ANNUALREPORT 2000 2001

DO & CO INTERNATIONAL

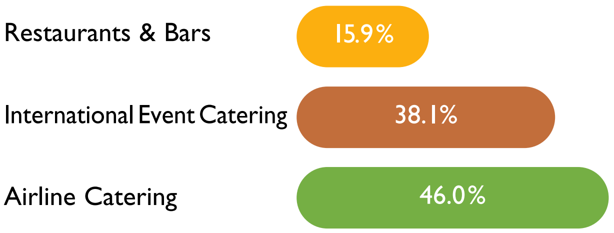
The Gourmet Entertainment Company

KEY FIGURES FOR THE DO & CO GROUP 2000/2001

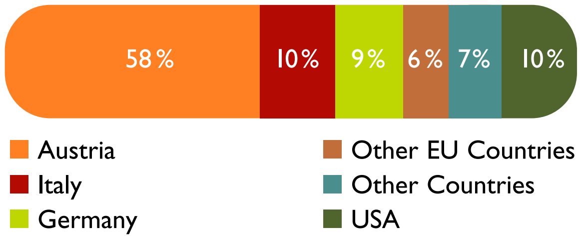
SALES IN ATS MILLIONS

OPERATING PROFIT IN ATS MILLIONS

SALES BY DIVISION



SALES BY REGION



Sales Growth by Division

	Business Year 2000/2001 (April 2000–March 2001) in ATS millions	in € millions	Share in %	Business Year 1999/2000 (April 1999–March 2000) in ATS millions	in € millions	Share in %	Change in %
Airline Catering	567.9	41.27	46.0	465.6	33.84	46.0	+ 22.0
International Event Catering	470.0	34.16	38.1	349.9	25.43	34.5	+ 34.3
Restaurants & Bars	196.3	14.27	15.9	197.8	14.37	19.5	– 0.8
Group sales	1,234.2	89.69	100.0	1,013.3	73.64	100.0	+ 21.8

Key Figures Relevant to Investment

	Business Year 2000/2001	Business Year 1999/2000
Securities no.:	081880	
Securities code:	DOC	
Trading segment:	Official trading on Vienna Stock Exchange	
Market segment:	Austrian Equity Specialist Market	
Issue price as of 30 June 1998:	EUR 40.0	
No. of individual shares:	1,624,000	1,624,000
Listed nominal value:	EUR 11,802,068	EUR 11,802,068
Annual high (April–March):	EUR 43.8	EUR 58.4
Annual low (April–March):	EUR 21.5	EUR 37.3
Closing price as of 31 March:	EUR 27.5	EUR 44.1
Market capitalization in EUR millions as of 31 March:	44.7	71.5

DO & CO Group

	Business Year 2000/2001 (April 2000–March 2001) in ATS millions	in € millions	Business Year 1999/2000 (April 1999–March 2000) in ATS millions	in € millions	Change in %
GROUP SALES	1,234.2	89.69	1,013.3	73.64	+ 21.8
EBITDA	122.5	8.90	136.6	9.93	– 10.3
EBIT[1]	47.5	3.45	79.6	5.78	– 40.3
EMPLOYEES	835		731		+ 14.2

Airline Catering Division

	Business Year 2000/2001 (April 2000–March 2001) in ATS millions	in € millions	Business Year 1999/2000 (April 1999–March 2000) in ATS millions	in € millions	Change in %
SALES	567.9	41.27	465.6	33.84	+ 22.0
EBITDA	43.4	3.15	69.5	5.05	– 37.6
EBIT[1]	2.1	0.15	42.2	3.07	– 95.0

International Event Catering Division

	Business Year 2000/2001 (April 2000–March 2001) in ATS millions	in € millions	Business Year 1999/2000 (April 1999–March 2000) in ATS millions	in € millions	Change in %
SALES	470.0	34.16	349.9	25.43	+ 34.3
EBITDA	64.1	4.66	52.3	3.80	+ 22.6
EBIT[1]	36.5	2.65	29.9	2.17	+ 22.1

Restaurants & Bars Division

	Business Year 2000/2001 (April 2000–March 2001) in ATS millions	in € millions	Business Year 1999/2000 (April 1999–March 2000) in ATS millions	in € millions	Change in %
SALES	196.3	14.27	197.8	14.37	– 0.8
EBITDA	15.0	1.09	14.8	1.08	+ 1.4
EBIT[1]	8.9	0.65	7.5	0.55	+ 18.7

Owing to the automatic calculation aids used, calculation differences may arise when adding up rounded figures and percentages and when converting to Euro figures.

[1] After amortization of goodwill

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OVERVIEW OF DO & CO

DO & CO started in Vienna in 1981 as a small delicatessen with an adjoining restaurant. Today it is an international restaurant and catering group with a steadily growing business and branches in five countries on two different continents. DO & CO conducts business in three divisions worldwide: Airline Catering, International Event Catering and Restaurants & Bars. Relevant consulting services are provided in all three areas.

The company first took up business in **Airline Catering** in 1987 when it began to cater for Lauda Air. This successful collaboration of many years has given rise to a unique in-flight product with a sterling image which has garnered a steady stream of awards. In a recent example this March, the German business magazine Capital named Lauda Air the "Airline of the Year" for the fourth year in succession. Two major reasons were cited for this decision: the excellent service and what was referred to as "the best in-flight catering by far". In the meantime, a number of other airlines have joined Lauda Air as customers of the DO & CO Group: British Airways, Austrian Airlines, Air Mauritius, Crossair, Air Alps Aviation, Luxair S.A., Air Littoral, Air Afrique and Royal Air Maroc.

In **International Event Catering,** DO & CO attends to the needs of guests at events of all shapes and sizes. Its services range from small private family celebrations to corporate events to large-scale sports and social events. Besides handling VIP catering at the Formula 1 Grand Prix events and at tennis and golf tournaments, DO & CO is assuming the role of "Gourmet Entertainment Company" at an increasing number of events, acting as a "one-stop" service provider for its customers by taking responsibility for the complete planning, organization and marketing of an event.

Restaurants & Bars is the founding division of DO & CO and is still considered the flagship of the company. The restaurants on Vienna's Stephansplatz and at Casino Baden are synonymous for the ultimate in culinary quality and serve as image bearers and marketing tools for the entire Group.

DO & CO BASICS

POSITION

- Business launched in Vienna in 1981 as a small delicatessen with adjoining restaurant.
- Global "Gourmet Entertainment Company" conducting business in three divisions: Airline Catering, International Event Catering and Restaurants & Bars.
- Airline Catering: Some 4 million meals served to passengers on ten different airlines in business year 2000/2001.
- International Event Catering: National and international events, from intimate family celebrations to corporate events to large-scale sports and social events worldwide.
- DO & CO not only provides food, drinks and service but acts as a "software supplier", handling the entire organization and consulting for special events.
- Restaurants & Bars: DO & CO treats its patrons to culinary delicacies from around the world at several restaurants and bars in prime locations in Vienna and environs.
- Stock exchange: DO & CO has been officially trading on the Vienna Stock Exchange in the segment "Austrian Equity Specialist Market" since 30 June 1998.
- Goal: To be an international leader in the Airline Catering and International Event Catering Divisions in the premium quality segment.

ORGANIZATION

- Head office in Vienna.
- Twenty companies worldwide.
- Total of 835 employees and a pool of some 500 freelancers.

MARKET PRESENCE

- Business locations worldwide: Gourmet kitchens in Austria, Germany, Italy and the United States; an organizational office in Great Britain.
- Three restaurants and several bars in Vienna and environs.
- Catering services thus far in twenty countries on three different continents: Argentina, Austria, Belarus, Belgium, Bosnia-Herzegovina, Canada, the Czech Republic, France, Germany, Great Britain, Hungary, Italy, Japan, Malaysia, Monaco, the Netherlands, Portugal, Spain, Switzerland and the United States.

HIGHLIGHTS OF THE YEAR

- Opening of new gourmet kitchens in Miami, Munich, Frankfurt and Berlin.
- British Airways won over as a customer at the DO & CO branches in Miami, Munich, Frankfurt and Berlin.
- Several awards given to Airline Catering and International Event Catering.
- Launch of cooperative venture with Johnson & Wales University: the first US volunteers began training at the DO & CO Academy in Vienna.
- DO & CO received the "Eco-Profit Vienna Award 2001" for its environmental management from "Öko Business Plan Wien".
- DO & CO celebrated the 20th year anniversary of its founding.

MESSAGE FROM THE MANAGEMENT BOARD

Ladies and Gentlemen:
Dear Shareholders:

DO & CO, the “Gourmet Entertainment Company” is celebrating its 20th year in business. Everything began back in 1981 with the founding of a small delicatessen. Today, three years after its stock exchange debut, DO & CO is a successful international catering and service company that has not only lived up to all forecasts thus far, but indeed exceeded them. It has performed even beyond what one would expect of a dynamic company with great growth potential.

Nearly forgotten are the days when a handful of employees would work through the night in the restaurant kitchen after the restaurant was closed, preparing the meals for passengers on a total of two planes scheduled to fly the next day. The restaurant tables were transformed into processing areas but had to be set again for the restaurant patrons by the next morning. Gone too are the days when the opening of a new gourmet kitchen still required the concerted efforts of the entire staff, albeit a much smaller and more compact one.

We never took the path of least resistance. One of our strengths has undoubtedly been our emphasis on service in all that we do. “No!” is a foreign word to us and one you will never hear us utter. We never lose sight of the fact that customers deserve royal treatment and that their every wish is our command. Dynamism, in thought and action, is crucial to this approach. After evaluating our prospects for market entry and listening closely to what our customers wanted, it was only natural that we opened our gourmet kitchens at the venues where our major customers most preferred to cooperate with us, thereby ensuring that basic capacities would be utilized at each business location. Had we listened to many an academic expert, we probably would have opened another branch in Austria before expanding to Italy or sought to gain a foothold in the more familiar nearby German market instead of venturing a leap to far-away America. But we took these steps in the order we believed to be most appropriate and our success attests to the correctness of this decision.

“20 YEARS DO & CO QUALITY & SERVICE CONVINCE WORLDWIDE”

This past business year we continued to go forward with the expansion plans drawn up at the time of our IPO. With the opening of a total of four further gourmet kitchens in Miami, Munich, Frankfurt and Berlin, we have laid the groundwork for global growth on these key DO & CO markets. Investments totaling some ATS 211.0 million (some EUR 15.34 million) will enable us in future to continuously expand our presence on the American and German markets.

Following these forward-looking measures to build up the company, there will be two main focal points in the months ahead. First, the corporate structures must be adapted to allow the growth targets to be achieved and synergies to be improved. Second, basic and advanced training must be provided to the large number of new permanent staff hired in recent years during the major expansion in Germany and America. The goal is to have all employees embrace the "customer first" idea in all they do and to practice the corporate philosophy to the letter. Additions will also be made to our young management team which performed superbly throughout the expansion and proved themselves deserving of our fullest trust in future.

Most of the goals and visions for the future I discussed a year ago became reality in the year under review. Given the enormous demand for our products in the German market, we expect these locations to be turning a profit within two to three years on new customers and on expanded business with existing ones.

"Crossing Steep Pass into Luxury League" was how the German business magazine *'food service'* recently described us. We owe the success we have had in this league to the loyalty and trust of our shareholders but even more so to the dedication of our employees, to whom I extend my heartfelt thanks. Without their outstanding commitment and cooperation, we could never have put these expansion plans into action. Flexibility, a trait so imperative for a service-based business, is what makes them all such outstanding and indispensable members of the company.

Attila Dogudan
Chairman of the Management Board

MILESTONES OF THE "GOURMET ENTERTAINMENT COMPANY"

From the small delicatessen with adjoining restaurant opened by Attila Dogudan in 1981, DO & CO has evolved over the span of two decades into an international restaurant and catering group with a steadily expanding business and an established reputation on international markets.

1981 Company is established and opens its first restaurant in Vienna.

1983 Launch of party services.

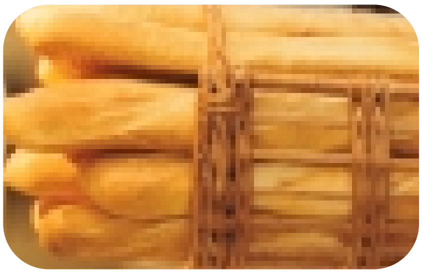
1987 Launch of airline catering for Lauda Air.

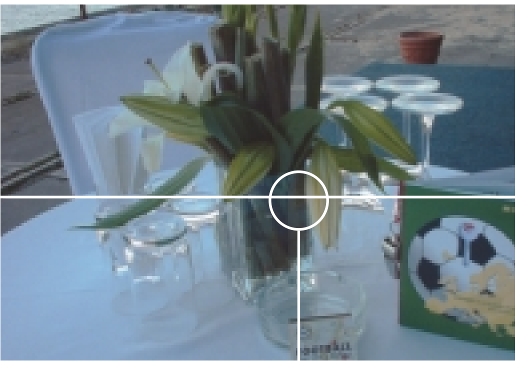
1989 Gourmet kitchen in Dampfmühlgasse in Vienna put into operation.

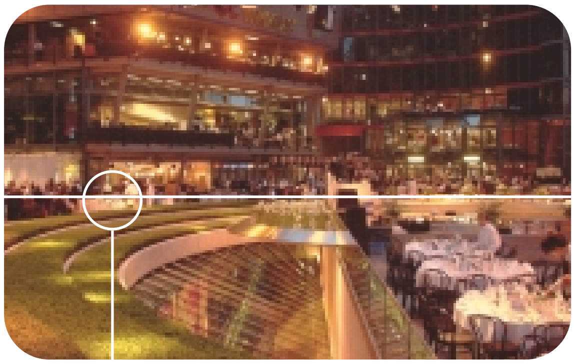
1990 Opening of DO & CO restaurant in the Haas Haus on Vienna's Stephansplatz.

1992 Launch of international event catering at Formula 1 Grand Prix on the Hungaroring in Hungary.
DO & CO receives the first of three IFCA Golden Mercury Awards (from the International Flight Catering Association).

THE 20TH ANNIVERSARY OF DO & CO







1995 Gourmet kitchen put into operation at Milan's Malpensa Airport.
Opening of DO & CO restaurant at Casino Baden.

1997 Establishment of DO & CO Restaurants & Catering AG.

1998 Opening of AIOLI Restaurant on Vienna's Stephansplatz.
Gourmet kitchen at Salzburg Airport put into operation.
Initial public offering of DO & CO Stock.

1999 Establishment of DO & CO subsidiary AIOLI – Vienna Airport Restaurants & Catering GmbH.
Gourmet kitchen at JFK Airport in New York City put into operation.

2000 Gourmet kitchens put into operation in Miami, Munich and Frankfurt.

2001 Gourmet kitchen in Berlin put into operation.

CORPORATE BOARDS

THE MANAGEMENT BOARD

Attila DOGUDAN
Restaurants & Bars
Chairman of the Management Board

Michael DOBERSBERGER
International Event Catering
Member of the Management Board

Wilfried KAINZ
Airline Catering
Member of the Management Board
(until 31 August 2000)

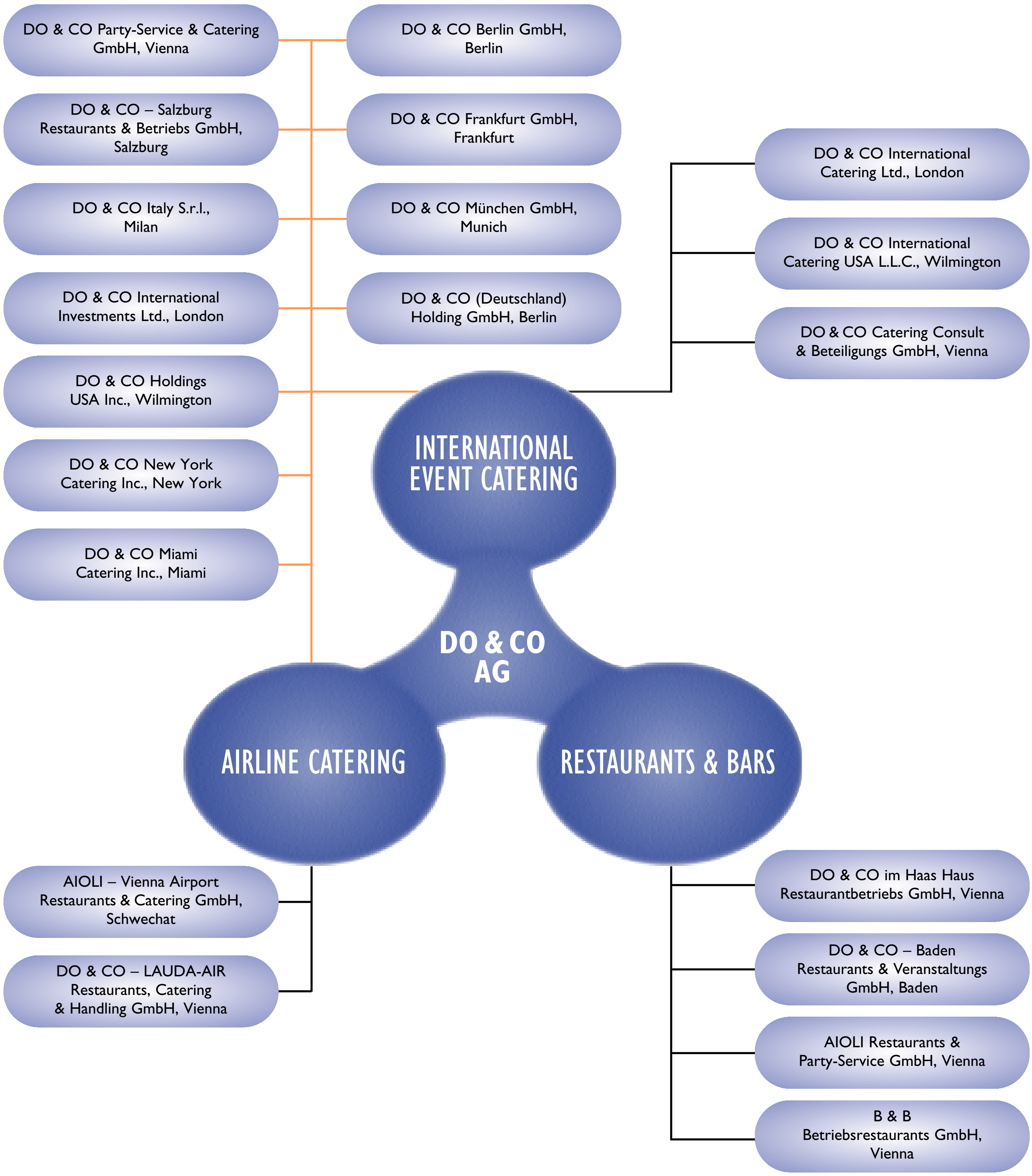
THE SUPERVISORY BOARD

Waldemar JUD
Chairman of the Supervisory Board

Werner SPORN
Deputy Chairman of the Supervisory Board

Georg THURN-VRINTS
Member of the Supervisory Board

GROUP ORGANIZATIONAL STRUCTURE



AIRLINE CATERING

The Airline Catering Division at DO & CO has been conducting business since 1987. Airline Catering accounted for about 46.0% of total Group sales in business year 2000/2001, contributing more than any other division to Group sales.

The opening of gourmet kitchens in Miami, Munich, Frankfurt and Berlin in business year 2000/2001 marked the first major steps in making the "DO & CO goes worldwide" vision a reality. Details on the new business locations:

- DO & CO purchased a 22,000 m^2 lot in Miami and put up a building containing 3,500 m^2 of floor space. A total of some ATS 85.0 million (some EUR 6.2 million) was invested in this facility in the year under review. The gourmet kitchen was put into operation on 6 July 2000.
- In Munich, DO & CO rented a building with 3,500 m^2 of floor space and adapted it for about ATS 9.0 million (approximately EUR 0.7 million) to meet requirements. The gourmet kitchen began operations on 1 December 2000.
- In Frankfurt, a building with 1,600 m^2 of floor space was rented and then modified at a cost of some ATS 28.0 million (about EUR 2.0 million). Production was launched at the Frankfurt Airport on 15 December 2000.
- In Berlin, DO & CO concluded a sales agreement for a building lease on a building with 3,000 m^2 of floor space for a gourmet kitchen. Some ATS 49.0 million (about EUR 3.6 million) was spent on adapting the facility. The Berlin branch opened on 1 February 2001.

AIRLINE CUSTOMERS

The DO & CO Group's clientele currently includes the following airlines: Lauda Air, British Airways, Austrian Airlines, Air Mauritius, Crossair, Air Alps Aviation, Luxair S.A., Air Littoral, Air Afrique and Royal Air Maroc.

DO & CO handles catering on all Lauda Air flights departing Vienna, Salzburg, Linz, Graz, Innsbruck, Milan, Miami and Munich. British Airways is a global customer in Vienna, Miami, Frankfurt, Munich and Berlin. The DO & CO subsidiary AIOLI – Vienna Airport Restaurants & Catering GmbH likewise supplies top quality in-flight fare to passengers on Air Mauritius from Vienna and on Air Alps Aviation from Vienna, Salzburg, Innsbruck, Linz and Klagenfurt.

The daily flights of Air Littoral from Innsbruck to Zurich and of Luxair S.A. from Vienna to Luxembourg are also catered. Crossair is another customer, its passengers enjoying DO & CO catering on flights from Salzburg, Linz and Graz to Zurich and from Milan and Vienna to Basle. The DO & CO gourmet kitchen at New York's JFK Airport has catered the daily Austrian Airlines flight from New York to Vienna since first opening in December 1999. DO & CO New York has also been the caterer, since summer 2000, for the Air Afrique flights via Dakar to Abidjan and for the Royal Air Maroc flights to Casablanca.

COLLABORATION WITH LAUDA AIR

Initially, Airline Catering developed in close cooperation with Lauda Air. Both companies place a special emphasis on quality and service, a common trait which allowed them to evolve a holistic service approach giving top priority to the quality and innovation of the in-flight menus. The development and refinement of in-flight products and the continuous monitoring of their quality have won three IFCA Golden Mercury Awards from the International Flight Catering Association, as well as 50 other awards largely based upon polls taken among international travelers. In a recent example in March 2001, the German business magazine Capital named Lauda Air the "Airline of the Year" for the fourth year in succession. Two major reasons were cited for this decision: what was referred to as the "best in-flight catering by far" and Lauda's excellent "in-flight service".

This successful collaboration between Lauda Air and DO & CO remained intact even after Austrian Airlines acquired a majority stake in Lauda Air. The new management board insisted upon maintaining the unique in-flight product. Thus, Lauda Air passengers will continue in future to enjoy the DO & CO product, often referred to as "the only real restaurant in the sky".

BRITISH AIRWAYS – CUSTOMER IN VIENNA, MIAMI, MUNICH, FRANKFURT & BERLIN

The cooperation with British Airways is another example of how positively business can develop between a global customer and DO & CO. The DO & CO Group first started catering in Vienna for British Airways in March 1999. Now, two years later, British Airways is an enthusiastic customer of DO & CO at five different locations.


BRITISH AIRWAYS
DO&CO

Passenger surveys indicate that passenger satisfaction with DO & CO gourmet menus is far above the market average. This has prompted the largest international carrier in the world to join other airlines in viewing the DO & CO in-flight product as a fully developed entertainment and marketing element in and of itself. In London, DO & CO is working intensively with British Airways to create a completely new service product for the planned resumption of Concorde service. Under this consulting contract, DO & CO is responsible for planning and designing the premium product and acts as consultant in the training of flight attendants.

THE GOURMET KITCHEN IN MIAMI

The second DO & CO gourmet kitchen in the United States was put into service at the Miami Airport in summer 2000. Besides all Lauda Air flights from Miami to Vienna, it has been catering two British Airways Boeing 747 jumbo jets on their daily flights from Miami to London. There are plans for further expansion of this gourmet kitchen by the end of 2001.

EXPANSION IN GERMANY

In planning its gourmet kitchens, DO & CO pursues a clear-cut strategy of equipping each location to provide both airline catering and international event catering services. This approach allows each location to respond immediately to changing market conditions and to offset a possible decline in one segment with increased business in the other, even short term. DO & CO has a unique advantage over the competition in this respect.

Besides this strategic aspect, the decision of DO & CO to open up three new German business locations was greatly influenced by British Airways signing a three-year contract with DO & CO in Germany. The contract assures that the basic capacities of the new locations in Germany will be utilized. In the end, DO & CO settled on Germany's three largest airports as venues and opened gourmet kitchens in **Munich** and **Frankfurt** in December 2000 followed by one in **Berlin** in February 2001.

The medium term goal in setting up these and further gourmet kitchens is to create a global network which enables DO & CO to provide its customers with optimum logistics over the shortest possible distances. Further locations are being planned and set up on the basis of business growth with existing airline customers and prospects for winning over of new customers.

INTERNATIONAL EVENT CATERING

DO & CO began a domestic party service in Austria in 1983 and nine years later expanded it into the International Event Catering Division. Services range from merely providing the food and drink to assuming responsibility for the entire organization and marketing of events. DO & CO caters events of all sizes, from romantic dinners for two or small family celebrations to mega events involving more than 10,000 guests.

GREAT GROWTH POTENTIAL IN GERMANY

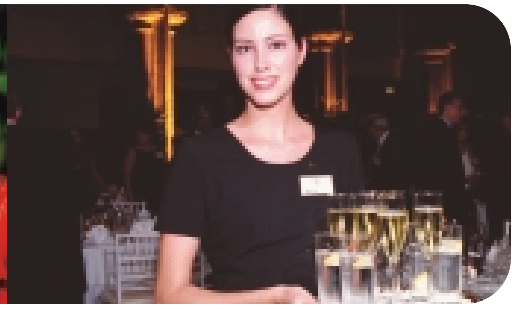
Most growth in event catering in the year under review has occurred in the international market, with an especially large number of inquiries being received from Germany. With the opening of new gourmet kitchens in the three major German cities of Munich, Frankfurt and Berlin, DO & CO is now closer to customers. It can therefore respond more quickly, cut logistics costs substantially, and tailor its services even more effectively to what customers want.

HIGHLIGHTS IN 2000/2001

As in years past, major sports events formed the backbone of division business again in 2000/2001. VIP catering at the Formula 1 was expanded by a Grand Prix in Indianapolis in September 2000, the first to be staged in the United States in nine years. DO & CO served some 11,000 VIP guests at this race, making for a glittering US market debut widely covered by the media. Other highlight sports events in International Event Catering were the CHIO riding and jumping tournament in Aachen, the European Soccer Championship Gala 2000 in Rotterdam, the Eurocard Open Tennis Masters in Stuttgart and the Valderrama Golf Tournament at which DO & CO catered not only VIPs but also 18,000 guests in the public area, numerous ÖFB national soccer matches and several ski races in Austria, including ones at Semmering, Flachau, Kitzbühel and Schladming.

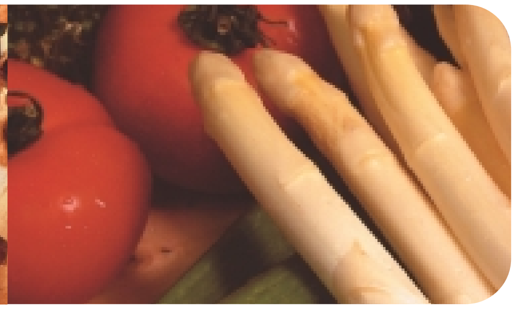


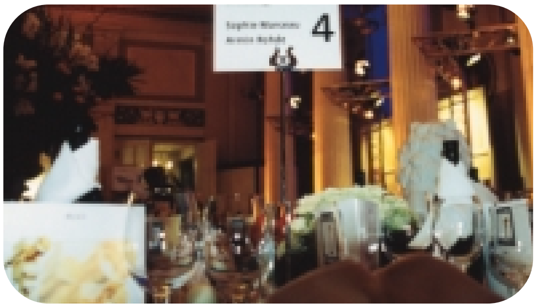








Other major high-profile events catered by DO & CO in the year under review were the road show for Deutsche Telekom, the opening of SONY's European headquarters in Berlin, the annual meeting of DaimlerChrysler in Berlin, the IP Telemesse in Düsseldorf, the Goldene Kamera awards in Berlin, BMW events at the major automobile trade fairs in Paris and Geneva, and numerous international media events.

Altogether, DO & CO catered a total of some 1,700 events in business year 2000/2001. As in years past, the company's International Event Catering Division won several awards in the year under review, including the "Hamburg Food Service Prize 2001" for superior catering achievements from the German publishing group Deutscher Fachverlag in March 2001.

THE "GOURMET ENTERTAINMENT COMPANY"

DO & CO's ability to provide consistently high quality worldwide has enabled it to increase its business with existing customers and to win over new clients.

In response to requests from customers, DO & CO is increasingly assuming the role of a "Gourmet Entertainment Company." In other words, apart from its core business of preparing and providing food, drinks and service, the company is concentrating to an even greater extent on event consulting and on event planning, organization and marketing. Based on customer preferences, the target group and the event setting, DO & CO creates a unique event design, plans and stages the event and provides all staff and equipment. DO & CO also handles the marketing and communication and attends to the needs of the sponsors. The advantages to customers of the "Gourmet Entertainment Company" are obvious. They have just **one** service provider to deal with for all aspects of an event. DO & CO literally holds all the reins in its hands, which allows it to stage events more cost efficiently and to act with greater speed and flexibility.

CONSULTING

Another speciality of DO & CO is to act as a consultant in the overall coordination of large-scale events. For example, the company planned, coordinated and supervized the catering services for the outdoor film festival 2000 in front of the Vienna City Hall, where up to 12,000 people were served daily.



RESTAURANTS & BARS

The Restaurants & Bars Division covers the sector in which DO & CO first started in business in 1981 and is still considered the flagship of the company. The division's restaurants have a special status as image bearers and marketing instruments for the entire DO & CO Group and are synonymous with the highest standards of culinary quality.

The **DO & CO Restaurant in the Haas Haus** in the heart of Vienna serves international and traditional fare. Based on the Group's concept "Best tastes of the world", diners have their choice of creative cuisine from Austria, Europe and Asia.

The **AIOLI** Restaurant embodies southern European flair and offers Mediterranean cuisine made from the finest ingredients imported fresh from Spain, Italy and France. This, combined with the authentically designed interior, makes dining at AIOLI a memorable experience every time. The take-out area also deserves special mention, particularly the oven-fresh baguettes from the in-house bakery, the antipasti and other southern European delicacies.

Along with the two restaurants in the Haas Haus, guests can also visit the **Onyx Bar,** which in addition to regular bar business, serves as the venue for press conferences and other special events.

DO & CO also operates several restaurants and bars at **Casino Baden,** one of Europe's largest casinos.

What all the restaurants have in common is high quality food and drink plus individualized, customer-first service offered at a good value for the money. The restaurants serve a second function as well, acting as the Group's R&D centers for the development of new product ideas.

As in other divisions, DO & CO also provides consulting services in the Restaurants & Bars Division. In a recent project, a major Austrian publisher engaged DO & CO as a consultant to assist in planning and creating a lounge for publishing house staff.

CORPORATE PHILOSOPHY

DO & CO's staff is its most valuable asset. As a service provider, the Group can only be successful in international business if its employees embrace the idea of global customer orientation.

Only highly motivated employees can identify with the guiding corporate principle "We are ladies and gentlemen serving ladies and gentlemen" and practice it on a day-to-day basis. DO & CO therefore makes constant efforts to increase staff motivation in the decentralized company units. Top priority is given to increase the commitment and dedication of all employees through basic and advanced training.

Underlying this principle is a comprehensive corporate philosophy which can be summarized as follows:

- Excellent quality, superb service, and an absolute "customer first" attitude must be striven for in all facets of restaurant and catering operations.

- Only the freshest ingredients of the best quality are to be used and must be provided to the customers in the shortest possible time using optimum logistics and state of the art technology.

- Consistently excellent quality must be guaranteed worldwide, regardless of the venue and quantities involved. To achieve this, DO & CO utilizes its own staff and applies its exhaustive knowledge of the products and work processes involved.

- A high degree of creativity and innovation is crucial to success in all areas of the company. This is especially true of the composition and presentation of our products.

- The best qualified staff has to be utilized for each area.

- DO & CO must provide services that go beyond traditional catering to create a unique overall experience for customers from which they can derive additional benefits.

- The staff must treat the customer with the same respect they themselves wish to be shown, once again in keeping with the principle: “We are ladies and gentlemen serving ladies and gentlemen”.

DO & CO has set up its own training center at headquarters to ensure top quality standards among service personnel. The DO & CO Academy in Vienna conducts intensive training courses for service and production staff at regular intervals. The faculty members at the DO & CO Academy apply the high quality standards they have acquired over their many years in the restaurant business to these staff training and personnel development efforts.

The opportunities for advancement at DO & CO are such that the majority of the operating management positions today are filled by individuals who began working for the company as part-time staff. Beyond the above objectives, the DO & CO management is committed to engendering a strong sense of loyalty in employees so that they remain at the company long term. To this end, it seeks to give employees opportunities to grow and develop along with the company.

ECONOMIC ENVIRONMENT

After a superb start in 2000, the world economy continued growing dynamically until peaking in the summer of 2000. This positive trend then gave way in the second half of the year to a sharp decline in international business activities. Real income losses triggered by the upsurge in crude oil prices curbed growth. The international stock markets responded to companies' expectations of lower profits with price drops, which further decelerated the pace of growth.

Especially hard hit by the slump was the US economy, which had followed its 4.2% growth in 1999 with impressive gains throughout the first half of 2000. Although the United States nonetheless ended up recording 5.0% economic growth for 2000 as a whole, the forecasts for 2001 predict a GDP increase of only 1.0%.

The economic picture for 2000 in Europe was similar if somewhat more stable. In the EU, the heavy demand for exports due to the low exchange rate of the euro to the US dollar combined with domestic demand to create a more favorable climate in the investment and labor markets. The EU economy grew vigorously until mid-year, when signs of a slowdown began emerging. As a result, economic growth averaged 3.3% in the EU and 3.4% in the Euro zone (as compared with 2.5% growth for both in 1999).

GDP is expected to increase in real terms in 2001 by 2.3% in the EU and by 2.4% in the Euro zone. The business cycle will feel additional pressure from the slump in foreign trade with the United States, which accounts for between 10% and 20% of total exports for certain countries in particularly exposed positions. Exports could be further curbed by a possible appreciation of the euro. On a positive note, major tax cuts being made in several EU countries will come at a very good time cyclically and will contribute to greater stability.

After achieving economic growth of 3.6% in 2000, the OECD countries are forecasting a rise of just 1.3% for 2001.

Growth was quite uniform in 2000 in the DO & CO key markets in Europe: the Austrian economy grew at 3.2% in real terms while real GDP growth totaled 3.0% in Great Britain and Germany and 2.8% in Italy. This means all countries improved on their performance compared to 1999 when the real economic growth was 2.8% in Austria, 2.1% in Great Britain, 1.6% in Germany and 1.4% in Italy.

Though more restrained than the year before, expectations for 2001 are positive nonetheless. Economic growth in Austria is predicted to reach 2.2% whereas the forecasts for Italy, Germany and Great Britain call for increases in GDP of 2.8%, 2.1%, and 3.0%, respectively.

MANAGEMENT REPORT

Consumer spending in Austria rose in 2000 by 2.7% on the year before (after a rise of 2.3% in 1999) but is expected to cool down again in 2001 to 2.0%. After an extremely moderate price trend at the start of 2000 (an inflation rate of just 1.2% in January), inflation begin heating up towards the end of the year due to rising crude oil prices and tax hikes. The peak for the year was reached in November, when inflation hit 3.1%. Austria nonetheless ended 2000 with an annual average rate of inflation of just 2.3%, one of the lowest rates in the EU. Inflation is expected to be 1.7% in Austria in 2001.

Austrians continued to be avid travelers in 2000, spending ATS 117.7 billion (EUR 8.55 billion) for holidays abroad and ATS 20.3 billion (EUR 1.48 billion) for business trips abroad. This represents a rise in total outlays for foreign travel of 7.8% on 1999. This eagerness to travel naturally boosted air travel. In 2000, the total number of passengers (arrivals and departures without transit) at Austrian airports increased on the year before by 7.2% to 12.2 million on scheduled flights (a +6.9% rise on 1999) and to 3.1 million on charter flights (an +8.5% rise on 1999). The Vienna International Airport processed 11.79 million passengers (arrivals and departures) in 2000, which was 739,220 passengers (+6.7%) more than the year before. A sharp increase in passenger figures was also recorded by the Salzburg Airport, which processed a total of 1.19 million passengers (arrivals and departures), up 75,949 (+6.8%) on the year before.

In the year under review, the new locations for the DO & CO gourmet kitchens proved to be strategically well chosen, as the total number of air passengers increased in 2000 by 7.9% in Europe and by 3.9% in North America. Similar growth rates are expected for 2001.

SALES IN ATS MILLION

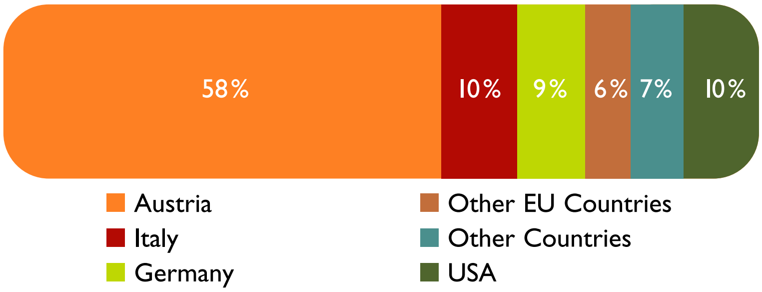
SALES

The consolidated annual sales totaled ATS 1,234.2 million (EUR 89.69 million) in business year 2000/2001, a figure ATS 220.9 million (EUR 16.05 million), or 21.8%, higher than the previous year's. This increase is attributable to the significant sales growth of 22.0% to ATS 567.9 million (EUR 41.27 million) in Airline Catering and of 34.3% to ATS 470.0 million (EUR 34.16 million) in International Event Catering. Based on these performances, Airline Catering now accounts for 46.0% (1999/2000: 46.0%) and International Event Catering for 38.1% (1999/2000: 34.5%) of total Group sales. The remaining 15.9% (1999/2000: 19.5%) of total sales is attributable to the Restaurants & Bars Division, which recorded a slight decline in sales of 0.8% due to the prolonged construction work at the Haas Haus in Vienna, which has cut down on the volume of people frequenting this building and the DO & CO and AIOLI restaurants located in it.

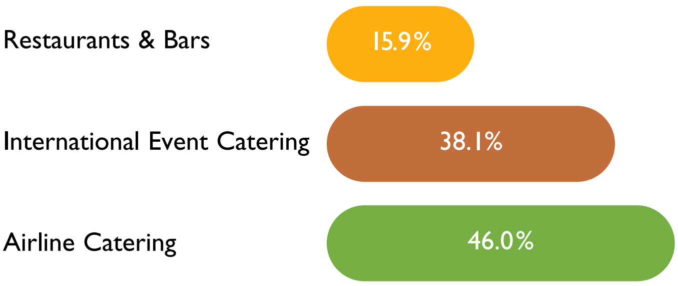
The EU remained the most important market for DO & CO by far again in 2000/2001, generating 82.4% of all sales (1999/2000: 94.9%). Due to the New York location and the newly opened gourmet kitchen in Miami, sales in the United States were substantial for the first time, accounting for 10.3% of total consolidated sales. As part of international expansion, the Group achieved much greater sales growth abroad than in Austria, namely, +57.9% versus +4.5%.

DO & CO increasingly views itself as an international company and now provides services in the following countries: Argentina, Austria, Belarus, Belgium, Bosnia-Herzegovina, Canada, the Czech Republic, France, Germany, Great Britain, Hungary, Italy, Japan, Malaysia, Monaco, the Netherlands, Portugal, Spain, Switzerland and the United States.

SALES BY REGION



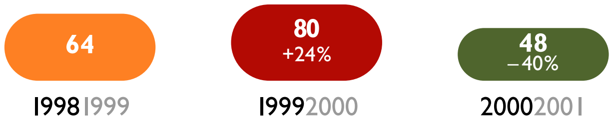
SALES BY DIVISION



Sales Growth by Division

	Business Year 2000/2001 (April 2000–March 2001) in ATS millions	in € millions	Share in %	Business Year 1999/2000 (April 1999–March 2000) in ATS millions	in € millions	Share in %	Change in %
Airline Catering	567.9	41.27	46.0	465.6	33.84	46.0	+ 22.0
International Event Catering	470.0	34.16	38.1	349.9	25.43	34.5	+ 34.3
Restaurants & Bars	196.3	14.27	15.9	197.8	14.37	19.5	– 0.8
Group sales	1,234.2	89.69	100.0	1,013.3	73.64	100.0	+ 21.8

OPERATING PROFIT IN ATS MILLIONS



OPERATING PROFIT

Consolidated earnings of the DO & CO Group before interest and tax and after an amortization of goodwill totaled ATS 47.5 million (EUR 3.45 million) in business year 2000/2001, which represents a drop of ATS 32.1 million (EUR 2.33 million), or 40.3%, on business year 1999/2000. Owing to the high startup and operating costs associated with the opening of four new locations in business year 2000/2001 plus the one-time price discount of some ATS 27 million (EUR 2 million) granted to Lauda Air, the EBIT margin decreased to 3.8% in the year under review from 7.9% the year before.

Change in EBIT by Division

	Business Year 2000/2001 (April 2000–March 2001) in ATS millions	in € millions	Share in %	Business Year 1999/2000 (April 1999–March 2000) in ATS millions	in € millions	Share in %	Change in %
Airline Catering	2.1	0.15	4.5	42.2	3.07	53.0	– 95.0
International Event Catering	36.5	2.65	76.8	29.9	2.17	37.6	+ 22.1
Restaurants & Bars	8.9	0.65	18.7	7.5	0.55	9.4	+ 18.7
Earnings before interest and tax (EBIT) [1]	47.5	3.45	100.0	79.6	5.78	100.0	– 40.3

Costs of materials and purchased services rose from 31.7% of sales in business year 1999/2000 to 35.5% of sales in the year under review. This item totaled ATS 438.0 million (EUR 31.83 million) and was thus ATS 116.5 million (EUR 8.47 million), or 36.2%, higher than in the previous year.

A total of ATS 248.5 million (EUR 18.06 million), or 20.1% of sales, was spent in business year 2000/2001 on unfinished goods purchased for resale as opposed to ATS 199.4 million (EUR 14.49 million), or 19.7% of sales, in business year 1999/2000.The total spent on materials was ATS 348.2 million (EUR 25.30 million), or 28.2% of sales. This represents an increase on the previous year of ATS 67.3 million (EUR 4.89 million), or 24.0%. The costs of purchased services rose by ATS 49.2 million (EUR 3.58 million) to ATS 89.9 million (EUR 6.53 million) in business year 2000/2001 due in large part to logistics services being purchased from an outside company since the end of November 1999.

Payroll costs rose by ATS 54.6 million (EUR 3.97 million), or 14.2%, to ATS 438.9 million (EUR 31.90 million). This figure thus declined as a percentage of total sales to 35.6% in the year under review compared with 37.9% in 1999/2000. In other words, the productivity growth achieved the previous year was continued in business year 2000/2001.

Taxes and charges not related to income decreased, falling from ATS 8.4 million (EUR 0.61 million) in business year 1999/2000 to ATS 5.1 million (EUR 0.37 million) in the year under review. This major drop is largely attributable to the elimination of beverage tax in business year 2000/2001.

Other operating expenses rose in 2000/2001 from ATS 183.0 million (EUR 13.30 million) to ATS 256.5 million (EUR 18.64 million). This rise of ATS 73.5 million (EUR 5.34 million), or 40.2%, stems from the startup costs for opening the four new locations and from higher sales-related expenses. This item increased as a percentage of sales from 18.1% to 20.8% in business year 2000/2001.

Depreciation and amortization in 2000/2001 totaled ATS 74.9 million (EUR 5.44 million) in business year 2000/2001, a rise of ATS 18.0 million (EUR 1.30 million), or 31.5% on the year before. This increase is primarily attributable to the opening of four new locations, namely Miami in July 2000, Munich and Frankfurt in December 2000, and Berlin in February 2001. The depreciation and amortization item contains an amortization of goodwill and a release of hidden reserves (ATS 17.1 million; EUR 1.24 million) just as it did in 1999/2000 (ATS 17.4 million; EUR 1.26 million).

DO & CO Group

	Business Year 2000/2001 (April 2000–March 2001) in ATS millions	in € millions	Business Year 1999/2000 (April 1999–March 2000) in ATS millions	in € millions	Change in %
GROUP SALES	1,234.2	89.69	1,013.3	73.64	+ 21.8
EBITDA	122.5	8.90	136.6	9.93	– 10.3
EBIT [1]	47.5	3.45	79.6	5.78	– 40.3
EMPLOYEES	835		731		+ 14.2

[1] After amortization of goodwill

OTHER INFORMATION

RESULT FROM FINANCING ACTIVITIES

A result of minus ATS 2.0 million (minus EUR 0.14 million) was recorded in business year 2000/2001 from financing activities. This decline of ATS 5.6 million (EUR 0.40 million) compared with the year before is primarily due to the extensive investments in the new business locations as part of DO & CO's long-term growth strategy. These outlays reduced the amount of liquid resources available for financial investments in the year under review. Also contributing to the decline were write-downs necessitated by the change in the price of DO & CO stock prior to being passed on to employees or prior to selling.

TAX

Income tax totaled ATS 35.5 million (EUR 2.58 million) in the year under review as compared with ATS 34.7 million (EUR 2.52 million) in 1999/2000.

LIQUIDITY AND FINANCIAL RESOURCES

The Group's cash flow in business year 2000/2001 compares with the previous year as follows:

	2000/2001		1999/2000	
	in ATS millions	in € millions	in ATS millions	in € millions
Cash-Flow from earnings	95.2	6.92	98.5	7.16
Cash-Flow from operating activities	50.5	3.67	159.8	11.61

INVESTMENT POLICY

Investments in business year 2000/2001 were concentrated predominantly in the German and American markets. A total of ATS 211.0 million (EUR 15.34 million) was invested in tangible fixed assets (1999/2000: ATS 253.8 million; EUR 18.44 million).

The opening of gourmet kitchens in Miami, Munich, Frankfurt and Berlin in business year 2000/2001 marked further major steps in the Group's international expansion. Here are some details on the new business locations:

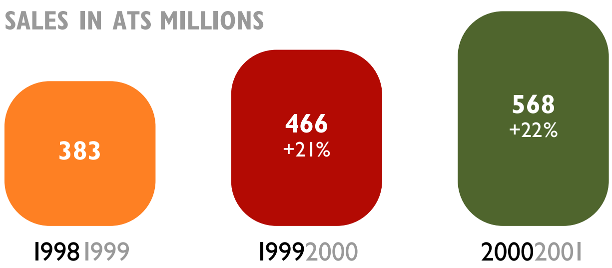
- DO & CO purchased a 22,000 m^2 lot in Miami and put up a building containing 3,500 m^2 of floor space. A total of some ATS 85.0 million (some EUR 6.2 million) was invested in this facility in business year 2000/2001. The gourmet kitchen was put into operation on 6 July 2000.

- In Munich, DO & CO has rented a building with 3,500 m^2 of floor space and adapted it for about ATS 9.0 million (approximately EUR 0.7 million) to meet requirements. The gourmet kitchen began operations on 1 December 2000.

- In Frankfurt, a building with 1,600 m^2 of floor space was rented and modified at a cost of some ATS 28.0 million (about EUR 2.0 million). Production was launched at the Frankfurt Airport on 15 December 2000.

- In Berlin, DO & CO concluded a sales agreement for a building lease on a building with 3,000 m^2 of floor space for a gourmet kitchen. Some ATS 49.0 million (about EUR 3.6 million) was spent on adapting the facility. The Berlin branch opened on 1 February 2001.

Investments in the current year will be far lower than in the year under review. There are plans to expand the existing locations in New York and Miami in the years ahead.



AIRLINE CATERING

Airline Catering generated sales of ATS 567.9 million (EUR 41.27 million) at the DO & CO businesses in Vienna, Salzburg, Milan, New York and for the first time in Miami, Munich, Frankfurt and Berlin. This means the division accounted for the largest percentage of Group sales, 46.0%, and increased its sales by 22.0% on the year before (ATS 465.6 million; EUR 33.84 million). This substantial sales growth of ATS 102.3 million (EUR 7.43 million) on the year before is largely due to three factors: to the opening of new branches in Miami, Munich, Frankfurt and Berlin, to new customers won by the New York location, and to expanded business with existing customers.

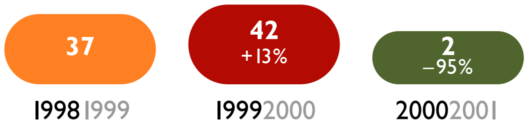
The DO & CO Group's clientele currently includes the following airlines: Lauda Air, British Airways, Austrian Airlines, Air Mauritius, Crossair, Air Alps Aviation, Luxair S.A., Air Littoral, Air Afrique and Royal Air Maroc.

DO & CO handles catering on all Lauda Air flights departing Vienna, Salzburg, Linz, Graz, Innsbruck, Munich, Milan and Miami. British Airways is a global customer in Vienna, Miami, Frankfurt, Munich and Berlin. The DO & CO subsidiary AIOLI – Vienna Airport Restaurants & Catering GmbH likewise supplies top quality in-flight fare to passengers on Air Mauritius from Vienna and on Air Alps Aviation from Vienna, Salzburg, Innsbruck, Linz and Klagenfurt. The daily flights of Air Littoral from Innsbruck to Zurich and Luxair S.A. from Vienna to Luxembourg are also catered. Crossair is likewise a customer, its passengers enjoying DO & CO catering on flights from Salzburg, Linz and Graz to Zurich and from Milan and Vienna to Basle. The DO & CO gourmet kitchen at New York's JFK Airport has catered the daily Austrian Airlines flight from New York to Vienna since first opening in December 1999. DO & CO New York has also been the caterer, since summer 2000, for the Air Afrique flights via Dakar to Abidjan and for the Royal Air Maroc flights to Casablanca.

The decision of Airline Catering to open up three new German business locations was greatly influenced by British Airways signing a three-year contract with DO & CO in Germany. This contract assures that the basic capacities of the new locations in Germany will be utilized.

EBITDA IN ATS MILLIONS

EBIT IN ATS MILLIONS



A close look at the individual quarters reveals continual sales growth every quarter, with the fourth (1 January to 31 March 2001) contributing the most to total growth due to additional sales by the new branches.

EBIT at Airline Catering in business year 2000/2001 fell by ATS 40.1 million (EUR 2.91 million), or 95.0%, to ATS 2.1 million (EUR 0.15 million). Startup costs leading up to the opening of the new branches in Miami, Munich, Frankfurt and Berlin reduced the EBIT margin to 0.4% in the year under review from 9.1% the previous year. Since the company had already included these costs in various forecasts, the result was fully in line with expectations, in fact, it was slightly better than expected.

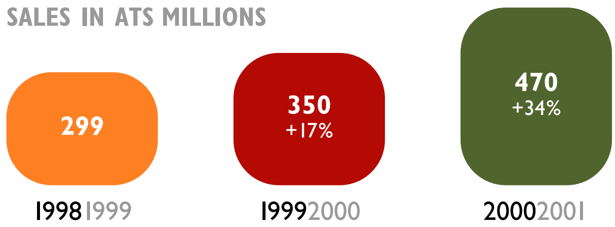
The decline in earnings is attributable to the following factors:

- The scheduled high startup and operating costs for the opening of four new locations. These costs were particularly high in the personnel area since the creation of a new core team requires that major investments of time and money be made in training. Staff expenses thus rose by a disproportionately large amount. Depreciation further exacerbated the situation, its effect on EBIT intensified by the high level of investment at this stage of company development.
- A one-time price discount of some ATS 27 million (EUR 2 million) granted to Lauda Air. This move had a significant impact on earnings because there was no substantial change in the product during the discount period, mostly to protect the image of DO & CO as a quality brand.

Airline Catering Division

	Business Year 2000/2001 (April 2000–March 2001)		Business Year 1999/2000 (April 1999–March 2000)		Change in %
	in ATS millions	in € millions	in ATS millions	in € millions	
SALES	567.9	41.27	465.6	33.84	+ 22.0
EBITDA	43.4	3.15	69.5	5.05	– 37.6
EBIT [1]	2.1	0.15	42.2	3.07	– 95.0

[1] After amortization of goodwill



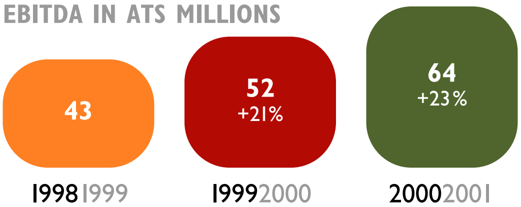
INTERNATIONAL EVENT CATERING

Sales in International Event Catering amounted to ATS 470.0 million (EUR 34.16 million) in business year 2000/2001. This figure is ATS 120.1 million (EUR 8.73 million) or 34.3% higher than the previous year's and gives the division a 38.1% share (1999/2000: 34.5%) of total sales. After the sizable sales growth of 17.2% in business year 1999/2000 on the year before, the division not only matched this performance in the year under review but further increased sales by an impressive 34.3%.

As in earlier years, major sports events formed the backbone of division business again in 2000/2001. VIP catering at the Formula 1 was expanded by a Grand Prix in Indianapolis in September 2000, the first to be staged in the United States in nine years. Other highlight events in International Event Catering were the CHIO riding and jumping tournament in Aachen, the European Soccer Championship Gala 2000 in Rotterdam, the Eurocard Open Tennis Masters in Stuttgart and the Valderrama Golf Tournament at which DO & CO catered not only VIPs but also 18,000 guests from the general public, numerous ÖFB national soccer matches and several ski races, the road show for Deutsche Telekom, the opening of SONY's European headquarters in Berlin, the annual meeting of DaimlerChrysler in Berlin, the IP Telemesse in Düsseldorf, the Goldene Kamera awards in Berlin, BMW events at the major automobile trade fairs in Paris and Geneva and numerous international media events.

DO & CO catered a total of some 1,700 events in business year 2000/2001.

EBITDA IN ATS MILLIONS



EBIT IN ATS MILLIONS

As in Airline Catering, a close examination of the individual quarters reveals continual sales growth in each quarter, but here the second quarter (1 July to 30 September 2000) accounted for the largest portion of the total, as it had the previous year. Grand Prix events continued to be the biggest contributors to sales in International Event Catering, whereby in business year 2000/2001 an additional Grand Prix was staged within the reporting period due to a shift in the Formula 1 schedule. As a result, DO & CO provided VIP catering for a total of sixteen Grand Prix events worldwide.

EBIT increased in business year 2000/2001 by ATS 6.6 million (EUR 0.48 million), or 22.1%, to ATS 36.5 million (EUR 2.65 million). Despite the division's hefty startup costs for the new locations, the EBIT margin decreased only slightly in business year 2000/2001 as compared with the previous year, falling from 8.5% to 7.8%.

International Event Catering Division

	Business Year 2000/2001 (April 2000–March 2001)		Business Year 1999/2000 (April 1999–March 2000)		Change in %
	in ATS millions	in € millions	in ATS millions	in € millions	
SALES	470.0	34.16	349.9	25.43	+ 34.3
EBITDA	64.1	4.66	52.3	3.80	+ 22.6
EBIT [1]	36.5	2.65	29.9	2.17	+ 22.1

[1] After amortization of goodwill

SALES IN ATS MILLIONS

1998/1999	1999/2000	2000/2001
208	198 −5%	196 −1%

RESTAURANTS & BARS

Restaurants & Bars recorded sales in business year 2000/2001 of ATS 196.3 million (EUR 14.27 million), which represented a decrease of ATS 1.5 million (EUR 0.11 million), or 0.8%, on the sales of the previous year. This slight decline is primarily attributable to the negative effect on the DO & CO and AIOLI establishments from the prolonged construction work in the Haas Haus. With people now less likely to frequent the Haas Haus, the number of patrons has dropped.

In catering at Casino Baden, the division further improved upon its excellent utilization of capacities.

The Restaurants & Bars Division accounts for 15.9% (1999/2000: 19.5%) of total sales. Its share of the total will continue shrinking because of the ongoing expansion of Airline Catering and International Event Catering and because there are no plans at present to expand this division's business.

Restaurants & Bars once again served as the DO & CO Group's Research and Development Center in the year under review by developing new product concepts. DO & CO offered a full range of consulting services in the Restaurants & Bars sector, too. A major Austrian publishing house took advantage of this offering, bringing in DO & CO as a consultant to assist in planning and creating a lounge for employees.

EBIT rose in business year 2000/2001 by ATS 1.4 million (EUR 0.10 million), or 18.7%, to ATS 8.9 million (EUR 0.65 million). The EBIT margin thus increased from 3.8 % in business year 1999/2000 to 4.5% in the year under review. This improvement in the EBIT margin is due to the elimination of beverage tax as a cost factor.

Restaurants & Bars Division

	Business Year 2000/2001 (April 2000–March 2001)		Business Year 1999/2000 (April 1999–March 2000)		Change in %
	in ATS millions	in € millions	in ATS millions	in € millions	
SALES	196.3	14.27	197.8	14.37	– 0.8
EBITDA	15.0	1.09	14.8	1.08	+ 1.4
EBIT [1]	8.9	0.65	7.5	0.55	+ 18.7

[1] After amortization of goodwill

EBITDA IN ATS MILLIONS

19981999	19992000	20002001
14	15 +3%	15 +1%

EBIT IN ATS MILLIONS

19981999	19992000	20002001
6	7 +36%	9 +19%

PRODUCT DEVELOPMENT

Flexibility and creativity are the two secrets of DO & CO's success. Responding fast to market changes and customer preferences has always been a top priority at the company. With gastronomy being so central to lifestyle, recognizing new trends and carefully tracking changes in the consumer goods industry are the main challenges facing any company devoted to providing its customers and partners worldwide not only with top quality but with highly innovative products.

Whether in New York, Miami, Berlin or at the Formula 1 Grand Prix in Suzuka, high caliber experts seek daily at the DO & CO research kitchens or while serving customers to detect these trends and to incorporate them into new lines of products. In collaboration with customers and partners, we put the finishing touches on products and then assess their practical marketability based on profitability and customer acceptance.

The relaunch of the Concorde product, the joint development with suppliers of special technical equipment as well as the successful implementation of DO & CO developed employee lounge concepts at two major Austrian companies are just three examples of the productive output of the company's "think tanks". In the current business year, we will energetically pursue the first initiatives already launched in business year 2000/2001 by the management to enlarge the DO & CO range of catering products beyond the three classic divisions Airline Catering, International Event Catering and Restaurants & Bars.

This idea of constantly extending the range beyond catering is something we have been putting into practice for some time now: In its role as a "Gourmet Entertainment Company", DO & CO is well on its way to become a global full-range service provider in the event business. The DO & CO Audio-Visual Department not only prepares the lovingly designed table decorations and menus but also delivers space, light and music designs. The medium-term goal is to establish DO & CO as an internationally recognized brand in the luxury segment of "Gourmet Entertainment".

EMPLOYEES

Over the past 12 months, DO & CO has increased its permanent staff by 14.2%. To ensure that these new employees could identify with the company and all it is trying to achieve, they went through internal training programs where the corporate philosophy was covered in depth. Of the total staff of 835 in the year under review, 706 were wage-earners and 129 were salaried employees. This is 104 more employees than in the previous year (total of 731, of which 608 were wage-earners and 123 were salaried employees). DO & CO also had a part-time staff averaging 282 employees (1999/2000: 315).

Airline Catering employed a staff of 469 in the year under review (1999/2000: 366) while International Event Catering had 118 employees (1999/2000: 120) and Restaurants & Bars 248 (1999/2000: 245).

DO & CO's most valuable asset is its staff, all of whom display a keen sense of service and great dedication. The only way the Group can succeed as a service provider internationally is if all employees embrace the idea of global customer orientation. An important aspect of human resources policy at DO & CO is to build up and develop an internationally experienced team of employees.

At its DO & CO Academy, the company is working intensively to provide basic and advanced training to a new core team of employees to ensure full compliance with its high quality standards at all the new business locations. For the new gourmet kitchens in Germany and the United States, DO & CO is making concerted efforts to recruit and train staff locally. In Germany, these employees are trained on-site by Austrian trainers from the DO & CO Academy so that a full transfer of the corporate culture occurs.

In the United States, DO & CO has launched a cooperative venture with Johnson & Wales University in Miami for the purpose of jointly developing training programs. Graduates of the university are eligible to apply for practical training at DO & CO. Under this program, the first group of trainees began their internships in March 2001 at DO & CO's Vienna headquarters. These trainees are assigned to Airline Catering and International Event Catering and to various restaurants. Besides heavy exposure to the DO & CO philosophy and equipment training, the program focuses primarily on product theory and on thorough production and service training. The various groups are rotated every three weeks, which gives the trainees insight into the high level of quality, flexibility and creativity with which DO & CO is setting standards for the entire catering sector.

This intensive effort is aimed at building up a qualified staff in the United States which can be drawn from for international events and for the American gourmet kitchens.

THE ENVIRONMENT

Conducting business worldwide means taking responsibility worldwide – especially for environmental protection. At DO & CO, ecology is integrated into business processes. The idea of sustainable development, where efficient use is made of all resources, sets the objectives for future societal development and has far-ranging consequences for the general population's lifestyle and quality of life. Under this approach, a balance is struck between the economic, ecological and social spheres. Eco-efficiency is a dynamic process which can increase economic profit through long-term ecologically based action.

In environmental meetings, DO & CO works on continually improving its environmental measures with the active involvement of the staff. Good staff ideas beneficial to the environment and to the company are collected, rewarded and implemented.

An eight-member environmental team was formed and charged with conducting an overall audit of the environmental state of the company at least once a year to detect potential areas for improvement and to implement appropriate measures for the environment and the company.

As part of the program "Eco-Business Club of Vienna – Learning from the Best", DO & CO was invited as a model environmental business in Vienna to present its best practice model for environmental protection. The objectives of the seminar, which was entitled "Quality and the Environment" and attended by managers from all sectors and all parts of Austria, was to initiate an exchange of practical experience in environmental protection and practical assistance in carrying out environmentally related measures.

The three main components of the Eco Success Formula are to reduce operating costs through the efficient use of resources and raw materials, to optimize production processes and to avoid waste. When this formula is followed, greater environmental protection results in greater profits. In recognition of its achievements in environmental management, DO & CO was awarded the "Eco Profit Vienna Award 2001" in January 2001.

In the year under review, DO & CO improved its waste separation system and collection system for discarded edible oil and began utilizing waste water from production for heating. In the current business year, the company is assessing the feasibility of a number of ambitious environmental protection projects involving the following objectives:

- To convert part of the fleet to bio-diesel, to be produced from discarded edible oil.
- To improve the ecology of non-reusable packaging in airline catering.
- To reduce residual production waste by substituting composite materials.
- To decrease residual party service waste by collecting recyclable materials more efficiently.
- To eliminate packaging sheeting from transports of event catering equipment.
- To increase the involvement of employees in the DO & CO environmental program.

STOCK & INVESTOR RELATIONS

THE DO & CO STOCK

DO & CO Restaurants & Catering AG debuted on the Vienna Stock Exchange three years ago, on 30 June 1998. Since this IPO, it has been listed in the market segment "Austrian Equity Specialist Market".

In 2000, the Vienna Stock Exchange was in good company with its declining price trend. International exchanges were being dragged down especially by the sharp downturn in Internet and telecom stocks but even traditional "old economy" stocks were finding it nearly impossible to gain favor with investors. At the start of 2001, the Vienna Stock Exchange surprisingly outshone its counterparts by handing in an outstanding performance while prices continued falling on almost all international markets.

The price of DO & CO stock fluctuated greatly throughout the year under review in keeping with the general trend. After peaking for the year at EUR 43.80 in June 2000, the share price began a long tumble, finally bottoming out in January 2001 at EUR 21.50. The weak performance is attributable to the turmoil at one of DO & CO's airline customer's, Lauda Air, and to related speculations that Lauda Air might cancel its contract with DO & CO. In actual fact, continued business relations between DO & CO and Lauda Air are in no jeopardy at all legally.

Despite the tough conditions and the media circus surrounding Lauda Air, the price of DO & CO stock steadily gained ground, reaching EUR 34.90 at the beginning of March 2001. Late that month, the stock attained relative stability at EUR 27.50. Given the progress made in expansion and the growth of business at DO & CO, the management firmly believes the stock is greatly undervalued at its current price.

The Management Board of DO & CO Restaurants & Catering AG will propose to the General Meeting of Shareholders on 11 July 2001 that a dividend of EUR 0.50 per share will be distributed for the business year 2000/2001. This corresponds to a dividend yield of 1.8% in relation to the closing price in the year under review.

INVESTOR RELATIONS

In investor relations, the company focused in the year under review primarily on discussions with private and institutional investors during company presentations and investor conferences and on plans for a total redesign of the DO & CO web site.

The completely redesigned Internet site will go online in summer 2001 at www.doco.com and will serve as the central communication platform for the company. Besides providing general information about DO & CO, it will put special emphasis on investor relations. With the site's appealing and user-friendly design, each target group should be able in future to access the latest information quickly and efficiently. The relaunch of the DO & CO site makes relevant data more easily and quickly accessible, particularly for investors and analysts. This, in turn, should contribute to a more realistic assessment of the company in the market.

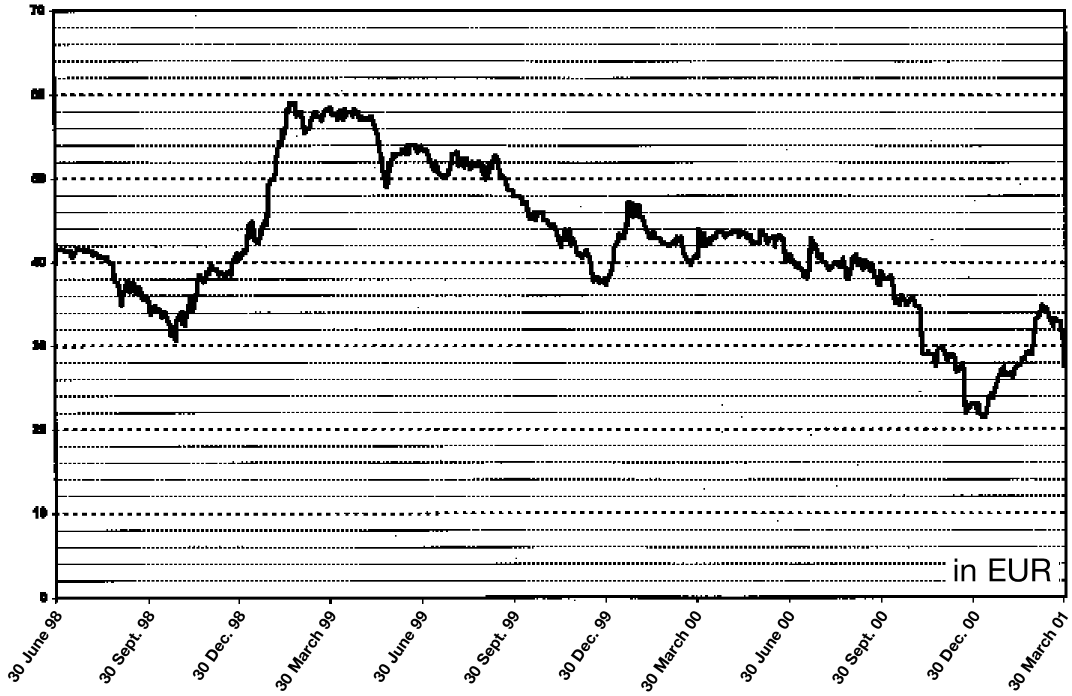
FINANCIAL CALENDAR

Business year 2001/2002
(1 April 2001 to 31 March 2002)

21 June 2001	Annual business results for 2000/2001
11 July 2001	General Meeting of Shareholders for 2000/2001
6 September 2001	Business results for April to June 2001
29 November 2001	Business results for April to September 2001
February 2002	Business results for April to December 2001

The above dates are tentative.

DEVELOPMENT OF THE PRICE OF DO & CO STOCK:



DETAILS ON DO & CO STOCK:

Securities no.:	081880	
Securities code:	DOC	
Reuters code:	DOCO.VI	
Bloomberg code:	DOC AV	
Trading segment:	Official trading on Vienna Stock Exchange	
Market segment:	Austrian Equity Specialist Market	
Contained in the following indices:	WBI, ATX50(P), ATXMidCap	
No. of individual shares:	1,624,000 shares	
Listed nominal value:	EUR 11,802,068	
Initial listing:	30 June 1998	
Issue price:	EUR 40.0	
In free float:	46.02%	
	2000/2001	1999/2000
Annual high (April – March):	EUR 43.8	EUR 58.4
Annual low (April – March):	EUR 21.5	EUR 37.3
Closing price (31 March):	EUR 27.5	EUR 44.1
Market capitalization in EUR millions as of 31 March:	44.7	71.5

OUTLOOK

With the opening of new gourmet kitchens in Germany and the United States, DO & CO has set up the basic infrastructure needed for expanding business in these markets. Now attention will shift more to increasing the public's awareness of the "DO & CO" and "AIOLI" brand names and to solidifying the position of the new business locations as "one-stop-one-shop" high quality service providers, particularly in International Event Catering. Germany will be the initial focal point of these efforts.

Besides attracting new airline customers on the European and American markets, the management is confident that existing airline customers can be won over in the long term for other DO & CO branches. In light of the growing efforts to cut costs in international air travel and the relatively low price elasticity in this industry, the quality standards offered by DO & CO provide invaluable competitive advantages in combination with the company's keen cost awareness and years of experience in the field.

Another key priority for the year ahead is to build up business at all locations of International Event Catering. In doing so, we will take full advantage of our capabilities as a "Gourmet Entertainment Company" to serve clients who are after **one** partner and **one** high standard of quality and **one** reliability in connection with top quality products.

DO & CO anticipates achieving the lion's share of its sales growth again abroad in business year 2001/2002 and thus further strengthening its position as one of Austria's largest exporters of services.

Along with stepping up R&D efforts to steadily enlarge the range of products, the company will expand the existing DO & CO Academy so that on-site basic and advanced training can be provided to staff even more effectively in the United States and at the European locations.

Another of management's top goals will be to optimize existing business operations and to streamline the organizational structure. After evaluating staff and structural capacities, the company will also explore the possibilities for expanding business through the development of new lines of products.

Vienna, May 2001

Attila DOGUDAN mp
Chairman

Michael DOBERSBERGER mp

REPORT OF THE SUPERVISORY BOARD

The Supervisory Board performed its duties under the law and the articles of association in business year 2000/2001 in four meetings. The Management Board reported regularly in writing and orally to the Supervisory Board on the progress of business and the situation of the company as well as providing it with information.

The annual financial statements plus notes and the consolidated financial statements plus notes along with the summarized management report of DO & CO Restaurants & Catering Aktiengesellschaft as at 31 March 2001 were audited by CENTURION Wirtschaftsprüfungs- und Steuerberatungsgesellschaft m.b.H. which issued the following unqualified opinion:

"As the result of our due audit, we certify that the accounting records and the financial statements (the consolidated financial statements) of DO & CO Restaurants & Catering Aktiengesellschaft comply with the legal regulations. The financial statements (the consolidated financial statements) give a true and fair view of the Company's (Group's) situation as regards assets, liabilities, finances and earnings in conformity with generally accepted accounting principles. The management report (consolidated management report) corresponds with the financial statements (consolidated financial statements)."

The Supervisory Board examined the financial statements plus notes and the consolidated financial statements plus notes along with the summarized management report of DO & CO Restaurants & Catering Aktiengesellschaft. Its final assessment thereof gave rise to no objections.

The Supervisory Board approved the financial statements which are thus adopted in accordance with Section 125 (2) Stock Corporations Act (AktG).

The Supervisory Board examined and approved the suggestion for the appropriation of profit. DO & CO Restaurants & Catering Aktiengesellschaft closed business year 2000/2001 with a balance-sheet profit of ATS 116,656,091.30 (EUR 8,477,728.78). At the General Meeting of Shareholders on 11 July 2001, a proposal will be made that, of this total, a dividend of ATS 11,173,363.60 (EUR 812,000.00), i.e. ATS 6.88 per share (EUR 0.50), be distributed and that the remaining amount of ATS 105,482,727.70 (EUR 7,665,728.78) be carried forward to new account.

The Supervisory Board proposed, in accordance with Section 270 (1) Austrian Commercial Code, that CENTURION Wirtschaftsprüfungs- und Steuerberatungsgesellschaft m.b.H. be appointed as auditor for business year 2001/2002.

Vienna, 11 June 2001

Waldemar JUD
Chairman of the Supervisory Board

ASSETS

ASSETS	31 March 2001 ATS	31 March 2000 TATS
A. FIXED ASSETS		
I. Intangible assets		
1. Industrial property rights and similar rights and benefits including licenses deriving from them	2,993,900.76	3,852
2. Goodwill	30,633,867.46	47,346
	33,627,768.22	51,197
II. Tangible assets		
1. Land and buildings including buildings on third-party land	359,365,762.85	198,422
2. Plant and machinery	38,389,810.64	24,175
3. Other production-plant and office equipment	82,254,224.34	50,220
4. Payments on account and assets in course of construction	3,502,223.31	38,555
	483,512,021.14	311,371
III. Investments		
1. Investments in associated companies	139,558.48	0
2. Securities held as long-term investments	3,710,157.91	3,108
3. Other loans	0.00	55
	3,849,716.39	3,163
	520,989,505.75	***365,732***
B. CURRENT ASSETS		
I. Inventories		
1. Raw materials and supplies	8,830,422.71	6,868
2. Goods	16,523,217.18	13,079
	25,353,639.89	19,947
II. Receivables and other assets		
1. Trade accounts receivable	166,897,547.59	94,867
2. Receivables from associated companies	84,895.61	0
3. Other receivables and assets	51,593,576.12	31,450
	218,576,019.32	126,317
III. Marketable securities		
1. Treasury stock	0.00	15,797
IV. Cash and checks in hand, cash at banks	64,782,934.38	174,945
	308,712,593.59	***337,006***
C. PREPAID EXPENSES AND DEFERRED CHARGES	***6,713,124.34***	***3,207***
	836,415,223.68	***705,946***

LIABILITIES

			31 March 2001	31 March 2000
			ATS	TATS
A.	***STOCKHOLDER'S EQUITY***			
I.	**Capital stock**	EUR 11,802,068.26	162,400,000.00	162,400
II.	**Capital reserves**			
	1. Paid-in surplus (restricted reserves)		180,000,000.00	180,000
III.	**Revenue reserves**			
	1. Legal reserves		1,337,872.68	1,089
	2. Other reserves (unrestricted reserves)		50,986,575.89	25,226
			52,324,448.57	26,315
IV.	**Reserve for treasury stock**		0.00	15,797
V.	**Consolidated retained earnings** (thereof profit carried forward: ATS 38,483,196.36 previous year: TATS 27,319)		64,993,882.27	49,723
VI.	**Minority interests**		–2,211,390.94	–655
			457,506,939.90	***433,581***
B.	***PUBLIC INVESTMENT GRANTS***		***72,030.00***	***82***
C.	***PROVISIONS***			
1.	**Provisions for severance payments**		14,892,744.71	12,369
2.	**Provisions for taxes**		49,918,585.91	44,628
3.	**Other provisions**		79,860,184.06	94,515
			144,671,514.68	***151,512***
D.	***LIABILITIES***			
1.	**Bank loans and overdrafts**		78,816,470.00	0
2.	**Prepayments received on account for orders**		17,619,095.76	17,728
3.	**Trade accounts payable**		97,304,338.03	66,581
4.	**Other liabilities** thereof for taxes: ATS 8,554,945.77 (previous year: TATS 9,975) thereof for social security: ATS 8,130,166.59 (previous year: TATS 6,894)		36,124,835.31	30,861
			229,864,739.10	***115,170***
E.	***DEFERRED INCOME***		***4,300,000.00***	***5,600***
			836,415,223.68	***705,946***
	CONTINGENT LIABILITIES		***11,277,845.78***	***10,135***

ASSETS	31 March 2001	31 March 2000
	EUR	TEUR
A. FIXED ASSETS		
I. Intangible assets		
1. Industrial property rights and similar rights and benefits including licenses deriving from them	217,575.25	280
2. Goodwill	2,226,249.97	3,441
	2,443,825.22	3,721
II. Tangible assets		
1. Land and buildings including buildings on third-party land	26,116,128.49	14,420
2. Plant and machinery	2,789,896.34	1,757
3. Other production-plant and office equipment	5,977,647.61	3,650
4. Payments on account and assets in course of construction	254,516.49	2,802
	35,138,188.93	22,628
III. Investments		
1. Investments in associated companies	10,142.11	0
2. Securities held as long-term investments	269,627.69	226
3. Other loans	0.00	4
	279,769.80	230
	37,861,783.95	***26,579***
B. CURRENT ASSETS		
I. Inventories		
1. Raw materials and supplies	641,731.85	499
2. Goods	1,200,789.02	950
	1,842,520.87	1,450
II. Receivables and other assets		
1. Trade accounts receivable	12,128,917.80	6,894
2. Receivables from associated companies	6,169.60	0
3. Other receivables and assets	3,749,451.40	2,286
	15,884,538.81	9,180
III. Marketable securities		
1. Treasury stock	0.00	1,148
IV. Cash and checks in hand, cash at banks	4,707,959.45	12,714
	22,435,019.12	***24,491***
C. PREPAID EXPENSES AND DEFERRED CHARGES	***487,861.77***	***233***
	60,784,664.85	***51,303***

LIABILITIES

	31 March 2001 EUR	31 March 2000 TEUR
A. STOCKHOLDER'S EQUITY		
I. Capital stock	11,802,068.26	11,802
II. Capital reserves		
1. Paid-in surplus (restricted reserves)	13,081,110.15	13,081
III. Revenue reserves		
1. Legal reserves	97,227.00	79
2. Other reserves (unrestricted reserves)	3,705,338.97	1,833
	3,802,565.97	1,912
IV. Reserve for treasury stock	0.00	1,148
V. Consolidated retained earnings (thereof profit carried forward: EUR 2,796,682.95 previous year: TEUR 1,985)	4,723,289.63	3,614
VI. Minority interests	–160,708.05	–48
	33,248,325.97	***31,510***
B. PUBLIC INVESTMENT GRANTS	***5,234.62***	***6***
C. PROVISIONS		
1. Provisions for severance payments	1,082,297.97	899
2. Provisions for taxes	3,627,725.12	3,243
3. Other provisions	5,803,665.91	6,869
	10,513,689.00	***11,011***
D. LIABILITIES		
1. Bank loans and overdrafts	5,727,816.25	0
2. Prepayments received on account for orders	1,280,429.62	1,288
3. Trade accounts payable	7,071,382.02	4,839
4. Other liabilities thereof for taxes: EUR 621,712.15 (previous year: TEUR 725) thereof for social security: EUR 590,842.25 (previous year: TEUR 501)	2,625,294.17	2,243
	16,704,922.07	***8,370***
E. DEFERRED INCOME	***312,493.19***	***407***
	60,784,664.85	***51,303***
CONTINGENT LIABILITIES	***819,593.02***	***737***

	31 March 2001	31 March 2000
	ATS	TATS
1. Sales	1,234,170,025.32	1,013,284
2. Other operating income		
a) Income from disposal of fixed assets	12,162.00	586
b) Income from release of provisions	18,385,135.58	3,210
c) Other	8,521,736.85	16,842
	26,919,034.43	20,638
3. Costs of materials and purchased services		
a) Costs of materials	−348,165,819.80	−280,859
b) Costs of purchased services	−89,878,838.03	−40,729
	−438,044,657.83	−321,588
4. Payroll costs		
a) Wages	−271,801,049.51	−228,278
b) Salaries	−69,037,081.71	−67,603
c) Expenses for severance payments	−4,432,105.13	−4,626
d) Expenses for legally mandated social security contributions and related costs	−88,574,660.09	−80,317
e) Other social expenses	−5,069,851.67	−3,446
	−438,914,748.11	−384,271
5. Amortization of intangible fixed assets and depreciation of tangible fixed assets Thereof amortization of goodwill from initial consolidation: ATS 16,746,348.32 (previous year: TATS 16.864)	−74,942,501.43	−56,992
6. Other operating expenses		
a) Taxes other than those included under income tax	−5,127,989.71	−8,414
b) Other	−256,532,237.79	−183,009
	−261,660,227.50	−191,423
7. Operating result	***47,526,924.88***	***79,648***
8. Income from investments of participating interest; of which in associated companies ATS 139,558.48 (previous year: TATS 0)	264,000.00	0
9. Income from other securities	142,147.96	135
10. Other interest and similar income	6,497,618.86	6,832
11. Income from the disposal of fixed financial assets and marketable securities	0.00	0
12. Expenses from fixed financial assets and marketable securities thereof write-downs: ATS 5,391,293.63 (previous year: TATS 261), thereof expenses for associated companies: ATS 0 (previous year: TATS 1.141)	−5,391,293.63	−2,661
13. Interest and similar expenses	−3,475,630.12	−701
14. Financial result	***−1,963,156.93***	***3,605***
15. Result of ordinary business	***45,563,767.95***	***83,254***
16. Extraordinary expenses	0.00	−10,045
17. Extraordinary result	***0.00***	***−10,045***
18. Income tax	−35,533,773.49	−34,656
19. Annual surplus	***10,029,994.46***	***38,553***
20. Minority interests	1,623,245.10	687
21. Write-back of untaxed reserves		
a) Reserve for treasury stock	15,797,252.35	0
b) Other reserves (unrestricted reserves)	2,842,402.00	1,036
	18,639,654.35	1,036
22. Allocation to revenue reserves		
a) Reserve for treasury stock	0.00	−15,797
b) Other reserves (unrestricted reserves)	−3,782,208.00	−2,075
	−3,782,208.00	−17,872
23. Net profit	***26,510,685.91***	***22,404***
24. Profit carried forward from previous year	38,483,196.36	27,319
25. Consolidated retained earnings	***64,993,882.27***	***49,723***

	31 March 2001	31 March 2000
	EUR	TEUR
1. Sales	89,690,633.59	73,638
2. Other operating income		
a) Income from disposal of fixed assets	883.85	43
b) Income from release of provisions	1,336,099.91	233
c) Other	619,298.77	1,224
	1,956,282.53	1,500
3. Costs of materials and purchased services		
a) Costs of materials	–25,302,196.89	–20,411
b) Costs of purchased services	–6,531,749.89	–2,960
	–31,833,946.78	–23,371
4. Payroll costs		
a) Wages	–19,752,552.60	–16,590
b) Salaries	–5,017,120.39	–4,913
c) Expenses for severance payments	–322,093.64	–336
d) Expenses for legally mandated social security contributions and related costs	–6,436,971.58	–5,837
e) Other social expenses	–368,440.49	–250
	–31,897,178.70	–27,926
5. Amortization of intangible fixed assets and depreciation of tangible fixed assets Thereof amortization of goodwill from initial consolidation: EUR 1,217,004.59 (previous year: TEUR 1,226)	–5,446,283.98	–4,142
6. Other operating expenses		
a) Taxes other than those included under income tax	–372,665.55	–611
b) Other	–18,642,924.78	–13,300
	–19,015,590.32	–13,911
7. Operating result	***3,453,916.33***	***5,788***
8. Income from investments of participating interest; of which in associated companies EUR 10,142.11 (previous year: TEUR 0)	19,185.63	0
9. Income from other securities	10,330.30	10
10. Other interest and similar income	472,200.38	497
11. Income from the disposal of fixed financial assets and marketable securities	0.00	0
12. Expenses from fixed financial assets and marketable securities thereof write-downs: EUR 391,800.59 (previous year: TEUR 19), thereof expenses for associated companies: EUR 0 (previous year: TEUR 83)	–391,800.59	–193
13. Interest and similar expenses	–252,583.89	–51
14. Financial result	***–142,668.18***	***262***
15. Result of ordinary business	***3,311,248.15***	***6,050***
16. Extraordinary expenses	0.00	–730
17. Extraordinary result	***0.00***	***–730***
18. Income tax	–2,582,340.03	–2,519
19. Annual surplus	***728,908.12***	***2,802***
20. Minority interests	117,965.82	50
21. Write-back of untaxed reserves		
a) Reserve for treasury stock	1,148,031.10	0
b) Other reserves (unrestricted reserves)	206,565.41	75
	1,354,596.51	75
22. Allocation to revenue reserves		
a) Reserve for treasury stock	0.00	–1,148
b) Other reserves (unrestricted reserves)	–274,863.77	–151
	–274,863.77	–1,299
23. Net profit	***1,926,606.68***	***1,628***
24. Profit carried forward from previous year	2,796,682.95	1,985
25. Consolidated retained earnings	***4,723,289.63***	***3,614***

SCHEDULE OF CHANGES IN CONSOLIDATED FIXED ASSETS IN BUSINESS YEAR 2000/2001

	Acquisition cost on 1 April 2000	Addition to scope of consolidation	Translation differences	Acquisition cost on 1 April 2000 new	Additions Reclassifications u
	ATS	ATS	ATS	ATS	ATS
I. Intangible assets					
1. Industrial property rights and similar rights and benefits including licenses deriving from them	7,646,009.23	0.00	712.89	7,646,722.12	600,795.03
2. Goodwill	86,211,083.15	0.00	0.00	86,211,083.15	34,400.75
	93,857,092.38	***0.00***	***712.89***	***93,857,805.27***	***635,195.78***
II. Tangible assets					
1. Land and buildings including buildings on third-party land	235,094,167.92	0.00	13,976,715.76	249,070,883.68	126,389,598.26 37,952,018.46 u
2. Plant and machinery	55,111,351.17	0.00	195,877.50	55,307,228.67	25,044,203.86 102,601.71 u
3. Other production-plant and office equipment	113,327,690.75	0.00	2,050,585.11	115,378,275.86	59,516,500.38
4. Payments on account and assets in course of construction	38,555,031.37	0.00	3,257,595.22	41,812,626.59	87,910.70
	442,088,241.21	***0.00***	***19,480,773.59***	***461,569,014.80***	***211,038,213.20*** ***38,054,620.17 u***
III. Investments					
1. Investments in associated companies	0.00	0.00	0.00	0.00	139,558.48
2. Securities held as long-term investments	3,131,522.99	0.00	0.00	3,131,522.99	668,810.96
3. Other loans	55,100.15	0.00	0.00	55,100.15	0.00
	3,186,623.14	***0.00***	***0.00***	***3,186,623.14***	***808,369.44***
Total	***539,131,956.73***	***0.00***	***19,481,486.48***	***558,613,443.21***	***212,481,778.42*** ***38,054,620.17 u***

Disposals Reclassifications u	Elimination from scope of consolidation	Acquisition cost on 31 March 2001	Accumulated depreciation translation differences	Total depreciation	Book value on 31 March 2001	Book value on 1 April 2000	Depreciation for the year
ATS	ATS	ATS	ATS	ATS	ATS	ATS	ATS
0.00	0.00	8,247,517.15	1,115.83	5,253,616.39	2,993,900.76	3,802,663.79	1,410,673.89
34,400.75	0.00	86,211,083.15	0.00	55,577,215.69	30,633,867.46	47,345,815.03	16,746,348.32
34,400.75	***0.00***	***94,458,600.30***	***1,115.83***	***60,830,832.08***	***33,627,768.22***	***51,148,478.82***	***18,157,022.21***
0.00	0.00	413,412,500.40	13,780,015.30	54,046,737.55	359,365,762.85	198,470,863.81	17,226,732.98
1,036,963.06	0.00	79,417,071.18	140,942.93	41,027,260.54	38,389,810.64	24,174,503.88	10,963,466.11
2,304,924.07	0.00	172,589,852.17	1,201,852.20	90,335,627.83	82,254,224.34	50,219,768.21	28,595,280.13
343,693.81	0.00	3,502,223.31	3,257,595.22	0.00	3,502,223.31	38,555,031.37	0.00
38,054,620.17 u							
3,685,580.94	***0.00***	***668,921,647.06***	***18,380,405.65***	***185,409,625.92***	***483,512,021.14***	***311,420,167.27***	***56,785,479.22***
38,054,620.17 u							
0.00	0.00	139,558.48	0.00	0.00	139,558.48	0.00	0.00
66,947.40	0.00	3,733,386.55	0.00	23,228.64	3,710,157.91	3,108,294.35	0.00
55,100.15	0.00	0.00	0.00	0.00	0.00	55,100.15	0.00
122,047.55	***0.00***	***3,872,945.03***	***0.00***	***23,228.64***	***3,849,716.39***	***3,163,394.50***	***0.00***
3,842,029.24	***0.00***	***767,253,192.39***	***18,381,521.48***	***246,263,686.64***	***520,989,505.75***	***365,732,040.59***	***74,942,501.43***
38,054,620.17 u							

Company	Place of registration	Share of stock in %
DO & CO Party-Service & Catering GmbH	Vienna, Austria	100.00
B & B Betriebsrestaurants GmbH	Vienna, Austria	100.00
DO & CO Catering-Consult & Beteiligungs GmbH	Vienna, Austria	100.00
DO & CO im Haas Haus Restaurantbetriebs GmbH	Vienna, Austria	100.00
DO & CO – Salzburg Restaurants & Betriebs GmbH	Salzburg, Austria	100.00
DO & CO – Baden Restaurants & Veranstaltungs GmbH	Baden, Austria	100.00
AIOLI – Vienna Airport Restaurants & Catering GmbH	Schwechat, Austria	100.00
AIOLI Restaurants & Party-Service GmbH	Vienna, Austria	100.00
DO & CO Italy S.r.l.	Milan, Italy	100.00
DO & CO International Catering Ltd.	London, Great Britain	100.00
DO & CO International Catering USA, L.L.C.	Wilmington, USA	100.00
DO & CO International Investments Ltd.	London, Great Britain	100.00
DO & CO Holdings USA, Inc.	Wilmington, USA	90.00
DO & CO Miami Catering, Inc.	Miami, USA	90.00
DO & CO New York Catering, Inc.	New York, USA	90.00
DO & CO – LAUDA-AIR Restaurants, Catering & Handling GmbH	Vienna, Austria	50.00
DO & CO (Deutschland) Holding GmbH	Berlin, Germany	100.00
DO & CO München GmbH	Schwaig/Oberding, Germany	100.00
DO & CO Frankfurt GmbH	Kelsterbach, Germany	100.00
DO & CO Berlin GmbH	Berlin, Germany	100.00

[1]) Economic stockholder's equity is the stockholder's equity plus untaxed reserves.
[2]) There is a profit transfer agreement between these companies and DO & CO Restaurants & Catering AG.
[3]) Since earnings transferred under control contracts and profit transfer agreements must be reported in the financial result under German law, the annual surpluses of these companies have been adjusted to render them more comparable.
[4]) The nominal capital was initially paid in GBP.
VK = Included in full in the consolidated accounts.
AE = Included at equity in the consolidated accounts.

Currency	Nominal-capital	Stockholder's equity 31 March 2001	Economic stockholder's equity [1])	Net income/loss for the year 2000/2001	Type of consolidation	
	in thousands	in thousands	in thousands	in thousands		
ATS	500	4,138	8,321	38,045	VK	[2])
ATS	500	2,662	2,671	483	VK	[2])
ATS	500	1,612	1,668	431	VK	[2])
ATS	500	4,802	6,673	1,642	VK	[2])
ATS	500	17	1,372	13,401	VK	[2])
ATS	500	3,296	3,376	5,108	VK	[2])
ATS	500	2,344	2,344	360	VK	[2])
ATS	500	313	399	662	VK	[2])
ITL	500,000	2,164,896	2,164,896	–38,724	VK	
EUR	30	4,164	4,164	2,625	VK	[4])
USD	1	–132	–132	–35	VK	
EUR	0.2	–2	–2	–2	VK	[4])
USD	100	76	76	0	VK	
USD	1	–1,470	–1,470	–1,417	VK	
USD	1	79	79	338	VK	
ATS	2,064	–59	60	279	AE	
EUR	25	160	160	–165	VK	[3])
EUR	25	25	25	–860	VK	[3])
EUR	25	25	25	–533	VK	[3])
EUR	25	25	25	–593	VK	[3])

		2000/2001	1999/2000
		TATS	TATS
	1. Group cash flow from operating activities		
+	Net profit (after income tax)	10,030	38,553
+	Depreciation and amortization	80,334	57,253
(+/–)	Allocation/release of long-term provisions (provisions for severance payments, long-service bonuses and deferred taxes)	4,434	3,224
(–/+)	Gains/losses from the disposal of fixed assets	504	–520
(–/+)	Earnings taken over from associated companies	–139	0
	Group cash flow from profit/loss	***95,163***	***98,510***
(–/+)	Increase/decrease in inventories and prepaid expenses	–8,913	–3,926
(–/+)	Increase/decrease in trade accounts receivable and other assets	–83,604	–30,951
(–/+)	Increase/decrease in accounts receivable from subsidiaries	0	13
(–/+)	Increase/decrease in accounts receivable from associated companies	–85	0
(+/–)	Increase/decrease in payments received on account	–109	17,728
(+/–)	Change in adjustment items from debt consolidation	24,667	17,717
(+/–)	Increase/decrease in trade accounts payable and other liabilities	35,978	9,367
(+/–)	Increase/decrease in short-term provisions	–11,274	52,613
(+/–)	Increase/decrease in deferred income	–1,300	–1,300
		–44,640	61,261
	Group cash flow from operating activities	***50,523***	***159,771***
	2. Group cash flow from investing activities		
–	Investments in fixed assets (outflow of funds for investments)	–212,482	–257,890
(+/–)	Gains/losses from disposal of fixed assets	–504	520
(+/–)	Book value disposals of fixed assets (including changes in the scope of consolidation in the previous year)	663	–249
+	Payments from investment grants	0	82
	Group cash flow from investing activities	***–212,323***	***–257,537***
	3. Group cash flow from financing activities		
(+/–)	Increase/decrease in amounts due to banks	78,816	–4
–	Dividend payment to stockholders	–10,994	–11,173
(+/–)	Change of treasury stock	1,835	–16,035
(+/–)	Change specific to consolidated financial statements undertaken in other adjustment items	154	–174
	Group cash flow from financing activities	***69,811***	***–27,386***
	Change in cash and cash equivalents	***–91,989***	***–125,152***
	Cash and cash equivalents at the beginning of the year	174,945	290,654
	Change in the scope of consolidation	–18,173	9,443
	Cash and cash equivalents at the end of the year	64,783	174,945
	Change	–91,989	–125,152

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

I. GENERAL INFORMATION

1. BASIC PRINCIPLES

DO & CO Restaurants & Catering AG is an international catering group with headquarters in Vienna, Austria. It conducts business in three divisions: Airline Catering, International Event Catering and Restaurants & Bars.

These consolidated financial statements of DO & CO Restaurants & Catering AG were prepared in accordance with the provisions of the Austrian Commercial Code in effect on the reporting date and in compliance with all pertinent provisions of other laws.

The financial statements of all domestic and foreign companies included in the consolidated accounts were audited by independent auditors who issued unqualified opinions of them in each case. The financial statements of the foreign subsidiaries were prepared in accordance with the accounting and valuation regulations of the parent company, with items required by national law being retained if of negligible significance.

2. SCOPE OF CONSOLIDATION

Besides DO & CO Restaurants & Catering AG, the scope of consolidation as of 31 March 2001 included eight domestic and eight foreign subsidiaries all wholly-owned by DO & CO Restaurants & Catering AG. The Group has a 90% stake in three foreign companies included in full in the consolidated accounts. One domestic company which is jointly managed (associated company) and in which the company has a 50% stake was included in the consolidated accounts at equity in application of the option under Section 262 Austrian Commercial Code. The names of the companies included in the consolidated accounts in full and at equity are listed in a summary list of subsidiaries elsewhere in this Report.

As of the reporting date of 31 March 2001, the following foreign subsidiaries established in business year 2000/2001 were included in the consolidated accounts for the first time:

Name of the Company	Share of stock in %
DO & CO (Deutschland) Holding GmbH, Berlin	100
DO & CO München GmbH, Schwaig/Oberding	100
DO & CO Frankfurt GmbH, Kelsterbach	100
DO & CO Berlin GmbH, Berlin	100

3. CONSOLIDATION METHODS

The financial statements of the domestic and foreign companies included in the consolidated accounts were consolidated in accordance with Section 250 (3) Austrian Commercial Code and were assumed to be a single legal entity for this purpose. All subsidiaries were included in the consolidated accounts according to the full consolidation method as per Section 254 Austrian Commercial Code.

Under application of the option in Section 253 (3) Austrian Commercial Code, the untaxed reserves were recorded as revenue reserves as per Section 205 Austrian Commercial Code.

3.1. Consolidation of Capital

The initial consolidation was carried out in accordance with Section 254 (2) Austrian Commercial Code on 1 April 1997 or on the later date of the acquisition of the subsidiaries. The initial consolidation of three subsidiaries in the United States and a British company occurred on the date of their first-time inclusion in the consolidated financial statements on 1 April 1999. The initial consolidation of four German companies founded in business year 2000/2001 occurred on the date the Group acquired its stake in them. The capital consolidation was undertaken according to the book value method as per Section 254 (1) line 1 Austrian Commercial Code. In the process, the book value of the equity interest was offset against the subsidiary's proportional share of stockholders' equity (including untaxed reserves) allocable to the interest.

The remaining difference of ATS 86,211,083.15 carried as assets after allocation of hidden reserves was recorded as goodwill and is amortized over its expected useful life of five to nine years. Any remaining differences carried as liabilities were treated as revenue reserves. As of 31 March 2001, differences totaling ATS 301,690.60 carried as assets were charged to the accounts in the year of the initial inclusion of the subsidiaries in a way that affected profit and loss; of this total, ATS 34,400.75 is attributable to the year under review.

3.2. Consolidation of Debt

In the course of debt consolidation, receivables and payables between consolidated companies were offset in accordance with Section 255 (1) Austrian Commercial Code.

3.3. Consolidation of Income and Expenses

In accordance with Section 257 (1) Austrian Commercial Code, sales revenues and other income from deliveries and other services between the consolidated companies have been offset against the corresponding expense items. Any interim results from deliveries and services within the Group were eliminated except those of negligible significance.

3.4. Currency Translation

The annual financial statements of the foreign subsidiaries were translated in accordance with the functional currency principle. The functional currency of all companies is the national currency of their country of registration since the subsidiaries are independent financially, economically and organizationally in their conduct of business.

The annual financial statements of four foreign subsidiary with their registered place of business outside the territory of the European Union were translated in accordance with the principle of the modified current rate method. The balance sheet items were valued at the mean rate on the reporting date of 31 March 2001. Income and expenses in the Income Statement were translated at the annual average rate while depreciation and the annual results were converted at the mean rate on the reporting date of 31 March 2001.

Translation differences on the reporting date arising from the balance sheet were allocated to revenue reserves; those from the Income Statement were recorded as other operating income or other operating expenses.

The individual financial statements of seven foreign subsidiaries included in full in the consolidated accounts were prepared either in a currency which is a national sub-unit of the euro or in euro and converted at the irrevocably set euro exchange rates.

Equity capital at all foreign companies was converted at the historical rate pertaining to each item.

Non-realized translation differences from company loans to American subsidiaries were allocated with no effect on profit or loss to an adjustment item for translation differences and recorded under revenue reserves.

The US dollar was the only functional currency of companies outside the EU. The US dollar exchange rate applied in currency conversion developed as follows:

	Reporting Date		Annual Average Rate	
	31 March 2001	31 March 2000	2000/2001	1999/2000
	ATS	ATS	ATS	ATS
1 US dollar	15.60529	14.38639	15.21443	13.44830

4. ACCOUNTING AND VALUATION PRINCIPLES

The consolidated financial statements were prepared in accordance with generally accepted accounting principles and the underlying principle of providing a true and fair view of the Group's assets, liabilities, financial position and profit and loss (Section 250 (2) Austrian Commercial Code).

The valuation of assets and liabilities was based on the principle of individual valuation assuming a going concern.

In accordance with the principle of conservatism, only those profits realized as of the balance sheet date were reported. All discernible risks and impending losses that arose in business year 2000/2001 or in an earlier business year were taken into account.

Acquired intangible assets are shown at the cost of acquisition less scheduled amortization.

Tangible fixed assets are recorded at their cost of acquisition or manufacture less scheduled depreciation in accordance with Section 204 (1) Austrian Commercial Code or less unscheduled depreciation in accordance with Section 204 (2) Austrian Commercial Code. Assets added in the first half of the financial year were always written down at the full annual rate of depreciation; those added after 30 September 2000 were written down at half the annual rate.

The following service life figures were applied in the main to the scheduled, straight-line depreciation of fixed assets:

a) Intangible fixed assets:	3.0 to 10.0 years
b) Land and buildings:	25.0 and 40.0 years
c) Buildings on land owned by others:	5.0 to 10.0 years
d) Plant and machinery:	4.0 to 10.0 years
e) Other production plant and office equipment:	2.5 to 10.0 years

Low-value assets are immediately written down to the amount of one token schilling during the year of acquisition taking full advantage of possibilities under tax law. In the schedule of changes in fixed assets, low-value assets are recorded as a disposal in the year of their elimination.

The investments in an associated company were valued according to the equity method. Securities held as fixed assets were valued at their cost of acquisition or the lower applicable value.

Inventories were valued at the cost of acquisition or production, applying the lower of cost or market principle. Inventory was determined by physical stock-taking as of the balance sheet date.

Accounts receivables and other assets were carried as assets at their nominal value unless, in the case of foreign-currency items, the lower buying rate as of the reporting date was warranted or, in the case of discernible specific risks, the lower applicable value was more appropriate. Accounts receivable expressed in a foreign currency of a member country of the European Monetary Union were valued at the fixed conversion rates announced on 31 December 1998 in accordance with Art 1 Section 6 of the first Austrian law on monetary amounts in long-term contracts and agreements.

Prepaid expenses and deferred charges have been recorded for outlays prior to the balance sheet date where they represent expenditures for a specific time after this date.

The provisions for severance payments were determined for all domestic subsidiaries according to the net present value method at an imputed rate of 4.0% and a retirement age of 65 for male employees and 60 for female employees. A provision for long-service anniversaries primarily for employees at domestic companies was recorded under other provisions as an obligation similar to severance pay. This provision was calculated on the basis of the calculation factors applied to severance provisions, along with an appropriate reduction to account for age-related fluctuation.

The provisions for taxes and the other provisions were recorded on the balance sheet at the amount expected to be required, in accordance with the principle of conservatism.

Adjustments were made as required in deferred taxes arising from the differences in results attributable to consolidation measures affecting profit and loss and those attributable to the divergent exercise of balance sheet options in the consolidated financial statements versus the individual financial statements of the consolidated companies.

All liabilities have been valued at the nominal amount of repayment, taking into consideration the principle of conservatism. Foreign currency liabilities were valued at the selling rate applicable on the date they were incurred, with losses resulting from exchange rate fluctuations as of the balance sheet date being taken into account. Liabilities expressed in a foreign currency of a member country of the European Monetary Union were valued at the fixed conversion rates announced on 31 December 1998 in accordance with Art 1 Section 6 of the first Austrian law on monetary amounts in long-term contracts and agreements.

II. NOTES TO INDIVIDUAL ITEMS IN THE CONSOLIDATED BALANCE SHEET

5.1. Fixed Assets

A breakdown of the fixed asset items summarized in the consolidated balance sheet and changes in them during business year 2000/2001 are shown in the attached assets schedule in accordance with Section 226 (1)

Austrian Commercial Code. The year under review saw no change in the scope of consolidation from acquired additions or from disposals as the result of final consolidations.

Translation adjustments are the amounts resulting from the translation of assets of foreign subsidiaries at the different reference-date rates prevailing at the beginning and end of the year under review.

The land included under fixed assets has a value of ATS 54,152,010.46 (previous year ATS 48,461 thousand).

Other production-plant and office equipment includes standard values of ATS 1,259,000.00 (previous year: ATS 1,259 thousand) for tableware, cutlery, table linen and wraps. The standard values were carried under assets at the companies producing sales in the Restaurant & Bars Division.

Income from the equity interest in an associated company valued at equity amounted to ATS 139,558.48 in business year 2000/2001 (previous year: expenses of ATS 1,141 thousand). The fixed-interest securities were valued at their cost of acquisition or the lower prices from previous years and serve as cover for the severance payment obligations under Section 14 Income Tax Act. Other securities under fixed assets were valued at acquisition cost.

5.2. Inventories

	31 March 2001 ATS	31 March 2000 TATS
Raw materials and supplies	8,830,422.71	6,868
Goods	16,523,217.18	13,079
	25,353,639.89	19,947

Goods purchased for resale included ATS 12,019,824.69 (previous year: ATS 9,390 thousand) in standard-value items for tableware, cutlery, table linen, serving aids, and wraps. The standard values were carried as assets at the companies in the International Event Catering Division.

5.3. Accounts Receivable and Other Assets

The due dates of the accounts receivable are as follows:

Type of receivable	As of 31 March 2001 ATS	Thereof due in more than 1 year ATS
Trade accounts receivable	166,897,547.59	0.00
Previous year	94,866,667.57	0.00
Accounts receivable from associated companies	84,895.61	0.00
Previous year	0.00	0.00
Other accounts receivable and assets	51,593,576.12	3,418,433.13
Previous year	31,450,468.48	1,688,000.00
Total	218,576,019.32	3,418,433.13
Previous year	126,317,136.05	1,688,000.00

Accounts receivable evidenced by promissory notes totaled ATS 794,502.49 in the year under review (previous year: ATS 0 thousand).

5.4. Treasury Stock

The 26,062 bearer shares of DO & CO Restaurants & Catering AG from a total of 1,624,000 issued which were recorded under this item last year were distributed to employees or sold in business year 2000/2001 under a company stock scheme for employees. Until its surrender of this treasury stock, the company recorded total price-related losses of ATS 5,391,293.63 (previous year: ATS 238 thousand) from the write-down of shares to the lower applicable value in response to the change in the stock price during the year.

5.5. Cash and checks in hand, cash at banks

	As of 31 March 2001 ATS	As of 31 March 2000 TATS
Cash	2,189,991.67	1,036
Checks	6,600.00	32
Cash at banks	62,586,342.71	173,877
	64,782,934.38	174,945

5.6. Prepaid Expenses and Deferred Charges

Expenses prior to the reference date were recorded under this item in accordance with Section 198 (5) Austrian Commercial Code, provided these expenses apply to a particular period after 31 March 2001. Essentially, these amounts include insurance premiums paid in advance and payments for the leasing of fixed assets and facilities. Deferred tax adjustment items carried as assets amounted to ATS 1,602,784.26 as of the reference date (previous year: ATS 889 thousand).

5.7. Stockholders' Equity

	As of 31 March 2001 ATS	As of 31 March 2000 TATS
Capital stock	162,400,000.00	162,400
Paid-in surplus	180,000,000.00	180,000
Revenue reserves	52,324,448.57	26,315
Reserve for treasury stock	0.00	15,797
Consolidated retained earnings	64,993,882.27	49,723
Minority interests	–2,211,390.94	–655
	457,506,939.90	433,581

On the occasion of the IPO on 30 June 1998, the capital stock was increased in business year 1998/1999 by ATS 40,000,000.00, from ATS 122,400,000.00 to ATS 162,400,000.00, by the issue of 400,000 bearer shares at a par value of ATS 100.00 each in exchange for cash contributions. The premium of ATS 180,000,000.00 paid in at the time of the capital increase is recorded under the restricted capital reserves in accordance with Section 299 para 2 line 1 in conjunction with Section 130 para 2 Austrian Stock Corporations Act (AktG).

In a resolution circulated by the Supervisory Board dated 19 March 1999, the Supervisory Board exercised the right conferred upon it by the General Meeting of Stockholders of 3 June 1998 with the condition precedent of the 1st Austrian law on monetary amounts in long-term contracts and agreements coming into force, and replaced the amounts defined in the statutes in Austrian schillings with the equivalent amounts in euro. At the same time, the nominal value shares were converted into individual share certificates. The capital stock of the company is therefore now EUR 11,802,068.26 and is divided into 1,624,000 bearer shares of stock with voting rights.

The composition of the revenue reserves was as follows on 31 March 2001:

	As of 31 March 2001 ATS	As of 31 March 2000 TATS
Adjustments for translation differences from debt consolidation	42,383,629.79	17,717
Other reserves	9,167,003.87	7,479
Adjustments for translation differences from capital consolidation	−840,437.49	−246
Legal reserves	1,337,872.68	1,089
Differential amounts in liabilities from capital consolidation	276,379.72	276
	52,324,448.57	26,315

The adjustment items for translation differences on the reporting date to be eliminated in the course of debt consolidation pertain mostly to company loans to foreign subsidiaries and were allocated to revenue reserves with no effect on profit or loss. Translation differences of ATS 24,667,050.89 (previous year: ATS 17,717 thousand) carried as liabilities were allocated to this adjustment item in business year 2000/2001.

The reserve of ATS 15,797,252.35 required to be set up for treasury stock in accordance with Section 225 (5) Austrian Commercial Code was released with effect on profit and loss following the complete disposal of these shares.

5.8. Provisions

	As of 31 March 2001 ATS	As of 31 March 2000 TATS
Provisions for severance payments	14,892,744.71	12,369
Tax provisions	49,918,585.91	44,628
Other provisions	79,860,184.06	94,515
	144,671,514.68	151,512

Other provisions include personnel provisions of ATS 43,288,551.14 (previous year ATS 42,951 thousand) consisting primarily of provisions totaling ATS 8,423,661.58 (previous year: ATS 8,690 thousand) for pro rata special payments, provisions totaling ATS 17,125,610.72 (previous year: ATS 13,988 thousand) for vacation not yet taken as of the reporting date, and provisions totaling ATS 7,900,452.00 (previous years: ATS 7,029 thousand) for long-service anniversary bonuses.

A total of ATS 1,290,519.79 (previous year: ATS 252 thousand) in deferred tax was provided for as of 31 March 2001.

5.9. Liabilities

The breakdown of liabilities in accordance with Section 225 (6) and Section 237 line 1 Austrian Commercial Code is as follows, whereby all obligations are due within the following business year:

	Total in ATS
Bank loans and overdrafts	78,816,470.00
Previous year	0.00
Advance payments received on orders	17,619,095.76
Previous year	17,727,922.55
Trade accounts payable	97,304,338.03
Previous year	66,581,352.19
Other liabilities	36,124,835.31
Previous year	30,861,099.06
Total	229,864,739.10
Previous year	115,170,373.80

5.10. Deferred income

Deferred income results from the advance payments of discounts on the purchase commitment of beverages. This item is released with effect on profit and loss based on the remaining term of contract.

5.11. Other Financial Obligations/Contingent Liabilities

Obligations arising from the use of tangible fixed assets not recorded in the balance sheet result from obligations under rental or leasing agreements for movable assets and rental and lease agreements for real estate in an amount of some ATS 51,199,000.00 (previous year: ATS 37,551 thousand) for the following business year and approx. ATS 254,648,000.00 (previous year: ATS 184,200 thousand) for the next five business years.

Furthermore, there were bank guarantees to secure claims in connection with leases amounting to ATS 7,332,250.69 (previous year: ATS 6,190 thousand) and to secure reimbursed advance tax payments in favor of the Italian fiscal authorities amounting to ATS 3,945,595.09 (previous year: 3,946 thousand).

III. NOTES TO THE CONSOLIDATED INCOME STATEMENT

The consolidated income statement was prepared in accordance with Section 231 (2) Austrian Commercial Code.

6.1. Sales

The sales pertain solely to sales with third parties amounting to ATS 1,234,170,025.32 (previous year: ATS 1,013 thousand). Broken down by division, they were as follows:

Division	2000/2001		1999/2000	
	in ATS	Share in %	in TATS	Share in %
Airline Catering	567,953,226.80	46.0	465,593	46.0
International Event Catering	469,971,264.82	38.1	349,934	34.5
Restaurants & Bars	196,245,533.70	15.9	197,757	19.5
Group Sales	1,234,170,025.32	100.0	1,013,284	100.0

6.2. Other Operating Income

The change in other operating income is largely ascribable to released provisions for expenses in conjunction with the leasing of facilities, because the reason for forming these provisions was eliminated.

6.3. Costs of Materials and Purchased Services

In business year 2000/2001, the costs of materials and external production services incurred as part of performances that went into the overall rendering of performances were as follows:

	2000/2001 in ATS	1999/2000 in TATS
Costs of materials	348,165,819.80	280,859
Costs of purchased services	89,878,838.03	40,729
	438,044,657.83	321,588

6.4. Payroll Costs

The following was spent on employees:

	2000/2001 in ATS	1999/2000 in TATS
Wages	271,801,049.51	228,278
Salaries	69,037,081.71	67,603
Expenses for severance payments	4,432,105.13	4,626
Expenses for legally mandated social security contributions and related costs	88,574,660.09	80,317
Other social expenses	5,069,851.67	3,446
	438,914,748.11	384,271

The expenses for severance payments break down as follows:

	2000/2001 in ATS	1999/2000 in TATS
Members of the Management Board	222,138.00	120
Other employees	4,209,967.13	4,506
	4,432,105.13	4,626

6.5. Amortization of Intangible Fixed Assets and Depreciation of Tangible Fixed Assets

	2000/2001 in ATS	1999/2000 in TATS
Depreciation and amortization	74,942,501.43	56,992
	74,942,501.43	56,992

The increase in scheduled depreciation and amortization of some ATS 18.0 million is attributable primarily to the fact that the depreciation of the buildings and the building investments for the branch opened in New York was recorded in the previous financial year on a pro rata basis. Real estate and movables at the locations in Miami, Munich, Frankfurt and Berlin were also subject to depreciation for the first time in the year under review.

The scheduled depreciation and amortization included amortizations on goodwill from the capital consolidation amounting to ATS 16,746,348.32 (previous year: ATS 16,864 thousand).

6.6. Other Operating Expenses

	2000/2001 in ATS	1999/2000 in TATS
Taxes	5,127,989.71	8,414
Other	256,532,237.79	183,009
	261,660,227.50	191,423

The reduction in taxes which are not income taxes was due to the elimination of the beverage tax.

The remaining part of other operating expenses increased by some ATS 73.5 million on the year before to some ATS 256.5 million in the year under review and pertained mainly to startup costs for the four new locations in Germany and the US and to other sales-related expenses.

6.7. Financial Result

The result of the company's financial activities fell from some ATS 3.6 million in business year 1999/2000 to approximately minus ATS 2.0 million in the year under review. This decline of some ATS 5.6 million was due to write-downs of some ATS 5.4 million to account for the lower prices of Treasury stock.

Interest expenses totaled ATS 3,475,630.12 (previous year: ATS 701 thousand).

Income from the equity interest held in an associated company included in the consolidated accounts at equity totaled ATS 139,558.48 in business year 2000/2001 (previous year: expenses of ATS 1,141 thousand).

6.8. Income Tax

This item contains both the income tax paid or owed by the individual subsidiaries and the provisions for deferred taxes.

	2000/2001 in ATS	1999/2000 in TATS
Current income tax expense	35,154,873.94	35,347
Deferred income tax expense/earnings	378,899.55	−691
	35,533,773.49	34,656

IV. OTHER INFORMATION

1. In the year under review, the companies included in the consolidated accounts employed an average of 988 wage-earners (previous year: 922), thereof 282 wage-earners (previous year: 315) with part-time positions, and 123 salaried employees (previous year: 129).

2. There were no accounts receivable from members of the Management Board at the parent company on the reporting date.

3. The following individuals served as members of the Management Board of the parent company in the year under review:
Attila DOGUDAN, Vienna, Chairman
Michael DOBERSBERGER, Vienna
Wilfried KAINZ, Vienna, until 31 August 2000 (entered in the Commercial Register on 28 October 2000).

The emoluments for the members of the Management Board in the year under review totaled ATS 4,914,882.42 (previous year: ATS 6,854 thousand).

4. The following individuals served as members of the Supervisory Board of the parent company in the year under review:
Waldemar JUD, Graz, Chairman
Werner SPORN, Vienna, Deputy Chairman
Georg THURN-VRINTS, Poysbrunn

No remuneration was paid to the Supervisory Board during the year under review.

Vienna, 25 May 2001

Attila DOGUDAN mp
Chairman

Michael DOBERSBERGER mp

AUDIT REPORT AND OPINION

As a result of our audit of the consolidated financial statements of DO & CO Restaurants & Catering Aktiengesellschaft, Vienna, we have determined in accordance with Section 273 (1) Austrian Commercial Code that the consolidated financial statements and the management report on the Group comply with the legal regulations and that the legal representatives have provided the required documentations and explanations. The consolidated financial statements were sufficiently itemized and adequately explained.

In performing our audit we detected neither facts which would endanger the continuance of the audited Group or would impair its development in any substantial way nor any material violations by the legal representatives of the law and the articles of association.

Based on the final result of our audit, we hereby issue, in accordance with Section 274 (1) Austrian Commercial Code, the following unqualified opinion for the consolidated financial statements as of 31 March 2001 in the version apparent from Annex I (Consolidated Balance Sheet), Annex II (Consolidated Income Statement) and Annex III (Notes to the Consolidated Financial Statements) and the Management Report on the Group (Annex IV).

"As the result of our due audit, we certify that the consolidated financial statements of DO & CO Restaurants & Catering Aktiengesellschaft comply with the legal regulations. The consolidated financial statements give a true and fair view of the Group's situation as regards assets, liabilities, finances and earnings in conformity with generally accepted accounting principles. The management report on the Group corresponds with the consolidated financial statements."

Vienna, 31 May 2001

CENTURION
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft m.b.H.
Member Firm of AGN International

Irene LINSBAUER mp Christian HOFER mp
Certified Public Accountants and Tax Consultants

ASSETS	31 March 2001	31 March 2000
	ATS	TATS
A. FIXED ASSETS		
I. Intangible assets	832,343.00	1,318
II. Tangible assets	3,304,410.00	2,553
III. Investments	126,300,852.54	126,128
	130,437,605.54	***129,998***
B. CURRENT ASSETS		
I. Receivables and other assets		
1. Trade accounts receivable	9,447,505.18	1,185
2. Receivables from group companies	612,474,788.43	376,538
3. Receivables from associated companies	84,895.61	0
4. Other receivables and assets	12,153,757.05	8,931
	634,160,946.27	386,655
II. Marketable securities		
1. Treasury stock	0.00	15,797
III. Cash and checks in hand, cash at banks	14,771.33	134,982
	634,175,717.60	***537,434***
C. PREPAID EXPENSES AND DEFERRED CHARGES	***50,661.77***	***84***
	764,663,984.91	***667,516***

The annual financial statements, along with the summarized management report, of DO & CO Restaurants & Catering Aktiengesellschaft were prepared in accordance with the Austrian accounting regulations and the audit of these documents by CENTURION Wirtschaftsprüfungs- und Steuerberatungsgesellschaft m.b.H. resulted in an unqualified opinion. These documents will be submitted together with their accompanying documents to the Commercial Registry of the Commercial Court of Vienna under Commercial Registry Number 156765 m.

LIABILITIES

		31 March 2001	31 March 2000
		ATS	TATS
A. STOCKHOLDERS' EQUITY			
I. Capital stock	EUR 11,802,068.26	162,400,000.00	162,400
II. Paid-in surplus		180,000,000.00	180,000
III. Revenue reserves		889,400.00	889
IV. Reserve for treasury stock		0.00	15,797
V. Retained earnings		116,656,091.30	42,297
		459,945,491.30	***401,384***
B. UNTAXED RESERVES			
I. Other untaxed reserves		***472,948.00***	***318***
C. PROVISIONS			
1. Provisions for severance payments		3,063,770.00	2,939
2. Provisions for taxes		30,405,000.00	24,087
3. Other provisions		28,656,608.20	39,388
		62,125,378.20	***66,414***
D. LIABILITIES			
1. Bank loans and overdrafts		78,816,470.00	0
2. Trade accounts payable		8,515,933.99	11,138
3. Accounts payable to group companies		149,222,269.84	184,883
4. Other liabilities		5,565,493.58	3,379
		242,120,167.41	***199,400***
		764,663,984.91	***667,516***
CONTINGENT LIABILITIES		***32.283.642,51***	***7.107***

ASSETS	31 March 2001	31 March 2000
	EUR	TEUR
A. FIXED ASSETS		
I. Intangible assets	60,488.72	96
II. Tangible assets	240,140.84	186
III. Investments	9,178,640.91	9,166
	9,479,270.48	***9,447***
B. CURRENT ASSETS		
I. Receivables and other assets		
1. Trade accounts receivable	686,576.98	86
2. Receivables from group companies	44,510,278.73	27,364
3. Receivables from associated companies	6,169.60	0
4. Other receivables and assets	883,247.97	649
	46,086,273.28	28,099
II. Marketable securities		
1. Treasury stock	0.00	1,148
III. Cash and checks in hand, cash at banks	1,073.47	9,810
	46,087,346.76	***39,057***
C. PREPAID EXPENSES AND DEFERRED CHARGES	***3,681.73***	***6***
	55,570,298.97	***48,510***

LIABILITIES

		31 March 2001	31 March 2000
		EUR	TEUR
A.	***STOCKHOLDERS' EQUITY***		
I.	Capital stock	11,802,068.26	11,802
II.	Paid-in surplus	13,081,110.15	13,081
III.	Revenue reserves	64,635.22	65
IV.	Reserve for treasury stock	0.00	1,148
V.	Retained earnings	8,477,728.78	3,074
		33,425,542.42	***29,170***
B.	***UNTAXED RESERVES***		
1.	Other untaxed reserves	***34,370.47***	***23***
C.	***PROVISIONS***		
1.	Provisions for severance payments	222,652.85	214
2.	Provisions for taxes	2,209,617.52	1,750
3.	Other provisions	2,082,556.94	2,862
		4,514,827.31	***4,827***
D.	***LIABILITIES***		
1.	Bank loans and overdrafts	5,727,816.25	0
2.	Trade accounts payable	618,877.06	809
3.	Accounts payable to group companies	10,844,405.27	13,436
4.	Other liabilities	404,460.19	246
		17,595,558.77	***14,491***
		55,570,298.97	***48,510***
	CONTINGENT LIABILITIES	***2,346,143.80***	***516***

	2000/2001	1999/2000
	ATS	TATS
Sales	73,755,604.13	73,206
Other operating income	9,793,429.67	1,747
Costs of materials and purchased services	−3,130,210.59	−2,588
Payroll costs	−56,057,762.75	−49,822
Amortization and depreciation	−1,740,218.99	−1,014
Other operating expenses	−35,338,508.43	−26,444
Operating result	***−12,717,666.96***	***−4,915***
Income from equity interests	94,051,862.03	63,631
Income from other securities	33,038.60	15
Other interest and similar income	18,851,328.62	9,639
Income from the disposal or fixed financial assets and marketable securities	0.00	468
Expenses from fixed financial assets and marketable securities	−6,062,879.42	−4,467
Interest and similar expenses	−9,329,285.49	−3,188
Financial result	***97,544,064.34***	***66,099***
Result of ordinary business	***84,826,397.38***	***61,184***
Extraordinary result	0.00	−10,045
Income tax	−15,115,499.00	−14,917
Annual surplus	***69,710,898.38***	***36,222***
Write-back of reserve for treasury stock	15,797,252.35	0
Allocation to untaxed reserves	−154,855.00	−205
Allocation to reserve for treasury stock	0.00	−15,797
Annual profit	***85,353,295.73***	***20,220***
Profit carried forward from previous year	31,302,795.57	22,077
Retained earnings	***116,656,091.30***	***42,297***

2000 2001

ANNUAL FINANCIAL STATEMENT OF PARENT COMPANY

	2000/2001	1999/2000
	EUR	TEUR
Sales	5,360,028.79	5,320
Other operating income	711,716.29	127
Costs of materials and purchased services	–227,481.28	–188
Payroll costs	–4,073,876.50	–3,621
Amortization and depreciation	–126,466.65	–74
Other operating expenses	–2,568,149.56	–1,922
Operating result	***–924,228.90***	***–357***
Income from equity interests	6,835,015.37	4,624
Income from other securities	2,401.01	1
Other interest and similar income	1,369,979.48	701
Income from the disposal or fixed financial assets and marketable securities	0.00	34
Expenses from fixed financial assets and marketable securities	–440,606.63	–325
Interest and similar expenses	–677,985.62	–232
Financial result	***7,088,803.61***	***4,804***
Result of ordinary business	***6,164,574.71***	***4,446***
Extraordinary result	0.00	–730
Income tax	–1,098,486.15	–1,084
Annual surplus	***5,066,088.56***	***2,632***
Write-back of reserve for treasury stock	1,148,031.10	0
Allocation to untaxed reserves	–11,253.75	–15
Allocation to reserve for treasury stock	0.00	–1,148
Annual profit	***6,202,865.91***	***1,469***
Profit carried forward from previous year	2,274,862.87	1,604
Retained earnings	***8,477,728.78***	***3,074***

PROPOSAL FOR APPROPRIATION OF PROFIT

According to the provisions of the Stock Corporations Act (AktG), the annual financial statements of DO & CO Restaurants & Catering AG as at 31 March 2001 form the basis for the distribution of a dividend. The Management Board suggests to the General Meeting of Stockholders that a dividend of ATS 6.88 (EUR 0.50) per share, i.e. ATS 11,173,363.60 (EUR 812,000.00) be distributed from the balance sheet profit of ATS 116,656,091.30 (EUR 8,477,728.78) and that the remaining profit of ATS 105,482,727.70 (EUR 7,665,728.78) be carried forward to new account.

Vienna, May 2001

Attila DOGUDAN mp
Chairman

Michael DOBERSBERGER mp

FINANCIAL CALENDAR

Business year 2001/2002
(1 April 2001 to 31 March 2002)

21 June 2001	Annual business results for 2000/2001
11 July 2001	General Meeting of Stockholders for 2000/2001
6 September 2001	Business results for April to June 2001
29 November 2001	Business results for April to September 2001
February 2002	Business results for April to December 2001

The above dates are tentative.

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Printed by:
Angerer & Göschl, A-1170 Vienna, Austria