

**DO & CO Restaurants & Catering AG**

**Quarterly Report  
1<sup>st</sup> - 3<sup>rd</sup> Quarter 2009/2010**



**DO & CO**

RESTAURANTS  
HOTEL  
LOUNGES  
CATERING

## TABLE OF CONTENTS

<b>Group Management Report for the 1<sup>st</sup>- 3<sup>rd</sup> Quarter 2009/2010 (unaudited)</b> .....	<b>3</b>
Key Figures of DO & CO .....	3
Sales .....	4
Earnings .....	4
Balance Sheet.....	5
Cash Flow.....	5
Investments .....	5
Employees .....	5
Airline Catering .....	6
International Event Catering .....	7
Restaurants, Lounges & Hotel .....	8
DO & CO Stock/Investor Relations .....	9
Outlook.....	10
<b>Glossary of Key Figures .....</b>	<b>11</b>
<b>Consolidated Financial Statements for the 1<sup>st</sup> - 3<sup>rd</sup> Quarter 2009/2010 (unaudited)</b>	<b>12</b>
Consolidated Balance Sheet as of 31 December 2009.....	12
Consolidated Income Statement .....	13
Consolidated Cash Flow Statement for the 1 <sup>st</sup> - 3 <sup>rd</sup> Quarter 2009/2010 .....	14
<b>Notes on Consolidated Financial Statements (unaudited)</b> .....	<b>16</b>
General Information.....	16
Notes to the Balance Sheet .....	18
Notes to the Income Statement.....	20
Segment Reporting .....	21

# Group Management Report for the 1<sup>st</sup>- 3<sup>rd</sup> Quarter 2009/2010 (unaudited)

## 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 2009 / 2010	Third Quarter 2008 / 2009	1st- 3rd Quarter 2009 / 2010	1st- 3rd Quarter 2008 / 2009
Sales	in m €	87.03	84.85	271.50	317.49
EBITDA	in m €	6.94	3.54	26.08	24.24
EBITDA margin	in %	8.0%	4.2%	9.6%	7.6%
EBIT	in m €	2.74	-0.89	13.52	11.30
EBIT margin	in %	3.1%	-1.0%	5.0%	3.6%
Profit before taxes	in m €	3.01	-0.67	14.31	11.80
Consolidated result	in m €	1.91	-0.52	7.38	5.61
Employees		3,514	3,802	3,570	4,047
Equity <sup>1</sup>	in m €	83.84	78.03	83.84	78.03
Equity ratio	in %	48.6%	44.6%	48.6%	44.6%
Net debts	in m €	-22.32	-7.32	-22.32	-7.32
Net gearing	in %	-26.6%	-9.4%	-26.6%	-9.4%
Working Capital	in m €	11.60	9.01	11.60	9.01
Operational cash-flow	in m €	10.12	2.68	35.34	24.89
Depreciation/amortization	in m €	-4.20	-4.43	-12.56	-12.94
Free cash-flow	in m €	6.03	-6.38	24.98	3.62
ROS	in %	3.5%	-0.8%	5.3%	3.7%
Capital Employed	in m €	75.83	84.80	75.83	84.80
ROCE	in %	3.2%	-0.4%	11.9%	9.3%
ROE	in %	2.3%	-0.6%	9.3%	7.5%

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 2009 / 2010	Third Quarter 2008 / 2009	1st- 3rd 2009 / 2010	1st- 3rd 2008 / 2009
EBITDA per share	in EUR	0.90	0.45	3.37	3.11
EBIT per share <sup>1</sup>	in EUR	0.35	-0.11	1.74	1.45
Earnings per share <sup>1</sup>	in EUR	0.25	-0.07	0.95	0.72
Equity (book entry) <sup>2</sup>	in EUR	10.87	10.02	10.82	10.01
High <sup>3</sup>	in EUR	10.89	14.80	11.20	18.95
Low <sup>3</sup>	in EUR	8.30	10.10	7.70	10.10
Year-end <sup>3</sup>	in EUR	10.00	11.15	10.00	11.15
Weighted number of shares <sup>4</sup>	in TPie	7,715	7,789	7,746	7,793
Number of shares year-end	in TPie	7,674	7,786	7,674	7,786
Market capitalization year-end	in m EUR	76.74	86.81	76.74	86.81

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 31 December 2009

## Sales

Sales in the first three quarters for the DO & CO Group were EUR -46.00 million lower in business year 2009/2010 than in the previous year, falling from EUR 317.49 million to EUR 271.50 million. This reduction is mostly attributable to the EURO 2008 having been staged in the first quarter of the previous year.

Sales in Mio €	Third Quarter			1st -3rd Quarter		
	2009/10	2008/09	Change	2009/10	2008/09	Change
Airline Catering	63.67	58.06	5.60	197.74	194.67	3.07
International Event Catering	6.65	9.51	-2.85	27.50	73.71	-46.21
Restaurants, Lounges & Hotel	16.71	17.28	-0.57	46.25	49.11	-2.86
<b>Group Sales</b>	<b>87.03</b>	<b>84.85</b>	<b>2.18</b>	<b>271.50</b>	<b>317.49</b>	<b>-46.00</b>

Sales at Airline Catering amounted to EUR 197.74 million, a figure slightly higher than the year before in spite of the tough market conditions (previous year: EUR 194.67 million).

Sales in International Event Catering fell from EUR 73.71 million to EUR 27.50 million. This reduction in sales is chiefly attributable to the staging of the EURO 2008 in the first quarter of last business year. The much lower sales in the third quarter can be traced to time-delayed events occurring in the international segment.

Sales in Restaurants, Lounges & Hotel totaled EUR 46.25 million, a figure EUR -2.86 million below the one 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 three quarters of 2009/2010 of EUR 13.52 million. This figure represents an increase of EUR +2.22 million against the same period the previous year. Group EBITDA grew by EUR +1.84 million, rising from EUR 24.24 million to EUR 26.08 million.

Group in Mio €	Third Quarter			1st -3rd Quarter		
	2009/10	2008/09	Change	2009/10	2008/09	Change
Sales	87.03	84.85	2.18	271.50	317.49	-46.00
EBITDA	6.94	3.54	3.40	26.08	24.24	1.84
Depreciation/amortization	-4.20	-4.43	0.22	-12.56	-12.94	0.38
EBIT	2.74	-0.89	3.63	13.52	11.30	2.22
EBITDA margin	8.0%	4.2%		9.6%	7.6%	
EBIT margin	3.1%	-1.0%		5.0%	3.6%	
Employees	3,514	3,802	-288	3,570	4,047	-477

There was no EURO 2008 in the first quarter of 2009/2010 so sales for the first three quarters declined compared with the previous year. Nonetheless, DO & CO increased EBITDA and EBIT over the previous year by promptly adjusting the cost structure.

The staging of the EURO 2008 project in the first quarter of the previous year created a large volume of transitory sales on infrastructure and services for guests purchased from third parties. To obtain a meaningful figure for a comparison of the margins of the first three quarters with the previous year, these transitory sales must be deducted from the total.

A comparison of the margins yields the following picture:

After correction for transitory sales	1st -3rd Quarter	
	2009/10	2008/09
EBITDA margin adjusted	9,6%	8,2%
EBIT margin adjusted	5,0%	3,8%

The EBIT margin for the first three quarters rose from 3.8 % in 2008/09 to 5.0 % in the current business year. The EBITDA margin improved from 8.2 % to 9.6 %.

## Balance Sheet

Balance Sheet total as of 31 December 2009 amounted to EUR 176.59 million, a figure EUR +7.24 million higher than on 31 March 2009. This increase is mainly attributable to a higher level of short-term assets. The adjusted equity ratio improved from 45.6 % as of 31 March 2009 to 48.6 % as of 31 December 2009.

## Cash Flow

Cash flow for the first three quarters totaled EUR 8.16 million in business year 2009/2010 and was thus substantially higher than the figure the year before (previous year: EUR -11.93 million). Cash flow from operating activities amounted to EUR 35.35 million (previous year: EUR 24.89 million). These figures can be explained by the higher period result and by seasonally higher trade payables. Cash flow from investing activities for the first three quarters is lower than in 2008/2009 because of the substantial decline in investing activities. The increase in negative cash flow from financing activities can be traced mainly to re-purchases of own shares.

## Investments

Investments in tangible and intangible fixed assets amounted to EUR 7.87 million (of which EUR 0.05 million does not affect payments). Key single items are investments at the Turkish DO & CO joint venture and the expansion of the Airline Catering facility in London.

## Employees

The average number of employees for the first three quarters decreased to 3,570 in the current year from 4,047 the previous year. This change is due to the EURO 2008 project conducted last year and to group-wide adjustments to personnel in response to the general economic situation.

## Airline Catering

DO & CO positions itself in the airline catering market as a provider of unique and innovative quality products geared to meet the needs of first class, business class and economy class passengers.

DO & CO is setting new standards in the premium segment of airline catering at its 22 gourmet kitchens in New York, London, Frankfurt, Berlin, Munich, Milan, Bratislava, Malta, Salzburg, Vienna, Linz, Graz and at nine further business locations in Turkey.

DO & CO has more than 60 airlines in its customer portfolio. They include renowned airlines such as 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 in Mio €	Third Quarter			1st -3rd Quarter		
	2009/10	2008/09	Change	2009/10	2008/09	Change
Sales	63.67	58.06	5.60	197.74	194.67	3.07
EBITDA	4.96	1.65	3.31	19.75	15.14	4.62
Depreciation/amortization	-3.43	-3.64	0.20	-10.40	-10.19	-0.21
EBIT	1.53	-1.98	3.51	9.36	4.95	4.41
EBITDA margin	7.8%	2.8%		10.0%	7.8%	
EBIT margin	2.4%	-3.4%		4.7%	2.5%	
Share of Group Sales	73.2%	68.4%		72.8%	61.3%	

A remarkable aspect of the course of business at Airline Catering was that the division was able to offset sharp declines in sales in Austria with increases at its international business locations.

It should be noted that the airline industry remains extremely dynamic. This trait is evident in the Airline Catering segment from the fact that airlines are constantly reviewing their costs and product portfolio and looking for new and innovative products.

DO & CO adjusted quickly to these rapidly changing market conditions and submitted bids in several international tenders that won on the merits of the company's innovative products and competitive prices. For example, Singapore Airlines was added as a new customer in Milan. Oman Air is another new client, having been added at Frankfurt and Munich. Beyond that, particularly important customers such as Emirates and Etihad have renewed their contracts.

Airline Catering posted sales of EUR 197.74 million in the first three quarters of the business year 2009/2010 (previous year: EUR 194.67 million). EBITDA rose from EUR 15.14 million to EUR 19.75 million, an increase of EUR + 4.62 million. That corresponds to an EBITDA margin of 10.0 % (previous year: 7.8 %). EBIT increased by +EUR 4.41 million, rising from EUR 4.95 million to EUR 9.36 million. The EBIT margin was 4.7 % (previous year: 2.5 %).

## International Event Catering

The course of business in International Event Catering is dictated almost solely by the absence of EURO 2008 sales. Major premium international sports events continued to record stable attendance whereas business with corporate and private customers dropped off slightly because of the flagging economy. An encouraging bright spot deserving of special mention was the Grand Prix in Abu Dhabi. It was staged for the first time this quarter and involved over 15,000 VIP guests on a single weekend. The much lower sales in the third quarter compared with the year before can be traced to time-delayed events occurring in the international segment.

International Event Catering in Mio €	Third Quarter			1st -3rd Quarter		
	2009/10	2008/09	Change	2009/10	2008/09	Change
Sales	6.65	9.51	-2.85	27.50	73.71	-46.21
EBITDA	0.75	0.61	0.15	2.87	5.45	-2.58
Depreciation/amortization	-0.28	-0.18	-0.10	-0.65	-0.98	0.32
EBIT	0.47	0.42	0.05	2.22	4.47	-2.25
EBITDA margin	11.3%	6.4%		10.5%	7.4%	
EBIT margin	7.1%	4.5%		8.1%	6.1%	
Share of Group Sales	7.6%	11.2%		10.1%	23.2%	

International Event Catering posted sales of EUR 27.50 million in the first three quarters of the business year 2009/2010 (previous year: EUR 73.71 million). EBITDA declined by EUR -2.58 million, falling from EUR 5.45 million to EUR 2.87 million. That corresponds to an EBITDA margin of 10.5 % (previous year: 7.4 %). EBIT amounts to EUR 2.22 million (previous year: EUR 4.47 million). The EBIT margin was 8.1 % (previous year: 6.1 %).

After correction for transitory sales	1st -3rd Quarter	
	2009/10	2008/09
EBITDA margin adjusted	10.5%	10.8%
EBIT margin adjusted	8.1%	8.8%

The high proportion of transitory sales on guest infrastructure for the EURO 2008 affected the margins in the first three quarters of last year. Following adjustments for margin-free sales, the EBITDA margin for last year amounts to 10.8 % and the adjusted EBIT margin is 8.8 %.

## Restaurants, Lounges & Hotel

Sales in Restaurants, Lounges & Hotel for the first three quarters were -5.8 % lower than in the previous year. This decline can be attributed to the additional revenues gained from the EURO 2008 in the previous year and a general weakening of economic activities. Nonetheless, the division adjusted its cost structure on time to the expected volume of patrons and improved its margins.

Restaurants, Lounges & Hotel in Mio €	Third Quarter			1st -3rd Quarter		
	2009/10	2008/09	Change	2009/10	2008/09	Change
Sales	16.71	17.28	-0.57	46.25	49.11	-2.86
EBITDA	1.22	1.28	-0.06	3.45	3.65	-0.20
Depreciation/amortization	-0.49	-0.61	0.12	-1.51	-1.78	0.26
EBIT	0.73	0.67	0.06	1.94	1.87	0.06
EBITDA margin	7.3%	7.4%		7.5%	7.4%	
EBIT margin	4.4%	3.9%		4.2%	3.8%	
Share of Group Sales	19.2%	20.4%		17.0%	15.5%	

Restaurants, Lounges & Hotel posted sales of EUR 46.25 million in the first three quarters of the business year 2009/2010 (previous year: EUR 49.11 million). EBITDA declined by EUR -0.20 million, falling from EUR 3.65 million to EUR 3.45 million. That corresponds to an EBITDA margin of 7.5 % (previous year: 7.4 %). EBIT amounts to EUR 1.94 million (previous year: EUR 1.87 million). The EBIT margin was 4.2 % (previous year: 3.8 %).

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

The ATX posted considerable gains in the period under review, closing at 2,496 points on 31 December 2009. This figure represents an increase of 47.1 % compared with the closing level of 1,697 points on 31 March 2009.

In this same period, the price of DO & CO stock rose by 23.5 %, closing on 31 December 2009 at a price of EUR 10.0. This price represents market capitalisation of EUR 76.74 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 121,300 shares had been repurchased by 31 December 2009. That corresponds to 1.56 % of the share capital.

### **Dividend**

The General Meeting of 9 July 2009 approved a dividend of EUR 0.15 for each share eligible for a dividend for business year 2008/2009 (previous year: EUR 0.15). It was paid out on 27 July 2009.

### **Financial Calendar**

Business results for business year 2009/2010	08.06.2010
General Meeting of Shareholders	08.07.2010
Ex-dividend date	12.07.2010
Payable date	26.07.2010

## **Outlook**

DO & CO has adjusted quite effectively to the volatile market in general and is working to gain further market share by combining great flexibility and an innovative product portfolio with competitive costs.

All divisions are adding new clients while also expanding business with existing accounts.

DO & CO management is therefore confident that the company can remain on the same successful course it has taken in recent years.

Even in this difficult market environment, DO & CO continues to have bright prospects for development and growth thanks to its winning blend of innovations, top product and service standards, and well-trained employees. Business results are thus expected to develop as planned for business year 2009/2010 barring the occurrence of unforeseen circumstances, especially circumstances outside the control of DO & CO.

# 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 amortisation of goodwill less adjusted taxes with the average capital employed

## ROE – Return on equity

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

# Consolidated Financial Statements for the 1<sup>st</sup> - 3<sup>rd</sup> Quarter 2009/2010 (unaudited)

## Consolidated Balance Sheet as of 31 December 2009

<b>ASSETS in TEUR</b>	<b>31 Dec 2009</b>	<b>31 Dec 2008</b>	<b>31 Mar 2009</b>	<b>31 Mar 2008</b>
Intangible assets	26,090	34,355	28,733	38,859
Tangible assets	56,233	55,857	57,548	43,631
Financial assets	2,086	2,180	1,536	1,576
<b>Fixed assets</b>	<b>84,409</b>	<b>92,391</b>	<b>87,817</b>	<b>84,066</b>
Other long-term assets	2,451	313	1,046	333
<b>Long-term assets</b>	<b>86,860</b>	<b>92,704</b>	<b>88,863</b>	<b>84,399</b>
Inventories	11,023	11,129	11,238	8,113
Trade accounts receivable	30,968	33,239	31,875	41,631
Other Short-term accounts receivable and assets	18,872	23,480	18,022	15,910
Cash and cash equivalents	23,035	13,934	15,132	26,069
<b>Current assets</b>	<b>83,898</b>	<b>81,782</b>	<b>76,267</b>	<b>91,723</b>
Deferred taxes	5,834	4,648	4,227	4,452
<b>Total assets</b>	<b>176,593</b>	<b>179,134</b>	<b>169,357</b>	<b>180,574</b>
<b>LIABILITIES and SHAREHOLDERS' EQUITY in</b>	<b>31 Dec 2009</b>	<b>31 Dec 2008</b>	<b>31 Mar 2009</b>	<b>31 Mar 2008</b>
Nominal capital	15,590	15,590	15,590	15,590
Capital reserves	34,464	34,464	34,464	34,464
Revenue reserves	24,043	23,124	23,124	17,879
Foreign currency translation reserve	-6,526	-7,421	-6,502	-6,360
Own shares	-1,104	-100	-162	0
Consolidated result	7,384	5,612	2,084	6,413
<b>Equity attributable to the shareholders of the</b>	<b>73,851</b>	<b>71,269</b>	<b>68,598</b>	<b>67,987</b>
Minority interests	15,218	11,986	12,075	9,850
<b>Shareholders' equity</b>	<b>89,069</b>	<b>83,255</b>	<b>80,672</b>	<b>77,836</b>
Long-term provisions	16,162	16,097	14,771	16,072
Long-term financial liabilities	0	8,000	8,503	14,337
Other long-term liabilities	235	182	225	6,730
<b>Long-term liabilities</b>	<b>16,397</b>	<b>24,279</b>	<b>23,499</b>	<b>37,139</b>
Short-term provisions	39,175	32,537	31,767	21,612
Short-term financial liabilities	714	3,598	6,699	6,100
Trade accounts payable	23,013	25,252	17,979	23,482
Other short-term liabilities	8,226	10,213	8,740	14,404
<b>Current liabilities</b>	<b>71,128</b>	<b>71,601</b>	<b>65,185</b>	<b>65,598</b>
<b>Total liabilities and shareholders' equity</b>	<b>176,593</b>	<b>179,134</b>	<b>169,357</b>	<b>180,574</b>

## Consolidated Income Statement

### for the 1<sup>st</sup> - 3<sup>rd</sup> Quarter 2009/2010

in TEUR	Third Quarter 2009 / 2010	Third Quarter 2008 / 2009	1st- 3rd 2009 / 2010	1st- 3rd 2008 / 2009
<b>Sales</b>	<b>87,029</b>	<b>84,850</b>	<b>271,497</b>	<b>317,494</b>
Other operating income	2,222	6,320	6,862	13,283
Costs of materials and services	-36,005	-34,466	-109,439	-139,829
Personnel expenses	-30,646	-32,830	-91,887	-104,503
Depreciation of tangible fixed assets and amortization of intangible fixed assets	-4,203	-4,429	-12,561	-12,943
Other operating expenses	-15,662	-20,335	-50,956	-62,207
<b>EBIT - Operating result</b>	<b>2,736</b>	<b>-890</b>	<b>13,515</b>	<b>11,295</b>
Financial result	270	217	794	504
thereof from associated companies	115	280	551	599
<b>Profit before taxes</b>	<b>3,006</b>	<b>-673</b>	<b>14,309</b>	<b>11,799</b>
Income tax	-352	507	-3,938	-3,381
<b>Profit for the Year</b>	<b>2,654</b>	<b>-166</b>	<b>10,371</b>	<b>8,418</b>
Minority interests	-744	-358	-2,987	-2,806
<b>Consolidated result</b>	<b>1,910</b>	<b>-524</b>	<b>7,384</b>	<b>5,612</b>

### Other comprehensive income for the 1<sup>st</sup> - 3<sup>rd</sup> Quarter 2009/2010

	Third Quarter 2009 / 2010	Third Quarter 2008 / 2009	1st- 3rd 2009 / 2010	1st- 3rd 2008 / 2009
<b>Profit for the Year</b>	<b>2,654</b>	<b>-166</b>	<b>10,371</b>	<b>8,418</b>
Differences of Currency translation	214	-3,122	901	-1,443
Effect of Net Investment Approach	492	-3,028	-688	-474
Income Tax of other comprehensive income and expensive	-130	874	148	187
<b>Other comprehensive income after taxes</b>	<b>576</b>	<b>-5,276</b>	<b>362</b>	<b>-1,730</b>
<b>Total comprehensive income for the period</b>	<b>3,230</b>	<b>-5,442</b>	<b>10,733</b>	<b>6,687</b>
Attributable to minority interests	896	-1,743	3,374	2,136
Attributable to shareholders of parent company	2,334	-3,699	7,359	4,551

### Key Figures per share

	Third Quarter 2009 / 2010	Third Quarter 2008 / 2009	1st- 3rd 2009 / 2010	1st- 3rd 2008 / 2009
Number of individual shares	7,673,900	7,786,000	7,673,900	7,786,000
Weighted shares (number of individual shares)	7,714,620	7,788,627	7,745,842	7,793,009
Earnings per share	0.25	-0.07	0.95	0.72

1... Based on the consolidated result

## Consolidated Cash Flow Statement for the 1<sup>st</sup> - 3<sup>rd</sup> Quarter 2009/2010

in TEUR	1st- 3rd 2009 / 2010	1st- 3rd 2008 / 2009	Business Year 2008 / 2009	Business Year 2007 / 2008
<b>Profit before taxes</b>	<b>14,309</b>	<b>11,799</b>	<b>8,835</b>	<b>14,274</b>
+ Depreciation and amortization	12,561	12,943	20,220	15,478
-/+ Gains / losses from disposals of fixed assets	127	86	432	83
+/- Earnings from associated companies	-551	-599	-78	-34
-/+ Other non cash income/expense	0	-838	-838	497
<b>Cash-flow from result</b>	<b>26,447</b>	<b>23,391</b>	<b>28,570</b>	<b>30,298</b>
-/+ Increase / decrease in inventories and short-term accounts receivable	-459	3,338	4,944	1,027
+/- Increase / decrease in provisions	8,847	7,722	5,644	-145
+/- Increase / decrease in trade accounts payable and other liabilities	4,600	-6,636	-11,843	-3,060
+/- Currency-related changes in non fund assets	488	-62	-422	6,856
+/- Change in adjustment items from debt consolidation	-539	-287	761	-2,471
- Income tax payments and changes in deferred taxes	-4,038	-2,579	-2,991	-5,620
<b>Cash-flow from operating activities</b>	<b>35,345</b>	<b>24,887</b>	<b>24,662</b>	<b>26,884</b>
+/- Income from disposals of tangible and intangible fixed assets	-127	-84	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	-8,007	-16,215	-24,234	-8,736
- Outgoing payments for additions to long-term investments	0	-4,988	0	0
-/+ Increase / decrease in long-term receivables	-2,230	20	112	-9
<b>Cash-flow from investing activities</b>	<b>-10,364</b>	<b>-21,267</b>	<b>-23,912</b>	<b>-7,994</b>
- Dividend payment to shareholders	-1,165	-1,169	-1,169	-974
- Dividend payment to minority shareholder	-231	0	0	0
+/- Cash-flow from purchase of own shares	-942	-78	-162	0
+/- Increase / decrease in financial liabilities	-14,488	-14,304	-10,522	-14,807
<b>Cash-flow from financing activities</b>	<b>-16,825</b>	<b>-15,552</b>	<b>-11,853</b>	<b>-16,716</b>
<b>Total cash-flow</b>	<b>8,156</b>	<b>-11,932</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	-253	-203	166	-1,859
Cash and cash equivalents at the end of the year	23,035	13,934	15,132	26,069
<b>Change in funds</b>	<b>8,156</b>	<b>-11,932</b>	<b>-11,103</b>	<b>2,175</b>

**Shareholders' Equity for the 1<sup>st</sup> - 3<sup>rd</sup> Quarter 2009/2010**

in TEUR	The imputable share to shareholders of the DO & CO AG										Shareholders' equity
	Nominal capital	Capital reserves	Revenue reserves	Consolidated Result	Other comprehensive income			Own shares	Total	Minority interests	
					Currency translation differences of subsidiaries	Effect of Net Investment Approach	Deferred Taxes				
<b>As of 31 March 2008</b>	<b>15,590</b>	<b>34,464</b>	<b>17,879</b>	<b>6,413</b>	<b>782</b>	<b>-9,638</b>	<b>2,496</b>	<b>0</b>	<b>67,987</b>	<b>9,850</b>	<b>77,836</b>
Profit carried forward 2007/2008			5,244	-5,244					0		0
Total result				5,612	-774	-474	187		4,551	2,136	6,687
Dividend payment 2007/2008				-1,169					-1,169		-1,169
Changes in own shares								-100	-100		-100
<b>As of 31 December 2008</b>	<b>15,590</b>	<b>34,464</b>	<b>23,124</b>	<b>5,612</b>	<b>7</b>	<b>-10,111</b>	<b>2,683</b>	<b>-100</b>	<b>71,269</b>	<b>11,986</b>	<b>83,255</b>
<b>As of 31 March 2009</b>	<b>15,590</b>	<b>34,464</b>	<b>23,124</b>	<b>2,084</b>	<b>-120</b>	<b>-8,720</b>	<b>2,338</b>	<b>-162</b>	<b>68,598</b>	<b>12,075</b>	<b>80,672</b>
Profit carried forward 2008/2009			2,084	-2,084					0		0
Total result				7,384	515	-688	148		7,359	3,374	10,733
Dividend payment 2008/2009			-1,165						-1,165	-231	-1,395
Changes in own shares								-942	-942		-942
<b>As of 31 December 2009</b>	<b>15,590</b>	<b>34,464</b>	<b>24,043</b>	<b>7,384</b>	<b>394</b>	<b>-9,407</b>	<b>2,487</b>	<b>-1,104</b>	<b>73,851</b>	<b>15,218</b>	<b>89,069</b>

# Notes on Consolidated Financial Statements (unaudited)

## General Information

### 1. Basic Principles

DO & CO Restaurants & Catering AG is an international catering group with headquarter 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 31 December 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.

The interim financial statements as of 31 December 2009 is neither audited nor reviewed.

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 31 December 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	
	31 Dec 2009	31 Dec 2008	31 Dec 2009	31 Dec 2008
1 US Dollar	0.694155	0.718546	0.699613	0.692137
1 British Pound	1.125999	1.049869	1.131513	1.233423
1 Turkish Lira ( formerly: New Turkish Lira)	0.464102	0.465376	0.461333	0.521272
1 Swiss Franc	0.674036	0.673401	0.661560	0.635775
1 Slovak 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 especially in the first and second quarters of the business year due to the holiday and charter season have a major influence on Airline Catering whereas for International Event Catering the main factor is the changing dates of large-scale sports events.

## Notes to the Balance Sheet

### (1) Fixed Assets

in TEUR	31 Dec 2009	31 Dec 2008	31 Mar 2009	31 Mar 2008
Intangible assets	26,090	34,355	28,733	38,859
Tangible assets	56,233	55,857	57,548	43,631
Financial assets	2,086	2,180	1,536	1,576
<b>Total</b>	<b>84,409</b>	<b>92,391</b>	<b>87,817</b>	<b>84,066</b>

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.

### (2) Other Long-term Assets

in TEUR	31 Dec 2009	31 Dec 2008	31 Mar 2009	31 Mar 2008
Other long-term assets	2,451	313	1,046	333
<b>Total</b>	<b>2,451</b>	<b>313</b>	<b>1,046</b>	<b>333</b>

Other long term assets increased due to a deposit payment that was made.

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

in TEUR	31 Dec 2009	31 Dec 2008	31 Mar 2009	31 Mar 2008
<b>Trade accounts receivable</b>	<b>30,968</b>	<b>33,239</b>	<b>31,875</b>	<b>41,631</b>
Accounts receivable from companies with distributed ownership	631	733	631	537
Other accounts receivable and assets	17,244	17,048	16,509	14,463
Prepaid expenses and deferred charges	997	711	882	910
Other current assets	0	4,988	0	0
<b>Total of other current accounts receivable and other current assets</b>	<b>18,872</b>	<b>23,480</b>	<b>18,022</b>	<b>15,910</b>
<b>Total</b>	<b>49,840</b>	<b>56,719</b>	<b>49,897</b>	<b>57,541</b>

Other accounts receivable consist mainly of credit balances with tax authorities.

### (4) Cash and Cash Equivalentents

in TEUR	31 Dec 2009	31 Dec 2008	31 Mar 2009	31 Mar 2008
Cash, checks	639	746	499	803
Cash at banks	22,396	13,189	14,633	25,266
<b>Total</b>	<b>23,035</b>	<b>13,934</b>	<b>15,132</b>	<b>26,069</b>

### (5) Long-term Financial Liabilities

in TEUR	31 Dec 2009	31 Dec 2008	31 Mar 2009	31 Mar 2008
Liabilities to banks	0	8,000	8,503	14,337
<b>Total</b>	<b>0</b>	<b>8,000</b>	<b>8,503</b>	<b>14,337</b>

Long-term financial liabilities amounting to EUR 7.00 million were to be reported offset against the balance at a bank owing to an offsetting agreement (IAS 32.42).

## (6) Short-term Provisions

in TEUR	31 Dec 2009	31 Dec 2008	31 Mar 2009	31 Mar 2008
Provisions for taxation	7,211	6,011	7,547	3,142
Other personnel provisions	10,890	9,610	9,702	11,117
Deliveries and services not yet invoiced	5,568	3,839	2,078	1,978
Other provisions	15,506	13,077	12,441	5,375
<b>Total</b>	<b>39,175</b>	<b>32,537</b>	<b>31,767</b>	<b>21,612</b>

Not yet invoiced deliveries and services increased primarily because of provisions in International Event Catering.

## (7) Short-term Financial Liabilities

in TEUR	31 Dec 2009	31 Dec 2008	31 Mar 2009	31 Mar 2008
Loan	0	498	0	0
EUR cash advances	714	3,100	6,699	6,100
<b>Total</b>	<b>714</b>	<b>3,598</b>	<b>6,699</b>	<b>6,100</b>

Cash advances were paid back using sufficiently available liquidity.

## (8) Trade Accounts Payable

in TEUR	31 Dec 2009	31 Dec 2008	31 Mar 2009	31 Mar 2008
<b>Trade accounts payable</b>	<b>23,013</b>	<b>25,252</b>	<b>17,979</b>	<b>23,482</b>
Advance payments received on orders	284	334	989	5,565
Other liabilities	7,917	9,835	7,655	8,632
Deferred income	24	45	96	208
<b>Total other short-term liabilities</b>	<b>8,226</b>	<b>10,213</b>	<b>8,740</b>	<b>14,404</b>
<b>Total</b>	<b>31,238</b>	<b>35,465</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 amounts recorded under this item pertain to bank guarantees to secure claims connected with leases and refunds of advance tax payments from the Italian fiscal authorities as well as to delivery guarantees granted by the Turkish joint venture. This item totaled TEUR 12,964 at the reporting date of 31 December 2009.

## 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, among other clients. Sales revenues were generated in the first three quarters of 2009/2010 from these activities. Corresponding trade accounts receivable are contained in the amounts owed by Turkish Airlines.

## Notes to the Income Statement

### (9) Other Operating Income

in TEUR	Third Quarter 2009 / 2010	Third Quarter 2008 / 2009	1st- 3rd 2009 / 2010	1st- 3rd 2008 / 2009
Proceeds of the disposal of fixed assets	24	29	64	86
Income from the release of provisions	754	857	2,529	1,003
Release of provisions for bad debts	9	27	14	257
Insurance payments	15	119	56	144
Rent income	59	27	156	78
Exchange rate differences	392	4,819	1,570	9,629
Miscellaneous operating income	970	442	2,474	2,086
<b>Total</b>	<b>2,222</b>	<b>6,320</b>	<b>6,862</b>	<b>13,283</b>

The reduction in other operating income is largely attributable to a decline in income from rate differences. Other operating expenses contain exchange rate losses of TEUR 1,653. This reduction is offset by earnings from the release of non-used provisions from previous years.

### (10) Other Operating Expenses

in TEUR	Third Quarter 2009 / 2010	Third Quarter 2008 / 2009	1st- 3rd 2009 / 2010	1st- 3rd 2008 / 2009
Other taxes (excluding income taxes)	225	266	782	1,040
Rentals, leases and operating costs (including airport)	9,066	8,364	28,824	29,578
Travel and communication expense	1,461	1,544	4,236	6,292
Transport, vehicle expense and maintenance	2,114	2,377	6,433	7,123
Insurance	246	272	694	839
Legal, auditing and consulting expenses	749	625	2,480	2,238
Advertising expense	206	218	548	645
Other personnel costs	63	112	225	451
Miscellaneous operating expenses	731	694	3,248	2,313
Value adjustments, losses on bad debts	122	436	418	900
Exchange rate differences	171	4,851	1,653	8,723
Accounting losses from the disposal of fixed assets	26	2	63	2
Other administrative expenses	482	576	1,350	2,063
<b>Summe</b>	<b>15,662</b>	<b>20,335</b>	<b>50,956</b>	<b>62,207</b>

Other operating expenses dropped considerably in comparison to the same period last business year. This decline is primarily due to a lower level of rate differences.

## Segment Reporting

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

Group 1st - 3rd Quarter 2009/2010		Airline Catering	International Event Catering	Restaurants, Lounges & Hotel	TOTAL
Sales	in m €	197.74	27.50	46.25	271.50
EBITDA	in m €	19.75	2.87	3.45	26.08
Depreciation/amortization	in m €	-10.40	-0.65	-1.51	-12.56
EBIT	in m €	9.36	2.22	1.94	13.52
EBITDA margin		10.0%	10.5%	7.5%	9.6%
EBIT margin		4.7%	8.1%	4.2%	5.0%
Share of Group Sales		72.8%	10.1%	17.0%	100.0%
Investments	in m €	7.71	0.01	0.15	7.87

DO & CO has two customers who each account for more than 10 % of consolidated sales. Sales with these customers are carried in Airline Catering and in Restaurants, Lounges & Hotel.

The comparable period the year before was as follows:

Group 1st - 3rd Quarter 2008/2009		Airline Catering	International Event Catering	Restaurants, Lounges & Hotel	TOTAL
Sales	in m €	194.67	73.71	49.11	317.49
EBITDA	in m €	15.14	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		7.8%	7.4%	7.4%	7.6%
EBIT margin		2.5%	6.1%	3.8%	3.6%
Share of Group Sales		61.3%	23.2%	15.5%	100.0%
Investments	in m €	21.26	0.57	1.05	22.88

Segment assets were as follows:

Group 1st- 3rd Quarter 2009/2010		Airline Catering	International Event Catering	Restaurants, Lounges & Hotel	TOTAL
Fixed assets	in m €	75.45	2.21	6.75	84.41
Inventories	in m €	7.32	2.51	1.20	11.02
Trade accounts receivables	in m €	24.05	2.96	3.96	30.97

The comparable period the year before was as follows:

Group 1st-3rd Quarter 2008/2009		Airline Catering	International Event Catering	Restaurants, Lounges & Hotel	TOTAL
Fixed assets	in m €	81.45	2.69	8.26	92.39
Inventories	in m €	8.76	1.02	1.35	11.13
Trade accounts receivables	in m €	28.45	0.95	3.84	33.24

The **segment reporting by region** (registered office of the companies) is as follows for the first three quarters of 2009/2010:

Group 1st - 3rd Quarter 2009/2010	Austria	Other Europe	Other Countries	Total
Sales in m €	106.53	150.21	14.75	271.50
Share of Group Sales	39.2%	55.3%	5.4%	100.0%

The comparable period the year before was as follows:

Group 1st - 3rd Quarter 2008/2009	Austria	Other Europe	Other Countries	Total
Sales in m €	144.13	157.96	15.41	317.49
Share of Group Sales	45.4%	49.8%	4.9%	100.0%

Segment assets were as follows:

Group 1st- 3rd Quarter 2009/2010	Austria	Other Europe	Other Countries	Total
Fixed assets in m €	28.32	47.53	8.56	84.41
Inventories in m €	4.76	5.86	0.40	11.02
Trade accounts receivables in m €	16.13	13.36	1.48	30.97

The comparable period the year before was as follows:

Group 1st-3rd Quarter 2008/2009	Austria	Other Europe	Other Countries	Total
Fixed assets in m €	35.80	46.54	10.05	92.39
Inventories in m €	5.34	5.37	0.42	11.13
Trade accounts receivables in m €	14.32	16.91	2.01	33.24

Vienna, 18 February 2010

The Management Board:

Attila Dogudan mp  
Chairman

Michael Dobersberger mp