

# **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 and information from the Management Board, the Supervisory Board monitored the management and deliberated on business occurrences of special significance through open discussions.

In the 2013/2014 business year, the Supervisory Board performed its duties under the law and the Articles of Association in four meetings and adopted two resolutions in writing by a circulation procedure. They focused on deliberations regarding the Company's basic strategy, acquisition of stakes, extension of the distribution network and the establishment of new business fields, including in particular the acquisition of Arena One GmbH in Munich, the bond issuance, as well as expansion in New York, London and Chicago.

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

At its meeting on 21 May 2014, the Audit Committee examined the financial statements of DO & CO Aktiengesellschaft and the preparation of its approval, the proposal for the appropriation of profit, the Management Report, the Corporate Governance Report and the Group Management Report, proposing to select PKF CENTURION Wirtschaftsprüfungsgesellschaft mbH as auditor of the financial statements for the company and the Group for 2014/2015.

The Audit Committee met twice in the 2013/2014 business year, monitoring the accounting system, the implementation of steps to optimise the internal control system, as well as the functionality of the risk management system and the internal audit system. The Executive Committee met once in its capacity of remuneration committee, reviewing the Company's remuneration policy and, in this context, discussing whether variable pay components should be granted to members of the Management Board based on the contractually agreed parameters.

The Office of the Chairman met once in its capacity of nominating committee and has proposed the appointment of another Board member with the expertise of sales and distribution, due to the expansion of the Group.

The annual financial statements and notes to the financial statements of DO & CO Aktiengesellschaft as of 31 March 2014 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 2013/2014. They are thus adopted in accordance with § 96 (4) of the Austrian Corporation Act (AktG).

The consolidated financial statements and notes to the financial statements as of 31 March 2014 plus notes were prepared in accordance with the International Financial Reporting Standards (IFRS) as applied in the EU and were audited, along with the Management Report on the Group, by PKF CENTURION Wirtschaftsprüfungsgesellschaft mbH. In the auditor's opinion, the consolidated financial statements present fairly, in all material respects, the actual assets and financial position of the DO & CO Aktiengesellschaft Group as of 31 March 2014 and the results of its operations and its cash flows for the business year of 2013/2014 in conformity with the International Financial Reporting Standards (IFRS) as applied in the EU. 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 3 July 2014 to distribute the entire net profit of € 8,282,400 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 (Business Enterprise Code) and an evaluation of compliance by DO & CO Aktiengesellschaft with the rules of the Austrian Corporate Governance Code ÖCGK during the 2013/2014 business year were carried out by Ullrich Saurer, lawyer in Graz, and found that DO & CO has complied with the rules in its 2013/2014 business year.

The Supervisory Board proposes to appoint PKF CENTURION Wirtschaftsprüfungs-gesellschaft mbH as the auditor of the (annual and Group) financial statements for the 2014/2015 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, 21 May 2014

Waldemar Jud mp  
Chairman of the Supervisory Board