

THE  
GOURMET  
ENTERTAINMENT  
COMPANY  
ANNUAL REPORT 15/16

DO & CO  


# Annual Report

## 2015 / 2016



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# Group Management Report for 2015 / 2016



## 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 in the business year 2015/2016: sales (€916.47m / +14.7%), EBITDA (€92.68m / +12.5%), EBIT (€55.51m / +2.4%), net result (€28.25m / -19.5%). Accordingly, earnings per share are € 2.90 (PY: € 3.64). The Management Board will propose to the General Meeting of Shareholders a dividend of € 0.85 per share.

### Opening of DO & CO's first airline catering location in Asia

In March 2016, DO & CO launched a new gourmet kitchen of 8,000 m<sup>2</sup> in size at Seoul's Incheon Airport with Sharp Aviation K, Inc. from South Korea as part of a joint venture. Incheon Airport handles some 40m passengers a year, which makes it the largest airport in South Korea and ranks it as one of the biggest airports in Asia. The first customer at this location is Emirates, for which DO & CO started to cater at the beginning of March 2016.

### Major new customers 2015/2016 in Airline Catering

- Finnair and Etihad Airways ex Chicago O'Hare
- Cathay Pacific ex Frankfurt
- Cathay Pacific and Emirates ex Düsseldorf
- Emirates ex Munich
- Air France and British Airways ex Kiev-Boryspil
- Gulf Air ex London Heathrow
- Emirates ex Incheon
- EVA Air ex Istanbul Atatürk

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

In its 2015/2016 business year, DO & CO completed its already 24<sup>th</sup> season of catering for Formula 1 grand prix races, handling a total of 15 races in 15 countries (with the grand prix in Mexico City being a first for DO & CO). More highlights of the business year were provided by the Madrid tournament of the ATP Tennis Masters series, the tennis ATP tournament in Geneva (another first for the Company) and the UEFA Champions League final in Berlin. Arena One, a subsidiary of DO & CO, organised numerous events in the sports and business fields as well as catering for 51 football matches at the Allianz Arena in Munich in business year 2015/2016. DO & CO has also been co-managing with FC Bayern Munich a new VIP hospitality area in the Allianz Arena, known as Säbener Lounge, since August 2015, which offers seating to over 400 guests.

### New airport lounges opened in Germany

During its 2015/2016 business year, DO & CO launched three new lounges for its customer Emirates. One Emirates lounge in Frankfurt was opened in October 2015 and the second and third lounges were added in Munich and Düsseldorf respectively in November 2015. Along with the existing lounges in New York, London and Milan, DO & CO is now operating a whole series of premium lounges for Emirates. Altogether, DO & CO is currently handling the culinary side of 29 lounges worldwide.

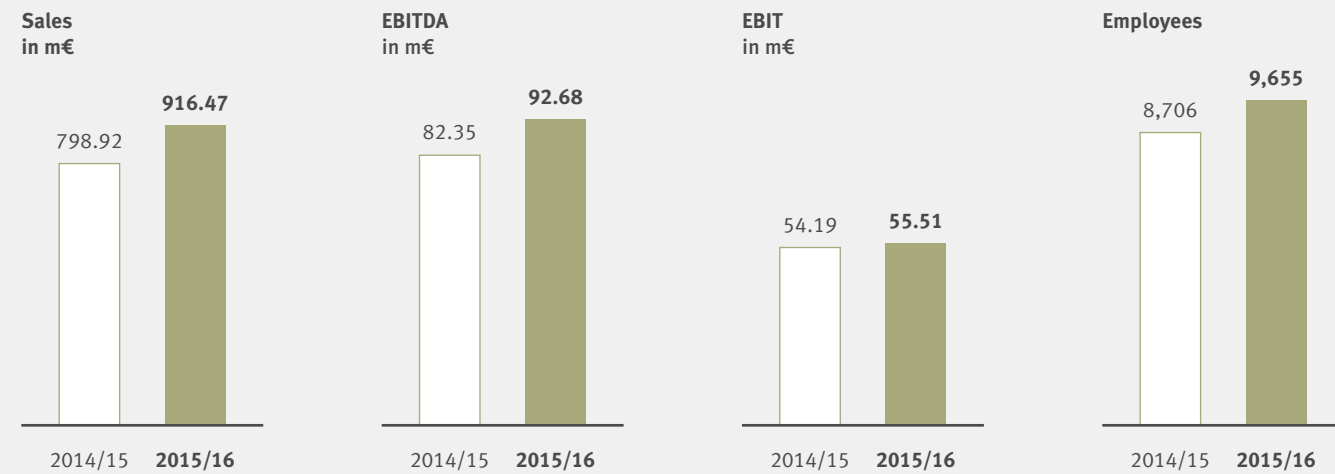
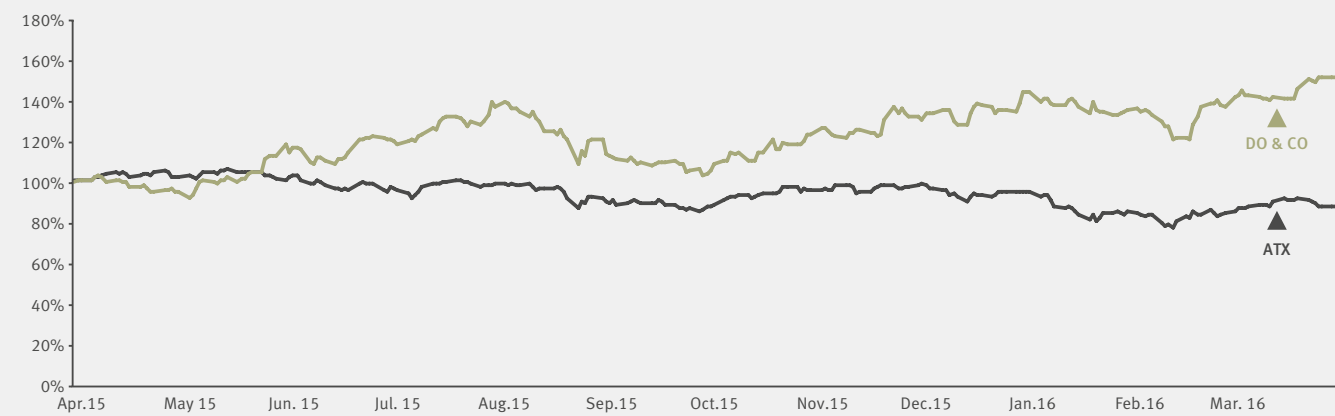
### Excellent performances on the Istanbul and Vienna stock exchanges

In the 2015/2016 business year, DO & CO shares performed very well both in Istanbul and in Vienna. On the Istanbul stock exchange, the price of DO & CO shares rose by 75.5%, compared to an increase of 3.0% for the BIST 100 lead index. In Vienna, DO & CO shares gained 53.5%, while the ATX lost 9.5% over the same period. On 31 March 2016, DO & CO shares closed at TRY 337.90 in Istanbul and at € 106.00 in Vienna.

It should also be noted that DO & CO shares were accepted in the Turkish BIST 100 lead index on 1 October 2015.

# Key Figures

Development of DO & CO Share on the Vienna stock exchange in %



## Details on DO & CO Stock

Securities code: DOC  
 Securities no.: 081880  
 ISIN Code: AT0000818802  
 Trading segment: Official trading  
 Market segment: Prime Market (VSE), National Market (BIST)  
 Containing the following indices: ATX Prime, WBI, BIST-ALL, BIST 100  
 No. of individual shares: 9,744,000  
 Listed nominal value in EUR: 19,488,000  
 Initial listing 30 June 1998 (VSE)  
 Initial listing 2 December 2010 (BIST)

## Relevant Information on the Capital Market

T: +43 (1) 74000-0  
 F: +43 (1) 74000-1029  
 E: investor.relations@doco.com  
 Reuters Code: DOCO.VI, DOCO.IS  
 Bloomberg Code: DOC AV, DOCO TI  
 Homepage of Vienna Stock Exchange: www.wienerboerse.at  
 Homepage of Istanbul Stock Exchange: www.borsaistanbul.com

## 2. KEY FIGURES OF THE DO & CO GROUP UNDER IFRS

The calculations are explained in the glossary of key figures.

		Business Year 2015/2016	Business Year 2014/2015 <sup>1</sup>
Sales	m€	916.47	798.92
EBITDA	m€	92.68	82.35
EBITDA margin	%	10.1%	10.3%
EBIT	m€	55.51	54.19
EBIT margin	%	6.1%	6.8%
Profit before income tax	m€	50.83	61.18
Net result	m€	28.25	35.11
Net result margin	%	3.1%	4.4%
Employees		9,655	8,706
Equity <sup>2,3</sup>	m€	246.09	235.04
Equity ratio <sup>2,3</sup>	%	39.2%	39.9%
Net debt (net financial liabilities)	m€	-18.87	96.67
Net debt to EBITDA		-0.20	1.17
Net gearing <sup>2</sup>	%	-7.7%	41.1%
Working capital <sup>2,3</sup>	m€	-13.78	8.14
Cash flow from operating activities <sup>3</sup>	m€	91.73	65.87
Cash flow from investing activities <sup>3</sup>	m€	51.89	-188.89
Free cash flow <sup>3</sup>	m€	143.62	-123.02
ROS	%	5.5%	7.7%

<sup>1</sup> Business year 2014/2015 adjusted (see Section 3.2 in the Notes)

<sup>2</sup> Adjusted by proposed dividend payments

<sup>3</sup> Calculation method changed over the previous year (see Glossary)

## Key Figures per share

		Business Year 2015/2016	Business Year 2014/2015 <sup>1</sup>
EBITDA per share	€	9.51	8.55
EBIT per share	€	5.70	5.62
Earnings per share	€	2.90	3.64
Equity per share (book entry) <sup>2,4</sup>	€	20.10	19.69
High <sup>3</sup>	€	106.00	74.00
Low <sup>3</sup>	€	64.03	38.20
Price at the end of the period <sup>3</sup>	€	106.00	69.05
Number of shares at the end of the period	TPie	9,744	9,744
Number of weighted shares <sup>4</sup>	TPie	9,744	9,635
Market capitalization at the end of the period	m€	1,032.86	672.82

<sup>1</sup> Business year 2014/2015 adjusted (see Section 3.2 in the Notes)

<sup>2</sup> Calculation method changed over the previous year (see Glossary)

<sup>3</sup> Closing price

<sup>4</sup> Adjusted by own shares hold as of balance sheet day

### 3. ECONOMIC ENVIRONMENT <sup>1</sup>

The global economy grew at a modest rate in 2015, with world trade showing little dynamism. The International Monetary Fund (IMF) calculated a growth rate of 3.1% for the global economy in 2015, compared to 3.4% in the previous year. The slowdown was due to slackening growth in the emerging countries starting with China, high public debt rates in many countries and burgeoning geopolitical risks. Positive factors to influence most of the industrialised countries were the low prices for raw materials and energy, and an expansive monetary policy in the euro zone and Japan. IMF economists expect the global economy to grow by 3.2% in 2016 and by 3.5% in 2017.

The economy in the euro zone managed a moderate upswing in 2015, although it was uneven within the zone. Growth in 2015 was 1.6% (PY: 0.9%). Dampers to growth were an escalation of the Greek debt crisis in the summer of 2015 and geopolitical tensions, yet the euro zone was able to profit from a momentum triggered by monetary policy, low crude oil prices and an increase in domestic demand.

In 2015, the Austrian economy grew by 0.9%, at a higher rate than in the previous year (0.4%). Herewith the growth rate was lower than the euro zone rate. In addition to state spending, investments and private spending contributed to economic growth for the first time in three years, whereas the contribution of foreign trade shrank compared to the previous year. Unemployment was up on average from 5.6% to 5.7% in 2015, in spite of employment growing (Eurostat definition). Average unemployment within the EU was 9.4%. The domestic inflation rate (Harmonised Index of Consumer Prices), while shrinking from 1.5% to 0.8% compared to the previous year, was still visibly higher than that of the European Union, which at 0% in 2015 (vs. 0.5% in 2014) on average showed no increase. The Austrian Economic Chamber (Economic Situation Report and Forecast of March 2016) expects private consumption to continue to grow, boosted by the tax reform, and public consumption in 2016. This effect should more than counteract the expected slowdown in exports. The economic growth at 1.6% is forecasted to be higher than in 2015.

After contracting to 2.9% in 2014, the economy grew again in Turkey, to reach 3.8% in 2015 powered by demand for consumer and capital goods. Growth should continue to be at 3.8% also in 2016. Inflation for 2016 is expected to be 9.8%, or five percentage points above the central bank's target.

In 2015, economic growth in the US was at the same level as in the previous year, at 2.4%. This stable growth path was maintained by a good labour market as well as private consumption and investments, although the strong US dollar had a negative effect on exports. According to the IMF, this stable growth should continue into 2016. A growth rate of 2.4% is forecasted.

According to IMF economists, Ukraine will grow again in 2016, helped by the returning confidence of investors as well as consumers. GDP declined by 9.9% in the past year and is forecasted to grow by 1.5% in 2016.

The BRICS countries<sup>2</sup>, with the exception of India, reported lower growth rates for 2015 compared to the previous year. Thus, according to the IMF, Brazil underwent a recession of -3.8%, with a murky outlook of -3.8% for 2016. Causes for the negative development in Brazil are the low crude oil price and political uncertainties. The IMF expects Russia to remain in a slump also in 2016 (GDP forecast growth rate of -1.8% for 2016, following -3.7% in 2015), driven by the low crude oil price and sanctions imposed by Western states. India's growth has slightly accelerated, from 7.2% in 2014 to 7.3% in 2015. China remained at its high growth level throughout 2015, but at 6.9% lost some momentum on the previous year (7.3%). South Africa experienced a decline of its economic growth from 1.5% in 2014 to 1.3% in 2015.

In 2015, Japan saw its GDP grow by 0.5% (0.0% in the previous year) due to an increase in its net exports.

Due to declining exports, which was among other things due to the declining demand from China, South Korea, Asia's fourth-largest economy, reported growth of 2.6% in 2015, a decline on the previous year (3.3%).

With interest rates low, earnings from overnight money and fixed-term deposits were markedly below the historic average also in 2015, so that there was a lively demand for more profitable investment opportunities in the financial markets. With the American Federal Reserve ending its quantitative easing policy, a first rise in interest rates in December and expectations of further increases by the Fed, uncertainties on the financial markets increased. Between 1 April 2015 and 31 March 2016, the Austrian leading index ATX was down by some 10% while the Turkish BIST 100 index rose by 3%.

During DO & CO's 2015/2016 business year, the US-dollar varied between 1.05 and 1.16 against the euro. As of 31 March 2016, the exchange rate stood at USD 1.14 against the euro. Herewith the euro achieved a slight gain on the dollar during the reporting year (PY: USD 1.08 per euro on 1 April 2015). The Turkish lira drifted downwards, from TRY 2.81 per euro on 1 April 2015 to 3.21 on 31 March 2016. After the Swiss National Bank cancelled its minimum exchange rate of CHF 1.20 against the euro and the consequent sharp depreciation of the euro in the previous business year, the EUR/CHF rate was 1.09 on 31 March 2016, compared to 1.05 in the previous year. The Ukrainian hryvnia depreciated substantially during the reporting period, falling to a EUR/UAH exchange rate of 29.69 on 31 March 2016 (compared to UAH 25.45 for the euro on 1 April 2015).

<sup>1</sup> Source of economic data: <http://www.imf.org/external/pubs/ft/weo/2016/01/pdf/text.pdf>

<sup>2</sup> Association of emerging national economies (Brazil, Russia, India, China and South Africa)



## 4. BUSINESS DEVELOPMENT

### 4.1. Sales

In its 2015/2016 business year, the DO & CO Group recorded sales of €916.47m, an increase of 14.7% or €117.54m on the previous year.

Sales		Business Year 2015/2016	Business Year 2014/2015 <sup>1</sup>	Change	Change in %
Airline Catering	m€	631.26	533.90	97.36	18.2%
International Event Catering	m€	117.68	101.06	16.62	16.4%
Restaurants, Lounges & Hotel	m€	167.52	163.96	3.56	2.2%
<b>Group Sales</b>		<b>916.47</b>	<b>798.92</b>	<b>117.54</b>	<b>14.7%</b>

<sup>1</sup> Business year 2014/2015 adjusted (see Section 3.2 in the Notes)

Share of Group Sales		Business Year 2015/2016	Business Year 2014/2015 <sup>1</sup>
Airline Catering	%	68.9%	66.8%
International Event Catering	%	12.8%	12.6%
Restaurants, Lounges & Hotel	%	18.3%	20.5%
<b>Group Sales</b>		<b>100.0%</b>	<b>100.0%</b>

<sup>1</sup> Business year 2014/2015 adjusted (see Section 3.2 in the Notes)

In the business year of 2015/2016, sales of the **Airline Catering division** grew by €97.36m from €533.90m to €631.26m. This represents an increase of 18.2%. The division's sales produced 68.9% of the Group's overall sales (PY: 66.8%).

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

Turkish DO & CO performed well during the 2015/2016 business year. The Flying Chefs concept was further expanded. Overall, more than 960 DO & CO Flying Chefs are already cooking for Turkish Airlines.

The locations at New York John F. Kennedy Airport and Chicago O'Hare also reported thriving sales, powered mostly by existing customers at John F. Kennedy Airport and new customers at Chicago O'Hare. The latter location was opened in the second quarter of the 2014/2015 business year.

In London Heathrow sales increased with existing customers, in particular with Emirates, Etihad Airways and British Airways. The cooperation with South African Airways ended in March 2016.

The German DO & CO units in Frankfurt, Munich and Düsseldorf expanded their sales through acquiring new customers. Emirates became a new customer for Munich in October 2015 and for Düsseldorf in December 2015. Cathay Pacific was added to the Frankfurt location in May 2015 and to Düsseldorf in September 2015. Additional business was obtained from existing customers.

The units in Kiev and Milan also did well during the whole business year 2015/2016.

The Polish locations reported slight sales increases. Sales figures were stable in Austria.

In the business year of 2015/2016 sales of the **International Event Catering division** grew by €16.62m from €101.06m to €117.68m. This represents an increase of 16.4%. The division's sales produced 12.8% of the Group's overall sales (PY: 12.6%).

The growth in activities of the International Event Catering division was chiefly due to Arena One, a subsidiary of DO & CO, and VIP hospitality for the Formula 1 races.

During the 2015/2016 business year, Arena One handled the catering for 51 football matches at the Allianz Arena and organised numerous events in Munich.

As to Formula 1 races, this already was the 24<sup>th</sup> racing season for DO & CO and it involved culinary attendance for a total of 15 Formula 1 grand prix races in 15 countries. Moreover, in May 2014 DO & CO was put in charge of the Formula 1 VIP hospitality infrastructure, which comprises the provision of non-catering items such as tents, furniture, security, decoration and entertainment.

As to international events, DO & CO once again handled numerous catering contracts on a large scale, including in particular the ATP Tennis Masters in Madrid and the UEFA Champions League final in Berlin. In addition, DO & CO was responsible for the catering in the pavilion of Etihad Airways and Oman Air, respectively, at the Universal Exposition Expo 2015, in Milan.

In addition, DO & CO was again responsible for the culinary treats for VIP guests at the CHIO equestrian festival in Aachen and the beach volleyball tournament in Klagenfurt. Numerous events held by organisers from business, politics and sports also enjoyed the premium catering offered by DO & CO, which in turn drove up sales of the division.

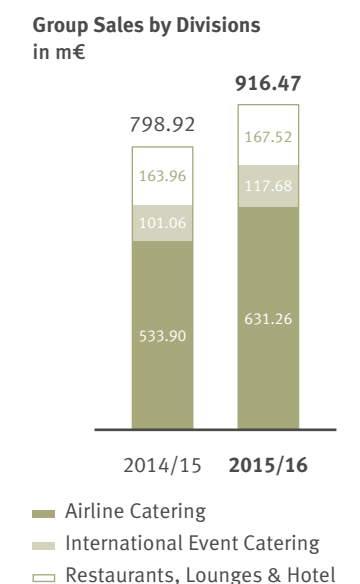
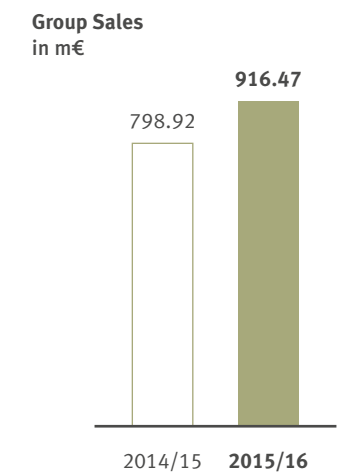
In the business year of 2015/2016 sales of the **Restaurants, Lounges & Hotel division** grew by €3.56m from €163.96m to €167.52m. This represents an increase of 2.2%. The division's sales produced 18.3% of the Group's overall sales (PY: 20.5%).

Growing sales figures were the result of a positive development of DO & CO's Lounges and Restaurants.

The 29 lounges operated by DO & CO all reported satisfactory growth rates in the 2015/2016 business year. It should be noted that DO & CO is operating new lounges for Emirates, one in Frankfurt launched in October 2015, and one each in Munich and Düsseldorf, both opened in November 2015.

DO & CO restaurants once again put in a satisfactory performance in the business year under review. The DO & CO flagship restaurant at Vienna's Stephansplatz and the DO & CO restaurant Albertina achieved good sales figures.

The well-known Hédiard store at the Place de la Madeleine in Paris is closed for refurbishment.



## 4.2. Earnings

EBITDA for the DO & CO Group was € 92.68m, corresponding to an increase of € 10.33m on the EBITDA figure for the previous year. The EBITDA margin was 10.1% (PY: 10.3%).

Consolidated earnings before interest and taxes (EBIT) for the DO & CO Group amounted to € 55.51m for the 2015/2016 business year, thus € 1.32m higher than in the previous year. The EBIT margin was 6.1% in 2015/2016 business year (PY: 6.8%).

Group		Business Year 2015/2016	Business Year 2014/2015 <sup>1</sup>	Change	Change in %
<b>Sales</b>	m€	<b>916.47</b>	<b>798.92</b>	<b>117.54</b>	<b>14.7%</b>
Other operating income	m€	24.67	28.74	-4.07	-14.2%
Cost of materials	m€	-396.71	-344.90	-51.81	-15.0%
Personnel expenses	m€	-302.74	-272.37	-30.37	-11.2%
Other operating expenses	m€	-148.26	-128.70	-19.56	-15.2%
Result of equity investments accounted for using the equity method	m€	-0.74	0.66	-1.40	-212.6%
<b>EBITDA – Operating result before amortisation / depreciation</b>	m€	<b>92.68</b>	<b>82.35</b>	<b>10.33</b>	<b>12.5%</b>
Amortisation / depreciation and impairments	m€	-37.16	-28.16	-9.01	-32.0%
<b>EBIT – Operating result</b>	m€	<b>55.51</b>	<b>54.19</b>	<b>1.32</b>	<b>2.4%</b>
Financial result	m€	-4.69	6.99	-11.67	-167.1%
<b>Profit before income tax</b>	m€	<b>50.83</b>	<b>61.18</b>	<b>-10.35</b>	<b>-16.9%</b>
Income tax	m€	-6.14	-14.84	8.71	58.6%
<b>Profit after income tax</b>	m€	<b>44.69</b>	<b>46.33</b>	<b>-1.64</b>	<b>-3.5%</b>
Thereof net profit attributable to non-controlling interests	m€	16.43	11.22	5.21	46.5%
<b>Thereof net profit attributable to shareholders of DO &amp; CO Aktiengesellschaft (Net result)</b>	m€	<b>28.25</b>	<b>35.11</b>	<b>-6.86</b>	<b>-19.5%</b>
EBITDA margin	%	10.1%	10.3%		
EBIT margin	%	6.1%	6.8%		
Employees		9,655	8,706	949	10.9%

<sup>1</sup> Business year 2014/2015 adjusted (see Section 3.2 in the Notes)

In absolute figures, cost of materials rose by € 51.81m (+15.0%), from € 344.90m to € 396.71m, at a sales growth rate of 14.7%. Cost of materials as a proportion of sales thus increased slightly from 43.2% to 43.3%.

Personnel expenses in absolute figures rose from € 272.37m to € 302.74m in the 2015/2016 business year. In relation to sales, personnel expenses thus fell from 34.1% to 33.0%.

Other operating expenses rose by € 19.56m or 15.2%. Accordingly, operating expenses made up 16.2% of sales (PY: 16.1%).

Amortisation / depreciation and impairment amounted to € 37.16m, representing an increase of € 9.01m on the previous year (PY: € 28.16m).

The financial result for the 2015/2016 business year declined from € 6.99m to € -4.69m. In this context, special reference is to be made, to the effect of the fair value measurement of the total return equity swap concluded with UniCredit Bank Austria AG in the 2014/2015 business year. The financial result, net of the total return equity swap measured at fair value through profit or loss, amounted to € -8.23m in the 2014/2015 business year.

The tax ratio (taxes as a proportion of untaxed income) was 12.1% in the 2015/2016 business year (PY: 24.3%). The low tax ratio is the result of higher contributions by units in low-tax countries, profits in countries with tax loss carryforwards and the capitalisation of deferred taxes against tax loss carryforwards.

The profit after income tax for the 2015/2016 business year was € 44.69m, or € 1.64m less than in the previous business year, a decline of 3.5% over the previous business year. The profit after income tax, net of the total return equity swap measured at fair value through profit or loss, amounted to € 34.92m in the 2014/2015 business year.

The net profit attributable to the shareholders of DO & CO Aktiengesellschaft (net result) was € 28.25m (PY: € 35.11m). Earnings per share were € 2.90 (PY: € 3.64). The net result, net of the total return equity swap measured at fair value through profit or loss, amounted to € 23.70m in the 2014/2015 business year. The earnings per share net of the total return equity swap measured at fair value through profit or loss, thus amounted to € 2.46.

## 4.3. Statement of Financial Position

Compared to 31 March 2015, there has been a substantial decrease in non-current assets with regard to “property, plant and equipment” and “investment property”, which is due to Do & Co Restaurantbetriebsgesellschaft m.b.H., which owns the Haas Haus property in Vienna, having been deconsolidated in the fourth quarter of business year 2015/2016 (see Section 4.2 and 4.3. in the Notes). The considerable rise in cash and cash equivalents compared to 31 March 2015 is also due to this transaction.

Consolidated shareholders’ equity (adjusted for proposed dividend payments) was € 246.09m on 31 March 2016, which translates into an equity ratio of 39.2% as at 31 March 2016.

Current provisions and liabilities rose by € 37.60m to € 192.89m on the previous year. This increase is due to the expansion of the business activities and the prepayments made in connection with the UEFA EURO 2016.

## 4.4. Employees

In the business year 2015/2016, the average number of employees (full-time equivalent) averaged to 9,655 (PY: 8,706 (after restatement, see Section 3.2 in the Notes)), an addition of 949 on the same period last year. This rise was mostly due to an expansion of business in Turkey, the US and UK.





Turkish Airlines  
Austrian Airlines  
Emirates  
British Airways  
Etihad Airways  
Qatar Airways  
Cathay Pacific  
Singapore Airlines  
South African Airways  
NIKI  
LOT Polish Airlines  
Oman Air  
Royal Air Maroc  
EVA Air  
China Southern Airlines  
Royal Jordanian  
China Airlines  
Pegasus Airlines  
Asiana Airlines  
Air Malta  
SAS Scandinavian Airlines  
Iran Air  
Korean Air  
Air France  
Ukraine International Airlines  
Air China  
TAP Air Portugal  
Egypt Air  
KLM Royal Dutch Airlines  
Gulf Air

01

# Airline Catering



#### 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, Seoul, Vienna and other locations in Austria, Germany, Turkey and Poland are setting new standards in the premium segment of the airline catering business.

DO & CO has built up a large customer portfolio. This clientele includes major players such as Turkish Airlines, British Airways, Emirates, Etihad Airways, Qatar Airways, Cathay Pacific, Austrian Airlines, Singapore Airlines, Air France, South African Airlines, LOT Polish Airlines, Oman Air, Ukraine International Airlines, Royal Air Maroc, Korean Air, EVA Air, Egypt Air, China Southern Airlines, Royal Jordanian, China Airlines, NIKI, Pegasus Airlines and Asiana Airlines.

Airline Catering		Business Year 2015/2016	Business Year 2014/2015 <sup>1</sup>	Change	Change in %
Sales	m€	631.26	533.90	97.36	18.2%
EBITDA	m€	75.35	64.21	11.14	17.3%
Depreciation/amortisation	m€	-22.18	-17.37	-4.80	-27.7%
Impairment	m€	-3.23	-1.35	-1.88	-139.9%
EBIT	m€	49.94	45.48	4.45	9.8%
EBITDA margin	%	11.9%	12.0%		
EBIT margin	%	7.9%	8.5%		
Share of Group Sales	%	68.9%	66.8%		

<sup>1</sup> Business year 2014/2015 adjusted (see Section 3.2 in the Notes)

In the 2015/2016 business year, the Airline Catering division rang up sales of € 631.26m (PY: € 533.90m), a growth rate of 18.2% on the previous year. The division contributed 68.9% of the Group's overall sales (PY: 66.8%). Altogether the 28 gourmet kitchens operated by the DO & CO Group around the globe catered for more than 93 million passengers on over 620,000 flights.

EBITDA and EBIT increased again during the 2015/2016 business year: at € 75.35m, EBITDA rose by € 11.14m (+17.3%) on the previous business year. EBIT grew from € 45.48m to € 49.94m (+9.8%). The EBITDA margin was 11.9% in the business year 2015/2016, compared to 12.0% in the previous business year. The EBIT margin was 7.9% (PY: 8.5%).

Throughout the 2015/2016 business year, the Airline Catering division again faced 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 once again performed well with Turkish Airlines during the 2015/2016 business year. It is particularly of note that Turkish Airlines was given the prestigious title of being the "Best European Airline" at the Skytrax 2015<sup>3</sup>. Moreover, EVA Air was gained as a new customer in March 2016. The Flying Chefs concept continued to expand. Altogether, more than 960 DO & CO Flying Chefs are already cooking for Turkish Airlines.

Starting in March 2016, the gourmet kitchen at Istanbul's Sabiha Gökçen Airport is being converted and enlarged in order to accommodate further growth. Works are scheduled to be completed in June 2016.

<sup>3</sup> Source: <http://www.worldairlineawards.com>

The location at New York's John F. Kennedy Airport reported considerably increased sales, mostly with existing customers such as Emirates (four outgoing flights daily) and British Airways (up to eleven long-distance flights to London Heathrow and London City a day). Increased sales were also reported with other existing customers like Cathay Pacific and Turkish Airlines.

The unit at Chicago O'Hare, DO & CO's second location in North America increased its business considerably over the previous year. Etihad Airways and Finnair were gained as new customers in the business year 2015/2016. With its catering for Emirates, British Airways, Cathay Pacific, Turkish Airlines, Austrian Airlines, Finnair and Etihad Airways, DO & CO now has a roster of seven customers at this location.

The location at London Heathrow did similarly well. DO & CO was charged with catering for the business class on ten daily mid-range flights in June 2015, and for business and first class on ten daily long-distance flights in July 2015. More growth came from existing customers, especially Etihad Airways and Emirates, so that DO & CO has substantially improved its market position at this strategically important location. The cooperation with South African Airways ended in March 2016.

At its German locations, sales surged thanks to an expansion of business with existing customers and the acquisition of new customers. In this context, it should be reported that Emirates became a new customer for the Munich unit in October 2015 and for Düsseldorf in December 2015. The unit in Frankfurt began to cater for Cathay Pacific in May 2015, while the unit in Düsseldorf added the airline to its customers in September 2015. Additional sales in Frankfurt were in particular generated from existing customers Emirates and Qatar Airways.

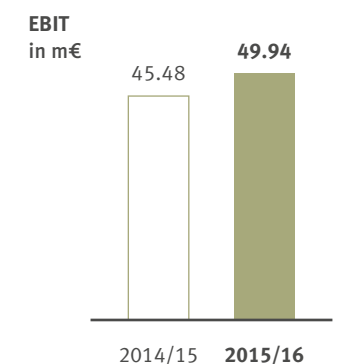
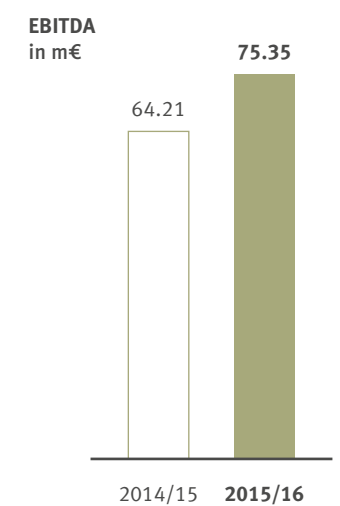
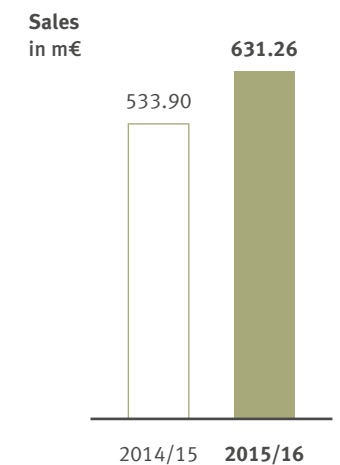
Also of note is that the conversion and expansion works at the Munich and Frankfurt locations were completed in October 2015 and December 2015 respectively. In Düsseldorf, DO & CO acquired a property near the airport in December 2015, in order to develop as a new gourmet kitchen.

In spite of the still tense situation in the eastern part of Ukraine, the Airline Catering unit in Kiev continued in the business year 2015/2016 to enjoy good relations with existing customers and obtained additional sales from new customers Air France and British Airways. At the beginning of 2016/2017 business year, through a significant reduction in the scope of supply to Ukraine International Airlines, the largest customer in the airline catering facility in Kiev, a negative development is expected.

The DO & CO Airline Catering units in Poland reported a slight increase in sales figures throughout the period under review.

The unit at Milan's Malpensa did good business, especially with its existing customers Qatar Airways and Oman Air.

The locations in Austria achieved a stable sales performance in the 2015/2016 business year. DO & CO obtained a new customer in Eurowings, a subsidiary of Lufthansa, and has been handling three daily flights ex Vienna since November 2015.



*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 2016/2017 business year*

- Participation in numerous tenders
- Establishment of a new gourmet kitchen at Düsseldorf Airport in Germany
- Investment to enlarge the locations in New York (John F. Kennedy Airport) and London Heathrow
- Evaluation of targets for acquisition and opportunities for expansion

*Competitive edge for DO & CO*

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



## FOOTBALL

UEFA Champions League Final, Berlin  
UEFA Euro League Final, Warsaw  
FC Bayern Munich  
Allianz Arena

## FORMULA 1

Shanghai, Bahrain, Barcelona, Monaco,  
Montreal, Spielberg, Silverstone, Budapest,  
Spa, Monza, Suzuka, Sochi,  
Austin, Mexico, Abu Dhabi

## BEACHVOLLEYBALL

Klagenfurt, Austria  
Poreč, Croatia

## TENNIS

ATP Masters Series Madrid  
ATP Geneva

## WINTER SPORTS

Downhillrace Kitzbühel  
Night Slalom Schladming  
Four Hills Tournament Bergisel & Bischofshofen

## EQUESTRIAN

CHIO Equestrian Festival in Aachen  
European Equestrian Championships in Aachen

## SPECIAL EVENTS

Film Festival Vienna

02

# International Event Catering

FORMULA 1  
GRAND PRIX ABU DHABI



#### 4.6. International Event Catering

The International Event Catering division generated sales of € 117.68m in the 2015/2016 business year (PY: € 101.06m). EBITDA was € 9.30m (PY: € 8.30m), with an EBITDA margin of 7.9% (PY: 8.2%). EBIT amounted to € 4.23m in the business year 2015/2016 (PY: € 3.65m), and the EBIT margin was 3.6% (PY: 3.6%).

International Event Catering		Business Year 2015/2016	Business Year 2014/2015	Change	Change in %
Sales	m€	117.68	101.06	16.62	16.4%
EBITDA	m€	9.30	8.30	0.99	11.9%
Depreciation/amortisation	m€	-5.07	-4.65	-0.42	-8.9%
EBIT	m€	4.23	3.65	0.57	15.7%
EBITDA margin	%	7.9%	8.2%		
EBIT margin	%	3.6%	3.6%		
Share of Group Sales	%	12.8%	12.6%		

For DO & CO's International Event Catering division, the 2015/2016 business year was already its 24<sup>th</sup> season of catering for Formula 1 grand prix races. Altogether, it handled 15 races in 15 countries. DO & CO also did the catering for the grand prix in Mexico City, the latest addition to the Formula 1 schedule. Moreover, DO & CO was put in charge of the Formula 1 VIP hospitality infrastructure segment in its 2014/2015 business year, a responsibility that involves the provision of noncatering items such as tents, furniture, security, decoration and entertainment.

In the 2015/2016 business year, Arena One, a subsidiary of DO & CO, in Munich handled the catering for 51 football matches at the Allianz Arena. 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. A particular highlight among the string of events was the Audi Cup held on two days in August 2015. Furthermore, DO & CO joined forces with FC Bayern Munich to set up a new VIP hospitality area in the Allianz Arena, known as the Säbener Lounge offering seating to more than 400 guests. The restaurant, including a show kitchen and sports bar, was opened in August 2015 and is operated jointly with FC Bayern Munich. Arena One also organised a large range of events at the Munich Olympic Park.

In May 2015, DO & CO was busy catering for several major sports events. At the Tennis Masters Series in Madrid, the DO & CO event team was again in charge of the exclusive catering to VIP guests and to the tennis players themselves. A first in the roster of events was the Tennis ATP tournament in Geneva which had the guests enjoy the pleasures of DO & CO's catering. In late May 2015, DO & CO was the culinary host of the UEFA Europa League final at the Narodowy stadium in Warsaw.

One more highlight of the event calendar was the UEFA Champions League final held at the Berlin Olympic Stadium in early June 2015, actually the tenth Champions League final catered by DO & CO for UEFA.

Aachen hosted the CHIO equestrian festival in May 2015 and the European equestrian Championships in August 2015, with DO & CO at hand at both occasions to do the catering for VIPs enjoying the equestrian performances.

The highlight of the summer was once again the annual beach volleyball tournament at the Wörthersee in Klagenfurt in July 2015, where for six days VIP guests tasted the very best of DO & CO's catering. In June 2015, VIP guests at the Poreč Major beach volleyball in Croatia were similarly treated to DO & CO's catering services.

The annual film festival held in July and August 2015 at the Rathausplatz adjacent to Vienna City Hall also 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.

In December 2015, Hédiard, a subsidiary of DO & CO, organised the President's Dinner in Paris as part of its hospitality contract for the UEFA EURO 2016. The event at the Paris City Hall with UEFA delegates and representatives of all the venues as well as the very positive feedback increased the anticipation for the big event in June and July 2016 in France.

The DO & CO event team's schedule also covered the international ÖFB matches at the Ernst Happel Stadium in Vienna and the home games of FC Red Bull Salzburg at the Red Bull Arena in Salzburg.

The highlight of the winter season in January 2016 was once again the annual Hahnenkamm ski race at Kitzbühel, together with the Bergisel and Bischofshofen legs of the Four Hills Tournament and the night slalom at Schladming, where DO & CO provided a unique ambient and catering at the highest level.

The Classic Events unit in Austria reported declining sales in the 2015/2016 business year.

#### DO & CO strategy

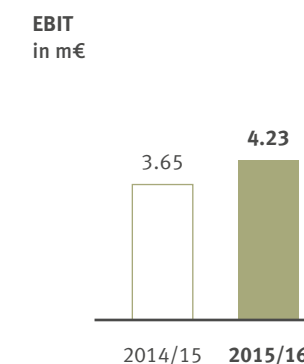
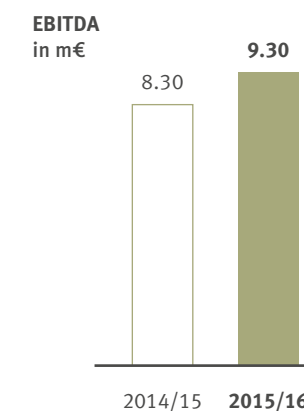
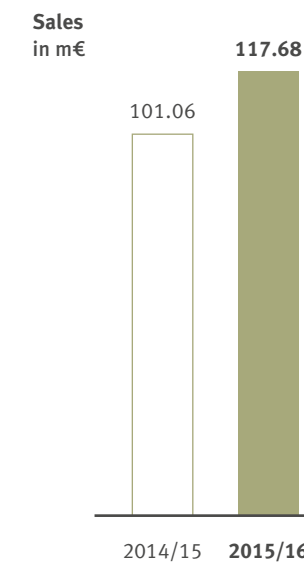
- Strengthening our core competence as a premium caterer
- Pushing our position as a "general contractor for gourmet entertainment" with ready-made solutions
- Enhancing the premium event brand established by DO & CO
- Establishing ourselves as a strong and reliable partner

#### Outlook for the 2016/2017 business year

- UEFA EURO 2016 in France, successfully continuing the series after Portugal in 2004, Austria-Switzerland in 2008 and Poland-Ukraine in 2012
- UEFA Champions League final 2016 in Milan
- ATP Masters in Madrid
- Catering and management of VIP hospitality infrastructure for Formula 1 grands prix
- Catering for football games at the Allianz Arena

#### 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





## **HOTEL**

DO & CO Hotel Vienna

## **RESTAURANTS & CAFÉS**

DO & CO Restaurant – Vienna, Stephansplatz

K. u. K. Hofzuckerbäcker Demel – Vienna

DO & CO Albertina – Vienna

Café Griensteidl – Vienna

Hédiard – Paris

Restaurant 181 – Munich

## **LOUNGES**

Lufthansa First Class Lounges

*Frankfurt, London*

Turkish Airlines Lounges

*Istanbul, Adana, Bodrum,*

*Trabzon, Dalaman*

Emirates Lounges

*New York, London, Milan*

*Munich, Frankfurt, Düsseldorf*

Austrian Airlines Lounges – Vienna

## **RETAIL**

Henry – the art of living

Nespresso Café

## **RAILWAY**

Henry am Zug

03

# Restaurants, Lounges & Hotel

DO & CO RESTAURANT  
VIENNA, STEPHANSPLATZ



#### 4.7. Restaurants, Lounges & Hotel

In the 2015/2016 business year, the Restaurants, Lounges & Hotel division accounted for sales of € 167.52m (PY: € 163.96m), which translates into a sales growth of 2.2%.

The division's EBITDA was € 8.04m (PY: € 9.83m). The EBITDA margin was 4.8% (PY: 6.0%). EBIT, amounting to € 1.35m, was below the previous year's level (PY: € 5.05m). The EBIT margin was 0.8% (PY: 3.1%).

Restaurants, Lounges & Hotel		Business Year 2015/2016	Business Year 2014/2015	Change	Change in %
Sales	m€	167.52	163.96	3.56	2.2%
EBITDA	m€	8.04	9.83	-1.80	-18.3%
Depreciation/amortisation	m€	-6.03	-4.78	-1.24	-26.0%
Impairment	m€	-0.66	0.00	-0.66	
EBIT	m€	1.35	5.05	-3.70	-73.3%
EBITDA margin	%	4.8%	6.0%		
EBIT margin	%	0.8%	3.1%		
Share of Group Sales	%	18.3%	20.5%		

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

DO & CO's restaurants reported a slight increase in sales in the 2015/2016 business year. The DO & CO flagship restaurant at Vienna's Stephansplatz and the DO & CO restaurant Albertina produced good sales figures. The two restaurants at the Olympiapark in Munich, Restaurant 181 and Restaurant Olympiasee, put in a satisfactory performance.

Particularly the Lounges unit achieved growth rates in the 2015/2016 business year. In this connection it should be noted that DO & CO launched an Emirates lounge in Frankfurt in October 2015 as well as one Emirates lounge each in Munich and Düsseldorf in November 2015. Growth rates were further enhanced by the Lufthansa lounge at London Heathrow, Turkish Airlines lounges and the other Emirates lounges.

The 29 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, Milan Malpensa, Munich, Frankfurt and Düsseldorf, and the Turkish Airlines lounges in Istanbul, Dalaman, Trabzon, Adana and Bodrum – served culinary delights to over 3.8m passengers in the business year of 2015/2016.

Staff restaurants, located in various parts of Austria, Germany, Poland and Turkey, reported stable business in the business year 2015/2016. A new business campus was opened in Unterschleißheim, Germany in January 2016.

DO & CO and Nespresso set up a joint venture to operate Nespresso Cafés together. The first of its kind was opened in Vienna in April 2015. On about 200 m<sup>2</sup> of space, the partners serve healthy and fresh products from the DO & CO gourmet kitchen together with Nespresso coffee.

The flagship store of Hédiard, a subsidiary of DO & CO, located on Place de la Madeleine in Paris, is currently undergoing a thorough makeover and is thus closed until the refurbishment is completed.

The airport gastronomy segment reports that DO & CO withdrew from its location at Bodrum Airport in November 2015 and Kiev-Boryspil in December 2015.

For the railway catering business it is to report that DO & CO has announced on 30 March 2016 that its subsidiaries have canceled the contract with ÖBB-Personenverkehr AG. Further cooperation is currently being evaluated.

#### DO & CO strategy

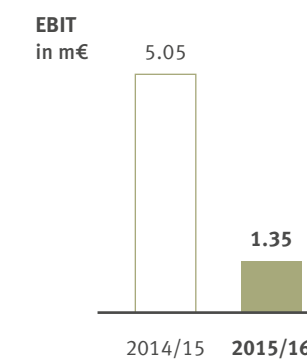
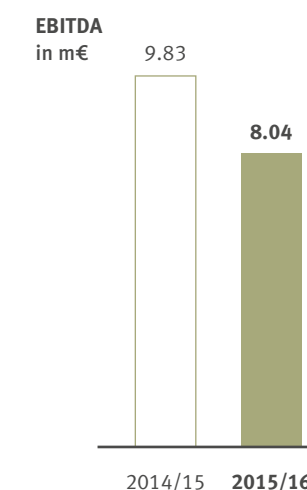
- Creative core of the DO & CO Group
- Marketing tool and image projector of the Group and brand development

#### Outlook for the 2016/2017 business year

- Hotel and restaurant in Istanbul at the Bosphorus: construction works to be continued, restaurant opening scheduled for 2016
- Ongoing retail expansion including the launching of further Nespresso Café locations and "Henry – The Art of Living" shops
- Continued expansion in the lounges, airport gastronomy and staff restaurants segments

#### 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, Place de la Madeleine in Paris and Istanbul Ortaköy



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

**Stock market overview**

The reporting period was marked by a patchy development of international stock markets. In the spring of 2015, monetary policy measures and the announcement of the asset purchase programme by the European Central Bank provided a significant positive spin for the markets. Throughout the rest of 2015 and the first three months of 2016, the situation was characterised by pervasive uncertainties on the part of investors. Political crises, especially in Ukraine and Syria, and concerns over the impact of the crude oil price on the global economy and regarding the future growth path of China caused considerable fluctuations on the markets.

During the reporting period, the overall European stock index EuroStoxx 50 declined by 18.7%. The US stock index Dow Jones Industrial fell by 0.5%, and the DAX dropped by 16.7%.

In the first half of 2015, the Vienna Stock Exchange index ATX moved upwards, only to falter again in early June. After a marked decline in the second half of 2015, the ATX made a modest recovery in the first three months of 2016. Altogether, the ATX lost 9.5% during the reporting period, from 2,509.82 points on 31 March 2015 to 2,270.38 points on 31 March 2016.

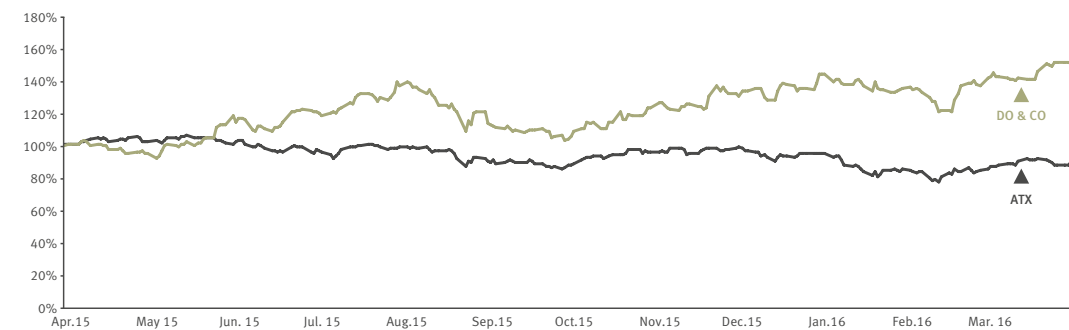
The Istanbul Stock Exchange, on the other hand, put in a slightly positive performance. The Turkish BIST 100 rose by 3.0% during the reporting period, closing at 83,268.04 points on 31 March 2016.

**DO & CO shares**

In the 2015/2016 business year, DO & CO shares performed well on the stock exchanges of both Vienna and Istanbul. During the period under review, their value grew substantially vis-à-vis the lead indices in each country.

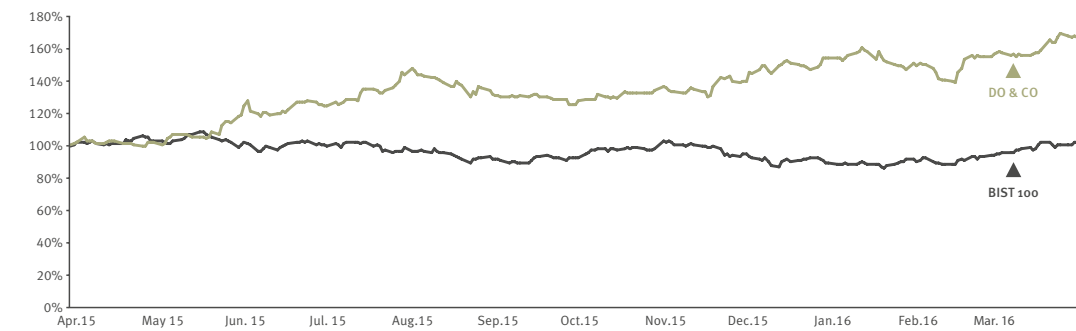
On the Vienna Stock Exchange, DO & CO shares gained 53.5%, closing at € 106.00 on 31 March 2016.

DO & CO Share in % | ATX (Austrian Traded Index) in %



On the Istanbul Stock Exchange, DO & CO shares gained 75.5%, closing at TRY 337.90 on 31 March 2016.

DO & CO Share in % | BIST 100 (Borsa Istanbul) in %



On 1 October 2015, DO & CO was accepted into the BIST 100 index, the key index for the Turkish stock market. The foremost stock index in Turkey, BIST 100 includes the 100 main Turkish stocks, weighted by market capitalisation.

**Dividend**

The Management Board of DO & CO Aktiengesellschaft will propose to the General Meeting of Shareholders on 21 July 2016 to distribute a dividend amounting to € 0.85 per share. The dividend thus is of the same amount as the basic dividend of the previous business year (PY: basic dividend of € 0.85 + special dividend of € 0.35). This amounts to a distribution ratio of 29.3%.

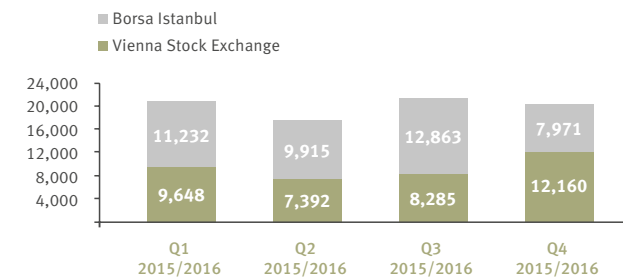
**Trading volumes**

On the Vienna Stock Exchange, an average of € 808t in DO & CO stocks was traded daily during the 2015/2016 business year, compared to an average daily trading volume of € 895t in DO & CO shares on the Istanbul Stock Exchange. As in previous years, trading in Istanbul thus was higher than the level of the Vienna Stock Exchange. Together, the two stock exchanges traded € 1,704t or 19,861 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 2015/2016	Business Year 2014/2015	Business Year 2015/2016	Business Year 2014/2015	Business Year 2015/2016	Business Year 2014/2015
Volume in shares*	9,360	8,679	10,502	9,677	19,861	18,356
Turnover in €t*	808	490	895	521	1,704	1,010

\* Daily average traded volume of the DO & CO shares

Daily average traded volume\*



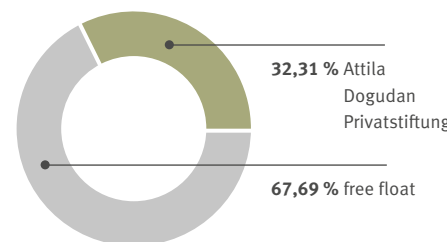
\* Volume in shares

Share indices		Business Year 2015/2016	Business Year 2014/2015
High <sup>1</sup>	€	106.00	74.00
Low <sup>1</sup>	€	64.03	38.20
Price at the end of the period <sup>1</sup>	€	106.00	69.05
Number of shares at the end of the period	TPie	9,744	9,744
Number of weighted shares <sup>2</sup>	TPie	9,744	9,635
Market capitalisation at the end of the period	m€	1,032.86	672.82

<sup>1</sup> Closing price

<sup>2</sup> Adjusted by own shares held during the reporting period

Shareholder structure of DO & CO Aktiengesellschaft



On 31 March 2016, 67.69% of the shares were in the free float. The remaining 32.31% were held by the private foundation Attila Dogudan Privatstiftung. This latter figure includes a stake of 1.59% provided for management and staff participation.

Information on the DO & CO shares

ISIN	AT0000818802
Reuters Code	DOCO.VI, DOCO.IS
Bloomberg Code	DOC AV, DOCO TI
Indices	ATX Prime, WBI, BIST ALL, BIST 100
WKN	081880
Listed in	Vienna, Istanbul
Currencies	EUR, TRY

Financial calendar

11 July 2016	Cut-off date for the General Meeting of Shareholders
21 July 2016	General Meeting of Shareholders for the 2015/2016 business year
25 July 2016	Ex dividend date
26 July 2016	Cut-off date for dividends
8 August 2016	Dividend payment date
18 August 2016	Results for the first quarter of 2016/2017
17 November 2016	Results for the first half year of 2016/2017
16 February 2017	Results for the first three quarters of 2016/2017

Investor relations

In the 2015/2016 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, London, New York, Paris, Prague, Stegersbach, Vienna and Zurich.

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

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

Analysts on average have a price target of € 103.79 (status: 31 March 2016).

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  
E: [investor.relations@doco.com](mailto:investor.relations@doco.com)

### Notes in Accordance with Section 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 32.31%, 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 and 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) 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 clients 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.

#### 4.9. Significant Events After the Reporting Period

No significant events or developments occurred after 31 March 2016 that would be of importance with regard to the DO & CO Group's financial situation and performance.

## 5. OUTLOOK

Sales activities at the DO & CO locations will continue to focus on expanding business relations with existing customers and acquiring new customers.

In the **Airline Catering** division the establishment of a gourmet kitchen in Paris is planned. In order to handle its catering for the UEFA EURO 2016, DO & CO has set up a production facility at Argenteuil in Paris which is to be converted into an airline catering location once the big event is over.

In Turkey, Turkish DO & CO is in negotiations with Turkish Airlines regarding the renewal of the airline catering supply contract. The current contract expires at the end 2016.

In December 2015, DO & CO acquired a property in Düsseldorf which is to hold the 29<sup>th</sup> DO & CO gourmet kitchen. The location is right next to the airport, excellently suited to foster further growth of the Company's airline catering in Germany, and it is scheduled to serve existing as well as new customers of DO & CO.

Furthermore, DO & CO has decided to strengthen its buy-on-board offer concepts in airline catering. To this end, a joint company was founded in April 2016 to participate in airline catering tenders.

The **International Event Catering** division will concentrate on preparing and executing the hospitality programmes for the UEFA EURO 2016 during the first quarter of the 2016/2017 business year. From 10 June to 10 July 2016, VIP guests of the EURO 2016 will be treated to culinary delights in ten stadiums in France. DO & CO will act as the hospitality production manager for the event, which carries also sole responsibility for the entire infrastructure, such as tents, furniture, decoration and services, including entertainment, event hostesses, security and cleaning.

Quite apart from this extralarge sports event, the division will handle several other major international events. In the first quarter of the 2016/2017 business year, DO & CO will serve VIP guests at the ATP Masters in Madrid and the Champions League final in Milan.

Spread throughout the 2016/2017 business year, DO & CO will run the exclusive Paddock Club at the Formula 1 grand prix races already in its 25<sup>th</sup> season. On another positive note, DO & CO will provide the catering for the Mercedes Motorhomes.

Starting with the Austrian Football Bundesliga season of 2016/2017, DO & CO will be charged with catering for the VIP guests of Austria Wien, a long-established association football club in Vienna at the Ernst Happel Stadium.

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

The **Restaurants, Lounges & Hotel** division is intensifying its expansion into retailing, and a new Nespresso Café is scheduled to be opened in London within the next months.

Construction works for the hotel in Istanbul are making progress. The restaurant is set to be opened in 2016. The hotel and event location are planned to be launched in 2017.

For the railway catering business it is to report that DO & CO has announced on 30 March 2016 that its subsidiaries have canceled the contract with ÖBB-Personenverkehr AG. Further cooperation is currently being evaluated.

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 its available 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 6. Opportunity and Risk Management). DO & CO does not undertake to adjust such projections to future events or developments.

## 6. OPPORTUNITY AND RISK 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 positive development of the Company.

As to opportunities, strategies that allow the Group to continue on its growth path include the launching of new airline catering locations and the acquisition of new customers at existing locations. Extending the products and services provided for existing customers is also seen as an opportunity for DO & CO, whether it is by supplying a greater level of products and services at existing locations or by providing products and services at new locations. Opportunities also arise from innovative products and services, with a view to promote the Company's positive development. In addition, opportunities can arise through the acquisition of companies or parts of companies.

In this connection it should be noted that the DO & CO Management accords full priority to uncompromising premium quality of all its products and services in all its activities to develop the Company and utilise marketing opportunities whenever they open up.

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 laid down in the risk and opportunity policy and on intercompany guidelines and reporting systems that adhere to the principles of risk management and risk structures according to COSO<sup>4</sup>.

Risk and opportunity management is considered a core management task and an integral part of all business processes. The Group therefore can quickly identify both risks and opportunities. Reporting is done on an ongoing basis, and all managers and decision-makers are personally involved in risk management.

Identified risks and opportunities are grouped into risk and opportunity categories and assigned 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

<sup>4</sup> COSO (Committee of Sponsoring Organizations of the Treadway Commission) is an independent private business organisation sponsored by the five largest financial reporting associations.

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.

Political crises, wars and natural disasters pose major risks for the safety of airlines, events, customers and staff. In order to analyse, guard against and control such risks, DO & CO closely monitors the security situation at a local as well as global level, together with ongoing developments which might impact on the business of DO & CO.

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 2015/2016:

### 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 has reduced 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.

Political strife in the Middle East and North Africa has produced changes in our travel and leisure patterns. Terrorist attacks that directly target airlines threaten the safety of aviation and have led to additional costs to improve security.

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

The Company has thus instituted a course of permanent monitoring of the security situation combined with ensuring that its key account managers are in constant contact with airline clients, so that it can react quickly to any changes and promptly counter any negative effects on the DO & CO Group. The acquisition of new customers obtained from participating in tenders worldwide allows DO & CO to further spread the 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 the Airline Catering division 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 Ukraine, the Middle East and North Africa have a negative impact on the global economy.



To counter economic risks 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 forecasts of 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

Terrorist attacks against airlines and public facilities in the Middle East and Europe have substantially infringed upon the safety of passengers and staff.

Negative ramifications therefore need to be expected for the aviation and leisure industry. Major events may need to be cancelled at short notice whenever a concrete terror alert is issued.

DO & CO cooperates with government authorities on an ongoing basis to prepare security analyses that allow advance assessment of developments in certain parts of the world and setting up preventive scenarios to combat possible problems. Necessary security measures are developed depending on the probability and impact of loss-causing events.

In creating in-depth security studies for the Company and its customers, DO & CO makes use of information made available by national and international security agencies.

Next to performing a constant evaluation of risks for the Company, DO & CO accords great importance to ensuring the safety of its staff members who are promptly informed of the relevant security situation before being posted and while they stay abroad.

#### Risks pertaining to natural disasters and epidemics

Risks may come out of the blue, as was the case when the Icelandic volcano Eyjafjallajökull erupted in April 2010 and repeatedly brought air traffic in large parts of Northern and Central Europe to a complete or partial standstill for several days in a row. This risk category also includes disasters such as the meltdown of the nuclear power plant and consequent radioactive contamination in Japan in March 2011.

The specific risk of long-term closure 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.

Risks that are beyond the control of DO & CO but which might 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. In these times, experts estimate that people on all continents may become infected by pathogens within just a few weeks. Travel restrictions imposed by health care authorities may impact on the travel and leisure patterns of people, leading to short-notice cancellations of flights and events alike.

In the event of epidemic or pandemic risks, DO & CO has access to professional medical services that enable it to respond quickly and properly to any outbreak.

#### Risks that impair the Group's reputation

Anything that might harm the DO & CO brand and its reputation is combatted by a rulebook that sets out a uniform standard for identifying, assessing and controlling such risks. Each and every staff member is personally charged with guarding the reputation of DO & CO. The overall responsibility for identifying,

assessing, controlling, monitoring and reporting hazards rests with the national and international management units. If a potential risk to the Company's reputation is discovered, this triggers a centrally controlled risk management process which includes all activities required to ward off any harm to the Company's image and possible losses for DO & CO.

#### 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 international 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 together with 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 products 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 resource, taxes and levies, 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 control liquidity and to avoid liquidity risk. If expansion and other projects are undertaken, a meticulous analysis of their impact on Group liquidity must be conducted.

Deviations from financial plans are detected immediately thanks to regular and prompt financial reporting. This approach ensures that countermeasures 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 as low as possible by closely monitoring outstanding debts as part of receivables management. The outstanding items 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 currently 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.

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

## 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 that 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 organisational 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 organising and monitoring financial reporting in the Group.

Compliance with the processes for recording, making account entries and accounting for transactions is regularly monitored as part of appropriate organisational actions. All monitoring actions apply to the entire business process. Monitoring can constitute anything from management examining results for various periods, to reconciling 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 optimised. Close attention is paid to IT security in this context. With respect to the financial systems used, pertinent authorisation arrangements are employed to guard access to corporate data. Restrictive authorisation 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 optimise the situation is launched and carried out quickly to counter any risks as effectively as possible.

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 relevant accounting-related 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 (four-eyes principle). 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.

# Corporate Governance Report



## 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 all the legal requirements (“L Rules”), and confirms that it will not deviate from the comply-or-explain requirements (“C Rules”).

As regards corporate governance, management’s 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 2015/2016 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. 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 2020

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 2020

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 2020

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 2020

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

### Workings of the Management Board

Business responsibilities and modes of cooperation are laid down in the Articles of Association and the Internal Rules of Procedure.

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.

The 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, and the regional business of Ukraine and Poland; he takes the lead on issues of 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 2016, Gottfried Neumeister 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.

## 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 (until 26 June 2015)
- Member of the Supervisory Board of Bank für Tirol und Vorarlberg AG (until 13 May 2015)
- Member of the Supervisory Board of BKS Bank AG (until 20 May 2015)
- Member of the Supervisory Board of Oberbank AG (until 19 May 2015)

### 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

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 10 July 2002

No further seats on supervisory boards of listed companies

### 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 2015/2016 business year, the Supervisory Board performed all its responsibilities under the law and Articles of Association within the scope of five meetings (one of which was run as a telephone conference) and adopted one resolution in writing by a circulation procedure. Its discussions focused on deliberating the strategic direction to be taken by the Company and the acquisition of stakes, expansion of the distribution network and development of new business fields, expansion investments and ongoing business, including in particular railway catering, UEFA EURO 2016, airline catering, refinancing of the Haas Haus property and the Nespresso-DO & CO Cafés.

### 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 function includes supervising the financial 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 financial statements and preparing their approval, considering the proposal for profit distribution, management report and corporate governance report, and reporting the audit findings to the Supervisory Board, examining the consolidated financial statements and consolidated management 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 function of the Audit Committee is currently performed 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 2015/2016 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. During the 2015/2016 business year, the nominating committee met once to discuss issues of succession planning and a proposal to renew the mandates of all members of the Management Board for another five-year period.

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 remuneration committee met once in the 2015/2016 business year, deliberating on the granting of variable salary components to members of the Management Board in the business year 2014/2015.

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

## 4. 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 2015/2016 business year, the variable remuneration was calculated especially 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.

The 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 2015/2016 business year was as follows:

Remuneration Management Board 2015/2016	in t€	Fixed Remuneration	Variable Remuneration	Total
Attila Dogudan *		762	295	1,057
Haig Asenbauer **		617	590	1,207
Gottfried Neumeister ***		527	490	1,017
Klaus Petermann **		427	351	778
<b>Total</b>		<b>2,333</b>	<b>1,726</b>	<b>4,059</b>

\* Including remuneration in kind and including 31 t€ for activities as deputy chairman of the Board of Directors and CEO of THY DO & CO İkrâm Hizmetleri A.Ş.

\*\* Including 27 t€ for activities as member of the Board of Directors of THY DO & CO İkrâm Hizmetleri A.Ş.

\*\*\* Including 26 t€ for activities as member of the Board of Directors of THY DO & CO İkrâm Hizmetleri A.Ş.

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 dated 2 July 2015 for the 2014/2015 business year, a remuneration totalling € 100t (PY: € 75t) was paid to the Supervisory Board members, distributed as shown in the table below.

Remuneration Supervisory Board 2014/2015*	in t€
Waldemar JUD	35
Werner SPORN	25
Georg THURN - VRINTS	20
Christian KONRAD	20
<b>Total</b>	<b>100</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 € 317t in the 2015/2016 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.

**5. 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, 20 May 2016

The Management Board



Attila DOGUDAN  
Chairman of the  
Management Board



Gottfried NEUMEISTER  
Member of the  
Management Board



Haig ASENBAUER  
Member of the  
Management Board



Klaus PETERMANN  
Member of the  
Management Board



# 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 2015/2016 business year, the Supervisory Board performed its duties under the law and the Articles of Association in five meetings (one of which was in the form of a telephone conference) and adopted one resolution in writing by a circulation procedure. They focused on deliberations regarding the Company's strategic approach, the acquisition of stakes, extension of the distribution network and the establishment of new business fields, expansion investments and ongoing business, especially railway catering, UEFA EURO 2016, airline catering, refinancing of the Haas Haus property and Nespresso-DO & CO Cafés.

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

At its meeting on 25 May 2016, 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 of the Company and the Group for 2016/2017.

The Audit Committee met twice in the 2015/2016 business year, monitoring the accounting system, the implementation of steps to optimise the internal control system, as well as the effectiveness of the risk management system and the internal audit system.

The financial statements plus notes of DO & CO Aktiengesellschaft as of 31 March 2016 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 2015/2016. They are thus adopted in accordance with § 96 (4) of the Austrian Corporation Act (AktG).

The consolidated financial statements as of 31 March 2016 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 of 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's Group as of 31 March 2016 and the results of its operations and its cash flows for the business year of 2015/2016 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 21 July 2016 to distribute the entire net profit of € 8,282,400.00 for a dividend payout of € 0.85 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 2015/2016 business year were carried out by Ullrich Saurer, lawyer at Held Berdnik Astner & Partner Rechtsanwälte GmbH, and found that DO & CO has complied with the rules of the Austrian Corporate Governance Code in its 2015/2016 business year.

The Supervisory Board proposes to appoint PKF CENTURION Wirtschaftsprüfungsgesellschaft mbH as the auditor of the financial statements and consolidated financial statements for the 2016/2017 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, 25 May 2016

Waldemar Jud mp  
Chairman of the Supervisory Board

# Consolidated Financial Statements

2015 / 2016

of DO & CO Aktiengesellschaft  
in accordance with IFRS



## 1. CONSOLIDATED STATEMENT OF FINANCIAL POSITION <sup>5</sup>

Notes	Assets	in m€	31 March 2016	31 March 2015	1 April 2014
4.1.	Intangible assets		66.30	73.07	54.06
4.2.	Property, plant and equipment		210.37	240.38	131.57
4.3.	Investment property		1.55	57.43	3.57
4.5.	Investments accounted for using the equity method		4.28	1.96	2.18
4.6.	Other non-current financial assets		3.26	5.14	1.60
4.15.	Income tax receivables		0.23	0.50	3.79
4.15.	Deferred tax assets		9.32	5.38	8.11
	<b>Non-current assets</b>		<b>295.31</b>	<b>383.85</b>	<b>204.87</b>
4.7.	Inventories		26.17	25.73	22.26
4.8.	Trade receivables		100.62	98.71	82.00
	Other current financial assets		10.10	8.25	6.30
4.15.	Income tax receivables		3.02	1.70	8.40
4.9.	Other current non-financial assets		20.87	13.05	13.53
4.10.	Cash and cash equivalents		171.91	57.37	179.45
	<b>Current assets</b>		<b>332.69</b>	<b>204.82</b>	<b>311.94</b>
	<b>Total assets</b>		<b>628.00</b>	<b>588.67</b>	<b>516.82</b>

Notes	Shareholders' equity and liabilities	in m€	31 March 2016	31 March 2015	1 April 2014
	Nominal capital		19.49	19.49	19.49
	Capital reserves		70.51	70.51	70.60
	Retained earnings		112.03	93.36	76.48
	Other comprehensive income		-25.87	-15.25	-21.66
	Special item from transactions with non-controlling interests		-0.27	-1.80	1.32
	Net result		28.25	35.11	25.92
	<b>Equity attributable to the shareholders of DO &amp; CO Aktiengesellschaft</b>		<b>204.13</b>	<b>201.42</b>	<b>172.15</b>
	Non-controlling interests		50.24	45.32	33.13
<b>4.11.</b>	<b>Shareholders' equity</b>		<b>254.37</b>	<b>246.74</b>	<b>205.28</b>
4.12.	Bond		148.47	148.19	147.92
4.13.	Other non-current financial liabilities		4.44	5.74	4.05
4.14.	Non-current provisions		22.44	24.98	21.86
4.15.	Deferred tax liabilities		5.38	7.73	8.59
	<b>Non-current provisions and liabilities</b>		<b>180.74</b>	<b>186.64</b>	<b>182.42</b>
4.16.	Current financial liabilities		33.29	26.24	25.60
4.17.	Trade payables		76.63	60.58	46.40
4.18.	Current provisions		40.81	43.54	31.27
4.15.	Income tax liabilities		9.18	8.73	14.26
4.19.	Other current liabilities		32.98	16.21	11.60
	<b>Current provisions and liabilities</b>		<b>192.89</b>	<b>155.29</b>	<b>129.12</b>
	<b>Total shareholders' equity and liabilities</b>		<b>628.00</b>	<b>588.67</b>	<b>516.82</b>

<sup>5</sup> 1 April 2014 and 31 March 2015 adjusted (see Section 3.2.)

2. CONSOLIDATED INCOME STATEMENT<sup>6</sup>

Notes	in m€	Business Year 2015/2016	Business Year 2014/2015
<b>5.1. Sales</b>		<b>916.47</b>	<b>798.92</b>
5.2. Other operating income		24.67	28.74
5.3. Cost of materials		-396.71	-344.90
5.4. Personnel expenses		-302.74	-272.37
5.5. Other operating expenses		-148.26	-128.70
Result of equity investments accounted for using the equity method		-0.74	0.66
<b>EBITDA - Operating result before amortisation / depreciation</b>		<b>92.68</b>	<b>82.35</b>
5.6. Amortisation / depreciation and impairments		-37.16	-28.16
<b>EBIT - Operating result</b>		<b>55.51</b>	<b>54.19</b>
Financial income		2.80	3.27
Financial expenses		-7.49	-12.06
Other financial result		0.00	15.78
<b>5.7. Financial result</b>		<b>-4.69</b>	<b>6.99</b>
<b>Profit before income tax</b>		<b>50.83</b>	<b>61.18</b>
5.8. Income tax		-6.14	-14.84
<b>Profit after income tax</b>		<b>44.69</b>	<b>46.33</b>
Thereof net profit attributable to non-controlling interests		16.43	11.22
<b>Thereof net profit attributable to shareholders of DO &amp; CO Aktiengesellschaft (Net result)</b>		<b>28.25</b>	<b>35.11</b>
		<b>Business Year 2015/2016</b>	<b>Business Year 2014/2015</b>
<b>Net result in m€</b>		<b>28.25</b>	<b>35.11</b>
Number of weighted shares (in Pie)		9,744,000	9,634,547
Number of shares at the end of the period (in Pie)		9,744,000	9,744,000
<b>5.9. Basic/diluted earnings per share (in €)</b>		<b>2.90</b>	<b>3.64</b>

<sup>6</sup> Business year 2014/2015 adjusted (see Section 3.2.)

3. CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME<sup>7</sup>

in m€	Business Year 2015/2016	Business Year 2014/2015
<b>Profit after income tax</b>	<b>44.69</b>	<b>46.33</b>
Differences of currency translation	-18.88	11.08
Income tax	1.00	-3.67
<b>Total of items that will be reclassified subsequently to the income statement</b>	<b>-17.88</b>	<b>7.41</b>
Termination benefits and pension payments obligations	1.37	-0.71
Income tax	-0.33	0.17
<b>Total of items that will not be reclassified subsequently to the income statement</b>	<b>1.05</b>	<b>-0.54</b>
<b>Other comprehensive income after income tax</b>	<b>-16.83</b>	<b>6.87</b>
<b>Total comprehensive income for the period</b>	<b>27.86</b>	<b>53.20</b>
Thereof attributable to non-controlling interests	10.23	11.68
<b>Attributable to DO &amp; CO Aktiengesellschaft (Total result)</b>	<b>17.63</b>	<b>41.52</b>

<sup>7</sup> Business year 2014/2015 adjusted (see Section 3.2.)

4. CONSOLIDATED STATEMENT OF CASH FLOWS <sup>8</sup>

	in m€	Business Year 2015/2016	Business Year 2014/2015
<b>Profit before income tax</b>		<b>50.83</b>	<b>61.18</b>
+ Depreciation / amortisation and impairments		37.16	28.16
- Reversal of impairment loss		-1.48	0.00
-/+ Gains / losses from disposals of non-current assets		-0.56	0.19
+/- Gains / losses from the disposal of subsidiaries		-2.37	0.00
+/- Gains / losses from associated companies measured at equity without cash effect		1.52	0.22
+/- Other non cash expense / income		-1.02	-13.22
+/- Interests and dividends		3.52	2.52
<b>Gross cash flow</b>		<b>87.61</b>	<b>79.04</b>
-/+ Increase / decrease in inventories and other current assets		-10.28	-15.00
+/- Increase / decrease in provisions		-3.82	2.36
+/- Increase / decrease in trade payables and other liabilities		31.68	8.26
- Income tax payments		-13.46	-8.79
<b>Cash flow from operating activities (net cash flow)</b>		<b>91.73</b>	<b>65.87</b>
+ Income from disposals of property, plant and equipment and intangible assets		3.98	0.97
+ Payments received for the disposal of subsidiaries, less divested cash		112.16	0.00
- Additions to property, plant and equipment and investment property		-61.49	-178.94
- Additions to intangible assets		-2.44	-1.33
- Additions to associated companies measured at equity		-0.48	0.00
- Additions to other financial assets		-1.45	-3.55
- Cash outflows for the acquisition of subsidiaries, less acquired cash		0.00	-9.43
+ Dividends received		0.01	0.19
+ Interests received		1.60	3.21
<b>Cash flow from investing activities</b>		<b>51.89</b>	<b>-188.89</b>
- Dividend payment to shareholders of DO & CO Aktiengesellschaft		-11.69	-8.28
- Dividend payment to non-controlling interests		-2.76	-2.61
+ Cash proceeds from issuing shares or other equity instruments		0.00	15.45
+ Cash proceeds from the increase of financial liabilities		0.02	0.00
- Repayment of financial liabilities		0.00	-0.42
- Interests paid		-5.13	-5.92
- Payments for the acquisition of non-controlling interests		-5.81	0.00
<b>Cash flow from financing activities</b>		<b>-25.38</b>	<b>-1.79</b>
<b>Net increase/decrease in cash and cash equivalents</b>		<b>118.24</b>	<b>-124.81</b>

<sup>8</sup> Business year 2014/2015 adjusted (see Section 3.2.)

	in m€	Business Year 2015/2016	Business Year 2014/2015
Cash and cash equivalents at the beginning of the year		57.37	179.45
Effects of exchange rate changes on cash and cash equivalents		-3.86	2.73
Decrease / increase of liquid funds due to changes of scope of consolidation		0.15	0.00
Cash and cash equivalents at the end of the year		171.91	57.37
<b>Change in funds</b>		<b>118.24</b>	<b>-124.81</b>

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

5. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY<sup>9</sup>

EQUITY OF THE SHAREHOLDERS OF DO & CO AKTIENGESELLSCHAFT											
in m€	Nominal capital	Capital reserves	Retained earnings	Net result	Other comprehensive income		Own shares	Special item from transactions with non-controlling interests	Total	Non-controlling interests	Total equity
					Currency translation differences	Revaluation IAS 19					
<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>
Adjustment	0.00	0.00	0.00	-0.16	0.00	0.00	0.00	0.00	-0.16	2.05	1.89
<b>As of 1 April 2014 adjusted</b>	<b>19.49</b>	<b>70.60</b>	<b>76.48</b>	<b>25.92</b>	<b>-19.90</b>	<b>-1.75</b>	<b>0.00</b>	<b>1.32</b>	<b>172.15</b>	<b>33.13</b>	<b>205.28</b>
Dividend payments 2013/2014			-8.28						-8.28	-2.61	-10.89
Profit carried forward 2013/2014			25.92	-25.92					0.00		0.00
Changes in own shares							46.15		46.15		46.15
Issue/Sale of own shares		-0.10	-0.74				-46.15		-46.99		-46.99
Total result				35.11	6.87	-0.46			41.52	11.68	53.20
Transactions with non-controlling interests								-3.12	-3.12	3.12	0.00
<b>As of 31 March 2015 adjusted</b>	<b>19.49</b>	<b>70.51</b>	<b>93.36</b>	<b>35.11</b>	<b>-13.04</b>	<b>-2.21</b>	<b>0.00</b>	<b>-1.80</b>	<b>201.42</b>	<b>45.32</b>	<b>246.74</b>
<b>As of 1 April 2015 adjusted</b>	<b>19.49</b>	<b>70.51</b>	<b>93.36</b>	<b>35.11</b>	<b>-13.04</b>	<b>-2.21</b>	<b>0.00</b>	<b>-1.80</b>	<b>201.42</b>	<b>45.32</b>	<b>246.74</b>
Additions to non-controlling interests			-4.75						-4.75	-1.03	-5.78
Dividend payments 2014/2015			-11.69						-11.69	-2.54	-14.23
Profit carried forward 2014/2015			35.11	-35.11					0.00		0.00
Total result				28.25	-11.46	0.84			17.63	10.23	27.86
Transactions with non-controlling interests								1.53	1.53	-1.74	-0.21
<b>As of 31 March 2016</b>	<b>19.49</b>	<b>70.51</b>	<b>112.03</b>	<b>28.25</b>	<b>-24.50</b>	<b>-1.37</b>	<b>0.00</b>	<b>-0.27</b>	<b>204.13</b>	<b>50.24</b>	<b>254.37</b>

Information on shareholders' equity is provided in Section 4.11.

<sup>9</sup> 1 April 2014 and 31 March 2015 adjusted (see Section 3.2.)



DO & CO  
Aktiengesellschaft, Vienna

# Notes to the Consolidated Financial Statements 2015 / 2016



## 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 2015 to 31 March 2016 (2015/2016) 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 2015/2016 on 20 May 2016 for submission to the Supervisory Board. On 25 May 2016 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 42 in the annual financial report 2015/2016.

## 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 in the business year for the first time by DO & CO:

Standard / Interpretation (First application in 2015/2016)		
IAS 19	Defined Benefit Plans: Employee Contributions	
IAS 16 IAS 38	Property, plant and equipment and intangible assets: Revaluation method – proportionate restatement of accumulated amortisation	
IAS 24	Related Party Disclosures: Key management personnel	
IFRS 2	Share-based Payment: Definition of vesting condition	Annual Improvements to IFRSs 2010 – 2012 Cycle
IFRS 3	Business Combinations: Accounting for contingent consideration in a business combination	
IFRS 8	Operating Segments: Aggregation of operating segments and Reconciliation of the total of the reportable segments' assets to the entity's assets	
IFRS 13	Fair Value Measurement: Short-term receivables and payables	
IAS 40	Investment Property: Clarifying the interrelationship between IFRS 3 and IAS 40 when classifying property as investment property or owner-occupied property	Annual Improvements to IFRSs 2011 – 2013 Cycle
IFRS 1	First-time Adoption of IFRS: Meaning of "effective IFRSs"	
IFRS 3	Business Combinations: Scope exceptions for joint ventures	
IFRS 13	Fair Value Measurement: Scope of paragraph 52 (portfolio exception)	
IFRIC 21	Levies	
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations: Changes in methods of disposal	
IFRS 7	Financial Instruments Disclosure: Applicability of the amendments to IFRS 7 to condensed interim financial statements and Servicing Contracts	Annual Improvements to IFRSs 2012 – 2014 Cycle
IAS 19	Defined Benefit Plans: regional market issues	
IAS 34	Interim Financial Reporting: Disclosure of information "elsewhere in the interim financial report"	

The amendments to IAS 19 "Employee Benefits" clarify the provisions concerning the allocation of employee contributions and third-party contributions to periods of service if such contributions are in respect of service.

Under the "Annual Improvements to IFRSs" projects, specific standards are being amended, which is mainly done to provide clarifications with regard to existing provisions.

Where specifically applicable, the above-mentioned standards were applied to these consolidated financial statements. The first time application of the standards and/or interpretations had no significant effects on the consolidated financial statements and the presentation of the financial situation and profitability of DO & CO.

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 (until 31.03.2016)		Endorsed and effective from beginning of	Mandatory effective date for DO & CO	Expected impact on consolidated financial statements
IFRS 11	Accounting for Acquisitions of Interests in Joint Operations	January 2016	1 April 2016	no material impact
IAS 16 IAS 41	Bearer Plants	January 2016	1 April 2016	no impact
IAS 1	Disclosure Initiative	January 2016	1 April 2016	in evaluation
IAS 16 IAS 38	Property, plant and equipment and Intangible assets: Depreciation and amortisation	January 2016	1 April 2016	no material impact
Miscellaneous	Annual Improvements Cycle 2012 – 2014	January 2016	1 April 2016	no material impact
IAS 27	Equity Method in Separate Financial Statements	January 2016	1 April 2016	no impact
Standard / Interpretation (until zum 31.03.2016)		Not yet endorsed and effective from beginning of	Mandatory effective date for DO & CO	Expected impact on consolidated financial statements
IFRS 9	Financial Instruments	January 2018	preliminary 1 April 2018	in evaluation
IFRS 15	Revenue from Contracts with Customers	January 2018	preliminary 1 April 2018	in evaluation
IFRS 14	Regulatory Deferral Accounts	January 2016	preliminary 1 April 2016	no impact
IFRS 10 IFRS 12 IAS 28	Amendments to IFRS 10, 12 and IAS 27 on consolidation for investment entities	January 2016	preliminary 1 April 2016	no impact
IAS 28 IFRS 10	Sale or Contribution of Assets	effective to be determined	effective to be determined	no impact
IFRS 16	Leases	January 2019	preliminary 1 April 2019	in evaluation
IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses	January 2017	preliminary 1 April 2017	in evaluation
IAS 7	Disclosure Initiative (IAS 1)	January 2017	preliminary 1 April 2017	in evaluation

The new applicable standards IFRS 9, IFRS 15 and IFRS 16 are described in brief below:

IFRS 9 "Financial Instruments" addresses the classification, recognition and measurement of financial assets and financial liabilities. The final version of IFRS 9 was published in July 2014. This Standard supersedes those sections of IAS 39 "Financial Instruments: Recognition and Measurement" dealing with the classification and measurement of financial instruments. IFRS 9 retains but simplifies the mixed measurement model and creates three measurement categories for financial assets: at amortised cost, at fair value through other comprehensive income and at fair value through profit or loss. The

classifications depend on the entity's business model and the characteristics of the contractual cash flows of the financial asset. As a rule, investments in equity instruments have to be measured at fair value through profit or loss. Here, the irrevocable option to recognise changes in the fair value in other comprehensive income is only applicable at initial recognition. Also, this Standard introduces a new impairment model based on expected losses that replaces the IAS 39 incurred loss model. With regard to financial liabilities, the classification and measurement has basically remained unchanged, the only exception being liabilities designated as "at fair value through profit or loss" as the changes in the own credit risk have to be recognised in other comprehensive income. IFRS 9 facilitates the provisions on measuring hedge effectiveness because the quantitative effectiveness test is on principle omitted. An economic relationship between the underlying transaction and the hedging instrument is required. Moreover, the hedge relationship must be compliant with the hedge relationship actually used by management for risk management purposes. A concurrent documentation remains a requirement, but differs from the documentation currently prepared under IAS 39. The impact of the application of IFRS 9 on the Group is currently being assessed, but from today's point of view will lead to only minor disclosure changes.

IFRS 15 "Revenue from Contracts with Customers" establishes principles on revenue recognition and thus replaces IAS 11 and IAS 18. The objective of IFRS 15 is to establish principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. The core principle of IFRS 15 is that an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The Standard provides for a five-step model to calculate the revenue to be realised. The new IFRS 15 also includes numerous disclosures on the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer, following that the disclosures will be expanded. The impact of the application of IFRS 15 on the presentation of the financial situation and profitability is currently being assessed, in particular DO & CO starts to evaluate contracts in the event- and catering business for the existence of multi-components. At the moment DO & CO does not expect material changes.

Furthermore, IFRS 16, which was issued in January 2016 and supersedes IAS 17, contains new rules on lease accounting. In the future, lessees will have to recognize assets and liabilities for most leases, irrespective of whether they are classified as operating leases or finance leases according to the criteria of the former IAS 17. For lessors, there will only be minor accounting changes compared to IAS 17. The Group is going to start a detailed analysis of the effects of IFRS 16 in the near future. From today's point of view, it is therefore not yet possible to assess the impact on the Group's financial situation and profitability.

From today's perspective, no material impact on the Group's assets and liabilities, financial situation and results of operations is to be expected with regard to the above-mentioned other new standards and/or amendments.

### 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 2015. The new or amended accounting standards applied for the first time in the business year are exempt (see Section 2.).

#### 3.2. Retrospective changes

DO & CO adjusted the consolidated statement of financial position as of 1 April 2014 and 31 March 2015 due to the retrospective inclusion of Oleander Group AG and its subsidiary Lasting Impressions Food Company Ltd. in the consolidated financial statements of DO & CO (see Section 3.3.2.).

The reconciliation of the statement of consolidated statement of financial position as of 1 April 2014 is presented below:

in m€	1 April 2014	Adjustments	1 April 2014 adjusted
Intangible assets	46.09	7.97	54.06
Property, plant and equipment	131.49	0.08	131.57
Investment property	3.57	0.00	3.57
Investments accounted for using the equity method	2.18	0.00	2.18
Other non-current financial assets	1.69	-0.09	1.60
Income tax receivables	3.79	0.00	3.79
Deferred tax assets	8.11	0.00	8.11
<b>Non-current assets</b>	<b>196.91</b>	<b>7.96</b>	<b>204.87</b>
Inventories	22.16	0.09	22.26
Trade receivables	79.84	2.16	82.00
Other current financial assets	13.68	-7.38	6.30
Income tax receivables	8.40	0.00	8.40
Other current non-financial assets	13.01	0.53	13.53
Cash and cash equivalents	179.33	0.12	179.45
<b>Current assets</b>	<b>316.42</b>	<b>-4.48</b>	<b>311.94</b>
<b>Total assets</b>	<b>513.33</b>	<b>3.48</b>	<b>516.82</b>

in m€	1 April 2014	Adjustments	1 April 2014 adjusted
Nominal capital	19.49	0.00	19.49
Capital reserves	70.60	0.00	70.60
Retained earnings	76.48	0.00	76.48
Other comprehensive income	-21.65	-0.01	-21.66
Special item from transactions with non-controlling interests	1.32	0.00	1.32
Net result	26.07	-0.16	25.92
<b>Equity attributable to the shareholders of DO &amp; CO Aktiengesellschaft</b>	<b>172.31</b>	<b>-0.16</b>	<b>172.15</b>
Non-controlling interests	31.08	2.05	33.13
<b>Shareholders' equity</b>	<b>203.39</b>	<b>1.88</b>	<b>205.28</b>
Bond	147.92	0.00	147.92
Other non-current financial liabilities	4.05	0.00	4.05
Non-current provisions	21.86	0.00	21.86
Deferred tax liabilities	7.13	1.47	8.59
<b>Non-current provisions and liabilities</b>	<b>180.95</b>	<b>1.47</b>	<b>182.42</b>
Current financial liabilities	25.71	-0.11	25.60
Trade payables	46.53	-0.13	46.40
Current provisions	30.97	0.30	31.27
Income tax liabilities	14.20	0.07	14.26
Other current liabilities	11.59	0.00	11.60
<b>Current provisions and liabilities</b>	<b>128.99</b>	<b>0.13</b>	<b>129.12</b>
<b>Total shareholders' equity and liabilities</b>	<b>513.33</b>	<b>3.48</b>	<b>516.82</b>

The reconciliation of the statement of consolidated statement of financial position as of 31 March 2015 is presented below:

in m€	31 March 2015	Adjustments	31 March 2015 adjusted
Intangible assets	64.94	8.12	73.07
Property, plant and equipment	240.25	0.12	240.38
Investment property	57.43	0.00	57.43
Investments accounted for using the equity method	1.96	0.00	1.96
Other non-current financial assets	5.23	-0.09	5.14
Income tax receivables	0.50	0.00	0.50
Deferred tax assets	5.38	0.00	5.38
<b>Non-current assets</b>	<b>375.69</b>	<b>8.16</b>	<b>383.85</b>
Inventories	25.70	0.03	25.73
Trade receivables	95.61	3.10	98.71
Other current financial assets	17.57	-9.32	8.25
Income tax receivables	1.70	0.00	1.70
Other current non-financial assets	12.51	0.54	13.05
Cash and cash equivalents	55.67	1.70	57.37
<b>Current assets</b>	<b>208.76</b>	<b>-3.94</b>	<b>204.82</b>
<b>Total assets</b>	<b>584.45</b>	<b>4.22</b>	<b>588.67</b>
Nominal capital	19.49	0.00	19.49
Capital reserves	70.51	0.00	70.51
Retained earnings	93.52	-0.16	93.36
Other comprehensive income	-15.12	-0.14	-15.25
Special item from transactions with non-controlling interests	-1.80	0.00	-1.80
Net result	34.86	0.25	35.11
<b>Equity attributable to the shareholders of DO &amp; CO Aktiengesellschaft</b>	<b>201.46</b>	<b>-0.04</b>	<b>201.42</b>
Non-controlling interests	42.84	2.48	45.32
<b>Shareholders' equity</b>	<b>244.30</b>	<b>2.44</b>	<b>246.74</b>
Bond	148.19	0.00	148.19
Other non-current financial liabilities	5.74	0.00	5.74
Non-current provisions	24.98	0.00	24.98
Deferred tax liabilities	6.23	1.50	7.73
<b>Non-current provisions and liabilities</b>	<b>185.14</b>	<b>1.50</b>	<b>186.64</b>
Current financial liabilities	26.35	-0.12	26.24
Trade payables	61.00	-0.42	60.58
Current provisions	43.03	0.51	43.54
Income tax liabilities	8.42	0.32	8.73
Other current liabilities	16.21	0.00	16.21
<b>Current provisions and liabilities</b>	<b>155.01</b>	<b>0.29</b>	<b>155.29</b>
<b>Total shareholders' equity and liabilities</b>	<b>584.45</b>	<b>4.22</b>	<b>588.67</b>



The reconciliation of the income statement for the business year 2014/2015 is presented below:

in m€	Business Year 2014/2015	Adjustments	Business Year 2014/2015 adjusted
<b>Sales</b>	<b>795.65</b>	<b>3.27</b>	<b>798.92</b>
Other operating income	28.58	0.15	28.74
Cost of materials	-345.03	0.13	-344.90
Personnel expenses	-270.88	-1.49	-272.37
Other operating expenses	-128.08	-0.63	-128.70
Result of equity investments accounted for using the equity method	0.66	0.00	0.66
<b>EBITDA – Operating result before amortisation / depreciation</b>	<b>80.90</b>	<b>1.44</b>	<b>82.35</b>
Amortisation / depreciation and impairments	-27.38	-0.78	-28.16
<b>EBIT – Operating result</b>	<b>53.52</b>	<b>0.67</b>	<b>54.19</b>
Financial income	3.41	-0.14	3.27
Financial expenses	-12.06	0.00	-12.06
Other financial result	15.78	0.00	15.78
<b>Financial result</b>	<b>7.13</b>	<b>-0.14</b>	<b>6.99</b>
<b>Profit before income tax</b>	<b>60.65</b>	<b>0.52</b>	<b>61.18</b>
Income tax	-14.71	-0.13	-14.84
<b>Profit after income tax</b>	<b>45.94</b>	<b>0.39</b>	<b>46.33</b>
Thereof net profit attributable to non-controlling interests	11.08	0.14	11.22
<b>Thereof net profit attributable to shareholders of DO &amp; CO Aktiengesellschaft (Net result)</b>	<b>34.86</b>	<b>0.25</b>	<b>35.11</b>
	<b>Business Year 2014/2015</b>	<b>Adjustments</b>	<b>Business Year 2014/2015 adjusted</b>
<b>Net result in m€</b>	<b>34.86</b>	<b>0.25</b>	<b>35.11</b>
Number of weighted shares (in Pie)	9,634,547		9,634,547
Number of shares at the end of the period (in Pie)	9,744,000		9,744,000
<b>Basic/diluted earnings per share (in €)</b>	<b>3.62</b>	<b>0.03</b>	<b>3.64</b>

The reconciliation of the statement of cash flows for the business year 2014/2015 is presented below:

in m€	Business Year 2014/2015	Adjustments	Business Year 2014/2015 adjusted
<b>Profit before income tax</b>	<b>60.65</b>	<b>0.52</b>	<b>61.18</b>
+ Depreciation / amortisation and impairments	27.38	0.78	28.16
-/+ Gains / losses from disposals of non-current assets	0.19	0.00	0.19
+/- Result from associated companies measured at equity without cash effect	0.22	0.00	0.22
+/- Other non cash expense / income	-14.56	1.34	-13.22
+/- Interests and dividends	2.52	0.00	2.52
<b>Gross cash flow</b>	<b>76.40</b>	<b>2.64</b>	<b>79.04</b>
-/+ Increase / decrease in inventories and other current assets	-13.88	-1.13	-15.00
+/- Increase / decrease in provisions	2.15	0.21	2.36
+/- Increase / decrease in trade payables and other liabilities	8.57	-0.31	8.26
- Income tax payments	-8.94	0.15	-8.79
<b>Cash flow from operating activities (net cash flow)</b>	<b>64.30</b>	<b>1.56</b>	<b>65.87</b>
+ Income from disposals of property, plant and equipment and intangible assets	0.97	0.00	0.97
- Additions to property, plant and equipment and investment property	-178.94	0.00	-178.94
- Additions to intangible assets	-1.33	0.00	-1.33
- Additions to other financial assets	-3.55	0.00	-3.55
- Cash outflows for the acquisition of subsidiaries, less acquired cash	-9.43	0.00	-9.43
+ Dividends received	0.19	0.00	0.19
+ Interests received	3.21	0.00	3.21
<b>Cash flow from investing activities</b>	<b>-188.89</b>	<b>0.00</b>	<b>-188.89</b>
- Dividend payment to shareholders of DO & CO Aktiengesellschaft	-8.28	0.00	-8.28
- Dividend payment to non-controlling interests	-2.61	0.00	-2.61
+ Cash proceeds from issuing shares or other equity instruments	15.45	0.00	15.45
- Repayment of financial liabilities	-0.42	0.00	-0.42
- Interests paid	-5.92	0.00	-5.92
<b>Cash flow from financing activities</b>	<b>-1.79</b>	<b>0.00</b>	<b>-1.79</b>
<b>Net increase/decrease in cash and cash equivalents</b>	<b>-126.37</b>	<b>1.56</b>	<b>-124.81</b>

in m€	Business Year 2014/2015	Adjustment	Business Year 2014/2015 adjusted
Cash and cash equivalents at the beginning of the year	179.33	0.12	179.45
Effects of exchange rate changes on cash and cash equivalents	2.71	0.02	2.73
Cash and cash equivalents at the end of the year	55.67	1.70	57.37
<b>Change in funds</b>	<b>-126.37</b>	<b>1.56</b>	<b>-124.81</b>

### 3.3. Consolidation

#### 3.3.1. Scope of consolidation

The consolidated financial statements as of 31 March 2016 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 4.11.

Three foreign companies in which DO & CO shares control with another entity via indirect shareholding are 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.

#### 3.3.2. Changes in the scope of consolidation

In the business year 2015/2016, the following companies – established by DO & CO – were consolidated for the first time:

- Arena One Service GmbH (fully consolidated; 100%)
- Hédiard Events SAS (fully consolidated; 100%)
- DO & CO Düsseldorf GmbH (fully consolidated; 100%)
- DO & CO Lounge Deutschland GmbH (fully consolidated; 100%)
- DO & CO Deutschland Catering GmbH (fully consolidated; 100%)
- DO & CO Real Estate Poland Sp. z o.o. (fully consolidated; 100%)
- DO & CO México S. de RL de CV. (fully consolidated; 100%)
- Nespresso – DO & CO S.A. (at equity; 50%)

Furthermore, Soon Sharp DO & CO Korea LLC (established in the business year 2014/2015) was consolidated at equity (50%) for the first time as of 30 September 2015 with retrospective effect starting from 1 April 2015.

With effect from 30 November 2013, DO & CO acquired 100% of the shares in Oleander Group AG, domiciled in Baar/Switzerland and Oleander Group AG itself acquired 75% of the shares of Lasting Impressions Food Company Ltd. with effect from 31 December 2013. Both subsidiaries have not been consolidated due to lack of materiality so far. Oleander Group AG, including 75% of subsidiary Lasting Impressions Food Company Ltd., is consolidated as of 30 September 2015 with retrospective effect due to Oleander Group AG's increase in business activities based on qualitative and quantitative criteria. Oleander Group AG and its subsidiary are active in the field of airline catering. The subsidiary Lasting Impressions Food Company Ltd. produces desserts for airlines. DO & CO acquired this company with the particular aim to strengthen and expand its business activities in the airline catering segment.

In accordance with IFRS 3, the initial consolidation values were thus calculated retrospectively as if Oleander Group AG including its subsidiary had already been initially fully consolidated at the acquisition date:

in m€	
Purchase price paid in cash	7.30
minus attributable net assets	6.30
<b>Goodwill</b>	<b>0.99</b>

Goodwill resulting from this acquisition mainly includes staff expertise, and benefits from synergies and from market expansion. It cannot be used for tax purposes. The share of other shareholders to be recognised in the consolidated financial statements based on the net assets of the subsidiary amounts to € 2.07m at the acquisition date of Oleander Group AG and its 75% subsidiary.

Net assets acquired of Oleander Group AG and of Lasting Impressions Food Company Ltd. can be broken down as shown below based on the determined fair values at the time of acquisition:

in m€	
Non-current assets	7.19
Current assets	3.87
Thereof cash and cash equivalents	0.48
Non-current provisions and liabilities	1.49
Current provisions and liabilities	1.19
<b>Net assets</b>	<b>8.38</b>
<b>Attributable net assets</b>	<b>6.30</b>
Goodwill	0.99
<b>Consideration transferred (purchase price)</b>	<b>7.30</b>

Trade receivables assumed have a gross value of € 2.75m as of the acquisition date. Impairment with regard to trade receivables that are expected to be uncollectible is € 0.00m. The fair value of these receivables amounts to € 2.75m. Other receivables assumed at the acquisition date have a gross value of € 0.50m. Impairment with regard to other receivables that are expected to be uncollectible is € 0.00m. The fair value of these receivables amounts to € 0.50m.

In the fourth quarter of the business year 2015/2016, DO & CO acquired another 10% of the shares in Lasting Impressions Food Company Ltd. at a purchase price of € 5.81m. The Group thus now holds

85% of Lasting Impressions Food Company Ltd. equity. At the acquisition date, the carrying amount of the non-controlling interests in Lasting Impressions Food Company Ltd. was € 1.03m. The Group derecognised non-controlling interests in the amount of € 1.03m and recognised a decline in the equity attributable to owners of the parent in the amount of € 4.75m (surplus of the purchase price recognised in the equity of the parent company).

In addition, 51% of the subsidiary Lotniczy Catering Service Sp. z o.o. was liquidated and deconsolidated as of 30 June 2015.

The wholly-owned subsidiary Do & Co Restaurantbetriebsgesellschaft GmbH was deconsolidated as of 8 March 2016.

The deconsolidation balance as of 8 March 2016 is shown below:

in m€	
Non-current assets	-109.92
Current assets	-1.57
Thereof cash and cash equivalents	-1.36
Non-current provisions and liabilities	0.07
Current provisions and liabilities	0.10
<b>Net assets disposed</b>	<b>-111.33</b>
Net assets received in cash	113.52
Divested cash	-1.36
<b>Net cash received</b>	<b>112.16</b>

### 3.3.3. 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.

### 3.4. 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%, amounting to € 311.59m in the business year 2015/2016. Sales with this customer are contained especially in the segments Airline Catering and Restaurants, Lounges & Hotel.

### 3.5. 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 by DO & CO. 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 British, American, Ukrainian and Swiss 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 2016. 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 currency translation.

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 income 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:

1 Euro corresponds to	Reporting Date Rate		Average Rate	
	31 March 2016	31 March 2015	31 March 2016	31 March 2015
US Dollar	1.1385	1.0759	1.1046	1.2688
British Pound	0.7916	0.7273	0.7333	0.7855
Turkish Lira	3.2118	2.8131	3.1414	2.8412
Swiss Franc	1.0931	1.0463	1.0739	1.1779
Polish Zloty	4.2576	4.0854	4.2263	4.1873
Ukrainian Hryvnia	29.6893	25.4493	25.4201	18.7044
Mexican Peso	19.5903	16.5124	18.3821	17.3525
South Korean Won	1,294.8800	1,192.5800	1,277.0015	1,343.5831

### 3.6. 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 held for trading 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
Building on land owned by others	2.0	to	25.0 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. Investment property is subsequently measured at cost less depreciation and accumulated impairment losses.

#### 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 (except for goodwill) 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 a receivable 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 reporting 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 other 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, taking into account the staff turnover rate depending on the years of service (previous year: age-dependent fluctuation rate). 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 2015/2016, the benefits expected to be provided were calculated using a discount rate of 1.40% p.a. (previous year: 1.40% p.a.), taking into account expected wage and salary increases of 1.80% p.a. (previous year 2.00% p.a.) and applying an expected pensionable age of 65 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 12.00% p.a. (previous

year: 10.00%) and expected inflation-related wage and salary increases of 7.46% 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. The present values of these obligations calculated based on expert opinions take into account a staff turnover rate depending on the years of service (previous year: age-dependent fluctuation rate). 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 tax losses 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.

### 3.7. Significant discretionary decisions and estimates

The preparation of the consolidated financial statements is based on discretionary decisions and estimates as well as assumptions 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 4.11.). 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. In particular, such measurements and estimates 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 detailed 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.
- 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 country-specific 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 estimated country-specific inflation rates as well as operational experience. 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.

### 3.8. Fair value estimation

The fair values stated are determined based on the below parameters depending on the level to which the fair value is allocated:

- Level 1: Quoted prices in active markets for identical assets and liabilities
- Level 2: Inputs other than quoted prices included within level 1 that are observable for the assets or liabilities either directly (that is, as prices) or indirectly (that is, derived from prices)
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs). An allocation to level 3 is already made if an unobservable input exists in the course of the measurement that exerts a significant influence on the measurement.

The fair values are stated for investment property and specific financial instruments. With regard to additional disclosures, reference is made to the respective Notes provided in the consolidated financial statements.

#### 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:

in m€	Industrial pro- perty rights and similar rights and benefits including licences deriving from them	thereof trademark Hédiard	Goodwill	Payments in advance	Total
<b>Cost at 31 March 2015</b>	<b>89.01</b>	<b>9.94</b>	<b>25.35</b>	<b>0.00</b>	<b>114.37</b>
Currency translation	-3.12	0.00	-0.35	0.00	-3.47
Additions	2.33	0.00	0.00	0.10	2.44
Disposals	-0.02	0.00	0.00	0.00	-0.02
Reclassifications	0.08	0.00	0.00	0.00	0.08
<b>At 31 March 2016</b>	<b>88.29</b>	<b>9.94</b>	<b>25.00</b>	<b>0.10</b>	<b>113.39</b>
<b>Accumulated amortisation at 31 March 2015</b>	<b>41.30</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>41.30</b>
Currency translation	-2.33	0.00	0.00	0.00	-2.33
Additions (amortisation)	8.05	0.00	0.00	0.00	8.05
Additions (impairment)	0.00	0.00	0.09	0.00	0.09
Disposals	-0.02	0.00	0.00	0.00	-0.02
<b>At 31 March 2016</b>	<b>47.00</b>	<b>0.00</b>	<b>0.09</b>	<b>0.00</b>	<b>47.09</b>
<b>Carrying amounts at 31 March 2016</b>	<b>41.29</b>	<b>9.94</b>	<b>24.91</b>	<b>0.10</b>	<b>66.30</b>



in m€	Industrial property rights and similar rights and benefits including licences deriving from them	thereof trademark Hédiard	Goodwill	Payments in advance	Total
<b>Cost at 31 March 2014</b>	<b>67.97</b>	<b>0.00</b>	<b>16.68</b>	<b>1.90</b>	<b>86.55</b>
Changes in the scope of consolidation and reclassifications	15.81	9.94	8.66	0.00	24.47
Currency translation	2.06	0.00	0.01	0.00	2.07
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>89.01</b>	<b>9.94</b>	<b>25.35</b>	<b>0.00</b>	<b>114.37</b>
<b>Accumulated amortisation at 31 March 2014</b>	<b>32.50</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>32.50</b>
Changes in the scope of consolidation and reclassifications	0.32	0.00	0.00	0.00	0.32
Currency translation	0.99	0.00	0.00	0.00	0.99
Additions (amortisation)	7.54	0.00	0.00	0.00	7.54
Disposals	-0.05	0.00	0.00	0.00	-0.05
<b>At 31 March 2015</b>	<b>41.30</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>41.30</b>
<b>Carrying amounts at 31 March 2015</b>	<b>47.71</b>	<b>9.94</b>	<b>25.35</b>	<b>0.00</b>	<b>73.07</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 recoverable amount of cash-generating units in addition to the carrying amount.

The table below presents the carrying amounts of goodwill as of 31 March 2016 and of 31 March 2015:

in m€	31 March 2016	31 March 2015
Sky Gourmet-airline catering and logistics GmbH	4.06	4.06
DO & CO Poland Sp. z o.o.	1.24	1.29
Arena One GmbH	7.76	7.76
Mazlum Ambalaj Sanayi ve Dış Ticaret A.Ş	2.14	2.32
Financière Hédiard SA	8.66	8.66
DO and CO Kyiv LLC	0.00	0.27
Oleander Group AG / Lasting Impressions Food Co. Ltd	1.05	0.98
<b>Total</b>	<b>24.91</b>	<b>25.33</b>

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.

The impairment test carried out for the goodwill of DO and CO Kyiv LLC, allocated to the Airline Catering segment, resulted in an impairment in the amount of € 1.15m, with goodwill being fully impaired (€ 0.09m), and property, plant and equipment showing an impairment loss of € 1.06m. This impairment loss is included in the Airline Catering segment and is due to reduced sales expectations. It is shown in the income statement under the item *Depreciation / amortisation and impairment*.

The table below presents an overview of goodwill tested for impairment in the business year 2015/2016 and the material assumptions made with regard to the relevant impairment tests.

Cash-generating unit	Airline Catering Sky Gourmet	Airline Catering DO & CO Poland	Arena One Allianz Arena	Mazlum Ambalaj	Hédiard	Airline Catering DO & CO Kyiv	Oleander Group AG / Lasting Impressions
Segment	Airline Catering	Airline Catering	International Event Catering	Airline Catering	Restaurants, Lounges & Hotel	Airline Catering	Airline Catering
Carrying amount of goodwill in m€	4.06	1.24	7.76	2.14	8.66	0.00	1.05
Length of detailed planning period	5.00	5.00	5.00	5.00	10.00	5.00	5.00
Cash flow growth after detailed planning period in %	2.0%	2.5%	-1.0% *	1.0%	1.9%	2.0%	2.0%
Pre-tax discount rate	7.3%	8.5%	6.4 – 7.2%	15.6%	-----	18.0 – 33.4%	7.1%
After-tax discount rate	-----	-----	-----	-----	6.9%	-----	-----
Approach	value in use	value in use	value in use	value in use	fair value less cost to sell	value in use	value in use

\*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 used to determine the value in use are generally based on forecasts which in turn are based on financial plans approved by management and also used for internal management purposes. The calculation of the fair value less costs to sell is also based on approved financial plans as well as expectations on the future development of the cash-generating unit's business model that are customary in the industry, without taking into account company-specific synergy effects. The fair values are to be allocated to level 3 given the planning assumptions used. 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, 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 based on forecast local inflation rates of the respective market environment. External sources were used to predict the inflation rates.

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 Restaurants, 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 2016.

#### 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 2015</b>	<b>183.89</b>	<b>42.43</b>	<b>94.55</b>	<b>53.28</b>	<b>374.16</b>
Changes in the scope of consolidation and reclassifications	-57.47	0.00	-0.03	0.00	-57.50
Currency translation	-7.67	-2.86	-5.20	-6.23	-21.96
Additions	20.41	8.28	20.56	21.06	70.32
Disposals	-0.75	-1.78	-5.45	-2.91	-10.88
Reclassifications	4.42	0.59	-0.39	-3.31	1.30
<b>At 31 March 2016</b>	<b>142.84</b>	<b>46.66</b>	<b>104.04</b>	<b>61.88</b>	<b>355.43</b>
<b>Accumulated depreciation and impairment losses at 31 March 2015</b>	<b>50.85</b>	<b>25.15</b>	<b>57.78</b>	<b>0.00</b>	<b>133.78</b>
Changes in the scope of consolidation and reclassifications	-1.47	0.00	-0.03	0.00	-1.50
Currency translation	-2.92	-1.16	-2.64	0.00	-6.72
Additions (depreciation)	9.38	3.65	12.19	0.00	25.22
Additions (impairment)	2.20	0.06	0.25	0.00	2.51
Additions	-1.30	-0.01	-0.17	0.00	-1.48
Disposals	-0.71	-1.62	-5.16	0.00	-7.49
Reclassifications	0.77	-0.57	0.55	0.00	0.74
<b>At 31 March 2016</b>	<b>56.80</b>	<b>25.50</b>	<b>62.77</b>	<b>0.00</b>	<b>145.06</b>
<b>Carrying amounts at 31 March 2016</b>	<b>86.05</b>	<b>21.16</b>	<b>41.28</b>	<b>61.88</b>	<b>210.37</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 2014</b>	<b>96.71</b>	<b>34.34</b>	<b>71.51</b>	<b>37.38</b>	<b>239.94</b>
Changes in the scope of consolidation and reclassifications	0.21	1.19	3.16	0.00	4.56
Currency translation	6.08	0.41	3.46	2.29	12.24
Additions	80.85	6.88	19.09	15.72	122.54
Reclassifications	0.99	0.36	0.56	-1.91	0.00
Disposals	-0.95	-0.74	-3.22	-0.21	-5.12
<b>At 31 March 2015</b>	<b>183.89</b>	<b>42.43</b>	<b>94.55</b>	<b>53.28</b>	<b>374.16</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 composition of the Group and reclassifications	0.18	0.99	2.87	0.00	4.04
Currency translation	2.96	0.43	1.58	0.00	4.97
Additions (depreciation)	6.11	2.83	10.08	0.00	19.03
Additions (impairment)	1.35	0.00	0.00	0.00	1.35
Disposals	-0.61	-0.65	-2.71	0.00	-3.97
<b>At 31 March 2015</b>	<b>50.85</b>	<b>25.15</b>	<b>57.78</b>	<b>0.00</b>	<b>133.78</b>
<b>Carrying amounts at 31 March 2015</b>	<b>133.04</b>	<b>17.28</b>	<b>36.77</b>	<b>53.28</b>	<b>240.38</b>

The decrease in property, plant and equipment is mainly due to the deconsolidation of Do & Co Restaurantbetriebsgesellschaft GmbH in its capacity as owner of the Haas Haus property in the centre of Vienna in March 2016. The 52% of space used by DO & CO for business purposes was recognised under property, plant and equipment. The remaining percentage of space was rented out to retail companies and accounted for as investment property (see Section 4.3.).

Additions in the business year 2015/2016 mainly result from Airline Catering investments made in Turkey, Austria, France, Germany, Great Britain and the US, as well as from investments in the Restaurants, Lounges & Hotel segment in Turkey, as well as in the International Event Catering segment in Germany and Austria.

In the business year 2015/2016, DO & CO recognised impairment losses in the amount of € 2.51m (business year 2014/2015: € 1.35m) for property, plant and equipment. The expenses are shown in the income statement under *Depreciation / amortisation and impairment*. Material impairment relates to the Airline Catering segment (Ukraine) in the amount of € 1.06m which is due to reduced sales expectations. Moreover, the Airline Catering segment in Germany as well as the Restaurants, Lounges & Hotel segment in Austria reported impairment losses.

In the business year 2015/2016, DO & CO reversed impairment of previously impaired property, plant and equipment in the amount of € 1.48m (business year 2014/2015: € 0.00m). Income is included in the income statement in the item *Other operating income*. These reversals of impairment losses mainly relate to the Airline Catering segment in Poland (€ 1.31m).

### 4.3. Investment property

Investment property, measured using the cost model, has developed as follows in the business year 2015/2016:

in m€	Investment property
<b>Cost at 31 March 2015</b>	<b>57.71</b>
Changes in the scope of consolidation and reclassifications	-54.03
Currency translation	-0.12
Reclassifications	-1.39
<b>At 31 March 2016</b>	<b>2.16</b>
<b>Accumulated amortisation at 31 March 2015</b>	<b>0.28</b>
Changes in the scope of consolidation and reclassifications	-0.22
Additions (impairment)	1.28
Reclassifications	-0.73
<b>At 31 March 2016</b>	<b>0.61</b>
<b>Carrying amounts at 31 March 2016</b>	<b>1.55</b>

in m€	Investment property
<b>Cost at 31 March 2014</b>	<b>3.60</b>
Currency translation	0.08
Additions	54.03
Disposals	0.00
<b>At 31 March 2015</b>	<b>57.71</b>
<b>Accumulated amortisation at 31 March 2014</b>	<b>0.03</b>
Additions (amortisation)	0.22
Additions (impairment)	0.03
<b>At 31 March 2015</b>	<b>0.28</b>
<b>Carrying amounts at 31 March 2015</b>	<b>57.43</b>

In the business year 2015/2016, DO & CO recognises property located in Austria and meant for use for an indefinite period under *Investment properties*. This property was reclassified from property, plant and equipment and is allocated to the Airline Catering segment.

The decline in investment property is due to the deconsolidation of Do & Co Restaurantbetriebs-gesellschaft GmbH in its capacity as owner of the Haas Haus property in the centre of Vienna in March 2016. This property was allocated to the Restaurants, Lounges & Hotel segment. The Airline Catering segment's previously unused parcel of land in Poland has been used for operating purposes since the fourth quarter of the business year 2015/2016. Consequently, it is no longer recognised as investment property at the reporting date 31 March 2016.

The fair value of this investment property, which was determined by independent experts for all investment properties, amounts to € 1.55m at 31 March 2016 (31 March 2015: € 57.43m).

The fair value of the unused parcel of land 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.

With regard to investment property, rental income in the amount of € 1.69m (business year 2014/2015: € 0.63m) was recognised in the consolidated income statement in the business year 2015/2016. The related expenses amount to € 0.60m in the business year 2015/2016 (business year 2014/2015: € 0.22m). In the business year 2015/2016, as in the previous period, expenses have been only incurred in an insignificant amount for the unrented property in Poland.

In the current business year 2015/2016, DO & CO recognised the difference between the carrying amount and the recoverable amount of the undeveloped parcel as of 31 March 2016 in the amount of € 0.49m (31 March 2015: € 0.03m) as an impairment loss under *Depreciation/amortisation and impairment* in the consolidated income statement.

### 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. As in the previous year, finance lease agreements with regard to machines are in place only to a minor extent at the end of the business year and 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. DO & CO expects the following minimum lease payments to be received from the non-cancellable lease agreements:

in m€	Business Year 2015/2016	Business Year 2014/2015
Up to one year	0.08	2.29
Two to five years	0.00	8.99
More than five years	0.00	4.03
<b>Total</b>	<b>0.08</b>	<b>15.32</b>

The rent agreements have a minimum term of up to one year 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 2016, DO & CO recognises a provision in the amount of € 0.15m (31 March 2015: € 0.27m), which is the proportion of the loss of a joint venture not taken into account under the equity method. This provision is included under *Current liabilities*. Any proportion of losses incurred from a

joint venture in excess of the carrying amount of the investment were offset against non-current receivables due from this entity in the amount of € 0.66m.

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

in m€	Business Year 2015/2016		Business Year 2014/2015	
	Associated companies	Joint ventures	Associated companies	Joint ventures
<b>As of 1 April</b>	<b>1.96</b>	<b>0.00</b>	<b>2.18</b>	<b>0.00</b>
Attributable net result	0.67	-0.90	0.66	0.00
Additions	0.00	3.14	0.00	0.00
Currency translation	0.00	0.05	0.00	0.00
Attributable dividend payment	-0.64	0.00	-0.88	0.00
<b>As of 31 March</b>	<b>1.99</b>	<b>2.29</b>	<b>1.96</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 2016		31 March 2015	
	Associated companies	Joint ventures	Associated companies	Joint ventures
Carrying amounts	1.99	2.29	1.96	0.00
Contingent liabilities	0.00	0.00	0.12	0.00

The reporting period of an associate differs from the reporting period of DO & CO Aktiengesellschaft. The end of the reporting period of this associate is 31 December 2015 due to local GAAP (previous year: 31 December 2014). 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 2016	31 March 2015
Loans	0.01	0.01
Securities	0.25	0.25
Shares in affiliated companies	0.17	2.81
Other non-current financial assets	2.84	2.08
<b>Total</b>	<b>3.26</b>	<b>5.14</b>

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 2016 and 31 March 2015, respectively:

in m€	31 March 2016	31 March 2015
Raw materials and supplies	14.35	13.72
Goods	11.81	12.01
<b>Total</b>	<b>26.17</b>	<b>25.73</b>

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:

in m€	31 March 2016	31 March 2015
Trade receivables	103.73	102.02
Impairments	3.11	3.31
<b>Trade receivables (net)</b>	<b>100.62</b>	<b>98.71</b>

The following risk exists with regard to trade receivables: At 31 March 2016, trade accounts receivable from one customer amount to € 30.45m (31 March 2015: € 32.16m), of which € 2.41m (31 March 2015: € 5.16m) 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 2016, € 70.59m (31 March 2015: € 60.48m) are neither impaired nor past due.

Impairment of trade receivables mainly pertains to receivables that are past due for more than 80 days and has developed as follows:

in m€	Business Year 2015/2016	Business Year 2014/2015
<b>As of 1 April</b>	<b>3.31</b>	<b>2.67</b>
Changes in consolidation	0.00	1.20
Allocation	1.22	0.79
Reclassification/ FX effects	-0.11	-0.15
Consumption	-0.80	-0.21
Release	-0.50	-0.99
<b>As of 31 March</b>	<b>3.11</b>	<b>3.31</b>



At 31 March 2016 and 31 March 2015, unimpaired trade receivables have the following past due periods:

in m€	31 March 2016	31 March 2015
undue	70.59	60.48
up to 20 days due	12.24	20.40
21 to 40 days due	6.86	8.12
41 days to 80 days due	6.45	3.07
more than 80 days due	4.27	5.62
<b>Total</b>	<b>100.41</b>	<b>97.68</b>

€ 3.11m of valuation allowances were recognised for trade receivables totalling € 3.32m.

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

Other current non-financial assets include the following assets:

in m€	31 March 2016	31 March 2015
Prepaid expenses	4.39	3.67
Other receivables and assets	16.49	9.38
<b>Total</b>	<b>20.87</b>	<b>13.05</b>

Other non-financial assets particularly include VAT receivables and prepayments. The year-on-year increase is mainly due to the rise in prepayments concerning the UEFA EURO 2016 taking place in June/July 2016.

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

in m€	Business Year 2015/2016	Business Year 2014/2015
<b>As of 1 April</b>	<b>0.62</b>	<b>0.20</b>
Changes in consolidation	0.00	0.14
FX effects	-0.02	0.01
Allocation	0.51	0.28
Consumption	-0.17	0.00
Release	-0.20	-0.01
<b>As of 31 March</b>	<b>0.74</b>	<b>0.62</b>

#### 4.10. Cash and cash equivalents

Cash and cash equivalents include:

in m€	31 March 2016	31 March 2015
Cash, checks	1.26	0.78
Cash at banks	170.65	56.59
<b>Total</b>	<b>171.91</b>	<b>57.37</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 2016, cash and cash equivalents comprise, amongst other things, foreign exchange assets in the amount of TRY 44.10m, USD 14.25m, GBP 4.33m, UAH 160.43m, as well as PLN 13.92m. The increase in cash and cash equivalents is particularly due to the deconsolidation of Do & Co Restaurantbetriebsgesellschaft GmbH.

With regard to restrictions of availability of cash, please refer to Section 4.11.

#### 4.11. 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. As at 31 March 2016, 67.69% of the shares are in free float. The remaining shareholding of 32.31% is held by Attila Dogudan Privatstiftung and includes a share of 1.59% reserved for management and employee participation programmes.

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 17<sup>th</sup> Ordinary General Meeting of Shareholders of DO & CO Aktiengesellschaft held on 2 July 2015, it was resolved to pay a dividend of € 1.20 per dividend-bearing share for the business year 2014/2015 (ordinary dividend of € 0.85 + special dividend of € 0.35). On 20 July 2015, DO & CO Aktiengesellschaft paid a dividend in the total amount of € 11,692,800 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.

Retained earnings include retained earnings and comprise of the statutory reserve in the amount of € 0.12m (31 March 2015: € 0.12m) and other retained earnings in the amount of € 111.91m (31 March 2015: € 93.25m). 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 non-controlling interest 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 share 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 share 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.

The shares of other shareholders include the direct non-controlling interests in the equity of the fully consolidated THY DO & CO İkrâm Hizmetleri A.Ş. amounting to 50%, in the fully consolidated Lasting Impressions Food Company Ltd. amounting to 15%, and 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 2016		31 March 2015	
			Result NCI in m€	Carrying amount NCI in m€	Result NCI in m€	Carrying amount NCI in m€
THY DO & CO İkrâm Hizmetleri A.Ş.	Turkey	50%	14.44	49.38	12.99	42.67

Subsidiary	Business year 2015/2016 Income statement – result						
	Revenue	Expenses	Parent	NCI	Total	Other comprehensive income	Dividends to NCI
THY DO & CO İkrâm Hizmetleri A.Ş.	338.16	309.27	14.44	14.44	28.89	-5.20	2.54

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

Subsidiary	31 March 2016					
	Assets		Liabilities		Equity	
	Current	Non-current	Current	Non-current	Parent	Other shareholders
THY DO & CO İkrâm Hizmetleri A.Ş.	57.79	95.97	45.87	9.13	49.38	49.38

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

Due to the foreign exchange provisions of Resolution No 140 of the Ukrainian National Bank dated 5 March 2016, 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)).

#### 4.12. 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 € 4.69m in the business year 2015/2016.

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

Other non-current financial liabilities include long-term loans received. As at 31 March 2016, the loans will fall due in one year and two months (31 March 2015: two years). In the business year under review, no new loans were taken out. Further information with regard to financial liabilities is provided in Section 7.1.

#### 4.14. Non-current provisions

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

in m€	31 March 2016	31 March 2015
Provisions for severance payments DBO	16.98	18.74
Provisions for long-service anniversary payments DBO	4.86	5.63
Provisions for pension payments DBO	0.61	0.61
<b>Total</b>	<b>22.44</b>	<b>24.98</b>

€ 3.35m of the total amount of non-current provisions is due in the short term. The decline in current provisions is mainly due to the staff turnover rates having been changed from staff turnover rates depending on age to staff turnover rates depending on the years of service.

The projected unit credits of the defined benefit obligations and the anniversary bonuses have developed as follows in the business year 2015/2016:

in m€	Termination benefits		Pensions		Anniversary bonuses	
	2015/2016	2014/2015	2015/2016	2014/2015	2015/2016	2014/2015
<b>Present value of obligations (DBO) on 1 April</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>
Currency changes	-1.05	0.38	0.00	0.00	0.00	0.00
Changes in scope of consolidation	0.00	0.82	0.00	0.00	0.00	0.00
Current service cost*	2.98	3.21	0.00	0.00	0.87	0.76
Interest cost	0.35	0.56	0.01	0.02	0.08	0.18
Benefit payments	-2.64	-2.79	-0.07	-0.09	-0.38	-0.42
Settlements / curtailments*	0.00	0.00	0.00	0.00	0.00	0.00
Actuarial gains and losses**	-1.40	0.66	0.05	0.04	-1.34	-0.20
thereof arising from experienced based adjustments	-0.71	0.97	0.05	0.02	-0.84	-0.58
thereof arising from changes in demographic assumptions	-0.50	0.00	0.00	0.00	-0.83	0.00
thereof arising from changes in financial assumptions	-0.20	-0.31	0.00	0.02	0.33	0.38
<b>Present value of obligations (DBO) on 31 March</b>	<b>16.98</b>	<b>18.74</b>	<b>0.61</b>	<b>0.61</b>	<b>4.86</b>	<b>5.63</b>

\* These items are included in the Personnel expenses.

\*\* This item is for long-service anniversary included in the Personnel expenses.

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 the *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	
		2015/2016	2014/2015	2015/2016	2014/2015
Current service cost	Personnel expenses	2.98	3.21	0.00	0.00
Past service cost	Personnel expenses	0.00	0.00	0.00	0.00
Interest cost	Financial expenses	0.35	0.56	0.01	0.02
<b>Total</b>		<b>3.33</b>	<b>3.77</b>	<b>0.01</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 2016 as follows:

	Change in percentage points	Impact of DBO in m€	
		Decrease in parameters	Increase in parameters
Interest rate	0.50	0.94	-0.87
Remuneration increase	1.00	-1.66	1.94

#### 4.15. Income taxes

The current and deferred tax assets and liabilities shown in the consolidated statement of financial position of DO & CO is shown below:

in m€	Carrying amount 31 March 2016			Carrying amount 31 March 2015		
	Current	Non-current	Total	Current	Non-current	Total
Income tax receivables	3.02	0.23	<b>3.25</b>	1.70	0.50	<b>2.21</b>
Deferred tax assets	0.00	9.32	<b>9.32</b>	0.00	5.38	<b>5.38</b>
<b>Total tax assets</b>	<b>3.02</b>	<b>9.55</b>	<b>12.57</b>	<b>1.70</b>	<b>5.88</b>	<b>7.58</b>
Income tax payables	9.18	0.00	<b>9.18</b>	8.73	0.00	<b>8.73</b>
Deferred tax liabilities	0.00	5.38	<b>5.38</b>	0.00	7.73	<b>7.73</b>
<b>Total tax liabilities</b>	<b>9.18</b>	<b>5.38</b>	<b>14.56</b>	<b>8.73</b>	<b>7.73</b>	<b>16.46</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 2016 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 2016		31 March 2015	
	Deferred tax assets	Deferred tax liabilities	Deferred tax assets	Deferred tax liabilities
Intangible assets	0.14	-8.63	0.07	-10.35
Property, plant and equipment and investment property	1.15	-3.35	1.09	-2.53
Non-current financial assets	0.22	-2.75	0.00	-4.10
Inventories	0.00	-0.81	0.10	-0.73
Current financial assets and other current assets	0.74	-1.32	1.00	-2.09
Provisions	9.72	-0.11	8.25	-1.15
Liabilities	0.41	-0.40	3.74	-0.44
<b>Total temporary differences</b>	<b>12.39</b>	<b>-17.37</b>	<b>14.25</b>	<b>-21.39</b>
Tax losses carried forward	44.07	0.00	48.31	0.00
Valuation discount for deferred tax assets	-35.16	0.00	-43.52	0.00
Offsetting of differences with the same tax authorities	-11.99	11.99	-13.66	13.66
<b>Total</b>	<b>9.32</b>	<b>-5.38</b>	<b>5.38</b>	<b>-7.73</b>

Tax income in the amount of € -1.35m was directly recognised in equity. This amount resulted from the revaluation of the provision for pensions and termination benefits. 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 2016	31 March 2015
Loss carry-forwards – capitalised	28.92	25.90
Loss carry-forwards – not capitalised	108.72	118.60
of which loss carry-forwards forfeitable between two and five years	0.32	0.17
Non-forfeitable loss carry-forwards	108.41	118.42
<b>Total unused loss carry-forwards</b>	<b>137.65</b>	<b>144.50</b>

In the business year, DO & CO recognised deferred taxes in the amount of € 0.73m (31 March 2015: € 0.96m) for loss carry-forwards previously not taken into account in the amount of € 3.02m (31 March 2015: € 3.20m). No deferred tax liabilities were recognised for deductible temporary differences in the amount of € 0.89m (31 March 2015: € 8.71m) and for tax loss carry-forwards in the amount of € 108.72m (31 March 2015: € 118.60m), since the realisation of potential tax benefits within the planning period is not sufficiently secured.



#### 4.16. Current financial liabilities

in m€	31 March 2016	31 March 2015
Loan	0.13	0.11
Other non-current financial liabilities	33.16	26.13
<b>Total</b>	<b>33.29</b>	<b>26.24</b>

Other current financial liabilities mainly pertain to liabilities due to prorated special payments in the amount of € 2.55m (31 March 2015: € 2.61m) 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 € 11.36m (31 March 2015: € 10.84m) as well as obligations vis-à-vis employees due only after 31 March 2016 and amounting to € 6.55m (31 March 2015: € 9.19m).

#### 4.17. Trade payables

The table below shows the development of trade payables:

in m€	31 March 2016	31 March 2015
Trade payables	76.63	60.58
<b>Total</b>	<b>76.63</b>	<b>60.58</b>

The increase in trade payables is due to the expansion of business activities.

#### 4.18. Current provisions

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

in m€	As of 1 April 2015	Currency changes	Changes in scope of consolidation	Consumption	Release	Allocation	As of 31 March 2016
Other personnel provisions	6.28	-0.05	0.00	5.17	1.46	6.20	5.80
Other provisions	37.26	-1.72	-0.07	14.34	7.17	21.05	35.00
<b>Total</b>	<b>43.54</b>	<b>-1.77</b>	<b>-0.07</b>	<b>19.51</b>	<b>8.63</b>	<b>27.25</b>	<b>40.81</b>

Other personnel provisions mainly pertain to provisions for performance-based remuneration components in the amount of € 5.80m (31 March 2015: € 6.28m).

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

#### 4.19. Other current liabilities

Other current liabilities break down as follows:

in m€	31 March 2016	31 March 2015
Advanced payments received on orders	2.81	3.89
Other liabilities	9.46	10.36
Deferred income	20.71	1.95
<b>Total</b>	<b>32.98</b>	<b>16.21</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.

The increase of deferred income compared to previous year is mainly due to deferrals made for the UEFA EURO 2016 taking place in June/July 2016.

## 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 2015/2016 and in the previous year, other operating income pertains to:

in m€	Business Year 2015/2016	Business Year 2014/2015
Income from the disposal of fixed assets	1.12	0.61
Income from the release of provisions	8.68	7.13
Reversal of impairments of receivables	0.75	1.00
Insurance payments	0.12	0.01
Rent income	0.08	0.32
Foreign exchange gains	5.77	10.87
Income from the additions to fixed assets	1.48	0.35
Income from deconsolidation	2.37	0.00
Miscellaneous other operating income	4.30	8.45
<b>Total</b>	<b>24.67</b>	<b>28.74</b>

With regard to the reversal of impairment losses, reference is made to Section 4.2.

### 5.3. Cost of materials

In the business year 2015/2016 and the previous year, cost of materials and purchased services amounted to:

in m€	Business Year 2015/2016	Business Year 2014/2015
Cost of materials	313.34	275.45
Cost of services	83.38	69.45
<b>Total</b>	<b>396.71</b>	<b>344.90</b>

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

### 5.4. Personnel expenses

The DO & CO Group employed an average of 9,655 staff (previous year: 8,706) in the business year 2015/2016.

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

in m€	Business Year 2015/2016	Business Year 2014/2015
Wages and salaries	238.16	212.51
Expenses for termination benefits, pensions and contribution based payments	7.14	6.45
Compulsory social security contribution and payroll-related taxes	44.88	40.93
Other employee-related expenses	12.55	12.49
<b>Total</b>	<b>302.74</b>	<b>272.37</b>

### 5.5. Other operating expenses

Other operating expenses pertain to:

in m€	Business Year 2015/2016	Business Year 2014/2015
Other taxes	3.35	3.42
Rentals, leases and operating expenses (including airport fees)	72.36	63.76
Travel and communication expenses	14.73	12.87
Transport, vehicle and maintenance expenses	23.32	19.62
Insurance premiums	1.30	1.28
Legal, auditing and consulting expenses	8.82	7.35
Miscellaneous operating expenses	11.45	8.08
Bad debts, impairments of receivables and other claims	2.09	0.14
Foreign exchange losses	6.15	6.33
Losses on disposal of non-current assets	0.56	1.14
Other administrative expenses	4.12	4.71
<b>Total</b>	<b>148.26</b>	<b>128.70</b>

Rentals, leases and operating expenses include fixed rents in the amount of € 23.73m (previous year: € 23.16m) and sales-based payments in the amount of € 17.55m (previous year: € 14.48m).

Expenses for the auditor and all members of the auditor's network amounted to € 0.48m (previous year: € 0.47m) for the audit of the consolidated financial statements and the financial statements in the reporting period as well as to € 0.23m (previous year: € 0.50m) for other consulting services.

## 5.6. Amortisation, depreciation and impairment

Amortisation, depreciation and impairment recorded in the income statement include:

in m€	Business Year 2015/2016	Business Year 2014/2015
Amortisation and depreciation	33.27	26.81
Impairment	3.89	1.35
<b>Total</b>	<b>37.16</b>	<b>28.16</b>

Information on impairment is provided in Sections 4.1. and 4.2. 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:

in m€	Business Year 2015/2016	Business Year 2014/2015
Income from non-current securities	0.01	0.01
Other interest and similar income	2.79	3.26
Other interest and similar expenses	-7.49	-12.06
Other financial result	0.00	15.78
<b>Total</b>	<b>-4.69</b>	<b>6.99</b>

Interest and similar expenses include interest expenses from the discounting of termination benefit obligations and other non-current obligations in the amount of € 0.43m.

In the previous year, the item *Other financial result* showed the impacts on profit or loss due to the recognition of the total return equity swap entered into with UniCredit Bank Austria AG. The financial result, adjusted for the total return equity swap measured at fair value through profit or loss, amounted to € -8.23m in the business year 2014/2015.

## 5.8. Income taxes

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

in m€	Business Year 2015/2016	Business Year 2014/2015
Income tax expense	12.02	16.56
Deferred taxes	-5.88	-1.71
<b>Total</b>	<b>6.14</b>	<b>14.84</b>

With regard to current income tax expenses, € 12.02m (previous year: € 16.56m) relate to the current year. Income tax expenses in the amount of € -0.75m (previous year: € 0.02m) pertain to adjustments of taxes incurred in previous years.

The income taxes reported in the business year 2015/2016 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 2015/2016	Business Year 2014/2015
<b>Profit before income tax</b>	<b>50.83</b>	<b>61.18</b>
<b>Expected tax expense 25% (PY: 25%)</b>	<b>12.71</b>	<b>15.16</b>
+/- Tax differences non-domestic countries	-1.60	-1.30
<b>Calculated income tax expense</b>	<b>11.11</b>	<b>13.87</b>
Reconciliation item	-4.97	0.98
<b>Accounted income tax expense</b>	<b>6.14</b>	<b>14.84</b>
<b>Effective tax rate</b>	<b>12.1%</b>	<b>24.3%</b>

The effective tax burden of the DO & CO Group, i.e. the reported tax expenses in relation to the profit before income tax, is 12.1% (previous year: 24.3%). In the business year 2015/2016, the decline in the tax ratio is particularly due to high profit contributions of companies in countries having tax rates that are below the Group tax rate of 25%. Moreover, non-deductible expenses, impairment of deferred tax assets on loss carry-forwards that have arisen in the business year, as well as the utilisation of loss carry-forwards not capitalised and aperiodic effects from current and deferred taxes concerning the Austrian tax audit result in a total decline of the tax expenses of € 4.97m.

## 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 average number of ordinary shares issued during the business year.

	Business Year 2015/2016	Business Year 2014/2015
<b>Net result in m€</b>	<b>28.25</b>	<b>35.11</b>
Number of weighted shares (in Pie)	9,744,000	9,634,547
Number of shares at the end of the period (in Pie)	9,744,000	9,744,000
<b>Basic/diluted earnings per share (in €)</b>	<b>2.90</b>	<b>3.64</b>

The net profit attributable to the shareholders of DO & CO Aktiengesellschaft (net result) of the business year 2014/2015, adjusted for the total return equity swap measured at fair value through profit or loss, was € 23.70m. Earnings per share adjusted for the total return equity swap measured at fair value through profit or loss thus was € 2.46 in the business year 2014/2015.

The basic earnings per share equals the diluted earnings per share.

### 5.10. Proposed appropriation for profits

Under the provisions of the Austrian Stock Corporation Act, the financial statements of DO & CO as of 31 March 2016, 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 € 8.28m. The Management Board proposes to the General Meeting of Shareholders to distribute the entire net profit for the year of DO & CO Aktiengesellschaft. This allows for a dividend of € 0.85 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 (CASH FLOW STATEMENT)

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 gross cash flow amounts to € 87.61m, meaning an increase of € 8.57m 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 € 91.73m (business year 2014/2015: € 65.87m). With regard to the changes in working capital it has to be noted that the current liabilities increased due to the expansion of business and the prepayments for the UEFA EURO 2016.

The cash flow from investing activities amounts to € 51.89m (business year 2014/2015: € -188.89m). The cash inflow from the sale of subsidiaries result from the deconsolidation of Do & Co Restaurant-betriebsgesellschaft GmbH. Cash-effective investments in property, plant and equipment, intangible assets and investment property are € -63.92m (business year 2014/2015: € -180.27m).

The cash flow from financing activities is € -25.38m (business year 2014/2015: € -1.79m). In the previous year, this amount included € 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 tables below:

in m€	Carrying amount 31 March 2016	Measure- ment category according to IAS 39	Fair Value	Level
Other non-current financial assets <sup>1</sup>	3.26			
Share of affiliated companies	0.17	AfS		
Securities	0.25	AfS		
Loans	0.01	LaR		
Others	2.84	LaR		
Trade receivables	100.62	LaR		
Other current financial assets	10.10			
Other current assets	10.10	LaR		
Cash and cash equivalents	171.91	AfS		
<b>Total assets</b>	<b>285.89</b>			
Bond	148.47	FLAC	159.75	1
Other non-current financial liabilities	4.44	FLAC	4.33	3
Current financial liabilities	33.29	FLAC		
Trade payables	76.63	FLAC		
<b>Total liabilities</b>	<b>262.84</b>			

<sup>1</sup> 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.



in m€	Carrying amount 31 March 2015	Measurement category according to IAS 39	Fair Value	Level
Other non-current financial assets <sup>1</sup>	5.14			
Share of affiliated companies	2.81	AfS		
Securities	0.25	AfS		
Loans	0.01	LaR		
Others	2.08	LaR		
Trade receivables	98.71	LaR		
Other current financial assets	8.25			
Other current assets	8.25	LaR		
Cash and cash equivalents	57.37	AfS		
<b>Total assets</b>	<b>169.47</b>			
Bond	148.19	FLAC	160.13	1
Other non-current financial liabilities	5.74	FLAC	4.99	3
Other current financial liabilities	26.24	FLAC		
Trade payables	60.58	FLAC		
<b>Total liabilities</b>	<b>240.75</b>			

<sup>1</sup> 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.

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 4.11. 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 2016, the carrying amount of the liability arising from the acquisition of the shares of other shareholders was € 0.00m (31 March 2015: € 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, the Company 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 receivables and/or payables 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 2016, 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 2016 (Foreign currency in relation to the euro)	1.1385	0.7916	3.2118	4.2576	29.6893	1.0931

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 and/or on equity as of 31 March 2016:

Impact on profit before income tax (m€)	USD	GBP	TRY	PLN	UAH	CHF
Revaluation of foreign currency in relation to the euro by 10%	0.63	-0.04	0.73	-0.08	0.40	0.05
Devaluation of foreign currency in relation to the euro by 10%	-0.52	0.09	-0.66	0.06	-0.40	-0.04

Impact on equity (m€)	USD	GBP	TRY	PLN	UAH	CHF
Revaluation of foreign currency in relation to the euro by 10%	5.86	1.57	-	-	1.42	-
Devaluation of foreign currency in relation to the euro by 10%	-4.79	-1.29	-	-	-1.16	-

### Liquidity risk

Accurate 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 (exclusive of Arena One companies, DO & CO Düsseldorf GmbH and DO & CO Lounge Deutschland 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 of all legal entities 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 2016			
	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	4.44	0.40	4.79	
Cash outflow bond	148.47	4.69	4.69	164.06
Cash outflow trade payables	76.63	76.63		
Cash outflow other liabilities	33.29	33.29		
<b>Cash outflow liabilities within application area of IFRS 7</b>	<b>262.84</b>	<b>115.01</b>	<b>9.47</b>	<b>164.06</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 cash and cash equivalents. 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 2016 would therefore have increased (decreased) the profit before income tax by € 1.70m (€ 0.30m). DO & CO thus is at present not exposed to a significant interest rate risk. The calculation is based on the assumption that DO & CO's deposits do not have a negative interest rate.

### Default risk

The maximum default risk is mostly determined by the carrying amounts of the financial assets. At the reporting date 31 March 2016, DO & CO did 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 key figures).

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 € 0.85 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 seven 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 € 24.06m at 31 March 2016 (31 March 2015: € 22.59m) and comprise of:

in m€	31 March 2016	31 March 2015
Guarantees	22.87	15.95
Other contractual obligations	1.19	6.65
<b>Total</b>	<b>24.06</b>	<b>22.59</b>

All matters reported under contingent liabilities relate to potential future obligations which are uncertain as of 31 March 2016 and that would create an obligation for DO & CO only upon the occurrence of uncertain future events.

At 31 March 2016, executory contracts exist on the purchase of property, plant and equipment in the amount of € 34.47m (31 March 2015: € 48.26m).

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:

in m€	31 March 2016	31 March 2015
Up to one year	17.15	15.56
Two to five years	59.39	53.09
More than five years	127.65	108.29

Further lease payments of up to € 17.55m (31 March 2015: € 14.48m) 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 10 countries having established a unique, innovative and competitive product portfolio. The core of the Airline Catering segment consists of 28 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 93 million passengers on over 620,000 flights in the business year 2015/2016. DO & CO has a customer portfolio consisting of numerous airlines, such as Turkish Airlines, British Airways, Emirates, 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 15 Formula 1 grands prix races, UEFA Champions League Finals, the catering at Allianz Arena and the Olympiapark in Munich, as well as the catering for VIP guests at the UEFA EURO. 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.

Segment reporting by business segments for the business years 2015/2016 and 2014/2015 is as follows:

Business Year 2015/2016		Airline Catering	International Event Catering	Restaurants, Lounges & Hotel	Total
Sales	m€	631.26	117.68	167.52	916.47
EBITDA	m€	75.35	9.30	8.04	92.68
Depreciation/amortisation	m€	-22.18	-5.07	-6.03	-33.27
Impairment	m€	-3.23	0.00	-0.66	-3.89
EBIT	m€	49.94	4.23	1.35	55.51
EBITDA margin	%	11.9%	7.9%	4.8%	10.1%
EBIT margin	%	7.9%	3.6%	0.8%	6.1%
Share of Group Sales	%	68.9%	12.8%	18.3%	100.0%
Total investments	m€	51.65	4.20	16.91	72.75

Business Year 2014/2015		Airline Catering	International Event Catering	Restaurants, Lounges & Hotel	Total
Sales	m€	533.90	101.06	163.96	798.92
EBITDA	m€	64.21	8.30	9.83	82.35
Depreciation/amortisation	m€	-17.37	-4.65	-4.78	-26.81
Impairment	m€	-1.35	0.00	0.00	-1.35
EBIT	m€	45.48	3.65	5.05	54.19
EBITDA margin	%	12.0%	8.2%	6.0%	10.3%
EBIT margin	%	8.5%	3.6%	3.1%	6.8%
Share of Group Sales	%	66.8%	12.6%	20.5%	100.0%
Total investments	m€	43.53	3.90	130.42	177.84

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. The operating result (EBIT) is reported as segment result. Transfer prices are determined based on OECD Guidelines.

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

Business Year 2015/2016		USA	Germany	Austria	Turkey	Other Countries	Total
Sales	m€	83.12	116.71	189.78	350.21	176.65	916.47
Share of Group Sales	%	9.1%	12.7%	20.7%	38.2%	19.3%	100.0%

Business Year 2014/2015		USA	Germany	Austria	Turkey	Other Countries	Total
Sales	m€	54.73	96.39	182.40	310.98	154.42	798.92
Share of Group Sales	%	6.9%	12.1%	22.8%	38.9%	19.3%	100.0%

**Non-current assets according to IFRS 8 by geographical regions** (excl. income tax receivables and deferred tax assets) were as follows at 31 March 2016 and 31 March 2015:

31 March 2016		USA	Germany	Austria	Turkey	Other Countries	Total
Non-current Assets	m€	37.21	34.47	35.54	100.34	78.20	285.76

31 March 2015		USA	Germany	Austria	Turkey	Other Countries	Total
Non-current Assets	m€	40.55	31.81	147.31	84.34	73.97	377.97

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

No significant events or developments occurred after 31 March 2016 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.

in m€	Business Year 2015/2016				Business Year 2014/2015			
	Other related party	Associated companies	Joint ventures	Non-consolidated subsidiaries	Other related party	Associated companies	Joint ventures	Non-consolidated subsidiaries
Performed deliveries and services	0.05	0.33	1.54	0.75	0.05	0.26	0.90	0.60
Supplies received and services rendered	4.84	10.20	0.20	1.88	5.07	10.09	0.00	1.79

in m€	31 March 2016				31 March 2015			
	Other related party	Associated companies	Joint ventures	Non-consolidated subsidiaries	Other related party	Associated companies	Joint ventures	Non-consolidated subsidiaries
Receivables	0.95	0.00	1.14	0.52	2.95	0.00	0.02	0.60
Payables	0.36	1.79	0.01	0.15	0.33	0.92	0.00	0.13
Granted loans	0.00	0.00	1.40	0.00	0.00	0.00	0.00	0.00

The receivables in the business year 2015/2016 in the amount of € 0.43m (31 March 2015: € 0.36m) were subject to valuation adjustments.

Transactions with related parties are carried out at arm's length.

See Section 7.7. for the remuneration of board members.



7.6. Investments

As at 31 March 2016, DO & CO has the following investments:

Company	Place of registration	Country	Consolidation <sup>1</sup>	Share of stock in %	Currency	Nominal Capital inTDC <sup>2</sup>
AIOLI Airline Catering Austria GmbH	Vienna-Airport	A	F	100.0	EUR	36 <sup>3)</sup>
B & B Betriebsrestaurants GmbH	Vienna	A	F	100.0	EUR	36 <sup>3)</sup>
Demel Salzburg Cafe-Restaurant Betriebs GmbH	Salzburg	A	F	100.0	EUR	35 <sup>3)</sup>
DO & CO – Salzburg Restaurants & Betriebs GmbH	Salzburg	A	F	100.0	EUR	36 <sup>3)</sup>
DO & CO Airline Catering Austria GmbH	Vienna	A	F	100.0	EUR	150 <sup>3)</sup>
DO & CO Airline Logistics GmbH	Vienna	A	F	100.0	EUR	35 <sup>3)</sup>
DO & CO Airport Hospitality GmbH	Vienna	A	F	100.0	EUR	35 <sup>4)</sup>
DO & CO Albertina GmbH	Vienna	A	F	100.0	EUR	35 <sup>3)</sup>
DO & CO Catering & Logistics Austria GmbH	Vienna	A	F	100.0	EUR	100 <sup>3)</sup>
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 <sup>3)</sup>
DO & CO Facility Management GmbH	Vienna	A	F	100.0	EUR	35 <sup>3)</sup>
DO & CO Gourmet Kitchen Cold GmbH	Vienna	A	F	100.0	EUR	35 <sup>3)</sup>
DO & CO Gourmet Kitchen Hot GmbH	Vienna	A	F	100.0	EUR	35 <sup>3)</sup>
DO & CO im Haas Haus Restaurantbetriebs GmbH	Vienna	A	F	100.0	EUR	36 <sup>3)</sup>
DO & CO im PLATINUM Restaurantbetriebs GmbH	Vienna	A	F	90.0	EUR	35
DO & CO Immobilien GmbH	Vienna	A	F	100.0	EUR	36 <sup>3)</sup>
DO & CO Party-Service & Catering GmbH	Vienna	A	F	100.0	EUR	36 <sup>3)</sup>
DO & CO Pastry GmbH	Vienna	A	F	100.0	EUR	35 <sup>3)</sup>
DO & CO Procurement GmbH	Vienna	A	F	100.0	EUR	35 <sup>3)</sup>
DO & CO Special Hospitality Services GmbH	Vienna	A	F	100.0	EUR	35 <sup>3)</sup>
Henry – the art of living GmbH	Vienna	A	F	100.0	EUR	36 <sup>3)</sup>
Henry am Zug GmbH	Vienna	A	F	100.0	EUR	35 <sup>4)</sup>
Ibrahim Halil Dogudan Gesellschaft m.b.H.	Vienna	A	F	100.0	EUR	36 <sup>3)</sup>
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 <sup>4)</sup>
Sky Gourmet-airline catering and logistics GmbH	Vienna-Airport	A	F	100.0	EUR	800 <sup>4)</sup>
Total Inflight Solution GmbH	Vienna	A	F	100.0	EUR	35 <sup>4)</sup>
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
Nespresso – DO & CO SA	Lausanne	CH	E	50.0	CHF	1,000 <sup>13)</sup>
Oleander Group AG	Zug	CH	F	100.0	GBP	67 <sup>10)</sup>
Arena One Gastronomie GmbH	Munich	D	F	100.0	EUR	25 <sup>5)</sup>
Arena One GmbH	Munich	D	F	100.0	EUR	100 <sup>5)</sup>
Arena One Mitarbeiterrestaurants GmbH	Munich	D	F	100.0	EUR	25 <sup>5)</sup>
Arena One Service GmbH	Munich	D	F	100.0	EUR	25 <sup>5)</sup>
DO & CO (Deutschland) Holding GmbH	Kelsterbach	D	F	100.0	EUR	25
DO & CO Berlin GmbH	Berlin	D	F	100.0	EUR	25 <sup>5)</sup>
DO & CO Deutschland Catering GmbH	Munich	D	F	100.0	EUR	25
DO & CO Düsseldorf GmbH	Düsseldorf	D	F	100.0	EUR	25 <sup>5)</sup>
DO & CO Frankfurt GmbH	Kelsterbach	D	F	100.0	EUR	25 <sup>5)</sup>
DO & CO Kelsterbach GmbH	Kelsterbach	D	N	100.0	EUR	25
DO & CO Lounge Deutschland GmbH	Munich	D	F	100.0	EUR	25 <sup>5)</sup>

Company	Place of registration	Country	Consolidation <sup>1</sup>	Share of stock in %	Currency	Nominal Capital inTDC <sup>2</sup>
DO & CO Lounge GmbH	Frankfurt	D	F	100.0	EUR	25 <sup>5)</sup>
DO & CO München GmbH	Munich-Airport	D	F	100.0	EUR	25 <sup>5)</sup>
DO & CO Restauración & Catering España, S.L.	Barcelona	E	F	100.0	EUR	3
Financière Hédiard SA	Colombes	F	F	100.0	EUR	4,969
Hédiard Events SAS	Paris	F	F	100.0	EUR	100
Hédiard SA	Paris	F	F	100.0	EUR	3,500
Hédiard Traiteur SAS	Colombes	F	F	100.0	EUR	40
DO & CO AIRPORT GASTRONOMY LIMITED	Feltham	GB	F	100.0	EUR	0 <sup>6)</sup>
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 <sup>6)</sup>
DO & CO International Investments Ltd.	London	GB	F	100.0	EUR	5,000 <sup>6)</sup>
DO & CO Museum Catering Ltd.	Feltham	GB	F	100.0	GBP	0
Fortnum & Mason Events Ltd.	London	GB	E	50.0	GBP	0
Lasting Impressions Food Co. Ltd	Feltham	GB	F	85.0	GBP	0
Henry am Zug Hungary Kft.	Budapest	HU	F	100.0	EUR	10 <sup>9)</sup>
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 <sup>8)</sup>
Sky Gourmet Malta Ltd.	Fgura	MT	E	40.0	EUR	1 <sup>8)</sup>
DO & CO México, S. de R.L. de C.V.	Mexico-City	MX	F	100.0	MXN	50 <sup>12)</sup>
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. w likwidacji	Warsaw	PL	F	100.0	PLN	46 <sup>11)</sup>
DO & CO Hospitality Management Poland Sp. z o. o. w likwidacji	Warsaw	PL	F	100.0	PLN	75 <sup>11)</sup>
DO & CO Poland Sp. z o.o.	Warsaw	PL	F	100.0	PLN	20,095
DO & CO Real Estate Poland Sp. Z o.o.	Warsaw	PL	F	100.0	PLN	55
Soon Sharp DO & CO Korea LLC	Seoul	ROK	E	50.0	KRW	7,000,000
Sky Gourmet Slovensko s.r.o.	Bratislava	SK	F	100.0	EUR	63 <sup>7)</sup>
DOCO Istanbul Catering ve Restaurant Hiz. Tic. ve San. A.S.	Istanbul	TK	F	100.0	TRY	750
MAZLUM AMBALAJ SANAYI VE DIŞ 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 AIRPORT GASTRONOMY LLC	Kiev-Boryspil	UA	F	100.0	UAH	5,055
DO & CO Ukraine LLC	Kiev-Boryspil	UA	F	100.0	UAH	521 <sup>11)</sup>
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) The nominal capital was initially paid in HUF  
 10) The nominal capital was initially paid in CHF  
 11) 1 % of each is held by DO & CO Event Austria GmbH  
 12) 1 % of each is held DO & CO Holdings USA Inc  
 13) A joint venture company of DO & CO Aktiengesellschaft with 2 subsidiaries

### 7.7. Corporate boards

In the business year 2015/2016, 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 2020

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 2020

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 2020

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 2020

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

Remuneration of the management board in the business year 2015/2016 was as follows:

Remuneration Management Board 2015/2016	in t€	Fixed Remuneration	Variable Remuneration	Total
Attila Dogudan *		762	295	1,057
Haig Asenbauer **		617	590	1,207
Gottfried Neumeister ***		527	490	1,017
Klaus Petermann **		427	351	778
<b>Total</b>		<b>2,333</b>	<b>1,726</b>	<b>4,059</b>

\* Inclusive of benefit in kind and inclusive of € 31t for serving as Deputy Chairman of the Board of Directors as well as CEO at THY DO & CO Ikram Hizmetleri A.Ş.

\*\* Inclusive of € 27t for serving as member of the Board of Directors at THY DO & CO Ikram Hizmetleri A.Ş.

\*\*\* Inclusive of € 26t for serving as member of the Board of Directors at THY DO & CO Ikram Hizmetleri A.Ş.

Currently, 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

Appointed until the 21<sup>st</sup> Ordinary General Meeting of Shareholders (2019), first-time appointment on 20 March 1997

Further supervisory board mandates in listed companies:

- Chairman of the Supervisory Board of Ottakringer Getränke AG, Vienna (until 26 June 2015)
- Member of the Supervisory Board of Bank für Tirol und Vorarlberg Aktiengesellschaft (until 13 May 2015)
- Member of the Supervisory Board of BKS Bank AG (until 20 May 2015)
- Member of the Supervisory Board of Oberbank AG (until 19 May 2015)

##### Werner SPORN

Deputy Chairman; independent, born in 1935

Representative of shareholders holding shares in free float

Appointed until the 21<sup>st</sup> Ordinary General Meeting of Shareholders (2019), first-time appointment on 20 March 1997

No other supervisory board mandates in listed companies

##### Georg THURN-VRINTS

Member; independent, born in 1956

Appointed until the 21<sup>st</sup> Ordinary General Meeting of Shareholders (2019), first-time appointment on 20 March 1997

No other supervisory board mandates in listed companies

##### Christian KONRAD

Member; independent, born in 1943

Representative of shareholders holding shares in free float

Appointed until the 21<sup>st</sup> Ordinary General Meeting of Shareholders (2019), first-time appointment on 10 July 2002

No other supervisory board mandates in listed companies

The members of the Supervisory Board received a remuneration in the amount of € 0.10m for the business year 2014/2015 (previous year: € 0.08m) in accordance with the resolution adopted by the General Meeting of Shareholders on 2 July 2015.

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

Vienna, 20 May 2016



Attila DOGUDAN  
Chairman of the Management Board



Haig ASENBAUER  
Member of the Management Board



Gottfried NEUMEISTER  
Member of the Management Board



Klaus PETERMANN  
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 2015 to 31 March 2016. These consolidated financial statements comprise the consolidated balance sheet as of 31 March 2016, 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 2016, 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 (IFRS) 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 judgement, 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 2016 and of its financial performance and its cash flows for the

business year from 1 April 2015 to 31 March 2016 in accordance with International Financial Reporting Standards (IFRS) 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, 20 May 2016

**PKF CENTURION**  
WIRTSCHAFTSPRÜFUNGSGESELLSCHAFT MBH

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.





BALANCE SHEET AS OF 31 MARCH 2016  
of DO & CO Aktiengesellschaft

ASSETS	in m€	31 March 2016	31 March 2015
Intangible assets		1.07	1.52
Property, plant and equipment		6.75	6.02
Financial assets		110.07	189.61
<b>Fixed assets</b>		<b>117.89</b>	<b>197.15</b>
Trade receivables		0.41	0.30
Accounts receivable from affiliated companies		133.07	143.16
Other accounts receivable and assets		17.74	12.80
<b>Receivables and other assets</b>		<b>151.22</b>	<b>156.26</b>
<b>Securities and shares</b>		<b>0.00</b>	<b>0.00</b>
<b>Cash and cash equivalents</b>		<b>108.90</b>	<b>11.00</b>
<b>Current assets</b>		<b>260.11</b>	<b>167.26</b>
<b>Prepaid expenses and deferred charges</b>		<b>1.10</b>	<b>1.26</b>
<b>Total assets</b>		<b>379.10</b>	<b>365.67</b>
SHAREHOLDERS' EQUITY AND LIABILITIES	in m€	31 March 2016	31 March 2015
Nominal capital		19.49	19.49
Capital reserves		74.71	74.71
Retained earnings		46.07	42.53
Unappropriated retained earning		8.28	11.69
<b>Shareholders' equity</b>		<b>148.55</b>	<b>148.42</b>
Accruals for severance payments		2.27	2.09
Tax accruals		14.22	13.01
Other accruals		8.83	8.00
<b>Accruals</b>		<b>25.32</b>	<b>23.10</b>
Bonds		150.00	150.00
Trade payables		2.09	1.30
Payables to affiliated companies		49.12	40.25
Other liabilities		2.36	2.26
<b>Accounts payable</b>		<b>203.57</b>	<b>193.80</b>
<b>Deferred income</b>		<b>1.67</b>	<b>0.35</b>
<b>Total Shareholders' equity and liabilities</b>		<b>379.10</b>	<b>365.67</b>
<b>Contingent liabilities</b>		<b>20.74</b>	<b>12.33</b>

INCOME STATEMENT  
for Business Year 2015/2016 of DO & CO Aktiengesellschaft

in m€	Business Year 2015/2016	Business Year 2014/2015
<b>Sales</b>	<b>34.38</b>	<b>31.47</b>
Other operating income	1.41	1.46
Costs of materials and purchased services	-5.83	-4.51
Personnel expenses	-19.80	-18.56
Amortisation and depreciation	-1.05	-0.94
Other operating expenses	-14.40	-10.30
<b>Operating result</b>	<b>-5.29</b>	<b>-1.39</b>
Income from investments	19.25	10.60
Interest and similar income	4.64	3.66
Income from disposal and write-up of fixed financial assets	3.12	15.19
Expenses on fixed financial assets	-3.73	-3.93
Income from derivative transactions	0.00	0.57
Interest and similiar expenses	-4.98	-5.66
<b>Financial result</b>	<b>18.31</b>	<b>20.43</b>
<b>Net operating income</b>	<b>13.03</b>	<b>19.04</b>
Income tax	-1.21	-4.54
<b>Net income for the year</b>	<b>11.82</b>	<b>14.51</b>
Appropriation to revenue reserves	-3.54	-2.81
<b>Profit for the year</b>	<b>8.28</b>	<b>11.69</b>
Retained earnings	0.00	0.00
<b>Unappropriated retained earnings</b>	<b>8.28</b>	<b>11.69</b>

Simplified presentation excluding details to affiliated companies

The annual financial statements, including the management report, of DO & CO Aktiengesellschaft was prepared in accordance with Austrian accounting regulations and audited by PKF CENTURION Wirtschaftsprüfungsgesellschaft mbH, which issued an un-qualified opinion on them. Said documents are being submitted as such to the Commercial Court Vienna for entry in the Commercial Register under the Commercial Register No. 156765 m.

**Proposal for Appropriation of Profit**

Under the provisions of the Austrian Corporation Act, the individual financial statement for DO & CO Aktiengesellschaft as of 31 March 2016, produced in accordance with the Austrian reporting regulations, provides the basis for distributing a dividend. This annual financial statement shows a net profit for the year of € 8,282,400. The Management Board proposes to the General Meeting of Shareholders to distribute the entire net profit for the year. This allows for a dividend of € 0.85 per dividend-bearing share.

Vienna, 20 May 2016

The Management Board of DO & CO Aktiengesellschaft

# Glossary



			Business Year 2015/2016	Business Year 2014/2015 <sup>1</sup>
EBITDA margin in %	EBITDA	m€	92.68	10.1%
	External sales	m€	916.47	
EBIT margin in %	EBIT	m€	55.51	6.1%
	External sales	m€	916.47	
Return on sales in %	Profit before income tax	m€	50.83	5.5%
	External sales	m€	916.47	7.7%
Adjusted equity <sup>3</sup> in m€	+ Shareholders' equity	m€	254.37	246.09
	- (proposed) dividend payment	m€	8.28	235.04
Equity ratio <sup>3</sup> in %	Adjusted equity	m€	246.09	39.2%
	Total capital	m€	628.00	39.9%
Return on equity (ROE) in %	Profit after income taxes	m€	44.69	18.4%
	∅ adjusted equity <sup>2</sup>	m€	242.74	22.0%
Debt (financial liabilities) in m€	+ Bond	m€	148.47	153.04
	+ Other non-current financial liabilities	m€	4.44	154.04
	+ Current loans	m€	0.13	
Net debt (net financial liabilities) in m€	+ Debt	m€	153.04	-18.87
	- Cash and cash equivalents	m€	171.91	96.67
Net debt to EBITDA	Net debt	m€	-18.87	-0.20
	EBITDA	m€	92.68	1.17
Net gearing in %	Net Debt	m€	-18.87	-7.7%
	Adjusted equity	m€	246.09	41.1%
Surplus cash in m€	+ Cash and cash equivalents	m€	171.91	145.30
	- 2% of sales	m€	18.33	29.70
	- (proposed) dividend payment	m€	8.28	
Working capital <sup>3</sup> in m€	+ Current assets	m€	332.69	-13.78
	- Current provisions and liabilities	m€	192.89	8.14
	- Surplus cash	m€	145.30	
	- (proposed) dividend payment	m€	8.28	
Free cash flow <sup>3</sup> in m€	+ Cash flow from operating activities <sup>3</sup>	m€	91.73	143.62
	+ Cash flow from investing activities <sup>3</sup>	m€	51.89	-123.02
EPS (Earnings per Share) in €	Net result	m€	28.25	2.90
	Number of weighted shares <sup>4</sup>	MPie	9.74	3.64
Distribution ratio in %	(proposed) dividend payments	m€	8.28	29.3%
	Net result	m€	28.25	33.3%
Price/Earnings ratio	Share price at the end of the period	€	106.00	36.56
	EPS	€	2.90	18.95
Tax ratio in %	Income tax	m€	6.14	12.1%
	Profit before income tax	m€	50.83	24.3%
Adjusted EBIT in m€	EBIT	m€	55.51	54.91
	- Rent income from investment property	m€	1.69	53.79
	+ Cost from investment property	m€	1.09	
Capital employed in m€	+ Adjusted equity	m€	246.09	253.37
	+ Non-current provisions and liabilities	m€	180.74	306.89
	- Cash and cash equivalents	m€	171.91	
	- Investment property	m€	1.55	
Return on capital employed (ROCE) in %	+ Adjusted EBIT	m€	54.91	18.5%
	∅ Capital employed <sup>2</sup>	m€	297.30	21.9%

1 ... Business year 2014/2015 adjusted (see Section 3.2 in the Notes)

2 ... Calculated as the average amount by the end of the past four quarters and the amount at the beginning of the period under review.

3 ... Calculation method changed over the previous year

4 ... Adjusted by own shares held as of balance sheet day





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, 20 May 2016

The Management Board:



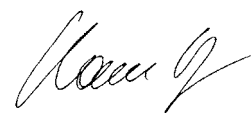
Attila DOGUDAN  
Chairman of the Management Board



Haig ASENBAUER  
Member of the Management Board



Gottfried NEUMEISTER  
Member of the Management Board



Klaus PETERMANN  
Member of the Management Board





THE GOURMET ENTERTAINMENT COMPANY