

**BUSINESS RESULTS FOR FIRST QUARTER 2005/2006
(1 APRIL 2005 to 30 JUNE 2005)**

INCREASED PROFITS – IMPROVED MARGINS on lower sales due to absence of EURO 2004

CATHAY PACIFIC – New airline customer in New York in premium segment

Stake in SUPPLAIR increased from 27 % to 34 %

VIENNA – 25 August 2005 - DO & CO Restaurants & Catering AG announces its results for the first quarter of 2005/2006 (1 April 2005 to 30 June 2005) in accordance with IFRS. This quarter DO & CO generated sales of EUR 31.25 million, a figure 21.1 % lower than the first quarter figure the previous year.

This reduction in the period under review can be traced to a single catering contract of International Event Catering: the European Soccer Championship in 2004. Its absence in the last quarter cut sales in this division by EUR 10.71 million or 58.4 %, from EUR 18.34 million to EUR 7.63 million.

Airline Catering saw sales stabilize at EUR 15.72 million following EUR 15.76 million in the previous year. Restaurants & Bars enjoyed strong business growth, with sales rising from EUR 5.49 million (+43.9 %) to EUR 7.90 million. This increase is largely attributable to the success of business at the LUFTHANSA First Class Lounges at Frankfurt Airport and at DO & CO Platinum in Vienna.

SALES BY DIVISION	2005/2006		2004/2005		Change	
	in m €		in m €		in m €	
First quarter (April - June)						
Airline Catering	15.72	15.76	-0.04	-	0.3 %	
International Event Catering	7.63	18.34	-10.71	-	58.4 %	
Restaurants & Bars	7.90	5.49	2.41	+	43.9 %	
Group sales	31.25	39.59	-8.34	-	21.1 %	

The consolidated EBIT for the DO & CO Group after goodwill amortization in the first quarter of 2005/2006 rose by 19.6 %, from EUR 0.51 million to EUR 0.61 million. EBITDA amounted to EUR 1.77 million (previous year: EUR 1.84 million) for an EBITDA margin of 5.7 % (previous year: 4.6 %).

GROUP	2005/2006	2004/2005	Change	
First quarter (April - June)	in m €	in m €	in m €	in %
Sales	31.25	39.59	-8.34	- 21.1 %
EBITDA	1.77	1.84	-0.07	- 3.8 %
Depreciation/amortization *	-1.16	-1.33	0.17	+ 12.8 %
EBIT	0.61	0.51	0.10	+ 19.6 %
EBITDA margin	5.7 %	4.6 %		
EBIT margin	2.0 %	1.3 %		
Employees	1,225	1,149	76	+ 6.6 %

* including goodwill amortization

A detailed account of the development of the DO & CO AG divisions is given below:

1. AIRLINE CATERING

AIRLINE CATERING	2005/2006	2004/2005	Change	
First quarter (April - June)	in m €	in m €	in m €	in %
Sales	15.72	15.76	-0.04	- 0.3 %
EBITDA	0.83	0.83	0.00	- 0.0 %
Depreciation/amortization *	-0.68	-0.72	0.04	+ 5.6 %
EBIT	0.15	0.11	0.04	+ 36.4 %
EBITDA margin	5.3 %	5.3 %		
EBIT margin	1.0 %	0.7 %		
Share in consolidated sales	50.3 %	39.8 %		

* including goodwill amortization

Airline Catering enlarged its clientele and expanded its business with the addition of three customers: EMIRATES in Frankfurt, OLYMPIC AIRWAYS and LTU in New York. DO & CO gourmet kitchens now supply EMIRATES with premium board catering at three locations. In other changes in the period under review, Iberia ex New York and British Airways ex Miami were no longer part of the clientele owing to global contracts, and the series of trials on flights for Lufthansa ended.

Sales were therefore marginally lower, slipping 0.3 % to EUR 15.72 million (previous year: EUR 15.76 million).

DO & CO also increased its stake in SUPPLAIR, the Dutch supplier of innovative board catering in the Economy Class, from 27 % to 34 %. This step strategically assures the success of these two partners' special airline catering model for the future.

DO & CO served the following airlines as customers at its business locations in Vienna, Salzburg, London, Milan, Munich, Frankfurt, Berlin, New York and Miami: Luda Air, Luda Air Italy, British Airways, Turkish Airlines, Austrian Airlines, South African Airways, Finnair, Emirates Airlines, Qatar Airways, Styrian Spirit, Niki, Olympic Airways, LTU, Luxair, Royal Air Maroc, Air Alps and Czech Airlines.

EBITDA for Airline Catering stabilized at EUR 0.83 million (previous year: EUR 0.83 million) while EBIT increased from EUR 0.11 million to EUR 0.15 million.

2. INTERNATIONAL EVENT CATERING

INTERNAT. EVENT CATERING	2005/2006		2004/2005		Change	
	in m €		in m €		in m €	in %
First quarter (April - June)						
Sales	7.63	18.34	-10.71	-	58.4 %	
EBITDA	0.67	0.73	-0.06	-	8.2 %	
Depreciation/amortization *	-0.24	-0.36	0.12	+	33.3 %	
EBIT	0.43	0.37	0.06	+	16.2 %	
EBITDA margin	8.8 %	4.0 %				
EBIT margin	5.6 %	2.0 %				
Share in consolidated sales	24.4 %	46.3 %				

* including goodwill amortization

In the first quarter last year, DO & CO's International Event Catering Division was responsible for hospitality management at the 2004 European Soccer Championships. As the sales for this major contract no longer applied to the first-quarter figures in 2005/2006, divisional sales dropped from EUR 18.34 million to EUR 7.63 million.

DO & CO was once again in charge of VIP hosting at the finals of the Soccer Champions League, staged this time around in Istanbul. Other national and international events rounding out this quarter's business activities included the UEFA EURO 2008 logo launch, the Amadeus Award, and the 375th Anniversary Festival of BA-CA at Schönbrunn Palace.

The lower sales were reflected in lower EBITDA, which fell by EUR 0.06 million or 8.2 %, to EUR 0.67 million (previous year: EUR 0.73 million). EBIT increased by EUR 0.06 million, or 16.2 %, to EUR 0.43 million (previous year: EUR 0.37 million). The EBIT margin more than doubled, rising from 2.0 % to 5.6 %.

3. RESTAURANTS & BARS

RESTAURANTS & BARS First quarter (April - June)	2005/2006	2004/2005	Change	
	in m €	in m €	in m €	in %
Sales	7.90	5.49	2.41	+ 43.9 %
EBITDA	0.27	0.28	-0.01	- 3.6 %
Depreciation/amortization *	-0.24	-0.25	0.01	+ 4.0 %
EBIT	0.03	0.03	0.00	+ 0.0 %
EBITDA margin	3.4 %	5.1 %		
EBIT margin	0.4 %	0.5 %		
Share in consolidated sales	25.3 %	13.9 %		

* including goodwill amortization

A large and steady number of patrons frequented the establishments of Restaurants & Bars in the first quarter of 2005/2006. The accounts in this period include for the first time the business from the LUFTHANSA First Class Lounges at Frankfurt Airport and from DO & CO PLATINUM.

While the high utilization of capacity held steady at divisional restaurants, DO & CO Albertina further increased its sales thanks to its unique terrace overlooking the Burggarten and State Opera in downtown Vienna. Divisional sales rose by EUR 2.41 million to EUR 7.90 million (previous year: EUR 5.49 million).

DO & CO in the Haas Haus was shut down at the end of June for renovation and has since moved to the Albertina. The adapted restaurant in the Haas Haus is scheduled to open in October.

EBITDA dropped by a marginal EUR 0.01 million to EUR 0.27 million (previous year: EUR 0.28 million) while EBIT remained stable at EUR 0.03 million owing to slightly reduced depreciation.

STOCK

The shareholders' meeting on 7 July 2005 decided to distribute a dividend of EUR 0.50 per share.

The price of DO & CO stock rose by an impressive 46.8 % from 1 January 2005 to 18 August 2005. Market capitalization totaled EUR 78.44 million at the closing price of EUR 48.30 on 18 August 2005.

OUTLOOK

The DO & CO Group will continue to position its brands clearly in the premium segment and redouble its efforts in future to live up to and stand up for the values these brands embody.

The management and the entire DO & CO team will endeavor to achieve and zero in on this goal with an unmistakable and distinct portfolio of products and services.

The main focus in business is on improving and sustaining the earnings and not solely on increasing the sales. The company will therefore concentrate more in future on profitability and on the quality of sales.

The forecasts for the individual divisions are as follows:

DO & CO added a major new international customer to its clientele for Airline Catering in New York, namely CATHAY PACIFIC. This carrier bases its entire philosophy on premium quality. CATHAY PACIFIC offers two daily flights on 2 modern long-distance Airbus A340-600 jets, with a capacity of 286 passengers from New York to Hong Kong and Vancouver.

DO & CO set up a special wok kitchen and hired a Chinese chef specifically for this client. With these additions, DO & CO is now in a position to offer various types of regional Chinese cuisine, authentically prepared.

International Event Catering expects fierce price competition owing to excess capacities still plaguing the market. As in the past, DO & CO will not engage in this kind of competition. However, it is becoming increasingly clear that market adjustments will occur in this segment.

In Austria, DO & CO has intensified its cooperation with Red Bull. Beginning in the second quarter, DO & CO will be responsible for the entire VIP catering at Red Bull Stadium. This collaboration proves once again that companies with a similar quality culture can work harmoniously together to offer a unique product.

The Summer Film Festival in the square in front of the Vienna City Hall continues to be a major draw. This product has become a popular attraction for tourists and locals over the years and is one of Europe's largest and most successful open-air festivals, with up to 15,000 guests an evening.

Restaurants & Bars plans to open several new establishments in the near future. The opening of Demel Salzburg is scheduled for late autumn 2005. Following the successful renovation of the main Demel location on Kohlmarkt in downtown Vienna, DO & CO is now taking the first step towards spreading Austrian coffee culture under the brand name DEMEL.

The renovated DO & CO restaurant on St. Stephen's Square in Vienna will reopen in October, and the first DO & CO Hotel plans to welcome its first guests in December 2005.

The management expects results to improve further in the remainder of business year 2005/2006, barring the occurrence of unforeseen events over which DO & CO has no control (e.g. prolonged problems at London Heathrow).

Income Statement

in TEUR	1 st Quarter 2005 / 2006	1 st Quarter 2004 / 2005	Business Year 2004 / 2005	Business Year 2003 / 2004
Sales	31,250	39,589	134,259	98,147
Other operating income	538	975	2,043	1,464
Costs of materials and services	-10,938	-14,053	-50,475	-30,255
Payroll costs	-12,155	-12,534	-48,042	-38,988
Depreciation of tangible fixed assets and amortization of intangible fixed assets	-1,163	-1,219	-5,384	-5,041
Amortization of goodwill	0	-111	-23	-517
Other operating expenses	-6,922	-12,134	-28,924	-22,200
EBIT - Operating result	611	512	3,452	2,610
Financial result	103	-13	-69	-186
Result from ordinary business activities	714	499	3,384	2,424
Income tax	-215	-151	-1,051	-828
Result after income tax	499	349	2,333	1,596
Minority interests	84	24	73	5
Consolidated result	582	372	2,406	1,601

Cash - Flow Statement

in TEUR	1 st Quarter 2005 / 2006	1 st Quarter 2004 / 2005	Business Year 2004 / 2005	Business Year 2003 / 2004
Cash-flow from operating activities	2,372	6,280	5,943	4,041
Cash-flow from investing activities	-1,405	-1,698	-12,231	-6,035
Cash-flow from financing activities	500	700	5,388	-1,662
Total cash-flow	1,467	5,282	-900	-3,657
Cash and cash equivalents at the beginning of the year	6,193	7,156	7,156	10,903
Cash and cash equivalents at the end of the year	7,714	12,435	6,193	7,156
Free cash-flow	967	4,582	-6,288	-1,994

Development of shareholders' equity

in TEUR	1 st Quarter 2005 / 2006	1 st Quarter 2004 / 2005
Shareholders' equity as of 31 March	33,163	31,324
Consolidated result in reporting period	582	372
Changes in foreign currency translation reserve	797	55
Other changes	-14	4
Changes in minority interests	-100	-25
Shareholders' equity as of 30 June	34,428	31,730

Balance Sheet

ASSETS	in TEUR	30 June 2005	30 June 2004	31 March 2005	31 March 2004
Intangible assets		3,835	5,447	3,881	5,646
Tangible assets		28,896	27,266	27,408	26,841
Investments		5,678	443	5,541	447
Fixed assets		38,409	33,157	36,829	32,934
Other long-term assets		711	416	594	470
Long-term assets		39,120	33,573	37,424	33,404
Inventories		3,220	3,604	3,297	2,750
Trade accounts receivable		17,071	17,227	13,735	14,682
Other short-term accounts receivable and assets		3,555	3,555	3,262	2,321
Cash and cash equivalents		7,714	12,435	6,193	7,156
Current assets		31,561	36,820	26,487	26,909
Deferred taxes		4,053	2,417	4,394	2,745
Total assets		74,733	72,810	68,305	63,058
LIABILITIES AND SHAREHOLDERS' EQUITY	in TEUR	30 June 2005	30 June 2004	31 March 2005	31 March 2004
Capital stock		11,802	11,802	11,802	11,802
Capital reserves		13,081	13,081	13,081	13,081
Revenue reserves		11,869	7,266	9,476	7,256
Foreign currency translation reserve		-2,461	-2,073	-3,258	-2,128
Consolidated result		582	1,973	2,406	1,601
Minority interests		-446	-320	-345	-294
Shareholders' equity		34,428	31,730	33,163	31,318
Long-term provisions		3,520	3,026	3,443	3,532
Long-term financial liabilities		5,400	0	5,400	0
Other long-term liabilities		456	3,093	465	4,821
Long-term liabilities		9,376	6,119	9,307	8,353
Short-term provisions		8,481	7,925	7,374	6,411
Short-term financial liabilities		5,100	4,500	4,600	3,800
Trade accounts payable		11,232	15,639	10,247	7,009
Other short-term liabilities		6,117	6,897	3,614	6,167
Current liabilities		30,929	34,961	25,835	23,387
Total liabilities and shareholders' equity		74,733	72,810	68,305	63,058

Further information:

DO & CO Restaurants & Catering AG

Dampfmühlgasse 5

A-1110 Vienna, Austria

Tel: (01) 74 000-0

Fax: (01) 74 000-194

www.doco.com

E-mail: investor.relations@doco.com

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

Standard Market

Continuous

WBI

1,624,000

€ 11,802,068

30 June 1998

Financial calendar:

1st half year of 2005/2006 17 Nov. 2005

1st-3rd quarter of 2005/2006 16 Feb. 2006