

Result for the first quarter of 2017/2018

(1 April 2017 to 30 June 2017)

- **Expected reduction in revenue and income due to**
 - no European football championship in 2017 and negative currency effects as well as cost-cutting measures taken by airlines in Turkey and in Austria
- **(adjusted for these effects, Group growth stands at 5%)**
- **Los Angeles gourmet kitchen opens on 1 September 2017**
- **DO & CO intends to continue investing in Turkey**

REVENUE	EUR	219.95m	- 13.6%
EBITDA	EUR	18.75m	- 18.3%
EBIT	EUR	10.99m	- 23.9%

VIENNA – 17 August 2017 - DO & CO Aktiengesellschaft is publishing its result under IFRS for the first quarter of the 2017/2018 business year (1 April 2017 to 30 June 2017) today. In the first quarter of its 2017/2018 business year, the DO & CO Group recorded revenue of EUR 219.95m, a decrease of -13.6% or EUR -34.56m over its previous business year.

Divisions and Group	Q1 2017/18 in Mio €	Q1 2016/17 in Mio €	Change in Mio €	Change in %
Airline Catering	143.50	158.58	-15.08	-9.5%
International Event Catering	35.91	54.03	-18.12	-33.5%
Restaurants, Lounges & Hotel	40.53	41.90	-1.37	-3.3%
Group revenue	219.95	254.51	-34.56	-13.6%
EBITDA	18.75	22.95	-4.20	-18.3%
Depreciation/impairment	-7.75	-8.51	0.75	-8.8%
EBIT	10.99	14.44	-3.45	-23.9%
Net Result	4.72	6.75	-2.04	-30.2%
EBITDA margin	8.5%	9.0%		
EBIT margin	5.0%	5.7%		
Employees	9,578	10,093	-515	-5.1%

The EBITDA of the DO & CO Group was EUR 18.75m (PY: EUR 22.95m). The EBITDA margin was 8.5% (PY: 9.0%). Consolidated earnings before interest and tax (EBIT) of the DO & CO Group amounted to EUR 10.99m for the first quarter of 2017/2018, EUR 3.45m lower than in the same period of the previous year. The EBIT margin was 5.0% (PY: 5.7%). The net result for the first quarter of 2017/2018 amounts to EUR 4.72m (PY: EUR 6.75m).

KEY FIGURES FOR THE QUARTER, ADJUSTED FOR ONE-OFF EFFECTS

The fact that no European football championship took place, strong negative currency effects as well as cost-cutting measures taken by airlines primarily in Turkey and in Austria resulted in negative one-off effects in revenue of approx. EUR 47.6m. Not taking into account these one-off effects, Group revenue would amount to EUR 267.6m instead of EUR 219.95m and therefore grow by +5% as compared to the previous year.

Group	Q1 2017/18 adj. in Mio €	Q1 2016/17 in Mio €	Change in Mio €	Change in %
Revenue	267.6	254.5	13.1	5%
EBITDA	26.8	22.9	3.8	17%
Depreciation/impairment	-8.9	-8.5	-0.4	4%
EBIT	17.9	14.4	3.5	24%
Net Result	9.0	6.8	2.3	34%
EBITDA margin	10.0%	9.0%		
EBIT margin	6.7%	5.7%		
Employees	9,578	10,093	-515	-5%

Below, a detailed account is given on the development of the three divisions of the DO & CO Group:

1. AIRLINE CATERING

Airline Catering	Q1 2017/18 in Mio €	Q1 2016/17 in Mio €	Change in Mio €	Change in %
Revenue	143.50	158.58	-15.08	-9.5%
EBITDA	12.43	15.80	-3.37	-21.4%
Depreciation/impairment	-5.71	-6.44	0.73	-11.4%
EBIT	6.72	9.36	-2.64	-28.2%
EBITDA margin	8.7%	10.0%		
EBIT margin	4.7%	5.9%		
Share in consolidated sales	65.2%	62.3%		

Almost all DO & CO locations around the world reported encouraging increases in revenue.

Particularly Germany, the US, England, Italy and Poland generated double-digit growth and did very well in the market.

For the first time, the exceptions were Turkey, Austria and Ukraine.

While Turkey reports an 8.6% decline in revenue in its local currency, the loss in value of the Turkish lira against the euro resulted in a revenue decline of -24.1% in the consolidated income statement of DO & CO.

However, as the main part of the costs is incurred in local currency, the margins remain largely unaffected.

A further strong reduction was reported in Austria for the airline customer NIKI.

This was particularly due to the Vienna-based fleet being reduced from 22 to 5 airplanes.

At the same time, complimentary catering was changed to a full buy-on-board concept, leading to a reduction in catering revenue and consequently also income.

2. INTERNATIONAL EVENT CATERING

International Event Catering	Q1 2017/18 in Mio €	Q1 2016/17 in Mio €	Change in Mio €	Change in %
Revenue	35.91	54.03	-18.12	-33.5%
EBITDA	4.06	5.32	-1.26	-23.7%
Depreciation/impairment	-1.19	-1.29	0.10	-7.9%
EBIT	2.87	4.03	-1.16	-28.7%
EBITDA margin	11.3%	9.8%		
EBIT margin	8.0%	7.5%		
Share in consolidated sales	16.3%	21.2%		

The revenue decrease in this division as compared to the previous year is due to the missing activities during the European football championship UEFA EURO 2016 in France. As European football championships only take place once every four years, the related revenues generated cannot be repeated in the subsequent business year.

All other events proceeded as expected.

In the first quarter of the business year 2017/2018, seven Formula 1 grand prix races took place. The VIP guests enjoyed the usual DO & CO culinary delights in Shanghai, Bahrain, Sochi, Barcelona, Monaco, Montreal and Baku.

Moreover, the DO & CO event team was again in charge of the catering to VIP guests and the tennis players themselves at the ATP Tennis Masters Series in Madrid. One more highlight of the event calendar was the UEFA Champions League final held at the national stadium of Wales in Cardiff, with DO & CO also being responsible for the culinary delights.

3. RESTAURANTS, LOUNGES & HOTEL

Restaurants, Lounges & Hotel	Q1 2017/18 in Mio €	Q1 2016/17 in Mio €	Change in Mio €	Change in %
Revenue	40.53	41.90	-1.37	-3.3%
EBITDA	2.26	1.83	0.43	23.6%
Depreciation/impairment	-0.86	-0.77	-0.08	10.8%
EBIT	1.41	1.06	0.35	33.0%
EBITDA margin	5.6%	4.4%		
EBIT margin	3.5%	2.5%		
Share in consolidated sales	18.4%	16.5%		

The level of utilisation of restaurant, café and lounge capacities remains largely favourable and stable.

At the end of June 2017, the second Nespresso Café in London was opened. Fresh products from the London-based DO & CO gourmet kitchen and Nespresso coffee are served in Soho.

In mid-June 2017, the first gourmet shop under the Henry brand was opened in Kiev.

Overall, the division reports stable business.

SHARE

In the first quarter of the business year 2017/2018, the DO & CO share gained in value on the Vienna and Istanbul stock exchanges.

On the Vienna Stock Exchange, the DO & CO share gained 1.5%, closing at EUR 61.81 on 30 June 2017.

On the Istanbul Stock Exchange, DO & CO's share gained 6.0%, closing at TRY 250.10 on 30 June 2017.

OUTLOOK

New kitchens in Los Angeles and Paris.

DO & CO's first gourmet kitchen in Los Angeles will already open on 1 September.

The first Airline Catering customer will be Emirates, immediately followed by Cathay Pacific on 1 October, operating 3-4 flights per day from Los Angeles to Hong Kong.

The next gourmet kitchen is already being established in Paris. This location will be completed by the end of 2017 and will produce delicatessen for Hediard as well as fresh gourmet menus for premium airlines.

With regard to the commitment in Turkey, it has to be noted that DO & CO intends to further invest in Turkey. DO & CO's commitment to long-term projects in Turkey is unlimited. No decision with regard to the new airport in Istanbul has been made as of yet, but is expected to be made in the coming weeks. The term of the current contract with Turkish Airlines relates to the activities at the current airport, respectively until the completion of the new catering building, at the new airport in Istanbul.

As a result of circumstances not caused by DO & CO and of individual events that are not repeated every year, DO & CO suffered a decline in revenue and income in individual markets for the first time. Currently, management not only focuses on adjusting the costs to the new circumstances but at the same time on pursuing sustainable growth at stable margins.

Diverse distribution facilities, a broad brand portfolio and activities in numerous regions are excellent prerequisites to continue achieving growth and stable margins. Furthermore, possible targets for acquisition in various markets continue to be evaluated.

DO & CO's management is confident that it can continue its successful performance of the past years. A focus on innovation, superior product and service standards and excellently trained and committed staff continue to provide the underpinnings for DO & CO to make the best possible use of its available growth potential.

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ISIN

AT0000818802

Security abbreviation

DOC, DOCO

Reuters

DOCO.VI, DOCO.IS

Bloomberg

DOC AV, DOCO. TI

Number of shares

9,744,000

Listed nominal amount

19,488,000 EUR

Indices

ATX Prime, WBI, BIST ALL,

Official quotation

Vienna, Istanbul

Currency

EUR, TRY

Initial listing

30 June 1998 (Vienna Stock

Exchange)

2 December 2010 (Istanbul Stock

Exchange)

Financial calendar:

16 November 2017

Results for the first half year of 2017/2018

15 February 2018

Results for the first three quarters of 2017/2018