DO & CO Restaurants & Catering AG

Third Quarter
2008 / 2009

Management Report DO & CO Group
Consolidated Financial Statements
Glossary of Key Figures

DO & CO
RESTAURANTS
HOTEL
LOUNGES
CATERING

Group Management Report for the First through the Third Quarter of 2008/2009 (unaudited)

(1 April 2008 through 31 December 2008)

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

		Third Quarter 2008 / 2009	Third Quarter 2007 / 2008	Q1 - Q3 2008 / 2009	Q1 - Q3 2007 / 2008
Sales	in m €	84.85	87.51	317.49	276.16
EBITDA	in m €	3.54	5.47	24.24	23.82
EBITDA margin	in %	4.2 %	6.3 %	7.6 %	8.6 %
EBIT	in m €	-0.89	1.37	11.30	12.28
EBIT margin	in %	-1.0 %	1.6 %	3.6 %	4.4 %
Result from ordinary business	in m €	-0.67	0.78	11.80	11.55
Consolidated result	in m €	-0.52	-0.75	5.61	4.36
Employees		3,802	4,133	4,047	4,029
Equity [1]	in m €	78.03	75.11	78.03	75.11
Equity ratio	in %	44.6 %	40.8 %	44.6 %	40.8 %
Net debts	in m €	-7.32	-10.09	-7.32	-10.09
Net gearing	in %	-9.4 %	-13.4 %	-9.4 %	-13.4 %
Working Capital	in m €	9.01	23.06	9.01	23.06
Operational cash-flow	in m €	2.68	8.44	24.89	27.04
Depreciation/amortization	in m €	-4.43	-4.10	-12.94	-11.54
Free cash-flow	in m €	-6.38	5.93	3.62	19.12
ROS	in %	-0.8 %	0.9 %	3.7 %	4.2 %
Capital Employed	in m €	84.81	89.00	84.80	89.00
ROCE	in %	-0.4 %	0.6 %	9.3 %	8.6 %
ROE	in %	-0.6 %	-1.0 %	7.5 %	6.1 %

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)

		Third Quarter 2008 / 2009	Third Quarter 2007 / 2008	Q1 - Q3 2008 / 2009	Q1 - Q3 2007 / 2008
EBITDA per share	in EUR	0.45	0.70	3.11	3.06
EBIT per share [1]	in EUR	-0.11	0.18	1.45	1.57
Earnings per share [1]	in EUR	-0.07	-0.10	0.72	0.56
Equity (book entry) [3]	in EUR	10.02	9.64	10.01	9.64
High [4]	in EUR	14.80	23.80	18.95	26.00
Low [4]	in EUR	10.10	20.00	10.10	20.00
Year-end [4]	in EUR	11.15	20.20	11.15	20.20
Weighted number of shares	in TPie	7,789	7,795	7,793	7,795
Number of shares year-end	in TPie	7,786	7,795	7,786	7,795
Market capitalization year-end	in m EUR	86.81	157.46	86.81	157.46

1 … Adjusted to take goodwill amortization into account
3 … Adjusted to take designated dividend payments and bookvalue of goodwill into account
4 … Closing price

Sales

The sales of the DO & CO Group for the first three quarters of business year 2008/2009 were EUR 41.33 million higher in financial year 2008/2009 than in the previous year, rising from EUR 276.16 million to EUR 317.49 million.

SALES BY DIVISION in m €	Third Quarter			First - Third Quarter		
	2008/2009	2007/2008	Change	2008/2009	2007/2008	Change
Airline Catering	58.06	58.77	-0.71	194.67	194.82	-0.15
International Event Catering	9.51	10.56	-1.05	73.71	36.60	37.11
Restaurants, Lounges & Hotel	17.28	18.17	-0.89	49.11	44.74	4.37
Group sales	84.85	87.51	-2.66	317.49	276.16	41.33

Airline Catering recorded sales of EUR 194.67 million, thus maintaining them at the previous year's level despite the increasingly difficult market climate. This showing is largely attributable to encouraging developments on some markets and to what has in the meantime become a broad customer portfolio (more than 60 airlines, 22 business locations).

International Event Catering saw its sales rise by EUR 37.11 million, from EUR 36.60 million to EUR 73.71 million. This sales growth was driven primarily by the World Football Championships in 2008 and other major events such as the sold-out ATP Masters in Madrid and the prestigious PGA Volvo Masters golf tournament in Valderrama, Spain.

Restaurants, Lounges & Hotel recorded sales of EUR 49.11 million for the period under review, a figure EUR 4.37 million higher than the previous year's EUR 44.74 million. Good capacity utilization at most locations and the opening of the new Demel in New York were to thank for this performance.

Profit and Assets

The DO & CO Group posted consolidated earnings before interest and tax (EBIT) for the first three quarters of 2008/2009 of EUR 11.30 million. This figure is EUR 0.98 million lower than the EBIT for this period in the previous year. The EBIT margin declined from 4.4 % to 3.6 %. Consolidated EBITDA totaled EUR 24.24 million and was thus higher than last year's EUR 23.82 million. This figure corresponds to an EBITDA margin of 7.6 % versus 8.6 % for the previous year.

GROUP in m €	Third Quarter			First - Third Quarter		
	2008/2009	2007/2008	Change	2008/2009	2007/2008	Change
Sales	84.85	87.51	-2.66	317.49	276.16	41.33
EBITDA	3.54	5.47	-1.94	24.24	23.82	0.42
Depreciation/amortization	-4.43	-4.10	-0.32	-12.94	-11.54	-1.40
EBIT	-0.89	1.37	-2.26	11.30	12.28	-0.98
EBITDA margin	4.2 %	6.3 %		7.6 %	8.6 %	
EBIT margin	-1.0 %	1.6 %		3.6 %	4.4 %	
Employees	3,802	4,133	-331	4,047	4,029	18

The increase in sales in the first three quarters over the previous year is mainly attributable to the EURO 2008. Adjusted for these transitory sales (e.g. margin-free agency services such as infrastructure services purchased from outside companies), the EBIT margin was 3.8 % while the EBITDA margin amounted to 8.2 %.

Total net assets as of 31 December 2008 amounted to EUR 179.13 million, a figure EUR 1.44 million lower than on 31 March 2008. The level of trade accounts payable and receivable is lower than on the previous year's reporting date due to seasonal fluctuations. Buoyed by the healthy business results for the period under review, the equity ratio rose from 41.1 % on 31 March 2008 to 44.6 % on 31 December 2008 (equity ratio adjusted for planned dividend payments and book values of goodwill).

The lower cash flow from operating activities (EUR 24.89 million; previous year: EUR 27.04 million) can be traced largely to an increase in inventories in Turkey. Cash flow from investing activities reflects heavy investment and subscription to government bonds.

Investments

Investments in tangible and intangible fixed assets amounted to EUR 22.88 million (of which EUR 4.92 million does not affect payments). Investments in the joint venture Turkish DO & CO and the renovation and expansion of production capacities in Vienna were two of the major individual items. Other key items were the expansion of Airline Catering locations in London, New York and Frankfurt and investments in DO & CO Event Austria GmbH, a new firm founded in the previous year in connection with the EURO 2008.

Employees

The average number of employees in the period under review, i.e. the first through the third quarter, increased to 4,047 from the previous year's figure of 4,029. This growth stems from the expansion of activities at existing Airline Catering locations as well as from the BMW World in Munich and the increased staff required for the EURO 2008.

Airline Catering

DO & CO produces menus for first class, business class and economy class in a total of 22 Gourmet Kitchens. More than 60 airlines are supplied with DO & CO products from business locations in New York, London, Frankfurt, Berlin, Munich, Milan, Bratislava, Salzburg, Vienna, Linz, Graz and Malta and from nine further locations in Turkey.

The clientele includes renowned carriers such as the Austrian Airlines Group, Turkish Airlines, British Airways, Cathay Pacific, Emirates, Etihad, Qatar Airways, Royal Air Maroc, KLM, Iberia, Air France, SkyEurope and NIKI.

AIRLINE CATERING	Third Quarter			First - Third Quarter		
in m €	2008/2009	2007/2008	Change	2008/2009	2007/2008	Change
Sales	58.06	58.77	-0.71	194.67	194.82	-0.15
EBITDA	1.65	3.41	-1.76	15.13	16.41	-1.27
Depreciation/amortization	-3.64	-3.23	-0.41	-10.19	-8.91	-1.28
EBIT	-1.98	0.19	-2.17	4.95	7.50	-2.55
EBITDA margin	2.8 %	5.8 %		7.8 %	8.4 %	
EBIT margin	-3.4 %	0.3 %		2.5 %	3.9 %	
Share in consolidated sales	68.4 %	67.2 %		61.3 %	70.5 %	

Airline Catering posted sales of EUR 194.67 million in the first three quarters of the business year 2008/2009, which means it maintained sales at the previous year's level despite the steadily deteriorating market climate.

Sales growth in Airline Catering has fluctuated a great deal since the beginning of the third quarter. Certain markets continue to do well (Turkey) but others are reporting declines in passengers and frequencies. Thanks to the highly globalized structure of its business and its extremely broad customer base, DO & CO fared quite well compared to the market as a whole, even holding relatively steady in the third quarter.

EBITDA for Airline Catering amounted to EUR 15.13 million (previous year: EUR 16.41 million) in the first three quarters of the year. That corresponds to an EBITDA margin of 7.8 % (previous year: 8.4 %). EBIT fell from EUR 7.50 million last year to EUR 4.95 million. The EBIT margin was thus 2.5 % (previous year: 3.9 %)

International Event Catering

The successful staging of the EURO 2008 was followed by other large-scale events such as the CHIO in Aachen, the world's largest equestrian riding and jumping tournament; the Beach Volleyball Grand Slam in Klagenfurt; the ATP Masters in Madrid; and the PGA Volvo Masters Golf Tournament in Valderrama, Spain. The Grand Prix season for the year under review ended with the Grand Prix races in Fuji and Shanghai.

INTERNAT. EVENT CATERING in m €	Third Quarter			First - Third Quarter		
	2008/2009	2007/2008	Change	2008/2009	2007/2008	Change
Sales	9.51	10.56	-1.05	73.71	36.60	37.11
EBITDA	0.61	0.86	-0.25	5.45	4.11	1.34
Depreciation/amortization	-0.18	-0.38	0.20	-0.98	-1.10	0.12
EBIT	0.42	0.48	-0.06	4.47	3.01	1.46
EBITDA margin	6.4 %	8.1 %		7.4 %	11.2 %	
EBIT margin	4.5 %	4.5 %		6.1 %	8.2 %	
Share in consolidated sales	11.2 %	12.1 %		23.2 %	13.3 %	

EBIT for International Event Catering increased by EUR 1.46 million, rising from EUR 3.01 million to EUR 4.47 million. The EBITDA margin fell from 11.2 % to 7.4 % while the EBIT margin for the first three quarters totaled 6.1 % as compared to the previous year's 8.2 %. The high portion of margin-free sales on guest infrastructure for the EURO 2008 in the first quarter is what caused this reduction in the margins. Following adjustments for margin-free sales, the EBITDA margin was 10.3 % and the adjusted EBIT margin was 8.5 %.

Restaurants, Lounges & Hotel

Restaurants, Lounges & Hotel also reported encouraging sales growth for the first three quarters of 2008/2009. The division increased its period sales by an encouraging EUR 4.37 million, from EUR 44.74 million last year to EUR 49.11 million in the current year.

RESTAURANTS, LOUNGES & HOTEL in m €	Third Quarter			First - Third Quarter		
	2008/2009	2007/2008	Change	2008/2009	2007/2008	Change
Sales	17.28	18.17	-0.89	49.11	44.74	4.37
EBITDA	1.28	1.20	0.08	3.65	3.30	0.35
Depreciation/amortization	-0.61	-0.50	-0.11	-1.78	-1.54	-0.24
EBIT	0.67	0.70	-0.03	1.87	1.77	0.11
EBITDA margin	7.4 %	6.6 %		7.4 %	7.4 %	
EBIT margin	3.9 %	3.9 %		3.8 %	3.9 %	
Share in consolidated sales	20.4 %	20.8 %		15.5 %	16.2 %	

Of particular interest were the positive trends at existing business locations, especially at the DO & CO Design Hotel and the restaurants on St. Stephen's Square in Vienna. The third quarter also saw the group take its first step in the international expansion of its Demel brand in the United States. New York joined Vienna and Salzburg in becoming the third business location for Demel on the opening of the new Demel at the Plaza Hotel on Fifth Avenue.

EBITDA for Restaurants, Lounges & Hotel in the first three quarters was EUR 3.65 million and thus substantially higher this year than last (previous year: EUR 3.30 million). The EBIT margin remained unchanged over the previous year at 7.4 %. EBIT amounted to EUR 1.87 million, a figure somewhat higher than the previous year's EUR 1.77 million. That corresponds to an EBIT margin of 3.8 % (previous year: 3.9 %).

DO & CO Stock/Investor Relations

Owing to the crisis on financial markets, the ATX hit 1,751 points on the reporting date of 31 December 2008, a decline of 53.5 % from its level on 31 March 2008 of 3,766 points.

The price of DO & CO shares declined in the same period by 32.8 %, closing on 30 December 2008 at EUR 11.15.

This price corresponds to market capitalization of EUR 86.81 million (taking into account the shares bought back as of the reporting date).

The current favorable price of DO & CO stock was utilized for a stock buyback program based on the Management Board resolution of 14 October 2008. A maximum of 4 % of the share capital in free float can be repurchased between 17 October 2008 and 10 January 2011. As of the reporting date, the company had repurchased 9,200 shares of stock. That corresponds to 0.118 % of the share capital.

Dividend

The dividend of EUR 0.15 per share for business year 2007/2008 decided at the General Meeting on 10 July 2008 was paid out on 31 July 2008. A dividend of EUR 0.125 was paid out the previous year based on the number of shares following the stock split.

Financial Calendar

Business results for business year 2008/2009	16 June 2009
General Meeting	09 July 2009
Ex-dividend date	13 July 2009
Payable date	27 July 2009

Outlook

Various trends are likely to come into play in Airline Catering. Growth is currently stable on certain markets like Turkey but is likely to decline on others.
The management of DO & CO is keenly aware that the only answer to this rapidly unfolding economic crisis is to make correct assessments of real market developments and to take prompt action in response to these changes. This policy applies to all DO & CO locations worldwide.

The Four Hills Tournament in Austria and the World Cup Alpine Skiing competitions in Kitzbühel and Schladming were the first highlights for International Event Catering in the current quarter. The management of DO & CO has already geared itself to the expected sales declines by adjusting its fixed cost base. With redoubled sales efforts and its brand product, the company will do everything it can to gain market shares.

Restaurants, Lounges & Hotel officially opened the Lufthansa Lounges at JFK in New York in the initial weeks of the fourth quarter. These are further premium lounges that DO & CO operates for Lufthansa and passengers of the Star Alliance along with the First Class Lounges in Frankfurt.
The restaurant businesses in the DO & CO Group can expect to enjoy competitive advantages even in this tough economic climate thanks to their long-standing quality approach and their well-balanced cost-benefit ratio.
The occupancy rate at DO & CO Hotel in Vienna is also expected to remain good, as regulars make up a large portion of the clientele.

One can say in general for all three business segments at DO & CO that the difficulties arising from the economic crisis can be countered effectively by taking prompt and timely action. Another aspect that should be emphasized in this context is cost structure. Variable cost components account for a big part of costs in virtually all DO & CO units.

Thus, even in these difficult economic times, consolidated results for the current business year are expected to develop satisfactorily in light of current trends and the strongly diversified and internationalized structure of the group's business.

Consolidated Financial Statements for the Third Quarter of 2008/2009 (unaudited)

Balance Sheet as per 31 December 2008

Assets in TEUR	31 Dec 2008	31 Mar 2008
Intangible assets	34,355	38,859
Tangible assets	55,857	43,631
Investments	2,180	1,576
Fixed assets	**92,391**	**84,066**
Other long-term assets	313	333
Long-term assets	**92,704**	**84,399**
Inventories	11,129	8,113
Trade accounts receivable	33,239	41,631
Other Short-term accounts receivable and assets	23,480	15,910
Cash and cash equivalents	13,934	26,069
Current assets	**81,782**	**91,723**
Deferred taxes	4,648	4,452
Total assets	**179,134**	**180,574**

Liabilities and shareholders' equity in TEUR	31 Dec 2008	31 Mar 2008
Capital stock	15,590	15,590
Capital reserves	34,464	34,464
Revenue reserves	23,124	17,879
Foreign currency translation reserve	-7,421	-6,360
Treasury stock	-100	0
Consolidated result	5,612	6,413
Minority interests	11,986	9,850
Shareholders' equity	**83,255**	**77,836**
Long-term provisions	16,097	16,072
Long-term financial liabilities	8,000	14,337
Other long-term liabilities	182	6,730
Long-term liabilities	**24,279**	**37,139**
Short-term provisions	32,537	21,612
Short-term financial liabilities	3,598	6,100
Trade accounts payable	25,252	23,482
Other short-term liabilities	10,213	14,404
Current liabilities	**71,601**	**65,598**
Total liabilities and shareholders' equity	**179,134**	**180,574**

Income Statement to the first three quarters 2008/2009

in TEUR	Third Quarter 2008 / 2009	Third Quarter 2007 / 2008	Q1 - Q3 2008 / 2009	Q1 - Q3 2007 / 2008
Sales	**84,850**	**87,508**	**317,494**	**276,160**
Other operating income	6,320	3,849	13,283	9,059
Costs of materials and services	-34,466	-35,505	-139,829	-106,065
Payroll costs	-32,830	-33,277	-104,503	-98,061
Depreciation of tangible fixed assets and amortization of intangible fixed assets	-4,429	-4,103	-12,943	-11,544
Other operating expenses	-20,335	-17,105	-62,207	-57,273
EBIT - Operating result	**-890**	**1,366**	**11,295**	**12,276**
Financial result	217	-582	504	-723
Result from ordinary business activities	**-673**	**785**	**11,799**	**11,553**
Income tax	507	-630	-3,381	-3,699
Result after income tax	**-166**	**154**	**8,418**	**7,854**
Minority interests	-358	-904	-2,806	-3,499
Consolidated result	**-524**	**-750**	**5,612**	**4,356**

Number of individual shares	7,786,000	7,795,200	7,786,000	7,795,200
Weighted shares (number of individual shares)	7,788,627	7,795,200	7,793,009	7,795,200
Earnings per share	-0.07	-0.10	0.72	0.56

Cash-Flow Statement to the first three quarters 2008/2009

	in TEUR	Q1 - Q3 2008 / 2009	Q1 - Q3 2007 / 2008	Business Year 2007 / 2008	Business Year 2006 / 2007
	Result from ordinary business activities	**11,799**	**11,553**	**14,274**	**6,858**
+	Depreciation and amortization	12,943	11,544	15,478	7,347
-/+	Gains / losses from disposals of fixed assets	86	14	83	47
+/-	Earnings from associated companies	-599	-142	-34	4
-	Other non cash income	-838	-1,809	497	-1
-/+	Increase / decrease in inventories and short-term accounts receivable	3,338	8,288	1,027	-12,904
+/-	Increase / decrease in provisions	7,722	5,699	-145	7,614
+/-	Increase / decrease in trade accounts payable and other liabilities	-6,636	-3,664	-3,060	4,036
+/-	Currency-related changes in non fund assets	-62	-252	6,856	1,200
+/-	Change in adjustment items from debt consolidation	-287	-838	-2,471	-857
-	Income tax payments and changes in deferred taxes	-2,579	-3,351	-5,620	-1,628
	Cash-flow from operating activities	**24,887**	**27,042**	**26,884**	**11,716**
+/-	Income from disposals of tangible and intangible fixed assets	-84	-14	277	260
+/-	Changes in cash and cash equivalents arising from changes to the scope of consolidation	0	0	475	-12,299
-	Outgoing payments from additions to tangible and intangible fixed assets	-16,215	-7,682	-8,736	-53,506
-	Outgoing payments for additions to long-term investments	-4,988	0	0	0
-/+	Increase / decrease in long-term liabilities	20	-221	-9	-27
	Cash-flow from investing activities	**-21,267**	**-7,918**	**-7,994**	**-65,572**
-	Dividend payment to shareholders	-1,169	-974	-974	-812
+	Capital increase	0	-934	-934	26,105
+/-	Zahlungsströme aus dem Erwerb eigener Aktien	-78	0	0	
+/-	Increase / decrease in financial liabilities	-14,304	-12,323	-14,807	34,296
	Cash-flow from financing activities	**-15,552**	**-14,232**	**-16,716**	**59,589**
	Total cash-flow	**-11,932**	**4,893**	**2,175**	**5,732**
	Cash and cash equivalents at the beginning of the year	26,069	25,753	25,753	20,188
	Effects of exchange rate changes on cash and cash equivalents	-203	-653	-1,859	-168
	Cash and cash equivalents at the end of the year	13,934	29,992	26,069	25,753
	Change in funds	**-11,932**	**4,893**	**2,175**	**5,732**

Shareholders' Equity as of the first three quarters 2008/2009

in TEUR	Capital stock	Capital reserves	Revenue reserves	Foreign currency translation reserves	Consolidated result	Treasury stock	Total	Minority interests	Shareholders´ equity
	The imputable share to shareholders of the DO & CO AG								
As of 31 March 2007	**14,162**	**35,892**	**15,020**	**-3,676**	**3,834**	**0**	**65,232**	**8,454**	**73,687**
Cons. Result 2007/2008					6,413		**6,413**	2,663	9,077
Profit carried forward 2006/2007			2,860		-2,860		**0**		0
Currency translation				-214			**-214**	-1,268	-1,482
Effect of Net Investment Approach				-2,471			**-2,471**		-2,471
Total	**0**	**0**	**2,860**	**-2,685**	**3,554**		**3,729**	**1,395**	**5,124**
Dividend payment 2006/2007					-974		**-974**		-974
Other changes	1,428	-1,428					**0**		0
As of 31 March 2008	**15,590**	**34,464**	**17,879**	**-6,360**	**6,413**	**0**	**67,987**	**9,850**	**77,836**
Cons. result for the first three quarters 2008/2009					5,612		**5,612**	2,806	8,418
Profit carried forward 2007/2008			5,244		-5,244		**0**		0
Currency translation				-774			**-774**	-669	-1,443
Effect of Net Investment Approach				-287			**-287**		-287
Total	**0**	**0**	**5,244**	**-1,061**	**368**		**4,551**	**2,136**	**6,688**
Dividend payment 2007/2008					-1,169		**-1,169**		-1,169
Changes in treasury stock						-100	**-100**		-100
As of 31 December 2008	**15,590**	**34,464**	**23,124**	**-7,421**	**5,612**	**-100**	**71,269**	**11,986**	**83,255**

Notes (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 2008/2009 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 31 December 2008 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 connection with the consolidated financial statements as of 31 March 2008.

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 2008.

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 and one subsidiary with registered office in Slovakia 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 31 December 2008. 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 reporting 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:

	Reporting Date Rate		Cum. Average Rate	
in EUR	31 Dec 2008	31 Dec 2007	31 Dec 2008	31 Dec 2007
1 US Dollar	0.718546	0.679302	0.692137	0.714694
1 British Pound	1.049869	1.363605	1.233423	1.445552
1 New Turkish Lira	0.465376	0.582411	0.521272	0.569889
1 Swiss Franc	0.673401	-	0.635775	-
1 Slovac Koruny	0.033194	-	0.032786	-

5. Seasonal Nature of Business

Fluctuations in business volume are significant in Airline Catering and International Event Catering. The larger volume of flights and passengers among airline customers have a major influence on Airline Catering especially in the first and second quarters of the business year during the holiday and charter season whereas for International Event Catering the main factor is the changing dates of large-scale sports events.

The hospitality contract for the EURO 2008 had a substantial effect on these interim financial statements. Sales rose considerably, as did expenses for third-party services and personnel costs.

Notes to the Balance Sheet

(1) Fixed Assets

in TEUR	31 Dec 2008	31 Dec 2007	31 Mar 2008	31 Mar 2007
Intangible assets	34,355	47,684	38,859	47,633
Tangible assets	55,857	43,657	43,631	43,419
Investments	2,180	412	1,576	282
Total	**92,391**	**91,753**	**84,066**	**91,334**

The growth in tangible fixed assets as compared to 31 March 2008 is largely attributable to investments in Turkey and in the gourmet kitchens of our subsidiaries in Vienna and London. Translation adjustments also had an effect. The investments item contains stakes in Sky Gourmet Malta Ltd., Sky Gourmet Malta Inflight Services Ltd. and ISS Ground Services GmbH, all of which are included in the consolidated financial statements at equity.

Purchase order commitments for assets ordered but not yet delivered as at 31 December 2008 amounted to TEUR 2,265 (31 March 2008: TEUR 3,976).

(2) Inventories

in TEUR	31 Dec 2008	31 Dec 2007	31 Mar 2008	31 Mar 2007
Raw materials and supplies	5,203	3,430	3,836	3,316
Goods	5,926	3,820	4,277	3,809
Total	**11,129**	**7,251**	**8,113**	**7,125**

The additional services now provided by Airline Catering in Turkey is the main reason for the increase in inventories.

(3) Trade Accounts Receivable
Other Short-Term Accounts Receivable and Assets

in TEUR	31 Dec 2008	31 Dec 2007	31 Mar 2008	31 Mar 2007
Trade accounts receivable	**33,239**	**35,512**	**41,631**	**35,723**
Accounts receivable from associated companies	0	0	0	126
Accounts receivable from companies with distributed ownership	733	638	537	230
Other accounts receivable and assets	17,048	16,133	14,463	12,387
Prepaid expenses and deferred charges	711	436	910	1,297
Other current assets	4,988	0	0	41
Total of other current accounts receivable and other current assets	**23,480**	**17,207**	**15,910**	**14,080**
Total	**56,719**	**52,719**	**57,541**	**49,803**

Other accounts receivable consist mainly of credit balances with tax authorities. Other short-term assets include bonds to which the company subscribed in the third quarter and which were allocated to the category "available for sale" (AFS).

(4) Cash and Cash Equivalents

in TEUR	31 Dec 2008	31 Dec 2007	31 Mar 2008	31 Mar 2007
Cash, checks	746	827	803	317
Cash at banks	13,189	29,165	25,266	25,436
Total	**13,934**	**29,992**	**26,069**	**25,753**

Cash and cash equivalents were used for loan repayments, government bond purchases, and investments.

(5) Shareholders' Equity

in TEUR	31 Dec 2008	31 Dec 2007	31 Mar 2008	31 Mar 2007
Capital stock	15,590	14,162	15,590	14,162
Capital reserves	34,464	35,892	34,464	35,892
Bilanzgewinn	0	0	0	
Revenue reserves	23,124	17,893	17,879	15,020
Foreign currency translation reserve	-7,421	-4,356	-6,360	-3,676
Treasury stock	-100	0	0	0
Consolidated result	5,612	4,356	6,413	3,834
Total	**71,269**	**67,946**	**67,987**	**65,232**
Minority interests	11,986	12,646	9,850	8,454
Total	**83,255**	**80,592**	**77,836**	**73,687**

The minority interests include the 10 % minority interest in the equity of the fully consolidated DO & CO PLATINUM Restaurantbetriebs GmbH as well as the 50% interest in THY DO & CO Ikram Hizmetleri A.S.
As of the reporting date, the company had repurchased 9,200 shares of stock. That corresponds to 0.118 % of the share capital.

(6) Long-Term Provisions

in TEUR	31 Dec 2008	31 Dec 2007	31 Mar 2008	31 Mar 2007
Provisions for severance payments PBO	9,690	11,721	10,196	10,481
Provisions for long-service anniversary payments PBO	2,738	2,621	2,575	2,533
Provisions for deferred tax	3,066	999	2,706	1,148
Provisions for pension payments	492	552	492	552
Other Provisions	111	155	102	155
Total	**16,097**	**16,047**	**16,072**	**14,870**

(7) Long-term Financial Liabilities

in TEUR	31 Dec 2008	31 Dec 2007	31 Mar 2008	31 Mar 2007
Liabilities to banks	8,000	16,136	14,337	16,236
Total	**8,000**	**16,136**	**14,337**	**16,236**

The reduction in the long-term financial liabilities results from repayment on money borrowed to finance the joint venture in Turkey.

(8) Other Long-Term Liabilities

in TEUR	31 Dec 2008	31 Dec 2007	31 Mar 2008	31 Mar 2007
Trade accounts payable	0	92	23	299
Other liabilities	182	8,223	6,707	8,133
Deferred income	0	30	0	121
Total	**182**	**8,345**	**6,730**	**8,553**

The decrease in other liabilities results from the repayment of a loan granted by the holder of a minority interest at a foreign subsidiary.

(9) Short-Term Provisions

in TEUR	31 Dec 2008	31 Dec 2007	31 Mar 2008	31 Mar 2007
Provisions for taxation	6,011	6,068	3,142	4,323
Other personnel provisions	9,610	9,253	11,117	9,909
Deliveries and services not yet invoiced	3,839	5,373	1,978	1,458
Other provisions	13,077	7,858	5,375	7,478
Total	**32,537**	**28,552**	**21,612**	**23,169**

The changes in other provisions for personnel expenses pertain primarily to the reduction of provisions for pro rata special payments amounting to TEUR 568 (31 March 2008: TEUR 1,887) and to the reduction in provisions for other compensation amounting to TEUR 1 (31 March 2008: TEUR 979).The change in other provisions stems from the increase in the provision for expected customer rebates.

(10) Trade Accounts Payable

in TEUR	31 Dec 2008	31 Dec 2007	31 Mar 2008	31 Mar 2007
Trade accounts payable	**25,252**	**25,282**	**23,482**	**20,125**
Amounts owed to associated companies	0	0	0	0
Amounts owed to associated companies with distributed ownership	0	0	0	0
Advance payments received on orders	334	314	5,565	876
Other liabilities	9,835	9,249	8,632	13,494
Deferred income	45	121	208	217
Total other short-term liabilities	**10,213**	**9,683**	**14,404**	**14,587**
Total	**35,465**	**34,965**	**37,886**	**34,712**

Contingent Liabilities

The amounts recorded under this item pertain to bank guarantees to secure claims in connection with leases and to secure refunds of advance tax payments from the Italian fiscal authorities and totaled TEUR 1,226 at the reporting date of 31 December 2008 (31 March 2008: TEUR 1,413).

Notes to the Income Statement

Segment Reporting

GROUP First - Third Quarter		Airline Catering	International Event Catering	Restaurants, Lounges & Hotel	Total
Sales	in m €	194.67	73.71	49.11	317.49
EBITDA	in m €	15.13	5.45	3.65	24.24
Depreciation/amortization	in m €	-10.19	-0.98	-1.78	-12.94
EBIT	in m €	4.95	4.47	1.87	11.30
EBITDA margin	in %	7.8 %	7.4 %	7.4 %	7.6 %
EBIT margin	in %	2.5 %	6.1 %	3.8 %	3.6 %
Share in Consolidated sales	in %	61.3 %	23.2 %	15.5 %	

The Management Report contains a detailed report by division for the first three quarters of 2008/2009.

Events after the Balance Sheet Date

On Wednesday, 4 February 2009, Sky Gourmet- airline catering and logistics GmbH announced the layoff of 190 employees as part of the early warning system of AMS, the Austrian public employment service. This step was necessary as a cost-reducing measure to counter the sharp decline in sales with Austrian Airlines.

The current favorable price of DO & CO stock was utilized for a stock buyback program based on the Management Board resolution of 14 October 2008. A maximum of 4 % of the share capital in free float is to be repurchased between 17 October 2008 and 10 January 2011. At the time of publication, 12,505 shares with a total value of EUR 133,571 had been bought back. That corresponds to 0.16 % of the share capital. A total of 3,305 shares were acquired after the reporting date.

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 continued in the first three quarters of the year under review and were handled at terms and conditions customary for external customers. Existing business relations with enterprises in which members of the Supervisory Board of DO & CO Restaurants & Catering AG are active are conducted 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 obtained for these services in the first three quarters of 2008/2009 and trade accounts receivable contain receivables from Turkish Airlines. Short-term liabilities are also shown in the consolidated balance sheet in connection with the financing of THY DO & CO Ikram Hizmetleri A.S.

Vienna, 19 February 2009

The Management Board:

Attila Dogudan mp
Chairman

Michael Dobersberger mp

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 from operating activities plus cash 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 of goodwill.