

BUSINESS RESULTS FOR THE FIRST QUARTER OF 2003/2004

(1 APRIL 2003 to 30 JUNE 2003)

Poor business climate also detrimental to DO & CO quarterly results

Sales fell by EUR 2.49 million (10.2 %)

EBIT down by EUR 145,000 (26.9 %)

DO & CO wins major international tenders

- **Portugal - European Soccer Championships 2004 (VIP Hospitality Management)**
- **London - British Airways Short-Haul Business Class Europe**

VIENNA – 28 August 2003 – Today DO & CO Restaurants & Catering AG announces its business results for the first quarter of 2003/2004 (1 April 2003 to 30 June 2003) according to IAS. DO & CO produced sales of EUR 22.02 million this quarter, down 10.2 % on the same period last year (EUR 24.51 million).

SALES BY DIVISION	2003/2004		2002/2003		Change	
	First quarter (April - June)		in € m	in € m	in € m	in %
Airline Catering	10.31	10.64	-0.33	- 3.1 %		
International Event Catering	7.05	8.65	-1.60	- 18.5 %		
Restaurants & Bars	4.66	5.22	-0.56	- 10.7 %		
Group sales	22.02	24.51	-2.49	- 10.2 %		

A close look at the individual divisions reveals a comparatively small drop in sales at Airline Catering of 3.1 % to EUR 10.31 million (previous year: EUR 10.64 million). The number of passengers on flights operated by existing airline customers decreased due to SARS, fear of terror and the poor economic climate, causing a reduction in the amount of catering required on board. With its overall reduction in business of 3.1 %, DO & CO nonetheless nearly offset these declines, especially internationally, by adding new airlines to its clientele.

Sales at International Event Catering fell by EUR 1.60 million (- 18.5 %). This decline is largely attributable to a decrease in the major international sports events segment and to cutbacks by large international companies in particular.

At Restaurants & Bars, sales dropped from EUR 5.22 million to EUR 4.66 million, as various establishments in the group fell somewhat short of the high utilization of capacity of the previous year.

EBIT for the DO & CO group as a whole after amortization of goodwill therefore fell in the first quarter of 2003/2004 by EUR 0.14 million, or 26.9 %, from EUR 0.52 million to EUR 0.38 million. With EBITDA at EUR 1.55 million (previous year: EUR 2.04 million), the EBITDA margin fell to 7.0 % (previous year: 8.3 %).

GROUP	2003/2004		2002/2003		Change	
	First quarter (April - June)		in € m	in € m	in € m	in %
Sales	22.02	24.51	-2.49	-	10.2 %	
EBITDA	1.55	2.04	-0.49	-	24.0 %	
Depreciation/amortization *	-1.18	-1.52	0.34	+	22.4 %	
EBIT	0.38	0.52	-0.14	-	26.9 %	
EBITDA margin	7.0 %	8.3 %				
EBIT margin	1.7 %	2.1 %				
Employees	901	959	-58	-	6.0 %	

* incl. amortization of goodwill

Now for a closer look at developments within the three divisions at DO & CO AG:

1. AIRLINE CATERING

AIRLINE CATERING	2003/2004		2002/2003		Change	
	First quarter (April - June)		in € m	in € m	in € m	in %
Sales	10.31	10.64	-0.33	-	3.1 %	
EBITDA	0.69	0.84	-0.15	-	17.9 %	
Depreciation/amortization *	-0.64	-0.80	0.16	+	20.0 %	
EBIT	0.05	0.04	0.01	+	25.0 %	
EBITDA margin	6.7 %	7.9 %				
EBIT margin	0.5 %	0.4 %				
Share in group sales	46.8 %	43.4 %				

* incl. amortization of goodwill

Certain carriers saw passenger figures plummet in response to the economic slump, fear of terror, the Iraq war and SARS. Airline Catering managed to offset much of this effect by broadening its customer base with the addition of the following customers to its clientele: South African Airways on flights departing New York and Milan, Emirates Airlines and Turkish Airlines on flights departing Milan, Finnair on flights departing New York and Styrian Spirit on flights departing Austria. This spared the segment a more dramatic decline. Sales at the division fell by 3.1 % to EUR 10.31 million (previous year: EUR 10.64 million), a relatively small decrease compared with the rest of the sector.

At its business locations in Vienna, Salzburg, Milan, Munich, Frankfurt, Berlin, New York and Miami, DO & CO served the following clientele: Lauda Air, Lauda Air Italy, British Airways, Turkish Airlines, Iberia, Austrian Airlines, Air Mauritius, South African Airways, Finnair, Emirates Airlines, Styrian Spirit, Crossair/Swiss, Luxair, Royal Air Maroc and Air Alps.

EBITDA fell in the first quarter of 2003/2004 by EUR 0.15 million, or 17.9 %, to EUR 0.69 million. EBIT rose by EUR 0.01 million to EUR 0.05 million (previous year: EUR 0.04 million) because of the lower level of depreciation in the period under review.

2. INTERNATIONAL EVENT CATERING

INTERNAT. EVENT CATERING	2003/2004	2002/2003	Change	
	in € m	in € m	in € m	in %
First quarter (April - June)				
Sales	7.05	8.65	-1.60	- 18.5 %
EBITDA	0.61	0.94	-0.33	- 35.1 %
Depreciation/amortization *	-0.31	-0.51	0.20	+ 39.2 %
EBIT	0.31	0.43	-0.12	- 27.9 %
EBITDA margin	8.7 %	10.9 %		
EBIT margin	4.4 %	5.0 %		
Share in group sales	32.0 %	35.3 %		

* * incl. amortization of goodwill

International Event Catering recorded lower sales in the first quarter of 2003/2004, as expected. The decrease of EUR 1.60 million, or 18.5 %, from EUR 8.65 million to EUR 7.05 million is mostly attributable to a decline in major international sport events business and noticeable reductions in the number of invited guests, especially at events hosted by large international companies. Sales in Austria and in the private customer segment in particular held steady or increased slightly.

The decreased sales are reflected in the decline in EBITDA of EUR 0.33 million, or 35.1 %, to EUR 0.61 million (previous year: EUR 0.94 million). EBIT fell by EUR 0.12 million, or 27.9 %, to EUR 0.31 million (previous year: EUR 0.43 million). DO & CO refused again this last quarter to engage in the price dumping of its competitors and maintained its EBIT margin at a respectable level of 4.4 % (previous year: 5.0 %) despite the decline.

3. RESTAURANTS & BARS

RESTAURANTS & BARS	2003/2004	2002/2003	Change	
	in € m	in € m	in € m	in %
First quarter (April - June)				
Sales	4.66	5.22	-0.56	- 10.7 %
EBITDA	0.25	0.26	-0.01	- 3.8 %
Depreciation/amortization *	-0.23	-0.21	-0.02	- 9.5 %
EBIT	0.02	0.05	-0.03	- 60.0 %
EBITDA margin	5.4 %	5.0 %		
EBIT margin	0.4 %	1.0 %		
Share in group sales	21.2 %	21.3 %		

* incl. amortization of goodwill

Business in this division in the first quarter of 2003/2004 was characterized by general restraint on the part of consumers. Especially Casino Baden with its special events center failed for the first time to repeat the steady business growth of previous years. Division sales fell by EUR 0.56 million to EUR 4.66 million (previous year: EUR 5.22 million). The new business location, DO & CO Albertina, opened in the last week of June 2003 and thus had no impact yet in the first quarter of 2003/2004.

EBITDA dropped slightly from EUR 0.26 million to EUR 0.25 million while EBIT fell by EUR 0.03 million to EUR 0.02 million owing to a small increase in depreciation.

DO & CO Stock

The annual general shareholders' meeting on 9 July 2003 approved the distribution of a dividend of EUR 0.50 per share. For information on the other items on the agenda at this meeting as well as the various votes taken on them, please visit our homepage at www.doco.com and click "Investor Relations".

The price of DO & CO stock declined by a slight 2.1 % from 1 January 2003 to 20 August 2003. Market capitalization at the closing price of EUR 37.0 on 20 August 2003 thus totaled EUR 60.09 million.

OUTLOOK

Based on a current market assessment, the management expects no substantial improvement in basic economic conditions in business year 2003/2004 and conservatively estimates that sales will be more or less on a par with last year's.

At Airline Catering, DO & CO will continue its efforts to cushion the effects of the prevailing negative trend by attracting new customers and extending its service for existing customers to other DO & CO business locations.

International Event Catering has already responded to the negative trend in its sector by shifting more attention to types of sports DO & CO has not focused on very much in the past. The division has already scored a major success here, e.g. by winning the tender for handling the entire hospitality management at the 2004 European Soccer Championships in Portugal.

Landing this contract highlights the fact that DO & CO, the “Gourmet Entertainment Company”, has expanded its core competence as “premium caterer” to include that of a “Gourmet General Contractor”.

Airline Catering

A significant step was taken in strategically positioning the company with the opening of the new DO & CO Gourmet Kitchen at London Heathrow.

DO & CO will provide catering for the entire business class of British Airways from the Gourmet Kitchen in London. This contract involves some 180 to 200 short-haul flights and up to 5,000 gourmet meals a day.

This system, a highly innovative one for the airline business, involves focusing the DO & CO quality brand solely on the premium segment. If it proves successful, it could be implemented at other locations and help to attract new airlines to the DO & CO clientele.

International Event Catering

In this segment, DO & CO has succeeded in winning a large international tender for a major sport event. As VIP Hospitality Manager, DO & CO will be responsible for hosting the entire VIP operations at the 2004 European Soccer Championships in Portugal (10 stadiums, 31 games, 24 days). Since the international event catering sector is also feeling the effects of the poor economic climate, the management expects growth to occur in the foreseeable future only on new markets (e.g. London). Its high degree of flexibility should give DO & CO a competitive edge in this segment, too.

Restaurants & Bars

The Restaurants & Bars Division opened a new location in June 2003: DO & CO in the Albertina. This café and restaurant establishment has seating for about 60 and a large area for outdoor seating of 150 to 200 patrons in a unique location next to the Vienna State Opera. It will certainly increase the significance of this division. The management expects the capacity utilization of the restaurants to remain linearly stable.

Income Statement

in TEUR	1 st Quarter 2003 / 2004	1 st Quarter 2002 / 2003	Business Year 2002 / 2003	Business Year 2001 / 2002
Sales	22,025	24,506	94,586	91,826
Other operating income	1,047	762	2,987	2,283
Costs of materials and services	-7,058	-7,657	-28,403	-29,334
Payroll costs	-8,959	-9,415	-37,430	-34,693
Depreciation of tangible fixed assets and amortization of intangible fixed assets	-1,048	-1,187	-5,156	-5,635
Amortization of goodwill	-129	-334	-1,336	-1,337
Other operating expenses	-5,501	-6,153	-21,679	-19,631
EBIT - Operating result	376	521	3,569	3,479
Financial result	-32	27	-241	-1,271
Result from ordinary business activities	344	548	3,328	2,208
Extraordinary result	0	0	0	-541
Income tax	-164	-279	-1,279	-848
Result after income tax	180	269	2,049	819
Minority interests	25	35	54	181
Consolidated result	205	304	2,103	1,001

Cash-Flow Statement

in TEUR	1 st Quarter 2003 / 2004	1 st Quarter 2002 / 2003	Business Year 2002 / 2003	Business Year 2001 / 2002
Cash-flow from operating activities	-19	3,716	9,578	8,502
Cash-flow from investing activities	-168	-1,318	-7,615	-1,601
Cash-flow from financing activities	550	1,201	3,910	-6,563
Total cash-flow	362	3,599	5,873	338
Cash and cash equivalents at the beginning of the year	10,903	5,194	5,194	4,708
Cash and cash equivalents at the end of the year	11,234	8,761	10,903	5,194
Free cash-flow	-187	2,398	1,963	6,901

Development of Shareholders' Equity

in TEUR	1 st Quarter 2003 / 2004	1 st Quarter 2002 / 2003
Shareholders' equity as of 31 March	31,715	34,150
Consolidated result in reporting period	205	304
Changes in foreign currency translation reserve	-497	-3,457
Changes in treasury stock	0	-3,399
Other changes	0	420
Changes in minority interests	-10	8
Shareholders' equity as of 30 June	31,414	28,027

Balance Sheet

ASSETS	in TEUR	30 June 2003	30 June 2002	31 March 2003	31 March 2002
Intangible assets		2,032	3,474	2,160	3,470
Tangible assets		27,009	32,281	28,628	35,823
Investments		440	439	446	467
Fixed assets		29,481	36,195	31,234	39,760
Other long-term assets		291	686	470	431
Long-term assets		29,772	36,880	31,704	40,191
Inventories		2,344	2,338	2,494	2,441
Trade accounts receivable		10,280	14,546	7,660	9,866
Other short-term accounts receivable and assets		3,529	2,887	2,733	3,274
Cash and cash equivalents		11,234	8,761	10,903	5,194
Current assets		27,386	28,531	23,789	20,775
Deferred taxes		2,580	2,226	2,255	2,228
Total assets		59,738	67,638	57,748	63,195
LIABILITIES AND SHAREHOLDERS' EQUITY	in TEUR	30 June 2003	30 June 2002	31 March 2003	31 March 2002
Capital stock		11,802	11,802	11,802	11,802
Capital reserves		13,081	13,081	13,081	13,081
Revenue reserves		5,973	5,963	5,973	5,543
Foreign currency translation reserve		-1,416	-367	-919	3,089
Treasury stock		0	-3,422	0	-23
Consolidated result		2,308	1,305	2,103	1,001
Minority interests		-335	-336	-325	-344
Shareholders' equity		31,414	28,027	31,715	34,150
Long-term provisions		3,037	3,985	3,033	4,189
Other long-term liabilities		1,871	2,179	1,932	1,943
Long-term liabilities		4,908	6,165	4,966	6,132
Short-term provisions		8,107	14,480	7,553	13,655
Short-term financial liabilities		5,200	4,600	4,650	0
Trade accounts payable		5,999	8,312	6,601	6,445
Other short-term liabilities		4,111	6,054	2,263	2,813
Current liabilities		23,417	33,447	21,067	22,913
Total liabilities and shareholders' equity		59,738	67,638	57,748	63,195

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Financial Calendar:

1st half year 2003/2004 20 Nov. 2003
 1st-3rd quarter 2003/2004 19 Feb. 2004

Reuters code:
 Bloomberg code:
 Vienna Stock Exchange:
 Security abbreviation:
 Security code number:
 ISIN code:
 Trading segment:
 Market segment:
 In following indices:
 No. of shares:
 Listed nominal:
 Initial listing:

DOCO.VI
 DOC AV
www.wienerboerse.at
 DOC
 081880
 AT0000818802
 Official trading
 Prime market
 WBI, ATX Prime
 1,624,000
 EUR 11,802,068
 30 June 1998