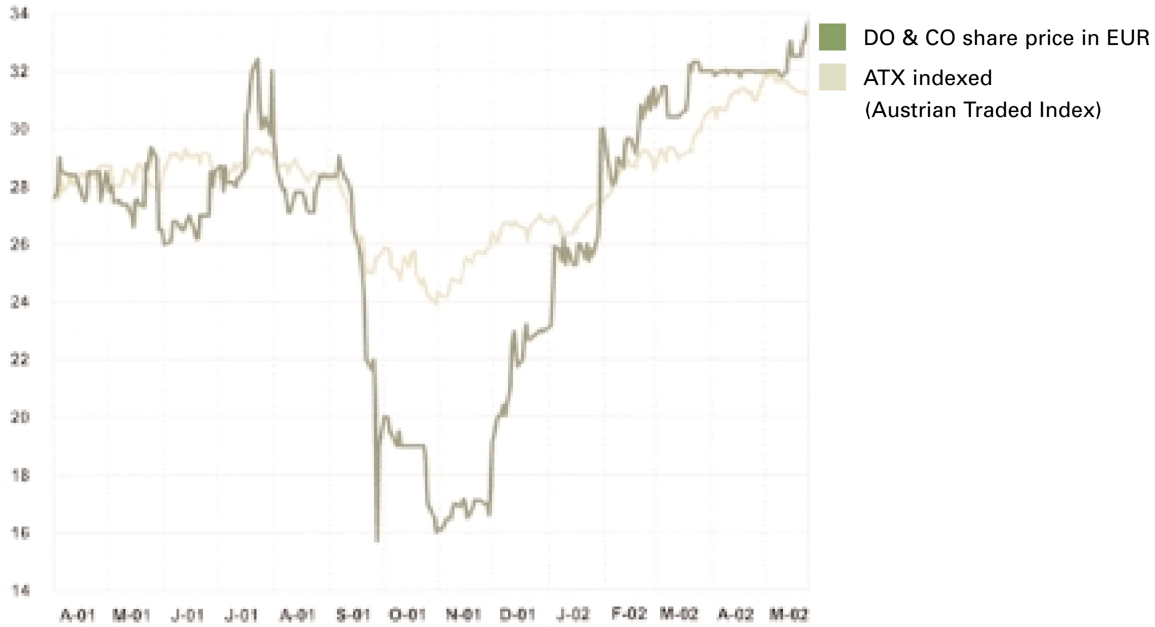
Annual Report 2001 | 2002

DO & CO
INTERNATIONAL

The Gourmet Entertainment Company

DO & CO share price



Details on DO & CO stock:

Securities code: DOC
Securities no: 081880
ISIN code: AT0000818802
Trading segment: Official trading
Market segment: Prime Market
Contained in the following indices: WBI, ATX Prime
No. of individual shares: 1,624,000
Listed nominal value: EUR 11,802,068
Initial listing: 30 June 1998
In free float: 29,3 %

For relevant information on the capital market, please contact:

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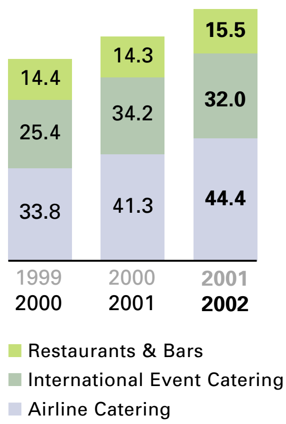
Reuters code: DOCO.VI
Bloomberg code: DOC AV
Homepage of Vienna Stock Exchange: www.wienerboerse.at

Divisions 2001/2002

		Airline Catering	International Event Catering	Restaurants & Bars	Total
Sales	in m €	44.37	31.96	15.50	91.83
EBITDA	in m €	3.73	5.47	1.25	10.45
Depreciation/amortization *	in m €	-3.57	-2.74	-0.66	-6.97
EBIT	in m €	0.16	2.73	0.59	3.48
EBITDA margin	in %	8.4 %	17.1 %	8.1 %	11.4 %
EBIT margin	in %	0.4 %	8.5 %	3.8 %	3.8 %
Employees		485	143	286	914
Share in consolidated sales	in %	48.3 %	34.8 %	16.9 %	

* Includes amortization of goodwill

Sales by Division in EUR millions

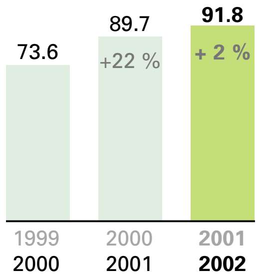


Owing to the automatic calculation aids used, calculation differences may arise when adding up rounded figures and percentages and when converting to Euro figures.

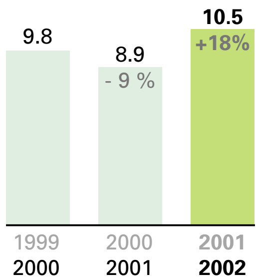
Key Figures of the DO & CO group in accordance with IAS

		2001 / 2002	2000 / 2001	1999 / 2000
Sales	in m €	**91.83**	**89.69**	**73.64**
Sales change to previous year	in %	2.4 %	21.8 %	
EBITDA	in m €	**10.45**	**8.89**	**9.80**
EBITDA change to previous year	in %	17.6 %	-9.3 %	
EBITDA margin	in %	11.4 %	9.9 %	13.3 %
EBIT	in m €	**3.48**	**3.34**	**5.67**
EBIT change to previous year	in %	4.2 %	-41.1 %	
EBIT margin	in %	3.8 %	3.7 %	7.7 %
Result from ordinary business	in m €	**2.21**	**3.16**	**5.93**
Consolidated result	in m €	**1.00**	**1.67**	**2.87**
Employees		**914**	**835**	**731**
Equity	in m €	**33.34**	**33.36**	**29.67**
Equity ratio	in %	**50.6 %**	**50.5 %**	**56.1 %**
Net debts	in m €	**-5.19**	**1.02**	**-12.71**
Net gearing	in %	**-17.0 %**	**3.3 %**	**-48.4 %**
Working capital	in m €	**-2.95**	**-3.34**	**5.52**
Operational cash-flow	in m €	**8.50**	**3.83**	**11.61**
Investments in tangible assets	in m €	**2.20**	**15.34**	**18.44**
Amortization/depreciation	in m €	**-6.97**	**-5.55**	**-4.13**
Free cash-flow	in m €	**6.90**	**-11.88**	**-7.10**
ROS	in %	**2.4 %**	**3.5 %**	**8.1 %**
Capital employed [1]	in m €	**31.08**	**36.56**	**15.97**
ROCE [1]	in %	**10.5 %**	**10.9 %**	**47.4 %**
ROE	in %	**9.3 %**	**10.0 %**	**19.2 %**

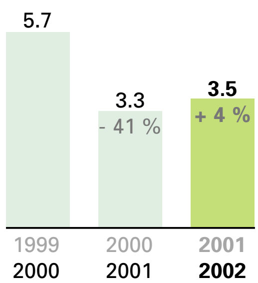
Sales in EUR millions



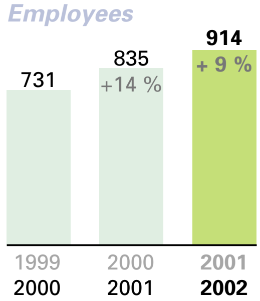
EBITDA in EUR millions



EBIT in EUR millions



Employees



Key figures per share

		2001 / 2002	2000 / 2001	1999 / 2000
EBITDA	in €	6.43	5.55	6.06
EBIT [2]	in €	2.97	2.84	4.26
Earnings [3]	in €	1.77	1.80	2.98
Dividend	in €	0.50	0.50	0.50
Equity	in €	18.85	19.46	16.25
High [4]	in €	32.40	43.80	58.40
Low [4]	in €	15.70	21.50	37.30
Year-end [4]	in €	32.00	27.50	44.05
PER high		18.28	24.40	19.59
PER low		8.86	11.98	12.52
PER year-end		18.06	15.32	14.78
Dividend yield	in %	1.6 %	1.8 %	1.1 %
Number of shares year-end	in T	1,624	1,624	1,624
Market capitalization year-end	in m €	51.97	44.66	71.54

Abbreviations and calculations of the Key Figures are explained in the Glossary of Key Figures on page 106

1...Assets 1999/2000 are conditionally comparable due to nonrecurring effects

2...Adjusted to take goodwill amortization into account

3...Adjusted to take goodwill amortization and result from extraordinary activities into account

4...2001/2002 Proposal to the General Meeting of Shareholders

5...Closing price

Vision

Worlds leading brand as Premium Caterer and Gourmet Entertainment Company.

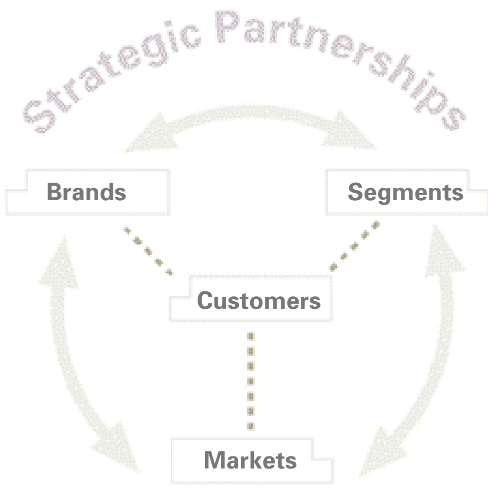
Mission

Delivering best quality and value for all our partners on a world-wide basis
to create a unique gourmet entertainment environment for our customers.

"We are Ladies and Gentlemen serving Ladies and Gentlemen."

Core Values

The Potential of DO & CO



Brands

Segments

>> **Airline Catering**

>> **International Event Catering**

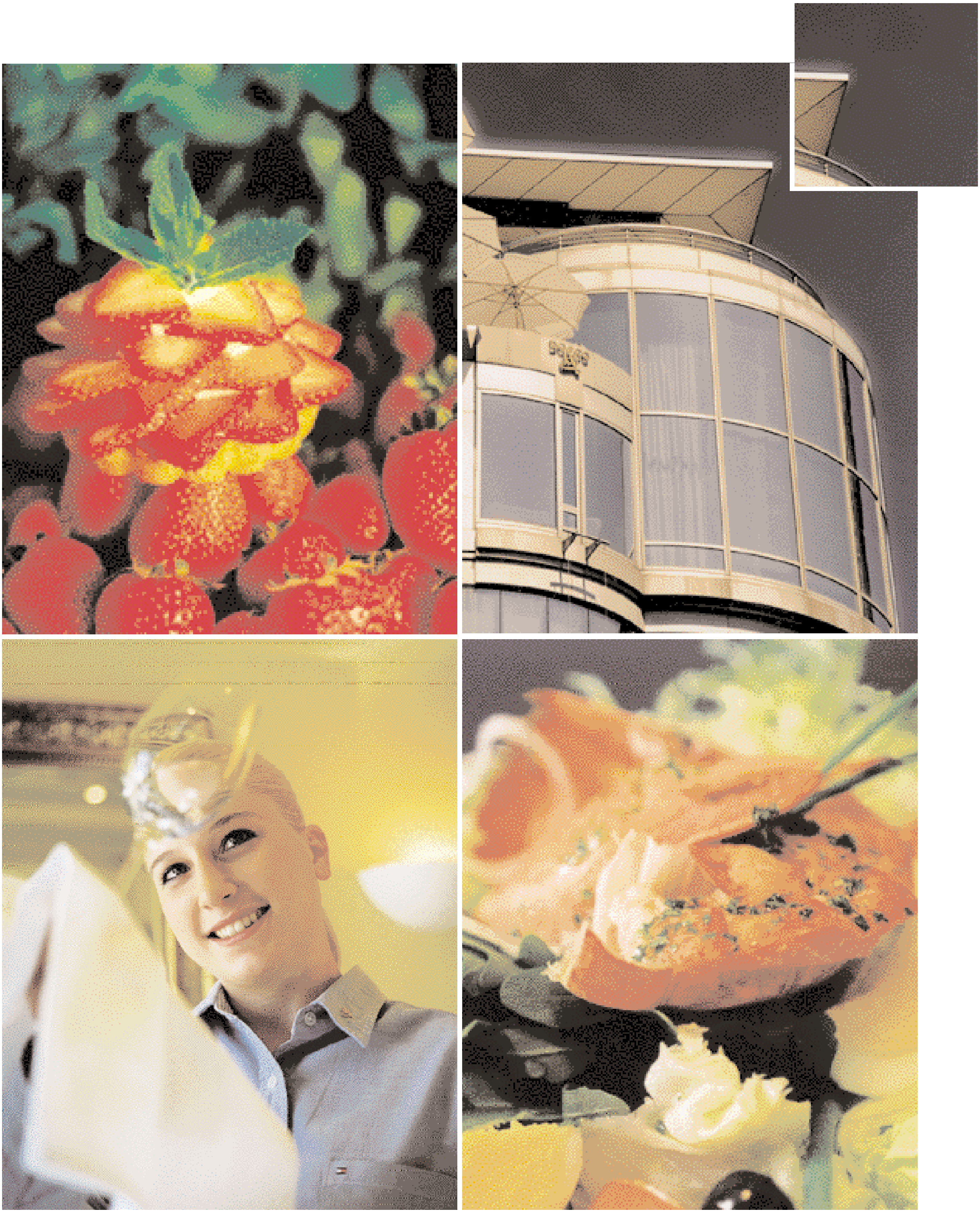
>> **Restaurants & Bars**

Markets

>> Worldwide business locations and gourmet kitchens in Miami, New York, Milan, Berlin, Frankfurt, Munich, Salzburg and Vienna and an organizational office in London.

>> Three restaurants, two cafes and several bars in Vienna and environs.

>> DO & CO conducted international business on three continents again in business year 2001/2002 and in the following countries (among others): Austria, Belgium, Canada, France, Germany, Great Britain, Hungary, Italy, Japan, Malaysia, Monaco, Spain, Switzerland and the United States.



CONTENTS

Message from the Management Board

Ladies and Gentlemen

Business year 2001/2002 marked the start of the third decade of corporate history for DO & CO. This history has been one of successful growth, from a small delicatessen business with adjoining restaurant to an internationally active "Global Gourmet Entertainment Company" conducting business in 20 countries on 3 different continents. A vision is being transformed into reality.

We started off catering one airline and in the meantime we cater already twelve. Our party service has grown into International Event Catering for the segments sports, corporates and private events. And our small delicatessen business with adjoining restaurant has developed into Restaurants & Bars with its flagship in the Haas Haus on Stephansplatz in the heart of Vienna, the restaurants and bars in Casino Baden and – a new addition – the famous Demel Konditorei on Kohlmarkt and Café Griensteidl on Michaelerplatz. As our business grew, we took the logical step of going beyond mere production and catering to offer logistics and consulting services for our customers. And the original premium brand DO & CO has been joined by two other top premium brands: Aioli and Demel.

Throughout all our diversification and internationalization, we have always exercised prudence in our business dealings and maintained a necessary sense of proportion. We have created assets and safeguarded them so as to have a solid and healthy financial basis for further expansion. Our maxim "no net debt" means exactly what it says: no debts. Year after year we have been fortunate in being able to report steadily rising sales and – even more importantly – profits. But for us, the Annual Report is only a moment of reflection, an opportunity to take stock before devoting our full attention once again to the tasks and challenges ahead. The essential elements in this process are to examine accomplishments critically, to have goals and to pursue a vision.

DO & CO owes its reputation to the excellent quality of its products and services. It is a leader in both the Austrian and the international market. DO & CO differs markedly from its competitors in this respect. We are committed to free market principles and competition worldwide.

For us, quality does not begin in our gourmet kitchens – it is produced and perfected there. For us, quality begins when we understand our customers' needs, define them, and develop products and services that meet their expectations or, better yet, surpass them. Quality is of the utmost importance to us, and our efforts to achieve it are underpinned by a daily striving to perform flawlessly. That is why we must give top priority to the continuous development and cultivation of our corporate culture, a culture based on quality and uniqueness. It is irreplaceable and by no means interchangeable with another. It embodies value that has been built up over many years and is not for sale.

People and value are the two dominant commitments in the strategic direction we are taking and in our business thinking and actions.

We are devoted to creating, safeguarding and increasing value in a company where human beings are the focal point of attention. We want to recognize their needs at the right time and comply with their requests by delivering the highest standards of quality. In so doing, we are meeting many more basic requirements than the ones stipulated in the Stock Corporation Act. This law requires only that management act for the good of the company taking into account the interests of shareholders, employees and the public interest. We do much more and are proud of that fact.

Our business is a "people business" and is guided by the motto "we are ladies and gentlemen serving ladies and gentlemen." We have therefore decided to present our employees in all their diversity as central visual elements throughout this Annual Report. With their professional training, these highly motivated individuals possess irreplaceable expertise and apply it with speed, a sense of responsibility, and an unwavering focus on quality. These traits and these performances make a major contribution to value creation within the DO & CO group.

The guiding principle of our personnel policy is that all employees deserve to be treated with respect and dignity. Every single employee is recognized as an equal member of our global DO & CO family, and we offer them all the same opportunities. The settings in which we operate demand that we keep learning and innovating all the time. Aware of this, we want to ensure that all our employees realize their full potential, regardless of gender, cultural background or position. Decisions must be made extremely close to the customer, because the only way to achieve maximum customer satisfaction is through quick action and excellent quality products and services. That is why we, as a global company, believe in cultural diversity at the workplace and in commonly shared values. These common DO & CO values are presented in this Annual Report in the section entitled "Core Values."

And it was once again people – customers, suppliers, shareholders and employees – to whom we owed our success this past year. It was an eventful and notable business year for many reasons. It was marked by a slumping global economy and overshadowed by the horrible events of 11 September and their aftermath, particularly for the airline industry. This was anything but an ideal environment for the optimum development of our catering business.

DO & CO nonetheless managed to turn the crisis into an opportunity and to improve its business results once again on the year before, albeit slightly. Despite the crisis in the airline industry, consolidated sales were higher once again, rising by 2.4 % to EUR 91.83 million. Growth was also recorded in EBITDA (+17.5 % to EUR 10.45 million) and in EBIT (+4.2 % to EUR 3.48 million). The equity ratio further improved to 50.6 %. By responding quickly to the new competitive conditions, we reached our profit goals for business year 2001/2002 and surpassed analysts' expectations of us.

Our successful efforts were not fully rewarded by the market, however. DO & CO stock gained 20.8 % (based on daily lows/daily highs) from 1 April 2001 to 31 March 2002 and was the second ranking performer in the ATX Prime in the first quarter of 2002. We are not completely satisfied with the absolute level of our price because we do not believe it reflects the true value and potential of DO & CO.

We are convinced that the only companies to succeed in this difficult climate are ones which have found the right responses to events and have taken steps to increase their efficiency. We owe it to ourselves, our customers, suppliers, employees and above all to our shareholders to take this same course of action. All of us in the DO & CO family have worked very hard for this success. We were able to enlarge our clientele (Iberia ex New York, Turkish Airlines ex Vienna), enter into new partnerships (Raiffeisen-Holding Niederösterreich-Wien) and extend already existing ones (ASM or Air Mauritius). and broaden our business base with new acquisitions (purchase of K.u.K. Hofzuckerbäcker Ch. Demel's Söhne GmbH and its subsidiary Café Griensteidl).

Building on the solid foundation we have laid down in the past, we are superbly positioned to continue growing on the strength of our own resources:

as the number 1 in gourmet entertainment worldwide.

With best regards,

The Management Board of DO & CO Restaurants & Catering AG

Franz Kubik | Attila Dogudan | Michael Dobersberger

Corporate Boards

THE MANAGEMENT BOARD

Attila DOGUDAN
Chairman of the Management Board

Franz KUBIK
Member of the Management Board and CFO
(since December 2001)

Michael DOBERSBERGER
Member of the Management Board

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

Profile of DO & CO

From small delicatessen to international gourmet entertainment group

1981 Founding of company: Opening of first restaurant in Vienna.

1983 Launch of party services.

1987 Launch of airline catering for Lauda Air.

1989 Gourmet kitchen on Dampfmühlgasse in Vienna put into operation.

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

1991 Assumed responsibility for the organization and logistics of the City Hall Festival.

1992 Launch of international event catering at Formula 1 Grand Prix on the Hungaroring in Hungary.

Receiving the first of three Golden Mercury Awards for DO & CO from IFCA (International Flight Catering Association).

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 735,000 DO & CO shares and admission to listing on the Vienna Stock Exchange: about 45 % of the share capital went to private investors.

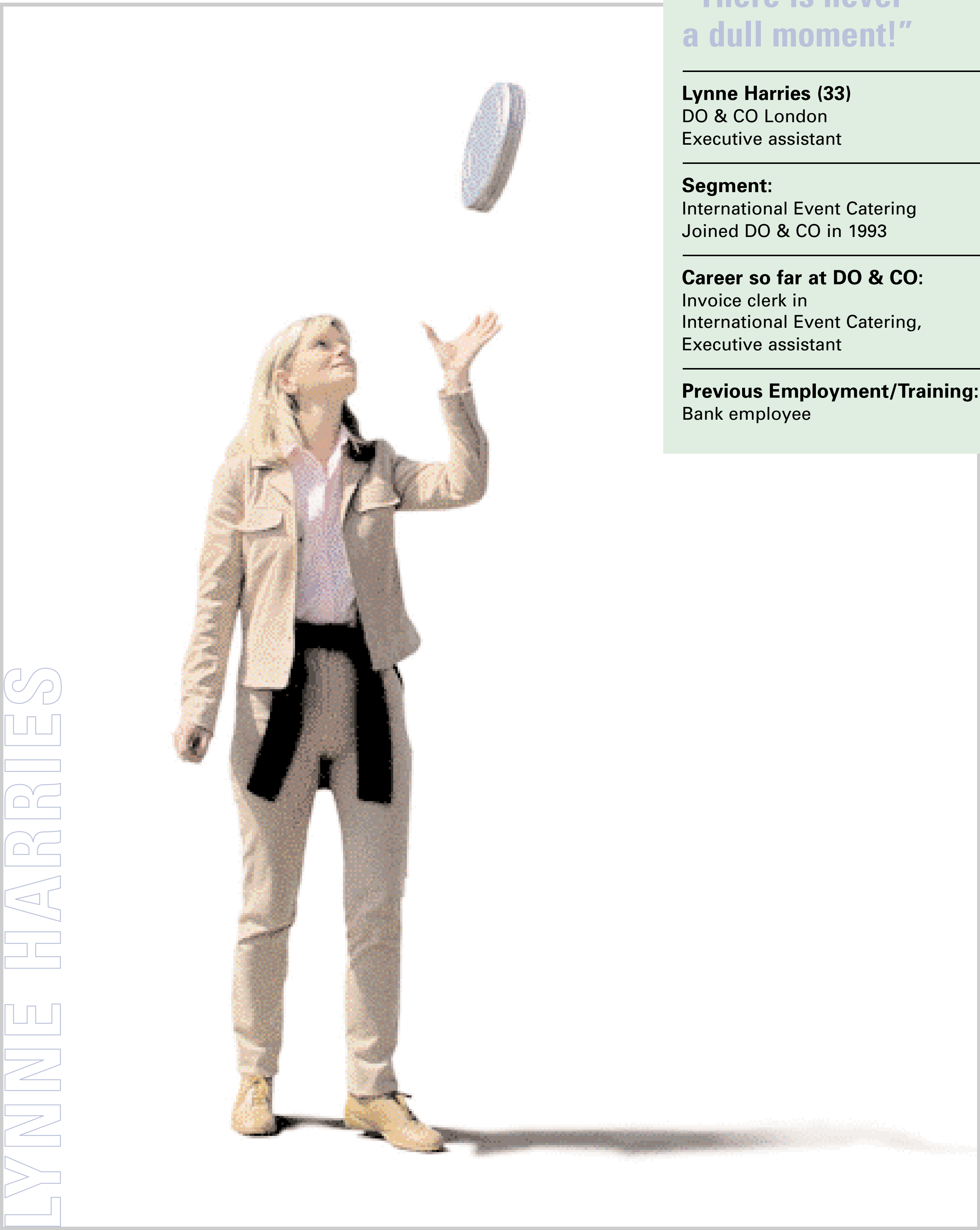
1999 Establishment of DO & CO subsidiary Aioli – Vienna Airport Restaurants & Catering GmbH.

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.

2002 Acquisition of K.u.K. Hofzuckerbäcker Ch. Demel's Söhne GmbH and its subsidiary Café Griensteidl.



“There is never a dull moment!”

Lynne Harries (33)
DO & CO London
Executive assistant

Segment:
International Event Catering
Joined DO & CO in 1993

Career so far at DO & CO:
Invoice clerk in
International Event Catering,
Executive assistant

Previous Employment/Training:
Bank employee

Employees

In business year 2001/2002, DO & CO Restaurants & Catering AG had 914 permanent employees (340 females and 574 males). This represents an increase of 9.5 % on the previous year. The company also had 229 part-time employees (previous year: 282).

Airline Catering reported 485 employees in the year under review (previous year: 469), International Event Catering 143 (previous year: 118) and Restaurants & Bars 286 (previous year: 248). In terms of regional distribution, 592 (-23) of the employees worked in Austria, 121 (+89) in Germany, 59 (-23) in Italy, 3 (+/- 0) in Great Britain and 135 (+36) in the United States.

DO & CO's staff is its most valuable asset. They are essential to the company's success. The personnel policy at DO & CO has set a goal of consciously acting on this core truth daily in recruiting, basic and continuing training, employee promotion, and staff development. The individuality of each and every employee is the biggest contribution of all to the company's diversity and distinctiveness and to ensuring that its products are recognized and promoted.

DO & CO constantly motivates employees and gives them an environment in which they can maximize their own personal productivity. This enables them to contribute their own uniqueness to the DO & CO family. They can then live up to their own expectations, achieve personal goals and enjoy success which also benefits the company. The corporate culture of DO & CO is shaped by the totality of its employees' diversity and the cooperation of everyone in a spirit of respect and dignity, with dedication to and pleasure in a job well done. This culture is irreplaceable and a unique asset for the company.

>> The DO & CO Academy

The company's major focus on providing guests with services of superb quality has prompted it to expand its training program at the DO & CO Academy. Besides specialized training, we began this business year to pay increased attention to promoting the personal development of staff members.

DO & CO training is based on a modular system, starting with basic training for all new service employees. It includes an intensive study of the DO & CO philosophy, equipment training, merchandise and production theory, an introduction to the service area, safety, behavior with customers, and logistics.

Good service depends on personality. Personal development seminars supported by management methods are conducted to enable service crews to bring their uniqueness to bear in interactions with customers and in dealing successfully with difficult situations. That is why event, situation and team management as well as staff leadership are integral parts of training.

The national and international service crew has become even more professional thanks to specialized seminars on wine and schnapps theory, specially developed bartender training and an introductory course on the world of cigar and cheese.

The DO & CO Academy also successfully completed the following projects in the year under review:

- Development of a career plan for International Event Catering
- Buildup of and support for service crews at DO & CO businesses in Berlin, Munich and Miami
- Recruitment and training of service staff in Barcelona, Maastricht, Montreal and Indianapolis for International Event Catering.

>> Cooperation with Johnson & Wales University

DO & CO is very encouraged by the way its cooperative venture with Johnson & Wales University in Miami is developing. As part of the joint training program, DO & CO offered a voluntary internship. Besides one to two weeks of basic training, trainees enter a practical rotation program intended to give them a full picture of the high level of quality, service flexibility and creativity with which DO & CO has set standards in the catering industry worldwide.

Thirty four students from the university participated in the SWEP Program (Summer Workshop Experience Program) and the mandatory COOP Program (Cooperative Program). Working with the DO & CO team, they had an opportunity to expand their expertise as cooks, confectioners and service staff in the areas of cold, warm cuisine and confectionery for Airline Catering, International Event Catering and in Restaurants & Bars.

We are also very encouraged by the benefits of this collaboration for DO & CO. These teams have already yielded us two cooks and a confectioner plus an employee for the further expansion of International Event Catering. In the American market, DO & CO can rely on a well-trained core team of cooks, confectioners, and service staff.

>> The DO & CO Management Team

No matter how great a product you develop, it will not succeed if it is not in the right place at the right time. You need the backing of the right management team. You need skilled and motivated management talents to consult with, develop and maintain as well as management instruments and methods to support the team. All this is prerequisite to DO & CO developing and implementing strategies successfully and continuing its rapid growth as a company. The cooperative and productive collaboration between DO & CO management teams contributed much to the company's success in the year under review and increased the trust DO & CO will put in them in the future.

In business year 2001/2002 DO & CO devised a multi-year management project to define management and organizational structures. It is the foundation for achieving future growth and for realizing the company's full potential.

>> The DO & CO Crew – Successful Employees, Diverse Cultures, Unique Individuals

Life in the DO & CO family is shaped by its diversity of people and cultures. DO & CO employees are the basis of our company's success. The individuality of each and every one of them makes the biggest contribution of all to differentiating the company from the competition. Our employees displayed their usual efficiency this past year. Flexible and adaptable, they rose to all challenges with a gift for improvisation. These qualities coupled with the obvious pleasure they take in what they do created value for our customers.

As mentioned in the Message from the Management Board, this Annual Report specially features a number of DO & CO employees. We are including them to underscore the indispensable role our staff plays in making the product successful – unique quality, excellent service and innovative gourmet entertainment. All employees portrayed at various points in this Annual Report were photographed by their colleagues. This ensures authenticity and illustrates once again that DO & CO is open to unconventional approaches.

The pictures show only a tiny fraction of the people who create value for our customers around the world every day – by designing, creating, concocting, staging, delivering, entertaining and much more. Our thanks for the successful and positive collaboration this past business year go out to each and every one of them. We look forward to striving together with them again in the year ahead to be the very best that we all can be.

ASTRID KAHL

KURT NITSCHE

"What I like best is taking care of my guests."

Astrid Kahl (27)
Demel Vienna
Managing director of
K.u.K. Hofzuckerbäcker
Ch. Demel's Söhne GmbH

Segment:
Restaurants & Bars
Joined DO & CO in 1994

Career path at DO & CO:
Member of the service staff
Assistant manager and later manager of DO & CO on Stephansplatz
Assistant to the Legal Department
Managing director of
K.u.K. Hofzuckerbäcker
Ch. Demel's Söhne GmbH

Previous Employment/Education:
Law studies
Master's degree in European law

"Unusual customer requests that demand creativity are my favorite kind of challenges."

Kurt Nitsche (55)
Demel Vienna
Confectioner – chief decorator

Segment:
Restaurants & Bars
Joined Demel in 1968

Career at Demel:
Confectioner,
then named chief decorator

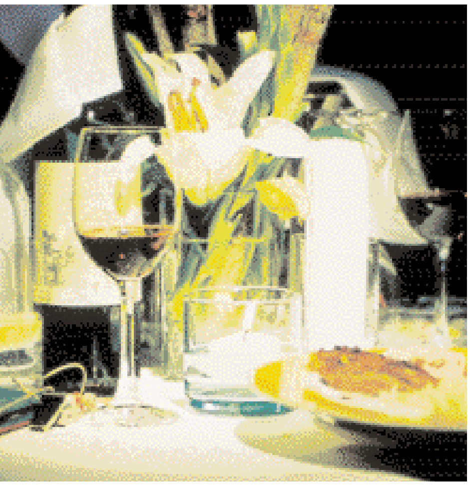
Previous Employment/Education:
Trained as a confectioner

Core Values

Value creation is a global imperative for DO & CO. Our goal is to achieve lasting and profitable growth by creating and cultivating global premium brands and focusing on markets and products with the greatest financial potential for expansion. We create value through innovation and creative product development by anticipating, recognizing or setting trends early on. These efforts coupled with our unique product quality enable us to surpass even the toughest of customer expectations and demands.

In all this we never lose sight of two central aspects of our business: human encounters and human interactions. Together, our customers, partners, suppliers, shareholders and colleagues form the basis for the corporate success of DO & CO. We respect, esteem and appreciate them by practicing rather than just preaching our corporate culture, by taking it out into the world. We treat them with the same respect with which we ourselves wish to be treated all in keeping with the company maxim: "We are ladies and gentlemen serving ladies and gentlemen."

This year, for the first time, we have formulated and recorded the principles, commitments, convictions, and values we live by and embodied them in the following seven core values. They will be our guide in the future for making decisions in line with value creation criteria.



People

We base our company's success on the interaction of employees, customers, suppliers and business partners. We recognize and discharge the obligation and responsibility of treating each other with the greatest respect and honesty.

Our corporate culture is the mainstay of our successful cooperation with each other. We promote an awareness that this is a common, a joint effort. We protect and practice this culture in every interaction of employees, customers and external partners. We believe in the power of common action.

We act on the conviction that DO & CO employees are and will always be our most valuable assets. We seek to motivate our employees constantly and to create an environment which allows each of them to be personally productive. These efforts, in turn, enable them to live up to their own expectations, to achieve their own goals and to enjoy personal success that also benefits the company.

Complete customer satisfaction is our top priority. Each and everyone one of us is committed to it in our work together within the company and in public.

Growth

We strive to achieve continuous growth in sales and profits as the foundation for significant and healthy company development. We do so:

- By fully utilizing the unique potential for growth that lies in the "multiplier" effect of the four factors customers, markets, segments and brands.
- By using synergies arising from our business structure and production processes as competitive advantages over the competition.
- By constantly optimizing and streamlining our costs through the elimination of pointless cost factors in production processes and business structure.
- By focusing on activities, markets and products with great earnings potential and by selectively allocating resources.
- By creating shareholder value through sales growth and profitability.
- By focusing on continuous internal growth and on growth through acquisitions and strategic partnerships.

Product Excellence

We offer our customers a unique brand and product portfolio. Besides the core product, the "hardware" as it were, we offer a comprehensive and intelligent "software" package (authentic product presentation and superb service) as well as comprehensive product and conceptual development.

We are fully aware of our responsibility to provide customers with the best in quality and service in all that we do. We view intensive R & D and ongoing product upgrades as fundamental to this quality philosophy.

We make no compromises in pursuing our quality strategy for all products, services and internal corporate units and expect the same from our partners, suppliers and each individual employee.

We use only the freshest ingredients of the best quality and provide them to the customers in the shortest possible time using optimum logistics and state of the art technology.

By providing services that go beyond traditional catering, we create a unique overall experience for customers from which they can derive additional benefits.

Innovation

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

As the Gourmet Entertainment Company, we set trends in our existing lines of business and for entries into new markets and are innovative in all that we do: "Don't imitate – innovate!"

We transfer the expertise and innovations of each line of business to all other lines and thereby create an incomparable competitive advantage for our products (cross-innovation).

Alongside flexibility and quick response, we view innovation and creativity as the major determinants of our ability to transform crises into opportunities for our company.

R & D is a primary focus of our attention in all parts of the company. We view cooperation with strategic think tank partners as central to successful, trend-setting products and to company development oriented to customer needs.

Customer Satisfaction

We treat our customers with the same respect we ourselves wish to be shown, adhering strictly to the principle: "We are ladies and gentlemen serving ladies and gentlemen."

We seek to establish close and long-term partnerships with our customers. We gear all our efforts to meeting the needs of our customers and provide a complete product portfolio worldwide featuring the best in quality and service.

We create additional value and benefits for each customer by being a "no headache partner". That means the customer can be sure of our quality and financial stability worldwide, and rely on perfect execution every time thanks to our expertise and commitment.

Every customer is unique. We create and develop a distinctive yet "branded" product for each one of them, tailored to the given situation, occasion, personality and corporate and brand image.

Leadership

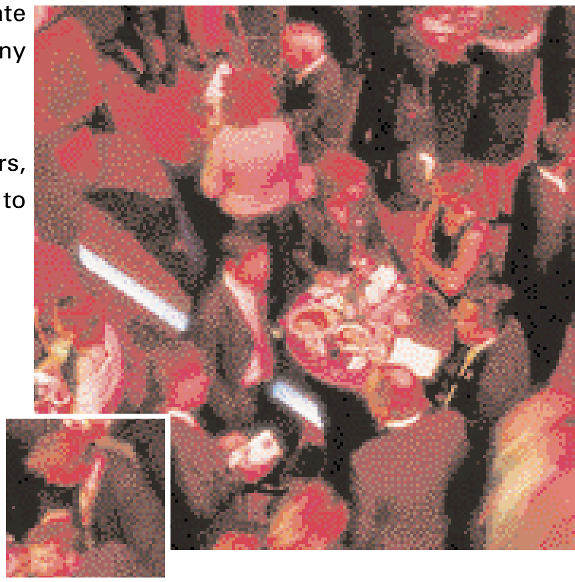
We develop and communicate a clear vision for all our markets and lines of business.

We lay the groundwork and create the structures our employees need to assume responsibility and leadership in their respective area and to do their part in contributing to the company's success.

We are deeply committed not only to meeting the goals we set but beyond that to making our "Best of..." principle a reality in all areas of the company.

We concentrate our resources on activities that create value for our customers, our shareholders, our company and our employees.

We forge strong partnerships with customers, suppliers, universities, co-suppliers and all others who can help us to reach our corporate objectives.



Company Culture

>> Our employees are the most valuable assets of our company – they are indispensable for the success of the company.

>> The guiding principle of our personnel policy is that all employees deserve to be treated with respect and dignity. We advocate cultural diversity at the workplace.

>> We create and maintain an environment for ourselves and our employees that allows each and every individual to achieve his or her personal goals and to contribute his or her own unique qualities to the DO & CO family. Each and every employee is recognized as an equal member of our global DO & CO family.

>> We cultivate the DO & CO corporate culture in all our branches and lines of business and are quick in allowing new employees to take part in that culture.

>> We recognize and encourage the individuality of each person and view it as the biggest contribution of all to the diversity and distinctiveness of our company and its products.

>> In communicating our corporate culture, we emphasize its value as an irreplaceable and unique asset.

Corporate Strategy
Best Practices

Our corporate vision is to become the world's best global gourmet entertainment company. Working together with our partners, we want to create the best quality and greatest value worldwide so as to offer our customers a unique gourmet entertainment product. To make this vision a reality and to carry out our mission each and every day, we have defined seven strategies on which the company will focus and on which it will base decisions for the attainment of company goals.

>> Clear Brand Policy

In our branding strategy, the DO & CO brands are communication elements that convey top product quality, superb services and a unique overall experience. As such, these brands give us a clear competitive advantage over the competition. In recent years the "DO & CO" brand in particular has gained a high level of name recognition and brand loyalty on the part of customers. This is the outcome of years of effort in building up this brand. As a company, we are determined not to jeopardize this brand in exchange for short-term transactions.

The scope within which a premium brand can be used is finite. Too much generalization results in an irretrievable loss of value for the brand. DO & CO therefore pursues a strategy involving a portfolio of brands. Each is clearly positioned and is designed to cover the various DO & CO market segments so that the star brand "DO & CO" can evolve unimpaired and the future drivers of growth "Aioli" and "Demel" can be built up without cannibalization.

>> Best of... Strategy

"A healthy sense of dissatisfaction" is at the core of the "Best of..." strategy pursued by DO & CO in all its strategic lines of business. As a leader in many product areas and market segments, we want to set trends and quality standards. Beyond that, we want to be in the vanguard and exemplary in forming unique partnerships and cultivating the best of corporate cultures.

Our efforts to achieve the "Best of..." are centered first and foremost on aspects evident to the customer: product quality, service and customer care. They also extend to our overall image and to the way we present the company in public. We also strive for "Best of..." by optimizing any production processes and internal business processes that help to achieve the corporate goals, to create ideal working conditions for the teams at the DO & CO branches, to optimize costs or that allow the DO & CO corporate culture to grow.

The best international performance is our benchmark. We wish not only to achieve it but to surpass it in all corporate segments and units. That is how we as a company, as a DO & CO branch and also as individual employees can create the greatest value for our customers, partners, shareholders and colleagues. We must learn from our successes and our failures, always measure ourselves against the very best, and abandon mediocrity in favor of focusing on core aspects of the "Best of..." strategy. This will be the basis on which we generate competitive advantages and achieve our primary goal of being the number 1 gourmet entertainment company.

>> Flexible Organization for Reacting Quickly to Market Changes

The tragic events of 11 September 2001 showed that DO & CO's flexible organization strategy was more than just a catchword. Adaptable internal resources and structures allow us to weather a crisis virtually unscathed. We emerge all the stronger and, through our quick reaction, can transform the crisis into an advantage over the competition and an opportunity for us. We are constantly broadening our customer and supplier base thanks to the diversified DO & CO product portfolio and our activities in different segments (Airline Catering, International Event Catering, Restaurants & Bars). Fluctuations in one segment can consequently be offset by shifting capacity utilization to another segment so that an acceptable risk profile emerges in the process.

Of course, it is not only in times of crisis that organizational flexibility helps us to react quickly. Even more importantly it allows us to move quickly in taking advantage of opportunities and promising possibilities arising from market changes, innovations and product changes and in making available the necessary capacity and resources.

With its flexible corporate structure, our company is always close to its customers. It learns about their needs and comes to understand the environment in which they are operating. This allows it to incorporate all the more value into the collaboration. A global organization with a local understanding of customers is what we want to be, and a flexible corporate structure enables us to achieve this goal.

>> Concentration on High Quality Products and Highly Profitable Business

We seek to fully realize our unique potential for growth by maximizing the multiplier effect of four factors: customers, markets, segments and brands. This is one of the company's core values. We take a selective approach to broadening the DO & CO product portfolio and to entering new markets and segments. Our strategy is to focus on the most profitable business activities and markets and to allocate our resources among them to optimum effect. We also strive to increase system profitability together with our system capabilities. We create assets and increase profitability by avoiding unprofitable yet costly business activities while maintaining our organizational flexibility to respond promptly to market changes.

>> Cross–Fertilization, Cross–Branding und Cross–Marketing

The uniqueness and distinctiveness of DO & CO as a company can be attributed to the interplay of the various product segments and the underlying cross-fertilization that occurs in the interaction of customers, markets, brands and employees. Employees constantly augment their experience in the various segments and markets through job rotation, thus laying the groundwork for all product innovation and trend creation. With its international character, the company has a broad spectrum to draw on. The system is fed with ideas from the widest variety of cultures, countries and spheres of activity. Add to this the vast expertise available in the segments and what happens is that new products arise, innovative systems are developed and entertainment concepts are implemented.

Along with cross-fertilization, the DO & CO strategy has two other integral aspects: cross-marketing and cross-branding. Brand positioning and marketing in one segment promotes name recognition in another and creates cross-market customer partnerships and potential for gaining new customers. Given the ineffectiveness of classic advertising in catering and gourmet entertainment, direct brand communication and accompanying customer networking are important factors for increasing name recognition. The effects of cross-marketing and cross-branding make these factors all the more potent.

>> "Think out of the box" Expansion

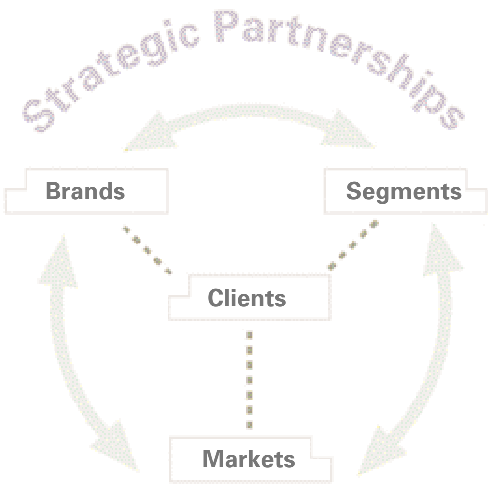
The DO & CO segments and the range of DO & CO products provide a number of interfaces for gaining footholds in new business fields and new market segments. Besides conducting far-ranging R&D in adjoining lines of business, DO & CO is also working hard on unconventional approaches and product development that may appear at first glance to be outside its realm of experience.

"Think your way out of the box" – get away from linear thinking, from its conventional logic, its inflexibility and rigidity. This is a strategy we very consciously practice and actively pursue. DO & CO becoming a full range provider of consulting and logistics services far beyond classic airline catering or our entry into the home meal replacement business are two past successes that prove the wisdom of this approach. These successes have made us all the more resolved to intensify this strategy of multi-dimensionality and open-minded creativity in the years to come.

>> Long-term, Global and Quality-oriented Strategic Partnerships

DO & CO thinks of strategic partnerships as protective shields and as "enablers" that help it to realize its full potential. We focus on global strategic partnerships which are long-term and quality-oriented in order to achieve our corporate goals and to create value for customers, shareholders and employees. This can happen through product partnerships (joint presentation of brands, mutual branding, joint marketing instruments, product promotion and joint customer care, etc.) or through equity interests and partnerships in the capital market.

The Potential of DO & CO



The geographic expansion of business over the past several years has been an important growth driver in what has been a positive development phase for the company. With its eight gourmet kitchens around the world and its organizational office in London, DO & CO has ideal locations in high frequency markets. These business locations now provide ideal bases from which to consolidate the accomplishments so far and to take the next step in expansion. That step will consist in making full use of the unique potential arising from the interplay and combination of DO & CO segments, markets, brands and customers behind a shield of strategic partnerships.

>> Brands

DO & CO can rely on a unique portfolio of well-known brands (DO & CO, Aioli and Demel) that have been built up over many years. They provide customers with global marketing instruments involving the element of branding. Beyond that, they are internationally synonymous in all segments with top quality, superb service and gourmet entertainment and innovation. Combining the brand associated with the different DO & CO segments with innovative brand communication ensures ready recall of the name across segments and forges a durable bond between customers and brands. The resulting name recognition, in turn, leads to greater demand for the brand in existing and new markets and is the first cornerstone for expanding the potential of DO & CO.

>> Segments

DO & CO innovation and product creations result from the interplay of segment-specific expertise and from the cross-fertilization between the segments Airline Catering, International Event Catering and Restaurants & Bars as research and development center for the group. This reciprocal inspiration is the fuel for developing unique ideas, individual products and complete services. It has done much to establish and highlight DO & CO's reputation as an innovative and full-range gourmet entertainment company in existing and future markets.

>> Markets

The pillars of our success so far have been our global network and global brands that are synonymous with top quality and with understanding and caring for customers on local terms in the markets where we do business. The cultural autonomy of the DO & CO branches is yielding its first fruits as well as opening up far-ranging possibilities for expansion at this level. These fruits include both winning over customers from various markets for other DO & CO markets as well as establishing the DO & CO brands in the various markets.

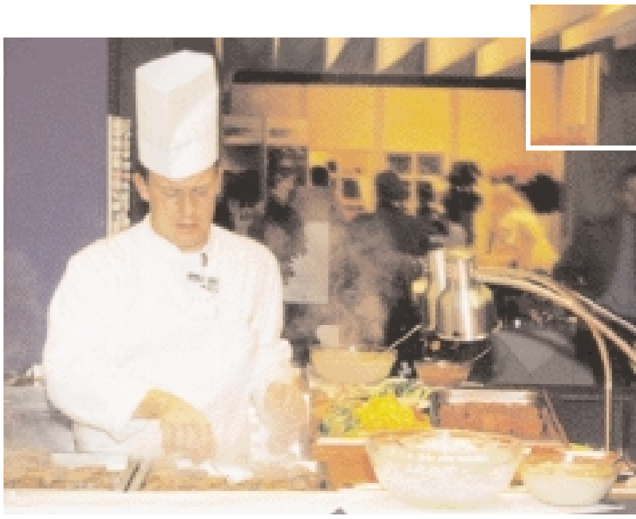
>> Customers

The DO & CO customer is the core element of the company's potential. With DO & CO's market presence and its many business locations, customers can rely globally on a customized product and on perfect service. The brands DO & CO, Aioli and Demel form the product range and open up additional possibilities for marketing and communication through branding. Because the company conducts business in different segments, the customer is assured of a reliable supplier in different fields. We are devoting special attention to acquire DO & CO customers for all DO & CO brands in existing and new markets and segments and to becoming their preferred global gourmet partner.

>> Strategic Partnerships

Strategic partnerships – with product partners, suppliers and also based on interconnected equity holdings – constitute the all-encompassing shield covering the interaction of all DO & CO elements. They create yet another dimension for developing and utilizing the potential of DO & CO.

We successfully began pursuing these expansion possibilities in business year 2000/2001. Our challenge and task now is to seize and act on these opportunities quickly and successfully.



The DO & CO Brands

	DO & CO	Demel	Aioli
Brand	Premium	Premium	Young & Dynamic
Market Segment	Top Segment	Top Segment	Broad Segment
Core Skill	Exclusive Gourmet Entertainment	Exclusive Confections	High Quality Catering and Restaurant with Aggressive Pricing Policy
Potential	Premium Customers and Consumers Worldwide	Premium Customers and Consumers Worldwide	Broad-based Quality Market

The success of the DO & CO brand and the emotions associated with it are not a result of short-term marketing. It took years to develop and build up this brand and to create the brand portfolio surrounding it through the addition of Aioli and Demel. Now in place, this arrangement allows the company to keep its flagship brand DO & CO successfully in the premium segment while using other equally successful brands to cover further market segments without cannibalization.

The quality and overall product image of the DO & CO, Aioli and Demel brand portfolio represents a decisive competitive advantage in all DO & CO segments. These brands provide a new marketing instrument to DO & CO customers in Airline Catering in particular but also in many areas of International Event Catering: branding as an element of communication conveying excellent product quality, top service and a unique overall experience. This enables DO & CO customers, in turn, to evoke an emotional response in their patrons, to refashion their own image and to signal quality.

A premium brand like DO & CO has a finite scope of application. This brand built up so painstakingly over the years could soon be in jeopardy from too much generalization and the irretrievable loss of value associated with it, from indiscriminately covering different markets without clear brand positioning, and from an unclear pricing policy. By having Aioli cover the broad-based quality market, the company ensures DO & CO a place in the premium segment for gourmet entertainment and Demel a place in the exclusive confectionery segment while also protecting the level of prices for these brands through aggressive pricing at Aioli.

>> DO & CO

DO & CO is the original, the first brand and remains the group's flagship to the present day. It began as a brand for the company's initial line of business – Restaurants & Bars – and retained its premium brand character when the company expanded into International Event Catering and Airline Catering.

DO & CO is a brand associated with exclusive gourmet catering – the best in food, beverages and service; an approach tailored to the customer, target group and event; perfect planning and execution; in a word, a unique overall experience of the finest caliber complete with a number of special touches. Internationally, it has a solid reputation for excellent quality, perfect service, an incomparable total product and operational and financial reliability. It also stands internationally for positive emotions, cultures and enjoyment.

As a gourmet brand, DO & CO intentionally focuses on the premium market. It has a reputation as an exclusive brand in all established and new markets. This positioning, coupled with its brand image and the rest of the brand portfolio, enables it to stand out from competing brands. It can therefore avoid price sensitivities and maintain its prices at a commensurate level.

>> Aioli

Aioli was also initially developed as a brand for Restaurants & Bars and embodies authentic southern European flair and Mediterranean cuisine. Its positioning as an established brand in the broad-based quality market is based on its young, dynamic image and an aggressive pricing policy in contrast to the premium brands.

As a concept, the Aioli brand has great potential for future business activities, particularly in the price-sensitive Economy Class segment of Airline Catering and in the two broad-based segments with promise for the future, Home Meal Replacement and Shops. The take-away operations at the Aioli Restaurant in the Restaurants & Bars Division has once again been an effective R & D center in this regard.

>> Demel

Demel is not a brand DO & CO developed itself. It was acquired for the brand portfolio at the beginning of 2002. Demel possesses great potential and all the properties needed for profitable, long-term growth in the DO & CO brand portfolio.

As a complementary brand, Demel is the perfect supplement to the DO & CO brand in the premium segment in Austria and globally. It is a traditional brand that stands for high quality and culinary skill. Internationally it is unused, a jewel just waiting to sparkle. Backed by the international brand development expertise the DO & CO group has in the catering and gourmet entertainment market, it will profit enormously from this situation.

Demel will be managed and developed using the same brand philosophy as with the two brands DO & CO and Aioli. The basic premise will be to respect and maintain the brand's unique character and creativity.

>> Marketing

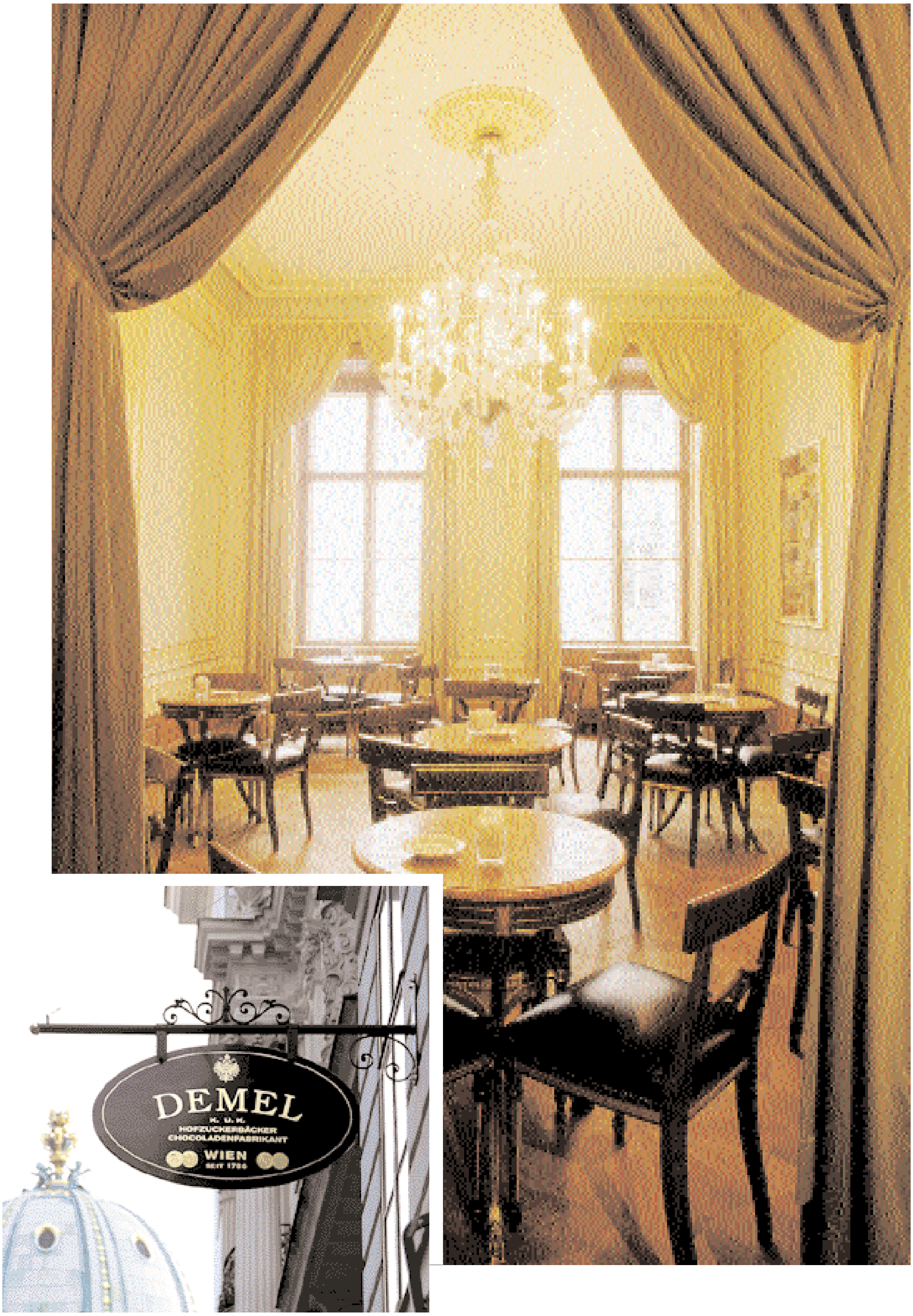
A large number of individual communication elements and details went into achieving name recognition, brand image, brand loyalty, and brand awareness for the established DO & CO brand in particular. Unlike traditional product marketing, gourmet entertainment is not the most fertile soil for classic marketing and communication instruments.

There are two big challenges in marketing gourmet entertainment products. The first is to understand the needs, desires and emotions of customers. The second is to process them without classic advertising elements in such a way that the experience and entertainment for which the DO & CO brand stands is communicated directly to the customer.

For the World Golf Championships we designed a menu shaped like a miniature golf course on which the guests could play. At a jazz event the menu came with chopsticks that doubled as drumsticks for a percussion bowl underneath. In both cases, customer not only picked up these unique forms of advertising several times but saw the DO & CO brand on the communication on the menu and registered it.

This principle applies equally to event-related giveaways, company-made furniture and bar elements, table decorations and event-related spatial, lighting and musical designs as well as to presentation and tender documents.

The DO & CO Audio Visual Department acts as the idea workshop and factory for all these marketing elements. In the year under review, a small exhibition featuring the most creative menus, giveaways and other design elements was staged to given an insight into this department's creativity.


DEMEL
WIEN

"We have the greatest colleagues and bosses you could imagine."

Margit Kumersberger (35)
DO & CO Restaurants & Catering AG
Head of Human Resources

Segment:
Airline Catering,
International Event Catering,
Restaurants & Bars
Joined DO & CO in 1994

Career so far at DO & CO:
Freelancer, Crew Control,
Managing director of DO & CO
Restaurant on Stephansplatz
and manager of Aioli Restaurant,
Head of Human Resources

Previous Employment/Education:
Business administration degree,
Bank employee

MARGIT KUMERSBERGER

DO & CO Market Segments

Thanks to its corporate and segment structure, DO & CO has the flexibility to react promptly to market changes and offset declines in one segment by increasing business in another, even in the short term. This flexibility proved to be an incomparable competitive advantage in the year under review.

Recent developments in the airline industry underscore the wisdom and significance of the company's policy of diversifying into similar lines of business (i.e. in addition to Airline Catering, also International Event Catering, Restaurants & Bars and Home Meal Replacement).

DO & CO has consistently pursued globalization in the premium market as a worldwide quality caterer and reduced its dependence on a small number of customers. These two steps have allowed us to extend our focus beyond Airline Catering to International Event Catering and Restaurants & Bars and to the development of further lines of business.

This capability will allow us in the future to be the first to modify products and services and to set quality standards. Not only can we successfully weather crises, we can emerge from them even stronger and more successful than before.

Airline Catering

Developments in the Airline Catering Division in the year under review were shaped by two significant factors. The first was the tragic series of events on 11 September 2001 and the changes in market conditions, competitive situation and product requirements that came in their aftermath. The second was the success of DO & CO in further developing this segment by forging even closer ties to customers and by winning over new customers for the DO & CO in-flight product.

The tragedy of 11 September 2001 had several dramatic consequences for the airline catering industry. Capacity utilization fell markedly, especially on North American flights, and several flights were eliminated. There ensued major realignments and corrections in the airline and airline supplier markets. DO & CO was hit less severely than the market segment as a whole, thanks to the company's customer structure and its ability to shift capacity utilization to its other lines of business.

Changes in market requirements compelled the aviation sector to cut budgets and launch austerity measures. The challenge for DO & CO was to develop and deliver an in-flight product in this environment which was still distinguishable from all others in terms of uniqueness and quality. After all, the trust airlines put in us is based on our international brand image as a high-class gourmet caterer and on our unfailing ability in the past to deliver products and service esteemed for their superb quality. These strengths enabled DO & CO to transform the crisis into an opportunity and to fortify its position as a quality caterer capable of remaining reliable and financially sound even in times of crisis.

Thanks to constant further development of our in-flight product and our overall approach to service, DO & CO will continue setting the standards for premium products in international airline catering in the future. Despite the altered financial situation, the DO & CO product will be as geared to passenger needs, route requirements and flight attendants as ever before and lack none of its distinctive traits of innovation, creativity and gourmet entertainment.

Airline Catering
"The only real restaurant in the sky"

Launched in 1987

Share in total sales: 48.3 %

Employees: 485

Sales in 2001/2002: EUR 44.37 million

Products and services:
- In-flight meals and beverages
- Comprehensive development of the overall service system
- Cabin crew training
- Menu planning and menu design
- "Flying DO & CO chefs" on Lauda Air long-distance flights

Strategy:
- >> To provide a distinctive premium product tailored to the needs of Economy and Business Class
- >> To create a global network of gourmet kitchens based on evolving collaborations with existing airline customers and on winning over new customers
- >> To focus on onboard consulting

Business locations:
Miami, New York, Milan, Berlin, Frankfurt, Munich, Salzburg, Vienna

DO & CO delivers its unique and distinctive product with a determined commitment to quality and service. These efforts have been rewarded by passengers of our partner airlines in the past with numerous awards. They were also a major factor for the German business magazine Capital recently naming Lauda Air the "Airline of the Year" for the fifth time in a row. The list of accolades also includes three IFCA Golden Mercury Awards from the International Flight Catering Association, as well as more than 50 other awards largely based upon polls taken among international passengers.

With two newcomers added to its clientele, the DO & CO group now handles the catering for twelve airlines. The following carriers are currently partners of the DO & CO group: Lauda Air, Lauda Air Italy, British Airways, Iberia, Austrian Airlines, Turkish Airlines, Air Mauritius, Crossair, Luxair S.A., Royal Air Maroc, Air Alps Aviation, and Air Afrique. By broadening its customer base and further internationalizing operations, DO & CO has been able to offset the temporary declines in the airline industry and achieve growth.

>> Lauda Air

Airline Catering originally developed in close cooperation with Lauda Air. Both companies place a special emphasis on quality and service, a common trait which has allowed them to work closely as partners to develop products and services giving top priority to quality and innovation. In collaboration with Lauda Air, a product was created internationally in Airline Catering known as "The only real restaurant in the sky." This product coupled with the "flying chefs" aboard the Lauda long-distance flights to Kuala Lumpur, Bangkok, Sydney, Melbourne, Phuket, and Denpasar, have set the standard for premium class in-flight menus.

This successful collaboration between Lauda Air and DO & CO will remain intact under the new management of the Austrian Airlines group. Lauda Air passengers will thus continue to enjoy the unique DO & CO in-flight product.




>> British Airways

DO & CO also sees enormous potential in its global partnership with British Airways. Business has developed very successfully with this the world's largest airline. BA is devoting more attention to creative, high quality in-flight products and has intensified its cooperation with DO & CO. The latter acts as consultant and caterer for Economy and Business Class gourmet menus and for the premium product on the Concorde. The success of this collaboration is reflected in the satisfaction of BA passengers, who rate the DO & CO product as above the market average in all surveys.

>> Highlights in 2001/2002

- DO & CO has stepped up efforts to internationalize operations and to expand its partnerships with major airlines. In the process, it scored another major success on the hotly contested New York market. Since 28 August 2001, DO & CO has been the exclusive supplier of gourmet menus for the Spanish carrier Iberia on flights from New York to Madrid and Barcelona. That means catering two jumbos a day, either a Boeing 747 with 404 passengers or a Boeing 767 with 312 passengers.

- In the successful collaboration with British Airways, the two partners took another important step in intertwining their products. In November 2001 DO & CO began supplying the Concorde on its daily flights from New York to London with desserts from the gourmet kitchen in New York. This move is a definite sign of recognition by BA of the product quality and significance of the DO & CO brand as an entertainment and marketing element in the ultimate premium segment of airline catering.

- In the third quarter of 2001/2002, DO & CO added another carrier to its airline clientele: Turkish Airlines has been serving DO & CO products to its passengers on flights from Vienna since 15 December 2001. Turkish Airlines operate one to two flights a week from Vienna to Istanbul and another two a week from Vienna to Ankara using Boeing and Airbus aircrafts.

International Event Catering

International Event Catering further penetrated the German market in business year 2001/2002 and developed its business in ways that underscored its own significance as the DO & CO group's second strongest segment after Airline Catering.

DO & CO successfully prevailed in the year under review in a European event market hard hit by recession. Excess capacity from the large number of new and existing suppliers put increasing competitive pressure on prices. Against this backdrop, DO & CO maintained or improved its leading position, especially in the premium market.

>> DO & CO - "The No Headache Partner"

National/International Catering has gained steadily in significance since first launched in 1983 and is now involved in a broad range of activities. This fact is emphasized by the company's designation as the "Gourmet Entertainment Company" and by the DO & CO product.

Apart from its core business of preparing and providing food, beverages and service, DO & CO creates a unique event design based on customer preferences, the target group and the event setting. It also plans and stages the event and provides all equipment and staff, even the musicians and artists. The range of services is rounded out by event consulting for adjoining service areas, event marketing, communication and attending to the needs of the sponsors.

Customers enjoy numerous advantages from having only us to deal with as service provider for all aspects of an event. DO & CO is able to deliver consistently high quality worldwide. With its global network, it is flexible enough to respond quickly and efficiently to customer requests, even at the last minute. The event becomes an experience complete in itself, based on a keen understanding of the local culture and market. DO & CO operates cost efficiently and is a partner customers can rely on operationally and financially. These advantages as a "no headache partner" enabled DO & CO to expand business with existing clients and to win over new ones in the year under review.

International Event Catering
"The Global Gourmet Entertainment Company"

Launched in 1983

Share in total sales: 34.8 %

Employees: 143

Sales in 2001/2002: EUR 31.96 million

Products and services:
- The range of services extends from the simple preparation and provision of food and beverages to the assumption of complete responsibility for the staging and marketing of an event.
- Events for anywhere from 2 to 10,000 people.

Strategy:
- >> To establish the DO & CO brand even more firmly in the Austrian, German and US market
- >> To build up Aioli Catering as a second track for the broad-based quality market
- >> To give priority to increased activities as a total supplier and event organizer through event consulting, planning, organization and marketing.

Business locations:
Active worldwide from its bases in Miami, New York, Milan, Berlin, Frankfurt, Munich, Salzburg, Vienna.

>> Highlights in 2001/2002

- International Event Catering further internationalized its operations in 2001/2002 with the opening of new gourmet kitchens in three of Germany's biggest cities, Munich, Frankfurt, Berlin and in New York and Miami. DO & CO catered a number of prestigious events in the year under review, further enhancing its reputation as a premium brand in international competition. These events included the world launch of the BMW 7 Series in Munich, the Mini presentation in Berlin, RTL Media Night in Berlin, the IP Telemesse in Düsseldorf, the Golden Camera Awards in Berlin, presentation of the new Jaguar R2 in London, BMW Automobile Salon in Detroit, and Lamborghini IAA in Frankfurt. There were also a number of high profile events for the business, political and media communities as well as numerous private ones.

- In November 2001, DO & CO signed a multi-year contract with ASM (Allsport Management). Among its activities, ASM operates and markets the "Paddock Club", the VIP area at Formula 1 races. In other words, after nine years of involvement in the Formula 1, DO & CO will continue to be responsible in the years ahead for the culinary delights served at 15 of the 17 Formula 1 races currently held worldwide.

- Besides the VIP area at the Formula 1, DO & CO very winningly displayed its unique sports event catering skills at other sports highlights: the Equestrian Tournament in Aachen, Tennis Masters Series in Stuttgart, the German Open in Berlin, the DSF Ski Gala in Oberstdorf, the Beach Volleyball World Championships in Klagenfurt, the finals of the Austrian Soccer Cup in Vienna, and in the Austrian Ski World Cup, including ski races in Kitzbühel and Schladming.

- Following last year's startup phase for new business locations in Germany and the US, DO & CO is now even closer to customers. Not only can it respond more quickly, flexibly, efficiently and specifically to customer requests, it can now utilize synergy effects in international logistics for the first time to optimize costs in the staging of events.

Restaurants & Bars

Restaurants & Bars is the flagship of the DO & CO group. It is the segment in which DO & CO first started in business in 1981 and is the origin of every brand and product development. Restaurants & Bars has retained this function over the years and has a special status as the R & D Center of DO & CO. As image bearers and marketing instruments for the entire DO & CO group and as testing grounds for newly created products and ideas, the DO & CO restaurants and bars put a special emphasis on top culinary quality in the product and on the best in personal service.

DO & CO restaurants and bars are also ideal settings for developing the staff and for optimizing the quality of service. Successful situation management and the quality demands placed on the service crew every day quickly reveal personality traits and talents and provide an opportunity to develop individual skills and abilities and to develop training and educational approaches for the other DO & CO segments.

DO & CO restaurants and bars are synonymous with the highest standards of culinary quality. The DO & CO Restaurant on Stephansplatz in the heart of Vienna is operated on the theme "Best tastes in the world". Diners have their choice of diverse creative cuisine from Austria, Europe and Asia.

The success formula for the Aioli Restaurant in the Haas Haus involves the finest in ingredients imported freshly from Spain, Italy and France.

As a follow-up to a meal at one of the two restaurants in the Haas Haus on Stephansplatz, guests have the option of visiting the Onyx Bar located in the same building, with its unmistakably international flair. In addition to regular bar business, it is a favorite venue for press conferences and other special events.

Guests know that they are assured culinary delights at DO & CO restaurants and bars, including the "Dinner & Casino" product specially developed for visitors to Casino Baden, Europe's largest casino. Casino Vienna has small hot and cold gourmet specialty dishes awaiting visitors.

Restaurants & Bars
"Best tastes of the world"

Launched in 1981

Share in total sales: 16.9 %

Employees: 286

Sales in 2001/2002: EUR 15.50 million

Products and services:
- International and traditional cuisine in DO & CO flagship restaurant on Stephansplatz in the heart of the Vienna
- Southern European flair and Mediterranean cuisine in Aioli
- International bar atmosphere in the Onyx Bar
- Dinner & Casino in the restaurants and bars in Baden
- Small gourmet specialties, hot and cold, at Casino Vienna
- Demel, a master in confectionery arts
- Vienna coffeehouse flair at Café Griensteidl
- The various restaurants and bars are available for use as venues for press conferences and special events

Strategy:
>> R & D Center and creation of new product concepts
>> Marketing instrument and image bearer for the group; original brand development
>> Human resource development

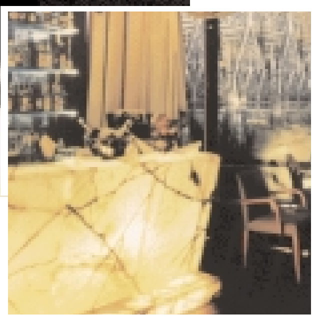
Business locations:
Vienna, Baden

>> Highlights 2001/2002

- At the beginning of 2002, DO & CO acquired one of Austria's best known traditional firms, K.u.K. Hofzuckerbäcker Ch. Demel's Söhne GmbH, and with it two attractive business locations in the heart of Vienna: the flagship Café Demel on Kohlmarkt and Café Griensteidl on Michaelerplatz. The Demel brand and product complement the DO & CO brands and activities perfectly and open up additional opportunities for providing DO & CO customers with a unique product of superb quality.

- An agreement was signed with the landlords of the Haas Haus on the future use and framework conditions for the DO & CO businesses located there. Renovation work had cut into the number of people visiting the Haas Haus. With construction now completed and the Haas Haus newly positioned on the market, the volume of visitors is expected to rise accordingly.

- DO & CO has been encouraged by the development of its businesses at Casino Baden. Profits at this location have grown steadily over the years thanks to the Baden operetta festival in the summer, international conventions and meetings plus numerous prestigious public and private events.



Demel

" A legend along with that melange... " This headline in a large Austrian daily prefaced an article on the famous Konditorei Demel in downtown Vienna, whose pastries and confections were already delighting patrons in Imperial Vienna centuries ago. Since 1 January 2002, the DO & CO group has a newcomer in its ranks: K.u.K. Hofzuckerbäcker Ch. Demel's Söhne GmbH, one of Austria's most famous traditional firms, with its flagship establishment Café Demel on Kohlmarkt and Café Griensteidl (both in downtown Vienna).

K.u.K. Hofzuckerbäcker Ch. Demel's Söhne GmbH was founded in 1786 by the confectioner's apprentice Ludwig Dehne from Wuerttemberg. Dehne quickly expanded the product range, starting with frozen desserts, and Demel had soon advanced to a favorite place for Vienna's high society to gather.

In 1857 the business was sold to Christoph Demel. His son was the man who gave it its current name and established it at Kohlmarkt 14, right next to the Hofburg, the imperial winter palace.

An inseparable aspect of the history of Demel is the influence of the ingenious Friedrich von Bercevizcy-Pallavincini, who created the fanciful designs and artworks that lent Demel its distinctive touch and can still be found on packaging in remembrance of days past.

In 1994, Raiffeisen-Holding Niederösterreich-Wien took over ownership of Demel, acquiring it at the time from a bankrupt's estate. From the outset, Raiffeisen-Holding Niederösterreich-Wien gave top priority to putting the company on a solid financial footing in order to safeguard its future. This was also the reason Raiffeisen decided to transfer the strategic and economic management of the company to DO & CO at the beginning of 2002.

As a brand and a product, Demel is a perfect complement to the national and especially the international activities of DO & CO in the premium range. With the DO & CO network, the production locations required to expand the brand are already in place, particularly into the promising US and German markets. Demel also opens up additional possibilities in Airline Catering and International Event Catering to provide customers with a unique product of superb quality. The premium clientele of DO & CO is the ideal target group for Demel products and will be a good base for quickly achieving international name recognition for the brand.

Demel products have a great, as yet untapped, potential for expansion within the DO & CO group. The DO & CO gourmet kitchens in Austria, Europe and the US are perfect laboratories for developing and implementing plans for premium Demel Shops, Demel Coffeehouses and for possibly developing new distribution channels.

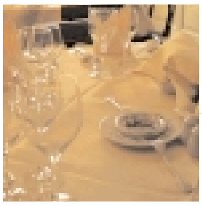
With their wide range of coffee shops and bakeries, Germany and the US offer ideal markets and excellent conditions for introducing high quality confectionery products.

DO & CO has a clearly defined vision: to make Demel the world's number 1 in fine confectionery and to make the Demel brand the world's best premium trademark, a synonym for top quality, superb culinary skills and tradition. The uniqueness of Demel and its products will be based on the work of an experienced team with a keen awareness of tradition and high standards of quality. In the course of extensive research and development, the chief confectioners at Demel will revive its incomparable product diversity and expand the traditional range by adding several original Demel products.

The economic goal is to achieve a turnaround in the medium term and to restore Demel to profitability again after many years of losses so that the continuance of it and its quality products will be lastingly assured even in the face of international competition.

Bringing Demel into the DO & CO group enables us to expand our established business and to achieve possible synergy effects. With the appropriate groundwork laid, the group should be able to improve the cost structure here substantially and to achieve economies of scale.

With its high quality confectionery range and the two coffeehouses Demel and Griensteidl, Demel is a uniquely Austrian product backed by a long tradition and known for superb quality and expertise. It is a jewel just waiting to sparkle. DO & CO will give it access to a global network and to the capacities and possibilities it needs to realize its full potential. Demel and DO & CO employees are proud to be allowed to share this incomparable Austrian tradition and hospitality with the world. The strengths of both companies are what create the potential for this partnership and open up incomparable competitive advantages in existing and future product areas and markets.



DO & CO Markets

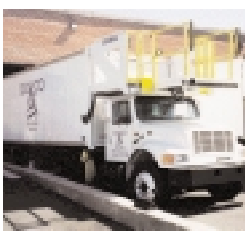
DO & CO is continuously working to expand its business activities worldwide. The first Formula 1 race laid the cornerstone for the internationalization of Event Catering and for the dissemination of superb quality and gourmet entertainment around the world. DO & CO employees are now delivering the DO & CO product to customers in over 20 countries on three continents. Eight gourmet kitchens – in New York, Miami, Milan, Berlin, Frankfurt, Munich, Salzburg and Vienna - and an organizational office in London enable the company to provide efficient logistics through a global network. Moreover, DO & CO is now able to become even closer than ever to its partners and customers: "global organization with a local understanding of the customer."

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. Further kitchens are being planned and set up on the basis of the development of and cooperation with existing airline customers and prospects for acquiring new customers. This approach ensures an initial utilization of capacity and lays the groundwork for a careful and naturally slower buildup of International Event Catering. The multinational DO & CO gourmet kitchens are always situated very close to airports, an ideal location for taking advantage of connections and infrastructure but also for acting as a hub to handle daily deliveries of the freshest ingredients.

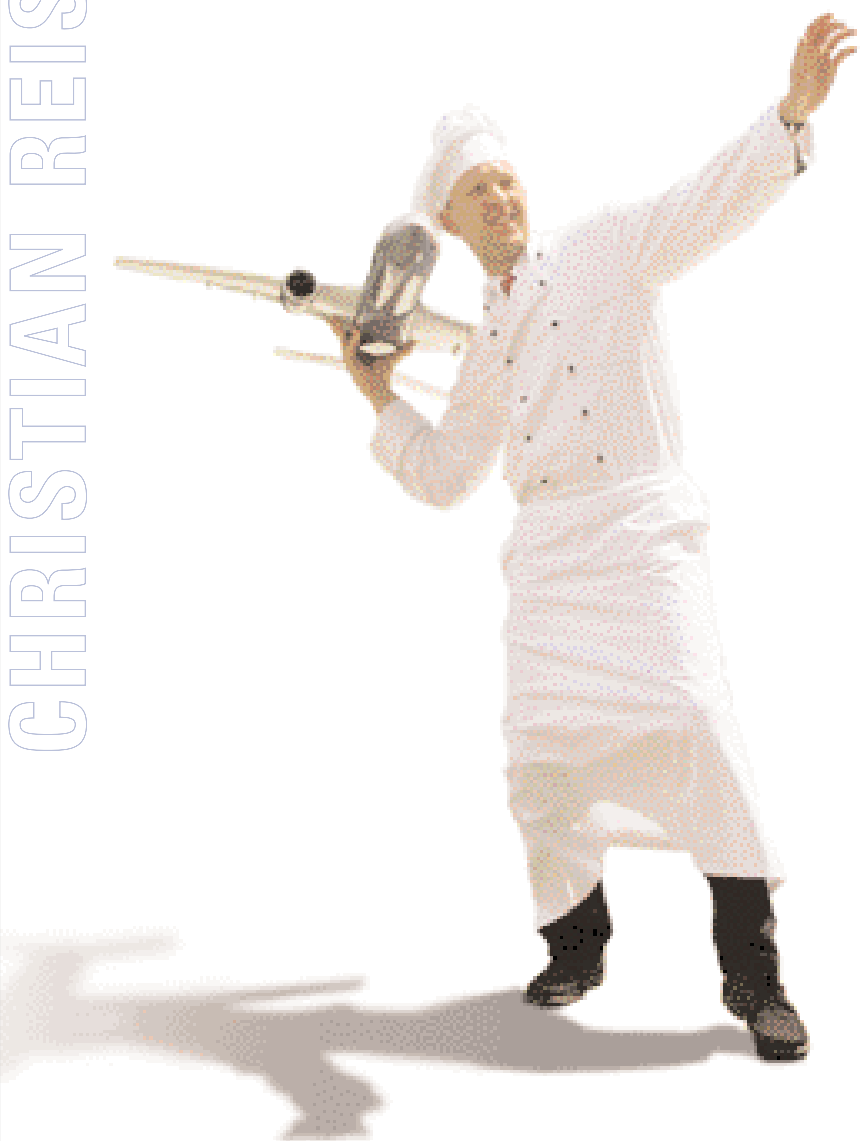
What all current DO & CO markets have in common are the optimum conditions they offer for the DO & CO product. These markets are characterized by a very high level of social development – they are service societies with a heavy demand for premium catering products.

In the target markets for DO & CO, catering products are often undifferentiated. With its high quality and innovative product, the company can distinguish itself clearly from the competition, set new benchmarks and standards, and introduce the concept of gourmet entertainment in the market for the first time.

The initial step in geographic expansion was taken with the opening of the German branches. The company's task now is to use these markets and to be as successful in winning them over as we have been elsewhere in the past. As our company history shows, there are no limits to DO & CO's development worldwide. As always, we will continue in future to provide customers from close at hand with a unique quality product.



CHRISTIAN REISENEGGER



“Traveling around as a flying chef – now that’s what I call an exciting job.”

Christian Reisenegger (28)
DO & CO Vienna
Head of
the “Flying Chefs” Department

Segment:
Airline Catering
Joined DO & CO in 1997

Career so far at DO & CO:
Cook, flying chef,
head of
the “Flying Chefs” Department

Previous Employment/Training:
Cook

"Every day's a little different."

Christian Sageder (29)
DO & CO Restaurants & Catering AG
Graphic artist

Segment:
Airline Catering,
International Event Catering,
Restaurants & Bars
Joined DO & CO in 2000

Career so far at DO & CO:
Graphic artist

Previous Employment/Training:
University studies,
metalworking,
industrial arts teacher,
freelance graphic artist

CHRISTIAN SAGEDER

DO & CO Customers

The DO & CO customers are at the core of the company's potential. The diversity and variety of individual personalities, coupled with company profiles and their requirements, open up a broad spectrum of possibilities for cooperation and expansion. To our mind, there are two major factors in winning over our customers for additional DO & CO lines of business, new markets and different brands. The first is to combine a global network with a keen understanding of local requirements and needs. The second is to achieve complete customer satisfaction with unique products and services.

Firmly anchored in our core values, we aspire to form close, long-term partnerships with our customers. To do so, we gear all our efforts to meeting their needs and offer a comprehensive product portfolio featuring the highest quality and the best service worldwide. Besides impeccable quality, they can count on our financial soundness and perfect execution. We want our customers to think of us as "the no headache partner."

The breadth of the partnerships DO & CO has entered into with customers is reflected in the DO & CO customer portfolio: twelve airlines, customers from the worlds of sports, business, politics, film and media as well as numerous private customers in International Event Catering and Restaurants & Bars.

Despite this large and varied clientele, we consider each individual customer to be unique. To honor that uniqueness and create as much value as possible for each customer, DO & CO takes pains to understand and recognize any specific needs and requirements a customer may want the DO & CO product to fulfil. With this knowledge, we create and develop for each customer a distinctive product, tailored to the situation and occasion, to the corporate and brand image. And then we figure out how to implement that product.

No matter what the nature or level of cooperation may be, DO & CO strives to satisfy the customer fully. The golden rule for all employees is to treat the DO & CO customers with the same respect they themselves wish to be shown, adhering strictly to the principle: "We are ladies and gentlemen serving ladies and gentlemen."

Consulting

Consulting has gained in significance in all DO & CO segments. In Airline Catering consulting, DO & CO is responsible for menu planning and menu design and acts as an advisor on the training of flight attendants for British Airways and Lauda Air. In Restaurants & Bars consulting, the company provides advice on and implements plans for in-company food service operations and staff lounges. In International Event Catering, consulting activities range from event design and planning to advice on product and quality assurance at large-scale events.

A definite highlight in the year under review came in summer 2001 when DO & CO assumed responsibility for the tenth time for planning, coordinating and implementing the catering services for the film festival held before the Vienna City Hall. The unique combination of musical and culinary delights on this prominent square has become a permanent part of the arts calendar for guests from Austria and abroad. The festival attracts about 12,000 people an evening and is one of the most successful and largest open-air events in Europe. It is also a classic example of a successful collaboration with the city of Vienna.

As part of its consulting activities, DO & CO developed a cost-efficient and readily organized back-office logistics scheme and implemented it successfully for the festival in front of the Vienna City Hall. The same scheme is utilized to provide high quality catering services for the general public at large-scale sports events.

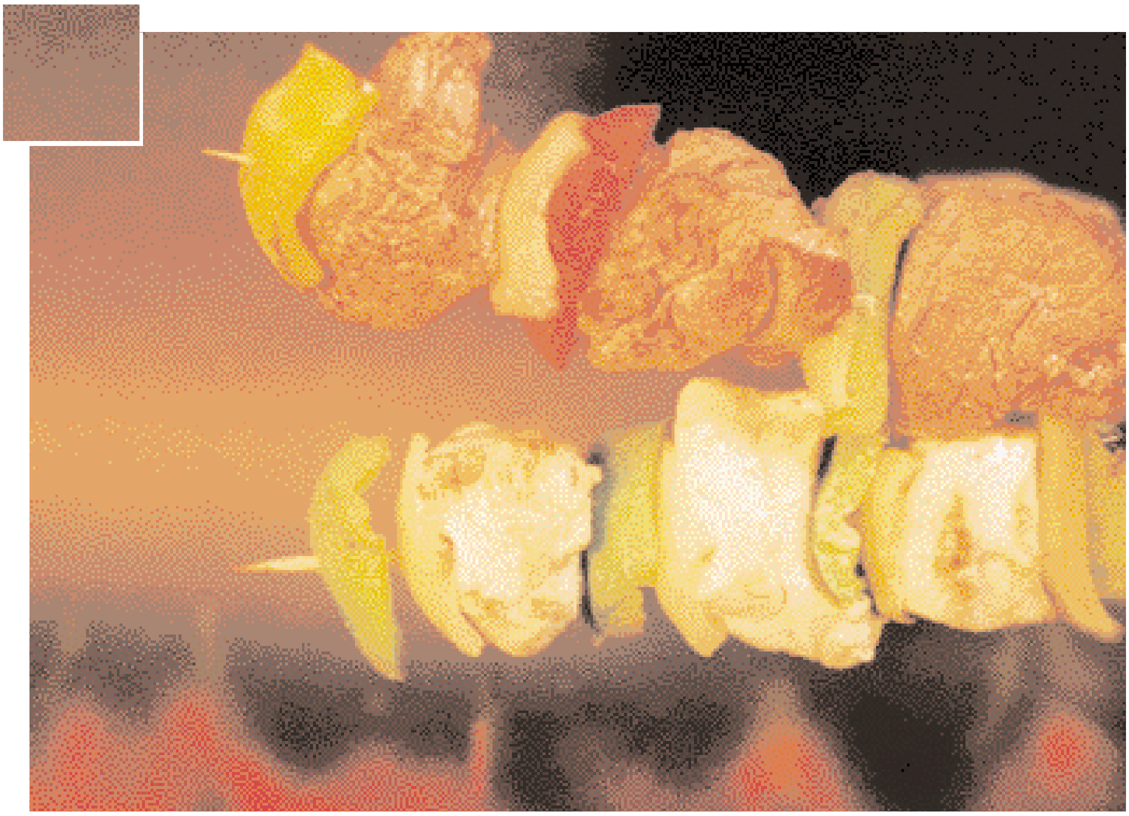
Home Meal Replacement

Another promising line of business has begun to emerge out of the further development of DO & CO products: Home Meal Replacement and Shops.

As society has changed, so too have the needs of consumers. There is a trend away from home food preparation to more convenient and time-saving approaches. Evident internationally but especially in the United States, this trend has led to a boom in the home meal replacement market for products ranging from "ready to prepare" to "ready to eat." Home meal replacement is a heretofore undeveloped segment with vast growth potential offering golden opportunities for high quality suppliers (with restaurant quality products) and for innovative product and brand developers.

DO & CO laid the cornerstone for its expansion into this segment in the year under review by entering into a new cooperation arrangement with a New York partner in Home Meal Replacement/Shops. In a trial project, DO & CO is supplying a delicatessen chain with fresh salads and prepared dishes from its gourmet kitchen in New York on a daily basis. Results thus far have been highly satisfactory. Initial tests indicate that DO & CO products are being very well-received by customers.

The experiences the company gains in this segment are being applied to designing, developing and implementing DO & CO home meal solutions and shops.



Product Development

Design, creativity and innovation are the three key elements in every premium brand. The past business year has shown that the demand for high caliber, extraordinary and exquisite products is still on the rise even under the changed market conditions. New trends are constantly launched and new forms of consumption are continuously arising. The increased attention customers are paying to quality and creativity demands that DO & CO product developers display maximum innovation and show the greatest of sensitivity in terms of the products the company offers.

In the development of new products and ideas, quality components naturally have to meet the highest standards. No compromises are acceptable. However, as in any product innovation, creativity in execution and implementation are also of paramount importance. In Airline Catering, for example, product and in-flight concepts are tailored to and tested for the needs of passengers, the route requirements and the work procedures of the flight attendants. DO & CO has its own research kitchen in-house, along with a mockup of a Boeing 777 onboard kitchen. These facilities enable it to develop an optimum in-flight product under nearly real test conditions.

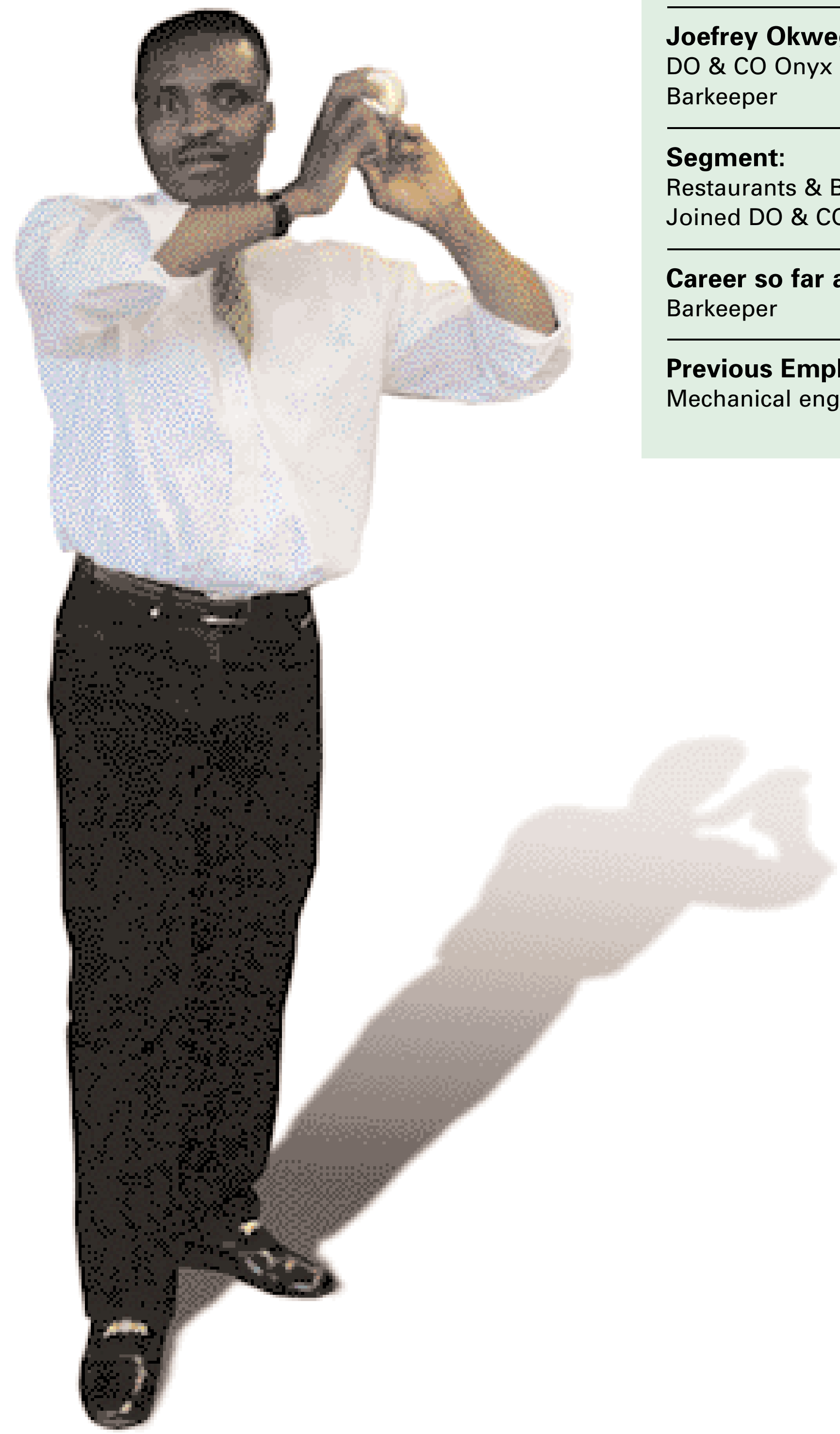
Product developers in International Event Catering face a challenging task. They have to provide the DO & CO guests with a product perceived as fresh and innovative but also as authentic while at the same time creating a unique event atmosphere with entertainment value. Working in teams, event managers, cooks and the staff of the DO & CO Audio Visual Department first devise a theme that matches customer needs. They then develop culinary highlights, create table decorations and menus, and draw up spatial, lighting and musical designs. Thanks to our intensive product R & D efforts over the years and the cross-fertilization of the various cultures at DO & CO branches, the teams can draw on a rich portfolio of ideas, concepts, information, and details about cultures and countries as a basis for creating an optimum product.

DO & CO Restaurants & Bars play a major role in product development. New product creations are tested in these establishments on a smaller scale and if found satisfactory by customers, are used in other DO & CO segments.

After the way markets developed economically this past business year, profitability and budget considerations are a greater challenge than ever in the development of new products. We want to continue creating maximum value for DO & CO customers even under these new market conditions. Cross-segment expertise and fresh unconventional approaches are the two keys to doing so. In Airline Catering, for example, we succeeded in maintaining the in-flight menu in the Economy Class by cutting costs in logistics and handling and by making an innovative change to the packaging.

The current business year will see DO & CO continue its success in satisfying customers, expanding its market share and remaining unique among the competition. As always the driving forces will be product creativity, the extraordinary talents of our product designers, and our unwavering focus on the quality of our products and services.

JOEFREY OKWEGBA



“I like to mix a good drink.”

Joefrey Okwegba (39)
DO & CO Onyx Bar, Vienna
Barkeeper

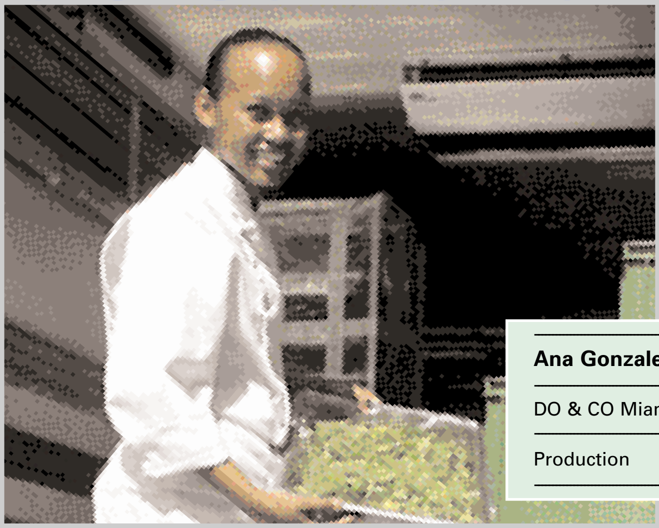
Segment:
Restaurants & Bars
Joined DO & CO in 1996

Career so far at DO & CO:
Barkeeper

Previous Employment/Education:
Mechanical engineer, barkeeper

We are Ladies & Gentlemen ...

Ysée Gaudel (45)
DO & CO Miami
Director of Events

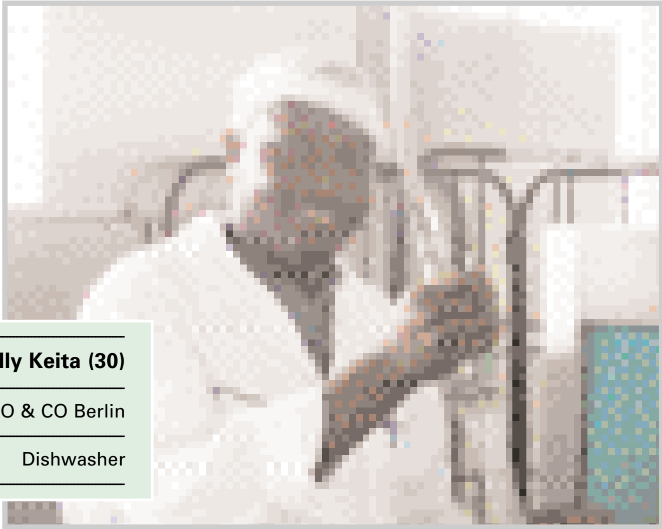


Ana Gonzales (21)
DO & CO Miami
Production

Caroline Jordi (18)
DO & CO Miami
Freelancer

Carmen Riba (28)
Aioli Wien
Hostess

Alma Cartagena (36)
DO & CO New York
Production



Bully Keita (30)

DO & CO Berlin

Dishwasher

Stefan Werth (37)

DO & CO Berlin

Highloader driver

Damon Kessler (25)

DO & CO New York

Cook

Tino Wohlfahrt (28)

DO & CO Miami

Operations Manager

Gert Kretschmeier (36)

DO & CO International

Head of IEC/Formula 1

… serving Ladies & Gentlemen.

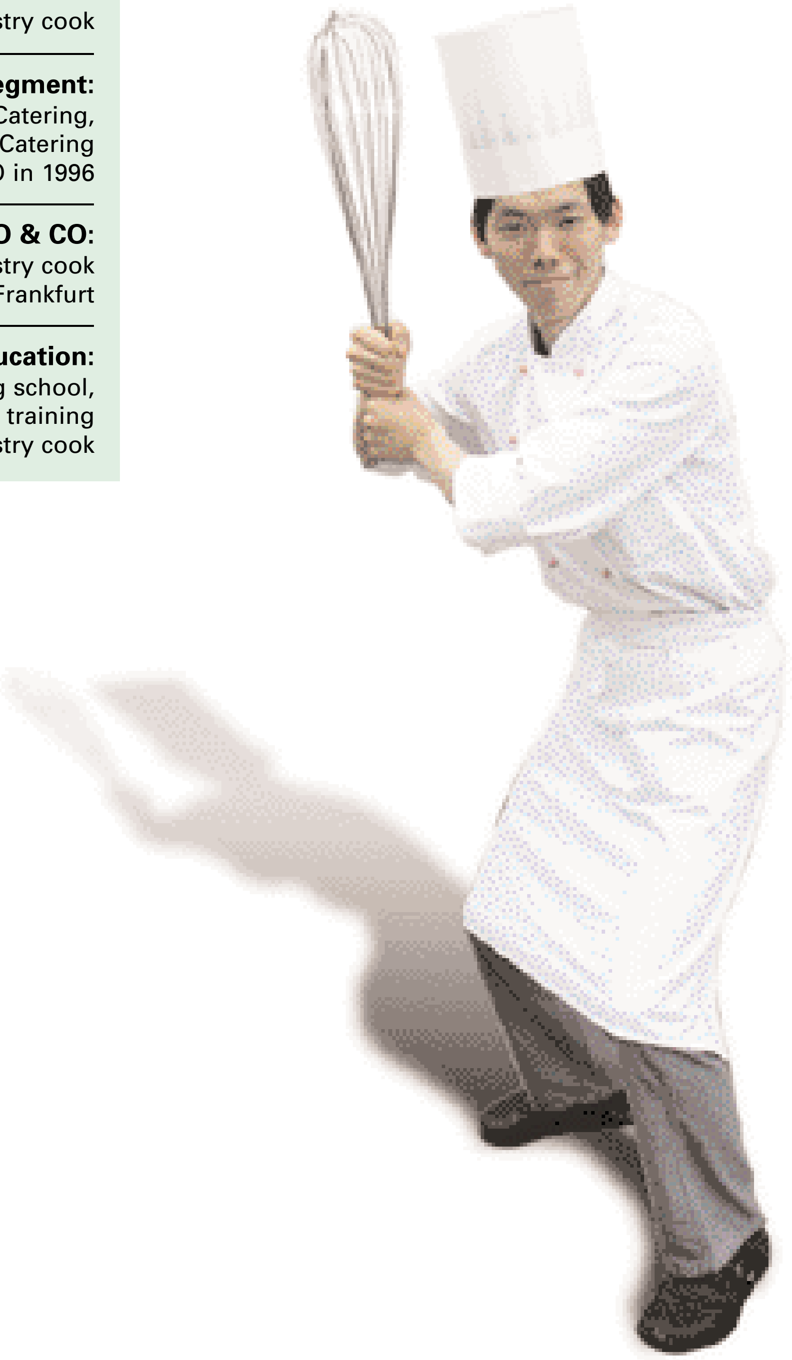
"So many nice people working here!"

Yimeng Cai (23)
DO & CO Frankfurt
Pastry cook

Segment:
Airline Catering,
International Event Catering
Joined DO & CO in 1996

Career so far at DO & CO:
Pastry cook
in Vienna and Frankfurt

Previous Employment/Education:
Catering school,
professional training
as a pastry cook



YIMENG CAI

Management Report 2001 / 2002

Highlights

>> **Acquisition of Demel**
At the beginning of 2002, DO & CO acquired an Austrian classic: K.u.K. Hofzuckerbäcker Ch. Demel's Söhne GmbH in Vienna

>> **Iberia and Turkish Airlines join the DO & CO clientele**
Iberia starting in August 2001 on flights departing from New York; Turkish Airlines starting in December 2001 on flights departing from Vienna

>> **Grand Prix contract extended**
DO & CO concluded a multi-year Grand Prix contract

>> **Gourmet-Shop**
Gathered initial experience in home meal replacement in collaboration with a partner in New York

>> **Enlargement of management team**
Franz Kubik became CFO effective 1 December 2001

>> **Raiffeisen-Holding Niederösterreich-Wien as strategic partner**
New core shareholder with an interest of 10 % in DO & CO AG

>> **DO & CO now listed in ATX Prime**
DO & CO shares have been listed in the Prime Market of the ATX since 1 January 2002

>> **Stock buyback program**
Launched 4 January 2002

>> **Market capitalization**
Doubled since 1 December 2001

Sales and EBIT growth in a tough economic climate

Growth trend remains intact at DO & CO

Sales up 2.4 % to EUR 91.83 million

EBIT up 4.2 % to EUR 3.48 million

EBITDA up 17.5 % to EUR 10.45 million

Gearing: -17.0 %

Equity ratio: 50.6 %

Economic Climate

The economic decline that first began back in the third quarter of 2000 continued unabated in the year under review. After the New Economy bubble burst, the downward slide became all the more severe as a result of rising oil prices, lower growth in world trade, as well as the horrible events of 11 September and their aftermath: the war in Afghanistan and the sharp drop in investment in the United States.

GDP growth in the US fell from 4 % to 1.2 % in 2001. In the course of the year, the FED lowered key interest rates from 6.5 % to a 40-year low of 1.75 %. Even these dramatic efforts showed no signs of bringing about a reversal in the cyclical trend. The expectations are rosier for 2002, with clear indications emerging that the US economy will quickly overcome the recession to achieve real GDP growth of 1.8 % this year. Growth of over 3 % is forecast for 2003.

The euro area also felt the effects of these developments in the year under review, suffering a significant decrease in real economic growth from 3.5 % to 1.4 %. The European Central Bank also responded to the cyclical downturn by lowering interest rates, but with much more restraint than the FED. Citing an inflation rate above the threshold value of 2 % in the autumn, the ECB cut key interest rates by just 150 basis points to 3.25 %.

Economic growth in markets relevant to DO & CO was as varied as the 2002 forecasts: USA: 1.2 % (forecast: 2002: 1.8 %); Germany: 0.6 % (forecast: 2002: 0.8 %); Italy: 1.8 % (forecast: 2002: 1.2 %); euro area: 1.5 % (forecast: 2002: 1.4 %); and the EU: 1.6 % (forecast: 2002: 1.5 %).

Austria’s economy grew at a rate of just 1 % in real terms in 2001. Although a recovery appears to be underway, growth this year is expected to be just 1.2 % higher than last year’s. A stabilizing factor for overall demand has been consumer spending by private households. It increased at a rate of 1.3 % last year and is forecast to grow faster than the overall economy in 2002, namely by 1.6 %. The comparatively high inflation rate last year of 2.7 % is predicted to slow markedly this year to 1.7 %. In the labor market, the situation deteriorated considerably due to the cyclical slump. Unemployment in 2001 reached 6.1 % and is expected to continue climbing to 6.7 % before beginning to decline to any significant degree in 2003 as the domestic recovery gains momentum.

The events of 11 September left indelible marks in the national and international aviation industry, marks which continued to be reflected in the restrained development of the current year. Passenger traffic growth and yields at European airlines plummeted. The logical results were declines in passenger kilometers sold, a reduction in available seat kilometers, and fewer bookings in charter traffic.

>> Development of European Airlines

That said, current traffic figures indicate that passenger business at European airlines is likely to recover more quickly than predicted a few months ago.

Growth in passenger traffic as measured by passenger kilometers sold fell in 2001 by about 5.1 % to 530.5 million. A further decline of -3.1 % is expected this year due to macroeconomic conditions (Europe: -3.4 %; North Atlantic: -5.5 %; Far East/Pacific: -3.5 %). As the economy begins to build up steam from the third quarter of 2002 onward, this downward trend will reverse, giving way to strong growth of 8.7 % in 2003.

These developments in air traffic growth at European airlines are also evident in the passenger volume figures. After a decline of -4.8 % in 2001 and a negative figure of 3.5 % in the current year, the passenger volume trend in 2003 will reverse and surge upward by 8.9 %. Limited budgets for business travel and a move away from Business to Economy prompted by keener cost awareness have led to a worse passenger mix. This trend, coupled with downward pressure on ticket prices at several European airlines, has produced yield declines of 1 % to 3 % per passenger kilometer sold. There will be 5 % to 7 % fewer seat kilometers available in 2002 than last year. To make matters worse, many airlines have reduced their seat capacity in Business to a greater extent than in Economy.

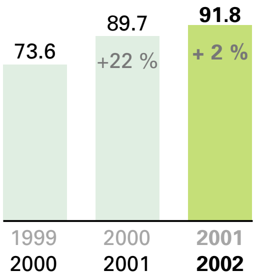
Charter travel is also likely to see a 3 % to 4 % decline in the current year before returning to its average growth rate of plus 3 % in 2003.

Austrian airports also felt the effects of the difficult situation in the aviation industry. Vienna saw total passenger figures decline in 2001 by -0.7 % to 11.86 million (regularly scheduled service: -0.3 %; charter: -3.7 %). According to the airport, the hardest hit areas were long-distant routes (-6.4 %), the Near and Middle East (-15 %), Africa and South America (-31.3 %). Travel to Europe and Eastern Europe, for its part, increased by +1.4 % and +11.3 %, respectively. The number of flight arrivals and departures fell by 0.6 % to 185,425. For the first quarter of the current year, Vienna Airport reported a noticeable recovery in traffic. Salzburg, as a small regional airport, was less hard hit by the ramifications of 11 September. Passenger volume rose by 1.5 % to 1.28 million thanks in large measure to the 100,000 passengers carried by the budget airline Ryanair since April 2001 on its two daily London flights. The number of flight arrivals and departures fell by 8 % to 20,254.

Sales

SALES BY DIVISION Business year (April – March)	2001/2002 in € millions	2000/2001 in € millions	Change in € millions	 in %	1999/2000 in € millions
Airline Catering	44.37	41.27	3.10	+ 7.5 %	33.84
International Event Catering	31.96	34.16	- 2.20	- 6.4 %	25.43
Restaurants & Bars	15.50	14.26	1.24	+ 8.7 %	14.37
Group sales	91.83	89.69	2.14	+ 2.4 %	73.64

Sales in EUR millions



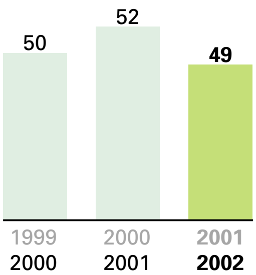
Sales by division in EUR millions

The developments and changes in basic economic conditions this past year underscore the wisdom and significance of the company's three strategic policies: diversifying into similar lines of business (i.e. Airline Catering, International Event Catering, Home Meal Replacement, Restaurants & Bars), consistently pursuing globalization in the premium market as a worldwide quality caterer and reducing its dependence on a small number of customers. These strategies allowed us even in the difficult economic climate of business year 2001/2002 to increase our consolidated sales by EUR 2.14 million, from EUR 89.69 million to EUR 91.83 million.

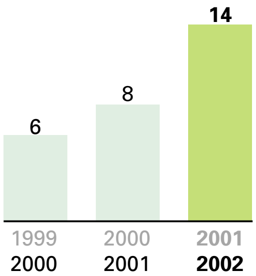
Airline Catering recorded growth of 7.5 %, or EUR 3.10 million, to EUR 44.37 million as a result of further internationalization and a broadened customer base. International Event Catering, for its part, maintained sales at the high level of the previous year but because of shifts in events to other periods, recorded a decline of EUR 2.20 million, or 6.4 %, to EUR 31.96 million. Restaurants & Bars recorded sales growth of 8.7 % to EUR 15.50 million. K.u.K. Hofzuckerbäcker Ch. Demel's Söhne GmbH was included in the financial statements for the first time, which naturally had an effect on Restaurants & Bars. The Haas Haus suffered declines at times due to the long drawn-out renovation work but after construction was completed in February 2002, sales returned to the level of earlier periods.

The geographic distribution of sales by region indicates that the EU remained the most important market for DO & CO by far, accounting for 82.3 % of total sales (previous year: 82.4 %).

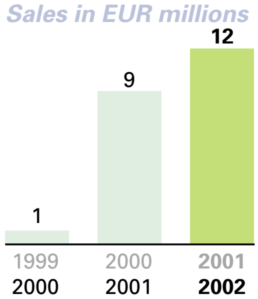
Austria
Sales in EUR millions



Germany
Sales in EUR millions

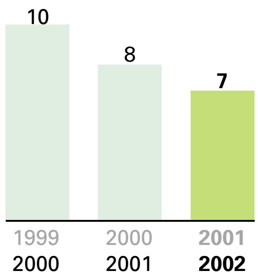


USA
Sales in EUR millions

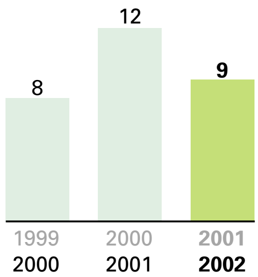


Despite the tough conditions in the United States, the New York and Miami business locations enabled DO & CO to increase the US share in total sales from 10.3 % to 12.9 %. As a result, the group succeeded in continuing the ongoing internationalization of the past three business years.

Italy
Sales in EUR millions



Other Countries
Sales in EUR millions



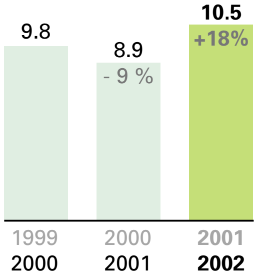
DO & CO continued its wide-ranging global activities in the year under review and once again conducted business in three continents and in the following countries, among others: Austria, Belgium, Canada, France, Germany, Great Britain, Hungary, Italy, Japan, Malaysia, Monaco, Spain, Switzerland and the United States.

Profit and Assets

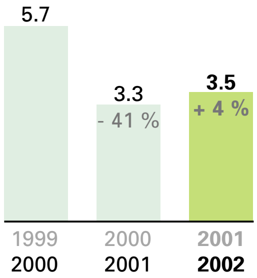
GROUP	2001/2002	2000/2001	Change		1999/2000
Business year (April – March)	in € millions	in € millions	in € millions	in %	in € millions
Sales	91.83	89.69	2.14	+ 2.4 %	73.64
EBITDA	10.45	8.89	1.56	+ 17.5 %	9.80
Depreciation/amortization *	- 6.97	- 5.55	- 1.42	- 25.6 %	- 4.13
EBIT	3.48	3.34	0.14	+ 4.2 %	5.67
EBITDA margin	11.4 %	9.9 %			13.3 %
EBIT margin	3.8 %	3.7 %			7.7 %
Employees	914	835	79	9.5 %	731

*Includes amortization of goodwill

EBITDA in EUR millions



EBIT in EUR millions



DO & CO largely avoided the negative trends emerging in many places last business year and the associated cuts that would have had a negative impact on earnings. It did so primarily by maintaining a constant level of prices and by managing costs efficiently.

According to IAS, consolidated EBIT of the DO & CO group after an amortization of goodwill increased in business year 2001/2002 by EUR 0.14 million to EUR 3.48 million (previous year: EUR 3.34 million).

The EBIT figure in 2000/2001 had been shaped by the high startup and operating costs associated with the opening of four new locations plus the one-time price discount granted to Lauda Air. In business year 2001/2002, the company improved its EBIT in spite of the effects of 11 September and even after taking into account the acquisition of Demel. The EBIT and EBITDA margins both developed positively, the former ending the business year at 3.8 % (previous year: 3.7 %) and the latter at 11.4 % (previous year: 9.9 %).

The result from financing activities for 2001/2002 was EUR 1.09 million lower than the year before, falling to EUR -1.27 million. One main reason for this was the revaluation on the reporting date arising from the obligation to transfer shares to cover the purchase price of K.u.K. Hofzuckerbäcker Ch. Demel's Söhne GmbH.

Consequently, the profit from ordinary activities declined by EUR 0.95 million, falling from EUR 3.16 million in business year 2000/2001 to EUR 2.21 million in the year under review. The effects of the lower result from financial activities outweighed the rise in EBIT, leaving an overall decline in profit from ordinary activities.

The amount spent on income taxes fell by EUR 0.76 million to EUR 0.85 million, which means DO & CO reduced its tax rate to 50.9 %.

Investments in the two previous years (1999/2000 and 2000/2001) were dominated by the international expansion planned in conjunction with the IPO in 1998. Following the opening of gourmet kitchens in New York, Miami, Munich, Frankfurt and Berlin, efforts in business year 2001/2002 focused on building up an organization at these five new locations. Investment in fixed assets therefore amounted to only EUR 2.20 million (previous year: EUR 15.34 million), a figure not even close to the two previous years. In spite of the drop in fixed asset investment, depreciation and amortization increased from EUR 5.55 million to EUR 6.97 million. Unlike 2000/2001, all the new gourmet kitchens were operational the entire year in 2001/2002.

The consolidated equity of the DO & CO group amounted to EUR 34.15 million on the reporting date of 31 March 2002 after EUR 34.17 million the year before. The equity ratio increased in 2001/2002 from 50.5 % to 50.6 %.

Net debts declined by EUR 6.21 million to EUR -5.19 million. The gearing ratio of -17.0 % demonstrates the competent financial management of the DO & CO group and the care being taken to ensure a solid and healthy financial base as the expansion goes forward.

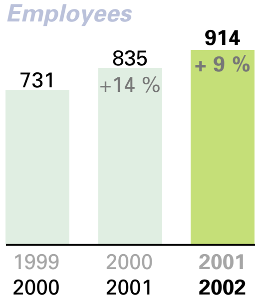
Return on capital employed was 10.5 % in business year 2001/2002, a slight decline on the previous year (10.9 %). The upward trend in earnings and the decrease in capital employed from EUR 36.56 million to EUR 31.08 million indicate a positive development overall. The slight drop is attributable to a short-term rise in the average capital employed.

The cash-flow from operating activities rose from EUR 3.83 million to EUR 8.50 million. This trend and the low level of capital expenditure were the main reasons for the rise in the free cash-flow from EUR -11.88 million to EUR 6.90 million in business year 2001/2002. This was the first time in years that a positive free cash-flow had been recorded.

Personnel is covered in depth on pages 7 and thereafter under the theme "Human Beings & Values."

The following segment reporting in accordance with IAS 14 deviates from the specifications in the International Accounting Standards (IAS) in that it is not fully possible due to the fact that certain companies have operating activities in several lines of business.

Employees

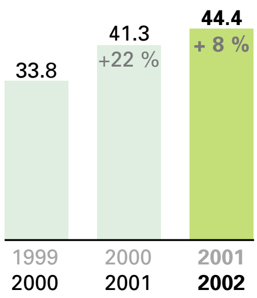


Airline Catering

AIRLINE CATERING	2001/2002	2000/2001	Change		1999/2000
Business year (April - March)	in € millions	in € millions	in € millions	in %	in € millions
Sales	44.37	41.27	3.10	+ 7.5 %	33.84
EBITDA	3.73	3.15	0.58	+ 18.4 %	4.97
Depreciation/amortization *	- 3.57	- 3.06	- 0.51	- 16.7 %	- 1.98
EBIT	0.16	0.09	0.07	+ 77.8 %	2.99
EBITDA margin	8.4 %	7.6 %			14.7 %
EBIT margin	0.4 %	0.2 %			8.8 %
Employees	485	469	16	+ 3.4 %	366
Share in consolidated sales	48.3 %	46.0 %			45.9 %

*Includes amortization of goodwill

Sales in EUR millions

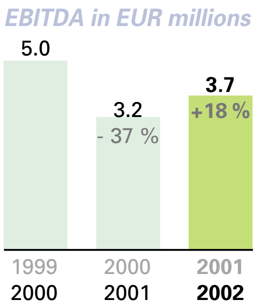


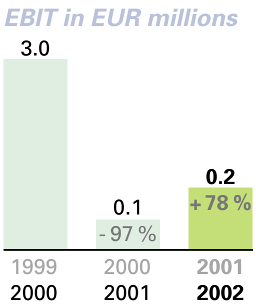
Airline Catering was once again the frontrunner division in terms of sales, generating EUR 44.37 million in sales in business year 2001/2002 (previous year: EUR 41.27 million) and accounting for 48.3 % of total consolidated sales (previous year: 46.0 %). The horrible events of 11 September increased the cost pressure on the entire airline industry and accelerated its effects. Our European locations in Germany, Italy and Austria were not noticeably affected by declines in passenger figures except in the third quarter (September to December 2001) whereas the US locations in New York and Miami faced longer term declines in sales due to the elimination of flights by various airlines.

Thanks to internationalization and a broadened customer base (new airline customers), DO & CO nonetheless succeeded in compensating for temporary declines in passenger figures in the airline industry to achieve growth of 7.5 % on the year before.

Following the addition of Iberia and Turkish Airlines to its clientele, the DO & CO business locations in New York, Miami, Milan, Berlin, Frankfurt, Munich, Salzburg and Vienna were serving 12 airline customers in the year under review: Lauda Air, Lauda Air Italy, British Airways, Turkish Airlines (starting December 2001), Iberia (starting August 2001), Austrian Airlines, Air Mauritius, Crossair, Luxair, Royal Air Maroc, Air Alps and Air Afrique (until October 2001).

In business year 2000/2001, the EBIT margin declined to 0.2 % due to the high startup and operating costs associated with the opening of new locations plus the one-time price discount granted to Lauda Air. In the year under review, results were shaped by the events and aftermath of 11 September. Even in this tense economic situation, DO & CO did not waver from its course of top product quality to safeguard its brand. As a result the company improved its EBITDA here by EUR 0.58 million to EUR 3.73 million (previous year: EUR 3.15 million). EBIT increased in comparison to the 2000/2001 figure of EUR 0.09 million, rising by EUR 0.07 million to EUR 0.16 million even though depreciation and amortization remained high in relation to sales at the five new business locations.



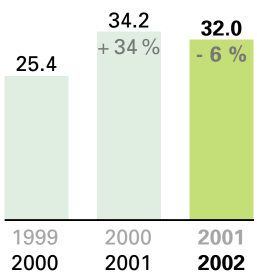


International Event Catering

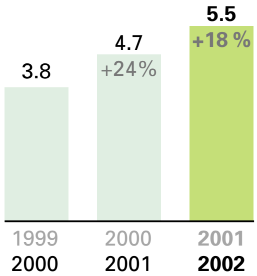
INTERNATIONAL EVENT CATERING	2001/2002	2000/2001	Change		1999/2000
Business year (April – March)	in € millions	in € millions	in € millions	in %	in € millions
Sales	31.96	34.16	- 2.20	- 6.4 %	25.43
EBITDA	5.47	4.65	0.82	+ 17.6 %	3.76
Depreciation/amortization *	- 2.74	- 2.05	- 0.69	- 33.7 %	- 1.62
EBIT	2.73	2.60	0.13	+ 5.0 %	2.14
EBITDA margin	17.1 %	13.6 %			14.8 %
EBIT margin	8.5 %	7.6 %			8.4 %
Employees	143	118	25	+ 21.2 %	120
Share in consolidated sales	34.8 %	38.1 %			34.6 %

*Includes amortization of goodwill

Sales in EUR millions



EBITDA in EUR millions



International Event Catering accounted for 34.8 % of total sales in 2001/2002 (previous year: 38.1 %). Sales were 6.4 % lower than the year before, declining by EUR 2.20 million to EUR 31.96 million. This decline is attributable to a shift of two large-scale events to a different period and was already taken into account in all forecasts.

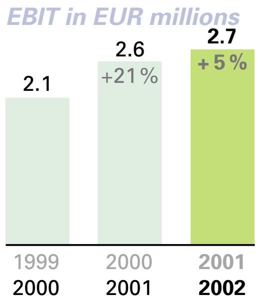
The events of 11 September in the United States were not without consequences for International Event Catering. A sense of insecurity worldwide prompted last-minute cancellations and the postponement of various planned events, especially in September and October. DO & CO managed nevertheless to stabilize divisional sales both nationally and internationally at the extremely high level of the previous year.

A multi-year comparison of sales shows that the figure in 2001/2002 was with EUR 31.96 million far higher, namely 25.7 %, than the one in 1999/2000 (EUR 25.43 million).

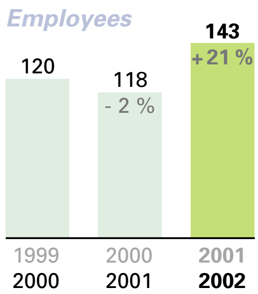
DO & CO catered a total of some 1,800 events in business year 2001/2002 (previous year: approx. 1,700).

A detailed analysis of the various quarters reveals that DO & CO achieved significant sales growth of 21.9 % again in the fourth quarter of 2001/2002 (January to March 2002). This healthy increase is attributable mainly to heavier demand on the German market. What makes it all the more encouraging is that it signals a clear upward trend following short-term declines in sales due to the postponements of large-scale events and the direct effects of 11 September mentioned earlier.

More than any other, this division faced aggressive price reductions by competitors in business year 2001/2002. DO & CO has no intention of abandoning its consistent and serious pricing policy in the future. Although this could occasionally mean that lower bidding competitors might be preferred short-term in an invitation to tender, in the long term it provides a logical and understandable framework for pricing and ensures that the brand, one of the company's most essential assets, is not put in jeopardy. DO & CO will also strive to continue conducting business in this established segment in accordance with the principle "profit before sales."



DO & CO made successful use of the synergy effects from the five new gourmet kitchens for the first time in business year 2001/2002. The advantage of being much closer to the customer at many international events was reflected in lower costs, particularly in logistics. EBITDA improved in the year under review by EUR 0.82 million, or 17.6 %, to EUR 5.47 million. Despite the division's hefty depreciation and amortization for the new locations, EBIT was increased by 5.0 % to EUR 2.73 million. The EBIT margin consequently rose from 7.6 % in 2001/2002 to 8.5 % in the year under review.



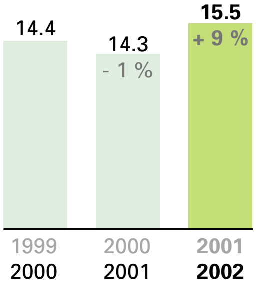
Restaurants & Bars

RESTAURANTS & BARS	2001/2002	2000/2001	Change		1999/2000
Business year (April – March)	in € millions	in € millions	in € millions	in %	in € millions
Sales	15.50	14.26	1.24	+ 8.7 %	14.37
EBITDA	1.25	1.09	0.16	+ 14.7 %	1.07
Depreciation/amortization *	- 0.66	- 0.44	- 0.22	- 50.0 %	- 0.53
EBIT	0.59	0.65	- 0.06	- 9.2 %	0.54
EBITDA-margin	8.1 %	7.6 %			7.4 %
EBIT-margin	3.8 %	4.6 %			3.8 %
Employees	286	248	38	+ 15.3 %	245
Share in consolidated sales	16.9 %	15.9 %			19.5 %

*Includes amortization of goodwill

Restaurants & Bars accounted for 16.9 % of total sales (previous year: 15.9 %). The division's sales climbed to EUR 15.50 million in business year 2001/2002, which represented a rise of EUR 1.24 million, or 8.7 %, on the previous year (EUR 14.26 million).

Sales in EUR millions

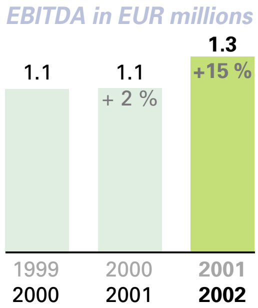


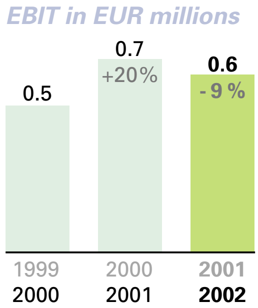
The division's sales trend is attributable to the drop in sales at the DO & CO and Aioli establishments at the Haas Haus on Stephansplatz in downtown Vienna. Owing to the negative effect from the prolonged construction work, people had been less likely to frequent the building. Another major factor in the trend was the acquisition of Demel, which boosted division sales substantially in the fourth quarter (January to March 2002). A third factor is that the catering businesses in Casino Baden (restaurants and bars as well as an event center) improved their already good capacity utilization.

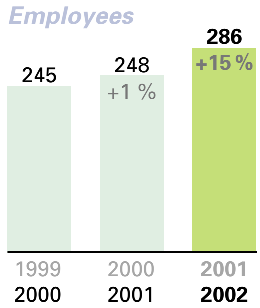
The acquisition of K.u.K. Hofzuckerbäcker Ch. Demel's Söhne GmbH and its subsidiary Café Griensteidl was the focal point of activities in the division, especially in the second half of the year under review. From its base in Restaurants & Bars, Demel offers potential opportunities for growth in this division and, through cross-fertilization, in other divisions as well. Contrary to its announcement in last year's Management Report that it would open no further businesses in this segment, DO & CO decided to seize this unique opportunity for expanding business in Restaurants & Bars.

Following the addition of the Demel brand to the existing DO & CO and Aioli brands this past business year, Restaurants & Bars has become even more important as the R & D Center of the group for developing new concepts.

EBIT was naturally affected by the initial consolidation of Demel and by the renovation work on the Haas Haus which lasted until the middle of the fourth quarter (January to March 2002). EBITDA in 2001/2002 rose by EUR 0.16 million from EUR 1.09 million to EUR 1.25 million while EBIT fell slightly during that same period. Owing to increased depreciation, EBIT declined in 2001/2002 by EUR 0.06 million to EUR 0.59 million (previous year: EUR 0.65 million).







Stock and Investor Relations

DO & CO Restaurants & Catering AG debuted on the Vienna Stock Exchange on 30 June 1998. It is listed along with 39 other companies in the most important trading segment of the spot market, namely the ATX Prime Market. Trading volume in the year under review was EUR 28.3 million.

>> Performance in Business Year Improved by 20.8 % Despite Airline Crisis

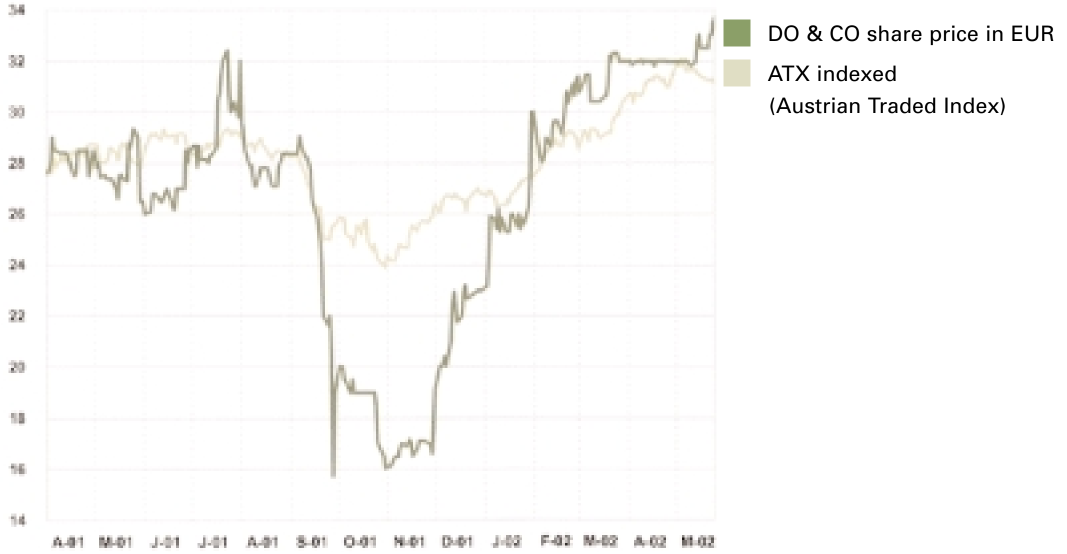
At the start of the business year on 2 April 2001, DO & CO stock was trading at EUR 26.50. It reached its second highest peak of the year (EUR 32.48) on 23 July 2001, which represents an impressive performance gain of 22.6 %. After the collapse of the key international stock exchanges following the horrific terror attacks in the United States, DO & CO stock could not withstand the pull of the general downturn. To its credit, the company was one of the few in the airline catering industry to record rising sales in airline catering even after 11 September, as indicated by the figures published at mid-year (September 2001) and for the first three quarters (December 2001). Trading on the major exchanges was generally weaker in the second half of 2001 due to the terror attacks, the ensuing war in Afghanistan and fears of recession. As the chart clearly shows, the price of DO & CO stock plummeted by 46.8 % between 11 September and 27 September 2001 when it hit its low for the year of EUR 15. Thereafter, it stabilized in mid-October at EUR 19 to establish trendline support at EUR 16.40 on 29 November 2001. From this time forward, the market began correcting the price of the grossly undervalued DO & CO stock. By 30 January 2002, the price had risen by nearly 82 % to EUR 30, reaching its yearly high of EUR 32.90 on 22 March 2002 and ending the year at EUR 32 on 28 March 2002. Based on daily lows and highs, the performance of DO & CO stock throughout the year improved 20.8 % while the ATX rose by just 8.7 % in the same period. Of the 40 stocks listed on the Prime Market, DO & CO ranked 14th.

>> Number 2 Among the TOP Performers in ATX Prime in the First Quarter of 2002

With a first-quarter price gain of 39.4 %, DO & CO stock ranked number 2 among Top performers in the ATX Prime following the end of 2001 while the ATX as a whole gained just 13.05 %.

Despite the logical rebound of the price trend, the management still considers the company greatly undervalued. The price level simply does not reflect the successful development of the DO & CO group. The airline crisis and its well-known ramifications notwithstanding, the group achieved another year of growth in sales, EBITDA and EBIT. It also successfully continued its expansion and business activities, as evidenced by the acquisition of K.u.K. Hofzuckerbäcker Ch. Demel's Söhne GmbH and its subsidiary Café Griensteidl and by the company's first cooperative ventures in the home meal replacement segment.

>> DO & CO share price



>> Key figures per share

		2001 / 2002	2000 / 2001	1999 / 2000
EBITDA	in EUR	6.43	5.55	6.06
EBIT [1]	in EUR	2.97	2.84	4.26
Earnings [2]	in EUR	1.77	1.80	2.98
Dividend	in EUR	0.50	0.50	0.50
Equity	in EUR	18.85	19.46	16.25
High [3]	in EUR	32.40	43.80	58.40
Low [3]	in EUR	15.70	21.50	37.30
Year-end [3]	in EUR	32.00	27.50	44.05
PER high		18.28	24.40	19.59
PER low		8.86	11.98	12.52
PER year-end		18.06	15.32	14.78
Dividend yield	in %	1.6 %	1.8 %	1.1 %
Number of shares year-end	in T	1,624	1,624	1,624
Market capitalization year-end	in m EUR	51.97	44.66	71.54

1 Adjusted to take goodwill amortization into account
2 Adjusted to take goodwill amortization and result from extraordinary activities into account
3 Closing price

>> Details on DO & CO stock:

Securities code:	DOC
Securities no:	081880
ISIN code:	AT0000818802
Trading segment:	Official trading
Market segment:	Prime Market
Contained in the following indices:	WBI, ATX Prime
No. of individual shares:	1,624,000
Listed nominal value:	EUR 11,802,068
Initial listing:	30 June 1998
In free float:	35 %

For relevant information on the capital market, please contact:

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e-mail:	investor.relations@doco.com
Reuters code:	DOCO.VI
Bloomberg code:	DOC AV
Homepage of Vienna Stock Exchange:	www.wienerboerse.at

>> Financial Calendar:

20 June 2002	Annual business results for 2001/2002
10 July 2002	General Meeting of Shareholders
12 July 2002	Dividend ex day
31 July 2002	Dividend payout
29 August 2002	Business results for the first quarter (April to June 2002)
21 November 2002	Business results for the first two quarters (April to September 2002)
February 2003	Business results for the first three quarters (April to December 2002)

>> Dividend Distribution

The Management Board of DO & CO Restaurants & Catering Aktiengesellschaft will propose to the General Meeting of Shareholders on 10 July 2002 that a dividend of EUR 0.50 per share be distributed for the business year 2001/2002. This corresponds to a dividend yield of 1.6 % in relation to the closing price on 28 March 2002.

>> Stock Buyback

On 4 January 2002, the Management Board exercised the right conferred upon it on 11 July 2001 at the General Meeting of Shareholders to buy back company shares and launched a stock buyback program. The pertinent resolution was passed by the Management Board of DO & CO Restaurants & Catering Aktiengesellschaft on 19 December 2001.

Key Information on Buyback Program

Duration:	From 4 January to 30 September 2002 at the latest
Intended volume:	A maximum of 162,400 shares, or 10 % of the current share capital
Purchase price:	The purchase price may not exceed the average price of the previous 10 trading days nor be less than half of this average price.
Mode of purchase:	Over the Vienna Stock Exchange
Purpose of purchase:	To acquire treasury stock as defined in Section 65.1.8 Stock Corporation Act and if need be to withdraw them unless another use for them is decided in a future General Meeting of Shareholders.

Up to 31 March 2002, the company had purchased 750 shares at an average price of EUR 30.41. The capital required for this purchase amounted to EUR 22,807.50. A report will be made at the General Meeting of Shareholders on 10 July 2002 on how the buyback program has been going since that date.

>> Investor Relations

With a market capitalization of nearly EUR 52 million (end of March 2002), the DO & CO group is one of the most interesting high growth company's in Austria. In recent years, it has steered a steady and controlled course of national and international expansion. The DO & CO group unites a number of business units, e.g. Airline Catering, International Event Catering, Restaurants & Bars as well as Logistics and Consulting. This breadth allows the management to respond quickly and flexibly to changes in conditions and customer behavior. What sets us apart from other catering and restaurant companies are our continuous and successful efforts to protect and further develop the premium brands DO & CO – Aioli – Demel and the top product and service quality deriving from them.

This makes the DO & CO group unique and sometimes makes it difficult for analysts and investors to benchmark it against other comparable companies.

We will therefore give more priority than ever before to investor relations in the future, i.e. to explaining and presenting DO & CO as the "International Gourmet Entertainment Company" in meetings with private and institutional investors and analysts. The management will step up efforts to engage in dialog with existing and potential shareholders at company presentations and investor conferences.

This naturally includes intensive communication with the investment community. One indication of our serious intent is this business report which presents in-depth information and financial statements prepared in accordance with International Accounting Standards (IAS). Following the acquisition of Demel, we will now also fulfil a promise given in last year's Annual Report to revamp our internet site. The changes will give every interested target group quick, efficient access to clear-cut, up-to-date and relevant information on DO & CO. This will help the public to understand the company better and facilitate a more commensurable valuation of the company on the market.

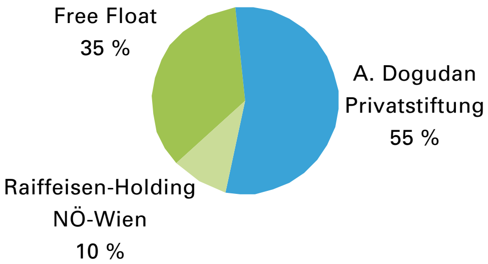
>> Corporate Governance

Over the past few weeks, Austria, too, has seen the start of a – long overdue – discussion on corporate governance and its coverage by the media. Greater transparency and accountability are principles relevant not only to large corporations but to companies of all sizes. Best practices are crucial and integral components of the DO & CO corporate philosophy. We see this discussion as an opportunity to redouble our strong commitment to these principles and have every intention of abiding by a future Austrian Code of Corporate Governance even if compliance is voluntary.

>> Changes in the Ownership Structure

Raiffeisen-Holding Niederösterreich-Wien registrierte Genossenschaft mit beschränkter Haftung (R-Holding NÖ-Wien) announced in March 2002 that it had acquired a qualified interest of 10 % of the share capital in DO & CO Restaurants & Catering Aktiengesellschaft. The entry of this financially potent investor into the shareholder structure strengthens it all the more. R-Holding NÖ-Wien considers its investment in DO & CO to be a long-term one and wishes to participate in the further growth of the company in this mutually beneficial arrangement.

The management of DO & CO welcomes the entry of this new core shareholder because it clearly demonstrates the investor's confidence in the value and future of our company. Proof of the effective cooperation within the partnership came in January 2002 when we acquired Demel from Raiffeisen-Holding NÖ-Wien.



The Environment

As a production and processing company, DO & CO is a generator of solid waste and waste water and a consumer of environmental resources. The company is aware that conducting business worldwide means taking responsibility worldwide – especially for environmental protection. At DO & CO, environmental protection is integrated into all company areas and operational processes. In this way, we discharge this responsibility and actively improve the level of environmental protection. What's more, thanks to the company's environmental efficiency, we also increase our economic success through long-term ecologically minded action.

Constantly improving the company's environmental policies is a central task of the DO & CO Department of the Environment and Hygiene. The department is supported by an environmental team charged with regularly monitoring the environmental status of the company to detect potential areas for improvement and to implement appropriate measures for the environment and the company.

The company has worked hard to raise general awareness about the urgency and importance of ecology and has cooperated closely with employees and suppliers on this matter. As in past years, these efforts helped DO & CO to achieve further reductions in the residual waste volume and to improve waste water values.

Accomplishments in detail:

>> The composite packaging used for milk and pasteurized egg products was replaced by reusable containers and ecological boxes. Our stepped up environmental training in production further increased the volume of recyclable materials collected.

>> After discussing and analyzing the subject of residual waste reduction with DO & CO suppliers, we were able to bring about certain changes in fish packaging and thereby greatly reduce the volume of Styrofoam boxes used.

>> The company's shift to micro-fiber products in building maintenance significantly reduced the amount of cleaning agents required.

>> DO & CO further improved waste water values in the year under review by putting fat flocculating agents in our fat-collecting devices.

>> In a trial project, DO & CO has been running two trucks in its fleet on bio diesel since November 2001. This project is intended to lead to further conversions, implementation of which will be worked out in business year 2002/2003.

>> Suggestions and ideas from employees on environmental measures and improvements in environmental management will continue to be collected in a special postbox reserved for this purpose. We will also continue to award prizes for these ideas, and to evaluate and implement them in special company projects.

Building on its successes in business year 2001/2002, the DO & CO Environmental Team plans to carry out projects in the coming year involving:

>> Conversion of the entire fleet to bio diesel operation and installation of tank and pump systems (20 % of bio diesel required by company is to be covered by edible oil discarded at DO & CO businesses, the rest will be purchased).

>> Better separation of waste into reusable material fractions so as to reduce the volume of residual waste at events.

>> Implementation of a new waste plan covering all the group's business locations in Vienna to eliminate garbage transport runs and generally reduce them.

>> Meetings with suppliers to urge use of large and/or reusable containers so that the residual waste volume can be further reduced.

>> Greater ecological awareness on the part of all DO & CO employees through special training courses and an open invitation to each and every employee to become actively involved in measures to protect the environment.

Outlook

We anticipate no major change in 2002 in the difficult economic climate. This view is also reflected in the varying forecasts for economic growth in Austria, Europe and the United States. A significant economic recovery will continue to be a subject in 2003.

The dramatic turn of events in the aviation industry last year foreshadowed a continued decline in passenger volume again this year prior to a turnaround in 2003 and substantial growth. The major trends in the year under review were as follows: reduction in passenger kilometers and available seat kilometers, adaptations of route networks to changes in consumer demand, and a worse passenger mix with a definite shift to Economy Class bookings. Further exacerbating the situation were the bargain carriers who made the competition for air passengers all the fiercer and put the major airlines to a grave test as regards yields and cost structures.

DO & CO sees the changing business environment as a challenge and has every intention of rising to that challenge. We proved already in the year under review that we are able to transform a crisis into an opportunity. For DO & CO, this means an even greater focus this year on in-flight product and onboard consulting. By continuously refining an in-flight product that stands out for its quality and uniqueness, DO & CO will set new standards for premium products in the international airline catering industry. Above and beyond that, developments also prompt us to take on a bigger role than in the past as consultants for Economy and Business Class catering. This entails offering holistic service plans, menu planning and design as well as providing advice on flight attendant training. Even under these changed business conditions, the DO & CO management is confident of the company's ability to win over new airline customers in the European and American market and to continue catering existing airline customers with our products and services, also at other DO & CO business locations. We therefore expect another rise in sales at Airline Catering in the current business year.

In International Event Catering, our goal is to achieve further stabilization of the DO & CO brand in our core markets, especially in Germany and the United States. Efforts will focus in general on the brand policy and the clear branding of DO & CO and of Aioli for the broad-based quality market and Demel as a traditional brand standing for the world's best premium pastries and confections. Our objective is to detect the needs of customers at the right time and to meet those needs by offering the highest standards of quality. To do so, DO & CO must position itself even more effectively as a total supplier and organizer of events (consulting, planning, organization, marketing). Based on current market assessments, we expect International Event Catering also to increase its sales in business year 2002/2003.

Restaurants & Bars was expanded at the beginning of 2002 when Demel and its subsidiary Café Griensteidl were added to the division. One priority here will be to integrate and optimize the Demel group by combining the proven and internationally recognized quality and tradition of Demel with the "up-to-date premium quality lifestyle" associated with DO & CO.

Other important goals will be to achieve an economic turnaround in the medium term, to utilize synergies and to move forward on further optimizing the costs. At the same time, the unique culture of this company will be revitalized and Demel will become established as the world's number 1 in confectionery. With construction now completed in the Haas Haus, the volume of visitors at our restaurants and bars on Vienna's Stephansplatz is expected to rise accordingly and make a noticeable contribution to group earnings.

In keeping with the new trends in international consumer requirements, more attention will be devoted in the current year to business in home meal replacement and the opening of DO & CO shops.

Based on today's assessment of the market, we expect sales and EBIT to increase in business year 2002/2003 despite the difficult business climate and the serious changes that have occurred in the aviation industry.

What are the medium-term goals of DO & CO?

- To focus on key markets with high and appealing potential for growth
- To concentrate on top quality products and transactions which are highly profitable
- To consolidate what has been achieved so far, create further value and growth, both internally and through partnerships and acquisitions
- To achieve a lasting rise in earning power by constantly increasing productivity and fully utilizing all potential for reducing costs
- To continue highlighting DO & CO as the innovative, full-range Number 1 Global Gourmet Entertainment Company in existing and future markets
- To develop new international marketing strategies which are systematic and synergetic (DO & CO, Aioli, Demel)
- To diversify into other similar areas such as home meal replacement, shops, hospitality, consulting
- To be a "no headache partner" and apply best practices ("Best of..." strategy). As such, to continuously meet our objective of fulfilling or even surpassing the needs and expectations of customers and partners with innovative, top-quality solutions tailored to their needs.

Franz Kubik   Attila Dogudan   Michael Dobersberger

Report of the Supervisory Board

The Supervisory Board has fulfiled its responsibilities according to legal provisions and the articles of association in business year 2001/2002 in six 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 and provided it with information.

Besides the further strategic development of the various lines of business, the meetings focused on the ongoing internationalization of the DO & CO group and on the acquisition of K.u.K. Hofzuckerbäcker Ch. Demel's Söhne GmbH.

The Supervisory Board also dealt with the issue of enlarging the Management Board. On 1 December 2001, Franz Kubik assumed the position of chief financial officer. Mr. Kubik was previously on the management board of CA-IB, a subsidiary of Bank Austria Investmentbank and has known DO & CO for many years. He also handled the successful IPO of DO & CO in June 1998.

The annual financial statements plus notes of DO & CO Restaurants & Catering Aktiengesellschaft as of 31 March 2001 along with the Management Report were prepared in accordance with Austrian accounting regulations and audited by CENTURION Wirtschaftsprüfungs- und Steuerberatungsgesellschaft m.b.H. The audit with its final result gave rise to no objections and the auditor issued an unqualified opinion on it. The consolidated financial statements as of 31 March 2002 plus notes was prepared for the first time in accordance with International Accounting Standards (IAS) with the company availing itself of the option under Section 245 a Austrian Commercial Code. They, too, were audited by CENTURION Wirtschaftsprüfungs- und Steuerberatungsgesellschaft m.b.H.

The Supervisory Board examined the financial statements for 2001/2002 along with the management report and approved them. They are thus adopted in accordance with Section 125 (2) Stock Corporation Act.

The Supervisory Board also examined the suggestion for the appropriation of profit of DO & CO Restaurants & Catering Aktiengesellschaft. At the General Meeting of Shareholders on 10 July 2002, a proposal will be made to distribute a dividend of EUR 0.50 per share entitled to a dividend from the total balance-sheet profit of EUR 12,390,450.01 and to carry the remaining amount 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 2002/2003.

Vienna, 17 June 2002

Waldemar JUD
Chairman of the Supervisory Board

CONSOLIDATED FINANCIAL STATEMENTS 2001 / 2002
of the DO & CO GROUP
according to IAS

Balance Sheet as of 31 March 2002

Notes No.	ASSETS	31 March 2002 in TEUR	31 March 2001 in TEUR
	Intangible assets	3,470	2,433
	Tangible assets	35,823	37,323
	Investments	467	280
(1)	Fixed assets	39,760	40,036
(2)	Other long-term assets	431	345
	Long-term assets	**40,191**	**40,381**
(3)	Inventories	2,441	1,843
(4)	Trade accounts receivable	9,866	12,129
(4)	Other short-term accounts receivable and assets	3,274	3,782
(5)	Cash and cash equivalents	5,194	4,708
	Current assets	**20,775**	**22,462**
(6)	**Deferred taxes**	**2,228**	**989**
	Total assets	**63,195**	**63,832**

Notes No.	LIABILITIES AND SHAREHOLDERS' EQUITY	31 March 2002 in TEUR	31 March 2001 in TEUR
	Capital stock	11,802	11,802
	Capital reserves	13,081	13,081
	Revenue reserves	5,543	4,704
	Foreign currency translation reserve	3,089	3,080
	Treasury stock	-23	0
	Consolidated result	1,001	1,667
	Minority interests	-344	-161
(7)	**Shareholders' equity**	**34,150**	**34,174**
(8)	Long-term provisions	4,189	2,377
(9)	Other long-term liabilities	1,943	2,296
	Long-term liabilities	**6,132**	**4,673**
(10)	Short-term provisions	13,655	8,019
(11)	Short-term financial liabilities	0	5,728
(12)	Trade accounts payable	6,445	7,321
(12)	Other short-term liabilities	2,813	3,918
	Current liabilities	**22,913**	**24,985**
	Total liabilities and shareholders' equity	**63,195**	**63,832**

The following Notes to the Consolidated Financial Statements are an integral part of these Consolidated Financial Statements.

Income Statement
for Business Year 2001 / 2002

Notes No.		2001 / 2002 in TEUR	2000 / 2001 in TEUR
(13)	**Sales**	**91,826**	**89,691**
(14)	Other operating income	2,283	1,956
(15)	Costs of materials and services	-29,334	-31,834
(16)	Payroll costs	-34,693	-32,007
(17)	Depreciation of tangible fixed assets and amortization of intangible fixed assets	-5,635	-4,343
(18)	Amortization of goodwill	-1,337	-1,206
(19)	Other operating expenses	-19,631	-18,918
(20)	**EBIT – Operating result**	**3,479**	**3,340**
(21)	Financial result	-1,271	-181
	Result from ordinary business activities	**2,208**	**3,159**
(22)	Extraordinary result	-541	0
(23)	Income tax	-848	-1,610
	Result after income tax	**819**	**1,549**
(24)	Minority interests	181	118
	Consolidated result	**1,001**	**1,667**

		in EUR	in EUR
(25)	**Earnings per share before amortization of goodwill and result from extraordinary activities**	**1.77**	**1.80**
(25)	**Earnings per share**	**0.62**	**1.04**
(26)	**Planned or paid-out dividend per share**	**0.50**	**0.50**

The following Notes to the Consolidated Financial Statements are an integral part of these Consolidated Financial Statements.

Cash - Flow Statement

In TEUR		2001 / 2002	2000 / 2001
	Result from ordinary business activities	**2,169**	**3,159**
+	Depreciation and amortization	6,971	5,941
-/+	Gains/losses from disposals of fixed assets	839	37
+/-	Earnings from associated companies	2	-10
-	Other non cash income	-1	-1
-/+	Increase/decrease in inventories and short-term accounts receivable	3,987	-6,132
+/-	Increase/decrease in provisions	1,040	-874
+/-	Increase/decrease in trade accounts payable and other liabilities	-2,981	2,491
+/-	Currency-related changes in non fund assets	-266	-123
+/-	Change in adjustment items from debt consolidation	9	1,793
+/-	Payment flows from extraordinary activities	-541	0
-	Income tax payments	-2,727	-2,449
	Cash-flow from operating activities	**8,502**	**3,830**
+	Incoming payments from disposals of tangible and intangible fixed assets	2	3
-	Outgoing payments for additions to tangible and intangible fixed assets, including the acquisition of subsidiaries (changes to the scope of consolidation)	-1,408	-15,442
-	Outgoing payments for additions to long-term investments	-109	-59
+	Incoming payments for disposals of long-term investments	0	9
-/+	Increase/decrease in long-term liabilities	-86	-222
	Cash-flow from investing activities	**-1,601**	**-15,712**
-	Dividend payment to shareholders	-812	-799
+/-	Payment flows from the acquisition of Treasury stock	-23	133
+/-	Increase/decrease in short-term financial liabilities	-5,728	5,728
+/-	Changes specific to consolidated financial statements undertaken in other adjustment items	0	54
	Cash-flow from financing activities	**-6,563**	**5,117**
	Total cash-flow	**338**	**-6,765**
	Cash and cash equivalents at the beginning of the year	4,708	12,714
	Effects of exchange rate changes on cash and cash equivalents	8	80
	Change to cash and cash equivalents as a result of changes in the scope of consolidation	141	-1,321
	Cash and cash equivalents at the end of the year	5,194	4,708
	Change in funds	**338**	**-6,765**

Subsidiaries

of DO & CO Restaurants & Catering AG as of 31 March 2002

Company	Place of registration	Country	Share of stock in %	Controlling company[1]	Currency	Nominal capital TDC[2]	
Companies included in full in the consolidated accounts							
DO & CO Party-Service & Catering GmbH	Vienna	A	100.0	DCAG	EUR	36	3)
DO & CO im Haas Haus Restaurantbetriebs GmbH	Vienna	A	100.0	DCAG	EUR	36	3)
DO & CO Catering-Consult & Beteiligungs GmbH	Vienna	A	100.0	DINV	EUR	36	3)
DO & CO - Salzburg Restaurants & Betriebs GmbH	Salzburg	A	100.0	DCAG	EUR	36	3)
DO & CO - Baden Restaurants & Veranstaltungs GmbH	Baden	A	100.0	DCAG	EUR	36	3)
AIOLI - Vienna Airport Restaurants & Catering GmbH	Schwechat	A	100.0	DCAG	EUR	36	3)
AIOLI Restaurants & Party-Service GmbH	Vienna	A	100.0	DCAG	EUR	36	3)
K.u.K. Hofzuckerbäcker Ch. Demel's Söhne GmbH	Vienna	A	100.0	DCCC	EUR	799	4)
B & B Betriebsrestaurants GmbH	Vienna	A	100.0	DCAG	EUR	36	3)
DO & CO (Deutschland) Holding GmbH	Berlin	D	100.0	DINV	EUR	25	5)
DO & CO München GmbH	Schwaig/Oberding	D	100.0	DDHO	EUR	25	5)
DO & CO Frankfurt GmbH	Kelsterbach	D	100.0	DDHO	EUR	25	5)
DO & CO Berlin GmbH	Berlin	D	100.0	DDHO	EUR	25	5)
DO & CO Italy S.r.l.	Milan	I	100.0	DCAG	EUR	1,275	
DO & CO International Catering Ltd.	London	GB	100.0	DCAG	EUR	30	6)
DO & CO International Investments Ltd.	London	GB	100.0	DCAG	EUR	0	6)
DO & CO Holdings USA, Inc.	Wilmington	USA	90.0	DINV	USD	100	
DO & CO Miami Catering, Inc.	Miami	USA	90.0	DHOL	USD	1	
DO & CO New York Catering, Inc.	New York	USA	90.0	DHOL	USD	1	
DO & CO International Catering USA, L.L.C.	Wilmington	USA	100.0	DCAG	USD	1	
Companies included at equity in the consolidated accounts							
DO & CO - LAUDA-AIR Restaurants, Catering & Handling GmbH	Vienna	A	50.0	DCAG	EUR	150	
Companies not included in the consolidated accounts							
Cafe-Restaurant & Catering im Casino Wien GmbH	Vienna	A	100.0	DCCC	EUR	35	

1) DCAG = DO & CO Restaurants & Catering AG
DCCC = DO & CO Catering-Consult & Beteiligungs GmbH
DHOL = DO & CO Holdings USA, Inc.
DINV = DO & CO International Investments Ltd.
DDHO = DO & CO (Deutschland) Holding GmbH

2) TDC = in thousands of domestic currency units

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

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

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

6) The nominal capital was initially paid in GBP.

Notes

In application of the provision of Section 245 a Austrian Commercial Code, these consolidated financial statements of DO & CO Restaurants & Catering AG as of 31 March 2002 were prepared for the first time in accordance with the provisions of the Guidelines of the International Accounting Standards Committee (IASC) and the interpretations of the Standing Interpretations Committee (SIC) in effect on the reporting date. The decision to prepare the consolidated accounts in accordance with International Accounting Standards was prompted by the listing of the DO & CO stock in the Prime Market segment of the Vienna Stock Exchange (Wiener Boerse AG) starting 1 January 2002. The decision is also in line with the goal of applying internationally harmonized accounting standards and of gaining increased acceptance on global financial markets as well as the ongoing internationalization of the DO & CO group.

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 Restaurant & Bars.

These consolidated financial statements of DO & CO Restaurants & Catering AG and its subsidiaries were prepared in accordance with the International Accounting Standards (IAS) in effect for business year 2001/2002.

If not already required to do so under national law, 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. In the case of K.u.K. Hofzuckerbäcker Ch. Demel's Söhne GmbH, Vienna, which was included in the consolidated accounts of DO & CO Restaurants & Catering AG for the first time, the unqualified opinion for the financial statements as of 31 March 2002 was supplemented by a reference to the not yet completed audit of the financial statements as of 31 December 2001. No material changes to these consolidated financial statements are expected. The financial statements of all subsidiaries included in the consolidated accounts were all properly prepared in accordance with the parent's standard group-wide accounting and valuation principles as stipulated in IAS, with items required by national law being retained if of negligible significance.

2. Consolidation Principles

2.1. Scope of Consolidation

The scope of consolidation was determined in accordance with the principles of IAS 27 (Consolidated Financial Statements). As of 31 March 2002, nine domestic and eight foreign subsidiaries were included in the consolidated accounts of DO & CO Restaurants & Catering AG, all wholly-owned directly or indirectly by the company. Cafe-Restaurant & Catering im Casino Wien GmbH, an equity interest in which was acquired on the reporting date 1 January 2002, was not included in these consolidated accounts as it has no material effect on the group's assets and financial and earnings position. It accounts for only 0.2 % of the consolidated sales. 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 the consolidated financial statements as of 31 March 2002, the domestic subsidiary over which economic and factual control was established as of the reporting date 1 January 2002, was included in the consolidated accounts for the first time:

Name of the Company	**Share of stock in %**
K.u.K. Hofzuckerbäcker Ch. Demel's Söhne GmbH, Vienna	100 %

The goodwill recorded from the initial consolidation of K.u.K. Hofzuckerbäcker Ch. Demel's Söhne GmbH, Vienna, in the consolidated accounts, with an acquisition cost of TEUR 2,664, is subject to change in the following business year depending on two factors. The first is the amount of equity at the time of initial consolidation, as the audit of the financial statements as of 31 December 2001 were not yet completed. The second is the amount of the consideration to be rendered by the agreed closing date.

2.2. Consolidation Methods

The initial consolidation was carried out on 1 April 1997 or at the later date of acquisition or at a time close to the reporting date if the effects thereof were immaterial as compared with the date of acquisition. With fully consolidated associated companies, capital was consolidated on the basis of the proportional present value of the equity interest. In the process, the book value of the equity interest was offset against the subsidiary's proportional share of shareholders' equity allocable to the interest at the time of acquisition ("purchase method"). The remaining differences carried as assets were recorded as goodwill unless allocable to identifiable assets. The difference carried under assets after allocation of hidden reserves was recorded as goodwill and is amortized over its expected useful life of five to nine years. Differences totaling TEUR 22 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. Differences carried as liabilities which surpassed the applicable current market values of the acquired assets and which did not result from negative expectations regarding future earnings were recorded as TEUR 20 in a way that affected profit and loss. Declines in goodwill are recorded in that their acquisition cost is reduced through the capitalization of other identifiable assets, particularly capitalized deferred tax which can later be used.

The differential amounts from capital consolidation carried forward as of 31 March 2002 were as follows:

In TEUR	**31 March 2002**	**31 March 2001**
Capitalized goodwill	2,729	2,215

The capital of the associated company was consolidated on the basis of the proportional current value of the equity interest, with any national valuation methods retained which had immaterial effects on the annual result included proportionally in the consolidated financial statements.

Minority interests in the equity of fully consolidated subsidiaries which exceeded these companies' proportional share of equity due to incurred losses are offset against the consolidated equity and reported separately.

In the course of debt consolidation, receivables and payables between consolidated companies were offset. Moreover, sales revenues and other income from deliveries and services between the fully consolidated companies have been offset against the corresponding expense items. Any interim results in fixed and current assets from deliveries and services within the group were eliminated except those of negligible significance. Discounts applied to determine the current value of future payments and other one-sided entries affecting profit/loss were adjusted in the consolidated financial statements.

2.3. Currency Translation

The annual financial statements of the foreign subsidiaries were translated in accordance with the functional currency principle as stipulated in IAS 21 (the effects of changes of foreign exchange rates). 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 subsidiaries with their registered place of business outside the territory of the member states 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 2002. Income and expenses in the Income Statement were translated at the annual average rate while depreciation and the annual profit/loss items were converted at the mean rate on the reporting date of 31 March 2002.

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 equity of foreign companies with a registered place of business outside the territory of the member states of the European Union was converted on the basis of the historical rate applicable to the given item.

Non-realized translation differences in conjunction with monetary items which are economically allocable to a share in an associated company, particularly borrowings under company loans issued 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 2002	31 March 2001	2001/2002	2000/2001
	EUR	EUR	EUR	EUR
1 US-dollar	1.14561	1.13408	1.13624	1.10567

3. Accounting and Valuation Principles

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, allocated depreciation or less unscheduled and continued depreciation. 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 2001 were written down at half the annual rate.

The following service life figures based on expected economic or technical usefulness were applied in the main to the scheduled, straight-line depreciation and amortization of fixed assets:

a) Intangible fixed assets	3.0	to	25.0	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	2.0	to	10.0	years
e) Other production plant and office equipment	1.5	to	10.0	years

Low-value assets are immediately written down to a token amount during the year of acquisition to the full extent permitted by tax law. In the schedule of changes in fixed assets, low-value assets are recorded as a disposal on expiration of a period of assumed usefulness of 3 years.

Investment grants are recorded under liabilities and written down in a way affecting the result in accordance with the subsidized asset.

Leased tangible fixed assets deemed economically to be asset purchases involving long-term financing and a transfer of substantially all the risks and rewards incident to asset ownership (finance lease) were recorded under assets at their present value in accordance with IAS 17 (leases). Amortization is scheduled and undertaken in accordance with the useful economic life of the assets. Payment obligations arising from the future leasing rates were appropriately discounted and recorded under trade payable.

Assets with indications of diminished value and present values of future payment surpluses under the book values are written down in accordance with IAS 36 (impairment of assets) to a value obtainable if they were sold singly or to the liquidation value.

The investments in an associated company were valued at equity. A non-consolidated associated company and the securities carried under fixed assets as cover for long-term personnel provisions were valued at the cost of acquisition or the lower applicable value.

Inventories were valued primarily using the moving average price method or at the cost of acquisition applying the lower of cost or market principle. Inventory was determined by physical stock-taking conducted very near the balance sheet date.

Accounts receivables and other assets were carried as assets at their nominal value unless, in the case of discernible specific risks, suitable value adjustments were made and the lower applicable value was to be used. Non-interest or non-interest-bearing receivables were recorded at their discounted present value. Foreign-currency items from the financial statements of individual companies included in the consolidated accounts were largely valued at the foreign-exchange buying rate as of the reporting date unless the price of acquisition was below the foreign-exchange buying rate as of the reporting date with the deviations being not insubstantial.

Current financial assets (cash in hand and at banks) was recorded under cash and cash equivalents and, in the case of receivables expressed in foreign currency, valued at the current market rates.

Deferred taxes were allocated in accordance with IAS 12 (income tax) for all temporary valuation and accounting differences between the values applied in the individual companies' balance sheets under commercial law and under tax law as well as for consolidation operations unless the latter are irrelevant to taxes. The value adjustments were calculated on the basis of the usual national income tax rate of the group company involved at the time of the reversal of the value difference. Capitalized deferred taxes on loss carry-forwards were recorded to the extent that they can be expected to be realized in the future within a foreseeable period.

Prepaid expenses or deferred income are carried under other receivables or liabilities. These items pertain to expenditures or incoming payments received prior to the reporting date but intended for a certain time after that date.

The projected benefit obligation method was applied in calculating Austrian group companies' obligations to employees under the law or collective agreement to set up a one-time severance payment to be paid out on dismissal or retirement. In the process, the projected benefits were determined on the basis of the previous year's calculation applying an imputed rate of 4.5 % p.a., expected pay raises (2 % p.a.) and a retirement age of 60 for female employees and 65 for male employees. A provision for long-service anniversaries primarily for employees at domestic companies was recorded under liabilities as an obligation similar to severance payments. This provision was determined on the basis of the same calculation factors applied to severance provisions.

The present value of these provisions were determined in an expertise and recorded under liabilities taking into account a discount for age-related fluctuation. Performance-based severance obligations of foreign companies were provided for in accordance with comparable methods unless contribution-based retirement pension systems were involved, as with US subsidiaries in particular.

Other long and short-term provisions take account of all discernible risks and uncertain liabilities in an amount deemed most probable after careful analysis of the situation.

Liabilities have been valued at acquisition cost, the nominal value or a higher repayment value. Foreign currency liabilities were valued at the selling rate applicable on the reporting date.

To a certain extent, consolidated financial statements require that estimates and assumptions be made which affect the balance-sheet assets and liabilities involved, information on other obligations as of the reporting date, and the presentation of income and expenses during the business year. The amounts actually realized in the future could diverge from these estimates.

II. Notes to the Balance Sheet and the Income Statement

1. Notes to the Balance Sheet

(1) Fixed Assets

In TEUR	31 March 2002	31 March 2001
Intangible assets	3,470	2,433
Tangible assets	35,823	37,323
Investments	467	280
Total	**39,760**	**40,036**

A breakdown of the fixed asset items summarized in the consolidated balance sheet and changes in them during business year 2001/2002 are shown in the attached assets schedule. Changes in the scope of consolidation from acquired additions were reported separately. Translation adjustments are the amounts resulting from the translation of assets of foreign subsidiaries at the different reporting-date rates prevailing at the beginning and end of the year under review.

The intangible fixed assets recorded pertain to goodwill from the capital consolidation as well as other rights, in particular trademark titles and software licenses. There were no company-produced intangible fixed assets eligible for capitalization in the year under review.

The land included under tangible assets has a value of TEUR 3,975 (previous year: TEUR 3,935). The company undertook unscheduled depreciation amounting to TEUR 253 (previous year: TEUR 0) for investments in buildings owned by others.

The following amounts were recorded under tangible assets (other production plant and office equipment) based on finance lease agreements the company entered into:

In TEUR	31 March 2002	31 March 2001
Acquisition costs	2,299	2,299
Accumulated depreciation	574	114
Book value	1,725	2,185

Obligations from the use of property, plant and equipment not reported in the balance sheet pertain to lease or rental agreements on movables and to leases on real estate.

In TEUR	31 March 2002	31 March 2001
In the following business year	4,500	3,721
In the next five business years	21,163	18,506

Other production plant and office equipment includes standard values of TEUR 153 (previous year: TEUR 91) for tableware, cutlery, table linen and wraps. The standard values were carried under assets at the companies producing sales in the Restaurant & Bars Division.

Expenses arising from an equity interest in an associated company valued at equity amounted to TEUR 2 in business year 2001/2002 (previous year: income of TEUR 10).

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 in accordance with the provisions of Austrian tax law. At book value, the holdings totaled TEUR 385 (previous year: TEUR 234); the sale value of these securities amounted to TEUR 387 (previous year: TEUR 240). The other securities carried under fixed assets were valued at acquisition cost.

(2) Other Long-term Assets

In TEUR	31 March 2002	31 March 2001
Other long-term assets	431	345
Total	**431**	**345**

Other long-term assets of subsidiaries included in the consolidated accounts pertain primarily to capitalized advance income tax payments by DO & CO Restaurants & Catering AG due to the latter having a business year that diverges from the calendar year and to deposit payments made for leased facilities.

(3) Inventories

In TEUR	31 March 2002	31 March 2001
Raw materials and supplies	640	642
Goods	1,800	1,201
Total	**2,441**	**1,843**

Goods purchased for resale included TEUR 1,052 (previous year: TEUR 874) 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.

(4) Trade Accounts Receivable, Other Short-Term Accounts Receivable and Assets

The current assets with a residual term of less than a year can be summarized as follows:

In TEUR	31 March 2002	31 March 2001
Trade accounts receivable	**9,866**	**12,129**
Accounts receivable from group companies	25	0
Accounts receivable from associated companies	0	6
Other accounts receivable and assets	2,791	3,405
Prepaid expenses and deferred charges	458	371
Total of other current accounts receivable and other current assets	**3,274**	**3,782**
Total	**13,140**	**15,911**

Trade accounts receivable from the previous year evidenced by promissory notes totaled TEUR 57.7.

(5) Cash and Cash Equivalents

In TEUR	31 March 2002	31 March 2001
Cash, checks	97	160
Cash at banks	5,097	4,548
Total	**5,194**	**4,708**

(6) Deferred Taxes

Deferred taxes carried on both sides of the balance sheet result from the following temporary accounting and valuation differences between the reported book values and the corresponding bases of assessment for taxation:

In TEUR	31 March 2002		31 March 2001	
	Assets	Liabilities	Assets	Liabilities
Intangible fixed assets	353	-763	1	-102
Property, plant and equipment	192	-17	138	-898
Financial assets	47		42	
Inventories		-77		-77
Accounts receivable	2	-251		-25
Cash and cash equivalents		-4		
Provisions	246	-1	153	-1
Liabilities	805		1,001	-51
Total deviations in balance sheet	**1,644**	**-1,114**	**1,335**	**-1,153**
Tax losses carried forward	6,232		1,373	
Valuation discount for capitalized deferred tax	-4,534		-578	
Offsetting of differences with the same tax authorities	-1,114	1,114	-1,141	1,141
Total	**2,228**	**0**	**989**	**-12**

No deferred taxes were capitalized in these consolidated financial statements for differences on the asset sides and for tax loss carry-forwards totaling TEUR 4,534 (previous year: TEUR 578).

(7) Shareholders' Equity

The capital stock of DO & CO Restaurants & Catering AG totals EUR 11,802,068.26 and is divided into 1,624,000 individual bearer shares endowed with voting rights.

At the General Meeting of Shareholders on 11 July 2001, the Management Board was authorized in accordance with Section 65 para 1 (8) Stock Corporation Act as amended in the Share Options Act to acquire DO & CO shares amounting to no more than 10 % of the share capital within 18 months of the passage of the resolution. The consideration paid for the individual shares is not permitted to exceed the average price of the previous ten days of trading nor be less than half of this price. The Management Board was further authorized to withdraw DO & CO shares without having to obtain a further resolution from the General Meeting of Shareholders for doing so unless another use is determined for them in a future General Meeting of Shareholders. The Management Board exercised this right in March 2002 to acquire 750 DO & CO shares at an average price of EUR 30.41. They were recorded under shareholders' equity as of the balance sheet date with a book value of EUR 22,807.50.

The shares of DO & CO Restaurants & Catering AG have been trading in the Prime Market segment of the Vienna Stock Exchange (Wiener Boerse AG) since 1 January 2002. The majority shareholder of DO & CO Restaurants & Catering AG is Attila DOGUDAN Privatstiftung; the remaining shares are in free float (see comments on page 61 ff.).

The development of the shareholders´ equity for the business years 2000/2001 and 2001/2002 showed the following:

In TEUR	Capital stock	Capital reserves	Revenue reserves	Foreign currency translation reserve	Treasury stock	Consolidated result	Minority interests	Total
As of 31 March 2000	**11,802**	**13,081**	**2,714**	**1,288**	**-1,148**	**2,778**	**-48**	**30,467**
Consolidated result 2000/2001						1,667	-113	1,554
Dividend payments 1999/2000						-799		-799
Profit carried forward 1999/2000			1,979			-1,979		0
Currency translation				1,793				1,793
Changes in treasury stock					1,148			1,148
Other changes			11					11
As of 31 March 2001	**11,802**	**13,081**	**4,704**	**3,080**	**0**	**1,667**	**-161**	**34,174**
Consolidated result 2001/2002						1,001	-183	818
Dividend payments 2001/2002						-812		-812
Profit carried forward 2001/2002			855			-855		0
Currency translation				9				9
Changes in treasury stock					-23			-23
Other changes			-16					-16
As of 31 March 2002	**11,802**	**13,081**	**5,543**	**3,089**	**-23**	**1,001**	**-344**	**34,150**

The capital reserves contain tied-up capital reserves of TEUR 13,081 (previous year: TEUR 13,081) from capital increases in accordance with Austrian corporation law.

Besides accumulated profit reserves, the revenue reserve item contains revenue reserves in the amount of the tax investment allowances taken advantage of as recorded in the individual financial statements of domestic companies. No deferred tax reserve for these untaxed reserves was formed. Moreover, this item contains legal revenue reserves of individual companies included in the consolidated accounts as well as all revenue reserves at subsidiaries not eliminated in the course of capital consolidation. The foreign currency translation reserve as of the reporting date to be eliminated in the course of debt consolidation pertain mostly to company loans to foreign subsidiaries and were recorded under equity with no effect on profit or loss. Translation differences on the liabilities side of TEUR 9 (previous year: TEUR 1,793) were included in this adjustment item in business year 2001/2002.

Minority interests include the direct 10 % minority interest of the fully consolidated DO & CO Holdings USA, Inc. and the indirect minority interests in its subsidiaries (DO & CO New York Catering Inc., DO & CO Miami Catering, Inc.).

(8) Long-term Provisions
Schedule of Provisions as of 31 March 2002

The composition of and changes in long-term provisions as of the reporting date were as follows:

In TEUR	As of 31 March 2001	Currency changes	Changes in scope of consolidation	Consumed	Release	Allocation	As of 31 March 2002
Provisions for severance payments PBO	1,049	0	198	-74	-9	158	1,322
Provision for long-service anniversary payments PBO	571	0	97	-25	-25	94	712
Provisions for deferred tax	12	0	0	-12	0	0	0
Other provisions	745	0	1,467	-83	0	27	2,155
Total	2,377	0	1,761	-194	-34	279	4,189

The values of provisions for severance payments and for long-service anniversary payments were calculated as of the reporting date along actuarial lines in expert opinions applying the projected benefit obligation method and the same interest rate and estimated increases in remuneration payments as in the previous year, namely 4.5 % p.a. and 2 %, respectively.

Other long-term provisions include primarily expenses related to the spin off of the logistics unit and to a promise to cover losses which exceeds the existing capital share in an associated company.

(9) Other Long-term Liabilities

In TEUR	31 March 2002	31 March 2001
Trade accounts payable	1,723	1,990
Other liabilities	97	88
Deferred income	124	218
Total	1,943	2,296

Significant other long-term liabilities with a remaining term of more than one year result in an amount equal to the current market values for liabilities from finance lease agreements for movables and from the advance of a discount for a promise to take beverages. The change affecting profit/loss is effected in each case in accordance with the remaining term of the liability.

(10) Short-term Provisions
Schedule of Provisions as of 31 March 2002

In TEUR	As of 31 March 2001	Currency changes	Changes in scope of consolidation	Consumed	Release	Allocation	As of 31 March 2002
Tax provisions	3,534	0	0	-2,129	-205	1,898	3,098
Other personnel provisions	2,572	0	246	-2,742	-76	2,943	2,943
Deliveries and services not yet invoiced	350	0	0	-368	-24	380	339
Other provisions	1,563	0	185	-819	-546	6,891	7,275
Total	8,019	0	431	-6,057	-851	12,112	13,655

Provisions for personnel expenses pertain largely to provisions totaling TEUR 653 (previous year: TEUR 612) for pro rata special payments due to having a business year not coinciding with the calendar year as well as to provisions totaling TEUR 1,520 (previous year: TEUR 1,245) for vacation not yet taken as of the reporting date and to other provisions totaling TEUR 770 (previous years: TEUR 715) for performance-linked components of pay.

The other provisions resulted in the main from an obligation as of the reporting date to perform the company purchase contract involving the acquisition of all shares in K.u.K. Hofzuckerbäcker Ch. Demel's Söhne GmbH.

(11) Short-term Financial Liabilities

In TEUR	31 March 2002	31 March 2001
USD cash advance	0	5,728
Total	**0**	**5,728**

Financial liabilities totaling the USD cash advance as of the reporting date in 2000/2001 were paid back in business year 2001/2002; the interest rate averaged 5.3 %.

(12) Trade Accounts Payable and Other Short-Term Liabilities

In TEUR	31 March 2002	31 March 2001
Trade accounts payable	**6,445**	**7,321**
Amounts owed to group companies	143	0
Amounts owed to associated companies	12	0
Advance payments received on orders	807	1,280
Other liabilities	1,656	2,543
Deferred income	195	94
Total other short-term liabilities	**2,813**	**3,918**
Total	**9,258**	**11,239**

Other liabilities with a remaining term of less than one year totaled TEUR 1,656 (previous year: TEUR 2,543) and resulted primarily from amounts owed to tax authorities for value-added tax and other payroll-related taxes, from liabilities to social insurance funds and from liabilities to employees in an amount equal to current remuneration payments.

Contingent Liabilities

In TEUR	31 March 2002	31 March 2001
Guarantees	633	820

The amounts recorded pertain to bank guarantees to secure claims in connection with leases and to secure reimbursed advance tax payments in favor of the Italian fiscal authorities.

2. Notes to the Income Statement

The consolidated income statement was prepared in accordance with the cost-summary method.

(13) Sales

In TEUR	2001 / 2002	2000 / 2001
Airline Catering	44,372	41,275
International Event Catering	31,954	34,154
Restaurants & Bars	15,500	14,262
Total	**91,826**	**89,691**

Realized sales were defined for primary segment reporting in accordance with the internal report structure. Regionally, sales were divided according to the place of performance by the company of the DO & CO group ("Management Approach" in accordance with IAS 14). As regards the detailed presentation of the sales revenues, please refer to segment reporting on pages 51 and thereafter.

(14) Other Operating Income

In TEUR	2001 / 2002	2000 / 2001
Accounting gains from the disposal of fixed assets	2	1
Income from the release of provisions	670	1,336
Release of provisions for bad debts	219	31
Insurance payments	40	26
Rent income	180	283
Exchange rate differences	506	32
Other operating income	664	247
Total	**2,283**	**1,956**

(15) Costs of Materials and Services

In TEUR	2001 / 2002	2000 / 2001
Costs of materials (including goods purchased for resale)	24,030	25,302
Costs of services	5,304	6,532
Total	**29,334**	**31,834**

(16) Payroll Costs

In TEUR	2001 / 2002	2000 / 2001
Wages	21,720	19,753
Salaries	5,566	4,999
Expenses for severance payments	336	347
Expenses for legally mandated social security contributions and for related costs	6,570	6,539
Other social expenses	502	368
Total	**34,693**	**32,007**

(17) Amortization of Intangible Fixed Assets and Depreciation of Tangible Fixed Assets

In TEUR	2001 / 2002	2000 / 2001
Scheduled amortization and depreciation	5,381	4,343
Unscheduled amortization and depreciation	253	0
Total	**5,635**	**4,343**

(18) Amortization of Goodwill

In TEUR	2001 / 2002	2000 / 2001
Amortization of goodwill	1,337	1,206
Total	**1,337**	**1,206**

The recorded amortization of goodwill from the capital consolidation was calculated (pro rata) on the basis of an assumed useful life of five to nine years.

(19) Other Operating Expenses

The composition of other operating expenses was as follows:

In TEUR	2001 / 2002	2000 / 2001
Taxes other than those included under income tax	353	373
Rentals, leases, and operating costs (including airport fees and charges)	7,860	6,837
Travel and communication expense	3,051	3,647
Transport, vehicle expense and maintenance	2,854	2,895
Insurance	461	504
Legal, auditing and consulting expenses	1,618	1,687
Rest of other operating expenses	1,259	1,533
Losses on bad debts, value adjustments and other losses	572	251
Exchange rate differences	3	530
Accounting losses from the disposal of fixed assets	832	38
Other administrative expenses	769	623
Total	**19,631**	**18,918**

(20) EBIT – Operating Result

EBIT increased by TEUR 139 or 4.2 % on the previous year, rising from TEUR 3,340 to TEUR 3,479. EBIT is analyzed in detail in the Management Report (page 53 and thereafter).

(21) Financial Result

In TEUR	2001 / 2002	2000 / 2001
Result from investments		
Result from investments	-4	19
Of which from associated companies	-2	10
Total result from investments	**-4**	**19**
Result from other financial activities		
Income from other securities carried under fixed assets	15	10
Other interest received and similar income	126	472
Write downs on treasury stock	0	-392
Other interest paid and similar expenses	-1,408	-291
Total result from other financial activities	**-1,268**	**-200**
Total	**-1,271**	**-181**

(22) Extraordinary Result

In TEUR	2001 / 2002	2000 / 2001
Extraordinary expenses	541	0
Total	**541**	**0**

The business result was burdened in 2001/2002 by one-time expenses from the dissolution of an investment totaling TEUR 541 of K.u.K. Hofzuckerbäcker Ch. Demel's Söhne GmbH, which was included for the first time in the consolidated accounts.

(23) Income Tax

In TEUR	2001 / 2002	2000 / 2001
Income tax expenses	1,697	2,453
Deferred tax	-849	-843
Total	**848**	**1,610**

This item contains both the income tax paid or owed by DO & CO Restaurants & Catering AG and its individual subsidiaries and the provisions for deferred taxes.

The DO & CO group had an effective tax burden of 50.9 % (previous year: 51.0 %), i.e. defined as a ratio of total tax expenses to profit before tax. This is attributable in the year under review to the non recurrent extraordinary result. It is also attributable to the fact that in both the last two business years, there was no capitalization of deferred tax on losses in the business result of those subsidiaries whose commercial utilization was not sufficiently secured or to the fact that this item contains goodwill amortization from capital consolidation which is irrelevant to tax.

(24) Minority Interests

In TEUR	2001 / 2002	2000 / 2001
Share of annual result going to minority interests	181	118
Total	**181**	**118**

The share of the annual loss of fully consolidated companies with minority interests which goes to minority interests amounted to TEUR 181 (previous year: TEUR 118).

III. Other Information

(25) Earnings per Share

Following the stock buyback in March 2002, the number of issued shares as of 31 March 2002 totaled 1,623,250. As of the previous year's reporting date, the company had no treasury stock.

	2001 / 2002	2000 / 2001
Issued shares (number of individual shares)	1,623,250	1,624,000
Weighted shares (number of individual shares)	1,623,953	1,600,159
Earnings per share before amortization of goodwill and extraordinary result (in EUR)	**1.77**	**1.80**
Earnings per share (in EUR)	**0.62**	**1.04**

Based on the consolidated result of TEUR 1,001 (previous year: TEUR 1,667), the earnings per share amounted to EUR 0.62 (previous year: EUR 1.04). The earnings per share based on the adjusted consolidated result, i.e. on taking into account non recurring expenses and amortization of goodwill, amounted to EUR 1.77 (previous year: EUR 1.80).

(26) Proposal for Appropriation of Profit

According to the provisions of the Stock Corporation Act (AktG), the annual financial statements of DO & CO Restaurants & Catering AG as of 31 March 2002, drawn up in accordance with the Austrian commercial code, form the basis for the distribution of a dividend. These financial statements show a balance sheet profit of EUR 12,390,450.01. The Management Board therefore suggests to the General Meeting of Shareholders that a dividend of EUR 0.50 per share be distributed on the capital stock of EUR 11,802,068.26, taking into account the pro rata amount for treasury stock, and that the remaining profit be carried forward to new account.

(27) Cash-Flow Statement

The cash-flow statement was presented in accordance with the indirect method, whereby the fund of cash and cash equivalents corresponds to the cash in hand and at banks.

Income tax payments are presented separately in the cash-flow from operating activities. Incoming and outgoing interest payments were carried under current business activities. The dividend payments to shareholders of DO & CO Restaurants & Catering AG were recorded as part of the financing activities.

(28) Financial Instruments

Financial instruments are claims to payment as a result of a contractually based economic operation (IAS 32). They include what are considered "original" financial instruments, namely, trade receivables and payables and also financial receivables and financial debts. They also include derivative financial instruments used as hedging transactions to hedge currency risks and interest risks.

There were no claims or obligations arising from derivative transactions at the reporting date.

The level of the original financial instruments results from the balance sheet. The accounting principles used are indicated for the individual balance sheet items. The receivables carried as assets and reduced by value adjustments represent the maximum solvency and default risk. The credit risk arising from the investment of cash and cash equivalents and securities is slight since the securities carried as fixed assets are exclusively from Austrian companies and the contractual partners all have excellent credit ratings. The recorded book values for cash and cash equivalents, short-term investments and short-term receivables and liabilities correspond in the main to the current market values due to the short maturities involved. Insignificant price risks exist only in the fixed-interest securities carried as fixed assets. There were no financial debts as of the reporting date, and virtually all of the other receivables and liabilities resulting from operations had a remaining term of less than one year. Consequently, there is no interest risk of material significance.

Currency risks exist in all cases in which receivables and liabilities are invoiced in a currency other than the local currency of the company. The company strives to use the foreign currency in internal group deliveries and services as a counter-balance to minimize the currency risk as long as no closed foreign exchange positions arise when receivables in a foreign currency are offset against liabilities equivalent as regards term and amount in the same currency.

The US dollar is the main source of currency risks in respect of trade receivables, with a share of 14 % (previous year: 20 %); the British pound accounted for 3 % of these risks (previous year: 2 %). The US dollar also accounts for 21 % (previous year: 25 %) of the currency risks in respect of trade payables. Investments at any given group company are made almost exclusively within that company's own currency area so that no currency risks are posed in this respect.

(29) Subsequent Events

Events occurring after the reporting date which are significant to the valuation on the balance sheet date, e.g. pending legal cases, claims for damages and other obligations or threats of losses, and which are required to be posted to the accounts or divulged in accordance with IAS 10 (Events after the Balance Sheet Date), were taken into account in the consolidated financial statements of DO & CO Restaurants & Catering AG or are unknown.

DO & CO Restaurants & Catering AG purchased a further 13,516 shares of stock at a market value of EUR 430,432.14 (average price about EUR 31.85) up to the date at which the financial statements were completed.

The company in Spain that was still in the process of being founded as of the balance sheet date was established and given the name “DO & CO Restauración & Catering España, S.L.”.

Information on Corporate Boards and Employees

The average number of employees was as follows:

	2001 / 2002	2000 / 2001
Workers	777	706
Salaried employees	137	129
Total	914	835

Another 229 people worked on a part-time basis for the company (previous year: 282).

The following individuals served as members of the corporate boards of DO & CO Restaurants & Catering AG in business year 2001/2002:

Management Board: Attila DOGUDAN, Vienna, Chairman
Michael DOBERSBERGER, Vienna
Franz KUBIK, Langenzersdorf, starting 1 December 2001
(entered in the Commercial Register on 9 January 2002)

The emoluments for the members of the Management Board in the year under review totaled TEUR 395 (previous year: TEUR 357).

Supervisory Board: 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, 24 May 2002

Management Board:

Franz Kubik

Attila Dogudan

Michael Dobersberger

Significant Differences

Between Austrian Accounting Standards and International Accounting Standards (IAS)

Goodwill from the capital consolidation: The Austrian Commercial Code allows offsetting with reserves with no effect on profit and loss while IAS 22 requires goodwill to be capitalized and amortized over its expected life.

Deferred tax: According to IAS, deferred tax must be shown in the balance sheet for all temporary differences between the balance sheet as prepared in accordance with tax law and the balance sheet as prepared in accordance with IAS, with the currently valid tax rate applied. In deviation from Austrian commercial law, IAS also requires that deferred tax be shown under assets for tax losses carried forward if they can be utilized for future taxable profits.

Other provisions: The Austrian Commercial Code bases these on the principle of business prudence and caution whereas IAS relies on the determinability of the payment obligations to be provided for and the degree of probability of their occurrence.

Personnel provisions: According to IAS, personnel provisions (severance payment provisions, provisions for long-service anniversary bonuses) are calculated according to the project benefit obligation method based on the current capital market interest rate and taking into account future rises in pay. Austrian commercial law, for its part, uses the "part value" method applying an imputed interest rate of usually 4 %.

Sale of available financial assets: According to the Austrian Commercial Code, short-term financial assets are to be valued at the market value, at most however at the cost of acquisition. IAS calls for the market values to be applied.

Valuation of foreign currency items: Receivables and liabilities in foreign currency are always valued at the reference date rate as of the balance sheet date so that every fluctuation in the currency is recorded in a way that affects profit/loss. This differs from the Austrian Commercial Code which requires that only non realized losses be shown in the balance sheet in accordance with the imparity principle. Translation differences from debt consolidation in conjunction with loans within the group are taken into account in accordance with IAS as non realized exchange rate gains or losses and recorded under equity in a way that does not affect profit/loss.

Extraordinary result: According to IAS, the only profits or losses to be recorded as an extraordinary result are ones which clearly differ from the ordinary business activities and which are not likely to occur frequently or regularly.

Extended disclosure obligation: Under IAS, the items in the balance sheet, income statement, cash-flow statement and the changes in equity must be explained in detail in the notes. Further information obligations exist in particular with regard to the business segments and derivative financial instruments.

Schedule of Changes in Fixed Assets

As of 31 March 2002

In TEUR	As of 31 March 2001	Addition to scope of consolidation	Translation differencies	Additions Reclassifications	Disposals Reclassifications	As of 31 March 2002
	COST OF ACQUISITION					
I. Intangible assets						
1. Industrial property rights and similar rights and benefits including licenses deriving from them	599	2,450	0	43	2	3,091
2. Goodwill	6,209	0	0	2,664	856	8,017
	6,809	**2,450**	**0**	**2,707**	**858**	**11,109**
II. Tangible assets						
1. Land and buildings including buildings on third-party land	30,044	2,251	206	723	306	32,918
2. Plant and machinery	5,771	883	6	319	12	6,968
3. Other production-plant and office equipment	14,842	2,246	42	1,110	401	17,839
4. Payments on account and assets in course of construction	255	1	3	50	0	309
	50,911	**5,381**	**256**	**2,203**	**718**	**58,034**
III. Investments						
1. Investments in group companies	0	0	0	35	0	35
2. Investments in associated companies	10	0	0	0	2	8
3. Securities held as long-term investments	271	87	0	71	0	430
4. Other loans	0	0	0	3	0	3
	281	**87**	**0**	**109**	**2**	**475**
Total	**58,002**	**7,919**	**256**	**5,019**	**1,578**	**69,618**

ACCUMULATED AMORTIZATION/DEPRECIATON						BOOK VALUE	
As of 31 March 2001	Change in scope of consolidation	Translation differencies	Depreciation/ amortization during the year	Disposals	As of 31 March 2002	As of 31 March 2002	As of 31 March 2001
382	1,746	0	224	2	2,350	741	218
3,994	0	0	1,337	43	5,288	2,729	2,215
4,376	**1,746**	**0**	**1,561**	**44**	**7,638**	**3,470**	**2,433**
3,928	1,788	8	1,766	306	7,184	25,735	26,116
2,982	728	1	959	9	4,661	2,307	2,790
6,679	1,372	7	2,685	376	10,367	7,472	8,163
0	0	0	0	0	0	309	255
13,588	**3,887**	**15**	**5,410**	**690**	**22,211**	**35,823**	**37,323**
0	0	0	0	0	0	35	0
0	0	0	0	0	0	8	10
2	7	0	0	0	9	421	270
0	0	0	0	0	0	3	0
2	**7**	**0**	**0**	**0**	**9**	**467**	**280**
17,966	**5,640**	**15**	**6,971**	**735**	**29,858**	**39,760**	**40,036**

Auditor's Opinion
and Auditor's Report

To the Management Board of DO & CO Restaurants & Catering AG

We have audited the consolidated financial statements as of 31 March 2002 of DO & CO Restaurants & Catering AG, consisting of balance sheet, income statement, cash-flow statement and notes. The Company's management is responsible for the preparation and content of these consolidated financial statements. Our responsibility is to express an opinion on these financial statements based on our audits. Some of the sets of financial statements of subsidiaries included in the consolidated financial statements were audited by other auditors. Our opinion as regards these subsidiaries is based exclusively on the confirmations by these other auditors.

We have conducted our audits in accordance with the International Standards on Auditing of the International Federation of Accountants (IFAC) and in accordance with generally accepted standards in Austria for properly auditing financial statements. These standards require that we plan and perform the audit of the consolidated financial statements to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, the consolidated financial statements present a true and fair view in all material respects of the assets and financial position of DO & CO Restaurants & Catering AG as of 31 March 2002 and of its earnings and cash-flow for the financial year 2001/2002 and comply with International Accounting Standards (IAS), with the particularity that the information relating to segment reporting in accordance with IAS 14 deviates from the provisions of the standards in that it is only conditionally possible to furnish this information due to the fact that the individual companies conduct operating activities in more than one segment.

In accordance with the provisions of Austrian commercial law, there is an obligation to audit the Management Report on the group and to determine whether the legal requirements for exemption from preparing consolidated financial statements in accordance with Austrian law are met. We confirm that the legal requirements for exemption from the obligation to prepare consolidated financial statements and Management Report on the group in accordance with Austrian commercial law are met. The consolidated financial statements and the Management Report on the group are in conformity with the Seventh EC Directive.

Vienna, 30 May 2002

CENTURION
Wirtschaftsprüfungs- und SteuerberatungsgmbH
Member Firm of PKF International

Irene Linsbauer mp　　　　Christian Hofer mp
Certified Public Accountants and Tax Consultants

FINANCIAL STATEMENTS 2001 / 2002
of DO & CO Restaurants & Catering AG
in accordance with the Austrian Commercial Code

Balance Sheet as of 31 March 2002

of DO & CO Restaurants & Catering AG

ASSETS in TEUR	31 March 2002	31 March 2001
Intangible assets	36	60
Tangible assets	270	240
Investments	32,652	9,179
Fixed assets	**32,957**	**9,479**
Trade accounts receivable	72	687
Receivables from group companies	14,782	44,510
Receivables from associated companies	0	6
Other receivables and assets	1,573	883
Receivables and other assets	**16,427**	**46,086**
Marketable securities	**23**	**0**
Cash and checks in hand, cash at banks	**14**	**1**
Current assets	**16,464**	**46,087**
Prepaid expenses and deferred charges	**5**	**4**
Total assets	**49,426**	**55,570**

LIABILITIES in TEUR	31 March 2002	31 March 2001
Capital stock	11,802	11,802
Capital reserves	13,081	13,081
Revenue reserves	65	65
Treasury stock	23	0
Retained earnings	12,390	8,478
Shareholders' equity	**37,362**	**33,425**
Untaxed reserves	**34**	**34**
Provisions for severance payments	254	223
Provisions for taxes	2,449	2,210
Other provisions	3,513	2,083
Provisions	**6,216**	**4,515**
Bank loans and overdrafts	0	5,728
Trade accounts payable	357	619
Accounts payable to group companies	5,280	10,844
Accounts payable to associated companies	12	0
Other liabilities	165	404
Liabilities	**5,814**	**17,596**
Total Shareholders' equity and liabilities	**49,426**	**55,570**
Contingent liabilities	**2,311**	**2,346**

Income Statement

for Business year 2001 / 2002
of DO & CO Restaurants & Catering AG

in TEUR	2001 / 2002	2000 / 2001
Sales	**5,742**	**5,360**
Other operating income	806	712
Costs of materials and services	-314	-227
Payroll costs	-4,577	-4,074
Amortization and depreciation	-151	-126
Other operating expenses	-1,531	-2,568
Operating result	**-26**	**-924**
Income from equity interests	7,164	6,835
Income from other securities	3	2
Other interest and similar income	1,073	1,370
Expenses from investments and marketable securities	-77	-441
Interest and similar expenses	-2,265	-678
Financial result	**5,898**	**7,089**
Result from ordinary business activities	**5,872**	**6,165**
Taxes on income	-1,124	-1,098
Result after income tax	**4,748**	**5,066**
Write-back of reserve for treasury stock	0	1,148
Allocation to untaxed reserves	0	-11
Allocation to reserve for treasury stock	-23	0
Annual result	**4,725**	**6,203**
Profit carried forward from previous year	7,666	2,275
Retained earnings	**12,390**	**8,478**

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

Proposal for Appropriation of Profit

According to the provisions of the Stock Corporation Act (AktG), the annual financial statements of DO & CO Restaurants & Catering AG as of 31 March 2002, drawn up in accordance with the Austrian commercial code, form the basis for the distribution of a dividend. These financial statements show a balance sheet profit of EUR 12,390,450.01. The Management Board therefore suggests to the General Meeting of Shareholders that a dividend of EUR 0.50 per share be distributed on the capital stock of EUR 11,802,068.26, taking into account the pro rata amount for treasury stock and that the remaining profit be carried forward to new account.

Vienna, 24 May 2002
Management Board of DO & CO Restaurants & Catering AG

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Glossary of Key Figures

EBITDA Margin
EBITDA (earnings before interest and tax plus depreciation and amortization) divided by sales

EBIT Margin
EBIT (earnings before interest and tax) divided by sales

ROS - Return on Sales
Stands for Return on Sales and is the ratio of the result on ordinary activities to sales

Net Debts
Interest-incurring debt minus cash and cash equivalents

Gearing Ratio
Shows the relationship between net debts and equity

ROE - Return on Equity
Is the ratio of result after income tax before amortization of goodwill and result from extraordinary activities to common equity after dividend distribution

Capital Employed
Equity plus borrowed capital and net debts and less financial investments

ROCE - Return on Capital Employed
Shows return on capital invested by juxtaposing EBIT before amortization of goodwill and extraordinary result and less the adjusted taxes with the average capital employed

Free Cash-Flow
Cash from operating activities plus cash from investing activities

Working Capital
Is the net surplus of current assets in excess of short-term borrowed capital

Equity Ratio
Shows the relationship of equity capital to total capital

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