

**DO & CO Aktiengesellschaft**

**Annual Financial Report  
Business Year 2014/2015**



RESTAURANTS  
HOTEL  
LOUNGES  
CATERING

# CONTENT

<b>1.</b>	<b>Group Management Report for 2014/2015</b>	<b>1</b>
1.1.	Highlights	1
1.2.	Key Figures of the DO & CO Group under IFRS	2
1.3.	Economic Environment	3
1.4.	Business Development	5
1.4.1.	Sales	5
1.4.2.	Earnings	7
1.4.3.	Statement of Financial Position	8
1.4.4.	Employees	8
1.4.5.	Airline Catering	9
1.4.6.	International Event Catering	11
1.4.7.	Restaurants, Lounges & Hotel	13
1.4.8.	DO & CO Shares / Investor Relations / Information Pursuant to Section 243a UGB	15
1.4.9.	Significant Events After the Reporting Period	20
1.5.	Outlook	20
1.6.	Risk and Opportunity Management	21
1.7.	Internal Control System	27
<b>2.</b>	<b>Corporate Governance Report</b>	<b>28</b>
2.1.	Commitment to the Code of Corporate Governance	28
2.2.	The Management Board	28
2.3.	The Supervisory Board	29
2.4.	Measures to Promote Women to the Management Board, Supervisory Board and in Executive Positions	34
<b>3.</b>	<b>Report of the Supervisory Board</b>	<b>35</b>
<b>Consolidated financial statements 2014/2015 of DO &amp; CO Aktiengesellschaft in accordance with IFRS</b>		<b>37</b>
1.	Consolidated statement of financial position	38
2.	Consolidated income statement	39
3.	Consolidated statement of comprehensive income	40
4.	Consolidated statement of cash flows	41
5.	Consolidated statement of changes in equity	42
<b>Notes to the Consolidated Financial Statements</b>		<b>43</b>
1.	General information	43
2.	Effects of new and/or amended IFRS	44
3.	Significant accounting principles	45
3.1.	Changes in accounting methods	45
3.2.	Consolidation	47
3.3.	Business segments	49
3.4.	Currency translation	50
3.5.	Accounting methods	51
3.6.	Significant discretionary decisions and estimates	57
4.	Comments on the consolidated statement of financial position	60
4.1.	Intangible assets	60
4.2.	Property, plant and equipment	62
4.3.	Investment property	63
4.4.	Leases	64
4.5.	Investments accounted for using the equity method	64
4.6.	Other non-current financial assets	65
4.7.	Inventories	65
4.8.	Trade receivables	66
4.9.	Other current financial assets	67
4.10.	Other current non-financial assets	67
4.11.	Cash and cash equivalents	67
4.12.	Shareholders' equity	68

4.13.	Bond.....	70
4.14.	Other non-current financial liabilities.....	71
4.15.	Non-current provisions .....	71
4.16.	Income taxes .....	72
4.17.	Current financial liabilities .....	73
4.18.	Trade payables.....	73
4.19.	Current provisions .....	73
4.20.	Other current liabilities .....	74
5.	Comments on the consolidated income statement.....	75
5.1.	Sales .....	75
5.2.	Other operating income.....	75
5.3.	Cost of materials.....	75
5.4.	Personnel expenses.....	76
5.5.	Other operating expenses .....	76
5.6.	Amortisation/ depreciation and impairment.....	77
5.7.	Financial result.....	77
5.8.	Income taxes .....	77
5.9.	Earnings per share .....	78
5.10.	Proposed appropriation of profits .....	79
6.	Comments on the consolidated statement of cash flows .....	79
7.	Additional disclosures.....	80
7.1.	Additional disclosures on financial instruments .....	80
7.2.	Contingencies and financial liabilities.....	84
7.3.	Segment reporting .....	85
7.4.	Significant events after the reporting period (subsequent report).....	86
7.5.	Related party disclosures.....	87
7.6.	Investments .....	88
7.7.	Corporate boards .....	89
	<b>Auditor's Report .....</b>	<b>92</b>
	<b>Glossary.....</b>	<b>94</b>
	<b>Statements by all Legal Representatives Pursuant to Section 82 (4) 3 of the Austrian Stock Exchange Act .....</b>	<b>95</b>

# **1. Group Management Report for 2014/2015**

## **1.1. Highlights**

### **Outstanding result due to growth of international activities and consistent positioning in the premium segment**

Innovative products, new customers, excellent relations with existing customers and numerous measures to improve efficiency have once again produced an outstanding result: sales (€ 795.65m / +25.1%), EBITDA (€ 80.90m / +22.2%), EBIT (€ 53.52m / +14.8%), net result (€ 34.86m / +33.7%). Accordingly, earnings per share are € 3.62 (PY: € 2.68). The Management Board will propose to the General Meeting of Shareholders a dividend of € 1.20 per share (basic dividend of € 0.85 + special dividend of € 0.35).

### **Acquisition of French company Hédiard**

On 9 July 2014, DO & CO acquired all the shares of Financière Hédiard SA, a French business founded in 1854 which is one of the oldest established Parisian food retailers in the luxury segment. This acquisition provides DO & CO with a foothold in France through a strong brand in food retailing backed by a long tradition. In 2016, DO & CO will handle the catering of the European football championship in France under the Hédiard brand.

### **New airline catering locations**

At Chicago's O'Hare Airport a new 10,000 square metres state-of-the-art gourmet kitchen was opened in the autumn of 2014. With up to 70 million passengers per year, Chicago O'Hare airport is among the five busiest airports in the world. DO & CO has already acquired five customers for this location: Emirates Airline, Cathay Pacific, British Airways, Turkish Airlines and Austrian Airlines.

Additionally, DO & CO is building a gourmet kitchen at Incheon Airport in Seoul, jointly with Sharp Aviation K, Inc. of South Korea. The project is expected to be completed by the end of 2015. Incheon is with 40 million passengers per year South Korea's number one airport and one of the biggest in Asia.

### **DO & CO confirms its lead position in premium sports events**

In its 2014/2015 business year, DO & CO completed its 23<sup>rd</sup> season of catering for Formula 1 grand prix races, handling 16 races in 16 countries. More highlights of the business year were provided by the Madrid tournament of the ATP Tennis Masters series and the UEFA Champions League finals in Lisbon. Added to this were the "classics", including the Hahnenkamm ski race at Kitzbühel, the prestigious horse show CHIO in Aachen and the beach volleyball tournament at the Wörthersee. Arena One reported handling numerous events from the sports and business fields as well as catering for 43 football matches at the Allianz Arena in Munich in 2014/2015.

### **Partnership with Nespresso**

In early 2015, DO & CO and Nespresso agreed to cooperate on the joint running of Nespresso Cafés. During a test phase in 2015, the first two cafés are to be launched in Vienna and London.

### **Acquisition of the Haas Haus property**

In mid-December 2014, DO & CO acquired the Haas Haus property right in the centre of Vienna. Situated at the best location directly adjacent to St. Stephen's Cathedral, the Haas Haus is one of the most prominent real estate properties in Vienna. In 1990, the DO & CO Group moved its domicile and flagship restaurant to this location, which also accommodates the DO & CO Hotel, opened there in 2006.

## Excellent performances on the Istanbul and Vienna stock exchanges

In the business year 2014/2015, DO & CO shares did very well both in Istanbul and in Vienna. On the Istanbul stock exchange, the price of DO & CO shares rose by 70.4%, compared to an increase of 15.9% for its BIST 100 lead index. In Vienna, DO & CO shares gained 83.6%, while the ATX lost 0.6% in the same period. On 31 March 2015, DO & CO shares closed at TRY 192.50 in Istanbul and at € 69.05 in Vienna.

It should also be noted that the sale of own shares on 6 November 2014 increased the number of shares in the free float to 59.0%.

## 1.2. Key Figures of the DO & CO Group under IFRS

The calculations are explained in the Glossary of Key Figures.

		Business Year 2014/2015	Business Year 2013/2014	Business Year 2012/2013
Sales	m€	795.65	636.14	576.19
EBITDA	m€	80.90	66.18	58.67
EBITDA margin	%	10.2%	10.4%	10.2%
EBIT	m€	53.52	46.64	41.53
EBIT margin	%	6.7%	7.3%	7.2%
Profit before taxes	m€	60.65	44.88	42.26
Net result	m€	34.86	26.07	22.81
Net result margin	%	4.4%	4.1%	4.0%
Employees		8,667	7,323	5,642
Equity <sup>1</sup>	m€	208.25	179.41	184.84
Equity ratio <sup>1</sup>	%	37.2%	36.1%	53.3%
Net debt	m€	98.37	-27.98	-56.77
Net debt to EBITDA		1.2	-0.4	-1.0
Net gearing <sup>1</sup>	%	47.2%	-15.6%	-30.7%
Working capital <sup>2</sup>	m€	2.31	12.54	13.51
Cashflow from operating activities	m€	64.30	41.21	36.03
Cashflow from investing activities	m€	-188.89	-56.29	-30.41
Free cashflow	m€	-124.58	-15.08	5.62
ROS	%	7.6%	7.1%	7.3%

1 ... Adjusted by designated dividend payments and carrying amount of goodwill; adjusted value on 31 March 2014 due to an error in the formula to calculate the adjusted equity

2 ... Calculation method changed over the previous year (see Glossary)

## Key Figures per Share

		Business Year 2014/2015	Business Year 2013/2014	Business Year 2012/2013
EBITDA per share	€	8.40	6.79	6.02
EBIT per share	€	5.56	4.79	4.26
Earnings per share	€	3.62	2.68	2.34
Equity (book entry) <sup>1</sup>	€	21.62	18.41	18.97
High <sup>2</sup>	€	74.00	41.00	37.50
Low <sup>2</sup>	€	38.20	31.39	26.55
Price at the end of the period <sup>2</sup>	€	69.05	37.61	35.71
Number of shares at the end of the period	TPie	9,744	9,744	9,744
Number of weighted shares <sup>3</sup>	TPie	9,635	9,744	9,744
Market capitalization at the end of the period	m€	672.82	366.47	347.91

1 ... Adjusted by designated dividend payments and carrying amount of goodwill; adjusted value on 31 March 2014 due to an error in the formula to calculate the adjusted equity

2 ... Closing price

3 ... Adjusted by own shares held during the reporting period

### 1.3. Economic Environment<sup>1</sup>

Global economic growth in 2014 continued along the moderate level of 2013. The International Monetary Fund (IMF) calculated a growth rate of 3.4% for 2014, similar as in the previous year. Throughout 2014, the global economy was characterised by a recovery in advanced economies while growth decelerated in emerging markets and developing economies. For 2015, IMF economists predict a slight rise of global economic growth to 3.5%.

In the United States, economic growth accelerated to 2.4% in 2014 (PY: 2.2%). The improved economic performance was driven by private consumption and an increase in investment, whereas government consumption and net exports did not contribute to the growth. In 2015, the upswing is expected to continue due to a recovery of the labour market. GDP is forecast to grow by 3.1%. The US Fed would consider raising its interest rate, which is currently between zero and 0.25%, if the situation on the labour market were to improve further and the inflation rate approach 2% p.a.

With the exception of India, all BRICS countries<sup>2</sup> reported lower growth rates than in the previous year. The decline was substantial in Brazil, with growth due consequent to receding investment and a high inflation rate that affected private consumption. Russia also experienced a serious check in its growth rate as its business sector suffered from tumbling crude oil prices, the sanctions imposed by the EU and the US, a decline in the rate of investment and a collapsing rouble. Its GDP grew by just 0.6%. At 7.4%, China continued to grow fast in 2014, albeit at a lesser pace than in the previous years. India saw its growth rate increase from 6.9% in 2013 to 7.2% in 2014. In South Africa, growth fell back to 1.5% in 2014, in response to energy bottlenecks and strikes.

Japan had reported a GDP growth rate of 1.6% in 2013. In 2014, however, its economic performance was reduced by 0.1% as a result of a consumption tax introduced in April 2014 which made a perceptible dent in the country's spending on consumption and investment.

South Korea, which is Asia's fourth largest economy, grew by 3.3% in 2014, a rate that was higher than in the previous year.

In the euro zone, growth in 2014 was patently higher than in 2013 but, at 0.9%, still weaker than expected at the start of 2014. At the country level, Germany, together with Spain and Ireland, helped along the recovery, while France and Italy acted as checks to growth. On the demand side, the weak recovery of the euro zone was rooted in restrictive lending, a debt mountain by private and public households alike and high unemployment. Geopolitical factors such as the conflict in eastern Ukraine and the subsequent sanctions had an indirect negative effect on investment planning. In September 2014, the ECB in a surprise move reduced the interest rate in the euro zone to a record low of 0.05% in response to the low inflation rate. In addition, it offered banks long-term options to refinance loans to private business and adopted a bond purchase programme (ABS and covered bonds).

In 2014, Austria was confronted with a low growth rate (0.3%) similar to the one in the year before (0.2%). In spite of real wages growing at a positive rate, private consumption was hamstrung. The restraint on the part of consumers signalled a level of trust that is low even in international terms. The business sector similarly held back with investments. In spite of a slight rise in the unemployment rate to 5.6% (by the Eurostat definition) in 2014, Austria still had one of the lowest unemployment rates in Europe (EU average: 10.2%). Austria's inflation rate (HICP) fell to 1.5% in 2014, after 2.1% in the previous year. Average inflation in the European Union was 0.6% in 2014 (PY: 1.5%).

According to the Austrian Economic Chamber (economic situation report and forecast of March 2015), there are no signs of an upswing in Austria over the next months, and it predicts an economic growth rate of just 0.5% for 2015.

---

<sup>1</sup> Economic data source: <http://www.imf.org/external/pubs/ft/weo/2014/01/pdf/text.pdf>

<sup>2</sup> Association of emerging national economies: **Brazil, Russia, India, China and South Africa.**

In Turkey, the pace of economic growth clearly slowed down in 2014. Growth declined from 4.3% in 2013 to 2.9% in 2014.

The Turkish lira continued its weak spell vis-à-vis the US dollar of 2013 into 2014 when it was further hit by an appreciation of the US dollar. The lira's loss of value fuels inflation which is at 8.9%. For 2015, IMF economists expect a growth rate of 3.1%.

The situation in Ukraine was overshadowed in 2014 by Russia's annexation of the Crimean peninsula and the military conflict in eastern Ukraine. The country fell into a deep recession. Its GDP declined by 6.8% in 2014, its currency (the Ukrainian hryvnia) was seriously devalued and its currency reserves collapsed.

Given the low-interest period, the interest yield from overnight money and fixed-term deposits was significantly below the historic average, which intensified demand in the financial markets for higher-yield investments. The pressure was further raised by the measures taken by the ECB which profited stock markets among other players. In the reporting period the German DAX gained substantial 25% over the previous year, which had already been a high-performance year; the Austrian ATX remained constant against the previous year; the Dow Jones rose by 8%; and the Turkish BIST 100 grew by 16%, in contrast to the decline in the previous year.

In the second half of 2014, the US dollar appreciated substantially against the euro. The euro's loss, further aggravated by the monetary policies pursued by the ECB and the US Fed, continued in the first quarter of 2015, and the €/USD exchange rate on 31 March 2015 was 1.0759. The Swiss franc also considerably appreciated against the euro in the first quarter of 2015 when the Swiss National Bank suddenly gave in to the pressure and cancelled the minimum rate of 1.20 francs to the euro. But it was the Ukrainian hryvnia which fell the most in the course of the reporting period, by losing almost 50% against the USD. During the same period, the Russian rouble declined just a little less (46% against the US dollar).

## 1.4. Business Development

### 1.4.1. Sales

In its 2014/2015 business year, the DO & CO Group recorded sales of € 795.65m, an increase of 25.1% or € 159.51m over the previous year.

Sales	Business Year				
	2014/2015	2013/2014	Change	Change in %	2012/2013
Airline Catering m€	530.62	450.19	80.43	17.9%	400.23
International Event Catering m€	101.06	60.79	40.27	66.2%	71.09
Restaurants, Lounges & Hotel m€	163.96	125.16	38.80	31.0%	104.87
<b>Group Sales</b>	<b>795.65</b>	<b>636.14</b>	<b>159.51</b>	<b>25.1%</b>	<b>576.19</b>

Share of Group Sales	Business Year	
	2014/2015	2013/2014
Airline Catering %	66.7%	70.8%
International Event Catering %	12.7%	9.6%
Restaurants, Lounges & Hotel %	20.6%	19.7%
<b>Group Sales</b>	<b>100.0%</b>	<b>100.0%</b>

Sales by the **Airline Catering division** rose by € 80.43m in the business year of 2014/2015, from € 450.19m to € 530.62m, in spite of a challenging market. The division's sales produced 66.7% of the Group's overall sales (PY: 70.8%).

The rise in sales achieved by the Airline Catering division was most notably at its international locations.

Turkish DO & CO performed well during the 2014/2015 business year, both with third-party customers and in its dealings with Turkish Airlines. The Flying Chefs concept was further expanded. Almost 900 DO & CO Flying Chefs are already cooking for Turkish Airlines. New arrivals among third-party customers are Air Astana and Aegean Airlines.

The location at New York's John F. Kennedy Airport similarly reported thriving sales, powered mostly by existing customers and new customer Ukraine International Airlines with five weekly outgoing flights.

Growth was also fuelled by the new gourmet kitchen opened at Chicago O'Hare in the second quarter of 2014/2015. The location already handles five customers: Emirates Airline, Cathay Pacific, British Airways, Turkish Airlines and Austrian Airlines.

The location at London Heathrow increased its sales figures with existing customers, in particular Emirates Airline and British Airways. Additional business came in from new customer South African Airways.

Similarly, the German DO & CO locations at Frankfurt and Munich boosted their sales, especially due to new customer South African Airways with a daily outgoing flight starting on 1 March 2014.

Sales over the 2014/2015 business year were stable at the locations in Austria, Poland and Ukraine and declined in Milan.

Sales at the **International Event Catering division** increased by € 40.27m in the 2014/2015 business year, rising from € 60.79m to € 101.06m. The division's contribution to total sales was 12.7% (PY: 9.6%).

The growth was due chiefly to Arena One GmbH in Munich, which had been included in the DO & CO Group on 1 January 2014. During the 2014/2015 business year, Arena One handled



the catering for altogether 43 football matches at the Allianz Arena and organised numerous events at the Munich Olympia Park.

A big factor for the international event catering portfolio is DO & CO's culinary attendance to Formula 1 races. It was already the 23<sup>rd</sup> racing season for DO & CO and it involved catering for a total of 16 Formula 1 grand prix races in 16 different countries. In May 2014, DO & CO was charged with handling the Formula 1 VIP hospitality infrastructure which comprises the provision of non-catering items such as tents, furniture, security, decoration and entertainment.

Further notable items were the ATP Tennis Masters in Madrid and the UEFA Champions League final at Lisbon's Estádio da Luz stadium. In the summer of 2014, the division concentrated on making culinary provision for VIPs at the traditional horse jump tournament CHIO Aachen and the beach volleyball tournament at the Wörthersee. Winter classics included the Hahnenkamm ski race in Kitzbühel, the Bergisel and Bischofshofen legs of the Four Hills Tournament and the night slalom at Schladming. In February 2015, DO & CO provided its superior catering services to the Austria House set up at the world ski championship in Vail.

Classic events in Austria reported declining business figures.

The **Restaurants, Lounges & Hotel division** achieved sales of € 163.96m in the 2014/2015 business year, a rise of 31.0% over the previous year's level of € 125.16m. The division contributed 20.6% to the Group sales (PY: 19.7%).

This growth over the previous year was essentially the result of the acquisition of Arena One GmbH and positive developments of DO & CO's lounges, airport gastronomy and retail portfolios.

The 26 lounges operated by DO & CO worldwide all reported satisfactory growth rates in the business year 2014/2015. It should be noted that DO & CO has been operating a new Senator and Business Class Lounge for Lufthansa at London Heathrow since early October 2014.

In its airport gastronomy business, DO & CO similarly pursues a course of expansion. In November 2014 it opened a food court at Vienna Airport (Pier West / C Gates) that comprises four different outlets (Henry, Big Daddy Burger, Demel and a Center Bar) on 750 square metres of space.

The positive trend continued for its retail subdivision. In December 2014, it opened another Henry Shop at Vienna's Millennium City.

It is particularly noteworthy that in July 2014 DO & CO acquired the French company Hédiard, a long-established food retailer in the luxury class that operates a shop at the Place de la Madeleine in Paris.

Consequent to the acquisition of Arena One GmbH, the staff restaurants subdivision added 24 units in all parts of Germany to its scope and, in early November 2014 opened a new unit known as "Freiraum" at the Business Campus Garching.

The railway catering business reported continued growth. A seasonally adapted menu has produced a continuous improvement in the range of products served.

DO & CO restaurants continued to perform satisfactorily in the 2014/2015 business year. Two further locations at the Olympic Park Munich were added to the restaurant portfolio with the acquisition of Arena One GmbH.

## 1.4.2. Earnings

EBITDA for the DO & CO Group was € 80.90m, meaning an increase of € 14.72m over the EBITDA figure for the previous year. The EBITDA margin was 10.2% (PY: 10.4%).

Consolidated earnings before interest and taxes (EBIT) for the DO & CO Group amounted to € 53.52m for the 2014/2015 business year, € 6.88m higher than in the previous year. The EBIT margin was 6.7% in business year 2014/2015 (PY: 7.3%).

Group		Business Year				
		2014/2015	2013/2014	Change	Change in %	2012/2013
<b>Sales</b>	<b>m€</b>	<b>795.65</b>	<b>636.14</b>	<b>159.51</b>	<b>25.1%</b>	<b>576.19</b>
Other operating income	m€	28.58	22.28	6.30	28.3%	16.60
Cost of materials	m€	-345.03	-265.50	-79.53	-30.0%	-240.31
Personnel expenses	m€	-270.88	-211.44	-59.44	-28.1%	-190.71
Other operating expenses	m€	-128.08	-115.80	-12.28	-10.6%	-103.32
Result of equity investments accounted for using the equity method	m€	0.66	0.50	0.16	32.0%	0.23
<b>EBITDA- Operating result before depreciation/amortisation</b>	<b>m€</b>	<b>80.90</b>	<b>66.18</b>	<b>14.72</b>	<b>22.2%</b>	<b>58.67</b>
Amortisation / depreciation and impairments	m€	-27.38	-19.54	-7.84	-40.1%	-17.13
<b>EBIT- Operating result</b>	<b>m€</b>	<b>53.52</b>	<b>46.64</b>	<b>6.88</b>	<b>14.8%</b>	<b>41.53</b>
Financial result	m€	7.13	-1.77	8.90	503.3%	0.72
<b>Profit before income tax</b>	<b>m€</b>	<b>60.65</b>	<b>44.88</b>	<b>15.78</b>	<b>35.2%</b>	<b>42.26</b>
Income tax	m€	-14.71	-10.14	-4.57	-45.0%	-10.72
<b>Profit after taxes</b>	<b>m€</b>	<b>45.94</b>	<b>34.73</b>	<b>11.21</b>	<b>32.3%</b>	<b>31.53</b>
Net profit attributable to minority interests	m€	11.08	8.66	2.43	28.0%	8.73
<b>Net profit attributable to shareholders of DO &amp; CO Aktiengesellschaft (Net result)</b>	<b>m€</b>	<b>34.86</b>	<b>26.07</b>	<b>8.79</b>	<b>33.7%</b>	<b>22.81</b>
EBITDA margin	%	10.2%	10.4%			10.2%
EBIT margin	%	6.7%	7.3%			7.2%
Employees		8,667	7,323	1,344	18.4%	5,642

In absolute figures, cost of materials rose by € 79.53m (+30.0%), from € 265.50m to € 345.03m, at a sales growth rate of 25.1%. Costs of materials as a proportion of sales increased slightly from 41.7% to 43.4%.

Personnel expenses in absolute figures rose from € 211.44m to € 270.88m in the 2014/2015 business year. In relation to sales, personnel expenses grew from 33.2% to 34.0%.

Other operating expenses rose by € 12.28m or 10.6%, meaning a decline from 18.2% to 16.1% in relation to sales.

Amortisation / depreciation and impairment amounted to € 27.38m, representing an increase of € 7.84m over the previous year (€ 19.54m).

The financial result for the 2014/2015 business year improved from € -1.77m to € 7.13m. In this connection, special reference needs to be made, as it affects the result, to the fair value measurement of the total return equity swap with UniCredit Bank AG (see Section 7.1. of the Notes to the Consolidated Financial Statements).

The tax ratio (taxes as a proportion of untaxed income) was 24.3% in the 2014/2015 business year (PY: 22.6%).

For the overall business year of 2014/2015, the Group achieved a profit after taxes of € 45.94m, an increase of € 11.21m or 32.3% over the previous year.

The net profit attributable to the shareholders of DO & CO Aktiengesellschaft (Net result) is € 34.86m (PY: € 26.07m). Earnings per share reached € 3.62 (PY: € 2.68).

### **1.4.3. Statement of Financial Position**

Since 31 March 2014, non-current assets have increased by € 178.77m to € 375.69m. The rise in the *property, plant and equipment* item and the *investment property* item was mostly due to the acquisition of the Haas Haus property in Vienna. It was purchased for € 106.60m plus € 5.50m incidental acquisition costs. Of this sum, € 58.07m was recognised as *property, plant and equipment*, and € 54.03m as *investment property*. The property will be depreciated over 35 years. Non-current assets also rose because of the first consolidation of Financière Hédiard SA and the opening of the gourmet kitchen in Chicago.

Current assets declined by € 107.66m against the balance sheet date of 31 March 2014, the result, on the one hand, of an expansion of business which caused inventories, trade receivables and other current financial assets to increase, while, on the other hand, the investment activities reduced cash and cash equivalents. In this respect note should be taken of the acquisition of the Haas Haus property which was funded without additional borrowing.

Consolidated equity (adjusted for designated dividend payments and carrying amounts of goodwill) recorded a rise of € 28.84m, from € 179.41m<sup>3</sup> on 31 March 2014 to € 208.25m on 31 March 2015. The own shares held by DO & CO were sold in the third quarter of the 2014/2015 business year (see Section 7.1. of the Notes to the Consolidated Financial Statements).

Accordingly, the equity ratio (after adjustment for designated dividend payments and carrying amount of goodwill) as of 31 March 2015 was 37.2% (31 March 2014: 36.1%).

Current liabilities rose by € 26.02m to € 155.01m compared to the previous year's balance sheet date due to business expansion.

### **1.4.4. Employees**

In the business year 2014/2015, the average number of employees increased to 8,667 (PY: 7,323), an increase of 1,344 over the same period last year. This rise was mostly due to the inclusion of Arena One GmbH and Financière Hédiard SA, as well as an expansion of business in Turkey and the US.

---

<sup>3</sup> Adjusted Value on 31 March 2014 due to an error in the formula to calculate the adjusted equity

## 1.4.5. Airline Catering

Having established a unique, innovative and competitive product portfolio, the Airline Catering division contributes the largest share to the overall sales of the DO & CO Group.

On a global scale, the DO & CO gourmet kitchens in New York, Chicago, London, Istanbul, Frankfurt, Munich, Milan, Malta, Warsaw, Kiev, Vienna and other locations in Austria, Turkey and Poland are setting new standards in the premium segment of the airline catering business.

DO & CO has built up a customer portfolio consisting of more than 60 airlines. This clientele includes major players such as the Austrian Airlines Group, NIKI, Turkish Airlines, British Airways, Emirates Airline, Etihad Airways, Qatar Airways, Cathay Pacific, Singapore Airlines, Air France, South African Airlines, LOT Polish Airlines, Oman Air, Royal Air Maroc, EVA Air, China Southern Airlines, Royal Jordanian, China Airlines, Pegasus Airlines and Asiana Airlines.

Airline Catering		Business Year				
		2014/2015	2013/2014	Change	Change in %	2012/2013
Sales	m€	530.62	450.19	80.43	17.9%	400.23
EBITDA	m€	62.76	51.24	11.52	22.5%	43.45
Depreciation/amortisation	m€	-16.60	-13.87	-2.73	-19.6%	-12.81
Impairment	m€	-1.35	-0.14	-1.21	-877.8%	0.00
EBIT	m€	44.82	37.23	7.58	20.4%	30.64
EBITDA margin	%	11.8%	11.4%			10.9%
EBIT margin	%	8.4%	8.3%			7.7%
Share of Group Sales	%	66.7%	70.8%			69.5%

In the 2014/2015 business year, the Airline Catering division rang up sales of € 530.62m (PY: € 450.19m), a growth rate of 17.9% over the previous year. The division contributed 66.7% of the Group's overall sales (PY: 70.8%). Altogether the gourmet kitchens operated by the DO & CO Group around the globe catered for more than 89 million passengers on over 585,000 flights.

EBITDA and EBIT increased again during the 2014/2015 business year: at € 62.76m, EBITDA rose by € 11.52m (+22.5%) over the previous year. EBIT grew from € 37.23m to € 44.82m (+20.4%). The EBITDA margin was 11.8% in the business year 2014/2015, compared to 11.4% in the previous business year. The EBIT margin was 8.4% (PY: 8.3%).

Throughout the 2014/2015 business year, the Airline Catering division faced again a highly competitive and volatile market environment. Yet in spite of such a difficult market, DO & CO managed satisfactory growth rates and gained several new customers in the premium segment.

The international locations all reported substantial growth over the previous business year.

Turkish DO & CO performed well during the 2014/2015 business year, both with third-party customers and in its dealings with Turkish Airlines. It is particularly of note that Turkish Airlines was distinguished as having the "Best Business Class Onboard Catering" worldwide by the Skytrax 2014 World Airline Awards<sup>4</sup>.

The Flying Chefs concept is being developed and expanded successively. By the end of March 2015, almost 900 Flying Chefs were cooking for Turkish Airlines. Newly acquired clients such as Air Astana and Aegean Airlines added to the growth rate in the business year 2014/2015. The Company's location at Istanbul Ataturk Airport was adapted and expanded by 5,500 square metres of new floor space.

<sup>4</sup> Source: <http://www.worldairlineawards.com>

The location at New York's John F. Kennedy Airport reported a positive performance with existing customers, especially Emirates Airline, British Airways and Etihad Airways. More growth was added by gaining Ukraine International Airlines (five outgoing flights per week) as a new customer.

In the second quarter of the business year 2014/2015, a new state-of-the-art gourmet kitchen was opened at Chicago O'Hare airport on 10,000 square metres of space. Emirates Airline has been catered for from this location since August 2014. Over the next months, four more customers were added: Cathay Pacific, British Airways, Turkish Airlines and Austrian Airlines.

The location at London Heathrow did similarly well: DO & CO enjoyed good growth rates with its existing customers, in particular Emirates Airline and British Airways. Additional business came in from new customer South African Airways.

The German locations at Frankfurt and Munich were also characterised by growing business, especially from South African Airways, which has been catered for from both locations since March 2014. Business with Etihad Airways and Qatar Airlines also thrived at Munich Airport.

In spite of the still tense situation in eastern Ukraine, sales figures by the Airline Catering unit in Kiev remained stable at the level of the previous business year. On a pleasant note, DO & CO Kiev, in early March 2015, started to cater for two daily Air France flights to Paris Charles de Gaulle Airport.

The Polish locations of DO & CO's airline catering similarly kept their business stable throughout the period under review.

As to Milan's Malpensa, the loss of Emirates Airline as a customer caused sales to decline. On the other hand, Qatar Airways was won as a new customer starting on 1 June 2014, with one daily flight ex Milan Malpensa. With this, DO & CO now provides catering services to Qatar Airways at eight of its locations. Similarly, business with existing customers Singapore Airlines and Oman Air performed well.

The airline catering locations in Austria reported stable figures throughout the business year. New customers obtained were Air China in May 2014 and Ethiopian Airlines in June 2014, each of which requires catering for four departures per week.

On another positive note, in July 2014 DO & CO started catering for five additional outgoing flights per week operated by Austrian Airlines to New York Newark Liberty International Airport.

### **DO & CO strategy**

- Strengthening the division's position as "the" premium supplier in the airline catering segment
- A unique, innovative and competitive product portfolio
- Long-term sustainable partnerships with customers
- One-stop supplier of airline catering services
- Gourmet kitchen approach: meals for all divisions are prepared in central kitchens in order to ensure consistent quality, know-how exchange across all divisions and high capacity utilisation

### **Outlook on the 2015/2016 business year**

- Evaluation of targets for acquisition and opportunities for expansion
- Participation in tenders and acquisition of more customers at all locations
- Opening of a new gourmet kitchen at Incheon International Airport in Seoul, South Korea
- Investments in order to increase capacity by enlarging the units in Istanbul (Atatürk and Sabiha Gökçen airports) and London Heathrow

### **Competitive edge for DO & CO**

- "The" premium airline caterer
- Product creativity and innovation
- Supplier of one-stop solutions

## 1.4.6. International Event Catering

The International Event Catering division generated sales of € 101.06m in 2014/2015 business year (PY: € 60.79m).

For the business year 2014/2015, the division reported EBITDA of € 8.30m (PY: € 7.53m). The EBITDA margin was 8.2% (PY: 12.4%). EBIT amounted to € 3.65m in 2014/2015 business year (PY: € 5.18m), and the EBIT margin was 3.6% (PY: 8.5%).

The greater range of activities covered by the International Event Catering division was chiefly due to Arena One GmbH which was incorporated in the DO & CO Group on 1 January 2014. As an additional driving factor, DO & CO became responsible for the Formula 1 VIP hospitality infrastructure in May 2014.

The reduction of the EBITDA and EBIT margins in the International Event Catering division essentially is the result of several effects:

For one, Arena One instituted reorganisation measures that impacted on the result. Moreover, amortisation/depreciation performed by the division increased over the previous business year due to the incorporation of Arena One. This concerns depreciation of construction subsidies granted by Arena One and amortisation of capitalised customer contracts. Integration of the Formula 1 infrastructure activities further added to the pressure on the EBITDA and EBIT margins compared to the previous year.

International Event Catering		Business Year				
		2014/2015	2013/2014	Change	Change in %	2012/2013
Sales	m€	101.06	60.79	40.27	66.2%	71.09
EBITDA	m€	8.30	7.53	0.78	10.3%	8.53
Depreciation/amortisation	m€	-4.65	-2.35	-2.30	-98.1%	-1.96
EBIT	m€	3.65	5.18	-1.53	-29.5%	6.57
EBITDA margin	%	8.2%	12.4%			12.0%
EBIT margin	%	3.6%	8.5%			9.2%
Share of Group Sales	%	12.7%	9.6%			12.3%

Among the many activities pursued by the International Event Catering division, the greatest emphasis is on the catering for Formula 1 races. In its 23<sup>rd</sup> catering season, DO & CO handled 16 grand prix races in 16 different countries. DO & CO also had the culinary responsibility for the newly added races at Spielberg, Austria, and Sochi, Russia, and in this season was put in charge of the Formula 1 VIP hospitality infrastructure. The latter involves the provision of non-catering items such as tents, furniture, security, decoration and entertainment, all of which boosts DO & CO's position as a full-service hospitality provider.

Arena One GmbH in Munich handled the catering for 43 football matches at the Allianz Arena in the business year 2014/2015. Its services comprise full-scale catering for the VIP and public areas for all games of FC Bayern Munich and 1860 Munich, as well as organising numerous sporting and business events at the Allianz Arena. Arena One GmbH also catered for many events at the Olympia Park in Munich.

The early summer started with the annual ATP Tennis Masters tournament in Madrid where DO & CO was in charge of the exclusive catering to VIP guests and the tennis players themselves. In addition DO & CO provided the culinary treats at the UEFA Champions League final at Lisbon's Estádio da Luz. It was already the ninth Champions League final for which DO & CO has organised the catering.

As in the past years, DO & CO was again in charge of the catering for the VIP guests at the horse jump tournament CHIO Aachen, an event that DO & CO has handled continually since 1998.

The highlight of the summer was the annual beach volleyball tournament at the Wörthersee for six days.

The annual film festival held at the Rathausplatz adjacent to Vienna City Hall similarly merits attention. Since 1992, DO & CO has been responsible for the planning, organisation, setup and gastronomic logistics of the attendant gourmet food market, a 'foody' event that is unique in Europe. It involved 65 days of catering to over 800,000 satisfied customers.

DO & CO furthermore did the catering for the international ÖFB matches at Vienna's Ernst Happel stadium as well as for the home games played by FC Red Bull Salzburg at the Red Bull Arena in Salzburg.

Highlights of the 2014/2015 winter seasons included the annual Hahnenkamm ski race at Kitzbühel, the Bergisel and Bischofshofen legs of the Four Hills Tournament and the night slalom at Schladming. At the Austria House set up at the world ski championship in Vail in February 2015, DO & CO furnished the unique ambience and superior catering that made the event unforgettable.

In the United Kingdom, DO & CO again cooperated with Fortnum & Mason in catering for the Chelsea Flower Show, an opportunity for Queen Elisabeth II, amongst other guests, to enjoy the delights of DO & CO delicacies.

Moreover, DO & CO operated as a premium caterer for many events of the economic, political and sports scenes, thereby achieving further growth in its sales.

The Classic Events unit in Austria reported declining sales in 2014/2015 business year.

### **DO & CO strategy**

- Strengthening our core competence as a premium caterer
- Pushing our position as a "general contractor for gourmet entertainment" with ready-made solutions
- Enhancing the premium event brand established by DO & CO
- Establishing ourselves as a strong and reliable partner

### **Outlook for the 2015/2016 business year**

- UEFA Champions League final 2015 in Berlin, successfully continuing the series after Gelsenkirchen in 2004, Istanbul in 2005, Paris in 2006, Rome in 2009, Madrid in 2010, London in 2011, Munich in 2012, London in 2013 and Lisbon in 2014
- UEFA Europe League Final 2015 in Warsaw
- ATP Masters in Madrid and ATP Tournament in Geneva
- Catering and management of VIP hospitality infrastructure for Formula 1 grands prix
- Cooperation with Fortnum & Mason: Chelsea Flower Show
- Catering for football games at the Allianz Arena
- Preparation for the UEFA EURO 2016

### **Competitive edge for DO & CO**

- "One stop partner"
- Unique premium product – distinct and unequalled
- Maximum reliability, flexibility and a strong focus on quality have turned DO & CO into a "no headache" partner that is always ready to serve its customers
- An international and dynamic leadership team that is experienced in the premium segment

## 1.4.7. Restaurants, Lounges & Hotel

In the 2014/2015 business year, the Restaurants, Lounges & Hotel division accounted for sales of € 163.96m (PY: € 125.16m), which translates into a sales growth of 31.0%. The division's EBITDA was € 9.83m (PY: € 7.41m). The EBITDA margin was 6.0% (PY: 5.9%). EBIT, amounting to € 5.05m, was above the previous year's level (PY: € 4.23m). The EBIT margin was 3.1% (PY: 3.4%).

Restaurants, Lounges & Hotel		Business Year				
		2014/2015	2013/2014	Change	Change in %	2012/2013
Sales	m€	163.96	125.16	38.80	31.0%	104.87
EBITDA	m€	9.83	7.41	2.42	32.7%	6.68
Depreciation/amortisation	m€	-4.78	-3.14	-1.64	-52.4%	-2.34
Impairment	m€	0.00	-0.05	0.05	100.0%	-0.02
EBIT	m€	5.05	4.23	0.82	19.5%	4.32
EBITDA margin	%	6.0%	5.9%			6.4%
EBIT margin	%	3.1%	3.4%			4.1%
Share of Group Sales	%	20.6%	19.7%			18.2%

The Restaurants, Lounges & Hotel division consists of the following units: restaurants and Demel cafés, lounges, hotel, staff restaurants, retail, airport gastronomy and railway catering.

The Lounges unit achieved satisfactory growth rates in the 2014/2015 business year, fuelled chiefly by business in lounges operated for Turkish Airlines and Emirates Airline. It should, moreover, be noted that DO & CO has been operating a new Senator and Business Class lounge for Lufthansa at London Heathrow since early October 2014.

The 26 lounges operated around the world by DO & CO – comprising the Austrian Airlines and Vienna Airport lounges in Vienna, the Lufthansa lounges in Frankfurt and London Heathrow, the Emirates lounges in London Heathrow, New York John F. Kennedy and Milan Malpensa, and the Turkish Airlines lounges in Istanbul, Dalaman, Trabzon, Adana and Bodrum – served culinary treats to over 3.2m passengers in the business year 2014/2015.

DO & CO's restaurants and Demel Cafés did well in the 2014/2015 business year. The DO & CO flagship restaurant at Vienna's Stephansplatz produced its customary good sales figures. With the takeover of Arena One GmbH, the restaurant portfolio was enlarged by two locations at the Olympic Park in Munich.

In the wake of the acquisition of Arena One GmbH, 24 staff restaurants in all parts of Germany were added to the staff restaurants segment. A new staff restaurant known as "Freiraum" was opened at the Business Campus Garching in early November 2014.

The retail segment added another Henry Shop at the Vienna Millennium City in December 2014. More locations will be opened over the coming months.

The airport gastronomy segment continued its expansion: DO & CO launched a food court at the Pier West / C Gates of Vienna Airport in November 2014. The location features four different outlets (Henry, Big Daddy Burger, Demel and a Center Bar) on 750 square metres of space.

In early 2015, DO & CO and Nespresso agreed to join forces in operating Nespresso Cafés. These will sell healthy and fresh products from the DO & CO gourmet kitchen and Nespresso coffee. The first two cafés are scheduled to be opened in Vienna and London in 2015.

An event of particular note was the takeover of Hédiard. Founded in 1854, the French food company is one of the leading luxury food and delicatessen brands in Paris and operates franchises in Europe, Asia and the Middle East. In recent years, Hédiard found itself in deep waters economically and had to file for insolvency proceedings in October 2013. DO & CO



bought the company on 9 July 2014 and closed the insolvency proceedings. Restructuring started immediately after the acquisition and DO & CO has since begun the process of integrating the company into the DO & CO Group.

The railway catering segment reported continued revenue growth. A seasonally adapted menu has produced a continual improvement in the range of products served.

In mid-December 2014, DO & CO acquired the Haas Haus property in the centre of Vienna. At a premium location right next to St. Stephen's Cathedral, the Haas Haus is one of the most prominent properties in Vienna. The registered office of the DO & CO Group and its flagship restaurant have been located on this property since 1990. The DO & CO Hotel was launched at this location in 2006.

Of the rentable space of some 6,000 square metres, DO & CO occupies 52%, with the remaining space allocated to third-party retail businesses (see Section 4.2. of the Notes to the Consolidated Financial Statements).

### **DO & CO strategy**

- Creative core of the DO & CO Group
- Marketing tool and image projector of the Group and brand development

### **Outlook for the 2015/2016 business year**

- Hotel and restaurant in Istanbul at the Bosphorus: construction works to be continued, restaurant opening scheduled for autumn 2015
- Ongoing retail expansion, including the launching of the first location jointly run by DO & CO and Nespresso in Vienna and London
- Continued retail expansion with more "Henry – the Art of Living" shops

### **Competitive edge for DO & CO**

- Pioneer in product innovation and take-up of new trends
- Strong brand that guarantees supreme quality
- Wide spectrum within the division: lounges, retail, airport gastronomy, restaurants and Demel cafés, hotel, staff restaurants and railway catering
- Unique locations: Stephansplatz, Kohlmarkt, Albertina, Michaelerplatz and Neuer Markt in Vienna, and Istanbul Ortaköy

## 1.4.8. DO & CO Shares / Investor Relations / Information Pursuant to Section 243a UGB

### Stock market overview

The reporting period was marked by the patchy development of international stock markets. Tensions in Ukraine and the Middle East, as well as uncertainties about the monetary policies pursued by central banks put a strain on the general atmosphere in the euro zone. Low capital market interest rates and the economic boom in the US, on the other hand, provided a quantum of optimism. Towards the end of the DO & CO business year, European stock markets got some additional momentum from the expanded asset purchase programme announced by the ECB in late January 2015.

During the reporting period, the overall European stock index EuroStoxx 50 rose by 16.9%; the US stock index Dow Jones Industrial grew by 8.0%, and DAX increased by 25.2%.

Over the same period, the Vienna Stock Exchange performed variably. After substantial losses in the first three quarters, the ATX recovered in the fourth quarter of DO & CO's 2014/2015 business year and grew by 16.2%, reaching 2,509.82 points on 31 March 2015. Overall, the ATX lost slightly during the reporting period, falling from 2,523.82 points on 31 March 2014 to 2,509.82 points on 31 March 2015 (-0.6%).

The Istanbul Stock Exchange, on the other hand, put in a positive performance. The Turkish BIST 100 rose by 15.9% during the reporting period, closing at 80,846.03 points on 31 March 2015.

### DO & CO shares

In the 2014/2015 business year, DO & CO shares performed well on the stock exchanges of both Vienna and Istanbul, so that their value grew substantially vis-à-vis the lead indices in either country during the reporting period.

On the Vienna Stock Exchange, DO & CO shares gained 83.6%, closing at € 69.05 on 31 March 2015. During the same period, the ATX (the lead index of the Vienna Stock Exchange) fell by 0.6%.



On the Istanbul Stock Exchange, DO & CO shares gained 70.4%, closing at TRY 192.50 on 31 March 2015. During this period, the BIST 100 (the lead index of the Istanbul Stock Exchange) rose by 15.9%.



## Dividend

The Management Board of DO & CO Aktiengesellschaft will propose to the General Meeting of Shareholders on 2 July 2015 to distribute a dividend amounting to € 1.20 per share (basic dividend of € 0.85 + special dividend of € 0.35). Compared to the previous business year, the dividend will be higher by € 0.35 per share. This amounts to a distribution ratio of 33.5%.

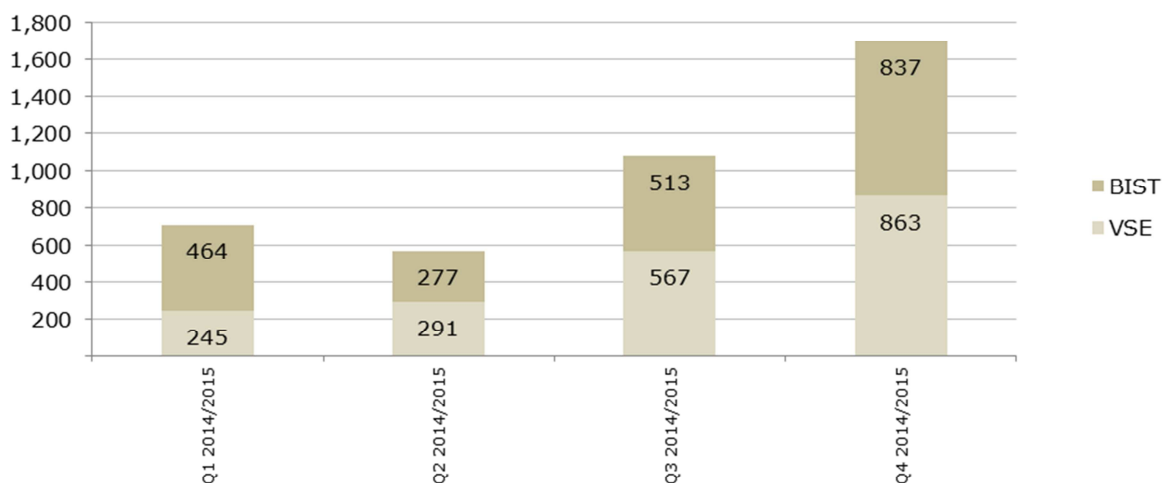
## Trading volumes

On the Vienna Stock Exchange, an average of € 490t in DO & CO stocks was traded daily during the 2014/2015 business year, compared to an average daily trading volume of € 521t in DO & CO shares on the Istanbul Stock Exchange. As in previous years, trading in Istanbul was higher than the level of the Vienna Stock Exchange. Together, the two stock exchanges traded € 1,010t or 18,356 shares as a daily average. Trading volumes thus increased over the previous year in both numbers and value.

	Vienna Stock Exchange		Istanbul Stock Exchange		Total	
	Business Year		Business Year		Business Year	
	2014/2015	2013/2014	2014/2015	2013/2014	2014/2015	2013/2014
Volume in stocks*	8,679	7,031	9,677	9,427	18,356	16,457
Turnover in €t*	490	251	521	339	1,010	590

\*Daily average traded volume of DO & CO stock

## Daily average traded volume\*



\*Volume in t€

## Share indices

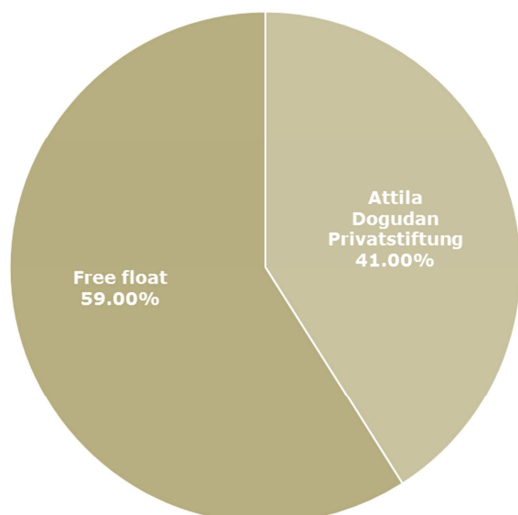
		Business Year 2014/2015	Business Year 2013/2014	Business Year 2012/2013
High <sup>1</sup>	€	74.00	41.00	37.50
Low <sup>1</sup>	€	38.20	31.39	26.55
Price at the end of the period <sup>1</sup>	€	69.05	37.61	35.71
Number of shares at the end of the period	TPie	9,744	9,744	9,744
Number of weighted shares <sup>2</sup>	TPie	9,635	9,744	9,744
Market capitalization at the end of the period	m€	672.82	366.47	347.91

1 ... Closing price

2 ... Adjusted by own shares held during the reporting period

## Shareholder structure of DO & CO Aktiengesellschaft

As of 31 March 2015, the private foundation Attila Dogudan Privatstiftung holds a stake of 41.00% in DO & CO Aktiengesellschaft. This includes shares amounting to 1.59% provided for management and staff participation. The remaining 59.0% are in the free float.



## Information on the DO & CO shares

ISIN	AT0000818802
Reuters Code	DOCO.VI, DOCO.IS
Bloomberg Code	DOC AV, DOCO.TI
Indices	ATX Prime, BIST ALL
WKN	081880
Listed in	Vienna, Istanbul
Currencies	EUR; TRY

## Financial calendar

2 July 2015	General Meeting of Shareholders
6 July 2015	Ex dividend date
20 July 2015	Dividend payment date
13 August 2015	Results for the first quarter of 2015/2016
19 November 2015	Results for the first half year of 2015/2016
19 February 2016	Results for the first three quarters of 2015/2016

## Investor Relations

In the 2014/2015 business year, the management of DO & CO Aktiengesellschaft held talks with many institutional investors and financial analysts, mostly in the course of investor conferences and road shows. These talks took place in Frankfurt, Istanbul, Copenhagen, London, Paris, Prague, Stegersbach, Stockholm, Tallinn, Warsaw, Vienna and Zurich.

Analyses and reports involving DO & CO's shares are currently published by ten international institutions:

- Kepler Cheuvreux
- Renaissance Capital
- Wood & Company
- Erste Bank
- HSBC
- Raiffeisen Centrobank
- İş Investment
- Finansinvest
- Global
- BGC Partners

Analysts on average have a price target of € 72.26 (status: 20 May 2015).

All published materials and information on DO & CO's shares are posted under Investor Relations on the DO & CO homepage at **[www.doco.com](http://www.doco.com)**.

For more information please contact:

Investor Relations  
Email: **[investor.relations@doco.com](mailto:investor.relations@doco.com)**

## Notes in Accordance with § 243a Austrian Commercial Code (UGB)

1. The share capital amounts to € 19,488,000.00 and is divided into 9,744,000 no-par value bearer shares. Only shares of this class are issued.
2. The Management Board is currently not aware of any limitations to the voting rights or to the transfer of DO & CO shares, even for those contained in agreements between shareholders.
3. With a stake of 41%, Attila Dogudan Privatstiftung holds at least 10% of the share capital of the Company at the reporting date.
4. There are currently no shares endowed with special control rights.
5. DO & CO staff owning Company shares can exercise their voting rights directly at the General Meeting of Shareholders.
6. The Company has no provisions on appointing and dismissing members of the Management Board that are not derived directly from the pertinent law on this matter. The General Meeting of Shareholders is entitled to remove a member of the Supervisory Board with a simple majority of the votes cast (instead of the statutory majority of 75%). A simple majority of the share capital represented in the vote of a resolution suffices to make a change in the Articles of Association (as opposed to the statutory majority of 75%), unless that change pertains to a conditional capital increase, authorised capital or an ordinary or simplified capital reduction.
7. The Management Board is authorised until 30 June 2017:
  - a) subject to the Supervisory Board's consent, to increase the share capital from, at present, € 19,488,000.00 by up to a further € 9,744,000.00 through the issuance of up to 4,872,000 shares in the form of new no-par value bearer shares in exchange for cash contributions and/or contributions in kind, if required in several tranches, and to specify the issuing price, the condition for such issuance any other details of this capital increase by agreement with the Supervisory Board;
  - b) subject to the Supervisory Board's consent, to exclude the subscription right of the shareholders:
    - (i) if and when the capital is increased against contributions in kind, or
    - (ii) in order to exclude residual amounts from the shareholders' subscription right, or
    - (iii) in order to service a greenshoe option granted to issuing banks.

The share capital of the Company is increased pursuant to Section 159 (2) No. 1 Austrian Stock Corporation Act by up to € 7,795,200.00 through the issuance of up to 3,897,600 new no-par value bearer shares for issuing to creditors of financial instruments as described in the resolutions of the General Meeting of Shareholders of 10 July 2008 and of 4 July 2013. The capital increase may only be carried out to the extent that the creditors of financial instruments exercise their warrant or conversion rights to Company shares.
8. Agreements have been made with service providers of the DO & CO Group that entitle them to cancel the contractual relationship in full or in part if there is a change of control in the Company. These agreements are not further specified here owing to the considerable damage this disclosure would do to the Company.
9. No agreements have been made between the Company and the members of its Management or Supervisory Boards or its employees regarding any compensation in the event of a public takeover bid.

#### **1.4.9. Significant Events After the Reporting Period**

No significant events or developments occurred after 31 March 2015 that would be of importance with regard to the DO & CO Group's financial situation and performance.

#### **1.5. Outlook**

The **Airline Catering** division is busy investing in extensions for both locations in Istanbul. The location at Sabiha Gökçen Airport is being enlarged by 4,000 square metres and the location at Istanbul Ataturk Airport is planned to be enlarged by 9,000 square metres.

Construction works also continue for the DO & CO location at Incheon Airport in Seoul, planned jointly with Sharp Aviation K, Inc. from South Korea. The gourmet kitchen is expected to be finished by the end of 2015.

At London Heathrow, DO & CO gained Gulf Air as a new customer for which two daily flights will be catered for, starting in July 2015.

In Frankfurt, DO & CO gained additional business in May 2015 through catering for another daily flight for Cathay Pacific to Hong Kong.

In Kiev, DO & CO will generate additional sales from April 2015 onwards, by catering for six weekly flights operated by British Airways to London Heathrow.

The **International Event Catering division** again has major international events on its schedule. In the first quarter of the 2015/2016 business year, DO & CO will serve VIP guests at the ATP Masters in Madrid and the ATP tournament in Geneva, at the Europa League final in Warsaw and the Champions League final in Berlin.

Other items on the events calendar for the next months are the prestigious horse jump tournament CHIO Aachen and the Chelsea Flower Show in London.

Between May and October 2015, DO & CO will also handle pavilions run by Etihad Airways and Oman Air at the Expo 2015 in Milan.

Formula 1 VIP guests will be served culinary treats in the first quarter of the 2015/2016 business year at the grand prix races in China, Bahrain, Spain, Monaco, Canada and Austria.

It should also be noted that DO & CO provides ongoing catering for championship, cup and Champions League games at the Allianz Arena in Munich.

Preparations for the UEFA's EURO 2016 to be held in France also continue progressively. This is the fourth European football championship handled by DO & CO for UEFA, and it will be organised under the Hédiard brand.

The **Restaurants, Lounges & Hotel division** is intensifying its expansion into retailing, and a new "Henry" shop can be expected to be opened at another location in Vienna in the next months.

DO & CO and Nespresso launched their first joint Nespresso Café in Vienna in April 2015, where healthy and fresh products from the DO & CO gourmet kitchen are served with Nespresso coffee on some 200 square metres of sales space.

Construction works are continuing for the hotel in Istanbul. The restaurant is scheduled to be opened in the autumn of 2015. The hotel and event location are planned to be launched in early 2016.

As in previous quarters, DO & CO continues to evaluate, on an ongoing basis, possible targets for acquisition in various markets.

DO & CO's management is confident that it can continue its successful performance of the past years. A focus on innovation, superior product and service standards and excellently trained and committed staff continue to provide the underpinnings for DO & CO to make the best possible use of all its growth potential.

The projections shown in this report are based on current estimates and forecasts made by the Management Board and the information available to the Management Board. Such projections must not be understood as guarantees of future developments and outcomes. Rather, future developments and outcomes depend on a large number of factors, including various risks and imponderabilities, and they are based on assumptions which may not necessarily come true.

Such risk factors include, without limitation, factors listed in the comments on the Company's opportunity and risk management (see 1.6 Risk and Opportunity Management). DO & CO does not undertake to adjust such projections to future events or developments.

## **1.6. Risk and Opportunity Management**

DO & CO is exposed to widely varying risks because it conducts business globally in three different divisions: Airline Catering, International Event Catering and Restaurants, Lounges & Hotel. Yet this diversification also opens up many opportunities for the further development of the Company.

DO & CO views risk management as a crucial instrument for guiding the company. These efforts ensure the continued existence of the business while creating opportunities to improve the Company's assets, financial and earnings position by enhancing future potential for growth and profits. With its risk management, the Company responds reliably and promptly to any changes in basic conditions.

The risk and opportunity management system is based on standardised, group-wide planning and control processes and on intercompany guidelines and reporting systems that adhere to the principles of risk management and risk structures according to COSO<sup>5</sup>.

Coordinated by the Corporate Risk Manager, risk and opportunity management is considered a core management task and an integral part of all business processes. The Group therefore identifies risks more quickly but also opportunities. Reporting is done on an ongoing basis, so all managers and decision-makers are personally involved in risk management.

Identified risks and opportunities are grouped into risk and opportunity categories and assigned by the Corporate Risk Manager to the managers responsible for the given area for further action. Strategies for coping with the identified risks and utilising the identified opportunities are then devised and subsequently pursued on site by local management. The aim of these actions is to reduce possible damage from risks and minimise the probability of them occurring while increasing opportunities for earnings and the possibilities for realising profits.

Diversification plays a significant role in this process. The Group conducts business worldwide in three divisions, thus alleviating the overall potential impact of specific threats in individual markets. In other words, the very business model of DO & CO itself provides additional mechanisms to compensate for risks.

Risk management activities are supported by a multitude of regulations and activities, including those of the Central Administration, Controlling, Legal Compliance and Internal Auditing departments.

---

<sup>5</sup> COSO (Committee of Sponsoring Organisations of the Tradeway Commission) is an independent private business organisation sponsored by the five largest financial reporting associations.



The Group's risk management system closely cooperates with insurers to ensure that proper coverage is provided for those risks that are insurable.

The following risk categories were identified as material for the business year 2014/2015:

### **Risks and Trends Specific to the Airline Industry**

The airline industry is heavily dependent on economic developments that act both globally and in the respective regions. Specific problems the aviation industry faces also have an impact both directly and indirectly on DO & CO's Airline Catering division. Airline performance, in turn, depends on developments in fuel prices, tax rates and airport and security charges. The decline in crude oil price reduces the price pressure felt by the airlines. As the crude oil price is expected to go up again in the medium term, this may affect the airlines' pricing policy.

With DO & CO achieving large parts of its sales from a handful of key customers, such as Turkish Airlines, Austrian Airlines Group, NIKI, Emirates Airline, Etihad Airways, LOT Polish Airlines, Cathay Pacific, British Airways and Pegasus Airlines, the Group therefore is also exposed to some extent to a "cluster risk".

The Company has thus instituted a course of permanent monitoring of the macroeconomic situation combined with ensuring that its key account managers are in constant contact with airline clients, so it can react quickly to any changes in their economic situation and promptly counter any negative effects of conditions in the airline industry on the DO & CO Group. The acquisition of new customers obtained from participating in tenders worldwide allows for a further spreading of risks.

### **Economic Developments**

DO & CO business in all three divisions is strongly shaped by global economic trends, because these trends have an enormous influence on tourism and consumers' leisure-time behaviour. Volatility in consumers' travel activities, especially air travel, affects Airline Catering in particular.

From DO & CO's point of view, ongoing expansion may be at risk from unsettled issues regarding the European debt crisis and the future institutional arrangements in the euro zone. Volatile financial markets and geopolitical risks arising from the tense situation in the Ukraine, the Middle East and North Africa have a negative impact on the global economy.

To counter economic risk in its business, DO & CO has diversified its locations internationally and by sector in three different market divisions. Prompt reporting of business results includes analysis and forecast on current operating business in each reporting entity (the group companies are divided into units comparable to profit centres for internal reporting purposes). These efforts ensure that capacity is adjusted immediately.

### **Risks Pertaining to Terrorism and Political Unrest**

High-level international security precautions have stabilised the risks of terrorism in the last years in areas where the DO & CO Group conducts business, but negative ramifications for the airline industry from this problem can be expected at any time. Terrorist-driven disruption in the Middle East and the terrorist attacks in Europe have, at present, little negative effect on the airline sector. Nevertheless, it is always possible that major events need to be cancelled at short notice were if a concrete terrorist alert is issued.

The constant adjustment of security standards to incorporate the latest findings has cut the danger of terrorist attacks. Nevertheless, the DO & CO Group constantly monitors the political situation to be prepared to take appropriate action where required.

In particular, the processes in the Ukraine are permanently monitored and evaluated. In the case of any impact on business, appropriate counter-measures are initiated and implemented immediately.

### **Risks Pertaining to Force Majeure and Epidemics**

Risks that are beyond the control of DO & CO but which heavily impact on the airline and tourism industries include the outbreak of epidemics such as avian flu, Severe Acute Respiratory Syndrome (SARS) or Ebola fever. This risk category also includes natural disasters such as the eruption of the Icelandic volcano Eyjafjallajökull in April 2010, which repeatedly brought air traffic in large parts of Northern and Central Europe to a complete or partial standstill for several days in a row as well as the nuclear incident and radioactive contamination of Japan.

The specific risk of long-term closing of large parts of the air space and attendant large-scale cancellation of flights by the Group's partners is monitored through our close cooperation with airlines, aeronautical authorities (EASA) and the international air weather service.

### **Hygiene Risks**

To ensure that the food DO & CO produces complies with its high hygienic standards, DO & CO carried out risk analyses in all business areas as part of the ongoing development of its HACCP (Hazard Analysis and Critical Control Points) system. Based on these analyses it has implemented group-wide hygienic guidelines to control and minimise risks. An internationally active quality control team constantly monitors the effectiveness of these actions and further develops them in accordance with the latest international findings.

### **Loss Risks**

The risk of losses from fire, storms, flooding or earthquakes is countered by safety and disaster policies and emergency plans which are trained and adapted on a regular basis. Such risks are covered by appropriate insurance coverage.

### **Personnel Risks**

For DO & CO, its employees represent the biggest asset and the corporate culture into which they breathe life. The employees are the most crucial factor in DO & CO's success. The future development of DO & CO therefore depends on how effective it is in hiring and integrating highly skilled and motivated employees and in forging lasting bonds of loyalty between them and the Company. Professional training and consistent personnel development are central tools for achieving the desired growth.

The ongoing expansion of the DO & CO Group is accompanied by a mirroring drive to enlarge its management resources.

The professional and profitable integration of new company units will be a major challenge for the continued success of DO & CO. Shared values and a vital corporate culture help new employees to understand the high quality standards of product and personal service and assist in anchoring those standards permanently in the Company.

## **Procurement Risks**

By processing food, DO & CO is exposed to some risk in procuring the requisite raw materials. Climatic, logistic and other events, such as avian flu, may lead to restrictions in the supply of such raw materials. These are also subject to price fluctuations that cannot always be fully passed on to customers.

Through long-term delivery contracts, supplier diversification and permanent monitoring of the markets, DO & CO seeks to make sure that the raw materials required by it are always available at the highest possible quality standards and at competitive prices.

## **Risk of Production Plant Failure**

In order to minimise the risk that critical production plants (large-scale kitchens, cold storage houses) might fail, DO & CO directs considerable investment funds to bring to and keep sensitive units at the latest state of the art. Stringent preventive maintenance, risk-focused spare-parts stocking and in-depth staff training are among the arsenal of key measures to reduce the risk of production plant failure.

## **Information Technology Risks**

Many processes within the DO & DO Group rely on computers and information generated from electronic systems. If these systems were to fail this would constitute a risk that is countered by intense training and the deployment of internal and external experts. The Group's IT infrastructure and systems are regularly maintained and optimised across the entire group so as to ensure their continued and improved functionality and minimise their failure rate.

## **Legal Risks**

With its constant expansion and its global scope of business, DO & CO has to abide by a myriad of legal requirements at national and international level, especially in relation to food law, hygiene, waste management, human resources and taxes, as well as special guidelines and regulations issued by various airlines. The Company needs to respond rapidly to any changes in legal regimes and to integrate them in its business processes.

Non-compliance with legal regulations and contractual agreements may give rise to claims for damages that could put a heavy burden on the Company. The Group has set up a central legal department and a risk & compliance committee at Management Board level to counter this risk. Specific insurance policies are taken out throughout the Group as the main means of minimising liability risks from damage that has proven unpreventable despite damage avoidance efforts.

## **Acquisition and integration of business units**

The DO & CO Group aims among other things, to grow not just through its established units but also through the acquisition of strategically suitable companies. In pursuit of this strategic goal, DO & CO has been buying businesses on an ongoing basis and integrating them into the Group. Such a process is faced with numerous challenges that require efforts to achieve this goal and avoid pitfalls.

## **Foreign Currency Risks**

DO & CO is highly vulnerable to exchange rate fluctuations due to the international nature of its business segments. The major foreign currencies involved are TRY, UAH, USD, GBP, CHF and PLN.

Closed positions are set up as a hedge by trying to offset proceeds in a given foreign currency against expenses in that same currency with the same maturity. The Group is also attentive to excluding additional risks to the greatest possible extent by entering into appropriate contractual agreements with customers and suppliers.

If need be, financial instruments and derivatives are employed to control currency risks.

## **Liquidity Risks**

Precise financial planning updated daily is the key to controlling liquidity and to avoiding liquidity risk. If expansion and other projects are undertaken, a meticulous analysis of their impact on Group liquidity must be conducted.

All Austrian and German DO & CO companies (excl. Arena One GmbH) are integrated in a single cash-pooling system so that liquidity can be controlled centrally.

Deviations from financial plans are detected immediately thanks to regular and prompt financial reporting. This approach ensures that counter-measures can be initiated quickly.

Liquidity needs can be covered from funds and credit facilities offered by the banks.

## **Credit Risks**

DO & CO keeps the risk of default to a minimum by closely monitoring outstanding debts as part of receivables management. The outstanding items of all legal entities in the Group are reported weekly. That means the Group monitors customer credit risks promptly and is able to respond quickly if the situation changes.

It also takes proactive steps to control the risk of default associated with major customers by entering into pertinent contractual agreements with them and by having customers furnish collateral.

DO & CO does not avail itself of credit insurance. Investments are made only at banks with first-class ratings. No material default risks are expected from the other original financial instruments. Any residual risks are covered by adequate allocations to reserves.

## **Interest Risks**

Financing is done at usual market conditions, with maturities always matching those of the financed projects. The effects of a change in interest rates are monitored in sensitivity analyses conducted in half-yearly intervals. The Group does not currently face any material risk from interest rate fluctuations.

## **Risks arising in the Preparation of Financial Statements**

Incomplete observance or unfounded application of relevant laws, accounting rules and other statements, as well as an inappropriate assessment of facts which are of relevance for accounting purposes carry the risk of preparing misleading financial statements. DO & CO counters this risk by an internal control system which provides for preventive as well as exposing measures.

The Group accounting department is the central contact for all accounting issues at the level of individual companies as well as at Group level. The financial accounting department operates as a central contact of all accounting related-relevant information. A Group accounting manual, which states the accounting and valuation approaches used by DO & CO and which is regularly updated, ensures the standardised processing of business transactions, reducing the risk of variations in the procedures within the Group. Ongoing staff training ensures that the accounts are kept in line with current law. In presenting complex facts, DO & CO obtains the support of external service providers in order to ensure that they will be properly presented in the annual and consolidated financial statements. This applies to transactions such as the acquisition of companies which carry risks from the integration of different bookkeeping systems and valuation risks. For some valuations (such as pensions and severance payment obligations), the Company draws on the know-how of experts.

In order to prevent any fraudulent act or abuse, the Company has implemented the separation of duties as well as ongoing and second-tier checks (principle of dual control). Regular audits carried out by the audit department and the auditor ensure that these processes are constantly improved and optimised.

Regardless of its design, no internal control system can absolutely ensure that its goals will be achieved. However, considering the ongoing care involved in designing, implementing and improving the controlling system, DO & CO considers the risk of preparing misleading financial statements to be negligible.

Additional detailed information on the foreign currency, liquidity, default and interest risks is provided in the Notes (section 4.8. Trade receivables, and item 7.1. Additional disclosures on financial instruments).

## **1.7. Internal Control System**

The Management Board meets its responsibility for organising an internal control system and risk management system, for accounting and for legal compliance. The internal control system for accounting ensures that financial information and data processing systems are complete and reliable. The system likewise ensures that business facts are recorded, compiled, processed and entered in the accounts in accordance with proper financial procedures. The objective of the internal control system is to guarantee effective and constantly improving internal controls for accounting and thereby ensuring financial statements comply with the regulations. This system also ensures that the processes are appropriate and efficient and that all regulations (legal and otherwise) are adhered to.

The responsibilities for the internal control system are adapted on an ongoing basis to the organizational structure of the Company to ensure an environment for control activities that corresponds to and meets the requirements. The central functions Group Accounting and Group Controlling are responsible for drawing up uniform Group guidelines and for organizing and monitoring financial reporting in the Group.

Compliance with the processes for recording, making account entries and balancing the accounts for transactions is regularly monitored as part of appropriate organizational actions. All monitoring actions apply to the entire business process. Monitoring can constitute anything from management examining results for various periods, to transferring accounts in specific ways and analysing ongoing processes in accounting. Areas connected with the accounting process are given suitable qualitative and quantitative resources.

The data processing systems are efficiently refined and constantly optimized. Close attention is paid to IT security in this context. With respect to the financial systems used, pertinent authorization arrangements are employed to guard access to corporate data. Restrictive authorization allows sensitive activities to be separated from non-sensitive ones.

Suitable personnel resources, the use of adequate software and clear legal specifications form the basis for a proper, uniform and continuous accounting process.

Comprehensive financial reports are given regularly and promptly to the Supervisory Board and Management Board and to middle management.

The accounting process and financial reporting are systematically examined for possible risks and regularly evaluated by the Corporate Risk Manager. If a need arises, action to optimize the situation is launched and carried out quickly to counter any risks as effectively as possible.

## 2. Corporate Governance Report

### 2.1. Commitment to the Code of Corporate Governance

The Austrian Code of Corporate Governance is a set of regulations for responsible corporate governance and management in Austria and was written in accordance with international standards.

DO & CO has been committed to full compliance with the rules of the Austrian Code of Corporate Governance (available for perusal at [www.corporate-governance.at](http://www.corporate-governance.at)) since February 2007. It satisfies not only the legal requirements ("L Rules"), but also all comply-or-explain requirements ("C Rules").

As regards corporate governance, a management goal at DO & CO is to increase the value of the Company on a sustainable, long-term basis. DO & CO adheres to strict principles of management and transparency while constantly refining its efficient system of corporate governance in the interest of all stakeholders. The ultimate priority is a corporate culture that engenders trust and enables the company to achieve lasting gains in value.

DO & CO has had an independent external institution conduct regular and voluntary evaluations of its compliance with the Austrian Code of Corporate Governance since the 2007/2008 business year in accordance with Rule 62 of this Code. The evaluation for the 2014/2015 business year was performed by Ullrich Saurer, a lawyer with Held Berdnik Astner & Partner Rechtsanwälte GmbH. The report on this external evaluation can be viewed on DO & CO's website at [www.doco.com](http://www.doco.com).

### 2.2. The Management Board

#### **Attila DOGUDAN**

Chairman, born in 1959

First appointed to the Board on 3 June 1997

End of the current term of office: 31 July 2015

Holds no other memberships of supervisory boards or comparable positions

#### **Haig ASENBAUER**

Member of the Board, born in 1967

First appointed to the Board on 16 July 2012

End of the current term of office: 31 July 2015

Membership of supervisory boards or comparable positions in non-Group companies:

- Member of the Supervisory Board of MOUVI Holding AG

#### **Gottfried NEUMEISTER**

Member of the Board, born in 1977

First appointed to the Board on 16 July 2012

End of the current term of office: 31 July 2015

Holds no other memberships of supervisory boards or comparable positions

#### **Klaus PETERMANN**

Member of the Board, born in 1966

First appointed to the Board on 16 July 2012

End of the current term of office: 31 July 2015

Memberships in supervisory boards or comparable positions in non-Group companies:

- Member of the Board of Directors of Indivis S.A., Luxembourg
- Member of the Board of Directors of Libidama International S.A. SPF, Luxembourg
- Member of the Board of Directors of Immobilière Kockelscheurer S.A., Luxembourg

During the 2014/2015 business year, Jaap Roukens (born in 1965) was a member of the Management Board of DO & CO Aktiengesellschaft from 5 May to 3 October 2014, acting as Chief Sales Officer for sales and distribution in the airline and hospitality businesses.

### **Workings of the Management Board**

Business responsibilities and powers are laid down in the Articles of Association and the Internal Rules of Procedure, as is the nature of collaboration within the Management Board.

The Chairman of the Management Board is responsible for the overall management of the Company and for coordinating the work of the Management Board. All members of the Management Board must report to the Chairman and each other on all important business events that occur in their assigned area of business.

Chairman of the Management Board Attila Dogudan is responsible for the strategy and organisation of the Company, the central units, personnel and procurement, and he takes the lead in all of the operational business.

Board Member Haig Asenbauer is in charge of M&A, legal, IT, the regional business of Ukraine and Poland; he takes the lead in growth and development of the retail business and airport gastronomy, and moreover supports the Chairman of the Management Board in developing the Group's strategy and organisation.

Board Member Gottfried Neumeister is responsible for all production locations worldwide, airline catering distribution and railway catering, and moreover supports the Chairman of the Management Board in developing the Group's strategy and organisation.

Board Member Klaus Petermann is in charge of finances, controlling and investor relations, and moreover supports the Chairman of the Management Board in developing the Group's strategy and organisation.

The Internal Rules of Procedure contain the information and reporting duties of the Management Board and a list of actions requiring the approval of the Supervisory Board.

### **Shares Held by Members of the Management Board**

On 31 March 2015, Haig Asenbauer and Gottfried Neumeister each held 10,000 no-par value shares of DO & CO Aktiengesellschaft. On the same date, Klaus Petermann held 13,800 no-par value shares of DO & CO Aktiengesellschaft.

## **2.3. The Supervisory Board**

### **Waldemar JUD**

Chairman, independent, born in 1943

Current term runs until the 21<sup>st</sup> Ordinary General Meeting of Shareholders (2019), first appointed on 20 March 1997

Other supervisory board positions in listed companies:

- Chairman of the Supervisory Board of Ottakringer Getränke AG, Vienna
- Member of the Supervisory Board of Bank für Tirol und Vorarlberg AG
- Member of the Supervisory Board of BKS Bank AG
- Member of the Supervisory Board of CA Immobilien Anlagen Aktiengesellschaft (until 8 May 2014)
- Member of the Supervisory Board of Oberbank AG

### **Werner SPORN**

Deputy Chairman, independent, born in 1935

Representative of shareholders holding shares in free float

Current term runs until the 21<sup>st</sup> Ordinary General Meeting of Shareholders (2019), first appointed on 20 March 1997

No further seats on supervisory boards of listed companies



### **Georg THURN-VRINTS**

Member, independent, born in 1956

Current term runs until the 21<sup>st</sup> Ordinary General Meeting of Shareholders (2019), first appointed on 20 March 1997

No further seats on supervisory boards of listed companies

### **Christian KONRAD**

Member, independent, born in 1943

Current term runs until the 21<sup>st</sup> Ordinary General Meeting of Shareholders (2019), first appointed on 10 July 2002

Other supervisory board positions in listed companies:

- Chairman of the Supervisory Board of AGRANA-Beteiligungs-Aktiengesellschaft, Vienna (until 4 July 2014)
- Deputy Chairman of the Supervisory Board of Südzucker AG Mannheim/Ochsenfurt, Mannheim (until 17 July 2014)

### **Workings of the Supervisory Board**

The actions of the Supervisory Board have their legal basis in the Austrian Stock Corporation Act (AktG), the Articles of Association, the Internal Rules of Procedure for the Supervisory Board and the Austrian Code of Corporate Governance, to which the Supervisory Board has expressly committed itself.

In the 2014/2015 business year, the Supervisory Board performed all its responsibilities under the law and Articles of Association within the scope of five meetings and adopted four resolutions in writing by a circulation procedure. Its discussions focused on deliberating on the strategic direction to be taken by the Company and acquisitions, expansion of the distribution network and development of new business fields, especially the acquisition of Hédiard SA in Paris, the acquisition and sale of own shares, the formation of a catering venture in South Korea and the acquisition of the real estate property at Stephansplatz 12.

### **Independence**

The Supervisory Board of DO & CO has no members who have either been former Management Board members or senior officers of the Company; similarly there are no interlocking directorates. Existing business relations to companies in which supervisory board members of DO & CO Aktiengesellschaft are active are handled on arm's length terms (see also the report on remuneration).

Adhering to Rules 39 and 53 and Annex 1 of the Austrian Code of Corporate Governance, the Supervisory Board in its meeting of 14 February 2007 adopted the following criteria for assessing the independence of its members and committee members:

A member of the Supervisory Board shall be deemed independent if said member does not have any business or personal relations with the Company or its Management Board that constitute a material conflict of interests and are therefore likely to influence the member's conduct.

Further criteria for the assessment of the independence of a member of the Supervisory Board:

1. The Supervisory Board member has not been a member of Management Board or senior officer of the Company or any of its subsidiaries in the past five years.

2. The Supervisory Board member has no current business relationship nor has had any business relationship within the last year with the Company or any of its subsidiaries of an extent that is material for such Supervisory Board member. This also applies to business relationships with companies in which the Supervisory Board member has a considerable economic interest. Approval of any individual business matters by the Supervisory Board member in line with L Rule 48 does not automatically cause him/her to be qualified as non-independent.

3. For the past three years, the Supervisory Board member has not been an auditor of the Company or stakeholder or employee of the company auditing DO & CO.
4. The Supervisory Board member is not a management board member of another company in which a Management Board member of the Company serves as a supervisory board member.
5. The Supervisory Board member is no direct family member (direct descendant, spouse, domestic partner, parent, uncle, aunt, sibling, niece, nephew) of a Management Board member or of any person who is in any one of the positions described above.

The members of the Supervisory Board each declare that they are independent within the meaning of the above criteria.

### **Composition and Workings of the Committees**

#### **AUDIT COMMITTEE:**

Waldemar JUD: Chairman  
Werner SPORN: Deputy Chairman  
Georg THURN-VRINTS: member  
Christian KONRAD: member

The Audit Committee's brief includes supervising the reporting process, monitoring the effectiveness of the Company's internal control and risk management systems, supervising the audit of the Company's and Group's financial statements, investigating and monitoring the auditor's (Group auditor's) independence, especially with regard to additional services rendered for the audited company, checking the annual financial statements and preparing their approval, considering the proposal for profit distribution, annual report and corporate governance report, and reporting the audit findings to the Supervisory Board, examining the consolidated financial statements and consolidated annual report, submitting the report on the audit findings to the Supervisory Board, and preparing a proposal by the Supervisory Board for appointing the (Group) auditor.

The brief of the Audit Committee is currently discharged by the entire Supervisory Board. The Chairman of the Supervisory Board also chairs the Audit Committee and serves as its financial expert. The Deputy Chairman of the Supervisory Board also serves as Deputy Chairman of the Audit Committee.

In the 2014/2015 business year, the Audit Committee met twice with the auditor present as well as discussing issues with the auditor in the absence of the Management Board. During these meetings, it concentrated on discussing measures of the internal control system and the performance of risk management, as well as implementation of an internal audit and other audit activities to be performed under Para 4a of Section 92 Austrian Stock Corporation Act.

#### **COMMITTEE OF THE CHAIRMAN:**

Waldemar JUD: Chairman  
Werner SPORN: Deputy Chairman

The Committee of the Chairman is made up of the Chairman and Deputy Chairman.

The Committee of the Chairman is charged with acting as nominating committee, remuneration committee and committee authorised to make decisions in urgent cases.

In its capacity of nominating committee, the Committee of the Chairman submits proposals to the Supervisory Board for filling vacant seats on the Management Board and deals with issues of succession planning.

The Committee of the Chairman met once in its capacity of nominating committee, discussing the appointment of another member of the Management Board.

In its capacity of remuneration committee, the Committee of the Chairman discusses matters concerning relationships to the Company and members of the Management Board, remuneration of members of the Management Board and the content of employment contracts with members of the Management Board.

The Committee of the Chairman met once in its capacity of remuneration committee, reviewing the Company's remuneration policy and deliberating on the granting of variable salary components to members of the Management Board.

In its capacity of committee authorised to make decisions in urgent cases, the Committee of the Chairman is charged with taking decisions on matters that require its consent.

## Remuneration Report

The remuneration report summarises the principles applied in determining the remuneration for the Management Board and Supervisory Board of DO & CO Aktiengesellschaft.

### Remuneration of the Management Board

Total pay is divided into fixed and performance-linked components. The fixed component is geared to the tasks and areas of responsibility of the members. Another key element of Management Board compensation is a variable component similarly based on their scope of tasks and responsibilities and on the criteria of Rule 27 of the ÖCGK. As a result, the variable components are determined by long-term, sustainable criteria that extend over several years and that include non-financial parameters.

For the 2014/2015 business year, the variable remuneration was calculated on the basis of the EBITDA margin and EBIT margin, combined with the performance in terms of strategic company targets as well as personal performance targets.

This performance-linked component depends on measurable criteria and is subject to caps in terms of amount or percentages of fixed pay, not exceeding 100% of fixed pay.

Remuneration for the 2014/2015 business year was as follows:

<b>Remuneration Management Board 2014/2015</b>			
<b>in T€</b>	<b>Fixed Remuneration</b>	<b>Variable Remuneration</b>	<b>Total</b>
Attila Dogudan *	764	295	1,059
Haig Asenbauer **	520	490	1,010
Gottfried Neumeister ***	400	465	865
Klaus Petermann **	430	351	781
Jaap Roukens ****	318	0	318
<b>Total</b>	<b>2,432</b>	<b>1,601</b>	<b>4,033</b>

\*Including remuneration in kind and including € 34t for activities as deputy chairman of the Board of Directors and CEO of THY DO & CO Ikram Hizmetleri A.Ş.

\*\*Including € 30t for activities as member of the Board of Directors of THY DO & CO Ikram Hizmetleri A.Ş.

\*\*\*Including € 75t special bonus

\*\*\*\*Including € 165t signing bonus

In the 2014/2015 business year, Jaap Roukens received a once-only partial remuneration in the form of 10,000 shares. The price at the time his claim became effective was € 42.20. Jaap Roukens withdrew from the Management Board on 3 October 2014, prior to the expiry of his term of office, and received a gratuity of € 150t.

Currently, no arrangement has yet been made regarding any in-house retirement provision for the Management Board. The chairman of the Management Board is entitled to severance pay analogously to the Salaried Employees Act. The employment contracts of the members of the Management Board provide for a gratuity of three monthly salaries in the event that their membership in the Board is terminated early without cause. No such claim is due if a Management Board contract is terminated for a cause that is within such member's control. No

further claims are due to a member of the Management Board on his/her retirement. Furthermore, no arrangements have so far been made in the event of a change of control.

### **Remuneration of the Supervisory Board**

In accordance with a resolution of the General Meeting of Shareholders of 3 July 2014 applying to the 2013/2014 business year, a remuneration totalling € 75t (PY: € 55t) was paid to the Supervisory Board members, distributed as shown in the table below.

<b>Remuneration Supervisory Board 2013/2014 *</b>	
<b>in T€</b>	
Waldemar JUD	25
Werner SPORN	20
Georg THURN - VRINTS	15
Christian KONRAD	15
<b>Total</b>	<b>75</b>

\* No meeting attendance fees were paid

Firms in which Supervisory Board members Waldemar JUD and Werner SPORN have a considerable economic interest charged professional fees of € 967t in the 2014/2015 business year for legal counsel given outside their officer's function.

In addition, DO & CO Aktiengesellschaft has taken out a consequential loss and liability insurance (D&O insurance) whose beneficiaries are the Company's officers. Its cost is assumed by the Company.

## **2.4. Measures to Promote Women to the Management Board, Supervisory Board and in Executive Positions**

The Company puts considerable emphasis on ensuring equal treatment of men and women in posting candidates to executive positions and paying equal wages and salaries. Management positions at DO & CO Aktiengesellschaft and its subsidiaries are appointed without consideration of gender, with the result that the Group boasts a high share of women in executive positions within the companies and in a senior executive capacity at Group level. Of particular note is the Company's position in creating an appropriate framework for returning women into senior management positions after maternity and parental leave. A number of part-time models allow women to re-enter their original management positions and continue to serve in an executive position.

Vienna, 21 May 2015

Attila Dogudan mp  
Chairman of the  
Management Board

Haig Asenbauer mp  
Member of the  
Management Board

Gottfried Neumeister mp  
Member of the  
Management Board

Klaus Petermann mp  
Member of the  
Management Board

### **3. Report of the Supervisory Board**

The Management Board of DO & CO Aktiengesellschaft regularly informed the members of the Supervisory Board in writing and orally in meetings and outside meetings about the progress of business and the situation of the Company as well as material business events. Based on the reports of and information from the Management Board, the Supervisory Board monitored the management and deliberated thoroughly on business occurrences of special significance in open discussions.

In the 2014/2015 business year, the Supervisory Board performed its duties under the law and the Articles of Association in five meetings and adopted four resolutions in writing by a circulation procedure. They focused on deliberations regarding the Company's basic strategy, acquisitions, extension of the distribution network and the establishment of new business fields, including especially the acquisition of Hédiard SA in Paris, the acquisition and sale of own shares, the formation of a catering venture in South Korea and the acquisition of the real estate property at Stephansplatz 12.

The chairmen of the Supervisory Board and the Management Board regularly consulted on material issues of the Company's development.

At its meeting on 1 June 2015, the Audit Committee examined the financial statements of DO & CO Aktiengesellschaft and the preparation of its approval, the proposal for the appropriation of profit, the Management Report, the Corporate Governance Report and the Group Management Report, proposing to select PKF CENTURION Wirtschaftsprüfungsgesellschaft mbH as auditor of the financial statements for the company and the Group for 2015/2016.

The Audit Committee met twice in the 2014/2015 business year, monitoring the accounting system, the implementation of steps to optimise the internal control system, as well as the functionality of the risk management system and the internal audit system.

The annual financial statements plus notes of DO & CO Aktiengesellschaft as of 31 March 2015 along with the Management Report were prepared in accordance with Austrian accounting regulations and audited by PKF CENTURION Wirtschaftsprüfungsgesellschaft mbH, which issued an unqualified opinion on these documents. The Supervisory Board concurred with the Management Board in the latter's report on the audit findings and approved the financial statements for 2014/2015. They are thus adopted in accordance with § 96 (4) of the Austrian Corporation Act (AktG).

The consolidated financial statements as of 31 March 2015 plus notes were prepared in accordance with International Financial Reporting Standards (IFRS) as applied in the EU and were audited, along with the Management Report on the Group, by PKF CENTURION Wirtschaftsprüfungsgesellschaft mbH. In the auditor's opinion, the consolidated financial statements present fairly, in all material respects, the actual assets and financial position of the DO & CO Aktiengesellschaft Group as of 31 March 2015 and the results of its operations and its cash flows for the business year of 2014/2015 in conformity with International Financial Reporting Standards (IFRS) as applied in the EU and additional requirements under Section 245a UGB. The Supervisory Board concurred with the findings of the audit.

Furthermore, the Supervisory Board examined the proposal from the Management Board for the appropriation of profit of DO & CO Aktiengesellschaft. A proposal will be made to the General Meeting of Shareholders on 2 July 2015 to distribute the entire net profit of € 11,692,800 for a dividend payout of € 1.20 (basic dividend of € 0.85 + special dividend of € 0.35) on each share entitled to a dividend.

The compliance review within the scope of the Corporate Governance Report as provided for in Section 243b UGB (Austrian Commercial Code) and an evaluation of compliance by DO & CO Aktiengesellschaft with the rules of the Austrian Corporate Governance Code ÖCGK during the 2014/2015 business year were carried out by Ullrich Saurer, a lawyer at Held Berdnik Astner &

Partner Rechtsanwälte GmbH, and found that DO & CO has complied with the rules in its 2014/2015 business year.

The Supervisory Board proposes to appoint PKF CENTURION Wirtschaftsprüfungsgesellschaft mbH as the auditor of the (annual and Group) financial statements for the 2015/2016 business year.

The Supervisory Board wishes to thank the Company's management and staff members for their dedicated work in a still very challenging economic environment.

Vienna, 1 June 2015

Waldemar Jud mp  
Chairman of the Supervisory Board

**Consolidated financial statements 2014/2015  
of DO & CO Aktiengesellschaft  
in accordance with IFRS**



# 1. Consolidated statement of financial position

<b>Assets in m€</b>		<b>31 March 2015</b>	<b>31 March 2014</b>	<b>31 March 2013</b>
Note				
4.1.	Intangible assets	64.94	46.09	15.55
4.2.	Property, plant and equipment	240.25	131.49	123.19
4.3.	Investment property	57.43	3.57	3.60
4.5.	Investments accounted for using the equity method	1.96	2.18	1.88
4.6.	Other non-current financial assets	5.23	1.69	1.57
4.16.	Income tax receivables	0.50	3.79	5.36
4.16.	Deferred tax assets	5.38	8.11	5.39
	<b>Non-current assets</b>	<b>375.69</b>	<b>196.91</b>	<b>156.54</b>
4.7.	Inventories	25.70	22.16	18.32
4.8.	Trade receivables	95.61	79.84	56.02
4.9.	Other current financial assets	17.57	13.68	8.31
4.16.	Income tax receivables	1.70	8.40	3.87
4.10.	Other current non-financial assets	12.51	13.01	36.33
4.11.	Cash and cash equivalents	55.67	179.33	73.18
	<b>Current assets</b>	<b>208.76</b>	<b>316.42</b>	<b>196.04</b>
	<b>Total Assets</b>	<b>584.45</b>	<b>513.33</b>	<b>352.57</b>
	<b>Shareholders' equity and liabilities in m€</b>	<b>31 March 2015</b>	<b>31 March 2014</b>	<b>31 March 2013</b>
Note				
	Nominal capital	19.49	19.49	19.49
	Capital reserves	70.51	70.60	70.60
	Retained earnings	93.52	76.48	58.75
	Other comprehensive income	-15.12	-21.65	-8.74
	Special item	-1.80	1.32	2.42
	Consolidated result	34.86	26.07	22.62
	<b>Equity attributable to the shareholders of DO &amp; CO Aktiengesellschaft</b>	<b>201.46</b>	<b>172.31</b>	<b>165.15</b>
	Minority interests	42.84	31.08	30.19
4.12.	<b>Shareholders' equity</b>	<b>244.30</b>	<b>203.39</b>	<b>195.33</b>
4.13.	Bond	148.19	147.92	0.00
4.14.	Other non-current financial liabilities	5.74	4.05	16.41
4.15.	Non-current provisions	24.98	21.86	22.20
4.16.	Deferred tax liabilities	6.23	7.13	2.63
	<b>Non-current provisions and liabilities</b>	<b>185.14</b>	<b>180.95</b>	<b>41.24</b>
4.17.	Current financial liabilities	26.35	25.71	19.92
4.18.	Trade payables	61.00	46.53	41.73
4.19.	Current provisions	43.03	30.97	31.42
4.16.	Income tax liabilities	8.42	14.20	13.02
4.20.	Other current liabilities	16.21	11.59	9.90
	<b>Current provisions and liabilities</b>	<b>155.01</b>	<b>128.99</b>	<b>116.00</b>
	<b>Total shareholders' equity and liabilities</b>	<b>584.45</b>	<b>513.33</b>	<b>352.57</b>

## 2. Consolidated income statement

Note	in m€	Business Year 2014/2015	Business Year 2013/2014
5.1.	<b>Sales</b>	<b>795.65</b>	<b>636.14</b>
5.2.	Other operating income	28.58	22.28
5.3.	Cost of materials	-345.03	-265.50
5.4.	Personnel expenses	-270.88	-211.44
5.5.	Other operating expenses	-128.08	-115.80
	Result of equity investments accounted for using the equity method	0.66	0.50
	<b>EBITDA - Operating result before amortisation/depreciation</b>	<b>80.90</b>	<b>66.18</b>
5.6.	Amortisation/depreciation and impairments	-27.38	-19.54
	<b>EBIT - Operating result</b>	<b>53.52</b>	<b>46.64</b>
	Financial income	3.41	1.97
	Financial expenses	-12.06	-4.63
	Other financial result	15.78	0.89
5.7.	<b>Financial result</b>	<b>7.13</b>	<b>-1.77</b>
	<b>Profit before income tax</b>	<b>60.65</b>	<b>44.88</b>
5.8.	Income tax	-14.71	-10.14
	<b>Profit after tax</b>	<b>45.94</b>	<b>34.73</b>
	Net profit attributable to minority interests	11.08	8.66
	<b>Net profit attributable to shareholders of DO &amp; CO Aktiengesellschaft (Net result)</b>	<b>34.86</b>	<b>26.07</b>
		<b>Business Year 2014/2015</b>	<b>Business Year 2013/2014</b>
	<b>Net result in m€</b>	<b>34.86</b>	<b>26.07</b>
	Weighted average number of issued shares (in Pie)	9,634,547	9,744,000
	Issued shares (in Pie)	9,744,000	9,744,000
5.9.	<b>Basic/diluted earnings per share (in €)</b>	<b>3.62</b>	<b>2.68</b>

### 3. Consolidated statement of comprehensive income

in m€	Business Year 2014/2015	Business Year 2013/2014
<b>Profit after taxes</b>	<b>45.94</b>	<b>34.73</b>
Differences of currency translation	10.92	-21.85
Income taxes	-3.67	1.32
<b>Total of items that will be reclassified subsequently to the income statement</b>	<b>7.25</b>	<b>-20.53</b>
Termination benefits and pension payments obligations	-0.71	-0.71
Income taxes	0.17	0.14
<b>Total of items that will not be reclassified subsequently to the income statement</b>	<b>-0.54</b>	<b>-0.58</b>
<b>Other comprehensive income after taxes</b>	<b>6.70</b>	<b>-21.10</b>
<b>Total comprehensive income for the period</b>	<b>52.65</b>	<b>13.63</b>
Attributable to minority interests	11.25	0.47
<b>Attributable to shareholders of DO &amp; CO Aktiengesellschaft (Total result)</b>	<b>41.40</b>	<b>13.16</b>

## 4. Consolidated statement of cash flows

in m€	Business Year 2014/2015	Business Year 2013/2014
<b>Profit before taxes</b>	<b>60.65</b>	<b>44.88</b>
+ Depreciation / amortization and impairment	27.38	19.54
-/+ Gains / Losses from disposals of fixed assets	0.19	6.33
+/- Earnings from associated companies without cash effect	0.22	-0.31
+/- Other non cash income / expense	-14.56	-0.77
+/- Interests and Dividends	2.52	-0.98
<b>Cashflow from result</b>	<b>76.40</b>	<b>68.69</b>
-/+ Increase / Decrease in inventories and other current assets	-13.88	-4.95
+/- Increase / Decrease in provisions	2.15	-0.79
+/- Increase / Decrease in trade payables and other liabilities	8.57	-7.53
- Income tax payments	-8.94	-14.20
<b>Cashflow from operating activities</b>	<b>64.30</b>	<b>41.21</b>
+ Income from disposals of tangible and intangible fixed assets	0.97	0.26
- Additions to tangible fixed assets and investment properties	-178.94	-36.48
- Additions to intangible fixed assets	-1.33	-7.16
- Additions to other non-current financial assets	-3.55	7.49
- Cash outflows for acquisitions less acquired cash	-9.43	-22.16
+ Dividends received	0.19	0.13
+ Interests received	3.21	1.63
<b>Cashflow from investing activities</b>	<b>-188.89</b>	<b>-56.29</b>
- Dividend payment to shareholders of DO & CO Aktiengesellschaft	-8.28	-4.87
- Dividend payment to minority shareholder	-2.61	-3.11
+ Bond issuance	0.00	147.92
+ Cash proceeds from issuing shares or other equity instruments	15.45	0.00
- Decrease in financial liabilities	-0.42	-10.23
- Interests paid	-5.92	-0.78
<b>Cashflow from financing activities</b>	<b>-1.79</b>	<b>128.93</b>
<b>Total Cashflow</b>	<b>-126.37</b>	<b>113.85</b>
Cash and cash equivalents at the beginning of the year	179.33	73.18
Effects of exchange rate changes on cash and cash equivalents	2.71	-7.70
Cash and cash equivalents at the end of the year	55.67	179.33
<b>Change in funds</b>	<b>-126.37</b>	<b>113.85</b>

Please refer to Section 6. for comments on the consolidated statement of cash flows.

## 5. Consolidated statement of changes in equity

in m€	Equity of the shareholders of DO & CO Aktiengesellschaft										
	Nominal capital	Capital reserves	Retained earnings	Net result	Currency translation differences	Revaluation IAS 19	Own shares	Special Item minority	Total	Minority interests	Shareholders' equity
<b>As of 1 April 2013</b>	<b>19.49</b>	<b>70.60</b>	<b>58.75</b>	<b>22.81</b>	<b>-7.27</b>	<b>-1.65</b>	<b>0.00</b>	<b>2.42</b>	<b>165.15</b>	<b>30.19</b>	<b>195.33</b>
Restatement IAS 19				-0.19		0.19			0.00		
<b>As of 1 April 2013 - restated</b>	<b>19.49</b>	<b>70.60</b>	<b>58.75</b>	<b>22.62</b>	<b>-7.27</b>	<b>-1.46</b>	<b>0.00</b>	<b>2.42</b>	<b>165.15</b>	<b>30.19</b>	<b>195.33</b>
Dividend payment 2012/2013			-4.87						-4.87	-3.11	-7.99
Profit carried forward 2012/2013			22.62	-22.62					0.00		0.00
Total result				26.07	-12.63	-0.29			13.16	0.47	13.63
Changes in acquisition of minority interests								-1.10	-1.10	3.46	2.36
<b>As of 31 March 2014</b>	<b>19.49</b>	<b>70.60</b>	<b>76.48</b>	<b>26.07</b>	<b>-19.90</b>	<b>-1.75</b>	<b>0.00</b>	<b>1.32</b>	<b>172.31</b>	<b>31.08</b>	<b>203.39</b>
<b>As of 1 April 2014</b>	<b>19.49</b>	<b>70.60</b>	<b>76.48</b>	<b>26.07</b>	<b>-19.90</b>	<b>-1.75</b>	<b>0.00</b>	<b>1.32</b>	<b>172.31</b>	<b>31.08</b>	<b>203.39</b>
Dividend payment 2013/2014			-8.28						-8.28	-2.61	-10.89
Purchase of own shares							46.15		46.15		46.15
Issue/sale of own shares		-0.10	-0.74				-46.15		-46.99		-46.99
Profit carried forward 2013/2014			26.07	-26.07					0.00		0.00
Total result				34.86	7.00	-0.46			41.40	11.25	52.65
Changes in acquisition of minority interests								-3.12	-3.12	3.12	0.00
<b>As of 31 March 2015</b>	<b>19.49</b>	<b>70.51</b>	<b>93.52</b>	<b>34.86</b>	<b>-12.90</b>	<b>-2.21</b>	<b>0.00</b>	<b>-1.80</b>	<b>201.46</b>	<b>42.84</b>	<b>244.30</b>

Information on shareholders' equity is provided in Section 4.12.

## Notes to the Consolidated Financial Statements

### 1. General information

DO & CO Aktiengesellschaft (DO & CO, the Company), domiciled in 1010 Vienna, Stephansplatz 12, is the parent company of an international catering group. It conducts business in the three segments Airline Catering, International Event Catering and Restaurants, Lounges & Hotel.

The consolidated financial statements of DO & CO Aktiengesellschaft for the business year from 1 April 2014 to 31 March 2015 (2014/2015) have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted in the European Union for capital market-oriented entities and published by the International Accounting Standards Board (IASB), as well as pursuant to the supplementary provisions of Section 245a of the Austrian Commercial Code (UGB) that have been complied with in full by DO & CO. The consolidated financial statements present a true and fair view of the DO & CO Group's financial performance and financial situation. The financial statements of all material domestic and foreign entities that are fully included in the consolidated financial statements have been audited and issued with an unqualified auditor's report.

The income statement was prepared using the total expenditure format.

Unless otherwise stated, the figures in the consolidated financial statements are presented in millions of euros (m€). Both individual amounts and sums represent the smallest rounding difference. When individual items are added, it is therefore possible that slight differences to the reported sums may arise.

The Management Board of DO & CO released the consolidated financial statements for the business year 2014/2015 on 21 May 2015 for submission to the Supervisory Board. On 1 June 2015 the Company's Supervisory Board will approve the consolidated financial statements.

The statement concerning the Austrian Code of Corporate Governance (ÖCGK) is presented on page 28 in the annual financial report 2014/2015.

## 2. Effects of new and/or amended IFRS

The following standards and interpretations newly issued and/or amended by the IASB and effective in the European Union have been applied for the first time by DO & CO:

Standard / Interpretation (First-time application in the business year 2014/2015)		Impacts on the consolidated financial statements
IFRS 10	Consolidated Financial Statements	no
IFRS 11	Joint Arrangements	no
IFRS 12	Disclosure of Interests in Other Entities	yes
Miscellaneous	Transitional provisions of IFRS 10, IFRS 11, IFRS 12	no
Miscellaneous	Investment Entities (amendments to IFRS 10, IFRS 12, IAS 27)	no
IAS 27	Separate Financial Statements	no
IAS 28	Investments in Associates and Joint Ventures	no
IAS 32	Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities	no
IAS 39	Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting	no

IFRS 12, "Disclosure of interests in other entities", requires the nature of, and risks associated with, interests in other entities as well as effects of those interests on the financial position, financial performance and cash flows to be disclosed. Information is required on interests in subsidiaries, joint arrangements and associates as well as unconsolidated structured entities. This also comprises significant assessments and assumptions in the identification of the nature of the interests in other entities and/or arrangements, the nature of a joint arrangement as well as of an investment entity. The first-time application of the standard has led to additional disclosures in the notes to the consolidated financial statements.

The new or amended standards and interpretations stated below have already been endorsed in part by the European Union. These become only effective for future financial statements, provided that these standards and interpretations are subsequently endorsed by the European Union. The option of the voluntary early application is not used by DO & CO.

Standard / Interpretation (up to and including 31 March 2015)		Mandatory effective date for DO & CO	Endorsed by the EU (up to and including 31 March 2015)	
IFRS 9	Financial Instruments	provisionally 1 April 2018	no	Subject to evaluation
IFRS 10 / IFRS 12 / IAS 28	Consolidation Exception with regard to Investment Entities	provisionally 1 April 2016	no	No impacts
IFRS 10 / IAS 28	Sales or Contributions of Assets between an Investor and its Associate or Joint Venture	provisionally 1 April 2016	no	No impacts
IFRS 11	Accounting for Acquisitions of Interests in Joint Operations	provisionally 1 April 2016	no	No impacts
IFRS 14	Regulatory Deferral Accounts	provisionally 1 April 2016	no	No impacts
IFRS 15	Revenue from Contracts with Customers	provisionally 1 April 2017	no	Subject to evaluation
Miscellaneous	Improvement of the International Financial Reporting Standards 2012	1 April 2015	yes	No material impacts
Miscellaneous	Improvement of the International Financial Reporting Standards 2013	1 April 2015	yes	No material impacts
Miscellaneous	Improvement of the International Financial Reporting Standards 2014	provisionally 1 April 2016	no	Subject to evaluation
IAS 1	Disclosure Initiative with regard to the Notes to the Financial Statements	provisionally 1 April 2016	no	Subject to evaluation
IAS 16 / IAS 41	Agriculture: Bearer plants	provisionally 1 April 2016	no	No impacts
IAS 16 / IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation	provisionally 1 April 2016	no	Subject to evaluation
IAS 19	Employee Benefits: Defined Benefit Plans: Employee Contributions	1 April 2015	yes	No impacts
IAS 27	Equity Method in Separate Financial Statements	provisionally 1 April 2016	no	No impacts
IFRIC 21	Levies	1 April 2015	yes	No impacts

### 3. Significant accounting principles

#### 3.1. Changes in accounting methods

The accounting methods applied to these consolidated financial statements basically comply with those used in the consolidated financial statements as of 31 March 2014. The new or amended accounting standards applied for the first time in the business year are exempt (see Section 2). Moreover, DO & CO changed the classification of items in the consolidated statement of financial position, the consolidated income statement and the consolidated statement of comprehensive income and adjusted the designation of items for the purposes of a more transparent reporting. Financial and non-financial assets and liabilities have partially been reported under one item in previous financial statements. In contrast, the new classification provides for a clear distinction between financial and non-financial items. The effects of the reclassification to comparable figures as of 31 March 2014 are presented in the table below. The adjustment made to the classification of the consolidated statement of financial position does not affect equity or the consolidated result.

in m€	31 March 2014	Adjustments	31 March 2014 adjusted
Other non-current financial assets	0.00	1.69	1.69
Other financial assets	0.32	-0.32	0.00
Other non-current assets	1.37	-1.37	0.00
Other current financial assets	0.00	13.68	13.68
Other current non-financial assets	26.69	-13.68	13.01
Personnel provisions	21.86	-21.86	0.00
Non-current provisions	0.00	21.86	21.86
Current financial liabilities	0.51	25.20	25.71
Other provisions	58.77	-27.80	30.97
Income tax liabilities	0.00	14.20	14.20
Other current liabilities	23.19	-11.59	11.59

in m€	31 March 2013	Adjustments	31 March 2013 adjusted
Other non-current financial assets	0.00	1.57	1.57
Other financial assets	0.23	-0.23	0.00
Other non-current assets	1.34	-1.34	0.00
Other current financial assets	0.00	8.31	8.31
Other current non-financial assets	44.32	-7.99	36.33
Personnel provisions	22.16	-22.16	0.00
Other Provisions	0.04	-0.04	0.00
Non-current provisions	0.00	22.20	22.20
Current financial liabilities	0.00	19.92	19.92
Other provisions	57.87	-26.46	31.42
Income tax liabilities	0.00	13.02	13.02
Other current liabilities	16.08	-6.17	9.90

The structure of the consolidated income statement was changed as well. The EBITDA, i.e. the operating result before amortisation and depreciation, and the financial result were included as subtotal; and amortisation, depreciation and impairment were combined.



The consolidated statement of cash flows was adjusted in line with the new classification of items in the consolidated statement of financial position and expanded by the disclosure of interest and dividends.

<b>in m€</b>	<b>Business Year 2013/2014</b>	<b>Adjustments</b>	<b>Business Year 2013/2014 adjusted</b>
<b>Profit before taxes</b>	<b>44.88</b>	<b>0.00</b>	<b>44.88</b>
+ Depreciation / amortization and impairment	19.54	0.00	19.54
-/+ Gains / Losses from disposals of fixed assets	6.33	0.00	6.33
+/- Earnings from associated companies without cash effect	-0.31	0.00	-0.31
-/+ Other non cash income / expense	-0.77	0.00	-0.77
+/- Interests and dividends	0.00	-0.98	-0.98
<b>Cashflow from result</b>	<b>69.67</b>	<b>-0.98</b>	<b>68.68</b>
-/+ Increase / Decrease in inventories and other current assets	-4.64	-0.32	-4.95
+/- Increase / Decrease in provisions	-6.18	5.39	-0.79
+/- Increase / Decrease in trade accounts payable and other liabilities	-2.46	-5.08	-7.53
- Income tax payments	-14.20	0.00	-14.20
<b>Cashflow from operating activities</b>	<b>42.19</b>	<b>-0.98</b>	<b>41.20</b>
+/- Income from disposals of tangible and intangible fixed assets	0.26	0.00	0.26
- Additions to tangible fixed assets and investment properties	-43.64	7.16	-36.48
- Additions to intangible fixed assets	0.00	-7.16	-7.16
- Additions to other non-current financial assets	7.52	-0.03	7.49
- Cash outflows for acquisitions less acquired cash	-22.16	0.00	-22.16
-/+ Increase / decrease in non-current receivables	-0.03	0.03	0.00
+ Dividends received	0.00	0.13	0.13
+ Interests received	0.00	1.63	1.63
<b>Cashflow from investing activities</b>	<b>-58.05</b>	<b>1.76</b>	<b>-56.29</b>
- Dividend payment to shareholders of DO & CO Aktiengesellschaft	-4.87	0.00	-4.87
- Dividend payment to minority shareholder	-3.11	0.00	-3.11
+ Bond issuance	147.92	0.00	147.92
- Decrease in financial liabilities	-10.23	0.00	-10.23
- Interests paid	0.00	-0.78	-0.78
<b>Cashflow from financing activities</b>	<b>129.71</b>	<b>-0.78</b>	<b>128.92</b>
<b>Total Cashflow</b>	<b>113.85</b>	<b>0.00</b>	<b>113.85</b>
Cash and cash equivalents at the beginning of the year	73.18	0.00	73.18
Effects of exchange rate changes on cash and cash equivalents	-7.70	0.00	-7.70
Cash and cash equivalents at the end of the year	179.33	0.00	179.33
<b>Change in funds</b>	<b>113.85</b>	<b>0.00</b>	<b>113.85</b>

The differences from currency translation and the effect of the net investment were combined in the consolidated statement of changes in equity and the consolidated statement of comprehensive income.

## **3.2. Consolidation**

### **3.2.1. Scope of consolidation**

The consolidated financial statements as of 31 March 2015 comprise, in addition to DO & CO, all material subsidiaries which the Company directly or indirectly controls. An entity is controlled when DO & CO or one of its subsidiaries is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. For subsidiaries of DO & CO, such control normally results from the ownership of the majority of voting rights.

DO & CO holds 50% of the voting rights in the subsidiary THY DO & CO Ikram Hizmetleri A.Ş. As DO & CO is in a position to appoint members to the bodies of the company, DO & CO has the power to exert an influence on the relevant activities of THY DO & CO Ikram Hizmetleri A.Ş. and is thus in a position to influence its own yield resulting from this investment. Against this background, the Management Board of DO & CO thus considers DO & CO to have control over THY DO & CO Ikram Hizmetleri A.Ş.

With regard to the disclosure requirements for investments in subsidiaries pursuant to IFRS 12, refer to Section 4.12.

A foreign company in which DO & CO shares control with another entity via indirect shareholding is included at equity in the consolidated financial statements of DO & CO as a joint venture.

DO & CO has significant influence over two foreign companies (associates) as the Company indirectly holds 40% of the shares and voting rights of each of the two companies as well as over one domestic company in which DO & CO indirectly holds 49% of the voting rights. This means that DO & CO has the power to participate in financial and operating policy decisions. These companies are included at equity in the consolidated financial statements.

Disclosures on joint ventures and associates are provided in the Section 4.5.

### **3.2.2. Changes in the scope of consolidation**

In the first quarter of the business year 2014/2015, DO & CO Chicago Catering Inc., seated in Wilmington, was consolidated for the first time following the commencement of business by the entity.

With effect from 9 July 2014, DO & CO acquired 100% of the shares in **Financière Hédiard SA** (Hédiard), domiciled in Paris/France. Hédiard was founded in 1854 and is one of the leading luxury delicatessen and traiteur brands in Paris with franchisees primarily in Europe, Asia and the Middle East. In particular, DO & CO sees this acquisition as an opportunity to enter the French market with a strong food retail brand full of tradition. Further, following this acquisition, DO & CO managed to gain a prestigious location in Paris.

The purchase price allocation of the fair values calculated at 9 July 2014 was as follows:

in m€	
Purchase price paid in cash	10.00
minus net assets	1.34
<b>Goodwill</b>	<b>8.66</b>

€ 1.00 was paid for the shares in Financière Hédiard SA assumed, € 9,999,998.00 was paid for assumed receivables, and € 1.00 was paid for an assumed loan. The carrying amount of the receivables assumed amounted to € 44.61m as of 9 July 2014.

Hédiard Traiteur SAS received a redemption payment for the disposal of the business premises George V amounting to € 2.80m in the business year 2014/2015.

Goodwill resulting from the acquisition mainly includes staff expertise, and benefits from synergies and from market expansion. It cannot be used for tax purposes.

Net assets acquired can be broken down as shown below based on the determined fair values at the time of acquisition:

in m€	
Non-current assets	15.59
Current assets	9.08
Non-current liabilities	16.47
Current liabilities	6.87
<b>Net assets</b>	<b>1.34</b>
Goodwill	8.66
<b>Consideration transferred (purchase price)</b>	<b>10.00</b>

Trade receivables assumed have a gross value of € 1.75m. Impairment with regard to trade receivables that are expected to be uncollectible is € 1.34m. The fair value of these receivables amounts to € 0.41m.

If the acquisition had been carried out on 1 April 2014, the consolidated income statement and the earnings per share (weighted) would have been affected as presented below:

in m€	Business Year 2014/2015 pro forma	Business Year 2014/2015 stated
Sales	797.50	795.65
Net profit attributable to shareholders of DO & CO Aktiengesellschaft (Net result)	29.98	34.86
Earnings per share in € (weighted)	3.11	3.62

In the business year 2013/2014, **Mazlum Ambalaj Sanayi ve Dış Ticaret A.Ş.** was included for the first time based on preliminary figures. The finalisation of the purchase price allocation did not have any essential effects on the business year 2014/2015.

### **3.2.3. Consolidation principles**

Subsidiaries are initially consolidated at the date of their acquisition, i.e. when DO & CO obtains control of the subsidiary. Subsidiaries are deconsolidated from the date that control ceases.

Initial consolidation is based on the acquisition method. This method requires the parent company to measure acquired assets and assumed liabilities at their fair values at the acquisition date. The acquisition costs of the acquisition are the fair value of the consideration transferred. DO & CO recognises goodwill to the extent that the consideration transferred (including the value of the shares of other shareholders and the fair value of any shares held prior to the moment when control is obtained; i.e. acquisition achieved in stages) exceeds the fair value to be recognised for the assets acquired and liabilities identified. If this is not the case, after a re-examination of the purchase price allocation, the Company recognises the difference with immediate effect in profit or loss. DO & CO measures non-controlling interests at the proportionate share of the subsidiary's identifiable net assets.

Goodwill arising from acquisitions is not subject to amortisation, but is tested annually for impairment (impairment test) and written down to its lower recoverable value in the case of impairment.

DO & CO uses the equity method to account for investments in joint ventures and associates. Acquired investments are initially recognised at cost at the time of their acquisition. Any goodwill is included in the carrying amount of the investments. If the acquisition costs of the investments are lower than the net assets of the respective entity that were measured at fair value at the date of the acquisition, DO & CO recognises the difference as income in the income statement. They are subsequently measured taking into account DO & CO's proportionate share of the changes in the net assets of the investment. DO & CO tests investments accounted for using the equity method for impairment if there is evidence of such impairment. If the carrying amount of the investments exceeds their recoverable amount, an impairment loss has to be recognised in the amount of this difference. The recoverable amount is the higher of value in use and fair value less cost to sell.

The financial statements of the joint venture or the associate at the reporting date of DO & CO form the basis for investments being accounted for using the equity method. In the case of deviating reporting dates, DO & CO uses interim financial statements of the respective entity prepared at the reporting date for the update of the carrying amount of the investment.

Subsidiaries, joint ventures and associates are included in the consolidated financial statements according to uniform accounting methods. Significant inter-company transactions, balances, unrealised income arising from supply and service relationships among the companies of the consolidated group are eliminated. Transactions between the parent company or subsidiaries and entities included at equity are eliminated on a prorated basis. The same applies to unrealised losses unless the transaction implies that the transferred assets are impaired.

### **3.3. Business segments**

According to the management approach, segment reporting follows internal reporting to the Management Board of DO & CO with regard to the business segments

- Airline Catering
- International Event Catering and
- Restaurants, Lounges & Hotel.

The Management Board of DO & CO is the chief decision-maker to allocate resources to the business segments as well as to measure their profitability. The business segments are described in detail in Section 7.3.

DO & CO has a customer whose share in the Group's sales exceeds 10%. Sales with this customer are contained especially in the segments Airline Catering and Restaurants, Lounges & Hotel and amount to less than half of total sales.

### 3.4. Currency translation

The euro is DO & CO's functional and presentation currency. The functional currency of foreign entities partly differs from the Group's functional currency.

Foreign currency transactions are translated into the respective functional currency using the exchange rates prevailing at the dates of the transactions. Monetary items (most notably receivables and liabilities) are subsequently translated at the respective closing rates. Currency translation differences are immediately recognised through profit or loss. Unrealised currency translation differences with regard to monetary items, however, that economically belong to the net investment in a foreign operation are recognised directly in equity as currency translation differences (net investment approach). This particularly includes loans to Turkish, British, American and Ukrainian subsidiaries of which the repayment is neither planned nor probable for the near future.

The translation of assets and liabilities of foreign operations into a functional currency other than the euro is made at the average spot exchange rate at 31 March 2015. Income and expenses are translated at the average annual exchange rate.

Movements in non-current assets are translated at average exchange rates. Any effects resulting from changes in the average exchange rate at the reporting date compared to the average exchange rate of the previous period, as well as from the application of average rates, are reported separately in the consolidated asset movement schedule under translation adjustments.

Translation differences resulting from the use of different closing rates for items in the statement of financial position or from exchange rate differences between the closing rates applied to the translation of expenses and sales in the income statement and associated changes in net assets in the statement of financial position are recognised under differences of currency translation within equity. Currency translation differences recognised without affecting profit or loss during a company's association with the Group will be reclassified to the income statement upon deconsolidation of the respective company.

The exchange rates applied with regard to the translation of significant currencies have developed as follows:

<b>1 Euro corresponds to:</b>	<b>Reporting Date Rate</b>		<b>Average Rate</b>	
	<b>31 March 2015</b>	<b>31 March 2014</b>	<b>31 March 2015</b>	<b>31 March 2014</b>
US Dollar	1.0759	1.3788	1.2688	1.3444
British Pound	0.7273	0.8282	0.7855	0.8426
Turkish Lira	2.8131	2.9693	2.8412	2.7374
Swiss Franc	1.0463	1.2194	1.1779	1.2276
Polish Zloty	4.0854	4.1719	4.1873	4.2186
Ukrainian Hryvnia	25.4493	15.7501	18.7044	11.7324

### 3.5. Accounting methods

#### General measurement principle

The consolidated financial statements are prepared under the historical cost convention, excluding assets and liabilities recognised at fair value. This particularly pertains to financial assets at fair value through profit or loss as well as to financial assets available for sale.

#### Intangible assets

DO & CO particularly recognises goodwill as well as acquired customer agreements, licenses, trademarks and rights of use under the item *Intangible assets* in the consolidated statement of financial position. Research and development expenses are not incurred at DO & CO. Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. DO & CO charges amortisation for intangible assets with definite useful lives on a straight-line basis over a useful life of 2 to 25 years. Amortisation is recognised in the income statement under *Depreciation / amortisation and impairment*. Goodwill and other intangible assets with an indefinite useful life are not subject to amortisation. If evidence exists that intangible assets are impaired, DO & CO tests the respective assets for impairment. Irrespective of such evidence, DO & CO tests goodwill and other intangible assets with an indefinite useful life annually for impairment. With regard to the determination and recognition of impairment, reference is made to Section *Impairment of non-financial assets*.

If business segments are sold, allocated goodwill is derecognised proportionally in a manner affecting profit or loss.

#### Property, plant and equipment

*Property, plant and equipment* is recognised at cost less accumulated depreciation and accumulated impairment losses. In addition to the purchase price and directly attributable expenses required to transfer the asset to a location and to render the asset operational as intended by management, cost also includes the estimated expenses for a possible obligation for dismantling and removing the asset and for restoring the site at which the asset is located. With regard to qualifying assets, DO & CO has not yet recognised borrowing costs as part of cost, since no borrowing costs were incurred for the acquisition or production of such assets.

At DO & CO, depreciation of property, plant and equipment subject to wear and tear is charged on a straight-line basis over the useful lives shown below and by taking into account significant residual values:

Land and buildings	25.0	to	40,0 years
Buildings on land owned by others	2.0	to	10,0 years
Plant and machinery	2.0	to	20,0 years
Other equipment and office equipment	2.0	to	10,0 years

Depreciation is recognised in the income statement under *Depreciation / amortisation and impairment*.

If evidence exists with regard to potential impairment, DO & CO assesses the need to impair the assets in line with the principles set forth in this section entitled *Impairment of non-financial assets*.

Gains and losses arising from the disposal of property, plant and equipment are determined at the time when the assets are derecognised by comparing the proceeds with the carrying

amount of the asset to be disposed and are recognised within *Other operating income* or *Other operating expenses*.

### **Investment property**

DO & CO treats a property held for an undetermined future use as well as leased retail space as *investment property*. These properties were initially recognised at cost including associated costs incurred and subsequently measured at cost less accumulated depreciation. Leased retail space is depreciated on a straight-line basis, with depreciation being charged over a period of 35 years.

### **Leases**

DO & CO, as lessee, entered into lease agreements for the temporary use of property, plant and equipment against payment of single or recurring lease payments. Agreements under which substantially all the risks and rewards of ownership of the leased assets are transferred to the Company are treated as finance leases. Since, under such agreements, purchases of property, plant and equipment are economically deemed asset purchases based on long-term financing, the respective leased assets are capitalised at the present value of the minimum lease payments; the maximum amount to be capitalised, however, is the fair value deemed to be the purchase cost. Depreciation policies for depreciable leased assets comply with the policies applicable to assets of property, plant and equipment. If the transition of the legal property of the asset at the end of the lease is not sufficiently certain, the leased asset is depreciated over its useful life or the term of the lease, whichever is shorter. Annual impairment testing is performed in accordance with the principles set forth in the below Section *Impairment of non-financial assets*. At the time of acquisition, DO & CO recognises a leasing liability under *Other non-current financial liabilities* in the amount of the present value of future minimum lease payments. Consequently, every lease payment is allocated between the interest and redemption portion taking into account a constant interest rate of the respective remaining leasing liability. The interest portion of the lease payment is recognised through profit and loss and is shown under *Financial expenses* in the income statement.

Lease agreements under which the lessor retains substantially all the risks and rewards of ownership of the leased assets are treated as operating leases at DO & CO. Lease payments arising from such leases are recognised on a straight-line basis under *Other operating expenses* during the term of the lease on a regular basis. Neither the leased asset nor the liability with regard to future lease payments is reported in the statement of financial position.

In its capacity as lessor, DO & CO leased retail space of an investment property under operating lease agreements. DO & CO generates income from this lease that is shown under *Sales*.

### **Impairment of non-financial assets**

DO & CO tests capitalised goodwill annually for impairment. All intangible assets, property, plant and equipment and investment property are tested for impairment when there is evidence or any indicator that their carrying amounts may not be recoverable either by selling the assets or by using the assets in the Company. If this assumption is confirmed, DO & CO recognises an impairment loss equivalent to the difference between the carrying amount and the lower recoverable amount. The recoverable amount is the higher of the fair value less costs to sell and the discounted net cash inflow from future use of the asset (value in use). If individual assets cannot be allocated to separately identifiable cash flows, impairment is tested at the lowest level of cash-generating units for which cash flows can be identified and which are largely independent from cash flows of other cash-generating units (CGU). DO & CO tests

goodwill for impairment at the lowest level within the Group where management monitors these assets for internal management purposes. The underlying CGU only includes one operating segment.

Impairment results in a corresponding decrease of the carrying amount of the asset. If impairment is assessed on the basis of cash-generating units, impairment primarily reduces the goodwill allocated to the unit. Any remaining amount reduces non-current assets in proportion to their carrying amounts, whereas the impairment is limited by a value of zero and – if determinable – by the net selling price or the value in use of the relevant asset.

Impairment losses are recognised in the income statement under *Depreciation / amortisation and impairment* at DO & CO.

If evidence exists that an asset subject to amortisation or depreciation is impaired, DO & CO reviews the asset's remaining useful life, the method of amortisation or depreciation applied and any residual value taken into account based on whether or not an impairment loss has to be recognised.

If the recoverable amount of an impaired asset increases again at a later reporting date, DO & CO adjusts the carrying amount accordingly. In this case the amortised cost is the upper threshold for measurement purposes. Income from write-ups is recognised under *Other operating income* in the income statement. Reversals of the impairment of goodwill are not allowed under IFRS.

## **Financial assets**

DO & CO recognises financial assets if the Company becomes a contracting party to the agreements on a financial instrument. Financial assets have to be derecognised if the rights of cash flows granted by them are phased out or if the asset is transferred effectively to a third party. Purchases and sales of financial assets at market prices are recognised or derecognised on the settlement day.

At the time of acquisition, DO & CO classifies financial assets in the following measurement categories: financial assets at fair value through profit or loss, loans and receivables, as well as available-for-sale financial assets. The classification depends on the type of the financial asset and the purpose for which the financial assets were acquired. It is reviewed at the end of every reporting period.

- DO & CO recognises financial assets held for trading as **financial assets at fair value through profit or loss** (FAaFVtP&L) including in particular derivatives not designated as hedging instruments. These financial instruments are initially and subsequently measured at fair value. Gains and losses from changes in the fair value are recognised in the income statement under *Finance income* or *Finance expenses*.
- **Loans and receivables** (LaR) are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They result from the provision of financial assets, goods or services to a debtor unless it is intended to trade these receivables. They are classified as current assets, provided that these assets are due within less than 12 months of the end of the reporting period. If this is not the case, they are classified as non-current assets. Loans and receivables are initially measured at fair value plus directly attributable transaction costs. Subsequently, DO & CO measures trade receivables at amortised cost using the effective interest method.
- **Available-for-sale financial assets** (AfS) are non-derivative financial assets which, based on their objective characteristics, are not classified in any of the other categories or which, based on the decision of the management, were designated in this category



at the time of acquisition. If it is expected to dispose of these assets within twelve months, they are included in current assets; if this is not the case, these assets are recognised as non-current assets. DO & CO initially recognises available-for-sale financial assets at their fair value plus directly attributable transaction costs. Subsequent measurement is based on their fair value at the reporting date. Equity instruments of other companies whose fair value cannot be reliably estimated are excluded. These instruments are measured at cost.

Changes in fair values of AfS are reported as part of the *Other comprehensive income* in the statement of comprehensive income. This does not apply to impairments as well as to currency translation gains or losses of monetary items, since they are directly recognised in the income statement. Expenses and income which are not recognised in profit or loss have to be reclassified to the income statement upon disposal of the asset or in the case of impairment.

Available-for-sale financial assets also include cash and cash equivalents, which comprise all highly liquid assets with a remaining maturity of less than three months at the time of acquisition.

DO & CO assesses at the end of every reporting period whether the carrying amounts of the financial assets not measured at fair value through profit or loss are impaired. A financial asset is impaired if an event occurred after the initial recognition of the asset and this event has a negative impact on the estimated future cash flows of the asset. The Company considers objective evidence for potential impairment to be in particular the significant deterioration of the creditworthiness, an increased probability of insolvency or the default of the debtor, non-compliance of contractual obligations concerning interest payments and redemption, changes in economic conditions that correlate with defaults, and the disappearance of an active market for a security. With regard to equity instruments of other companies, a significant or prolonged decline in the fair value below its cost is also objective evidence of impairment.

DO & CO measures a potential impairment loss with regard to loans and receivables as the difference between the asset's carrying amount and its present value. This loss is recognised under an impairment item in profit or loss. If a default on receivables is almost certain, the receivable is impaired. If the recoverable amount increases again at a later reporting date, a write-up can be recognised in the income statement in an amount not exceeding amortised cost.

Impairment of available-for-sale financial assets also leads to a value adjustment affecting profit or loss in the amount of the difference between the acquisition costs (net of any principal payment and amortisation) and the fair value at the balance sheet date less any impairment loss recognised in previous periods. In this case, any expense resulting from the decline in fair value and recognised in other comprehensive income not affecting profit or loss has to be reclassified to the income statement. Impairment of available-for-sale equity instruments may – contrary to debt instruments – not be reversed through profit or loss. The income from the increase in the fair value is instead to be recognised in other comprehensive income without any effect on profit or loss.

DO & CO assesses impairment also with regard to investments in associates based on the criteria set forth for equity instruments. Potential impairment of these investments is assessed in line with the principles applying to non-financial assets (see the comments in the above Section *Impairment of non-financial assets*).

## **Inventories**

Inventories are stated at the lower of cost or net realisable value on the reporting date. DO & CO determines cost primarily by using the moving average price method. The net

realisable value is the estimated selling price in the ordinary course of business, less estimated costs until completion and selling expenses still to be incurred.

### **Cash and cash equivalents**

Cash and cash equivalents primarily comprise cash at banks and – to a minor extent – cash on hand and cheques. Foreign currency balances are translated using the exchange rate prevailing at the reporting date.

### **Equity**

Equity is the residual value of the Group's assets after deducting all its liabilities. Equity is reported in the consolidated statement of financial position showing equity attributable to the shareholders of the parent company and non-controlling interests under separate items.

In connection with a business combination, DO & CO entered into a forward transaction on the remaining shares held by other shareholders of the acquisition target. This transaction is presented in the consolidated financial statements as follows:

With the initial accounting for a business combination, the share of other shareholders is recorded in equity as a separate item. This item is subsequently adjusted for any changes in the net assets of the other shareholders (prorated allocation of profit or loss and distributions). Correspondingly, DO & CO recognised a non-current derivative financial liability with regard to the obligation resulting from the put option. The liability was recognised in equity and offset against a special item resulting from shareholder transaction in equity. On the assumption that DO & CO acquires the current balance of the respective investment of the other shareholders, the Company derecognises the amount reported in equity which was recorded for the other shareholders at the end of every reporting period. Differences between the derecognised equity amounts and the amounts at which the derivative financial liability is recognised and amortised are taken into account by DO & CO in accordance with the provisions on the presentation of transactions between shareholder groups as adjustment of the parent company's equity.

### **Employee benefits**

DO & CO committed itself to grant employees post-employment benefits. The obligation is limited to a contribution to be paid to an external provider under defined contribution plans. DO & CO recognises this contribution as *Personnel expenses* in the income statement. Obligations not fulfilled at the reporting date are recognised as current liabilities.

With regard to defined benefit pension plans, DO & CO is under an obligation to provide the agreed benefits to employees after termination of employment: Employees whose employment is subject to Austrian law and commenced prior to 1 January 2003 are entitled to termination benefits after three years of uninterrupted employment in case employment is terminated by the employer or if employment was terminated for compelling reasons. The same holds true if the employee reaches the pensionable age after 10 years of uninterrupted employment with the company. Furthermore, DO & CO undertook to pay lifelong annuity to a former employee. In this case, DO & CO bears the investment risk and the risk that higher expenses than expected may be incurred (actuarial risk). The amounts recognised under *non-current provisions* on the liabilities side correspond to the present value of the vested amounts ("*defined benefit obligation*", DBO). They are calculated annually based on the *projected unit credit method* and take into account annuities known at the reporting date and acquired pension entitlements, as well as estimated future increases in remuneration and pensions. The present value of the obligation is based on the return of the senior fixed-interest corporate

bonds of the relevant currency area. In the business year 2014/2015, the benefits expected to be provided were calculated using a discount rate of 1.40% p.a. (previous year: 3.50% p.a.) taking into account expected wage and salary increases of 2.00% p.a. (previous year 3.50% p.a.) and applying an expected pensionable age of 60 years for women and 65 years for men (previous year: 60/65). Termination benefits from foreign companies were calculated on the basis of comparable methods and recognised on the liabilities side, unless defined benefit pension plans are in place. Termination benefits vis-à-vis employees in Turkish group companies are calculated using a discount rate of 10.00% p.a. (previous year: 10.00%) and expected inflation-related wage and salary increases of 6.50% p.a. (previous year: 6.50%). Termination benefits have a weighted average duration of 12.8 years. Management is of the opinion that defined benefit obligations do not result in extraordinary risks or risk concentrations.

Any gains and losses resulting from adjustments of and changes in financial and demographic assumptions are recognised without affecting profit or loss in *Other comprehensive income* in the period in which they arise. Past-service costs are recognised under *Personnel expenses* in the income statement in the year in which they are incurred.

The measurement of other long-term employee benefits (most notably anniversary bonuses for employees employed with Austrian companies) is based on the principles outlined with regard to defined benefit obligation plans. Different to these, actuarial gains and losses arising from other long-term employee benefits are not recognised in other comprehensive income but are immediately recognised under *Personnel expenses* in the income statement having an effect profit or loss.

### **Other provisions**

DO & CO recognises provisions on the liabilities side when it has a present legal or constructive obligation as a result of past events that will probably lead to a future outflow of economic resources and the amount can be reliably estimated. The provision is measured on the basis of the best possible estimate of the expected future cash outflow. In the case of long-term obligations, the estimated cash outflow is discounted. Reimbursement rights against third parties that are virtually certain to arise are taken into account at DO & CO with the recognition of a separate asset.

### **Financial liabilities**

Original financial liabilities are recognised on the liabilities side of the consolidated statement of financial position if DO & CO is under a contractual obligation to transfer cash or other financial assets to a third party. The liability is initially measured at its fair value and is subsequently measured at amortised cost, using the effective interest method. Financial liabilities are derecognised if they are settled, cancelled or expired.

Financial liabilities are classified as current if the Group does not have the unconditional right to delay the settlement of the liability by at least twelve months after the reporting period. In all other cases they will be classified as non-current liabilities.

### **Deferred taxes**

Deferred tax assets are recognised on deductible temporary differences arising between the carrying amounts of assets and liabilities and their tax bases, on tax loss carry-forwards and tax credits, to the extent that it is probable that future taxable profit will be available. Deferred tax liabilities are recognised at DO & CO for taxable temporary differences arising between the carrying amounts and the tax bases of assets and liabilities. In both cases assumptions are made with regard to the estimated future tax effect that results from the reversal of temporary differences or from the use of the loss carry-forwards or from tax credits. The tax rate

applicable at the reporting date serves as the basis to calculate deferred income tax. This tax rate, however, is only applied if no deviating tax rate has already been agreed upon with regard to the point in time when temporary differences are expected to reverse or a tax loss carry-forward or a tax credit is expected to be used.

Deferred taxes are recognised in the income statement as income or expense under *Income tax*. Deferred taxes on transactions having a direct impact on equity are excluded. These are recognised without effect on profit or loss.

## **Revenue recognition**

*Sales* include all proceeds from the sale of goods and the rendering of services. Other income from operations is recognised in *Other operating income*.

DO & CO recognises sales when it is probable that the economic benefit from a third party transaction will flow to the Company and the amount of sales can be reliably measured. Sales from the sale of goods are recognised if the substantial risks and rewards related to the ownership of the goods and products sold have been transferred to the customer, when DO & CO has no effective power of disposal over the goods and products sold and when the costs incurred or to be incurred can be reliably established. Sales from services rendered are recognised by the Company to the extent that corresponding services have been provided at the reporting date. DO & CO recognises interest income using the effective interest method. Dividends are recognised when the title to them has been legally accrued.

## **Earnings per share**

*Earnings per share* reported in the income statement are calculated by dividing *profit or loss attributable to the shareholders of DO & CO* by the *weighted average number* of ordinary shares issued during the business year.

## **3.6. Significant discretionary decisions and estimates**

The preparation of the consolidated financial statements is based on discretionary decisions and estimates made by DO & CO that affect the accounting of assets and liabilities, the presentation of income and expenses and the relevant disclosures including the disclosure of contingent liabilities. These discretionary decisions and estimates may have a material impact on DO & CO's financial situation and performance.

Significant estimates and assumptions as well as uncertainties relating to the selected accounting policies are particularly made with regard to the following. In addition, reference is made to the Notes to the respective items.

- The initial recognition of intangible assets and property, plant and equipment arising from business combinations requires estimates with regard to the determination of the fair value. The same applies to acquisitions of shareholdings in associates and joint ventures with regard to the net assets represented by the share acquired.
- A material assessment relates to the accounting treatment of a forward for the acquisition of the shares of other shareholders. On the basis of the agreement, DO & CO considers the current state of the investments of the other shareholders at each reporting date to have been acquired (see also the comments on *Shareholders' equity* in Section 4.12.). This treatment of the other shareholders has an influence on the equity structure.

- For the purpose of subsequent measurement, estimates and assumptions have to be made to determine amortisation and depreciation – particularly to determine the useful lives, the methods of depreciation and amortisation, and the residual values - of intangible assets, property, plant and equipment and investment property subject to amortisation and depreciation. These estimates are based on historical experience and assessments of the management.
- Mandatory and event-related impairment tests of non-current assets require measurements and estimates in several respects. Such measurements and estimates, for example, include the identification of internal and external evidence indicating potential impairment. In this regard, management particularly takes into account changes in current competitive conditions, forecasts with regard to the respective industry, increases in capital costs, changes with regard to the future availability of funding, technological obsolescence, suspension of services, current replacement costs and purchase prices paid in comparable transactions. As far as investments in associates and joint ventures are concerned, management measures the existence of impairment by using criteria which indicate possible economic difficulties of the companies. Uncertainties associated with this test concern the timing of the recognition of an impairment. The calculation of the recoverable amounts of the individual valuation objects is also based on estimates and assumptions. To the extent that these are based on present value calculations, DO & CO assesses the estimated cash inflows and outflows based on approved financing plans for a five-year planning period and a depreciation or amortisation period corresponding to the probable useful life of the valuation object. The cash flow estimate is based on the Company's ability to continue as a going concern and relies on planning taking into account experiences and assumptions with regard to the macro-economic environment and developments of the respective industry. Remaining uncertainties are taken into account appropriately. The interest rates used to determine the present value are based on the Company's costs of capital.
- The fair values of financial assets are partly determined using discounted cash flow models. The use of such models requires estimates of the cash flows to be discounted and the respective discount rates. For further information, please refer to Section 7.1.
- Allowances for doubtful accounts receivable require the assessment of the creditworthiness of the customer in question taking into account the respective economic environment.
- The measurement of inventories requires estimates in respect of the recoverable selling prices and the distribution costs to be incurred.
- Post-employment benefits are measured based on actuarial principles which require in particular assumptions on discount rates, estimated remuneration and pension trends, turnover rates and mortality. DO & CO uses the return of senior industrial bonds with a similar term to maturity as the corresponding measured liability to calculate appropriate discount rates. Estimates on the mortality risk are based on publicly available, country-specific reference guidelines. The remuneration and pension increases taken into account rely on operational experience as well as estimated country-specific inflation rates. Defined benefit obligations are highly sensitive to changes in these assumptions. The future development may indeed deviate from the estimates included in the measurement owing to changing market, economic and social conditions. Amounts reported are mainly based on expert opinions. The underlying assumptions are reviewed by DO & CO on an annual basis.
- Estimation uncertainties exist with regard to the recognition and measurement of other provisions. These uncertainties relate to the question if such obligations exist and when they arise, as well as to the question of the amount of the outflow potentially required to settle the uncertain liabilities.

- Accounting of deferred taxes requires an estimate with regard to the extent to which it is probable that the relating future tax benefit can be realised. This requires a prognosis as to the extent that it is probable that taxable profits will be available to make use of tax reducing effects. This prognosis has to take into account the effects from the reversal of taxable temporary differences, budgeted operating results as well as tax planning opportunities. The future tax result and the point of time when deferred tax assets may be realised have to be estimated.

Management reviews the estimates and assumptions made at every reporting date. Amounts recognised are regularly adjusted in the current reporting period through profit or loss if changes occur. Transactions immediately recognised in equity are exempt.

## 4. Comments on the consolidated statement of financial position

### 4.1. Intangible assets

Intangible assets comprise goodwill, the Hédiard brand and acquired rights and licenses in such rights. The rights and licences particularly include customer agreements, trademark titles, and rights of use and software licenses. With the exception of goodwill and the Hédiard brand, all intangible assets have definite useful lives. DO & CO did not capitalise any internally generated intangible assets.

The development of intangible assets in the business year compared to the previous year is presented below:

	Industrial property rights and similar rights and benefits including licences deriving from them	thereof trademark Hédiard	Goodwill	Payments in advance	Total
<b>in m€</b>					
<b>Cost at 31 March 2014</b>	<b>60.81</b>	<b>0.00</b>	<b>15.70</b>	<b>1.90</b>	<b>78.41</b>
Changes in the scope of consolidation and reclassifications	15.81	9.94	8.66	0.00	24.47
Currency translation	1.06	0.00	0.00	0.00	1.06
Additions	1.33	0.00	0.00	0.00	1.33
Disposals	-0.05	0.00	0.00	0.00	-0.05
Reclassifications	1.90	0.00	0.00	-1.90	0.00
<b>At 31 March 2015</b>	<b>80.86</b>	<b>9.94</b>	<b>24.36</b>	<b>0.00</b>	<b>105.22</b>
<b>Accumulated amortisation at 31 March 2014</b>	<b>32.32</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>32.32</b>
Changes in the scope of consolidation and reclassifications	0.32	0.00	0.00	0.00	0.32
Currency translation	0.90	0.00	0.00	0.00	0.90
Additions (amortisation)	6.78	0.00	0.00	0.00	6.78
Disposals	-0.05	0.00	0.00	0.00	-0.05
<b>At 31 March 2015</b>	<b>40.28</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>40.28</b>
<b>Carrying amounts at 31 March 2015</b>	<b>40.58</b>	<b>9.94</b>	<b>24.36</b>	<b>0.00</b>	<b>64.94</b>

	Industrial property rights and similar rights and benefits including licences deriving from them	thereof trademark Hédiard	Goodwill	Payments in advance	Total
<b>in m€</b>					
<b>Cost at 31 March 2013</b>	<b>42.59</b>	<b>0.00</b>	<b>5.62</b>	<b>0.00</b>	<b>48.20</b>
Changes in the scope of consolidation and reclassifications	18.42	0.00	10.08	0.00	28.50
Currency translation	-5.17	0.00	0.00	0.00	-5.17
Additions	5.26	0.00	0.00	1.90	7.16
Disposals	-0.28	0.00	0.00	0.00	-0.28
<b>at 31 March 2014</b>	<b>60.81</b>	<b>0.00</b>	<b>15.70</b>	<b>1.90</b>	<b>78.41</b>
<b>Accumulated amortisation at 31 March 2013</b>	<b>32.65</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>32.65</b>
Changes in the scope of consolidation and reclassifications	0.52	0.00	0.00	0.00	0.52
Currency translation	-4.11	0.00	0.00	0.00	-4.11
Additions (amortisation)	3.54	0.00	0.00	0.00	3.54
Disposals	-0.27	0.00	0.00	0.00	-0.27
<b>At 31 March 2014</b>	<b>32.32</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>32.32</b>
<b>Carrying amounts at 31 March 2014</b>	<b>28.49</b>	<b>0.00</b>	<b>15.70</b>	<b>1.90</b>	<b>46.09</b>

Goodwill is tested annually for impairment. For the purpose of impairment testing, DO & CO allocates goodwill to cash-generating units that are expected to benefit from the synergies of the respective business combination. For comparison purposes, DO & CO calculates the value of use of cash-generating units in addition to the carrying amount.

The table below presents the carrying amounts of goodwill as of 31 March 2015 and of 31 March 2014:

<b>in m€</b>	<b>31 March 2015</b>	<b>31 March 2014</b>
Sky Gourmet-airline catering and logistics GmbH	4.06	4.06
DO & CO Poland Sp. z o.o.	1.29	1.29
Arena One GmbH	7.76	7.76
Mazlum Ambalaj Sanayi ve Dış Ticaret A.Ş	2.32	2.32
Financière Hédiard SA	8.66	0.00
DO and CO Kyiv LLC	0.27	0.27
DO & CO Netherlands Holding B.V.	0.00	0.01
<b>Total</b>	<b>24.36</b>	<b>15.70</b>

The table below presents an overview of goodwill tested for impairment in the business year 2014/2015 and the material assumptions made with regard to the relevant impairment tests. For information on the economic situation in the respective countries as well as the expected development, reference is also made to the comments in the management report for the Group. DO & CO refrained from subjecting the goodwill of DO and CO Kyiv LLC, allocated to the Airline Catering segment, to an impairment test. Based on the result of the impairment test made in the previous business year and the development of goodwill since then, an impairment of goodwill can basically be ruled out.

<b>Cash-generating unit</b>	<b>Airline Catering Sky Gourmet</b>	<b>Airline Catering DO &amp; CO Poland</b>	<b>Arena One Allianz Arena</b>	<b>Mazlum Ambalaj</b>	<b>Hédiard</b>
<b>Segment</b>	<b>Airline Catering</b>	<b>Airline Catering</b>	<b>International Event Catering</b>	<b>Airline Catering</b>	<b>Restaurants, Lounges &amp; Hotel</b>
Carrying amount of goodwill in m€	4.06	1.29	7.76	2.32	8.66
Length of detailed planning period	5.00	5.00	5.00	5.00	5.00
Cash flow growth after detailed planning period in %	1.4%	1.0%	-1.0% *	1.0%	1.0%
Pre-tax discount rate	6.56%	8.66%	6.28-7.32%	14.29%	7.60%

\*Four scenarios in total, of which only one scenario assumes that the detailed and the general planning period will be continued beyond the original period.

Cash flow projections are generally based on forecasts which in turn are based on financial plans approved by management and also used for internal management purposes. To the extent that the stable business outlook necessary for calculating the perpetual annuity is not guaranteed at the end of the detailed planning period, DO & CO includes a general planning phase in this planning. The growth assumptions used for impairment testing are based on adapted past experiences. They also take into account assumptions with regard to the loyalty of major customers as well as with regard to the attracting of such customers and the expected developments in the relevant markets. The development of the cost structure also reflects past experiences as well as measures implemented to improve efficiency and expected developments of the individual cost factors.

In order to continue cash flow forecasts beyond the detailed planning period and the general planning period DO & CO takes into account growth rates that are particularly derived from forecast local inflation rates of the respective market environment. External sources were used to predict the inflation rates.

As in the previous year, it was not necessary to recognise impairment with regard to goodwill. Also if the discount rate had increased by 0.5 percentage points, the recoverable amounts of the cash-generating units (to which goodwill was allocated) tested for impairment would have



exceeded the respective carrying amounts. The same holds true if the growth rates applied to perpetual annuity had decreased by 0.5 percentage points.

In the business year 2014/2015, DO & CO acquired the Hédiard brand in the course of the merger with Hédiard. Given the name recognition level of this brand, the end of the period of use cannot be determined reliably from today's perspective. The brand is fully allocated to the cash-generating unit Hédiard in the reporting segment Restaurant, Lounges & Hotel and thus is annually tested for impairment together with goodwill arising from this business combination. No impairment was to be recognised for this brand as of 31 March 2015.

## 4.2. Property, plant and equipment

The table below presents an overview of the development of property, plant and equipment in the reporting period and the comparative period:

in m€	Land and buildings including buildings on third party land	Plant and machinery	Other equipment and office equipment	Payments in advance and assets in course of construction	Total
<b>Cost at 31 March 2014</b>	<b>96.71</b>	<b>34.26</b>	<b>71.51</b>	<b>37.38</b>	<b>239.86</b>
Changes in the scope of consolidation and reclassifications	0.21	1.19	3.16	0.00	<b>4.56</b>
Currency translation	6.08	0.40	3.46	2.29	<b>12.23</b>
Additions	80.85	6.83	19.09	15.70	<b>122.48</b>
Reclassifications	0.99	0.36	0.56	-1.91	<b>0.00</b>
Disposals	-0.95	-0.74	-3.22	-0.21	<b>-5.12</b>
<b>At 31 March 2015</b>	<b>183.89</b>	<b>42.30</b>	<b>94.55</b>	<b>53.26</b>	<b>374.00</b>
<b>Accumulated depreciation and impairment losses at 31 March 2014</b>	<b>40.85</b>	<b>21.56</b>	<b>45.96</b>	<b>0.00</b>	<b>108.37</b>
Changes in the scope of consolidation and reclassifications	0.18	0.99	2.87	0.00	<b>4.04</b>
Currency translation	2.96	0.43	1.58	0.00	<b>4.97</b>
Additions (depreciation)	6.11	2.80	10.08	0.00	<b>18.99</b>
Additions (impairment)	1.35	0.00	0.00	0.00	<b>1.35</b>
Disposals	-0.61	-0.65	-2.71	0.00	<b>-3.97</b>
<b>At 31 March 2015</b>	<b>50.85</b>	<b>25.12</b>	<b>57.78</b>	<b>0.00</b>	<b>133.75</b>
<b>Carrying amounts at 31 March 2015</b>	<b>133.04</b>	<b>17.18</b>	<b>36.77</b>	<b>53.26</b>	<b>240.25</b>

in m€	Land and buildings including buildings on third party land	Plant and machinery	Other equipment and office equipment	Payments in advance and assets in course of construction	Total
<b>Cost at 31 March 2013</b>	<b>96.56</b>	<b>30.36</b>	<b>68.35</b>	<b>27.34</b>	<b>222.61</b>
Changes in the scope of consolidation and reclassifications	2.29	5.49	6.71	0.19	<b>14.67</b>
Currency translation	-9.87	-2.80	-5.85	-6.62	<b>-25.13</b>
Additions	8.76	3.08	7.43	17.42	<b>36.69</b>
Reclassifications	0.58	0.15	0.21	-0.94	<b>0.00</b>
Disposals	-1.62	-2.02	-5.34	-0.01	<b>-8.99</b>
<b>At 31 March 2014</b>	<b>96.71</b>	<b>34.26</b>	<b>71.51</b>	<b>37.38</b>	<b>239.86</b>
<b>Accumulated depreciation and impairment losses at 31 March 2014</b>	<b>38.34</b>	<b>20.45</b>	<b>40.63</b>	<b>0.00</b>	<b>99.43</b>
Changes in the composition of the Group and reclassifications	1.39	1.75	4.34	0.00	<b>7.48</b>
Currency translation	-2.86	-0.99	-2.73	0.00	<b>-6.58</b>
Additions (depreciation)	5.19	2.25	8.36	0.00	<b>15.80</b>
Additions (impairment)	0.15	0.00	0.00	0.00	<b>0.15</b>
Disposals	-1.36	-1.91	-4.64	0.00	<b>-7.91</b>
<b>At 31 March 2014</b>	<b>40.85</b>	<b>21.56</b>	<b>45.96</b>	<b>0.00</b>	<b>108.37</b>
<b>Carrying amounts at 31 March 2014</b>	<b>55.85</b>	<b>12.71</b>	<b>25.55</b>	<b>37.38</b>	<b>131.49</b>

The increase in property, plant and equipment is mainly due to the acquisition of the Haas Haus property in the centre of Vienna, which occurred in December 2014. 52% of the about 6,000 square metres of total space is used by DO & CO for business purposes, with the remaining percentage of retail space being rented out to other companies and accounted for as investment property (see Section 4.3.).

In the business year 2014/2015, DO & CO recognised impairment losses in the amount of € 1.35m (business year 2013/2014: € 0.15m) for property, plant and equipment. The expenses are shown in the income statement under *Depreciation / amortisation and impairment*. The impairment was due to the downsizing of capacities of a smaller unit in Poland allocated to the Airline Catering segment.

### 4.3. Investment property

Investment property, measured using the cost model, has developed as follows in the business year 2014/2015:

in m€	
Cost	3.60
Accumulated depreciation and impairment	-0.03
<b>Carrying amount at 1 April 2014</b>	<b>3.57</b>
Additions	54.03
Currency translation	0.07
Depreciation	-0.22
Impairment	-0.03
<b>Carrying amount at 31 March 2015</b>	<b>57.43</b>
Cost	57.71
Accumulated depreciation and impairment	-0.28

Under *investment properties*, DO & CO recognises an undeveloped parcel of which the future use is yet to be determined. This parcel is allocated to the Airline Catering segment. In the business year 2014/2015, with the acquisition of the Haas Haus property, DO & CO acquired further real estate of which 48% is held as investment property by the Restaurants, Lounges & Hotel segment and which serves to generate income from the rent of retail space. The property is depreciated over a period of 35 years using the straight-line method.

The fair values of these investment properties, which were determined by independent experts, amount at least to € 57.43m at 31 March 2015 (31 March 2014: € 3.57m).

The fair value of the undeveloped parcel was determined based on transactions with similar properties in a comparable market environment and takes into account individual value-affecting factors (such as location and size). The fair value is to be allocated to the fair value hierarchy level 3 and is significantly influenced by the selling price to be acquired for the property.

The fair value of the rented property, determined with the help of experts, corresponds to the present value of the expected future rent income and the respective necessary payments to be made due to the management and administration of the property. It is to be allocated to the fair value hierarchy level 3. The income and the payments as well as the interest rates used to determine the present value are subject to the estimates of the expert.

With regard to investment properties, rent income in the amount of € 0.63m (business year 2013/2014: € 0.00m) was generated in the business year 2014/2015 and recognised in the consolidated income statement. The related expenses amount to € 0.22m (business year 2013/2014: € 0.00m). In the business year, as in the previous period, expenses have been only incurred in an insignificant amount for the unrented property.

In the current business year 2014/2015, DO & CO recognised the difference between the carrying amount and the recoverable amount of the undeveloped parcel as of 31 March 2015 in the amount of € 0.03m (31 March 2014: € 0.03m) as an impairment loss under *Depreciation / amortisation and impairment* in the consolidated income statement. The fair value of the undeveloped parcel, determined with the help of an expert, corresponds to the recoverable amount of the property due to the negligible costs to sell.

#### 4.4. Leases

Finance leases, i.e. leases in which DO & CO (as lessee) retains substantially all the risks and rewards, are capitalised at the commencement of the lease at the fair value or the lower present value of the future minimum lease payments. At the end of the business year finance lease agreements in regard to machines exist only to a minor extent. In the previous year, immaterial finance lease agreements with regard to motor vehicles were in place. These are reported under *Property, plant and equipment*.

Operating leases, under which the beneficial ownership of leased assets remains with the lessor, predominantly cover business premises as well as furniture and equipment, and – to a minor extent – vehicles and other assets. These lease agreements do not include any purchase option. The minimum lease payments arising from such agreements are presented in Section 7.2.

In its capacity as lessor, DO & CO leased retail space of an investment property. DO & CO expects the following minimum lease payments to be received from the non-cancellable operating lease agreements:

in m€	Business Year 2014/2015	Business Year 2013/2014
Up to one year	2.29	0.00
More than 1 year, up to 5 years	8.99	0.00
More than 5 years	4.03	0.00
<b>Total</b>	<b>15.32</b>	<b>0.00</b>

The rent agreements entered into with the retail companies have a minimum term of up to seven years and have in part options to extend the agreements by the lessee.

#### 4.5. Investments accounted for using the equity method

Investments in joint ventures and associates are accounted for using the equity method at DO & CO.

As of 31 March 2015, DO & CO recognises a provision in the amount of € 0.27m (31 March 2014: € 0.28m), which is the proportion of the loss of a joint venture not taken into account under the equity method. This provision is included in *Current liabilities*.

Investments accounted for using the equity method have developed as follows in the current and the previous business year:

in m€	Business Year 2014/2015		Business Year 2013/2014	
	Associated companies	Joint ventures	Associated companies	Joint ventures
<b>As of 1 April</b>	<b>2.18</b>	<b>0.00</b>	<b>1.88</b>	<b>0.00</b>
Attributable net result	0.66	0.00	0.50	0.00
Attributable dividend payment	-0.88	0.00	-0.19	0.00
<b>As of 31 March</b>	<b>1.96</b>	<b>0.00</b>	<b>2.18</b>	<b>0.00</b>

The attributable net result equals the attributable result from continuing operations of the entities.

The carrying amounts of the investments accounted for using the equity method reported in the consolidated financial statements and the contingent liabilities existing vis-à-vis the investments accounted for using the equity method are shown in the table below:

in m€	31 March 2015		31 March 2014	
	Associated companies	Joint ventures	Associated companies	Joint ventures
Carrying amounts	1.96	0.00	2.18	0.00
Contingent liabilities	0.12	0.00	0.02	0.00

The reporting period of one associate differs from the reporting period of DO & CO Aktiengesellschaft. The end of the reporting period of this associate is 31 December 2014 due to local GAAP (previous year: 31 December 2013). This, however, does not have any significant effects.

#### 4.6. Other non-current financial assets

DO & CO reports the following assets under other non-current financial assets:

in m€	31 March 2015	31 March 2014
Loans	0.01	0.01
Securities	0.25	0.21
Shares in affiliated companies	2.90	0.09
Other non-current financial assets	2.07	1.37
Total	5.23	1.69

Further information on these financial instruments is provided in Section 7.1.

#### 4.7. Inventories

DO & CO's inventories break down as follows at 31 March 2015 and 31 March 2014, respectively:

in m€	31 March 2015	31 March 2014
Raw materials and supplies	13.70	10.64
Goods	12.01	11.52
Total	25.70	22.16

As goods were for the most part directly passed on to the customer, impairment was only to be recognised to a minor extent at the end of the reporting period. The same holds true for raw materials and supplies that have a short turnover period.

## 4.8. Trade receivables

Trade receivables have a remaining period of a maximum of 12 months after the reporting period. With regard to impairment of trade receivables, creditworthiness is assessed on an ongoing basis. The development of trade receivables is as follows:

<b>in m€</b>	<b>31 March 2015</b>	<b>31 March 2014</b>
Trade receivables	98.92	82.51
Impairments	3.31	2.67
<b>Trade receivables (net)</b>	<b>95.61</b>	<b>79.84</b>

The following risk exists with regard to trade receivables: At 31 March 2015, trade receivables from one customer amount to € 32.16m (31 March 2014: € 28.16m), of which € 5.16m (31 March 2014: € 10.73m) were still outstanding at the time these consolidated financial statements were released for publication. No evidence exists that these receivables are uncollectible.

Of the total amount of trade receivables as of 31 March 2015, € 59.12m (31 March 2014: € 53.80m) are neither impaired nor past due.

Impairment of trade receivables has developed as follows:

<b>in m€</b>	<b>Business Year 2014/2015</b>	<b>Business Year 2013/2014</b>
<b>As of 1 April</b>	<b>2.67</b>	<b>2.28</b>
Changes in consolidation	1.20	0.32
Allocation	0.79	0.73
Reclassification/ FX effects	-0.15	-0.37
Consumption	-0.21	-0.06
Release	-0.99	-0.21
<b>As of 31 March</b>	<b>3.31</b>	<b>2.67</b>

At 31 March 2015 and 31 March 2014, unimpaired trade receivables have the following past due periods:

<b>in m€</b>	<b>31 March 2015</b>	<b>31 March 2014</b>
undue	59.12	53.80
less than 20 days due	21.20	12.90
more than 21 days but less than 40 days due	7.33	6.63
more than 41 days but less than 80 days due	2.31	1.11
more than 80 days due	4.62	2.18
<b>Total</b>	<b>94.58</b>	<b>76.62</b>

Trade receivables amounted to € 4.34m are impaired by € 3.31m.

## 4.9. Other current financial assets

The item *Other current financial assets* includes the following assets:

<b>in m€</b>	<b>31 March 2015</b>	<b>31 March 2014</b>
Derivative financial instrument	0.00	1.12
Other financial assets	17.57	12.56
<b>Total</b>	<b>17.57</b>	<b>13.68</b>

The increase in other financial assets is mainly due to the first-time inclusion of Financière Hédiard SA.

## 4.10. Other current non-financial assets

Other current non-financial assets break down as follows:

<b>in m€</b>	<b>31 March 2015</b>	<b>31 March 2014</b>
Prepaid expenses	3.56	2.94
Other non-financial assets	8.95	10.06
<b>Total</b>	<b>12.51</b>	<b>13.01</b>

Other non-financial assets particularly include VAT receivables.

Impairment of current other non-financial assets has developed as follows in the business year:

<b>in m€</b>	<b>Business Year 2014/2015</b>	<b>Business Year 2013/2014</b>
<b>As of 1 April</b>	<b>0.20</b>	<b>0.18</b>
Changes in consolidation	0.14	0.00
FX effects	0.01	-0.01
Allocation	0.28	0.06
Consumption	0.00	-0.04
Release	-0.01	0.00
<b>As of 31 March</b>	<b>0.62</b>	<b>0.20</b>

## 4.11. Cash and cash equivalents

Cash and cash equivalents include:

<b>in m€</b>	<b>31 March 2015</b>	<b>31 March 2014</b>
Cash, checks	0.78	1.10
Cash at banks	54.89	178.23
<b>Total</b>	<b>55.67</b>	<b>179.33</b>

Cash at banks also includes time deposits with an original maturity of less than three months and - to a major part - deposits held at call with banks. At 31 March 2015, cash and cash equivalents comprise foreign exchange assets in the amount of TRY 64.25m, USD 6.91m, GBP 1.94m, UAH 53.61m, as well as PLN 4.48m. The decrease in cash and cash equivalents is mainly due to the acquisition of the Haas Haus property.

Cash at banks bore average interest of 5.1% (previous year: 1.9%) in the business year 2014/2015.

With regard to restrictions on the disposal of cash and cash equivalents, reference is made to Section 4.12.

#### **4.12. Shareholders' equity**

The share of DO & CO has been listed in the prime market of the Vienna Stock Exchange since March 2007 and at the Istanbul Stock Exchange since December 2010. At 31 March 2015, Attila Dogudan Privatstiftung holds a share of 41.00% in DO & CO including a share of 1.59% reserved for management and employee participation programmes. The remaining shareholding of 59.00% is in free float. UniCredit Bank AG, seated in Munich, a subsidiary of UniCredit SpA, Rome, does no longer hold any shares.

The nominal capital of DO & CO amounts to € 19.49m at the end of the reporting period. 9,744,000 fully paid in no-par value shares are issued. Each share grants one vote.

At the 16<sup>th</sup> Ordinary General Meeting of Shareholders of DO & CO Aktiengesellschaft held on 3 July 2014, it was resolved to pay a dividend of € 0.85 per dividend-bearing share for the business year 2013/2014. On 20 July 2014, DO & CO Aktiengesellschaft paid a dividend in the total amount of € 8.28m to its shareholders.

The capital reserve mainly includes amounts from past capital increases that were made in excess of the nominal capital less capital procurement costs, net of tax. In the business year 2014/2015, the capital reserve decreased by € 0.10m due to a one-time share-based payment to a member of the Management Board.

Retained earnings include the statutory reserve in the amount of € 0.12m (31 March 2014: € 0.12m) and other retained earnings in the amount of € 93.40m (31 March 2014: € 76.36m). From the point of view of DO & CO Aktiengesellschaft, there is a payout block in the amount equivalent to the statutory reserve. As regards dividends to be paid to the shareholders of DO & CO Aktiengesellschaft, the net profit for the year reported by the Company pursuant to the provisions of the Austrian Commercial Code (UGB) are to be used for dividend payments in line with the Austrian Stock Corporation Act.

Accumulated other comprehensive income includes the differences from the translation of financial statements prepared in foreign currencies that were recognised directly in equity in the business year and in previous years, as well as net investment effects and actuarial gains and losses from defined benefit plans, net of income tax. In the current business year, expenses or income recognised directly in equity did not have to be reclassified to the income statement.

The special item from shareholder transactions recognised within equity results from the acquisition of 51% of the shares and voting rights in DO AND CO KYIV LLC. As the Company simultaneously undertook to purchase the 49% of the shares held by the other shareholders at a later point in time, a liability had to be recognised in the amount of the present value of the purchase price obligation. This liability was initially recognised directly in equity by offsetting the liability against the special item reported in equity, with the item *Minority interests* not having been derecognised. Based on the assumption that DO & CO acquires the current balance of the respective investment of the other shareholders, the Company derecognises the amount reported in equity for the other shareholders at the end of every reporting period. Differences between the derecognised equity amounts and the amounts at which the derivative financial liability is recognised and amortised at cost are taken into account at DO & CO in accordance with the provisions on the presentation of transactions between shareholder groups by adjusting the special item.

The Management Board was authorised at the General Meeting of Shareholders, subject to approval of the Supervisory Board, to increase the nominal capital by issuing shares based on the following conditions (authorised capital): At the Ordinary General Meeting of Shareholders dated 5 July 2012, the Management Board was authorised, subject to the consent of the Supervisory Board, to increase the nominal capital by up to € 9,744,000.00 through the issuance of up to 4,872,000 shares in the form of new no-par bearer shares in exchange for cash contributions and/or contributions in kind. This authorisation expires on 30 June 2017.

By resolution of the General Meeting of Shareholders dated 4 July 2013, the Management Board was authorised, subject to approval of the Supervisory Board, to issue financial instruments within the meaning of Section 174 of the Austrian Stock Corporation Act (AktG), most notably convertible bonds, warrant bonds, profit-sharing bonds, hybrid bonds, *jouissance* rights of up to € 200,000,000.00 that may also grant a subscription and/or conversion right regarding the purchase of up to 3,897,600 shares in the Company. The thus approved capital amounts to € 200,000,000.00. The authorisation expires on 3 July 2018.

In the business year 2014/2015, DO & CO committed itself to grant a one-time partial remuneration of 10,000 shares in DO & CO Aktiengesellschaft for the benefit of a member of the Management Board. In accordance with the provisions of IFRS 2, the fair value of the service received was determined based on the fair value of the granted equity instruments at the time of the granting. At that time, the price of the share was € 42.20. The entitlement was not linked to any further conditions and thus was immediately exercisable. The equivalent in the amount of € 0.42m was recognised in full under *Personnel expenses*, with equity being increased simultaneously. The shares were transferred in the third quarter of the business year 2014/2015. The difference between the price at acquisition date and the settlement date was recognised in equity.

In the second quarter of the business year 2014/2015, DO & CO Aktiengesellschaft acquired own shares from UniCredit Bank AG by exercising a total return equity swap that excludes the tender right of the shareholders. DO & CO treated the repurchase of own shares as if it were a repayment of equity. The total amount of € 47.76m deducted from equity contains the own shares' cash purchase price of € 29.60m, the fair value of the swap of € 16.33m and transaction costs of € 1.83m directly attributable to the repurchase. With regard to the tax effects recognised in equity, reference is made to Section 4.16.

By resolution of the 16<sup>th</sup> Ordinary General Meeting of Shareholders of DO & CO Aktiengesellschaft, the Management Board was authorised, subject to approval of the Supervisory Board, to decide for the sale and/or use of purchased own shares to be carried out by another method than an offer for sale at the stock exchange or a sale by public offer, *mutatis mutandis* applying the provisions regarding the exclusion of subscription rights of shareholders, as well as to determine the conditions for sale, and was authorised to exercise this authorisation in full or in part or also in several tranches and also in pursuit of one or more purposes by the Company.

The Management Board of DO & CO Aktiengesellschaft resolved on 31 October 2014 to make use of the authorisation to sell own shares and to sell up to 974,400 no-par shares of DO & CO Aktiengesellschaft over the counter to investors that are to be determined by way of accelerated bookbuilding. The Supervisory Board of the Company approved the resolution.

Based on accelerated bookbuilding, 974,400 no-par shares of DO & CO Aktiengesellschaft were thus sold on 6 November 2014 at a price of € 48.00 per share. As of 31 December 2015, DO & CO does not hold any own shares.

The shares of other shareholders include the direct minority interests in the equity of the fully consolidated THY DO & CO İkrım Hizmetleri A.Ş. amounting to 50%, in the fully consolidated Lotniczy Catering Service Sp. z o.o. in liquidation amounting to 49%, and in the fully consolidated Mazlum Ambalaj Sanayi ve Dış Ticaret A.Ş. amounting to 49%. Moreover, this item included the shares of other shareholders in DO & CO im PLATINUM Restaurantbetriebs GmbH amounting to 10%. With regard to the legally involved other shareholders that hold



49% in DO AND CO KYIV LLC, no item is recognised under equity due to the presentation of the business combination in accordance with the provisions governing anticipated acquisitions.

The influence exercised by other shareholders (NCI – non-controlling interests) with a significant investment in subsidiaries on the activities and the cash flow of the entities is presented in the tables below.

Subsidiary	Place of business	Voting rights	31 March 2015		31 March 2014	
			Result NCI in m€	Carrying amount NCI in m€	Result NCI in m€	Carrying amount NCI in m€
THY DO & CO Ikram Hizmetleri A.S.	Turkey	50%	12.99	42.67	10.99	30.61

Subsidiary	Revenue	Expenses	Business year 2014/2015 Income statement - result			Other comprehensive income	Dividends to NCI
			Parent	NCI	Total		
THY DO & CO Ikram Hizmetleri A.S.	298.36	272.38	12.99	12.99	25.98	1.67	2.59

Subsidiary	Revenue	Expenses	Business year 2013/2014 Income statement - result			Other comprehensive income	Dividends to NCI
			Parent	NCI	Total		
THY DO & CO Ikram Hizmetleri A.S.	247.78	225.79	10.99	10.99	21.99	-7.36	3.07

Subsidiary	31 March 2015					
	Assets		Liabilities		Equity	
	Current	Non-current	Current	Non-current	Parent	Other shareholders
THY DO & CO Ikram Hizmetleri A.S.	66.58	78.93	49.41	10.75	42.67	42.67

Subsidiary	31 March 2014					
	Assets		Liabilities		Equity	
	Current	Non-current	Current	Non-current	Parent	Other shareholders
THY DO & CO Ikram Hizmetleri A.S.	53.96	57.09	40.78	9.05	30.61	30.61

Due to the foreign exchange provisions of Resolutions No 160 and No 161 of the Ukrainian National Bank dated 3 March 2015, the transfer of liquid funds of DO & CO's Ukrainian subsidiaries to other entities within the DO & CO Group is restricted. The Resolutions prohibit, among other things, the repayment of loans granted in a currency other than the Ukrainian national currency, the hryvnia (UAH), and interest before the contractual terms have expired. Ukrainian subsidiaries are further prohibited from purchasing currencies other than the Ukrainian currency for purposes of paying dividends to non-Ukrainian investors, for capital decreases, withdrawals from the company and the disposal of shares. The 90-day rule applies to all settlements for import/export transactions. Ukrainian companies are subject to the mandatory sale of 75% of all proceeds in a foreign currency (i.e. not in hryvnia (UAH)).

#### 4.13. Bond

At the beginning of March 2014, DO & CO placed a corporate bond at a notional amount of € 150.00m. The bond falls due on 4 March 2021 and has an interest rate of 3.125% per annum. The interest expense according to the effective interest method amounts to € 4.96m in the business year 2014/2015.

#### 4.14. Other non-current financial liabilities

Other non-current financial liabilities include long-term loans granted to the Company with a remaining maturity of two years at 31 March 2015 (31 March 2014: three years). No new loans were taken out in the business year. Further information with regard to financial liabilities is provided in Section 7.1.

#### 4.15. Non-current provisions

The breakdown and development of non-current provisions arising from employment contracts are as follows at the end of the reporting period:

in m€	As of 1 April 2014	Currency changes	Changes in scope of consolidation	Consumption	Release	Allocation	As of 31 March 2015
Provisions for termination benefits DBO	15.92	0.38	0.82	2.70	0.05	4.37	18.74
Provisions for pension payments DBO	0.63	0.00	0.00	0.05	0.00	0.02	0.61
Provisions for anniversary bonuses DBO	5.32	0.00	0.00	0.41	0.15	0.88	5.63
<b>Total</b>	<b>21.86</b>	<b>0.38</b>	<b>0.82</b>	<b>3.16</b>	<b>0.20</b>	<b>5.27</b>	<b>24.98</b>

€ 3.44m of the total amount of non-current provisions is due in the short term.

The projected unit credits of the defined benefit obligations and the anniversary bonuses have developed as follows in the business year 2014/2015:

in m€	Termination benefits		Pensions		Anniversary bonuses	
	2014/2015	2013/2014	2014/2015	2013/2014	2014/2015	2013/2014
<b>Present value of obligations (DBO) on 1 April</b>	<b>15.92</b>	<b>15.97</b>	<b>0.63</b>	<b>0.67</b>	<b>5.32</b>	<b>5.53</b>
Currency changes	0.38	-1.47	0.00	0.00	0.00	0.00
Changes in scope of consolidation	0.82	0.01	0.00	0.00	0.00	0.00
Current service cost*	3.21	1.60	0.00	0.00	0.76	0.79
Interest cost	0.56	0.58	0.02	0.02	0.18	0.18
Benefit payments	-2.79	-1.20	-0.09	-0.08	-0.42	-0.29
Settlements / curtailments*	0.00	0.00	0.00	0.00	0.00	-0.44
Actuarial gains and losses**	0.66	0.43	0.04	0.03	-0.20	-0.45
thereof arising from experienced based adjustments	0.97	0.00	0.02	0.00	-0.58	0.00
thereof arising from changes in financial assumptions	-0.31	0.43	0.02	0.03	0.38	-0.45
<b>Present value of obligations (DBO) on 31 March</b>	<b>18.74</b>	<b>15.92</b>	<b>0.61</b>	<b>0.63</b>	<b>5.63</b>	<b>5.32</b>

\*This item is recognised under Personnel expenses.

\*\*This item is recognised under Personnel expenses for anniversary bonuses.

The actual development of the obligations may deviate from the estimates included in the measurement owing to changing market, economic and social conditions. The above table presents the resulting valuation adjustments and the changes in these estimates as actuarial gains and losses.

DO & CO recognises actuarial gains and losses with regard to provisions for termination benefits and pensions in the business year in which they originate in the consolidated statement of comprehensive income (without effect on income) under *Revaluation IAS 19*. With regard to anniversary bonuses, the revalued obligations are directly recognised under *Personnel expenses* in the income statement. The interest expense resulting from the discounting of personnel provisions is reported in *Financial result*.

The breakdown of expenses from termination benefits and pensions is shown below. These expenses are reported in the relevant income statement items presented:

in m€	Income statement position	Termination benefits		Pensions	
		2014/2015	2013/2014	2014/2015	2013/2014
Current service cost	Personnel expenses	3.21	1.60	0.00	0.00
Past service cost	Personnel expenses	0.00	0.00	0.00	0.00
Interest cost	Financial expenses	0.56	0.58	0.02	0.02
<b>Total</b>		<b>3.77</b>	<b>2.18</b>	<b>0.02</b>	<b>0.02</b>

A change in the actuarial parameters affects the present value of the provisions for termination benefits and pensions calculated as of 31 March 2015 as follows:

	Change in percentage points	Impact of DBO in m€	
		Decrease in parameters	Increase in parameters
Interest rate	0.50	1.05	-0.96
Remuneration increase	1.00	-1.84	2.15

## 4.16. Income taxes

DO & CO reports following effective and deferred taxes:

in m€	Carrying amount 31 March 2015			Carrying amount 31 March 2014		
	Current	Non-current	Total	Current	Non-current	Total
Income tax receivables	1.70	0.50	<b>2.21</b>	8.40	3.79	<b>12.19</b>
Deferred tax assets	0.00	5.38	<b>5.38</b>	0.00	8.11	<b>8.11</b>
<b>Total tax assets</b>	1.70	5.88	<b>7.58</b>	8.40	11.90	<b>20.30</b>
Income tax payables	8.42	0.00	<b>8.42</b>	14.20	0.00	<b>14.20</b>
Deferred tax liabilities	0.00	6.23	<b>6.23</b>	0.00	7.13	<b>7.13</b>
<b>Total tax liabilities</b>	8.42	6.23	<b>14.65</b>	14.20	7.13	<b>21.32</b>

Effective income tax receivables result from tax advances. It is not expected to receive non-current effective income tax receivables within twelve months after the reporting period which is particularly due to taxable periods that deviate from the business year, unless there is a legally enforceable right to offset the effective income tax receivables against income tax liabilities.

Deferred taxes as of 31 March 2015 result from temporary differences arising between the carrying amounts and the tax bases of assets and liabilities as well as tax loss carry-forwards. Deferred taxes primarily result from the following:

in m€	31 March 2015		31 March 2014	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Intangible assets	0.07	-8.85	0.01	-4.30
Property, plant and equipment and investment property	1.09	-2.53	0.95	-3.30
Non-current financial assets	0.00	-4.10	3.61	-2.16
Inventories	0.10	-0.73	0.00	0.00
Current financial assets and other current assets	1.00	-2.09	0.49	-0.50
Provisions	8.25	-1.15	7.53	-0.88
Liabilities	3.74	-0.44	0.02	-0.63
<b>Total temporary differences</b>	<b>14.25</b>	<b>-19.89</b>	<b>12.62</b>	<b>-11.78</b>
Tax losses carried forward	48.31	0.00	8.04	0.00
Valuation discount for deferred tax assets	-43.52	0.00	-7.90	0.00
Offsetting of differences with the same tax authorities	-13.66	13.66	-4.65	4.65
<b>Total</b>	<b>5.38</b>	<b>-6.23</b>	<b>8.11</b>	<b>-7.13</b>

As of 31 March 2015, a tax gain in the amount of € 0.25m that resulted from the disposal of own shares and the corresponding transaction costs was directly recognised in equity. The revaluation of the provision for pensions and termination benefits resulted in a tax income of € 0.66m that was directly recognised in equity.

Loss carry-forwards that were capitalised or not capitalised, and the ability to carry forward losses that were not capitalised are presented in the table below:

in m€	31 March 2015	31 March 2014
Loss carry-forwards - capitalised	25.90	3.08
Loss carry-forwards - not capitalised	118.60	22.95
of which loss carry-forwards forfeitable between two and five years	0.17	0.00
Non-forfeitable loss carry-forwards	118.42	22.95
<b>Total unused loss carry-forwards</b>	<b>144.50</b>	<b>26.03</b>

In the business year, DO & CO recognised deferred taxes in the amount of € 0.96m (31 March 2014: € 0.92m) for loss carry-forwards previously not taken into account in the amount of € 3.20m (31 March 2014: € 3.20m). No deferred tax liabilities were recognised for deductible temporary differences in the amount of € 8.71m (31 March 2014: € 2.39m) and for tax loss carry-forwards in the amount of € 118.6m (31 March 2014: € 22.95m), since the realisation of potential tax benefits within the planning period is not sufficiently secured.

#### 4.17. Current financial liabilities

in m€	31 March 2015	31 March 2014
Loan	0.11	0.00
Other non-current financial liabilities	26.25	25.71
Total	26.35	25.71

Other current financial liabilities mainly pertain to liabilities due to prorated special payments in the amount of € 2.61m (31 March 2014: € 2.16m) that result from having a business year not coinciding with the calendar year, provisions for a prorated number of vacation days not yet used by the end of the reporting period in the amount of € 10.84m (31 March 2014: € 9.38m) as well as obligations vis-à-vis employees due only after 31 March 2015 and amounting to € 9.19m (31 March 2014: € 7.90m).

#### 4.18. Trade payables

The development of trade payables is as follows:

in m€	31 March 2015	31 March 2014
Trade payables	61.00	46.53
Total	61.00	46.53

The rise in trade payables mainly results from the expansion of business activities.

#### 4.19. Current provisions

Other current provisions have developed as follows in the business year:

in m€	As of 1 April 2014	Currency changes	Changes in scope of consolidation	Consumption	Release	Allocation	As of 31 March 2015
Other personnel provisions	8.07	0.03	0.08	7.31	0.77	6.18	6.28
Other provisions	22.90	1.04	11.73	8.38	6.08	15.55	36.75
<b>Total</b>	<b>30.97</b>	<b>1.07</b>	<b>11.80</b>	<b>15.69</b>	<b>6.85</b>	<b>21.73</b>	<b>43.03</b>

Other personnel provisions relate to performance-based remuneration components in the amount of € 6.28m (31 March 2014: € 8.07m).

Other provisions mainly include provisions resulting from sales obligations, audit and consulting expenses, legal fees as well as other current obligations and deferrals/accruals.

#### **4.20. Other current liabilities**

Other current liabilities break down as follows:

<b>in m€</b>	<b>31 March 2015</b>	<b>31 March 2014</b>
Advanced payments received on orders	3.89	1.93
Other liabilities	10.37	8.07
Deferred income	1.95	1.59
<b>Total</b>	<b>16.21</b>	<b>11.59</b>

It is expected to settle these obligations within twelve months after the end of the reporting period. Other liabilities mainly pertain to VAT liabilities and liabilities to social insurance funds as well as to liabilities to employees in an amount equal to current remuneration payments.

## 5. Comments on the consolidated income statement

### 5.1. Sales

Information on sales generated by business segment and geographical region is presented in Section 7.3. Segment reporting.

### 5.2. Other operating income

In the business year 2014/2015 and in the previous year, other operating income pertains to:

<b>in m€</b>	<b>Business Year 2014/2015</b>	<b>Business Year 2013/2014</b>
Income from the disposal of fixed assets	0.96	0.26
Income from the release of provisions	7.13	5.40
Reversal of impairments of receivables	1.00	0.21
Insurance payments	0.01	0.20
Rent income	0.32	0.20
Foreign exchange gains	10.72	14.06
Miscellaneous other operating income	8.44	1.93
Total	28.58	22.28

*Miscellaneous other operating income* contains a redemption payment of Hédiard for the disposal of the business premises George V amounting to € 2.80m in the business year 2014/2015. Furthermore, the increase of *Miscellaneous other operating income* is due to a reclassification within balance sheet from provisions to liabilities and the related changed presentation in the income statement.

### 5.3. Cost of materials

In the business year 2014/2015 and the previous year, cost of materials and purchased services amounted to:

<b>in m€</b>	<b>Business Year 2014/2015</b>	<b>Business Year 2013/2014</b>
Cost of materials	277.26	219.14
Cost of services	67.77	46.36
Total	345.03	265.50

Purchased services mainly include the renting of equipment and acquired staff.

## 5.4. Personnel expenses

The DO & CO Group employed an average of 8,667 staff (previous year: 7,323) in the business year 2014/2015.

In the business year and in the previous year, personnel expenses comprised the following:

<b>in m€</b>	<b>Business Year 2014/2015</b>	<b>Business Year 2013/2014</b>
Wages and salaries	211.16	166.73
Expenses for termination benefits, pensions and contribution based payments	6.45	3.45
Compulsary social security contribution and payroll-related taxes	40.81	32.14
Other employee-related expenses	12.46	9.13
Total	270.88	211.44

The increase in personnel expenses is due to the first full-year inclusion of Arena One GmbH and the acquisition of Hédiard Financière SA, as well as due to the expansion of the business activities notably in Turkey and the US.

## 5.5. Other operating expenses

Other operating expenses pertain to:

<b>in m€</b>	<b>Business Year 2014/2015</b>	<b>Business Year 2013/2014</b>
Other taxes	3.36	3.14
Rentals, leases and operating expenses (including airport fees)	63.74	48.37
Travel and communication expenses	12.85	11.29
Transport, vehicle and maintenance expenses	19.40	15.07
Insurance premiums	1.26	1.12
Legal, auditing and consulting expenses	7.31	4.20
Miscellaneous operating expenses	8.08	7.68
Bad debts, impairments of receivables and other claims	0.14	7.13
Foreign exchange losses	6.10	13.44
Losses on disposal of non-current assets	1.14	1.09
Other administrative expenses	4.69	3.26
Total	128.08	115.80

Rents, leases and operating expenses include fixed rents in the amount of € 23.16m and sales-based payments in the amount of € 14.48m (previous year: € 9.94m).

Expenses for the auditor and all members of the auditor's network amounted to € 0.47m (previous year: € 0.45m) for the audit of the consolidated financial statements and the individual financial statements in the reporting period as well as to € 0.50m (previous year: € 0.36m) for other consulting services.

## 5.6. Amortisation/ depreciation and impairment

Amortisation and depreciation recorded in the income statement include:

<b>in m€</b>	<b>Business Year 2014/2015</b>	<b>Business Year 2013/2014</b>
Amortisation and depreciation	26.03	19.36
Impairment	1.35	0.18
Total	27.38	19.54

The increase in amortisation and depreciation results from the first full-year inclusion of Arena One GmbH, acquisitions carried out in this business year (such as Financière Hédiard SA and the Haas Haus property), as well as from capital expenditure used for expanding the business activities in Turkey and the US. In the business year 2014/2015, DO & CO recognised impairment for property, plant and equipment in the amount of € 1.35m (previous year: € 0.18m). The impairment resulted from the downsizing of capacities of a smaller unit in Poland allocated to the Airline Catering segment.

For the breakdown of the reported impairment losses with regard to the business segments, please refer to Section 7.3. Segment reporting.

## 5.7. Financial result

The table below shows the breakdown of the financial result:

<b>in m€</b>	<b>Business Year 2014/2015</b>	<b>Business Year 2013/2014</b>
Income from non-current securities	0.01	0.01
Other interest and similar income	3.41	1.97
Other interest and similar expenses	-12.06	-4.63
Other financial result	15.78	0.89
Total	7.13	-1.77

Interest and similar expenses include interest expenses from the discounting of termination benefit obligations and other non-current obligations in the amount of € 0.76m. The *Other financial result* mainly pertains to the impacts on profit or loss due to the total return equity swap entered into with UniCredit Bank AG (see Section 7.1.) measured at fair value through profit or loss.

## 5.8. Income taxes

Income taxes comprise current and deferred income taxes as presented in the table below:

<b>in m€</b>	<b>Business Year 2014/2015</b>	<b>Business Year 2013/2014</b>
Income tax expense	16.12	10.82
Deferred taxes	-1.41	-0.68
Total	14.71	10.14

€ 16.10m (previous year: € 10.78m) of current income tax expenses pertains to the current year. Income tax expenses in the amount of € 0.02m (previous year: € 0.04m) pertain to



adjustments of taxes incurred in previous years. The current income tax expense was reduced by € 0.83m in the business year 2014/2015 due to the use of tax loss carry-forwards previously not taken into account.

The income taxes reported in the business year 2014/2015 are derived as follows from the expected income tax expense that would have resulted from applying DO & CO's income tax rate to Group earnings before taxes:

in m€	Business Year 2014/2015	Business Year 2013/2014
<b>Profit before income tax</b>	<b>60.65</b>	<b>44.88</b>
<b>Expected tax expense 25% (PY: 25%)</b>	<b>15.16</b>	<b>11.22</b>
+/- Tax differences non-domestic countries	-1.30	-1.38
<b>Calculated income tax expense</b>	<b>13.87</b>	<b>9.84</b>
Reconciliation item	0.84	0.30
<b>Accounted income tax expense</b>	<b>14.71</b>	<b>10.14</b>
Effective tax rate	<b>24.3%</b>	22.6%

The effective tax burden of the DO & CO Group, i.e. the reported tax expenses in relation to the profit before income tax, is 24.3% (previous year: 22.6%). In the business year 2014/2015, the higher tax rate is mainly due to higher profit contributions of countries with higher tax rates.

## 5.9. Earnings per share

Basic earnings per share are calculated by dividing profit or loss attributable to the shareholders of DO & CO by the weighted average number of ordinary shares issued during the business year.

	Business Year 2014/2015	Business Year 2013/2014
<b>Net result in m€</b>	<b>34.86</b>	<b>26.07</b>
Weighted average number of issued shares (in Pie)	9,634,547	9,744,000
Issued shares (in Pie)	9,744,000	9,744,000
<b>Basic/diluted earnings per share (in €)</b>	<b>3.62</b>	<b>2.68</b>

Due to the lack of potential nominal shares, no deviating diluted earnings per share exist.

## **5.10. Proposed appropriation of profits**

Under the provisions of the Austrian Stock Corporation Act, the financial statements of DO & CO as of 31 March 2015, prepared in accordance with the Austrian financial reporting requirements, provide the basis for the distribution of a dividend. These financial statements show a net profit for the year of € 11.69m. The Management Board proposes to the General Meeting of Shareholders to distribute the entire net profit for the year. This allows a dividend of € 1.20 per dividend-bearing share. The proposed dividend has no tax effects for DO & CO in case of the dividend being paid.

## **6. Comments on the consolidated statement of cash flows**

In comparison to the previous year, DO & CO adjusted the classification and the designation of items in the consolidated statement of cash flows for the purposes of a more transparent reporting. A reconciliation from the previous to the current structure is presented in Section 3.1.

The statement of cash flows from operating activities was prepared using the indirect method. Liquid funds correspond to cash and cash equivalents in the consolidated statement of financial position and include cash in hand, cheques and cash at banks.

Income tax payments are reported separately under the cash flow from operating activities.

The cash flow from result amounts to € 76.40m, meaning an increase of € 7.71m compared to the prior-year period. Taking into account the changes in the working capital and the income tax payments, the cash flow from operating activities amounts to € 64.30m (business year 2013/2014: € 41.21m).

The cash flow from investing activities is negative, amounting to € -188.89m (business year 2013/2014: € -56.29m). Cash-effective investments in property, plant and equipment, intangible assets and investment property are € -178.94m (business year 2013/2014: € -36.48m). Given the significant increase in investing activities compared to the prior-year period, reference is made particularly to the acquisition of the Haas Haus property in December 2014 (cf. Section 4.2. in the Notes to the Consolidated Financial Statements).

The cash flow from financing activities is € -1.79m (business year 2013/2014: € 128.93m), which particularly includes an amount of € 15.45m resulting from the sale of own shares in the third quarter 2014/2015.

## 7. Additional disclosures

### 7.1. Additional disclosures on financial instruments

The carrying amounts of the financial instruments, classified in measurement categories pursuant to IAS 39, and the fair values allocated to classes are presented in the table below:

in m€	Carrying amount 31 March 2015	Measure- ment category according to IAS 39	Fair Value	Level
Other non-current financial assets <sup>1</sup>	5.23			
Share of affiliated companies	2.90	AfS		
Securities	0.25	AfS		
Loans	0.01	LaR		
Others	2.07	LaR		
Trade receivables	95.61	LaR		
Other current financial assets	17.57			
Derivatives	0.00	HfT		
Other current assets	17.57	LaR		
Cash and cash equivalents	55.67	AfS		
<b>Total assets</b>	<b>174.07</b>			
Bond	148.19	FLAC	160.13	1
Other non-current financial liabilities	5.74	FLAC	4.99	3
Current financial liabilities	26.35	FLAC		
Trade payables	61.00	FLAC		
<b>Total liabilities</b>	<b>241.29</b>			

in m€	Carrying amount 31 March 2014	Measure- ment category according to IAS 39	Fair Value	Level
Other non-current financial assets <sup>1</sup>	1.69			
Share of affiliated companies	0.09	AfS		
Securities	0.21	AfS		
Loans	0.02	LaR		
Others	1.37	LaR		
Trade receivables	79.84	LaR		
Other current financial assets	13.68			
Derivatives	1.12	HfT	1.12	3
Other current assets	12.56	LaR		
Cash and cash equivalents	179.33	AfS		
<b>Total assets</b>	<b>274.53</b>			
Bond	147.92	FLAC	151.02	1
Other non-current financial liabilities	4.05	FLAC	3.86	3
Other current financial liabilities	25.71	FLAC		
Trade payables	46.53	FLAC		
<b>Total liabilities</b>	<b>224.20</b>			

1...Measured at cost pursuant to IAS 39

LaR: Loans and Receivables; AfS: Available-for-Sale Financial Assets; HfT: Held for Trading; FLAC: Financial Liabilities at Amortised Cost.

With regard to cash and cash equivalents, trade receivables as well as other current financial assets, the carrying amounts represent an adequate estimate of the fair values as the remaining maturities are short. The same applies to trade payables, other liabilities and

current financial liabilities. The fair value is not disclosed in accordance with the exemption provision set forth under IFRS 7.29(a).

Available-for-sale financial instruments, reported under other non-current financial assets, are not measured at fair value through OCI, since the fair value of the investments in associates included cannot be determined reliably. They are thus measured at cost. Securities are not measured at fair value for materiality reasons.

On 20 December 2013, DO & CO entered into a total return equity swap with UniCredit Bank AG with 974,400 shares in DO & CO as an underlying asset. During its expected maximum life of 12 months, the agreement allowed for a swap of the profit as well as for a swap of the share price performance of the underlying asset against a floating rate. Under this agreement, DO & CO was also entitled to require a settlement over the swap's life by way of physical delivery of the underlying asset at a fixed purchase price of € 30.375 per share or by cash settlement. On 19 September 2014, DO & CO informed UniCredit Bank AG about its intention to exercise its right to prematurely settle the swap agreement by way of physical delivery. As a consequence, the total return equity swap was terminated on 26 September 2014 as set forth by the terms of the agreement as UniCredit Bank AG delivered the underlying asset to DO & CO, and DO & CO paid the determined purchase price to UniCredit Bank AG.

DO & CO treated the repurchase of own shares as if it were a repayment of equity. The total amount of € 47.76m deducted from equity contains the own shares' cash purchase price of € 29.60m, the fair value of the swap of € 16.33m and transaction costs of € 1.83m directly attributable to the repurchase.

DO & CO classified the swap agreement as a derivative financial instrument and recognised changes of the fair value directly in the consolidated income statement. The fair value of the derivative was determined using a measurement model taking into account the changes of the value of the significant mutual claims arising from the swap at the respective reporting date. Up until and including 30 June 2014, DO & CO had previously determined the performance of the underlying asset on the basis of a weighted average stock price of its share by taking into account a block discount derived from the transaction price of the share package at the time of the acquisition of the derivative.

The premature termination of the swap transaction required the derivative to be remeasured at the date of the acquisition of own shares. In order to determine the fair value as of 26 September 2014, DO & CO adjusted the measurement model previously used up until and including 30 June 2014 which was due to the lower block discount of 8.5% observed in the course of the prompt disposal of the own shares. The measurement of the total return equity swap based on the closing price of the DO & CO share as of 26 September 2014 and taking into account the newly determined block discount, resulted in a total income of € 15.21m recognised in the income statement under *Financial income*.

In the third quarter of the business year 2014/2015, DO & CO sold the repurchased own shares. The difference between the acquisition costs and the proceeds from the disposal, adjusted by transaction costs and tax effects, was recognised under *Retained earnings*. The transaction costs incurred for the acquisition and disposal of own shares total € 1.83m. With regard to tax effects recognised in equity, reference is made to Section 4.16.

The fair value of *Other non-current financial liabilities* is calculated by discounting the future cash flows. The discounting appropriate to the term of other financial liabilities is 9.0%. Individual characteristics of the financial instruments are taken into account applying a creditworthiness and/or liquidity spread in line with the market. The financial liability arising from the obligation to acquire shares of other shareholders in the future (see Section 4.12. Shareholders' equity) is measured at fair value. The fair value is calculated as the present value of the difference between the purchase price paid by DO & CO for the acquisition of 51% of the shares less the contractually agreed purchase price for all shares in the subsidiary. Changes in value are directly offset against the Group's equity, which is why this liability

cannot be classified to any of the measurement categories pursuant to IAS 39. As of 31 March 2015, the carrying amount of the liability arising from the acquisition of the shares of other shareholders was € 0.00m (31 March 2014: € 0.00m).

### Currency risk

DO & CO is highly vulnerable to exchange rate fluctuations due to the international nature of its business. This risk particularly relates to the following currencies: Turkish lira (TRY), Ukrainian hryvnia (UAH), US dollar (USD), British pound (GBP), Swiss franc (CHF) and Polish zloty (PLN).

The Company seeks to hedge currency losses primarily by natural hedges that aim at balancing income and expenses denominated in a foreign currency with regard to the currency amount and the timing when payments are received or to be made, if possible. The Company also aims at transferring currency risks as far as possible to customers and suppliers with the help of agreements.

If required, DO & CO uses derivative financial instruments to manage currency risks. At the reporting date, the Company does not hold any such instruments. Furthermore, DO & CO does not use hedge accounting at present.

Sensitivity analyses are required under IFRS 7 to highlight the dependency of currency risks from monetary financial instruments denominated in a currency other than the functional currency. Currency translation effects on gains and losses determined on the basis of these analyses mainly result from trade receivables in foreign currencies that exist at the reporting date. Non-current receivables and liabilities that form part of net investments in foreign operations affect equity. Currency translation differences arising from the translation of financial statements into the Group reporting currency are not taken into account in the sensitivity analysis.

As of 31 March 2015, the exchange rates applied by DO & CO with regard to the translation of significant currencies into euros are as follows:

Currency	USD	GBP	TRY	PLN	UAH	CHF
Period-end exchange rate as of 31 March 2015 (Foreign currency in relation to the euro)	1.0759	0.7273	2.8131	4.0854	25.4493	1.0463

Based on the result of the sensitivity analyses, an appreciation (depreciation) by 10% of the main foreign currencies for DO & CO against the respective functional currency of the group companies led to the following theoretical impacts on the profit before income tax of 2014/2015 business year and/or on equity as of 31 March 2015:

Impact on profit before income tax (m€)	USD	GBP	TRY	PLN	UAH	CHF
Revaluation of foreign currency in relation to the euro by 10%	-0.45	1.16	0.66	-0.05	0.54	0.16
Devaluation of foreign currency in relation to the euro by 10%	0.37	-0.96	-0.66	0.05	-0.54	-0.15

Impact on equity (m€)	USD	GBP	TRY	PLN	UAH	CHF
Revaluation of foreign currency in relation to the euro by 10%	6.55	0.23	0.43	-	1.48	-
Devaluation of foreign currency in relation to the euro by 10%	-6.55	-0.23	-0.43	-	-1.48	-

### Liquidity risk

Accurate and daily financial planning is the key to control liquidity and to avoid liquidity risk. If expansion and other investment projects are undertaken, a meticulous analysis of their impact on Group liquidity must be conducted.

All Austrian and German DO & CO companies (excl. Arena One GmbH) are integrated in a cash-pooling system so that liquidity can be managed centrally. Deviations from financial planning are detected immediately thanks to regular and prompt financial reporting. This approach ensures that counter-measures can be initiated quickly.

The liquidity risk of the DO & CO Group is currently negligible because of DO & CO's amount of cash and cash equivalents and unused credit lines.

DO & CO keeps the default risk to a minimum with the help of timely monitoring as part of its debtor management. The outstanding items are reported weekly, which helps to timely monitor the credit risk of customers and enables the Company to quickly respond to a changed situation.

The default risk of major customers is mitigated by entering into contractual agreements and by customers providing collateral.

The table below presents the undiscounted contractually agreed interest payments and redemptions of the financial liabilities that fall within the scope of IFRS 7:

in m€	31 March 2015			
	Carrying amount	Cash outflow in the next reporting period	Cash outflow for the next but one reporting period	Subsequent cash outflow
Cash outflow other non-current financial liabilities	5.74	0.42	0.42	5.07
Cash outflow bond	148.19	4.69	4.69	168.75
Cash outflow trade payables	61.00	61.00		
Cash outflow other liabilities	26.35	26.35		
<b>Cash outflow liabilities within application area of IFRS 7</b>	<b>241.29</b>	<b>92.46</b>	<b>5.11</b>	<b>173.82</b>

### Interest risk

Financing activities have maturities that correspond at least to terms of the commitment with regard to the projects to be financed. Financing is done at usual market conditions. The effects of a change in interest rates are monitored in sensitivity analyses conducted every six months. These analyses represent the effects that changes in market interest rates have on interest payments, interest income and interest expenses as well as on equity, if any. Thus, interest rate risks do not exist for financial instruments measured at amortised cost. Changes in market interest rates, however, affect the financial result of variable-interest financial assets and liabilities. At DO & CO, this pertains in particular to the cash inflows from the issuing of the bond and the disposal of own shares. Market interest changes do not have any effect on equity, since the Company does not have any derivatives designated as instruments to hedge against interest-related cash flow fluctuations from underlying assets.

An increase (a decrease) of 100 basis points in the average interest rate at 31 March 2015 would therefore have increased (decreased) the profit before income tax by € 0.54m (€ 0.27m). DO & CO thus is at present not exposed to a significant interest rate risk.

### Default risk

The maximum default risk is mostly determined by the carrying amounts of the financial assets.

DO & CO does not take out any credit insurance. Investments are made only at banks with first-class ratings. No material default risks are expected from the other original financial instruments. Any residual risk is covered by adequate provisions recognised in the statement of financial position.

## Capital management

DO & CO's capital management strategy strives to increase the Company's value and to maintain a strong capital structure with high capital resources to ensure the trust of investors, creditors and the industry and to guarantee a solid capital base for the future development of its business. Financial management monitors the observance of this capital management strategy. With regard to the material characteristics of internal control and risk management, reference is made to the information provided in the management report for the Group.

Within the meaning of a value-oriented corporate governance, the key control parameters used are EBIT, EBITDA as well as EBIT and EBITDA margins. The focus is on the successful use of the Company's assets and achieving a value that exceeds the capital costs. DO & CO monitors capital on the basis of the performance indicators net gearing (gearing ratio), equity ratio and net debt to EBITDA (for the contents and definition of the performance indicators, see the glossary on performance indicators).

A dividend policy in line with the net result serves to maintain the capital structure. The Management Board will thus propose to the General Meeting of Shareholders to distribute a dividend in the amount of € 1.20 per dividend-bearing share.

The low interest level was already used to issue a bond with a volume of € 150m in 2014. The bond has a maturity of 7 years and a fixed-interest coupon of 3.125%.

## 7.2. Contingencies and financial liabilities

The contingent liabilities of the DO & CO Group amount to € 22.59m at 31 March 2015 (31 March 2014: € 19.43m) and comprise of:

<b>in m€</b>	<b>31 March 2015</b>	<b>31 March 2014</b>
Guarantees	15.95	13.34
Other contractual agreements	6.65	6.09
<b>Total</b>	<b>22.59</b>	<b>19.43</b>

All matters reported under contingent liabilities relate to potential future obligations which are uncertain as of 31 March 2015 and that would create an obligation for DO & CO only upon the occurrence of uncertain future events.

At 31 March 2015, executory contracts exist on the purchase of property, plant and equipment in the amount of € 48.26m (31 March 2014: € 27.09m).

There are uncancellable operating lease agreements on business premises and equipment and furniture as well as – to a minor extent – on vehicles and other assets.

The future operating lease payments to be made under uncancellable operating lease agreements amount to:

<b>in m€</b>	<b>31 March 2015</b>	<b>31 March 2014</b>
Up to one year	15.56	26.26
Two to five years	53.09	89.14
More than five years	108.29	67.16

Further lease payments of up to € 14.48m (previous year: € 9.94m) may have to be paid in relation to lease payments depending on sales. These sales-dependent lease payments mainly comprise rents for the business premises and have a maximum residual term of 5 years.

### 7.3. Segment reporting

Segment reporting is made in a manner consistent with the internal reporting provided to the Management Board of DO & CO with regard to the segments

- Airline Catering,
- International Event Catering and
- Restaurants, Lounges & Hotel.

The Management Board of DO & CO Aktiengesellschaft is the chief decision-maker to allocate resources to the segments as well as to measure their profitability (management approach). It manages on the basis of financials determined in accordance with IFRS.

The Airline Catering segment generates the largest share of sales in the DO & CO Group in nine countries having established a unique, innovative and competitive product portfolio. The core of the Airline Catering segment consists of 26 gourmet kitchens at international airports (for example in Istanbul, London, New York, Vienna, Frankfurt, Warsaw, Milan and Kiev); these kitchens provided culinary treats to more than 89 million passengers on over 585,000 flights in 2014/2015. DO & CO has a customer portfolio consisting of more than 60 airlines, such as Turkish Airlines, British Airways, Emirate Airline, Etihad Airways, Cathay Pacific, Singapore Airlines and South African Airlines.

The International Event Catering segment is the smallest of the three business segments of the DO & CO Group. The DO & CO Group operates with this segment on a global scale and offers its customers also one-stop solutions at events that include logistics, decoration, furniture, tents, music, entertainment and lighting in addition to traditional catering. Here, references included and include, amongst others, the catering for 16 Formula 1 grands prix, UEFA Champions League Finals, the catering of the Allianz Arena and the Olympiapark in Munich as well as the catering for VIP guests at the EURO 2012. Long-standing partnerships confirm: National and international organisers trust DO & CO as host and one-stop shop with regard to hospitality solutions.

The Group has its origins in the Restaurants, Lounges & Hotel segment. This segment comprises a number of different areas, such as lounges, retail, airport catering, restaurants and Demel, hotel, staff restaurants and railway catering. In the business year 2014/2015 the French company Hédiard and the Haas Haus property, located at Stephansplatz in Vienna, were acquired.

**Segment reporting by business segments** for the business years 2014/2015 and 2013/2014 is as follows:

<b>Business Year 2014/2015</b>		<b>Airline Catering</b>	<b>International Event Catering</b>	<b>Restaurants, Lounges &amp; Hotel</b>	<b>Total</b>
Sales	m€	530.62	101.06	163.96	795.65
EBITDA	m€	62.76	8.30	9.83	80.90
Depreciation/amortisation	m€	-16.60	-4.65	-4.78	-26.03
Impairment	m€	-1.35	0.00	0.00	-1.35
EBIT	m€	44.82	3.65	5.05	53.52
EBITDA margin	%	11.8%	8.2%	6.0%	10.2%
EBIT margin	%	8.4%	3.6%	3.1%	6.7%
Share of Group Sales	%	66.7%	12.7%	20.6%	100.0%
Investments	m€	43.53	3.90	130.42	177.84



<b>Business Year 2013/2014</b>		<b>Airline Catering</b>	<b>International Event Catering</b>	<b>Restaurants, Lounges &amp; Hotel</b>	<b>Total</b>
Sales	m€	450.19	60.79	125.16	636.14
EBITDA	m€	51.24	7.53	7.41	66.18
Depreciation/amortisation	m€	-13.87	-2.35	-3.14	-19.36
Impairment	m€	-0.14	0.00	-0.05	-0.18
EBIT	m€	37.23	5.18	4.23	46.64
EBITDA margin	%	11.4%	12.4%	5.9%	10.4%
EBIT margin	%	8.3%	8.5%	3.4%	7.3%
Share of Group Sales	%	70.8%	9.6%	19.7%	100.0%
Investments	m€	30.56	0.69	12.60	43.85

Both earnings figures, EBIT and EBITDA, are of relevance for the management with regard to control. Management predominantly focuses on EBIT in respect of resource allocation; EBIT therefore is the segment result within the meaning of IFRS 8. To the extent that overheads cannot be allocated to the individual segments based on the causation principle, the overheads are basically allocated in proportion to sales.

**External sales** of the DO & CO Group (based on the registered offices of the customer) can be broken down **by geographical regions** (Austria, Turkey and other countries) as follows:

<b>Business Year 2014/2015</b>		<b>Austria</b>	<b>Turkey</b>	<b>Other Countries</b>	<b>Total</b>
Sales	m€	182.40	310.98	302.27	795.65
Share of Group Sales	%	22.9%	39.1%	38.0%	100.0%

<b>Business Year 2013/2014</b>		<b>Austria</b>	<b>Turkey</b>	<b>Other Countries</b>	<b>Total</b>
Sales	m€	180.29	248.29	207.57	636.14
Share of Group Sales	%	28.3%	39.0%	32.6%	100.0%

**Non-current assets by geographical regions** are as follows:

<b>31 March 2015</b>		<b>Austria</b>	<b>Turkey</b>	<b>Other Countries</b>	<b>Total</b>
Non-current assets	m€	147.31	84.34	138.16	369.81

<b>31 March 2014</b>		<b>Austria</b>	<b>Turkey</b>	<b>Other Countries</b>	<b>Total</b>
Non-current assets	m€	31.66	62.56	90.80	185.02

#### **7.4. Significant events after the reporting period (subsequent report)**

No significant events or developments occurred after 31 March 2015 that would be of importance with regard to the Group's financial situation and performance.

## 7.5. Related party disclosures

In its normal course of business, DO & CO Aktiengesellschaft has direct and/or indirect relationships with unconsolidated subsidiaries, joint ventures and associates.

Related parties mainly comprise members of the Management Board and of the Supervisory Board or companies in which members of the Management Board or Supervisory Board hold key positions.

	Business Year 2014/2015				Business Year 2013/2014			
	Other related party	Associated companies	Joint ventures	Non-consolidated subsidiaries	Other related party	Associated companies	Joint ventures	Non-consolidated subsidiaries
in m€								
Performed deliveries and services	0.05	0.26	0.90	10.60	0.05	0.54	0.69	9.60
Supplies received and services rendered	5.07	10.09	0.00	2.55	2.00	9.93	0.01	2.38

	31 March 2015				31 March 2014			
	Other related party	Associated companies	Joint ventures	Non-consolidated subsidiaries	Other related party	Associated companies	Joint ventures	Non-consolidated subsidiaries
in m€								
Receivables	2.95	0.00	0.02	1.33	3.70	0.00	0.04	1.02
Payables	0.33	0.92	0.00	0.75	0.17	1.52	0.00	0.37
Granted Loans	0.00	0.00	0.00	8.45	0.00	0.00	0.00	7.28

The receivables in the business year 2014/2015 in the amount of € 0.36m (31 March 2014: € 0.23m) were subject to valuation adjustments.

See Section 7.7. for the remuneration of board members.

## 7.6. Investments

As of 31 March 2015, DO & CO has the following investments:

Company	Place of registration	Country	Consolidation <sup>1)</sup>	Share of stock in %	Currency	Nominal Capital (in TDC <sup>2)</sup> )
AIOLI Airline Catering Austria GmbH	Vienna-Airport	A	F	100.0	EUR	36 3)
B & B Betriebsrestaurants GmbH	Vienna	A	F	100.0	EUR	36 3)
Demel Salzburg Cafe-Restaurant Betriebs GmbH	Salzburg	A	F	100.0	EUR	35 3)
DO & CO - Baden Restaurants & Veranstaltungen GmbH	Baden	A	F	100.0	EUR	36 3)
DO & CO - Salzburg Restaurants & Betriebs GmbH	Salzburg	A	F	100.0	EUR	36 3)
DO & CO Airline Catering Austria GmbH	Vienna	A	F	100.0	EUR	150 3)
DO & CO Airline Logistics GmbH	Vienna	A	F	100.0	EUR	35 3)
DO & CO Airport Hospitality GmbH	Vienna	A	F	100.0	EUR	35 4)
DO & CO Albertina GmbH	Vienna	A	F	100.0	EUR	35 3)
DO & CO Catering & Logistics Austria GmbH	Vienna	A	F	100.0	EUR	100 3)
DO & CO Catering-Consult & Beteiligungs GmbH	Vienna	A	F	100.0	EUR	36
DO & CO Event Austria GmbH	Vienna	A	F	100.0	EUR	100 3)
DO & CO Facility Management GmbH	Vienna	A	F	100.0	EUR	35 3)
DO & CO Gourmet Kitchen Cold GmbH	Vienna	A	F	100.0	EUR	35 3)
DO & CO Gourmet Kitchen Hot GmbH	Vienna	A	F	100.0	EUR	35 3)
DO & CO im Haas Haus Restaurantbetriebs GmbH	Vienna	A	F	100.0	EUR	36 3)
DO & CO im PLATINUM Restaurantbetriebs GmbH	Vienna	A	F	90.0	EUR	35
DO & CO Party-Service & Catering GmbH	Vienna	A	F	100.0	EUR	36 3)
DO & CO Pastry GmbH	Vienna	A	F	100.0	EUR	35 3)
DO & CO Procurement GmbH	Vienna	A	F	100.0	EUR	35 3)
Do & Co Restaurantbetriebsgesellschaft m.b.H.	Vienna	A	F	100.0	EUR	36 3)
DO & CO Special Hospitality Services GmbH	Vienna	A	F	100.0	EUR	35 3)
Henry - the art of living GmbH	Vienna	A	F	100.0	EUR	36 3)
Henry am Zug GmbH	Vienna	A	F	100.0	EUR	35 4)
Ibrahim Halil Dogudan Gesellschaft m.b.H.	Vienna	A	F	100.0	EUR	36 3)
ISS Ground Services GmbH	Vienna	A	E	49.0	EUR	218
K.u.K. Hofzuckerbäcker Ch. Demel's Söhne GmbH	Vienna	A	F	100.0	EUR	799 4)
Sky Gourmet-airline catering and logistics GmbH	Vienna-Airport	A	F	100.0	EUR	800 4)
Total Inflight Solution GmbH	Vienna	A	F	100.0	EUR	35 4)
WASH & GO Logistics GmbH	Vienna	A	N	0.0	EUR	36
DO & CO International Catering & Logistics AG	Zurich	CH	F	100.0	CHF	100
DO & CO International Event AG	Zug	CH	F	100.0	CHF	100
Oleander Group AG	Zug	CH	N	100.0	GBP	67
Arena One GmbH	Munich	D	F	100.0	EUR	100 5)
Arena One Mitarbeiterrestaurants GmbH	Munich	D	F	100.0	EUR	25 5)
Arena One Olympiapark Gastronomie GmbH	Munich	D	F	100.0	EUR	25 5)
Arena One Personal GmbH	Munich	D	N	100.0	EUR	25 5)
Arena One Service GmbH	Munich	D	N	100.0	EUR	25 5)
DO & CO (Deutschland) Holding GmbH	Kelsterbach	D	F	100.0	EUR	25
DO & CO Berlin GmbH	Berlin	D	F	100.0	EUR	25 5)
DO & CO Frankfurt GmbH	Kelsterbach	D	F	100.0	EUR	25 5)
DO & CO Lounge GmbH	Frankfurt	D	F	100.0	EUR	25 5)
DO & CO München GmbH	Munich-Airport	D	F	100.0	EUR	25 5)
DO & CO Restauración & Catering España, S.L.	Barcelona	E	F	100.0	EUR	3
Financière Héliard SA	Colombes	F	F	100.0	EUR	4,969
Héliard Events SAS	Paris	F	N	100.0	EUR	100
Héliard SA	Paris	F	F	100.0	EUR	3,500
Héliard Traiteur SAS	Colombes	F	F	100.0	EUR	40
DO & CO AIRPORT GASTRONOMY LIMITED	Feltham	GB	F	100.0	EUR	0
DO & CO Airport Hospitality UK Ltd.	Feltham	GB	F	100.0	GBP	0
DO & CO Event & Airline Catering Ltd.	Feltham	GB	F	100.0	GBP	0
DO & CO International Catering Ltd.	Feltham	GB	F	100.0	EUR	30 6)
DO & CO International Investments Ltd.	London	GB	F	100.0	EUR	5,000 6)
DO & CO Museum Catering Ltd.	Feltham	GB	F	100.0	GBP	0
Fortnum & Mason Events Ltd.	London	GB	E	50.0	GBP	0
Henry am Zug Hungary Kft.	Budapest	HU	F	100.0	EUR	10 10)
DO & CO Italy S.r.l.	Vizzola Ticino	I	F	100.0	EUR	2,900
Sky Gourmet Malta Inflight Services Ltd.	Fgura	MT	E	40.0	EUR	1 8)
Sky Gourmet Malta Ltd.	Fgura	MT	E	40.0	EUR	1 8)
DO & CO Netherlands Holding B.V.	The Hague	NL	F	51.0	EUR	20
DO & CO - Restauração e Catering, Sociedade Unipessoal, Lda	Lisbon	P	F	100.0	EUR	5
DO & CO Events Poland Sp. z o.o.	Warsaw	PL	F	100.0	PLN	5 9)
DO & CO Hospitality Management Poland Sp. z o.o.	Warsaw	PL	F	100.0	PLN	5 9)
DO & CO Poland Sp. z o.o.	Warsaw	PL	F	100.0	PLN	20,095
Lotniczy Catering Service Sp. z o.o. in liquidation	Katowice	PL	F	51.0	PLN	2,105
Soon Sharp DO & CO Korea LLC	Seoul	ROK	N	50.0	KRW	7,000,000
Sky Gourmet Slovensko s.r.o.	Bratislava	SK	F	100.0	EUR	63 7)
DOCO Istanbul Catering ve Restaurant Hiz. Tic. ve San. A.S.	Istanbul	TK	F	100.0	TRY	750
MAZLIUM AMBALAJ SANAYI VE DIS TICARET A.Ş	Tekirdag	TK	F	51.0	TRY	3,523
THY DO & CO Ikram Hizmetleri A.S.	Istanbul	TK	F	50.0	TRY	30,000
DO & CO Ukraine LLC	Kiev-Boryspil	UA	F	100.0	UAH	521 9)
DO & CO AIRPORT GASTRONOMY LLC	Kiev-Boryspil	UA	F	100.0	UAH	5,055
DO AND CO KYIV LLC	Kiev-Boryspil	UA	F	51.0	UAH	2,400
DEMEL New York Inc.	New York	USA	F	100.0	USD	1
DO & CO CHICAGO CATERING, INC.	Wilmington	USA	F	100.0	USD	1
DO & CO Holdings USA, Inc.	Wilmington	USA	F	100.0	USD	100
DO & CO Miami Catering, Inc.	Miami	USA	F	100.0	USD	1
DO & CO NEW JERSEY CATERING, INC.	Wilmington	USA	N	100.0	USD	0
DO & CO New York Catering, Inc.	New York	USA	F	100.0	USD	1

1) F=Fully consolidated, E=at equity, N=no consolidation

2) TDC = in thousands of domestic currency units

3) There is a profit transfer agreement between these companies and the DO & CO Restaurants & Catering Aktiengesellschaft.

4) There is a profit transfer agreement between these companies and the DO & CO Catering-Consult & Beteiligungs GmbH.

5) There is a profit transfer agreement between these companies and the DO & CO (Deutschland) Holding GmbH.

6) The nominal capital was initially paid in GBP.

7) The nominal capital was initially paid in SKK.

8) The nominal capital was initially paid in MTL.

9) 1 % of each is held by DO & CO Event Austria GmbH.

10) The nominal capital was initially paid in HUF.

## 7.7. Corporate boards

In the business year 2014/2015, the corporate boards of DO & CO Aktiengesellschaft consisted of the following members:

### Management Board:

#### Attila DOGUDAN

Chairman; born in 1959  
 First-time appointment on 3 June 1997  
 End of current term of office: 31 July 2015  
 No other supervisory board mandates or similar functions

#### Haig ASENBAUER

Member of the Management Board; born in 1967  
 First-time appointment on 16 July 2012  
 End of current term of office: 31 July 2015  
 Supervisory board mandates or similar functions in companies outside the Group:

- Supervisory Board of MOUVI Holding AG

#### Gottfried NEUMEISTER

Member of the Management Board; born in 1977  
 First-time appointment on 16 July 2012  
 End of current term of office: 31 July 2015  
 No other supervisory board mandates or similar functions

#### Klaus PETERMANN

Member of the Management Board; born in 1966  
 First-time appointment on 16 July 2012  
 End of current term of office: 31 July 2015  
 Supervisory board mandates or similar functions in companies outside the Group:

- Board of Directors of Indivis S.A., Luxembourg
- Board of Directors of Libidama International S.A. SPF, Luxembourg
- Board of Directors of Immobilière Kockelscheurer S.A., Luxembourg

In the business year 2014/2015, Mr. Jaap Roukens (born in 1965) served as a member of the Management Board of DO & CO Aktiengesellschaft from 5 May until 3 October 2014. During this period, he held the function as Chief Sales Officer and was responsible for sale and distribution in the Airline and Hospitality segment.

Remuneration of the management board in the business year 2014/2015 was as follows:

<b>Remuneration Management Board 2014/2015</b>			
in T€	Fixed Remuneration	Variable Remuneration	Total
Attila Dogudan *	764	295	1,059
Haig Asenbauer **	520	490	1,010
Gottfried Neumeister ***	400	465	865
Klaus Petermann **	430	351	781
Jaap Roukens ****	318	0	318
<b>Total</b>	<b>2,432</b>	<b>1,601</b>	<b>4,033</b>

\*Including remuneration in kind and including € 34t for activities as deputy chairman of the Board of Directors and CEO of THY DO & CO Ikram Hizmetleri A.Ş.

\*\*Including € 30t for activities as member of the Board of Directors of THY DO & CO Ikram Hizmetleri A.Ş.

\*\*\*Including € 75t special bonus

\*\*\*\*Including € 165t signing bonus

In the business year 2014/2015, Mr. Jaap Roukens received a one-time partial remuneration of 10,000 shares. The share price at the time he became entitled to this remuneration was

€ 42.20. Mr. Jaap Roukens retired prematurely from the Management Board on 3 October 2014 and received a termination benefit in the amount of € 150t.

No arrangements have yet been made regarding any company pension for members of the Management Board. The Chairman of the Management Board is entitled to termination benefits by applying the Austrian Salaried Employees Act (Angestelltengesetz) accordingly. The employment contracts of the Management Board members include compensation of three monthly salaries if they are terminated early for reasons other than compelling reasons. No such compensation is due in the event that a contract is terminated before expiry for a cause within the control of the Management Board member. There are no further claims in the event that a member of the Management Board resigns.

Furthermore, no arrangements have so far been made in the event of a change of control.

## **Supervisory Board:**

### **Waldemar JUD**

Chairman, independent, born in 1943

Current term runs until the 21<sup>st</sup> Ordinary General Meeting of Shareholders (2019), first appointed on 20 March 1997

Other supervisory board positions in listed companies:

- Chairman of the Supervisory Board of Ottakringer Getränke AG, Vienna
- Member of the Supervisory Board of Bank für Tirol und Vorarlberg Aktiengesellschaft
- Member of the Supervisory Board of BKS Bank AG
- Member of the Supervisory Board of CA Immobilien Anlagen Aktiengesellschaft (until 8 May 2014)
- Member of the Supervisory Board of Oberbank AG

### **Werner SPORN**

Deputy Chairman, independent, born in 1935

Representative of stockholders holding shares in free float

Current term runs until the 21<sup>st</sup> Ordinary General Meeting of Shareholders (2019), first appointed on 20 March 1997

No further seats on supervisory boards of listed companies

### **Georg THURN-VRINTS**

Member, independent, born in 1956

Current term runs until the 21<sup>st</sup> Ordinary General Meeting of Shareholders (2019), first appointed on 20 March 1997

No further seats on supervisory boards of listed companies

### **Christian KONRAD**

Member, independent, born in 1943

Current term runs until the 21<sup>st</sup> Ordinary General Meeting of Shareholders (2019), first appointed on 10 July 2002

Other supervisory board positions in listed companies:

- Chairman of the Supervisory Board of AGRANA Beteiligungs-Aktiengesellschaft, Vienna (until 4 July 2014)
- Deputy Chairman of the Supervisory Board of Südzucker AG Mannheim/Ochsenfurt, Mannheim (until 17 July 2014)

The members of the Supervisory Board received a remuneration in the amount of € 0.08m for the business year 2013/2014 (previous year: € 0.06m) in accordance with the resolution adopted by the General Meeting of Shareholders on 3 July 2014.

No guarantees for loans or group company loans were extended to members of the Management Board and of the Supervisory Board.

Vienna, 21 May 2015

Attila DOGUDAN m.p.  
Chairman of the Management Board

Haig ASENBAUER m.p.  
Member of the Management  
Board

Gottfried NEUMEISTER m.p.  
Member of the Management  
Board

Klaus PETERMANN m.p.  
Member of the Management  
Board

# Auditor's Report

## Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of

**DO & CO Aktiengesellschaft,  
Vienna,**

for the business year from 1 April 2014 to 31 March 2015. These consolidated financial statements comprise the consolidated balance sheet as of 31 March 2015, the consolidated income statement and the consolidated statement of other comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the business year ending on 31 March 2015, and the notes.

*Management's Responsibility for the Consolidated Financial Statements and for the Accounting System*

The company's management is responsible for the group accounting system and for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and the additional requirements under Section 245a UGB. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

*Auditor's Responsibility and Description of Type and Scope of the Statutory Audit*

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria and Austrian Standards on Auditing as well as and in accordance with International Standards on Auditing (ISAs), issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). Those standards require that we comply with professional guidelines and that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation of the consolidated financial statements and fair presentation of the assets, financial and profit situation of the Group in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide an adequately safe basis for our audit opinion.

## *Opinion*

Our audit of the consolidated financial statements of **DO & CO Aktiengesellschaft** did not give rise to any objections. In our opinion, which is based on the results of our audit, the consolidated financial statements comply with legal requirements and give a true and fair view of the assets and financial situation of the Group as of 31 March 2015 and of its financial performance and its cash flows for the business year from 1 April 2014 to 31 March 2015 in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU.

## **Comments on the Group Management Report**

Pursuant to statutory provisions, the management report for the Group is to be audited as to whether it is consistent with the consolidated financial statements and as to whether the other disclosures are not misleading with respect to the Company's position. The auditor's report also has to contain a statement as to whether the management report for the Group is consistent with the consolidated financial statements and whether the information pursuant to Section 243a of the Austrian Commercial Code (UGB) are appropriate.

In our opinion, the Group management report is consistent with the consolidated financial statements. The information pursuant to Section 243a of the Austrian Commercial Code (UGB) are appropriate.

Vienna, 21 May 2015

### **PKF CENTURION**

WIRTSCHAFTSPRÜFUNGSGESELLSCHAFT MBH  
MEMBER FIRM OF PKF INTERNATIONAL LIMITED

Günther Prindl mp  
Auditor

Andreas Staribacher mp  
Auditor

This report is a translation of the original report in German, which is solely valid. Publication of the financial statements together with our auditor's opinion may only be made if the financial statements and the management report are identical with the audited version attached to this report. Section 281 paragraph 2 UGB (Austrian Business Enterprise Code) applies.



# Glossary

			Business Year 2014/2015	Business Year 2013/2014
EBITDA margin in %	EBITDA	m€ 80.90	10.2%	10.4%
	External sales	m€ 795.65		
EBIT margin in %	EBIT	m€ 53.52	6.7%	7.3%
	External sales	m€ 795.65		
Return on Sales in %	Profit before income tax	m€ 60.65	7.6%	7.1%
	External sales	m€ 795.65		
Net result margin in %	Net result	m€ 34.86	4.4%	4.1%
	External sales	m€ 795.65		
Adjusted equity in m€	+ Shareholders' equity	m€ 244.30	208.25	179.41
	- (designated) dividend	m€ 11.69		
	- Carrying amount of goodwill	m€ 24.35		
Equity ratio in %	Adjusted equity	m€ 208.25	37.2%	36.1%
	Total capital (adjusted by carrying amount of goodwill)	m€ 560.10		
Return on equity (ROE)	Profit after tax	m€ 45.94	23.7%	19.1%
	Ø adjusted equity	m€ 193.83		
Debt (financial liabilities) in m€	+ Bond	m€ 148.19	154.04	152.47
	+ Other non-current financial liabilities	m€ 5.74		
	+ Current loans	m€ 0.11		
Net debt (net financial liabilities) in m€	+ Debt	m€ 154.04	98.37	-27.98
	- Cash and cash equivalents	m€ 55.67		
Net debt to EBITDA	Net debt	m€ 98.37	1.22	-0.42
	EBITDA	m€ 80.90		
Net gearing in %	Net debt	m€ 98.37	47.2%	-15.6%
	Adjusted equity	m€ 208.25		
Excess cash in m€	+ Cash and cash equivalents	m€ 55.67	39.76	166.61
	- 2% of sales	m€ 15.91		
Working capital in m€	+ Current assets	m€ 208.76	2.31	12.54
	- Current provisions and liabilities	m€ 155.01		
	- Excess cash	m€ 39.76		
	- (designated) dividend	m€ 11.69		
Free cashflow in m€	+ Cashflow from operating activities	m€ 64.30	-124.58	-15.08
	+ Cashflow from investing activities	m€ -188.89		
EPS (Earnings per Share)	Net result	m€ 34.86	3.62	2.68
	Weighted average number of issued shares	Mpie 9.63		
Distribution ratio in %	(designated) dividend payments	m€ 11.69	33.5%	31.8%
	Net result	m€ 34.86		
Price/Earnings ratio	Share price at the end of the period	€ 69.05	19.08	14.06
	EPS	€ 3.62		
Tax ratio in %	Income tax	m€ 14.71	24.3%	22.6%
	Profit before income tax	m€ 60.65		
Adjusted EBIT in m€	EBIT	m€ 53.52	53.12	46.64
	- Rent income from investment property	m€ 0.63		
	+ Cost from investment property	m€ 0.22		
Capital employed in m€	+ Adjusted equity	m€ 208.25	280.30	177.47
	+ Non-current provisions and liabilities	m€ 185.14		
	- Cash and cash equivalents	m€ 55.67		
	- Investment property	m€ 57.43		
Return on capital employed (ROCE) in %	Adjusted EBIT	m€ 53.12	19.0%	26.3%
	Capital employed	m€ 280.30		

# Statements by all Legal Representatives Pursuant to Section 82 (4) 3 of the Austrian Stock Exchange Act

We herewith certify to the best of our knowledge:

1. that the consolidated financial statements of DO & CO Aktiengesellschaft prepared in conformity with the relevant accounting standards provide a fair representation of the Group's assets, financial and profit situation;
2. that the Group management report shows the course of business, operating result and position of the Group so that a fair representation of the assets, financial and profit situation is provided, and that the Group management report describes the main risks and uncertainties to which the Group is exposed.

We herewith certify to the best of our knowledge:

1. that the financial statements of the parent company prepared in conformity with the relevant accounting standards provide a fair representation of the company's assets, financial and profit situation;
2. that the management report shows the course of business, operating result and position of the company so that a fair representation of the assets, financial and profit situation is provided, and that the management report describes the main risks and uncertainties to which the company is exposed.

Vienna, 21 May 2015

The Management Board:

Attila DOGUDAN m.p.  
Chairman of the Management Board

Haig ASENBAUER m.p.  
Member of the Management  
Board

Gottfried NEUMEISTER m.p.  
Member of the Management  
Board

Klaus PETERMANN m.p.  
Member of the Management  
Board