

BUSINESS RESULTS FOR THE FIRST QUARTER OF 2004/2005

(1 APRIL 2004 to 30 JUNE 2004)

SALES INCREASE: + 79.8 % to EUR 39.59 million

EBIT INCREASE: + 34.2 % to EUR 510,000

**Strong growth in foreign sales –
in International Event Catering as well as international Airline Catering**

VIENNA – 26 August 2004 – Today, DO & CO Restaurants & Catering AG announces its results for the first quarter of 2004/2005 (1 April 2004 to 30 June 2004) in accordance with IFRS. This quarter DO & CO generated sales of EUR 39.59 million, a figure 79.8 % higher than the first quarter figure of the previous year (EUR 22.02 million).

SALES BY DIVISION	2004/2005		2003/2004		Change	
	First quarter (April - June)		in m €	in m €	in m €	in %
Airline Catering	15.76	10.31	5.45	+ 52.9 %		
International Event Catering	18.34	7.05	11.29	+ 160.1 %		
Restaurants & Bars	5.49	4.66	0.83	+ 17.8 %		
Group sales	39.59	22.02	17.57	+ 79.8 %		

An analysis of the individual divisions reveals strong sales growth in Airline Catering with a rise of 52.9 % (EUR 5.45 million) to EUR 15.76 million (previous year: EUR 10.31 million). This increase is attributable largely to the opening of the new business location at London Heathrow as well as the acquisition of new customers and better utilization of capacity with existing customers.

In International Event Catering, sales grew by an impressive EUR 11.29 million (+160.1 %) to EUR 18.34 million (previous year: EUR 7.05 million) in the period under review. This increase is primarily due to the VIP hospitality management the division carried out at the EURO 2004 European Soccer Championship in Portugal in June 2004.

Restaurants & Bars also recorded a sales growth of EUR 0.83 million (+17.8 %) to EUR 5.49 million (previous year: EUR 4.66 million). This rise is due to the opening of the new restaurant in the Albertina and to increased sales at already existing restaurants.

As a result, the consolidated EBIT for the DO & CO Group after goodwill amortization in the first quarter of 2004/2005 rose by 34.2 %, from EUR 0.38 million to EUR 0.51 million. EBITDA amounted to EUR 1.84 million (previous year: EUR 1.55 million), the EBITDA margin to 4.6 % (previous year: 7.0 %).

GROUP	2004/2005	2003/2004	Change	
First quarter (April - June)	in m €	in m €	in m €	in %
Sales	39.59	22.02	17.57	+ 79.8 %
EBITDA	1.84	1.55	0.29	+ 18.7 %
Depreciation/amortization *	-1.33	-1.18	-0.15	- 12.7 %
EBIT	0.51	0.38	0.13	+ 34.2 %
EBITDA margin	4.6 %	7.0 %		
EBIT margin	1.3 %	1.7 %		
Employees	1,149	901	248	+ 27.5 %

* including goodwill amortization

Detailed account of the development of the DO & CO AG divisions:

1. AIRLINE CATERING

AIRLINE CATERING	2004/2005	2003/2004	Change	
First quarter (April - June)	in m €	in m €	in m €	in %
Sales	15.76	10.31	5.45	+ 52.9 %
EBITDA	0.83	0.69	0.14	+ 20.3 %
Depreciation/amortization *	-0.72	-0.64	-0.08	- 12.5 %
EBIT	0.11	0.05	0.06	+ 120.0 %
EBITDA margin	5.3 %	6.7 %		
EBIT margin	0.7 %	0.5 %		
Share in consolidated sales	39.8 %	46.8 %		

* including goodwill amortization

In Airline Catering, DO & CO substantially improved its customer portfolio against the first quarter of the previous year by adding four new accounts. These accounts were EMIRATES AIRLINES, which was already part of the DO & CO clientele in Milan; NIKI, which was won over as a new customer in Austria with an innovative product concept; BRITISH AIRWAYS, for which DO & CO handles the entire business class product for all European flights ex London Heathrow; and CZECH AIRLINES ex Vienna. In addition, there was a highly successful test flight series for LUFTHANSA on the Frankfurt – New York – Frankfurt route. Consequently, sales were sharply higher in the period under review, rising by 52.9 % to EUR 15.76 million (previous year: EUR 10.31 million).

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

In the first quarter of 2004/2005 EBITDA in the Airline Catering division increased by EUR 0.14 million, or 20.3 %, to EUR 0.83 million (previous year: EUR 0.69 million) while EBIT rose from EUR 0.05 million to EUR 0.11 million in the same period.

2. INTERNATIONAL EVENT CATERING

INTERNAT. EVENT CATERING	2004/2005		2003/2004		Change	
	in m €		in m €		in m €	in %
First quarter (April - June)						
Sales	18.34	7.05	11.29	+ 160.1 %		
EBITDA	0.73	0.61	0.12	+ 19.7 %		
Depreciation/amortization *	-0.36	-0.31	-0.05	- 16.1 %		
EBIT	0.37	0.31	0.06	+ 19.4 %		
EBITDA margin	4.0 %	8.7 %				
EBIT margin	2.0 %	4.4 %				
Share in consolidated sales	46.3 %	32.0 %				

* including goodwill amortization

Thanks to its role as hospitality manager for the EURO 2004 European Soccer Championship in Portugal, International Event Catering increased its sales in the first quarter of 2004/2005 by EUR 11.29 million, or 160.1 %, from EUR 7.05 million to EUR 18.34 million. This more than offset the declining trend in other sports and the successful staging of the EURO 2004 in Portugal opened up soccer as a new line of business. DO & CO was also for the first time in charge of the VIP area at the finals of the Soccer Champions League in Gelsenkirchen this year. Rounding out the solid quarter performance were other national and international events such as the presentations for the new 1-series BMW in Munich, for the Audi A 6, the Amadeus Award ceremony and the 50th business anniversary of the Spar chain in Austria.

The higher sales were reflected in an EBITDA rise of EUR 0.12 million, or 19.7 %, to EUR 0.73 million (previous year: EUR 0.61 million). EBIT increased by EUR 0.06 million, or 19.4 %, to EUR 0.37 million (previous year: EUR 0.31 million). Owing to the strong effect on sales of the EURO 2004, the EBIT margin fell to 2.0 % (previous year: 4.4 %).

3. RESTAURANTS & BARS

RESTAURANTS & BARS	2004/2005	2003/2004	Change	
	in m €	in m €	in m €	in %
First quarter (April - June)				
Sales	5.49	4.66	0.83	+ 17.8 %
EBITDA	0.28	0.25	0.03	+ 12.0 %
Depreciation/amortization *	-0.25	-0.23	-0.02	- 8.7 %
EBIT	0.03	0.02	0.01	+ 50.0 %
EBITDA margin	5.1 %	5.4 %		
EBIT margin	0.5 %	0.4 %		
Share in consolidated sales	13.9 %	21.2 %		

* including goodwill amortization

The number of patrons frequenting the businesses in the Restaurants & Bars division was stable and encouraging in the first quarter. The restaurants maintained their high utilization of capacity while the Demel Shop on the ground floor of Demel on Kohlmarkt further increased its sales. Thanks to the inclusion of the new Albertina business, divisional sales were EUR 0.83 million higher than the year before, amounting to EUR 5.49 million (previous year: EUR 4.66 million).

EBITDA increased by a marginal EUR 0.03 million to EUR 0.28 million (previous year: EUR 0.25 million) while EBIT rose by just EUR 0.01 million to EUR 0.03 million (previous year: EUR 0.02 million) owing to slightly higher depreciation.

DO & CO STOCK

The shareholders' meeting on 9 July 2004 decided to distribute a dividend of EUR 0.50 per share.

The price of DO & CO stock rose by a moderate 1.1% from 1 January 2004 to 18 August 2004. Market capitalization totaled EUR 52.78 million at the closing price of EUR 32.50 on 18 August 2004.

OUTLOOK

The management expects no significant improvement in basic economic conditions for the remainder of the business year 2004/2005. Nonetheless, DO & CO is convinced from its cautious assessment of the situation that the measures the group took last business year will bring about growth in sales and EBIT. The most important of these measures involved the focus on premium quality, increased efforts to attract new customers, maximum flexibility in the internal organization and strict cost management.

Income Statement

in TEUR	1 st Quarter 2004 / 2005	1 st Quarter 2003 / 2004	Business Year 2003 / 2004	Business Year 2002 / 2003
Sales	39,589	22,025	98,147	94,586
Other operating income	975	1,047	1,464	2,987
Costs of materials and services	-14,053	-7,058	-30,255	-28,403
Payroll costs	-12,534	-8,959	-38,988	-37,430
Depreciation of tangible fixed assets and amortization of intangible fixed assets	-1,219	-1,048	-5,041	-5,156
Amortization of goodwill	-111	-129	-517	-1,336
Other operating expenses	-12,134	-5,501	-22,200	-21,679
EBIT - Operating result	512	376	2,610	3,569
Financial result	-13	-32	-186	-241
Result from ordinary business activities	499	344	2,424	3,328
Income tax	-151	-164	-828	-1,279
Result after income tax	349	180	1,596	2,049
Minority interests	24	25	5	54
Consolidated result	372	205	1,601	2,103

Cash - Flow Statement

in TEUR	1 st Quarter 2004 / 2005	1 st Quarter 2003 / 2004	Business Year 2003 / 2004	Business Year 2002 / 2003
Cash-flow from operating activities	6,280	-19	4,041	9,578
Cash-flow from investing activities	-1,698	-168	-6,035	-7,615
Cash-flow from financing activities	700	550	-1,662	3,910
Total cash-flow	5,282	362	-3,657	5,873
Cash and cash equivalents at the beginning of the year	7,156	10,903	10,903	5,194
Cash and cash equivalents at the end of the year	12,435	11,234	7,156	10,903
Free cash-flow	4,582	-187	-1,994	1,963

Development of shareholders' equity

in TEUR	1 st Quarter 2004 / 2005	1 st Quarter 2003 / 2004
Shareholders' equity as of 31 March	31,324	31,715
Consolidated result in reporting period	372	205
Changes in foreign currency translation reserve	55	-497
Other changes	4	0
Changes in minority interests	-25	-10
Shareholders' equity as of 30 June	31,730	31,414

Balance Sheet

ASSETS	in TEUR	30 June 2004	30 June 2003	31 March 2004	31 March 2003
Intangible assets		5,447	2,032	5,646	2,160
Tangible assets		27,266	27,009	26,841	28,628
Investments		443	440	447	446
Fixed assets		33,157	29,481	32,934	31,234
Other long-term assets		416	291	470	470
Long-term assets		33,573	29,772	33,404	31,704
Inventories		3,604	2,344	2,750	2,494
Trade accounts receivable		17,227	10,280	14,682	7,660
Other short-term accounts receivable and assets		3,555	3,529	2,321	2,733
Cash and cash equivalents		12,435	11,234	7,156	10,903
Current assets		36,820	27,386	26,909	23,789
Deferred taxes		2,417	2,580	2,745	2,255
Total assets		72,810	59,738	63,058	57,748
LIABILITIES AND SHAREHOLDERS' EQUITY	in TEUR	30 June 2004	30 June 2003	31 March 2004	31 March 2003
Capital stock		11,802	11,802	11,802	11,802
Capital reserves		13,081	13,081	13,081	13,081
Revenue reserves		7,266	5,973	7,256	5,973
Foreign currency translation reserve		-2,073	-1,416	-2,128	-919
Consolidated result		1,973	2,308	1,601	2,103
Minority interests		-320	-335	-294	-325
Shareholders' equity		31,730	31,414	31,318	31,715
Long-term provisions		3,026	3,037	3,532	3,033
Other long-term liabilities		3,093	1,871	4,821	1,932
Long-term liabilities		6,119	4,908	8,353	4,966
Short-term provisions		7,925	8,107	6,411	7,553
Short-term financial liabilities		4,500	5,200	3,800	4,650
Trade accounts payable		15,639	5,999	7,009	6,601
Other short-term liabilities		6,897	4,111	6,167	2,263
Current liabilities		34,961	23,417	23,387	21,067
Total liabilities and shareholders' equity		72,810	59,738	63,058	57,748

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Reuters Code: DOCO.VI
 Bloomberg Code: DOC AV
 Vienna Stock Exchange: www.wienerboerse.at
 Security abbreviation: DOC
 Security code number: 081880
 ISIN code: AT0000818802
 Trading segment: Official trading
 Market segment: Standard Market
 Continuous

Financial calendar:

1st half year of 2004/2005 18 Nov. 2004
 1st-3rd quarter of 2004/2005 17 Feb. 2005

In following indices:
 No. of shares: 1,624,000
 Listed nominal: € 11,802,068
 Initial listing: 30 June 1998