

**DO & CO Restaurants & Catering AG**

**Quarterly Report  
First Quarter of 2009/2010**

**Management Report on DO & CO Group**

**Glossary of Key Figures**

**Consolidated Financial Statements**

**Notes**



# Group Management Report for the First Quarter of 2009/2010 (unaudited)

(1 April 2009 to 30 June 2009)

## Key Figures of DO & CO

### Key Figures of the DO & CO group in accordance with IFRS

The abbreviations and calculations are explained in the Glossary of Key Figures

		First Quarter 2009 / 2010	First Quarter 2008 / 2009	Business Year 2008 / 2009	Business Year 2007 / 2008
Sales	in m €	88.33	129.97	387.78	354.62
EBITDA	in m €	7.52	9.01	28.83	30.14
EBITDA margin	in %	8.5 %	6.9 %	7.4 %	8.5 %
EBIT	in m €	3.44	4.81	8.61	14.66
EBIT margin	in %	3.9 %	3.7 %	2.2 %	4.1 %
Profit before taxes	in m €	3.56	4.88	8.83	14.27
Consolidated result	in m €	1.86	2.51	2.08	6.41
Employees		3,802	3,993	3,835	3,774
Equity <sup>1</sup>	in m €	78.52	76.99	75.45	72.61
Equity ratio	in %	45.5 %	38.5 %	45.6 %	41.1 %
Net debts	in m €	-8.65	-13.63	0.07	-5.63
Net gearing	in %	-11.0 %	-17.7 %	0.1 %	-7.8 %
Working Capital	in m €	11.93	17.84	9.91	24.96
Operational cash-flow	in m €	12.19	16.56	24.66	26.88
Depreciation/amortization	in m €	-4.08	-4.19	-20.22	-15.48
Free cash-flow	in m €	8.86	10.52	0.75	18.89
ROS	in %	4.0 %	3.8 %	2.3 %	4.0 %
Capital Employed	in m €	82.77	82.09	88.98	88.21
ROCE	in %	2.9 %	3.4 %	5.8 %	9.6 %
ROE	in %	2.4 %	3.4 %	2.8 %	9.1 %

1 ... Adjusted to take designated dividend payments and bookvalue of goodwill into account

### Key Figures per share (calculated with the weighted number of issued shares)

		First Quarter 2009 / 2010	First Quarter 2008 / 2009	Business Year 2008 / 2009	Business Year 2007 / 2008
EBITDA per share	in EUR	0.97	1.16	3.70	3.87
EBIT per share <sup>1</sup>	in EUR	0.44	0.62	1.10	1.88
Earnings per share <sup>1</sup>	in EUR	0.24	0.32	0.27	0.82
Equity (book entry) <sup>2</sup>	in EUR	10.11	9.88	9.69	9.31
High <sup>3</sup>	in EUR	8.90	18.95	18.95	26.00
Low <sup>3</sup>	in EUR	7.70	15.50	7.49	15.83
Year-end <sup>3</sup>	in EUR	8.60	18.00	8.10	16.60
Weighted number of shares <sup>4</sup>	in TPie	7,769	7,795	7,790	7,795
Number of shares year-end	in TPie	7,763	7,795	7,779	7,795
Market capitalization year-end	in m EUR	66.76	140.31	63.01	129.40

1 ... Adjusted to take goodwill amortization into account

2 ... Adjusted to take designated dividend payments and bookvalue of goodwill into account

3 ... Closing price

4 ... Adjusted by own shares hold as per 30 June 2009

## Sales

First quarter sales for the DO & CO Group were EUR -41.64 million lower in business year 2009/2010 than in the previous year, falling from EUR 129.97 million to EUR 88.33 million. This decline can primarily be attributed to the EURO 2008 which took place in the first quarter of the previous year.

Sales	Q1 2009/10 in m €	Q1 2008/09 in m €	Change in m €	Change in %
Airline Catering	61.39	63.00	-1.61	-2.6%
International Event Catering	11.95	50.66	-38.71	-76.4%
Restaurants, Lounges & Hotel	14.99	16.31	-1.32	-8.1%
<b>Group Sales</b>	<b>88.33</b>	<b>129.97</b>	<b>-41.64</b>	<b>-32.0%</b>

Airline Catering remained stable, reporting only a slight decline of -2.6 % in sales to EUR 61.39 million despite the tough market conditions.

Sales in International Event Catering decreased from EUR 50.66 million to EUR 11.95 million. This decline in sales was mainly due to the EURO 2008, which took place in the first quarter of the previous year. By excluding sales generated at the EURO 2008 from the comparison, the company reports a 75 % growth in sales.

Sales in Restaurants, Lounges & Hotel totaled EUR 14.99 million, a figure -8.1 %, or EUR -1.32 million, lower than the previous year. The decrease in sales in this division is also primarily attributable to the EURO 2008.

## Earnings

The DO & CO Group posted consolidated earnings before interest and tax (EBIT) for the first quarter of 2009/2010 of EUR 3.44 million. This figure represents a decrease of EUR -1.38 million against the same period the previous year. Group EBITDA declined by EUR -1.49 million, falling from EUR 9.01 million to EUR 7.52 million.

Group	Q1 2009/10 in m €	Q1 2008/09 in m €	Change in m €	Change in %
Sales	88.33	129.97	-41.64	-32.0%
EBITDA	7.52	9.01	-1.49	-16.5%
Depreciation/amortization	-4.08	-4.19	0.11	2.7%
EBIT	3.44	4.81	-1.38	-28.6%
EBITDA margin	8.5%	6.9%		
EBIT margin	3.9%	3.7%		
Employees	3,802	3,993	-191	-4.8%

There was no EURO 2008 to boost first quarter business this year as there had been last year. That was the main reason for the change in sales and earnings.

The staging of the EURO 2008 project in the first quarter of last year created a large volume of transitory sales involving infrastructure and services for guests purchased from third parties. To obtain a meaningful figure for comparison with the previous year, these transitory sales must be deducted from the total. Following this adjustment, the first quarter EBIT margin fell

from 4.4 % to 3.9 % while the EBITDA margin totaled 8.5 % as compared with 8.3 % the previous year.

After correction for transitory sales	Q1 2009/10	Q1 2008/09
EBITDA margin adjusted	8.5%	8.3%
EBIT margin adjusted	3.9%	4.4%

## Balance Sheet

Total assets as of 30 June 2009 amounted to EUR 176.74 million, a figure EUR 7.38 million higher than on 31 March 2009. This trend is caused by a seasonally induced rise in short-term balance sheet items. The equity ratio changed from 45.6 % as of 31 March 2009 to 45.5 % as of 30 June 2009.

## Cash Flow

Total first-quarter cash flow amounted to EUR 2.84 million in 2009/2010 and was thus higher than the year before (previous year: EUR 1.26 million). The cash flow from operating activities declined from EUR 16.56 million to EUR 12.19 million. This decrease is attributable to a lower result for the period and to the fact that suppliers had not yet completed their billing of the EURO 2008 contract in the first quarter of last year. The cash flow from investing activities is lower than in the first quarter of 2008/2009 due to less investment activity. The lower cash flow from financing activities can be traced mainly to the lower scheduled repayments of financial liabilities.

## Investments

Payments for investments in tangible and intangible fixed assets amounted to EUR 2.30 million. Key single items are investments undertaken at the Turkish DO & CO joint venture, renovation and expansion of the business location in Vienna, and the expansion of the Airline Catering facility in London.

## Employees

The first-quarter figure for the average number of employees decreased to 3,802 in the current year from 3,993 last year. This change is due to the EURO 2008 project conducted in the first quarter of last year and to group-wide adjustments to personnel in response to the general economic situation. By contrast, personnel in Turkish operations actually increased after the joint venture assumed responsibility for additional services.

## Airline Catering

Twenty-two gourmet kitchens provide passengers in First Class, Business Class and Economy Class with the fine culinary products that make up the DO & CO board menus. More than 60 airlines are supplied with DO & CO products at business locations in New York, London, Frankfurt, Berlin, Munich, Milan, Bratislava, Malta, Salzburg, Vienna, Linz and Graz and at nine further locations in Turkey.

The Airline Catering clientele at the various business locations includes the Austrian Airlines Group, Turkish Airlines, British Airways, Cathay Pacific, Emirates Airlines, Etihad Airways, Qatar Airways, Royal Air Maroc, South African Airways, KLM, Iberia, Air France and NIKI.

Airline Catering	Q1 2009/10 in m €	Q1 2008/09 in m €	Change in m €	Change in %
Sales	61.39	63.00	-1.61	-2.6%
EBITDA	5.41	4.98	0.43	8.7%
Depreciation/amortization	-3.46	-3.12	-0.34	-10.8%
EBIT	1.95	1.86	0.09	5.0%
EBITDA margin	8.8%	7.9%		
EBIT margin	3.2%	2.9%		
Share of Group Sales	69.5%	48.5%		

Airline Catering saw sharp declines in sales with its key account in Austria, but these losses were nearly offset by the excellent trend at international business locations. Business locations in Turkey fared especially well. DO & CO recognized changes in the demand situation early on in this business segment and adjusted quickly to market conditions.

Airline Catering posted first quarter sales of EUR 61.39 million in business year 2009/2010 (previous year: EUR 63.00 million). EBITDA increased by a slight EUR 0.43 million, from EUR 4.98 million to EUR 5.41 million, thanks to highly effective cost management and good utilization of capacity at international business locations. That corresponds to an EBITDA margin of 8.8 % (previous year: 7.9 %). EBIT increased by EUR 0.09 million, rising from EUR 1.86 million to EUR 1.95 million. The EBIT margin was thus 3.2 % (previous year: 2.9%).

## International Event Catering

The change in sales and profit growth compared with the previous year can be traced mainly to the EURO 2008.

In general, there is a noticeable trend towards a reserved spend willingness by both companies as well as private customers. Nevertheless, DO & CO was able to improve its market position as customers often like to revert to brands with a clear content in times of a difficult market environment.

International Event Catering	Q1 2009/10 in m €	Q1 2008/09 in m €	Change in m €	Change in %
Sales	11.95	50.66	-38.71	-76.4%
EBITDA	0.99	2.81	-1.82	-64.8%
Depreciation/amortization	-0.09	-0.49	0.40	81.8%
EBIT	0.90	2.32	-1.42	-61.2%
EBITDA margin	8.3%	5.6%		
EBIT margin	7.5%	4.6%		
Share of Group Sales	13.5%	39.0%		

Two highlights should be mentioned in the large-scale international event segment. DO & CO was contracted to stage the Champions League Finals in Rome and the ATP tennis tournament, the Mutua Madrilenia Madrid Open (with 34,000 VIP's!).

It should be noted that attendance at high-end soccer, tennis and equestrian events has dropped only very slightly compared with the overall market.

The EBITDA in the International Event Catering Division declined from EUR 2.81 million by EUR -1.82 million to EUR 0.99 million. This corresponds to an EBITDA margin of 8.3 % (previous year: 5.6 %). EBIT is EUR 0.90 million. As a result, the EBIT margin is at 7.5 % (previous year: 4.6 %).

The high proportion of transitory sales on guest infrastructure for the EURO 2008 affected the margins in the first quarter of last year. The previous year's EBITDA margin, adjusted by the margin-free sales, is 9.4 %; the adjusted EBIT margin is 7.8 %.

After correction for transitory sales	Q1 2009/10	Q1 2008/09
EBITDA margin adjusted	8.3%	9.4%
EBIT margin adjusted	7.5%	7.8%

## Restaurants, Lounges & Hotel

Restaurants, Lounges & Hotel saw first-quarter sales decline by -8.1 % in 2009/2010, to a figure of EUR 14.99 million (previous year: EUR 16.31 million). This can particularly be traced to the falling away of additional business during the EURO 2008. DO & CO was nevertheless able to maintain the result at last year's level through a timely adaptation of costs to meet changed market conditions.

Restaurants, Lounges & Hotel	Q1 2009/10 in m €	Q1 2008/09 in m €	Change in m €	Change in %
Sales	14.99	16.31	-1.32	-8.1%
EBITDA	1.12	1.22	-0.10	-8.1%
Depreciation/amortization	-0.53	-0.58	0.05	8.4%
EBIT	0.59	0.64	-0.05	-7.8%
EBITDA margin	7.5%	7.5%		
EBIT margin	3.9%	3.9%		
Share of Group Sales	17.0%	12.5%		

First-quarter EBITDA for Restaurants, Lounges & Hotel amounts to EUR 1.12 million in business year 2009/2010 (previous year: EUR 1.22 million). The EBITDA margin is at the same level as the previous year, namely 7.5 %. EBIT amounts to EUR 0.59 million. That corresponds to an EBIT margin of 3.9 % (previous year: 3.9 %).

## **DO & CO Stock/Investor Relations**

The ATX posted considerable gains in the period under review, closing at 2,099 points on 30 June 2009. This figure represents an increase of 23.7 % compared with the closing level of 1,697 points on 31 March 2009.

Over this same period, the price of DO & CO shares rose by 6.2 %, closing on 30 June 2009 at a price of EUR 8.60. This price corresponds to market capitalization of EUR 66.76 million (taking into account the shares bought back as of the reporting date).

The stock buyback program begun in October of 2008 was continued. A total of 31,830 shares had been repurchased by 30 June 2009. That corresponds to 0.408 % of the share capital.

## **Outlook**

In general, DO & CO is very well positioned in this extremely difficult market environment. DO & CO management sees the crisis as opening up many opportunities for further growth over the next 12 to 18 months.

A unique company culture, a high equity capital ratio, an innovative range of products as well as a high degree of flexibility within the in-house organization are significant competitive advantages in this difficult market environment.

A number of new invitations to tender are occurring in the airline catering sector, creating many opportunities for a flexible supplier such as DO & CO to add new customers to its clientele. Airlines are looking for innovative products at a reasonable price. With its innovative products and lean cost structures, DO & CO is uniquely positioned to satisfy the needs of today's market.

In International Event Catering, DO & CO has adapted effectively to the volatile market and adjusted its costs on time. DO & CO management hopes to improve the company's market position in this business segment, too, as seen in the first quarter trend.

Business at Restaurants, Lounges & Hotel is expected to remain stable. The division will focus on a project involving the construction of a hotel in a prime location in Istanbul. DO & CO is also working on further improving existing business locations.

Generally speaking, DO & CO's management is confident that it will continue its success course of the past few years also in the future. Innovations, excellently trained staff as well as the best standards for products and service enable DO & CO to achieve very good growth opportunities even in the future - despite a difficult market environment. Therefore, - barring unforeseen circumstances, particularly those outside DO & CO's sphere of influence - the expectation for 2009/2010 is that results will develop according to plan.



# Glossary of Key Figures

## EBITDA margin

Ratio of EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) to sales

## EBIT margin

Ratio of EBIT (Earnings Before Interest and Taxes) to sales

## Equity ratio

Shows the relationship of equity capital, adjusted by dividend payments and book values for goodwill, to total capital

## Net debts

Financial liabilities less cash and cash equivalents and marketable securities listed under current assets

## Gearing ratio

Financial management expressed as the ratio of net debts to equity (adjusted by dividend payments and book values for goodwill)

## Working capital

The surplus of current assets above and beyond short-term borrowed capital

## Free cash flow

Cash flow from operating activities plus cash flow from investing activities

## ROS – Return on sales

Return on sales, i.e. the ratio of the result on ordinary activities to sales

## Capital employed

Equity after dividend payments less the book values of goodwill plus interest-incurring borrowed capital and net debts and less financial investments

## ROCE – Return on capital employed

Shows return on capital invested by juxtaposing EBIT before amortization of goodwill less the adjusted taxes with the average capital employed

## ROE – Return on equity

The ratio of taxed earnings (before amortization of goodwill) to average equity after dividend distribution and after deduction of the book values for goodwill

# Unaudited Consolidated Financial Statements for the First Quarter of 2009/2010

## Consolidated Balance Sheet as of 30 June 2009 (unaudited)

Assets	in TEUR	30 June 2009	30 June 2008	31 Mar 2009	31 Mar 2008
Intangible assets		28,189	39,188	28,733	38,859
Tangible assets		57,319	50,512	57,548	43,631
Financial assets		1,650	1,732	1,536	1,576
<b>Fixed assets</b>		<b>87,157</b>	<b>91,433</b>	<b>87,817</b>	<b>84,066</b>
Other long-term assets		950	424	1,046	333
<b>Long-term assets</b>		<b>88,108</b>	<b>91,857</b>	<b>88,863</b>	<b>84,399</b>
Inventories		11,629	9,123	11,238	8,113
Trade accounts receivable		34,629	51,996	31,875	41,631
Other Short-term accounts receivable and assets		19,321	19,186	18,022	15,910
Cash and cash equivalents		17,965	27,667	15,132	26,069
<b>Current assets</b>		<b>83,544</b>	<b>107,972</b>	<b>76,267</b>	<b>91,723</b>
Deferred taxes		5,088	4,296	4,227	4,452
<b>Total assets</b>		<b>176,740</b>	<b>204,125</b>	<b>169,357</b>	<b>180,574</b>
<b>Liabilities and shareholders' equity in TEUR</b>					
Nominal capital		15,590	15,590	15,590	15,590
Capital reserves		34,464	34,464	34,464	34,464
Revenue reserves		25,207	24,293	23,124	17,879
Foreign currency translation reserve		-6,230	-5,740	-6,502	-6,360
Own shares		-297	0	-162	0
Consolidated result		1,857	2,506	2,084	6,413
<b>Equity attributable to the shareholders of the parent</b>		<b>70,591</b>	<b>71,113</b>	<b>68,598</b>	<b>67,987</b>
Minority interests		13,158	11,103	12,075	9,850
<b>Shareholders' equity</b>		<b>83,749</b>	<b>82,216</b>	<b>80,672</b>	<b>77,836</b>
Long-term provisions		14,349	16,272	14,771	16,072
Long-term financial liabilities		8,000	12,488	8,503	14,337
Other long-term liabilities		200	4,188	225	6,730
<b>Long-term liabilities</b>		<b>22,549</b>	<b>32,949</b>	<b>23,499</b>	<b>37,139</b>
Short-term provisions		37,132	44,973	31,767	21,612
Short-term financial liabilities		1,315	1,553	6,699	6,100
Trade accounts payable		22,158	28,118	17,979	23,482
Other short-term liabilities		9,837	14,316	8,740	14,404
<b>Current liabilities</b>		<b>70,442</b>	<b>88,960</b>	<b>65,185</b>	<b>65,598</b>
<b>Total liabilities and shareholders' equity</b>		<b>176,740</b>	<b>204,125</b>	<b>169,357</b>	<b>180,574</b>

# Consolidated Income Statement

## for the First Quarter of 2009/2010 (unaudited)

in TEUR	First Quarter 2009 / 2010	First Quarter 2008 / 2009	Business Year 2008 / 2009	Business Year 2007 / 2008
<b>Sales</b>	<b>88,328</b>	<b>129,969</b>	<b>387,775</b>	<b>354,625</b>
Other operating income	2,094	2,701	15,080	11,626
Costs of materials and services	-34,590	-65,400	-164,724	-137,832
Personnel expenses	-30,730	-37,095	-133,945	-127,513
Depreciation of tangible fixed assets and amortization of intangible fixed	-4,082	-4,194	-16,810	-15,478
Unscheduled amortization of Intangible fixed assets	0	0	-3,410	0
Other operating expenses	-17,582	-21,167	-75,359	-70,768
<b>EBIT - Operating result</b>	<b>3,438</b>	<b>4,814</b>	<b>8,607</b>	<b>14,660</b>
Financial result	120	62	227	-385
thereof from associated companies	114	156	404	34
<b>Profit before taxes</b>	<b>3,558</b>	<b>4,876</b>	<b>8,835</b>	<b>14,274</b>
Income tax	-946	-1,803	-3,488	-5,197
<b>Profit for the Year</b>	<b>2,612</b>	<b>3,073</b>	<b>5,346</b>	<b>9,077</b>
Minority interests	-756	-567	-3,263	-2,663
<b>Consolidated result</b>	<b>1,857</b>	<b>2,506</b>	<b>2,084</b>	<b>6,413</b>

### Other comprehensive income for the first quarter of 2009/2010

	First Quarter 2009 / 2010	First Quarter 2008 / 2009	Business Year 2008 / 2009	Business Year 2007 / 2008
<b>Profit for the Year</b>	<b>2,612</b>	<b>3,073</b>	<b>5,346</b>	<b>9,077</b>
Differences of Currency translation	681	933	-1,940	-1,482
Effect of Net Investment Approach	-69	529	918	-4,152
Income Tax of other comprehensive income and expensive	-13	-156	-158	1,681
<b>Other comprehensive income after taxes</b>	<b>599</b>	<b>1,306</b>	<b>-1,179</b>	<b>-3,953</b>
<b>Total comprehensive income for the period</b>	<b>3,211</b>	<b>4,380</b>	<b>4,167</b>	<b>5,124</b>
Attributable to minority interests	1,083	1,254	2,225	1,395
Attributable to shareholders of parent company	2,128	3,126	1,942	3,729

### Key figures per share

	First Quarter 2009 / 2010	First Quarter 2008 / 2009	Business Year 2008 / 2009	Business Year 2007 / 2008
Number of individual shares	7,763,370	7,795,200	7,779,245	7,795,200
Weighted shares (number of individual shares)	7,768,785	7,795,200	7,790,230	7,795,200
Earnings per share <sup>1</sup>	0.24	0.32	0.27	0.82

1... Based on the consolidated result

## Consolidated Cash Flow Statement for the First Quarter of 2009/2010 (unaudited)

in TEUR	First Quarter 2009 / 2010	First Quarter 2008 / 2009	Business Year 2008 / 2009	Business Year 2007 / 2008
<b>Profit before taxes</b>	<b>3,558</b>	<b>4,876</b>	<b>8,835</b>	<b>14,274</b>
+ Depreciation and amortization	4,082	4,194	20,220	15,478
-/+ Gains / losses from disposals of fixed assets	-2	27	432	83
+/- Earnings from associated companies	-114	-156	-78	-34
-/+ Other non cash income	0	604	-838	497
<b>Cash-flow from result</b>	<b>7,524</b>	<b>9,545</b>	<b>28,570</b>	<b>30,298</b>
-/+ Increase / decrease in inventories and short-term accounts receivable	-5,779	-16,537	4,944	1,027
+/- Increase / decrease in provisions	6,137	21,658	5,644	-145
+/- Increase / decrease in trade accounts payable and other liabilities	5,733	2,821	-11,843	-3,060
+/- Currency-related changes in non fund assets	-503	-1,756	-422	6,856
+/- Change in adjustment items from debt consolidation	-82	373	761	-2,471
- Income tax payments and changes in deferred taxes	-841	455	-2,991	-5,620
<b>Cash-flow from operating activities</b>	<b>12,188</b>	<b>16,559</b>	<b>24,662</b>	<b>26,884</b>
+/- Income from disposals of tangible and intangible fixed assets	33	-27	211	277
+/- Changes in cash and cash equivalents arising from changes to the scope of consolidation	0	0	0	475
- Outgoing payments from additions to tangible and intangible fixed assets	-2,634	-5,921	-24,234	-8,736
-/+ Increase / decrease in long-term receivables	-729	-91	112	-9
<b>Cash-flow from investing activities</b>	<b>-3,330</b>	<b>-6,039</b>	<b>-23,912</b>	<b>-7,994</b>
- Dividend payment to shareholders	0	0	-1,169	-974
+ Capital increase	0	0	0	-934
+/- Cash-flow from purchase of own shares	-135	0	-162	0
+/- Increase / decrease in financial liabilities	-5,887	-9,263	-10,522	-14,807
<b>Cash-flow from financing activities</b>	<b>-6,021</b>	<b>-9,263</b>	<b>-11,853</b>	<b>-16,716</b>
<b>Total cash-flow</b>	<b>2,837</b>	<b>1,257</b>	<b>-11,103</b>	<b>2,175</b>
Cash and cash equivalents at the beginning of the year	15,132	26,069	26,069	25,753
Effects of exchange rate changes on cash and cash equivalents	-3	341	166	-1,859
Cash and cash equivalents at the end of the year	17,965	27,667	15,132	26,069
<b>Change in funds</b>	<b>2,837</b>	<b>1,257</b>	<b>-11,103</b>	<b>2,175</b>

## Shareholders' Equity as of the first quarter of 2009/2010

in TEUR	The imputable share to shareholders of the DO & CO AG							Minority interests	Shareholders' equity
	Nominal capital	Capital reserves	Revenue reserves	Foreign currency translation reserves	Own shares	Consolidated result	Total		
<b>As of 31 March 2008</b>	<b>15,590</b>	<b>34,464</b>	<b>17,879</b>	<b>-6,360</b>	<b>0</b>	<b>6,413</b>	<b>67,987</b>	<b>9,850</b>	<b>77,836</b>
Cons. result for the first quarter 2008/2009						2,506	2,506	567	3,073
Profit carried forward 2007/2008			6,413			-6,413	0		0
Currency translation				247			247	686	933
Effect of Net Investment Approach				373			373		373
<b>Total</b>	<b>0</b>	<b>0</b>	<b>6,413</b>	<b>620</b>	<b>0</b>	<b>-3,907</b>	<b>3,126</b>	<b>1,254</b>	<b>4,380</b>
Dividend payment 2007/2008							0		0
Changes in own shares							0		0
<b>As of 30 June 2008</b>	<b>15,590</b>	<b>34,464</b>	<b>24,293</b>	<b>-5,740</b>	<b>0</b>	<b>2,506</b>	<b>71,113</b>	<b>11,103</b>	<b>82,216</b>
<b>As of 31 March 2009</b>	<b>15,590</b>	<b>34,464</b>	<b>23,124</b>	<b>-6,502</b>	<b>-162</b>	<b>2,084</b>	<b>68,598</b>	<b>12,075</b>	<b>80,672</b>
Cons. result for the first quarter 2009/2010						1,857	1,857	756	2,612
Profit carried forward 2008/2009			2,084			-2,084	0		0
Currency translation				354			354	328	681
Effect of Net Investment Approach				-82			-82		-82
<b>Total</b>	<b>0</b>	<b>0</b>	<b>2,084</b>	<b>272</b>	<b>0</b>	<b>-227</b>	<b>2,128</b>	<b>1,083</b>	<b>3,211</b>
Dividend payment 2008/2009							0		0
Changes in own shares					-135		-135		-135
<b>As of 30 June 2009</b>	<b>15,590</b>	<b>34,464</b>	<b>25,207</b>	<b>-6,230</b>	<b>-297</b>	<b>1,857</b>	<b>70,591</b>	<b>13,158</b>	<b>83,749</b>

# Notes on Consolidated Financial Statements (unaudited)

## General Information

### 1. Basic Principles

DO & CO Restaurants & Catering AG is an international catering group with headquarters in Vienna, Austria. It conducts business in three segments: Airline Catering, International Event Catering, and Restaurants, Lounges & Hotel.

Its reporting date is March 31.

The interim financial statements of all subsidiaries included here were properly prepared in accordance with the International Financial Reporting Standards (IFRS) valid for the business year 2009/2010 as applied in the European Union and in application of the parent's standard group-wide accounting and valuation principles.

The interim financial statements as of 30 June 2009 were prepared in accordance with IAS 34 (Interim Financial Reporting). The consolidated interim financial statements do not contain all information and disclosures that the annual financial statements do and should be viewed in conjunction with the consolidated financial statements as of 31 March 2009.

Unless otherwise indicated, the interim financial statements are stated in thousands of euros (TEUR), as are the figures in the Notes. In adding up rounded figures and percentages, rounding differences may occur due to the use of automated computing aids.

### 2. Accounting and Valuation Principles

The accounting and valuation principles were the same as those applied in the previous year's consolidated financial statements.

### 3. Scope of Consolidation

The scope of consolidation has not changed since 31 March 2009.

### 4. Currency Translation

The annual financial statements of the foreign subsidiaries were translated in accordance with the functional currency principle as outlined in IAS 21 (The Effects of Changes in Foreign Exchange Rates). The functional currency of the foreign companies is the national currency of their country of registration since the subsidiaries are financially, economically and organizationally independent in their conduct of business. The only exceptions are two British companies.

The annual financial statements of eight foreign subsidiaries with registered offices outside the Community Territory of the Member States of the European Union and two subsidiaries with registered offices in Great Britain were translated in accordance with the principles of the modified current rate method. The balance sheet items were valued at the mean rate on the reporting date of 30 June 2009. Income and expenses on the income statement were translated at the annual average rate.

Translation differences on the reporting date arising from the balance sheet were allocated to shareholders' equity without affecting profit and loss. Translation differences between the re-

porting date rate within the balance sheet and the average rate in the income statement were offset in shareholders' equity.

Non-realized translation adjustments in conjunction with monetary items economically allocable to a share in an associated company, particularly borrowings under company loans issued to subsidiaries, were recognized with no effect on profit or loss in an adjustment item from currency translation and offset in shareholders' equity.

The exchange rates applied in currency conversion for significant currencies developed as follows:

in EUR	Reporting Date Rate		Cum. Average Rate	
	30 June 2009	30 June 2008	30 June 2009	30 June 2008
1 US Dollar	0.707514	0.634357	0.723377	0.640895
1 British Pound	1.173571	1.262228	1.146187	1.266692
1 Turkish Lira (formerly: New Turkish Lira)	0.462663	0.517518	0.465211	0.515908
1 Swiss Franc	0.655093	0.622820	0.659955	0.618844
1 Slovak Koruny	-	0.033107	-	0.032387

## 5. Seasonal Nature of Business

Fluctuations in business volume are significant in Airline Catering and International Event Catering. Business in Airline Catering is primarily influenced by the larger volume of flights and passengers among airline customers in the first and second quarters of the business year due to the holiday and charter season whereas the main factor for International Event Catering is the changing dates of large-scale sports events.

## Notes to the Balance Sheet

### (1) Fixed Assets

in TEUR	30 June 2009	30 June 2008	31 Mar 2009	31 Mar 2008
Intangible assets	28,189	39,188	28,733	38,859
Tangible assets	57,319	50,512	57,548	43,631
Financial assets	1,650	1,732	1,536	1,576
<b>Total</b>	<b>87,157</b>	<b>91,433</b>	<b>87,817</b>	<b>84,066</b>

Financial assets include the investment in Sky Gourmet Malta Ltd., Sky Gourmet Malta Inflight Services Ltd. and the ISS Ground Services GmbH, consolidated at equity.

### (2) Inventories

in TEUR	30 June 2009	30 June 2008	31 Mar 2009	31 Mar 2008
Raw materials and supplies	7,090	3,749	5,460	3,836
Goods	4,538	5,374	5,778	4,277
<b>Total</b>	<b>11,629</b>	<b>9,123</b>	<b>11,238</b>	<b>8,113</b>

### (3) Trade Accounts Receivable Other Short-term Accounts Receivable and Assets

in TEUR	30 June 2009	30 June 2008	31 Mar 2009	31 Mar 2008
<b>Trade accounts receivable</b>	<b>34,629</b>	<b>51,996</b>	<b>31,875</b>	<b>41,631</b>
Accounts receivable from companies with distributed ownership	631	387	631	537
Other accounts receivable and assets	17,591	17,871	16,509	14,463
Prepaid expenses and deferred charges	1,099	928	882	910
<b>Total of other current accounts receivable and other current assets</b>	<b>19,321</b>	<b>19,186</b>	<b>18,022</b>	<b>15,910</b>
<b>Total</b>	<b>53,950</b>	<b>71,182</b>	<b>49,897</b>	<b>57,541</b>

The increase in trade accounts receivable compared with 31 March 2009 is seasonally related. Other accounts receivable consist mainly of credit balances with tax authorities.

### (4) Cash and Cash Equivalents

in TEUR	30 June 2009	30 June 2008	31 Mar 2009	31 Mar 2008
Cash, checks	540	694	499	803
Cash at banks	17,425	26,974	14,633	25,266
<b>Total</b>	<b>17,965</b>	<b>27,667</b>	<b>15,132</b>	<b>26,069</b>

### (5) Long-term Financial Liabilities

in TEUR	30 June 2009	30 June 2008	31 Mar 2009	31 Mar 2008
Liabilities to banks	8,000	12,488	8,503	14,337
<b>Total</b>	<b>8,000</b>	<b>12,488</b>	<b>8,503</b>	<b>14,337</b>

The decrease in long-term financial liabilities results from the repayment of a loan to finance the Joint Venture in Turkey.



## (6) Other Short-term Provisions

in TEUR	30 June 2009	30 June 2008	31 Mar 2009	31 Mar 2008
Provisions for taxation	7,145	4,821	7,547	3,142
Other personnel provisions	10,420	10,054	9,702	11,117
Deliveries and services not yet invoiced	4,904	20,576	2,078	1,978
Other provisions	14,663	9,522	12,441	5,375
<b>Total</b>	<b>37,132</b>	<b>44,973</b>	<b>31,767</b>	<b>21,612</b>

The change in other provisions is due to the increase in provisions for anticipated customer bonuses. Deliveries and services not yet invoiced increased mainly due to provisions allocated for event business.

## (7) Short-term Financial Liabilities

in TEUR	30 June 2009	30 June 2008	31 Mar 2009	31 Mar 2008
EUR cash advances	1,315	1,553	6,699	6,100
<b>Total</b>	<b>1,315</b>	<b>1,553</b>	<b>6,699</b>	<b>6,100</b>

A cash advance was repaid as a result of sufficient liquidity.

## (8) Trade Accounts Payable

in TEUR	30 June 2009	30 June 2008	31 Mar 2009	31 Mar 2008
<b>Trade accounts payable</b>	<b>22,158</b>	<b>28,118</b>	<b>17,979</b>	<b>23,482</b>
Advance payments received on orders	417	1,334	989	5,565
Other liabilities	9,108	12,828	7,655	8,632
Deferred income	312	154	96	208
<b>Total other short-term liabilities</b>	<b>9,837</b>	<b>14,316</b>	<b>8,740</b>	<b>14,404</b>
<b>Total</b>	<b>31,995</b>	<b>42,434</b>	<b>26,719</b>	<b>37,886</b>

The increase in trade accounts payable compared with 31 March 2009 is seasonally related.

## Contingent Liabilities

The contingent liabilities are bank guarantees to secure claims from rental relationships as well as to secure tax repayments towards the Italian fiscal authorities and to secure delivery guarantees granted by the Turkish Joint Venture. As at reporting date on 30 June 2009, these contingent liabilities amounted to TEUR 12,080.

## Related Party Disclosures

Raiffeisenlandesbank Niederösterreich-Wien AG is indirectly a related party as it holds a stake in DO & CO Restaurants & Catering AG through Raiffeisen-Holding Niederösterreich-Wien reg. Gen. m.b.H. and the latter's wholly owned subsidiary DZR Immobilien und Beteiligungs GmbH. Business relations with Raiffeisenlandesbank Niederösterreich-Wien AG were handled at terms and conditions customary for external customers.

The Group has a 50 % stake in THY DO & CO Ikram Hizmetleri A.S. Turkish Airlines (Türk Hava Yollari A.O.) holds the remaining 50 % stake in this company. THY DO & CO Ikram Hizmetleri A.S. provides airline catering services to Turkish Airlines. Sales revenues were generated in the first quarter of 2009/2010 from these activities. Corresponding trade accounts receivable are contained in the amounts owed by Turkish Airlines. Long-term liabilities are also shown in the consolidated balance sheet in connection with the financing of THY DO & CO Ikram Hizmetleri A.S.

## Notes to the Income Statement

### (9) Sales

in TEUR	First Quarter 2009 / 2010	First Quarter 2008 / 2009	Business Year 2008 / 2009	Business Year 2007 / 2008
Airline Catering	61,394	63,002	246,842	251,957
International Event Catering	11,947	50,657	76,873	41,645
Restaurants, Lounges & Hotel	14,987	16,310	64,061	61,023
<b>Total</b>	<b>88,328</b>	<b>129,969</b>	<b>387,775</b>	<b>354,625</b>

### (10) Other Operating Income

in TEUR	First Quarter 2009 / 2010	First Quarter 2008 / 2009	Business Year 2008 / 2009	Business Year 2007 / 2008
Proceeds of the disposal of fixed assets	33	27	154	0
Income from the release of provisions	99	57	2,590	1,792
Release of provisions for bad debts	5	0	304	1,107
Insurance payments	21	5	156	65
Rent income	38	23	117	127
Exchange rate differences	1,054	1,970	8,828	5,077
Miscellaneous operating income	845	619	2,931	3,457
<b>Total</b>	<b>2,094</b>	<b>2,701</b>	<b>15,080</b>	<b>11,626</b>

The decline in other operating income was mainly attributable to the lower revenue derived from exchange rate differences. Other operating expenses contain exchange rate losses of TEUR 810.

### (11) Cost of Materials and Services

in TEUR	First Quarter 2009 / 2010	First Quarter 2008 / 2009	Business Year 2008 / 2009	Business Year 2007 / 2008
Costs of materials (including goods purchased for	29,260	34,780	116,587	112,368
Costs of services	5,330	30,620	48,137	25,464
<b>Total</b>	<b>34,590</b>	<b>65,400</b>	<b>164,724</b>	<b>137,832</b>

The reduction of these items is attributable to the EURO 2008, which took place in the first quarter of the previous year.

### (12) Payroll Costs

in TEUR	First Quarter 2009 / 2010	First Quarter 2008 / 2009	Business Year 2008 / 2009	Business Year 2007 / 2008
Wages	20,070	23,234	80,673	78,622
Salaries	4,784	5,649	22,044	21,128
Expenses for severance payments	674	1,122	3,903	1,133
Expenses for legally mandated social security contributions and for related costs	4,507	6,197	23,208	22,817
Other social expenses	694	894	4,116	3,813
<b>Total</b>	<b>30,730</b>	<b>37,095</b>	<b>133,945</b>	<b>127,513</b>

Payroll costs fell due to the staging of the EURO 2008 in the first quarter of last year and to other personnel adjustments.

### (13) Other Operating Expenses

in TEUR	First Quarter 2009 / 2010	First Quarter 2008 / 2009	Business Year 2008 / 2009	Business Year 2007 / 2008
Other taxes (excluding income taxes)	254	463	1,306	1,728
Rentals, leases and operating costs (including airport)	9,469	10,748	37,664	34,631
Travel and communication expense	1,652	2,944	7,063	7,090
Transport, vehicle expense and maintenance	2,332	2,583	9,126	8,705
Insurance	172	275	991	798
Legal, auditing and consulting expenses	789	613	2,762	2,538
Advertising expense	152	199	706	543
Other personnel costs	85	232	538	837
Miscellaneous operating expenses	1,274	636	2,310	2,331
Value adjustments, losses on bad debts	97	327	1,486	899
Exchange rate differences	810	1,541	8,606	8,407
Accounting losses from the disposal of fixed assets	30	0	277	292
Other administrative expenses	465	604	2,524	1,970
<b>Summe</b>	<b>17,582</b>	<b>21,167</b>	<b>75,359</b>	<b>70,768</b>

There was a clear drop in other operating expenses compared to same period in the previous year. This drop can primarily be attributed to the EURO 2008 which took place in the first quarter of the previous year.

### (14) Financial Result

in TEUR	First Quarter 2009 / 2010	First Quarter 2008 / 2009	Business Year 2008 / 2009	Business Year 2007 / 2008
<b>Income from participations</b>				
Results from investments	114	156	404	618
of which from associated companies	114	156	404	34
<b>Total income from participations</b>	<b>114</b>	<b>156</b>	<b>404</b>	<b>618</b>
<b>Result from other financial activities</b>				
Income from other securities carried under fixed	0	28	27	9
Interest and similar income	105	302	967	1,365
Interest and similar expenses	-99	-425	-1,171	-2,378
<b>Total result from other financial activities</b>	<b>6</b>	<b>-94</b>	<b>-177</b>	<b>-1,003</b>
<b>Total</b>	<b>120</b>	<b>62</b>	<b>227</b>	<b>-385</b>

The improvement in the financial result is essentially due to a lower interest expense.

### (15) Income Tax

in TEUR	First Quarter 2009 / 2010	First Quarter 2008 / 2009	Business Year 2008 / 2009	Business Year 2007 / 2008
Income tax expenses	1,634	1,705	4,842	1,444
thereof non periodic	0	0	-195	290
Deferred tax	-687	98	-1,353	3,753
<b>Total</b>	<b>946</b>	<b>1,803</b>	<b>3,488</b>	<b>5,197</b>

Active tax deferrals and accruals were created in the first quarter.

The tax effects of other comprehensive income are as follows:

in TEUR	30 June 2009			30 June 2008		
	Gross	Taxes	Net	Gross	Taxes	Net
Differences of Currency translation	681	0	681	933	0	933
Effect of Net Investment Approach	-69	-13	-82	529	-156	373
<b>Other comprehensive income after taxes</b>	<b>612</b>	<b>-13</b>	<b>599</b>	<b>1,463</b>	<b>-156</b>	<b>1,306</b>

## (16) Segment Reporting

The **segment reporting by division** is as follows for the first quarter of 2009/2010:

Group 1. Quarter 2009/2010		Airline Catering	International Event Catering	Restaurants, Lounges & Hotel	TOTAL
Sales	in m €	61.39	11.95	14.99	88.33
EBITDA	in m €	5.41	0.99	1.12	7.52
Depreciation/amortization	in m €	-3.46	-0.09	-0.53	-4.08
EBIT	in m €	1.95	0.90	0.59	3.44
EBITDA margin		8.8%	8.3%	7.5%	8.5%
EBIT margin		3.2%	7.5%	3.9%	3.9%
Share of Group Sales		69.5%	13.5%	17.0%	100.0%
Investments	in m €	2.03	0.18	0.09	2.30

DO & CO has two customers each of whom accounts for more than 10 % of consolidated sales. These sales are included in Airline Catering Division as well as in the Restaurants, Lounges & Hotel division.

The comparative period to the previous year is as follows:

Group 1. Quarter 2008/2009		Airline Catering	International Event Catering	Restaurants, Lounges & Hotel	TOTAL
Sales	in m €	63.00	50.66	16.31	129.97
EBITDA	in m €	4.98	2.81	1.22	9.01
Depreciation/amortization	in m €	-3.12	-0.49	-0.58	-4.19
EBIT	in m €	1.86	2.32	0.64	4.81
EBITDA margin		7.9%	5.6%	7.5%	6.9%
EBIT margin		2.9%	4.6%	3.9%	3.7%
Share of Group Sales		48.5%	39.0%	12.5%	100.0%
Investments	in m €	8.40	0.46	0.20	9.07

**Segment assets** comprise of the following:

Group 1. Quarter 2009/2010		Airline Catering	International Event Catering	Restaurants, Lounges & Hotel	TOTAL
Fixed assets	in m €	78.40	1.18	7.58	87.16
Inventories	in m €	9.39	1.07	1.16	11.63
Trade accounts receivables	in m €	27.50	3.56	3.57	34.63

The comparative period to the previous year is as follows:

Group 1. Quarter 2008/2009		Airline Catering	International Event Catering	Restaurants, Lounges & Hotel	TOTAL
Fixed assets	in m €	81.88	1.12	8.43	91.43
Inventories	in m €	6.94	0.91	1.27	9.12
Trade accounts receivables	in m €	32.52	15.01	4.47	52.00

Vienna, 20 August 2009