</u>		<u>Company</u>	
	<u>1/1- 30/9/2005</u>	<u>1/1- 30/9/2004</u>	<u>1/1- 30/9/2005</u>	<u>1/1- 30/9/2004</u>
Depreciation on property, plant and equipment (Note 10)	24.285	27.011	668	534
Amortization of intangible assets (Note 12)	<u>433</u>	<u>321</u>	<u>1</u>	<u>1</u>
	24.718	27.332	669	535
Amortization of subsidies (Note 28)	<u>(834)</u>	<u>(1.401)</u>	-	-
	23.884	25.931	669	535
Less: amounts charged to cost of production	<u>(12.818)</u>	<u>(15.624)</u>	<u>(484)</u>	<u>(204)</u>
Depreciation and amortization expensed (Note 6)	<u>11.066</u>	<u>10.307</u>	<u>185</u>	<u>331</u>

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6. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES:

Selling, general and administrative expenses in the accompanying financial statements is analyzed as follows:

	<u>Group</u>		<u>Company</u>	
	<u>1/1- 30/9/2005</u>	<u>1/1- 30/9/2004</u>	<u>1/1- 30/9/2005</u>	<u>1/1- 30/9/2004</u>
Payroll (Note 4)	53.281	55.708	1.394	2.296
Advertising and promotion costs	46.371	44.945	153	358
Third party fees	13.295	9.242	227	517
Depreciation and amortization (Note 5)	11.066	10.307	185	331
Rent expense	8.438	8.962	474	105
Commissions	5.974	7.640	-	-
Utilities	2.854	3.696	229	167
Insurances	1.237	1.338	25	37
Repairs and maintenance	4.454	4.678	110	110
Shipping and handling costs	9.374	20.768	45	-
Duties and taxes	1.912	1.334	253	44
Stationery and other consumables	1.367	1.436	28	22
Traveling and entertainment	1.384	1.302	213	66
Bad debt provision	2.719	-	-	-
Other	14.249	3.026	375	335
Total	<u>177.975</u>	<u>174.382</u>	<u>3.711</u>	<u>4.388</u>

7. OTHER INCOME

Other income is analyzed as follows:

	<u>Group</u>		<u>Company</u>	
	<u>1/1- 30/9/2005</u>	<u>1/1- 30/9/2004</u>	<u>1/1- 30/9/2005</u>	<u>1/1- 30/9/2004</u>
Income from Danone (Note 18)	18.500	-	-	-
Income from services	4.263	4.019	-	-
Subsidies	1.678	1.036	2	36
Gain/(loss) from sales of fixed assets	721	(49)	-	3
Insurance indemnities	345	131	12	1
Other	816	889	64	3
Total	<u>26.323</u>	<u>6.026</u>	<u>78</u>	<u>43</u>



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8. INCOME TAXES:

According to the tax law, the income tax applicable to companies for the period of 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 financial statements is analyzed as follows:

	<u>Group</u>		<u>Company</u>	
	<u>1/1-</u> <u>30/9/2005</u>	<u>1/1-</u> <u>30/9/2004</u>	<u>1/1-</u> <u>30/9/2005</u>	<u>1/1-</u> <u>30/9/2004</u>
Current income taxes:				
- current income tax charge	27.184	17.834	1.110	1.366
- adjustments in respect of income tax of previous years	513	1.207	-	-
Deferred income taxes	<u>1.557</u>	<u>(144)</u>	<u>5</u>	<u>925</u>
Total provision for income taxes reported in the statement of income	<u>29.254</u>	<u>18.897</u>	<u>1.115</u>	<u>2.291</u>

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.

Delta Holding S.A has been audited by the tax authorities through December 31, 2003. With respect to Delta Holding S.A '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.



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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>Η Εταιρεία</u>
Beginning balance , January 1, 2004	(57.400)	2,761
Charged directly to equity	21.374	77
Charged to the statement of income	(3.444)	(989)
Ending balance, December 31, 2004	<u>(39.470)</u>	<u>1,849</u>

	<u>Group</u>	<u>Company</u>
Beginning balance , January 1, 2005	(39.470)	1.849
Charged directly to equity (from the first time adoption of IAS 32 and IAS 39)	6.201	6.649
Charged to the statement of income	(1.557)	(5)
Ending balance, September 30, 2005	<u>(34.826)</u>	<u>8.493</u>

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9. EARNINGS PER SHARE:

The calculation of basic and diluted earnings per share as of September 30, 2005 and 2004, is 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>
Net profit attributable to equity holders of the parent	36.959	25.040	7.393	10.572
Weighted average number of shares outstanding	40.598.268	40.598.268	40.598.268	40.598.268
Less: Weighted average number of treasury shares	-	(7.172.290)	-	(7.172.290)
Total weighted average number of shares outstanding	40.598.268	33.425.978	40.598.268	33.425.978
Basic Earnings per share	<u>0,91</u>	<u>0,75</u>	<u>0,18</u>	<u>0,32</u>
Net profit attributable to equity holders of the parent	36.959	25.040	7.393	10.572
Interest on convertible shares, net of tax	821	43	821	43
Adjusted net profit attributable to equity holders of the parent	37.780	25.083	8.214	10.615
Total weighted average number of shares outstanding	40.598.268	33.425.978	40.598.268	33.425.978
Effect of dilution of convertible shares	4.706.424	4.706.424	4.706.424	4.706.424
Total adjusted weighted average number of shares outstanding	45.304.692	38.132.402	45.304.692	38.132.402
Diluted Earnings per share	<u>0,83</u>	<u>0,66</u>	<u>0,18</u>	<u>0,28</u>

The Company had preference shares that under the provisions of IAS 32 would be treated as dilutive. However, on April 27, 2005, at an extraordinary shareholders' meeting, the preference shareholders waived their rights and the preference shares were converted into common voting shares. Since, the distribution of profits for the year ended December 31, 2004, was approved by the Ordinary Assembly Meeting of the Company on June 2005, no preference shares were in effect upon distribution and as such, no dilutive effect on profits of 2004 has been taken into consideration.



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10. PROPERTY, PLANT AND EQUIPMENT:

Property, plant and equipment is analyzed as follows:

Group							Total
	Land	Buildings and installations	Machinery and equipment	Transportation equipment	Furniture and fixtures	Construction in progress (CIP)	
COST							
At January 1, 2004	81,364	127,652	261,741	37,587	45,434	5,393	559,171
Additions	482	3,338	10,676	2,210	4,047	16,211	36,964
Transfers from CIP	-	1,667	4,080	1,449	847	(8,043)	-
Disposals	(446)	(966)	(616)	(1,626)	(1,355)	(1,595)	(6,604)
Other transfers	-	2,710	(2,710)	-	-	-	-
Translation adjust.	(183)	(1,712)	(1,127)	(328)	(57)	(207)	(3,614)
At December 31, 2004	81,217	132,689	272,044	39,292	48,916	11,759	585,917
ACCUMULATED DEPRECIATION							
At January 1, 2004	-	(6,010)	(12,469)	(22,234)	(27,802)	-	(68,515)
Depreciation expense	-	(4,177)	(24,074)	(3,584)	(5,456)	-	(37,291)
Disposals	-	1,521	322	507	998	-	3,348
Other transfers	-	(617)	617	-	-	-	-
Translation adjust.	-	18	71	21	16	-	126
At December 31, 2004	-	(9,265)	(35,533)	(25,290)	(32,244)	-	(102,332)
NET BOOK VALUE							
At December 31, 2004	81,217	123,424	236,511	14,002	16,672	11,759	483,585
Group							Total
	Land	Buildings and installations	Machinery and equipment	Transportation equipment	Furniture and fixtures	Construction in progress (CIP)	
COST							
At January 1, 2005	81,217	132,689	272,044	39,292	48,916	11,759	585,917
Additions	-	2,286	12,349	1,390	3,749	11,659	31,433
Transfers from CIP	-	4,522	4,562	71	1,190	(10,345)	-
Disposals	(1,764)	(1,828)	(644)	(1,600)	(1,181)	-	(7,017)
Other transfers	-	-	-	-	-	-	-
Translation adjust.	167	1,061	1,457	92	304	-	3,081
At September 30, 2005	79,620	138,730	289,768	39,245	52,978	13,073	613,414
ACCUMULATED DEPRECIATION							
At January 1, 2005	-	(9,265)	(35,533)	(25,290)	(32,244)	-	(102,332)
Depreciation expense	-	(3,384)	(13,587)	(2,804)	(4,510)	-	(24,285)
Disposals	-	46	240	1,320	998	-	2,604
Other transfers	-	-	-	-	-	-	-
Translation adjust.	-	(513)	(1,303)	(81)	(283)	-	(2,180)
At September 30, 2005	-	(13,116)	(50,183)	(26,855)	(36,039)	-	126,193
NET BOOK VALUE							
At September 30, 2005	79,620	125,614	239,585	12,390	16,939	13,073	487,221



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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:

	<u>Group</u> <u>January 1, 2004</u>			<u>Company</u> <u>January 1, 2004</u>		
	<u>Increase in value</u>	<u>Decrease in value</u>	<u>Total</u>	<u>Increase in value</u>	<u>Decrease in value</u>	<u>Total</u>
Land	40,286	(2,591)	37,695	398	(1,832)	(1,434)
Buildings	43,759	(1,615)	42,144	352	(127)	225
Machinery and equipment	125,488	-	125,488	21	(30)	(9)
	<u>209,533</u>	<u>(4,206)</u>	<u>205,327</u>	<u>771</u>	<u>(1,989)</u>	<u>(1,218)</u>

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.



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The Company has finance leases mainly for milk production and packaging equipment. The net carrying amount of such equipment as at September 30, 2005, was € 5,993 (€ 6,381 as at December 31, 2004) and is included in machinery and equipment in the accompanying consolidated balance sheet.

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 September 30, 2005, Delta had contractual commitments for the acquisition of property, plant and equipment amounting to € 18 (€ 332 as at December 31, 2004).

11. GOODWILL:

The movement of goodwill for the nine month period ended September 30, 2005 and December 31, 2004, in the consolidated financial statements has as follows:

	<u>January 1, 2004</u>	<u>Additions</u>	<u>Impairment losses</u>	<u>December 31, 2004</u>
Goody's S.A	116,257	2,965	(1,007)	118,215
Delta Ice Cream S.A	50,330	453	-	50,783
General Frozen Foods S.A	28,055	3,453	(183)	31,325
Other	1,637	-	(56)	1,581
	<u>196,279</u>	<u>6,871</u>	<u>(1,246)</u>	<u>201,904</u>
	<u>January 1, 2005</u>	<u>Additions</u>	<u>Impairment losses</u>	<u>September 30, 2005</u>
Goody's S.A	118,215	2.461	-	120.676
Delta Ice Cream S.A	50,783	4.823	-	55.606
General Frozen Foods S.A	31,325	1.477	-	32.802
Other	1,581	-	-	1.581
	<u>201,904</u>	<u>8.761</u>	<u>-</u>	<u>210.665</u>

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.

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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.

December 31, 2003

Goodwill before restatement

	<u>In intangibles</u>	<u>Against equity</u>	<u>Goodwill after restatement</u>	<u>Written off against equity</u>	<u>Impairment loss</u>	<u>As reflected in IFRS balance sheet</u>
Goody's S.A	148,635	8,498	157,133	-	(40,876)	116,257
Delta Ice Cream S.A	-	105,932	105,932	(55,602)	-	50,330
General Frozen Foods S.A	-	33,186	33,186	-	(5,131)	28,055
Other	5,240	12,595	17,835	(16,198)	-	1,637
	<u>153,875</u>	<u>160,211</u>	<u>314,086</u>	<u>(71,800)</u>	<u>(46,007)</u>	<u>196,279</u>

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

- (a) **Goody's S.A.:** In 2001 and following various step-up acquisitions, the Company increased its interest stake in Goody's (a vertical group engaged in the development and operations of quick service restaurants and café bars) from 29.90% (January 1, 2001) to 61.68% (December 31, 2001) and obtained control over its operations. At the time such control was obtained, goodwill of € 160.1 million arose which, through to the date of transition to IFRS, was amortized over 20 years based on management estimates with regards to its useful economic life. This goodwill was increased due to subsequent step-up acquisitions and the carrying amount at the date of transition was € 157.1 million. On such date, an impairment test was performed on the carrying amount of goodwill based on the provisions of IAS 36 "Impairment of Assets". In this respect, the previously unallocated goodwill was assigned to the cash generating units of the acquiree and, the recoverable amounts of the cash generating units were determined to be their values in use. Based on the impairment test performed, an impairment loss of € 40.9 million resulted which was recognized through an equal charge against the retained earnings as at January 1, 2004.

An impairment test was also performed as at December 31, 2004, based on which the recoverable amount once more was found to be the value in use of the respective business and an additional impairment loss of € 1 million was charged to the consolidated statement of income.

As mentioned above, the recoverable amount of Goody's S.A. has been determined based on a value in use calculation of net discounted cash flows expected to arise from the specific activity. To assess this, Goody's Group is divided in 39 cash-generating units and cash flow projections are based on financial forecasts approved by management covering a five-year period. The discount rate applied to cash flow projections varied from 10.9% to 13.1% (2003: 10.9% to 13.1) and cash flow beyond the five-year period were extrapolated using a 2% growth rate (2003: 2%) which is the expected average growth rate for the specific industry division.

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- (b) **Delta Ice Cream S.A.:** In 2000, DELTA acquired a 75% stake in Papafilis Flour Mills S.A. ("Papafilis"), a group listed on the Athens Stock Exchange engaged in the production and marketing of flour products.

In 2001, the flour segment of Papafilis was spun-off and the parent sold Delta Ice Cream S.A. (a wholly owned subsidiary) to Papafilis. The above sale was made in two tranches, 45% in 2001 and the remaining 55% in 2002.

Following the above intragroup sale, Papafilis absorbed Delta Ice Cream S.A. based on the provisions of Law 2166/93 (a Greek tax law pertaining to mergers and absorption of legal entities) and the absorber was renamed to Delta Ice Cream S.A.

As a result of the above absorption, goodwill of € 74.1 million arose which was at that time recognized as a deduction from equity based on one of the allowed treatments of Law 2166/93. Subsequent to the above absorption and through to December 31, 2003, the parent increased its shareholding in Delta Ice Cream S.A. from 75% to 92.68% and, the additional goodwill incurred of € 31.8 million was also accounted for as a deduction from equity. Accordingly, the total goodwill recognized on Delta Ice Cream S.A.'s related business acquisitions of € 105.9 million was initially accounted for as a deduction from equity and was reclassified to intangible assets as at December 31, 2003.

As of the date of the transition to IFRS, of the total amount of goodwill recognized as referred to above, € 55.6 million (representing 75% of the goodwill which arose on the absorption described above) was written-off against retained earnings, as it did not qualify for recognition as an asset.

The remaining amount of goodwill recognized on the above absorption of € 18.5 million (attributed to the then minority shareholders of Delta Ice Cream S.A.) together with the goodwill incurred on subsequent step-up acquisitions of € 31.8 million, aggregating to € 50.3 million underwent an impairment test on the transition date according to the provisions of IAS 36 "Impairment of Assets".

The recoverable amount of such goodwill was higher than its carrying value as noted above and, consequently, no impairment issue exists except the amount written-off of € 55.6 million mentioned above. A similar impairment test was also performed as of December 31, 2004, indicating that no impairment issue exists.

The recoverable amount of Delta Ice Cream S.A. has been determined based on a fair value less costs to sell value in use calculation, using quoted market prices, as the parent company's shares are listed on the Athens stock exchange.

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- (c) **General Frozen Foods S.A.:** Delta acquired Uncle Stathis S.A. in 1994 (a listed entity engaged in the production and marketing of frozen vegetables and related products) and, subsequently, merged it with Froza S.A. and renamed the new entity to General Frozen Foods S.A. From this transaction, a goodwill of € 33.2 million arose which was initially recorded as a deduction from equity and reclassified in December 31, 2003, as described above. At the date of the transition to IFRS, an impairment test was performed on the above goodwill during the course of which it was assigned to the cash generating units of General Frozen Foods S.A. The recoverable amount which, in the case, was the value in use was lower than the carrying value and the resulting impairment loss of € 5.1 million was charged against retained earnings as at January 1, 2004. An impairment test was also performed as at December 31, 2004, based on which impairment loss of € 183 was recognized and included in the accompanying consolidated statement of income.

The recoverable amount of General Frozen Foods S.A. has been determined based on a value in use calculation. To assess this, General Frozen Foods S.A. group is divided to two cash-generating units and cash flow projections are based on financial forecast approved by management covering a five-year period. The discount rate applied to cash flow projections varied from 10.5 % to 11.4 % (2003: 10.5 % to 11.4 %) and cash flow beyond the five-year period were extrapolated using a 2% growth rate (2003: 2%) which is the expected average growth rate for the specific industry division.

Key assumptions used in value in use of 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.



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12. INTANGIBLE ASSETS

Group

	<u>Trademarks</u>	<u>Software and other</u>	<u>Total</u>
Cost			
At January 1, 2004	3,800	1,620	5,420
Additions	65	94	159
At December 31, 2004	<u>3,865</u>	<u>1,714</u>	<u>5,579</u>
Accumulated amortization			
At January 1, 2004	(3,497)	(861)	(4,358)
Additions	(99)	(329)	(428)
At December 31, 2004	<u>(3,596)</u>	<u>(1,190)</u>	<u>(4,786)</u>
	<u>269</u>	<u>524</u>	<u>793</u>
	<u>Trademarks</u>	<u>Software and other</u>	<u>Total</u>
Cost			
At January 1, 2005	3,865	1,714	5,579
Additions	106	32	138
Disposals	-	(94)	(94)
At September 30, 2005	<u>3.971</u>	<u>1.652</u>	<u>5.623</u>
Accumulated amortization			
At January 1, 2005	(3,596)	(1,190)	(4,786)
Additions	(141)	(292)	(433)
Disposals	-	94	94
At September 30, 2005	<u>(3.737)</u>	<u>(1.388)</u>	<u>(5.125)</u>
	<u>234</u>	<u>264</u>	<u>498</u>

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Company

	<u>Trademarks</u>	<u>Software and other</u>	<u>Total</u>
Cost			
At January 1, 2004	3	10	13
Additions	1	-	1
At December 31, 2004	<u>4</u>	<u>10</u>	<u>14</u>
Accumulated amortization			
At January 1, 2004	(1)	(10)	(11)
Additions	(1)	-	(1)
At December 31, 2004	<u>(2)</u>	<u>(10)</u>	<u>(12)</u>
	<u>2</u>	<u>-</u>	<u>2</u>
	<u>Trademarks</u>	<u>Software and other</u>	<u>Total</u>
Cost			
At January 1, 2005	4	10	14
Additions	-	-	-
Disposals	(1)	-	(1)
At September 30, 2005	<u>3</u>	<u>10</u>	<u>13</u>
Accumulated amortization			
At January 1, 2005	(2)	(10)	(12)
Additions	(1)	-	(1)
Disposals	1	-	1
At September 30, 2005	<u>(1)</u>	<u>(10)</u>	<u>(12)</u>
	<u>1</u>	<u>-</u>	<u>1</u>

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13. INVESTMENTS IN ASSOCIATES:

The Company has the following interest in investments, 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:

<u>Entity</u>	<u>% of ownership</u>	<u>Carrying Amount</u>	<u>Principal Activity</u>	<u>Country of Incorporation</u>
Arma Investments S.A.	17.31%	75	Restaurant/Café bar	Greece
Volos Restaurants S.A.	20.77%	54	Restaurant/Café bar	Greece
Kordelio Restaurants S.A.	31.97%	-	Restaurant/Café bar	Greece
Nea Makri Restaurants S.A.	20.77%	-	Restaurant/Café bar	Greece
Aristotelous 27 Restaurants Patisseries S.A.	33.81%	62	Restaurant/Café bar	Greece
Desmos Developments S.A.	20.77%	-	Restaurant/Café bar	Greece
Thisio Café S.A.	24.23%	-	Restaurant/Café bar	Greece
Café Halcyon S.A.	24.23%	51	Restaurant/Café bar	Greece
Café Patisseries Marina Zeas S.A.	35%	-	Restaurant/Café bar	Greece
VALTOP Holdings S.A. (Dodoni group of companies)	24.21%	-	Production of ice cream products	Greece
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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.

The Group's subsidiaries have provided guarantees of € 132 to associates for working capital requirements.

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14. INVESTMENTS AVAILABLE FOR SALE:

Available for sale investments consist of equity participations in unlisted entities which are analyzed as follows:

		<u>Group</u>
		<u>30/9/2005</u>
Global Capital Investors (II) Limited Partnership	(α)	7.392
Other		964
		<u>8.356</u>
		<u>Company</u>
		<u>30/9/2005</u>
Global Capital Investors (II) Limited Partnership	(α)	7.392
Other		216
		<u>7.608</u>

- (a) **Global Capital Investors (II) Limited Partnership:** The Company has an interest stake of 5% in Global Capital Investors (II) Limited Partnership («Global Capital»), which was incorporated in Guernsey Islands on March 24, 2004.

Global Capital's principle activity is that of an investment vehicle for institutional and sophisticated private investors, with the primary object of achieving long-term capital growth by investing in equity related securities, in unquoted companies in Greece and other countries with developed or converging market economies where Greek business is increasingly active.

The Company's investment in Global Capital is accounted for at fair value, as analyzed in Note 3 (aa). From the above valuation as at January 1, 2005, a loss of € 1,144 was recognized in fair value reserve within equity.

15. 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	28.432	28,785	-	-
Raw materials and supplies	38.216	23,958	-	-
Merchandise	8.515	8,810	-	-
			-	-
Total	<u>75.163</u>	<u>61,553</u>	≡	≡



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16. 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:				
Customers	141.450	116.953	6.891	3,127
Post-dated cheques receivable	33.569	7,135	-	-
Drafts receivable	145	316	-	-
	<u>175.164</u>	<u>124,404</u>	<u>6.891</u>	<u>3,127</u>
-Less: allowance for doubtful accounts receivable	(22.784)	(20,100)	(610)	(610)
Total	<u>152.380</u>	<u>104,304</u>	<u>6.281</u>	<u>2,517</u>

The movement of the allowance for doubtful accounts receivable for the periods ended at September 30, 2005 and December 31, 2004, is as follows:

	<u>Group</u>	<u>Company</u>
Balance at January 1, 2004	20,690	610
Release to the statement of income	(590)	-
Balance at December 31, 2004	<u>20,100</u>	<u>610</u>
Additional provisions of the period	2.719	-
Release to the statement of income	(35)	-
Balance at September 30, 2005	<u>22.784</u>	<u>610</u>

17. PREPAYMENTS AND OTHER RECEIVABLES:

Prepayments and other receivables 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>
Prepaid and withholding taxes	22.289	14,380	7.888	7,884
Advances for inventory purchases	3.105	12,549	-	-
VAT receivable	2.370	7,595	-	-
Accrued income	2.677	3,107	5.704	2,772
Prepaid expenses	1.252	2,371	-	191
Other advances and prepayments	1.754	1,688	-	368
Payments on account	1.253	906	357	316
Loans and advances to personnel	-	946	377	-
Receivables from associates (Note 18)	400	292	-	-
Other	26.031	2,800	2.616	29
Total	<u>61.131</u>	<u>46.634</u>	<u>16.942</u>	<u>11,560</u>

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18. RELATED PARTY DISCLOSURES:

i) Transactions with related parties:

The consolidated financial statements include the financial statements of Delta Holding S.A. and its subsidiaries listed in Appendix II. The Company has also investments in associates which are presented in Note 13. There is no ultimate parent in the form of a legal entity, as the majority of the share capital (40,04% of common shares as of September 30, 2005) is owned by Mr. Dimitris Daskalopoulos and there are no other senior shareholders who hold a significant part of Delta Holding S.A.'s share capital.

Delta 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.

Account balances with associates (Note 13) are as follows:

	September 30 2005	December 31 2004
Due from:		
Volos Restaurants S.A.	38	74
Arma Investments S.A.	29	42
VALTOP Holdings S.A. (Dodoni group of companies)	134	39
Nea Makri Restaurants S.A.	41	27
Café Halcyon S.A.	13	16
Akti Dymeon S.A.	-	56
Aristotelous 27 Restaurants Patisseries S.A.	27	12
Desmos Developments S.A.	16	11
Marina Zeas	102	-
Kordelio Restaurants S.A.	-	9
Thisio Café S.A.	-	6
	400	292

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Transactions with associates for the nine-months period ended September 30, 2005 as well as the year ended December 31, 2004, are analyzed as follows:

	<u>Sales to related parties September 30, 2005</u>	<u>Sales to related parties December 31, 2004</u>
Inventories, materials, supplies and commercial services	-	
VALTOP Holdings S.A. (Dodoni group of companies)	514	554
Volos Restaurants S.A.	414	639
Arma Investments S.A.	281	460
Kordelio Restaurants S.A.	-	295
Akti Dymeon S.A.	-	390
Nea Makri Restaurants S.A.	190	270
Desmos Developments S.A.	108	154
Thisio Café S.A.	-	109
Café Halcyon S.A.	79	107
Marina Zeas	70	-
Aristotelous 27 Restaurants Patisseries S.A.	43	68
Total	<u>1.699</u>	<u>3.046</u>
	<u>Purchases from related parties September 30, 2005</u>	<u>December 31, 2004</u>
Commercial services		
Volos Restaurants S.A.	29	-
Akti Dymeon S.A.	-	-
Arma Investments S.A.	32	1
Desmos Developments S.A.	-	-
Kordelio Restaurants S.A.	-	-
Nea Makri Restaurants S.A.	-	-
Café Halcyon S.A.	1	2
Thisio Café S.A.	-	-
Marina Zeas	-	-
Aristotelous 27 Restaurants Patisseries S.A.	-	-
Total	<u>62</u>	<u>3</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 September 30, 2005, the Company has not raised any provision for doubtful debts relating to amounts owed by related parties.

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ii) *Commercial Cooperation and shareholder relationship with DANONE*

On February 15, 2005, the Group announced that it would acquire the 30% that the French Dairy Company, DANONE, held in Delta Dairy S.A and would modify the cooperation agreement that exists between the French entity and the Group.

Based on the above, on May 26, 2005, Delta Dairy S.A acquired from DANONE the 30% of its shares held by DANONE (12,521,735 shares) at a price of € 62 million. The Extraordinary General Assembly of Shareholders of Delta Dairy S.A on May 26, 2005, decided on the cancellation of the acquired treasury shares through the reduction of the share capital by an amount of € 61,190 which was performed:

- a) by the amount of Euro 29,050 through cancellation of the acquired 12,521,735 treasury shares of a nominal amount of Euro 2,32 (full amount) each,
- b) by the amount of Euro 32,139 through the reduction of the nominal value of the remaining shares of Delta Dairy S.A from Euro 2,32 (full amount) to Euro 1,22 (full amount) each in order to offset the losses from the above purchase.

After the completion of the above transaction, the parent Company increased its equity participation in the subsidiary Delta Dairy S.A., from 70% to 100%. In respect to the financial statements of the Group, the above transaction was confronted as an acquisition of minority and is reflected in the accompanying consolidated statement of changes in equity for the nine months ended September 30, 2005.

In addition, under the amendment of the commercial cooperation between Danone and the Group and, based on the relative agreement that was signed on May 26, 2005, DANONE paid Delta Dairy S.A the amount of € 18.500 as a fee for the amendment of the agreement terms between the two parties. The above amount was collected during the semester of 2005 and is included in “Other Income/(Expenses)” in the consolidated statement of income for the nine months ended September 30, 2005.

19. FINANCIAL INSTRUMENTS AT FAIR VALUES THROUGH PROFIT AND LOSS:

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

	Group 30/9/2005
Mutual Funds:	<u>1.843</u>
Bonds:	<u>6.031</u>
Equity Participations Listed	
- Marfin Financial Group	2.673
- Chipita S.A.	364
- Other	<u>173</u>

Total	<u><u>11.084</u></u>

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	Company 30/9/2005
Mutual Funds:	<u>820</u>
Bonds:	<u>145.031</u>
Equity Participations	
Listed	
- Marfin Financial Group	2.673
- Chipita S.A.	<u>364</u>
	<u>3.037</u>
Total	<u><u>148.888</u></u>

The valuation of the above financial instruments in fair values is described in Note 3 (aa).

20. CASH AND CASH EQUIVALENTS:

Cash and cash equivalents 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>
Cash in hand	1.622	1,391	90	131
Cash at banks				
- sight accounts	21.803	23,117	735	508
- time deposits	57.856	54,280	20.179	3
Total	<u>81.281</u>	<u>78.788</u>	<u>21.004</u>	<u>642</u>

Cash at banks earn interest at floating rates based on monthly bank deposit rates. Interest earned on cash at banks and time deposits is accounted for on an accrual basis and amounted to € 908 for the nine months ended September 30, 2005 (€ 430 for the period ended December 31, 2004), and is included in financial income/(expense), net in the accompanying consolidated statement of income.

21. SHARE CAPITAL:

At September 30, 2005, the Company's share capital amounted to € 119,359 and comprised of 40,598,268 registered shares of € 2.94 par value each. Until April 27, 2005, the share capital of the Company consisted of 29,096,509 common shares and 11,501,759 non-voting preference shares.

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The non-voting preference shareholders had the following rights:

- (i) To first receive the minimum dividend distribution, as defined in Note 24, and then participate equally in any additional dividend distribution,
- (ii) In case that no dividends are distributed or, the distribution is less than the minimum dividend, as defined in Note 24, for on or more fiscal years, then the cumulative shortfall will be covered from future years profits and,
- (iii) To first receive their paid-in capital in case the Company is dissolved and then equally participate in any additional distributions in excess of the Company's total paid-in capital

On April 27, 2005, at an extraordinary preference shareholders' meeting, the preference shareholders waived their rights and agreed for the conversion of the preference shares into common registered voting shares. Also, at the same extraordinary preference shareholders' meeting the shareholders approved the conversion of the preference shares to common shares and approved to convert all shares from bearer to registered shares.

22. SALE OF TREASURY SHARES

As of December 31, 2004, the Group held 7,172,290 shares of its own stock (4,871,881 common shares and 2,300,409 preference shares). The total acquisition cost of these shares amounting to € 55,420 was reflected in a special reserve, as a reduction of the Group's equity. During 2005, the Group gradually disposed of the treasury shares realizing a loss of € 11,227. This loss was recognized directly in equity by charging accumulated deficit.

23. 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	13.457	13,837	8.573	8.573
Tax free and specially taxed reserves	55.790	43,423	52.063	52.063
Special reserves				
- Law 1892/1990 (Art. 23b)	9.585	9,585	9.585	9.585
- Other	3.709	13,161		
	13.294	22,746		
Total	82.541	80,006	70.221	70.221

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.

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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. 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:

- (a) 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,
- (b) 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 February 21, 2005, the Company's Board of Directors approved a dividend distribution from the 2004 statutory profits of € 6,902 (€ 0.17 per share) which was approved by the Annual General Meeting on June 29, 2005.

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25. 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>
€ 200 million Bond loan	-	200,000		200,000
€ 200 million Bond loan	200.000		200.000	-
Bond loan in \$ and € (€ 45 million and \$ 176 million)	190.065		190.065	-
€ 70 million Bond loan	-	80,000	-	-
€ 29.3 million convertible bond	-	29,347	-	-
€ 26.5 million convertible bond	26.473	26,473	26.473	26,473
Other	9.991	9,531	44.000	-
	<u>426.529</u>	<u>345,351</u>	<u>460.538</u>	<u>226.473</u>
Less: Current maturities	(27.850)	(83,166)	(26.473)	-
Long-term portion	398.679	262,185	434.065	226,473

Bond loan in € and \$

On July 27, 2005 the parent Company concluded in an agreement for the issuance of a non convertible bond loan in € and \$ (USA) , equal to € 190.065, with a duration of 7 to 10 years, fixed and floating interest rates which was exclusively covered from abroad mainly from insurance companies. The 13% of the financing bears floating interest rate at Euribor+1,25% and the remaining 87% bears fixed interest rates from 4,68% to 5,87%.

The repayment of bonds will be made at their maturity while the Group has the right for the repayment of the bonds at their nominal value bonds under certain conditions.

The terms of bond loans contain events of default including, among others, failure to make payments, inability to meet general and economic guarantees, certain events of insolvency, the suspension of business, proprietary status of borrowers and the presence of facts that substantially affect the financial position of the Group.

In addition, the terms contain financial covenants including requirements to maintain minimum ratios of net borrowings to EBITDA, of net debt to net worth and EBITDA to net interest expense.

Furthermore, the Group has also given certain undertakings relating to its compliance with laws and regulations, the disposal of assets, the maintenance of the nature of operations, mergers, investments and environmental matters.

For the total amount of bonds in foreign currency (\$), Delta Holding S.A hedged the interest rate and the currency fluctuation risk through interest rate and currency swaps. For a part of the bonds in € bearing fixed interest rate, the Company has signed an interest rate swap.

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€ 200 million – Bond Loan

On July 27, 2005, the parent company concluded a deal for the issuance of a non convertible bond loan in € (based on the provisions of L. 3156) amounting up to € 200.000 bearing floating interest rate (Euribor plus margin), duration of 5 years, which was covered exclusively from Banks in Greece and abroad. The loan repayment will be made on its maturity. The Group has the right to proceed to the repayment of the nominal value of the bonds without penalty or other cost.

The terms of the bond loans contain events of default including, among others, failure to make payments, inability to meet general and economic guarantees, certain events of insolvency, the suspension of business, proprietary status of borrowers and the presence of facts that substantially affect the financial position of the Group.

In addition, the terms contain financial covenants including requirements to maintain minimum ratios of net borrowings to EBITDA, of net debt to net worth and EBITDA to net interest expense.

Furthermore, the Group has also given certain undertakings relating to its compliance with laws and regulations, the disposal of assets, the maintenance of the nature of operations, mergers, investments and environmental matters.

The above loan was used for the repayment of the equal bond loan ('Eurobond').

€ 26.5 million – Convertible Bond

On May 17, 2000, Delta Holding S.A. ("Issuer") issued a convertible bond with a face value of € 26.9 million. Initially, the convertible bond matured in May 2003 however, based on the decision taken by the shareholders at their general assembly meeting of April 21, 2003, it was agreed to extend the maturity date to May 17, 2006. As a result, of the extension, the convertible bond was reduced to € 26.5 million with the settlement of € 0.4 million. On May 17, 2006, the holders may opt for repayment of € 38 million (nominal value increased by 41.58%) or conversion into 4, 706,424 common shares of the Issuer. Interest is payable semi-annually in arrears at a nominal interest rate of 0.25% per annum.

The Issuer may increase its share capital over the duration of the convertible bond but will (i) allow all the bond holders to convert at an earlier date so that they can participate in the share capital increase, (ii) to indemnify them with a cash payment and/or (iii) to adjust the conversion ratio.

The convertible bond contains events of default including, without limitation, the issuance of a new convertible bond should this convertible bond exceed 25% of the Issuer's share capital and the adherence to limitations relating to share capital increases.

Furthermore, under certain conditions, a bond holder may request earlier conversion and the Issuer may request earlier redemption.

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26. OTHER LONG-TERM LIABILITIES:

Other long-term liabilities 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>
Finance lease obligations	(a)	4.371	4,545	-	-
Notes payable	(b)	8.400	9,800	-	-
Other		18	58	-	-
		<u>12.789</u>	<u>14,403</u>	-	-
Less: Current maturities of:					
- finance lease obligations (included in accrued and other current liabilities)		(1.788)	(1,430)	=	=
- notes payable (included in trade payables)		<u>(2.800)</u>	<u>(4,200)</u>	-	-
		<u>8.201</u>	<u>8,773</u>	=	=

- (a) The Company has finance leases mainly for milk production and packaging equipment which do not have terms of renewal or purchase options and escalation clauses. The average interest rate of above finance leases for the year ended December 31, 2004, was 5.97%.

Future minimum lease payments under finance leases together with the present value of the net minimum lease payments as at September 30, 2005, are as follows:

	<u>Minimum payments</u>	<u>Present value of payments</u>
Within one year	1.968	1.788
Between two and five years	<u>2.683</u>	<u>2.583</u>
	<u>4.651</u>	<u>4.371</u>
Less: Finance charges	<u>(280)</u>	<u>-</u>
Present value of minimum lease payments	<u><u>4.371</u></u>	<u><u>4.371</u></u>

- (b) The amount represents promissory notes payable to Arla Foods Hellas S.A. (a subsidiary of Arla Foods a.m.b.a, a Danish cooperation), which were issued in December 2003, to settle the aggregate outstanding balance (created from commercial transactions) due from Vigla S.A. (a subsidiary) to Arla Foods Hellas S.A. The above promissory notes bear interest at the 6-month Euribor plus 0.75%.

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27. PENSION AND STAFF RETIREMENT INDEMNITIES:

- (a) **State Pension:** The Company's contributions to the pension funds for the nine months ended September 30, 2005, have been recorded to expenses and were € 16,448 (25,489 for the year ended December 31, 2004).
- (b) **Staff Retirement Indemnities:** Under the labour law of the countries in which the Company operates, 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). 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 retirement (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 pension plans are not funded and recommend defined benefit plans according to IAS 19. 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 sheets 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/period	11.703	11,158	1.573	1.395
Actual benefits paid by the Company	(1.571)	(1,755)	(437)	(402)
Expense recognised in the consolidated statements of income (Note 4)	1.234	2,300	154	580
Net liability at end of the year/period	11.366	11,703	1.290	1.573

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An international firm of independent actuaries evaluated the Company's liabilities arising from the obligation to pay retirement indemnities. The details and principal assumptions of the actuarial study as at December 31, 2004 (which were used for the estimation of liability as at September 30, 2005), have 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>
Present value of unfunded obligations	11.622	11,941		1.685
Unrecognised actuarial net loss	(238)	(238)		(113)
Net liability in balance sheet	11.384	11,703		1.573
Components of net periodic pension cost:				
Service cost	827	1,102		126
Interest cost	407	543		67
Regular charge to operations	1.234	1,645		193
Additional cost of extra benefits	-	655		387
Total charge to operations	1.234	2,300		580
Reconciliation of benefit obligation:				
Net liability at start of period	11.703	11,158		1.395
Service cost	827	1,102		126
Interest cost	407	543		67
Benefits paid	(1.571)	(1,755)		(402)
Additional cost of extra benefits	-	655		386
Actuarial loss	-	238		113
Present value of obligation at the end of period	11.366	11,941	1.290	1.685

Principal Assumptions:

Discount rate	5.0%
Rate of compensation increase	4.5%
Increase in consumer price index	2.5%

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 have been treated as an additional pension charge. The additional pension charge for the year ended December 31, 2004, amounted to € 655.



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28. GOVERNMENT GRANTS:

The movement of government grants during for the period September 30, 2005 and the year ended December 31, 2004, was as follows:

	<u>Group</u>	<u>Company</u>
Balance January 1, 2005	8.887	-
Additions	2.176	-
Amortization	(834)	-
Balance September 30, 2005	<u>10.229</u>	<u>-</u>
	<u>Group</u>	<u>Company</u>
Balance January 1, 2004	9,864	-
Additions	424	-
Amortization	(1,401)	-
Balance December 31, 2004	<u>8,887</u>	<u>-</u>

29. 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>
Suppliers	75.745	68.379	1.174	1,456
Post-dated cheques payable	28.227	20,345	3	336
Notes payable	<u>3.786</u>	5,955	-	-
Total	<u>107.758</u>	<u>94,679</u>	<u>1.177</u>	<u>1,792</u>

30. 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>	
	<u>30/9/2005</u>	<u>31/12/2004</u>	<u>30/9/2005</u>	<u>31/12/2004</u>
Credit lines available	215.000	204.649	54.000	54.000
Unused portion	(177.198)	(125.992)	(53.976)	(35.975)
Used portion	<u>37.802</u>	<u>78.657</u>	<u>24</u>	<u>18.025</u>

Short-term borrowings throughout the year were denominated in various currencies, however, the used portion of the outstanding balance of short-term borrowings at September 30, 2005 and at December 31, 2004, was in total in Euro.

The weighted average interest rate on short-term borrowings as at September 30, 2005, was 4.1% (4,08% at December 31, 2004).

DELTA HOLDING S.A. AND SUBSIDIARIES
NOTES TO THE INTERIM FINANCIAL STATEMENTS
AS OF SEPTEMBER 30, 2005



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

31. ACCRUED AND OTHER CURRENT LIABILITIES:

The amount reflected in the accompanying balance sheets 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>
Accrued interest	19.920	12,850	14.591	4,413
Advances from customers	17.479	9,970	-	344
Taxes, other than income taxes, payable	3.313	7,147	217	1,521
Social security payable	2.578	4,711	151	285
Accrued expenses	8.520	3,295	552	779
Wages and salaries payable	-	1,764	70	46
Current portion of finance lease payable	1.788	1,430	-	-
Dividends payable	160	606	160	606
Deferred income	487	456	-	-
Other	3.370	3,828	1.510	1.520
Total	<u>57.615</u>	<u>46.057</u>	<u>17.251</u>	<u>9.514</u>

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.

DELTA HOLDING S.A. AND SUBSIDIARIES
NOTES TO THE INTERIM FINANCIAL STATEMENTS
AS OF SEPTEMBER 30, 2005



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

- (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:

The Company and its subsidiaries are parties to various lawsuits and arbitration proceedings in the normal course of business. Management and the Company’s legal advisors estimate that all of the lawsuits are expected to be settled without any material adverse effect on the Group’s or the Company’s financial position or results of operations.

(b) Commitments:

(i) 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 € 9,815.
- It has provided guarantees for repayment of bank overdrafts and commercial liabilities of various subsidiaries and associates aggregating to € 10,245.
- 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 € 493

(ii) Operating Lease Commitments:

As of September 30, 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 through 2025.

Rental expense included in the accompanying consolidated statement of income for the year ended September 30, 2005, amounted to € 8,438 (€ 8,962 as at September 30, 2004).

DELTA HOLDING S.A. AND SUBSIDIARIES
NOTES TO THE INTERIM FINANCIAL STATEMENTS
AS OF SEPTEMBER 30, 2005



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

Future minimum rentals payable under non-cancelable operating leases as at September 30, 2005, are as follows:

	<u>Group</u>	<u>Company</u>
Within one year	11.198	746
2-5 years	47.593	2.529
After 5 years	37.361	-
Total	<u>96.152</u>	<u>3.275</u>

(iii) Capital Commitments:

As of September 30, 2005 the Company had issued letters of guarantee for the purchase of machinery and equipment amounting to € 18 (€ 332 as of December 31, 2004).

34. SEGMENT INFORMATION

Segment Information

September 30, 2005	<u>Food</u>	<u>Ice Cream</u>	<u>Restaurants and Café bars</u>	<u>Services</u>	<u>Eliminations</u>	<u>Consolidated</u>
Segment revenues						
Segment revenues	<u>425.556</u>	<u>119.881</u>	<u>57.728</u>	<u>12.555</u>	<u>(67.469)</u>	<u>548.251</u>
Result						
Segment result, profit from operations	61.992	18.528	6.721	(56)	(327)	86.858
Financial income/(expense), net	(1.964)	(3.355)	9.250	11.546	(26.414)	(10.937)
Share of profits/(losses) of associates	-	-	-	-	(126)	(126)
Profit from continuing operations before income taxes	60.028	15.173	15.971	11.490	(26.867)	75.795
Income taxes	<u>(19.364)</u>	<u>(5.609)</u>	<u>(3.166)</u>	<u>(1.115)</u>	-	<u>(29.254)</u>
Net profit for the period	<u>40.664</u>	<u>9.564</u>	<u>12.805</u>	<u>10.375</u>	<u>(26.867)</u>	<u>46.541</u>

DELTA HOLDING S.A. AND SUBSIDIARIES
NOTES TO THE INTERIM FINANCIAL STATEMENTS
AS OF SEPTEMBER 30, 2005



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

September 30, 2004

	<u>Τρόφιμα</u>	<u>Παγωτό</u>	<u>Εστίαση</u>	<u>Υπηρεσίες</u>	<u>Απαλοιφές</u>	<u>Ενοποιημένα</u>
Segment revenues						
Segment revenues	<u>417.854</u>	<u>119.360</u>	<u>58.355</u>	<u>13.004</u>	<u>(62.987)</u>	<u>545.586</u>
Result						
Segment result, profit from operations	38.869	17.089	5.349	1.433	-	62.740
Financial income/(expense), net	(1.155)	(3.217)	4.843	11.970	(17.507)	(5.066)
Foreign exchange gains/(losses), net	(77)	(811)	-	-	-	(888)
Share of profits/(losses) of associates	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(125)</u>	<u>(125)</u>
Profit from continuing operations before income taxes	37.637	13.061	10.192	13.403	(17.632)	56.661
Income taxes	<u>(10.167)</u>	<u>(3.059)</u>	<u>(2.840)</u>	<u>(2.831)</u>	<u>-</u>	<u>(18.897)</u>
Net profit for the period	<u><u>27.470</u></u>	<u><u>10.002</u></u>	<u><u>7.352</u></u>	<u><u>10.572</u></u>	<u><u>(17.632)</u></u>	<u><u>37.764</u></u>



DELTA HOLDING S.A. AND SUBSIDIARIES
NOTES TO THE INTERIM FINANCIAL STATEMENTS
AS OF SEPTEMBER 30, 2005

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

Assets and Liabilities

September 30, 2005						Consolidated
	Food	Ice Cream	Restaurants and Café bars	Services	Eliminations	
Tangible and intangible fixed assets	337.089	122.805	23.652	6.009	208.331	697.886
Investments	49.191	124.996	38.976	545.063	(757.984)	242
Other assets	278.728	76.061	33.295	289.929	(267.063)	410.950
Total segment assets	665.008	323.862	95.923	841.001	(816.716)	1.109.078
Segment liabilities	329.660	182.694	26.606	507.458	(267.603)	778.815
Total liabilities	329.669	182.694	26.606	507.458	(267.603)	778.815

December 31, 2004						Consolidated
	Food	Ice Cream	Restaurants and Café bars	Services	Eliminations	
Tangible and intangible fixed assets	327,196	200,316	28,492	5,634	(78,053)	483,585
Investments	58,243	120,809	34,658	532,770	(730,338)	16,142
Other assets	314,591	52,063	24,842	19,873	98,888	510,257
Total segment assets	700,030	373,188	87,992	558,277	(709,503)	1,009,984
Segment liabilities	259.859	168.019	24.229	260,594	(47,453)	665.248
Total liabilities	259.859	168.019	24.229	260,594	(47,453)	665.248

The following tables present revenues and certain asset information regarding Delta's geographical segments for the years ended September 30, 2005 and December 31, 2004.

September 30, 2005				Consolidated
	Greece	Foreign activities	Elimination s	
Revenues				
Segment revenues	532.590	83.130	(67.469)	548.251
Other Segment Information				
Tangible and intangible fixed assets	398.969	90.586	208.331	697.886
Investments	684.956	73.270	(757.984)	242
Other assets	630.931	47.082	(267.063)	410.950
Total segment assets	1.654.856	210.938	(816.716)	1.109.078

DELTA HOLDING S.A. AND SUBSIDIARIES
NOTES TO THE INTERIM FINANCIAL STATEMENTS
AS OF SEPTEMBER 30, 2005



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

December 31, 2004	Greece	Foreign activities	Eliminations	Consolidated
Revenues				
Net sales to external customers	626,409	89,817	(24,579)	691,647
Inter-segment sales	53,898	1,761	(55,659)	-
Segment revenues	<u>680,307</u>	<u>91,578</u>	<u>(80,238)</u>	<u>691,647</u>
Other Segment Information				
Tangible and intangible fixed assets	474,397	87,241	(78,053)	483,585
Investments	666,222	80,258	(730,338)	16,142
Other assets	320,564	90,805	98,888	510,257
Total segment assets	<u>1,461,183</u>	<u>258,304</u>	<u>(709,503)</u>	<u>1,009,984</u>

35. SUBSEQUENT EVENTS

On October 12, 2005, DELTA Holding S.A. announced the conclusion of a non binding memorandum of understanding with Nestle Hellas S.A. for the transfer of the business of concentrated milk under the brand name “VLACHAS” to Delta group. Such business includes the products under the brand name “VLACHAS”, Nestle’s factory in Plati Imathias as well as Nestle’s the milk zone in Northern Greece. The indicative consideration of the transaction is € 2.8 million plus the value of the finished products at the date of the transaction. The above transaction is subject to the completion of legal and financial due diligence, to the signing of a binding agreement as well as to obtain the approvals required from Competition Committee and other respective supervisory authorities.

**THE CHAIR MAN
OF THE BOARD**

**THE VICE
PRESIDENT OF
THE BOARD**

**THE GROUP CHIEF
FINANCIAL OFFICER**

**THE GROUP
CHIEF
ACCOUNTING
OFFICER**

**DIMITRIS
DASKALOPOULOS
I.D.no. M 289326**

**PANAGIOTIS
KANELLOPOULOS
I.D.no. L 342296**

**PANDELI ECONOMO
PASS. No C 000668**

**NIKOLAOS
KAPPAS
I.D.no Ε 425851**



APPENDIX I
RECONCILIATION OF FINANCIAL STATEMENTS
BETWEEN GREEK GAAP AND IFRS
 (All amounts in thousands of Euro)

	Balance Sheet as of January 1, 2004		
	Greek GAAP	DIFFERENCE	IFRS
ASSETS			
Non-Current Assets:			
Formation Expenses			
Pre-operating and other capitalized costs	3.951	(3.951)	-
Intangible assets	1	41	42
Tangible assets	6.738	(1.218)	5.520
Total	6.739	(1.177)	5.562
Investments in associates	515.386	(51.670)	463.716
Other investments	8.344	(4.180)	4.164
Other non-current assets	7	-	7
Deferred income taxes	-	4.727	4.727
	523.737	(51.123)	472.614
Total non-current assets	534.427	(56.251)	478.176
Current Assets			
Trade and other receivables	12.742	1.684	14.426
Securities	8.765	(3.311)	5.454
Cash and cash equivalents	1.261	-	1.261
Total Current Assets	22.768	(1.627)	21.141
Prepaid expenses and accrued income	2.294	(2.294)	-
TOTAL ASSETS	559.489	60.172	499.317
EQUITY AND LIABILITIES			
Equity attributable to equity holders of parent			
Share capital	119.359	-	119.359
Paid-in surplus	91.452	-	91.452
Government grants	1.300	-	1.300
Legal, tax free and special reserves	67.530	-	67.530
Retained Earnings	14.943	(55.899)	(40.956)
Total Equity	294.584	(55.899)	238.685
Provisions	-	1.396	1.396
Long Term Borrowings	226.472	-	226.472
Deferred income taxes	-	271	271
Total long term liabilities	226.472	271	226.743
Short term liabilities			
Trade accounts payable	3.593	-	3.593
Short-term borrowings	22.599	-	22.599
Other Short Term liabilities	10.240	(3.939)	6.301
Total short term liabilities	36.432	(3.939)	32.493
Accrued liabilities and deferred income	2.001	(2.001)	-
Total liabilities	559.489	(60.172)	499.317

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

APPENDIX I
RECONCILIATION OF FINANCIAL STATEMENTS
BETWEEN GREEK GAAP AND IFRS
(All amounts in thousands of Euro)

	Balance Sheet as of December 31, 2004		
	Greek GAAP	Difference	IFRS
ASSETS			
Non-Current Assets:			
Formation Expenses			
Pre-operating and other capitalized costs	690	(690)	-
Intangible assets	1	-	1
Tangible assets	6.736	(1.104)	5.632
Total	6.737	(1.104)	5.633
Long Term Receivables			
Investments in associates	526.054	(51.996)	474.058
Other investments	7.861	(3.036)	4.825
Other non-current assets	11	-	11
Deferred income taxes	-	2.065	2.065
Total non-current assets	533.926	(52.967)	480.959
Total Assets	541.353	(54.761)	486.592
Current Assets			
Trade and other receivables	11.724	2.354	14.078
Securities	5.547	(2.469)	3.078
Cash & Cash Equivalents	642	-	642
Total Current Assets	17.913	(115)	17.798
Prepaid expenses and accrued income	2.963	(2.963)	-
Total Assets	562.229	(57.839)	504.390
Liabilities			
Equity			
Share Capital	119.359	-	119.359
Paid-in surplus	91.452	-	91.452
Government grants	1.300	-	1.300
Legal, tax free and special reserves	70.221	-	70.221
Retained Earnings	15.937	(54.471)	(38.534)
Total Equity	298.269	(54.471)	243.798
Provisions	-	1.572	1.572
Long term liabilities			
Long Term liabilities	226.473	-	226.473
Deferred income taxes	-	216	216
Total Long term liabilities	226.473	216	226.689
Short term liabilities			
Trade Accounts Payable	1.792	-	1.792
Short-term borrowings	18.025	-	18.025
Other Short Term liabilities	13.452	(938)	12.514
Total short term liabilities	33.269	(938)	32.331
Accrued liabilities and deferred income	4.218	(4.218)	-
Total liabilities	562.229	(57.839)	504.390
	-	-	-

The accompanying notes and disclosures constitute an integral part of the Financial Statements.



APPENDIX I
RECONCILIATION OF FINANCIAL STATEMENTS
BETWEEN GREEK GAAP AND IFRS

(All amounts in thousands of Euro)

	Income Statement as of December 31 2004		
	Greek GAAP	Difference	IFRS
REVENUES:			
Net Sales	16.543	-	16.543
Less: Cost of Sales	10.936	-	10.936
Gross Profit	5.607	-	5.607
Other Income	134	(347)	(213)
Total	5.741	(347)	5.394
Less			
Selling, general & administrative expenses	3.267	431	3.698
Operating Profit	2.474	(778)	1.696
Financial Income/Expenses (Net)	15.592	271	15.863
Plus or Less exceptional items	(347)	347	-
Depreciation not included in operating expenses	3.262	(3.262)	-
Profit before taxes	20.981	(3.422)	17.559
Income taxes	(3.871)	(2.564)	(6.435)
Net profit	<u>17.110</u>	<u>(5.986)</u>	<u>11.124</u>

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

APPENDIX I
RECONCILIATION OF CONSOLIDATED
FINANCIAL STATEMENTS BETWEEN GREEK GAAP AND IFRS
(All amounts in thousands of Euro)

Balance Sheet as of January 1, 2004

	<u>Greek GAAP</u>	<u>Difference</u>	<u>IFRS</u>
ASSETS			
Non-Current Assets:			
Property, plant and equipment	277.731	212.925	490.656
Goodwill	314.086	(117.807)	196.279
Intangible assets	17.682	(16.620)	1.062
Investments in associates accounted for using the equity method	2.204	(1.435)	769
Other investments	19.580	(6.757)	12.823
Guarantee deposits	2.257	0	2.257
Deferred income taxes	0	17.414	17.414
Total non-current assets	<u>633.540</u>	<u>87.720</u>	<u>721.260</u>
Current Assets:			
Inventories	76.625	(16.684)	59.941
Trade accounts receivable	107.682	(4.365)	103.317
Prepayments and other receivables	54.428	4.236	58.664
Other investments	10.762	0	10.762
Cash and cash equivalents	59.213	0	59.213
Total current assets	<u>308.710</u>	<u>(16.813)</u>	<u>291.897</u>
Total Assets	<u>942.250</u>	<u>70.907</u>	<u>1.013.157</u>
Equity			
Equity attributable to equity holders of parent			
Share capital	119.359	0	119.359
Paid-in surplus	91.452	0	91.452
Treasury shares	(55.420)	0	(55.420)
Accumulated deficit	5.832	(46.552)	(40.720)
Legal, tax free and special reserves	73.210	0	73.210
Other reserves	3.645	0	3.645
Government grants	2.262	(2.262)	0
	240.340	(48.814)	191.526
Minority interests	97.617	27.686	125.303
Total Equity	<u>337.957</u>	<u>(21.128)</u>	<u>316.829</u>
Non-Current Liabilities:			
Interest bearing loans and borrowings	339.739	0	339.739
Other long-term liabilities	4.649	(87)	4.562
Reserve for staff retirement indemnities	8	11.150	11.158
Government grants	0	9.864	9.864
Deferred income taxes	0	74.814	74.814
Total non-current liabilities	<u>344.396</u>	<u>95.741</u>	<u>440.137</u>
Current Liabilities:			
Trade accounts payable	93.522	(16)	93.506
Short-term borrowings	88.963	0	88.963
Current portion of long-term debt	1.887	0	1.887
Accrued and other current liabilities	46.185	4.101	50.286
Income taxes payable	23.106	(1.557)	21.549
Dividends Payable	6.234	(6.234)	0
Total current liabilities	<u>259.897</u>	<u>(3.706)</u>	<u>256.191</u>
TOTAL LIABILITIES AND EQUITY	<u>942.250</u>	<u>70.907</u>	<u>1.013.157</u>

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

APPENDIX I
**RECONCILIATION OF FINANCIAL STATEMENTS
 BETWEEN GREEK GAAP AND IFRS**
 (All amounts in thousands of Euro)



Balance Sheet as of December 31, 2004

	<u>Greek GAAP</u>	<u>Difference</u>	<u>IFRS</u>
ASSETS			
Non-Current Assets:			
Property, plant and equipment	278.427	205.158	483.585
Goodwill	320.906	(119.002)	201.904
Intangible assets	10.354	(9.561)	793
Investments in associates accounted for using the equity method	1.580	(996)	584
Other investments	17.724	(1.582)	16.142
Other Long term assets	1.951	12	1.963
Deferred income taxes	0	3.332	3.332
Total non-current assets	<u>630.942</u>	<u>77.361</u>	<u>708.303</u>
Current Assets:			
Inventories	72.814	(11.261)	61.553
Trade accounts receivable	109.087	(4.783)	104.304
Prepayments and other receivables	57.280	(4.580)	52.700
Investments in associates	0	292	292
Other investments	9.685	(5.641)	4.044
Cash and cash equivalents	76.870	1.918	78.788
Total current assets	<u>325.736</u>	<u>(24.055)</u>	<u>301.681</u>
Total Assets	<u>956.678</u>	<u>53.306</u>	<u>1.009.984</u>
Equity			
Equity attributable to equity holders of parent			
Share capital	119.359	0	119.359
Paid-in surplus	91.452	0	91.452
Treasury shares	(55.420)	0	(55.420)
Accumulated deficit	8.738	(33.230)	(24.492)
Legal, tax free and special reserves	80.006	0	80.006
Other reserves	6.420	(3.267)	3.153
Government grants	1.396	(1.396)	0
	251.951	(37.893)	214.058
Minority interests	99.224	31.454	130.678
Total Equity	<u>351.175</u>	<u>(6.439)</u>	<u>344.736</u>
Non-Current Liabilities:			
Interest bearing loans and borrowings	331.521	(69.336)	262.185
Other long-term liabilities	7.649	1.124	8.773
Reserve for staff retirement indemnities	8	11.695	11.703
Government grants	0	8.887	8.887
Deferred income taxes	0	42.802	42.802
Total non-current liabilities	<u>339.178</u>	<u>(4.828)</u>	<u>334.350</u>
Current Liabilities:			
Trade accounts payable	94.657	22	94.679
Short-term borrowings	78.657	0	78.657
Current portion of long-term debt	13.830	69.336	83.166
Accrued and other current liabilities	36.632	9.425	46.057
Income taxes payable	35.041	(6.702)	28.339
Dividends Payable	7.508	(7.508)	0
Total current liabilities	<u>266.325</u>	<u>64.573</u>	<u>330.898</u>
TOTAL LIABILITIES AND EQUITY	<u>956.678</u>	<u>53.306</u>	<u>1.009.984</u>

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

DELTA HOLDING S.A. AND SUBSIDIARIES

DELTA HOLDING S.A.

APPENDIX I**RECONCILIATION OF CONSOLIDATED FINANCIAL STATEMENTS
BETWEEN GREEK GAAP AND IFRS**

(All amounts in thousands of Euro)

	Income statement as of December 31, 2004		
	Greek GAAP	Difference	IFRS
REVENUES			
Net sales	691.527	120	691.647
Cost of sales	(406.886)	(597)	(407.483)
Gross profit	<u>284.641</u>	<u>(477)</u>	<u>284.164</u>
Selling general and administrative expenses	(224.456)	(3.909)	(228.365)
Other income/expenses, net	8.948	1.672	10.620
Financial income/(expenses), net	(1.335)	(3.042)	(4.377)
Foreign exchange gains/ (losses), net		(594)	(594)
Share of profit/(losses) of associates	(231)	45	(186)
Exceptional gains/(losses), net	(1.910)	1.910	0
Depreciation not included in operating expenses	<u>(12.806)</u>	<u>12.806</u>	<u>0</u>
PROFIT BEFORE INCOME TAXES	<u>52.851</u>	<u>8.411</u>	<u>61.262</u>
Income taxes	(30.911)	(2.228)	(33.139)
NET PROFIT FROM ORDINARY ACTIVITIES	<u><u>21.940</u></u>	<u><u>6.183</u></u>	<u><u>28.123</u></u>
Attributable to:			
Equity holders of the parent	34.926	(17.220)	17.706
Minority interests	17.925	(7.508)	10.417
	<u><u>52.851</u></u>	<u><u>(24.728)</u></u>	<u><u>28.123</u></u>

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



APPENDIX I

RECONCILIATION OF EQUITY BETWEEN GREEK GAAP AND IFRS

(All amounts in thousands of Euro)

**TABLE OF ADJUSTMENTS ON EQUITY FOR THE PERIODS 31/12/2004 AND 01/01/2004
BETWEEN GREEK GAAP AND INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)**

	<u>GROUP</u>		<u>COMPANY</u>		
	<u>31/12/2004</u>	<u>1/1/2004</u>	<u>31/12/2004</u>	<u>1/1/2004</u>	
(All amounts in thousands of Euro)					
Total equity as reflected in accordance with Greek GAAP	(351.175)	(337.957)	(298.269)	(294.585)	
Adjustments		0	0	0	
Write-off intangible assets not qualifying for recognition	9.270	16.199	690	3.911	
Provision for staff leaving indemnities	11.695	11.130	1.572	1.394	
Revaluation of assets at fair values and differences from depreciation rates	(198.777)	(210.327)	1.104	1.218	
Valuation of investments and securities	5.305	6.757	2.452	5.602	
Valuation of investments consolidated under the equity method	996	1.435	0	0	
Valuation of investments in subsidiaries	0	0	55.049	53.561	(1)
Revaluations of provisions and other accrued expenses	18.100	12.407	610	610	
Impairment of goodwill	119.003	117.808	0	0	
Reclassification of government grants	8.887	9.864	0	0	
Account for deferred income taxes	39.470	57.400	(1.849)	(4.457)	
Reversal of dividends declared	(6.902)	(6.090)	(6.902)	(6.090)	
Accounting for leases	(1.823)	(1.012)	0	0	
Other adjustments	1.213	5.557	1.746	150	
Total Adjustments	6.437	21.128	54.472	55.899	
Total equity in accordance with IFRS	(344.738)	(316.829)	(243.797)	(238.686)	

(1) During the second quarter of 2005 the Company recognized in its separate financial statements the cumulative impairment loss relating to investments in subsidiaries and associates, in accordance with the provisions of IAS 27, regarding the valuation method of investments in subsidiaries and associates in the separate financial statements (acquisition cost less any impairment losses). Such correction was made in accordance with the provisions of IAS 8 "Accounting Principles, changes in accounting estimates and errors", thus with retrospective correction of prior period amounts.

The cumulative effect of the revaluations relating to periods before January 1, 2004 was recognized in retained earnings at the above date, while the corrections relating to periods reflected in the accompanying financial statements were recognized in the respective periods. Consequently, the separate financial statements sheets as at January 1, 2004 and December 31, 2004 are restated in relation to those included in the published financial statements for the 1st quarter of 2005.

The effect of the above corrections was that total equity reflected in the accompanying separate balance sheets for January 1 and December 31, 2004 are decreased by € 53,561 and € 55,049 respectively in relation to those reflected in the published financial statements as of the 1st quarter of 2005.

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

DELTA HOLDING S.A. AND SUBSIDIARIES

APPENDIX II

**SUBSIDIARIES OF DELTA HOLDING S.A AND TAX UNAUDITED YEARS PER COMPANY**

1. The companies included in the consolidation are the following:	<u>Equity participation</u>	<u>Country of Incorporation</u>	<u>Unaudited years</u>
(a) Direct subsidiaries of Delta Holding S.A.			
Delta Dairy S.A.	100,00%	Greece	2003-2005
Delta Ice Cream S.A.	96,53%	Greece	2001-2005
General Frozen Foods S.A.	80,81%	Greece	2003-2005
Goody's S.A.	71,05%	Greece	2002-2005
Vigla S.A.	100,00%	Greece	2003-2005
Delta Food Holdings Ltd.	100,00%	Cyprus	
Delta Food Participation & Investments Ltd.	100,00%	Cyprus	
(b) Subsidiaries of Delta Dairy S.A.			
Eurofeed Hellas S.A.	100,00%	Greece	2003-2005
Charalambides Dairies Ltd.	54,90%	Cyprus	
(c) Subsidiaries of Delta Ice Cream S.A.			
Delta Bulgaria S.A.	75,81%	Bulgaria	2003-2005
JSC Delta 6 S.A.	100,00%	FYROM	2002-2005
Delta International Holdings S.A.	100,00%	Luxembourg	
Delta Romania S.A.	75,70%	Romania	2004-2005
Delyug S.A.	99,07%	Serbia	2004-2005
Delfor Ltd.	100,00%	Montenegro	Since inception
Delta Kiev Ltd.	100,00%	Ukraine	
(d) Subsidiaries of General Frozen Foods S.A.			
Alexis Confectionery S.A.	100,00%	Greece	2005
Agroteam EOD	100,00%	Bulgaria	
Uncle Stathis EOD	100,00%	Bulgaria	
Greenfood S.A.	20,00%	Greece	2003-2005
(e) Subsidiaries of Goody's S.A.			
Hellenic Catering S.A.	98,15%	Greece	2001-2005
Hellenic Food Service S.A.	89,12%	Greece	2001-2005
Kifisias Ave. Restaurants S.A.	100,00%	Greece	2003-2005
S. Nendos S.A.	31,41%	Greece	2000-2005
Balkan Restaurants S.A.	100,00%	Bulgaria	1999-2005
Naflios S.A.	94,70%	Greece	1999-2005
Gefsiplioia S.A.	51,00%	Greece	2003-2005
Paralia Café-Patisseries S.A.	82,59%	Greece	1999-2005
Harilaou Restaurants S.A.	51,00%	Greece	2003-2005
Marousi Restaurants S.A.	60,00%	Greece	2003-2005
Diastathmos Restaurants-Patisseries S.A.	99,25%	Greece	1999-2005
Endeka S.A.	100,00%	Greece	2003-2005
Kavala Restaurants S.A.	51,00%	Greece	2003-2005
Eikarpia Restaurants S.A.	51,00%	Greece	2003-2005
Panorama Restaurants S.A.	51,00%	Greece	2003-2005
Drama Restaurants-Patisseries S.A.	50,05%	Greece	2003-2005
Serres Restaurants-Patisseries S.A.	50,05%	Greece	2003-2005
Megara Restaurants-Patisseries S.A.	54,14%	Greece	2003-2005
Saranda S.A.	92,17%	Greece	2003-2005
Larissis Restaurants S.A.	50,10%	Greece	2003-2005
Maliakos Restaurants S.A.	75,00%	Greece	2003-2005
Café Espresso S.A.	65,00%	Greece	2003-2005
Aristophanes Restaurants-Patisseries S.A.	90,00%	Greece	2003-2005
Vrilisia Café-Patisseries S.A.	50,70%	Greece	2003-2005
Kifisia Café-Patisseries S.A.	50,10%	Greece	2005
Athenian Café-Patisseries S.A.	100,00%	Greece	2003-2005
Exarchia Café-Patisseries S.A.	90,60%	Greece	2003-2005
Volos Coast Restaurants S.A.	50,01%	Greece	2003-2005
Pagрати Technical and Catering Company	100,00%	Greece	2002-2005
Eastern Crete Restaurants-Patisseries S.A.	60,00%	Greece	2005
Veria Café-Patisseries S.A.	70,00%	Greece	2005
Tembi Café-Patisseries S.A.	62,50%	Greece	2005
Greenfood S.A.	58,89%	Greece	2003-2005
Hellenic food Investments S.A	50,10%	Greece	2003-2005
Nerantziotissa Restaurants S.A.	73,33%	Greece	2005
(f) Subsidiaries of Hellenic Food Investments S.A			
Piraeus Restaurants S.A.	100,00%	Greece	2003-2005
Zefxi Restaurants-Patisseries S.A.	94,45%	Greece	2003-2005
Hollywood Restaurants-Patisseries S.A.	92,00%	Greece	2003-2005
Akti Dymeon S.A.	100,00%	Greece	2002 - 2005
Pallini restaurants-Patisseries S.A	90,00%	Greece	2005
Associates consolidated under the equity consolidation method			
	<u>Equity participation</u>	<u>Country of Incorporation</u>	
Arma Investments S.A.	25,00%	Greece	
Volos Restaurants S.A.	30,00%	Greece	
Nea Makri Restaurants S.A.	30,00%	Greece	
Aristotelous 27 Restaurants Patisseries S.A.	48,85%	Greece	
Desmos Developments S.A.	30,00%	Greece	
Café Haleyon S.A.	35,00%	Greece	
VALTOP Holdings S.A. (Dodoni group of companies)	24,21%	Greece	
Marina Zeas S.A.	50,00%	Greece	

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