

DO & CO Restaurants & Catering AG - Report on First Quarter 2007/2008

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 2007 / 2008	First Quarter 2006 / 2007	Business Year 2006 / 2007	Business Year 2005 / 2006
Sales	in m €	86.23	48.16	206.33	142.18
EBITDA	in m €	6.34	2.07	13.49	11.06
EBITDA margin	in %	7.4 %	4.3 %	6.5 %	7.8 %
EBIT	in m €	2.75	0.85	6.14	4.20
EBIT margin	in %	3.2 %	1.8 %	3.0 %	3.0 %
Result from ordinary business	in m €	2.59	1.02	6.86	6.82
Consolidated result	in m €	1.16	0.67	3.83	4.76
Employees		3,706	1,705	2,014	1,340
Equity ¹	in m €	70.28	35.61	68.21	35.31
Equity ratio	in %	35.0 %	37.9 %	36.3 %	42.8 %
Net debts	in m €	4.35	-12.84	15.30	-12.58
Net gearing	in %	6.2 %	-36.0 %	22.4 %	-35.6 %
Working Capital	in m €	17.03	3.68	15.51	4.48
Operational cash-flow	in m €	11.76	3.13	11.72	7.63
Depreciation/amortization	in m €	-3.59	-1.22	-7.35	-6.86
Free cash-flow	in m €	10.25	0.30	-53.86	17.15
ROS	in %	3.0 %	2.1 %	3.3 %	4.8 %
Capital Employed	in m €	98.32	27.36	106.64	28.49
ROCE	in %	3.1 %	2.2 %	6.0 %	10.6 %
ROE	in %	2.2 %	1.9 %	7.5 %	15.4 %

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

Key Figures per share (as per weighted number of shares)

		First Quarter 2007 / 2008	First Quarter 2006 / 2007	Business Year 2006 / 2007	Business Year 2005 / 2006
EBITDA per share	in EUR	3.25	1.27	8.29	6.81
EBIT per share ¹	in EUR	1.41	0.52	3.82	2.86
Earnings per share ¹	in EUR	0.59	0.41	2.40	3.21
Dividend ²	in EUR	n.a.	n.a.	0.50	0.50
Equity (book entry) ³	in EUR	36.06	21.93	41.93	21.74
High ⁴	in EUR	104.00	47.99	97.50	52.30
Low ⁴	in EUR	98.00	44.50	39.90	35.32
Year-end ⁴	in EUR	101.00	45.00	96.50	47.50
PER high		n.a.	n.a.	40.60	16.30
PER low		n.a.	n.a.	16.60	11.00
PER year-end		n.a.	n.a.	40.20	14.80
Dividend yield	in %	n.a.	n.a.	0.5 %	1.1 %
Weighted number of shares	in TPie	1,949	1,624	1,627	1,624
Number of shares year-end	in TPie	1,949	1,624	1,949	1,624
Market capitalization year-end	in m EUR	196.83	87.70	188.06	77.14

1 ... Adjusted to take goodwill amortization into account

2 ... Proposal to the General Meeting of Shareholders

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

4 ... Closing price

SALES

First quarter sales at DO & CO totaled EUR 86.23 million this year, EUR 38.07 million higher than last year's figure (EUR 48.16 million).

SALES BY DIVISION First Quarter (April - June)	Q1 07/08 in m €	Q1 06/07 in m €	Change in m €
Airline Catering	62.62	27.73	34.89
International Event Catering	11.55	10.72	0.83
Restaurants, Lounges & Hotel	12.06	9.71	2.35
Group sales	86.23	48.16	38.07

Airline Catering saw first quarter sales increase from EUR 27.73 million last year to EUR 62.62 million in the current year. This improvement is attributable to growth at existing business locations as well as to new activities in Turkey and the acquisition of Airst in Austria.

International Event Catering increased its sales for the period by a robust EUR 0.83 million, from EUR 10.72 million to EUR 11.55 million. This purely organic growth was largely a result of growth in international activities. A standout in this regard was the highly successful hosting contract for the America's Cup in Valencia.

The first quarter sales figure in the Restaurants, Lounges & Hotel segment increased by EUR 2.35 million, from EUR 9.71 million in 2006/2007 to EUR 12.06 million in the current business year. This superb showing can be traced to higher sales and improved earnings at virtually all business locations. The DO & CO Hotel and the restaurant on St. Stephen's Square in Vienna reported especially high utilization of capacity, as did the restaurants and cafés in the British Museum in London.

PROFIT & ASSETS

The DO & CO Group increased consolidated first quarter earnings before interest and tax (EBIT) from EUR 0.85 million in the previous year to EUR 2.75 million in the current year. This represents an increase of EUR 1.90 million for this period. The DO & CO Group increased its EBITDA by EUR 4.27 million, from EUR 2.07 million to EUR 6.34 million, for an EBITDA margin of 7.4 % (previous year: 4.3 %).

GROUP First Quarter (April - June)	Q1 07/08 in m €	Q1 06/07 in m €	Change in m €
Sales	86.23	48.16	38.07
EBITDA	6.34	2.07	4.27
Depreciation/amortization	-3.59	-1.22	-2.37
EBIT	2.75	0.85	1.90
EBITDA margin	7.4 %	4.3 %	
EBIT margin	3.2 %	1.8 %	
Employees	3,706	1,705	2,001

In comparison to the figures of first quarter 2006/2007 all expenses are influenced by the establishment of the joint venture company in Turkey as well as the acquisition of AIREST in the fourth quarter 2006/2007.

The consolidated shareholders' equity of the DO & CO Group amounted to EUR 75.76 million as of 30 June 2007 (previous year: EUR 37.86 million). The capital increase in March 2007 and the founding of the joint venture with Turkish Airlines are two important events in this context. Following adjustments for planned dividend payments and book values for goodwill, the equity ratio amounts to 35.0% (previous year: 37.9%).

The items "Non-current assets held for sale" and "Liabilities directly allocable to non-current assets held for sale" result from the demerger of AIREST and will disappear from the consolidated balance sheet upon completion of the demerger operations in the second quarter of 2007/2008. If these items are disregarded, the equity ratio stands at about 39 %.

Airline Catering

With its locations in New York, London, Frankfurt, Munich, Berlin, Milan, Salzburg and Vienna as well as the newly acquired business locations of AIREST and the nine locations of the joint venture in Turkey, the DO & CO Group now has over 21 gourmet kitchens and generated first quarter sales of EUR 62.62 million in Airline Catering, an increase of EUR 34.89 million to the previous year.

AIRLINE CATERING First Quarter (April - June)	Q1 07/08 in m €	Q1 06/07 in m €	Change in m €
Sales	62.62	27.73	34.89
EBITDA	4.36	0.93	3.43
Depreciation/amortization	-2.75	-0.69	-2.06
EBIT	1.61	0.24	1.37
EBITDA margin	7.0 %	3.4 %	
EBIT margin	2.6 %	0.9 %	
Share in consolidated sales	72.6 %	57.6 %	

The strong growth stems from an expansion of activities at existing business locations and of course also in great part from the joint venture in Turkey and the acquisition of Airst.

DO & CO Product Development deserves special praise for the excellent work it has accomplished in this regard. It has developed innovative, top-quality products for Austrian Airlines and for Turkish Airlines. Some of them have already been implemented and the remainder will be implemented by the end of the year.

Concurrently, a training and integration process was launched at the newly acquired business locations to ensure that the company is well positioned to handle future competition with a unified corporate culture oriented to quality and service.

First quarter EBITDA increased from EUR 0.93 million in business year 2006/2007 to EUR 4.36 million this year thanks to improved capacity utilization at the business locations and the first-ever inclusion of the new business locations in the consolidated accounts. EBIT increased by EUR 1.37 million, from EUR 0.24 million to EUR 1.61 million.

International Event Catering

International Event Catering sustained its steady growth trend of business year 2006/2007 in the first quarter of business year 2007/2008. Sales rose in the period under report by EUR 0.83 million to EUR 11.55 million (previous year: EUR 10.72 million).

INTERNAT. EVENT CATERING First Quarter (April - June)	Q1 06/07 in m €	Q1 06/07 in m €	Change in m €
Sales	11.55	10.72	0.83
EBITDA	1.12	0.80	0.32
Depreciation/amortization	-0.35	-0.21	-0.14
EBIT	0.77	0.59	0.18
EBITDA margin	9.7 %	7.5 %	
EBIT margin	6.7 %	5.5 %	
Share in consolidated sales	13.4 %	22.3 %	

A definite international highlight of the first quarter 2007/2008 was the hosting of VIP guests at the prestigious America's Cup in Valencia, Spain. Following its premiere in 2006, the DO & CO Hospitality Sport's Division once again celebrated gourmet entertainment at its best during the exciting contests for the world's most coveted sailing trophy.

In efforts concurrent with this three-month sailing event, DO & CO displayed its culinary skills at six Formula 1 Grands Prix. These events could be staged with the division's customary high quality. Racing action began overseas at the Grands Prix in Sepang and Bahrain, then proceeded to the two European highlights in Barcelona and Monte Carlo, and ended in North America at Montreal and Indianapolis.

EBITDA for International Event Catering increased by EUR 0.32 million, rising from EUR 0.80 million to EUR 1.12 million. EBIT improved by EUR 0.18 million, rising from EUR 0.59 million to EUR 0.77 million.

Restaurants, Lounges & Hotel

Restaurants, Lounges & Hotel posted healthy sales growth for the first quarter of 2007/2008. First quarter divisional sales rose from EUR 9.71 million to EUR 12.06 million, an increase of EUR 2.35 million on the previous year.

RESTAURANTS, LOUNGES & HOTEL First Quarter (April - June)	Q1 07/08 in m €	Q1 06/07 in m €	Change in m €
Sales	12.06	9.71	2.35
EBITDA	0.86	0.34	0.52
Depreciation/amortization	-0.49	-0.32	-0.17
EBIT	0.37	0.02	0.35
EBITDA margin	7.1 %	3.5 %	
EBIT margin	3.1 %	0.2 %	
Share in consolidated sales	14.0 %	20.2 %	

Sales growth can be traced to the new business locations established in the previous business year and to the classic contributors to sales in the DO & CO Restaurants, Lounges & Hotel Division.

In particular, the group's flagship store on St. Stephen's Square in Vienna, which was renovated last year, is fully reflected in the consolidated results for the first time, as are the activities of DO & CO at the British Museum and at DEMEL in Salzburg. DO & CO Albertina and business for Casinos Austria also contributed to the improved key figures in this division.

EBITDA grew by EUR 0.52 million, rising from EUR 0.34 million to EUR 0.86 million. EBIT increased by EUR 0.35 million to EUR 0.37 million (previous year: EUR 0.02 million).

STOCK/INVESTOR RELATIONS

The Vienna Exchange had another successful year in 2006, posting gains of 22% in its lead index, the ATX. Following the slightly positive trend in the first quarter of 2007 (+4 %), the ATX climbed from 4,645 points (on 1 April 2007) to over 4,980 (mid-June 2007) to close the quarter at 4,869.

On 9 July 2007 the ATX broke through the magical 5,000 point barrier for a short time. The emergence of the real estate crisis in the US triggered a downslide in the ATX. In the weeks that followed it slipped to 4,500 points, for a loss in value of 3 % since 1 April 2007.

DO & CO Stock

DO & CO stock recorded an increase in price of 3.1 % between 1 April and 30 June 2007. Market Capitalization amounted to EUR 196.83 million at a closing price of EUR 101.00 as at 30 June 2007.

The 1:4 stock split passed by the General Meeting on 5 July 2007 took effect on the reference date of 17 August 2007. As a result, the stock has been listing since 17 August 2007 at one fourth its original price.

Financial Calendar

Results for the first half year 2007/2008 – 15 November 2007

OUTLOOK

Groundwork was laid in business year 2006/2007 for the further positive development of the DO & CO Group. The new markets DO & CO added in Turkey and in Austria greatly strengthen its position in the competitive international market.

With its customer and quality oriented corporate culture, DO & CO is able to forge long-term partnerships and enter promising markets.

The management has every intention of continuing to provide innovative products and superb service at competitive prices to live up to the trust DO & CO customers place in the company's performance. It remains a crucial goal of management to communicate the quality and service oriented corporate culture to all new employees and provide them with specialized training on it. That way they will practice this culture and lay a solid foundation for continued growth. At the same time, the integration team is busy taking full advantage of synergies to further improve the group's competitiveness.

Besides the positive trend in general business and an encouraging level of orders, International Event Catering is busily preparing for the 2008 European Football

Championships being staged in Austria and Switzerland, which will be a priority event next business year.

The opening of the BMW World in Munich in October 2007 will be a special highlight for the Restaurants, Lounges & Hotel Division. A main priority of this division in the months ahead will be to carry out preparations for the opening of four cafes and restaurants as well as the special event areas.

The management expects business results to further improve as compared with last year for the remaining business year 2007/2008, barring the occurrence of unforeseeable circumstances over which DO & CO has no control.

UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

Balance Sheet as per 30 June 2007

Notes	ASSETS	in TEUR	30 Jun. 2007	30 Jun. 2006	31 Mar. 2007	31 Mar. 2006
	Intangible assets		47,675	5,010	47,633	4,931
	Tangible assets		44,737	29,310	43,419	28,628
	Investments		384	92	282	74
(1)	Fixed assets		92,796	34,411	91,334	33,632
	Other long-term assets		590	238	323	366
	Long-term assets		93,386	34,649	91,658	33,998
	Inventories		6,713	4,875	7,125	4,683
	Trade accounts receivable		42,101	24,186	35,723	16,967
	Other Short-term accounts receivable and assets		13,695	5,032	14,080	4,028
(2)	Non-current assets held for sale		12,893	0	12,858	0
(3)	Cash and cash equivalents		31,946	23,339	25,753	20,188
	Current assets		107,349	57,431	95,538	45,866
	Deferred taxes		4,556	3,390	5,202	4,094
	Total assets		205,291	95,470	192,398	83,958
Notes	LIABILITIES AND SHAREHOLDERS' EQUITY		30 Jun. 2007	30 Jun. 2006	31 Mar. 2007	31 Mar. 2006
	Capital stock		14,162	11,802	14,162	11,802
	Capital reserves		35,892	13,081	35,892	13,081
	Revenue reserves		18,854	15,913	15,020	11,073
	Foreign currency translation reserve		-3,755	-3,362	-3,676	-2,938
	Consolidated result		1,157	665	3,834	4,758
	Minority interests		9,453	-245	8,454	-231
(4)	Shareholders' equity		75,763	37,855	73,687	37,546
	Long-term provisions		15,612	3,837	14,870	4,791
(5)	Long-term financial liabilities		16,114	0	16,236	0
(6)	Other long-term liabilities		8,453	836	8,553	1,052
	Long-term liabilities		40,179	4,672	39,659	5,842
	Short-term provisions		31,349	16,365	23,169	13,008
	Short-term financial liabilities		7,300	10,500	9,672	7,607
	Trade accounts payable		25,109	18,174	20,125	15,569
	Liabilities directly allocable to non-current assets held for sale		11,500	0	11,500	0
	Other short-term liabilities		14,090	7,904	14,587	4,386
	Current liabilities		89,349	52,943	79,052	40,570
	Total liabilities and shareholders' equity		205,291	95,470	192,398	83,958

The following Notes to the Consolidated Financial Statements form an integral part of this Consolidated Balance Sheet

Income Statement to First Quarter 2007/2008

in TEUR	First Quarter 2007 / 2008	First Quarter 2006 / 2007	Business Year 2006 / 2007	Business Year 2005 / 2006
Sales	86,226	48,157	206,333	142,179
Other operating income	1,805	668	3,067	9,224
Costs of materials and services	-32,626	-18,854	-77,589	-51,543
Payroll costs	-30,955	-17,470	-77,266	-55,405
Depreciation of tangible fixed assets and amortization of intangible fixed assets	-3,591	-1,222	-7,278	-6,411
Amortization of goodwill	0	0	-68	-450
Other operating expenses	-18,113	-10,432	-41,059	-33,394
EBIT - Operating result	2,745	847	6,139	4,201
Financial result	-156	173	719	2,622
Result from ordinary business activities	2,589	1,020	6,858	6,823
Income tax	-780	-292	-2,336	-1,955
Result after income tax	1,809	728	4,522	4,868
Minority interests	-652	-63	-688	-109
Consolidated result	1,157	665	3,834	4,758

The following Notes to the Consolidated Financial Statements form an integral part of this Consolidated Income Statement

	in EUR	in EUR	in EUR	in EUR
Earnings per share before amortization of goodwill	0.59	0.41	2.40	3.21
Earnings per share	0.59	0.41	2.36	2.93

Cash - Flow Statement to First Quarter 2007/2008

in TEUR	First Quarter 2007 / 2008	First Quarter 2006 / 2007	Business Year 2006 / 2007	Business Year 2005 / 2006
Cash-flow from operating activities	11,757	3,131	11,716	7,633
Cash-flow from investing activities	-1,502	-2,833	-65,572	9,513
Cash-flow from financing activities	-4,094	2,893	59,589	-3,205
Total cash-flow	6,161	3,191	5,732	13,941
Cash and cash equivalents at the beginning of the year	25,753	20,188	20,188	6,193
Cash and cash equivalents at the end of the year	31,946	23,339	25,753	20,188
Free cash-flow	10,255	298	-53,857	17,146

Development of shareholders' equity to First Quarter 2007/2008

in TEUR	First Quarter 2007 / 2008	First Quarter 2006 / 2007	Business Year 2006 / 2007	Business Year 2005 / 2006
Shareholders' equity as of 31 March	73,687	37,546	37,546	33,163
Consolidated result in reporting period	1,157	665	3,834	4,758
Changes in foreign currency translation reserve	-79	-424	-738	320
Changes in treasury stock	0	0	25,171	0
Other changes	0	82	-812	-809
Changes in minority interests	998	-13	8,686	114
Shareholders' equity as of 30 June	75,763	37,855	73,687	37,546

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 31 March.

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 2007/2008 as applied in the EU and in application of the parent's standard group-wide accounting and valuation principles.

The interim financial statements as of 30 June 2007 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 view in connection with the consolidated financial statements of 31 March 2007.

The interim financial statements are stated in thousands of euros (TEUR), as are the figures in the Notes, unless otherwise indicated.

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

AIREST Slovensko s.r.o. was included in the consolidated accounts for the first time as a wholly-owned subsidiary in the interim financial statements as of 30 June 2007.

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 all companies is the national currency of their country of registration since the subsidiaries are independent financially, economically and organizationally in their conduct of business.

The annual financial statements of five 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 2007. 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 differences in conjunction with monetary items which are economically allocable to a share in an associated company, particularly borrowings under company loans issued to American subsidiaries, were allocated with no effect on profit or loss to an adjustment item for translation differences and offset in shareholders' equity.

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

in EUR	Reporting Date Rate		Annual Average Rate	
	30 Jun. 2007	30 Jun. 2006	30 Jun. 2007	30 Jun. 2006
1 US Dollar	0.740466	0.786596	0.739606	0.787119
1 British Pound	1.483680	1.444878	1.472977	1.447774
1 New Turkish Lira	0.563698	0.498132	0.555220	0.533190

5. Seasonality

Seasonal variations of business are significant in the Airline Catering and the International Event Catering division. Whereas the higher flight and passenger numbers at airline customers are mainly relevant in the first and second quarter of the business year the changing dates at international sport events are material in International Event Catering.

NOTES TO THE BALANCE SHEET

(1) Fixed Assets

in TEUR	30 Jun. 2007	30 Jun. 2006	31 Mar. 2007	31 Mar. 2006
Intangible assets	47,675	5,010	47,633	4,931
Tangible assets	44,737	29,310	43,419	28,628
Investments	384	92	282	74
Total	92,796	34,411	91,334	33,632

The intangible fixed assets recorded on the balance sheet date pertain to other rights, in particular customer contracts, licenses, trademark titles, rights of use, software licenses, other intangible assets, and fixtures and fittings in third-party buildings. These items relate primarily to the opening of the joint venture with Turkish Airlines and the acquisition of AIREST and will be subject to scheduled amortization based on the expected period of economic usefulness.

As part of purchase price allocation of the companies acquired, goodwill was set at TEUR 4,507.

Tangible fixed assets includes primarily production plant and office equipment, standard values for tableware, cutlery, table linen and containers, securities and other assets. The increase in tangible fixed assets is also largely attributable to the companies acquired in 2006/2007 and to investments made by various subsidiaries.

(2) Non-current assets held for sale

in TEUR	30 Jun. 2007	30 Jun. 2006	31 Mar. 2007	31 Mar. 2006
For realisation maintained long-term assets	12,893	0	12,858	0
Total	12,893	0	12,858	0

In connection with the acquisition of AIREST Catering GmbH, the acquiring group company agreed to spin off the operating units remaining with the original owner of this company (SAVE Group) and sell them at a pre-set price with retroactive economic effect to 1 January 2007.

Further, the acquiring group company agreed to spin off and sell the interest in ISS AIREST Bodenabfertigungsdienste Ges.m.b.H. The shares in the absorbing company (Total Inflight Solution GmbH) are therefore carried under this item.

(3) Cash and Cash Equivalents

in TEUR	30 Jun. 2007	30 Jun. 2006	31 Mar. 2007	31 Mar. 2006
Cash, checks	563	665	317	200
Cash at banks	31,384	22,673	25,436	19,988
Total	31,946	23,339	25,753	20,188

The rise in cash at banks was due to the capital increase effected in March 2007 and to changes in the scope of companies included in the consolidated accounts.

(4) Shareholders' Equity

in TEUR	30 Jun. 2007	30 Jun. 2006	31 Mar. 2007	31 Mar. 2006
Capital stock	14,162	11,802	14,162	11,802
Capital reserves	35,892	13,081	35,892	13,081
Revenue reserves	18,854	15,913	15,020	11,073
Foreign currency translation reserve	-3,755	-3,362	-3,676	-2,938
Treasury stock	0	0	0	0
Consolidated result	1,157	665	3,834	4,758
Minority interests	9,453	-245	8,454	-231
Total	75,763	37,855	73,687	37,546

The increase in share capital and in the paid-in capital surplus stems from the capital increase effected in March 2007 with the issuing of 324,800 new individual bearer shares.

Minority interests include the direct 10 % minority interest in the equity of the fully consolidated DO & CO PLATINUM Restaurantbetriebs GmbH and the 50 % minority interest in THY DO & CO Ikram Hizmetleri A.S.

(5) Long-term financial liabilities

in TEUR	30 Jun. 2007	30 Jun. 2006	31 Mar. 2007	31 Mar. 2006
Liabilities to banks	16,114	0	16,236	0
Total	16,114	0	16,236	0

Long-term financial liabilities resulted from borrowing to finance the establishment of THY DO & CO Ikram Hizmetleri A.S.

(6) Other long-term liabilities

in TEUR	30 Jun. 2007	30 Jun. 2006	31 Mar. 2007	31 Mar. 2006
Trade accounts payable	230	499	299	566
Other liabilities	8,102	124	8,133	123
Deferred income	121	212	121	363
Total	8,453	836	8,553	1,052

Trade payables consist entirely of obligations under finance lease agreements pursuant to IAS 17. Other liabilities pertain mostly to a loan granted by the holder of a minority interest at a foreign subsidiary.

The increase in further balance sheet items, e.g. inventories, the total of other short-term receivables and other short-time assets, long-term provisions, other short-term provisions, short-term financial liabilities, etc. can be attributed mainly to the changes brought about in the scope of consolidation of the DO & CO Group by the company acquisitions mentioned above.

Contingent Liabilities

In the field of bank guarantees to secure claims in connection with leases a reduction of TEUR 211 in comparison to 31 March 2007 has been achieved.

NOTES TO THE INCOME STATEMENT

The analysis of the results in the first quarter 2007/2008 in comparison to the first quarter 2006/2007 is conducted in the Management Report section.

EVENTS AFTER THE BALANCE SHEET DATE

Events occurring after the reporting date on 30 June 2007 are presented in the Stock/ Investor Relations section where the change concerning the listing of DO & CO stock at the Vienna Stock Exchange is explained.

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 mbH and the latter's wholly owned subsidiary DZR Immobilien und Beteiligungs GmbH. Business relations with Raiffeisenlandesbank Niederösterreich-Wien AG were continued in this quarter 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. In the first quarter 2007/2008, sales revenues were achieved and trade receivables contain trade receivables owed by Turkish Airlines in connection with this business relationship. The consolidated financial statements also contain long-term and short-term liabilities incurred in the financing of THY DO & CO Ikram Hizmetleri A.S.

SEGMENT REPORTING

The primary reporting format by division for the first quarter 2007/2008 and the first quarter 2006/2007 is presented and explained in the Management Report section.

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

Interest-incurring debt less cash and cash equivalents

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 and extraordinary result and 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 deduction of the book values of goodwill